Llywodraeth Cymru
Welsh Government

Welsh Government Integrated Impact Assessment Record

Creating a Social Care Negotiating Body for Wales

VERSION 4 – JULY 2026

Proposal summary

The proposal is to establish a Social Care Negotiating Body (SCNB) for Wales to negotiate a legally enforceable Fair Pay Agreement for social care workers. The agreement would set minimum standards for pay, terms and conditions, and wider employment matters through sectoral collective bargaining between trade unions and employers. Its intended outcomes are to empower workers, strengthen social partnership and trade union representation, improve recognition and reward for social care work, and support better productivity and living standards. The proposal may affect social care workers, employers, trade unions, local authorities, Welsh Government, service providers and, indirectly, people who use social care services.

Well-being of Future Generations Act questions

1. **How have the five ways of working shaped the development and implementation of this policy or legislation?**

   The proposal is designed as a long-term response to persistent workforce challenges in social care, including low pay, recruitment and retention pressures, and the need for greater recognition of the role of the workforce. The policy builds on work, including the Real Living Wage and the work of the Social Care Fair Work Forum, to establish a statutory mechanism for negotiating enforceable minimum standards on pay, terms and conditions.

   Collaboration and involvement have been central to the policy's development. The proposals were informed by the Social Care Fair Work Forum, which includes trade unions, employer representatives, local government and Welsh Government, and by public consultation on the development of a Social Care Negotiating Body for Wales (SCNB). The consultation sought views from social care workers, employers, representative bodies, trade unions, local authorities, providers and individuals, and the responses have shaped key aspects of the proposed model, including the structure of the SCNB, worker and employer representation, the role of Welsh Government, local government and commissioners, and the need for clear guidance and communications.

   The policy also reflects integration by considering the links between fair pay, workforce wellbeing, service sustainability, commissioning, funding, equality, Welsh language considerations and the quality and continuity of care for people who use services. The proposed remit of the SCNB will allow negotiations to consider pay and core terms and conditions initially, while also enabling wider workforce matters, such as training, career progression, wellbeing, organisational culture and recruitment and retention, to be considered where supported by evidence and resources.

   The implementation approach reflects the five ways of working by setting out a phased timetable for establishing the SCNB, appointing members, beginning negotiations and implementing the first Fair Pay Agreement from 2028. It also recognises the need to learn from the Real Living Wage policy, particularly around funding transparency and assurance, and to continue assessing affordability, deliverability and potential unintended consequences

for employers, commissioners, self-funders, workers and people receiving care.

2. **Who have you collaborated with and involved when developing the proposal, and to understand its impacts, including on people, households, public bodies, businesses and the third sector (e.g. through engagement with relevant stakeholders or public consultation?)**

   The powers enabling the establishment of the SCNB stem from the UK Government's Employment Rights Act 2025 ("the 2025 Act") and Royal Assent on 18 December 2025. It provides Welsh Ministers with powers to establish the SCNB and the process for reaching a Fair Pay Agreement (FPA). The Welsh Government considers the provisions provided to it to be the most coherent and effective way to deliver this aim, supporting greater consistency in workforce rights and protections for the social care workforce across the UK nations.

   The Welsh Government developed the proposal through existing social partnership arrangements, including the Social Care Fair Work Forum and the Social Care Workforce Partnership. A formal eight-week public consultation was also held on the development of a SCNB for Wales. The consultation received 63 responses from social care workers, individuals, providers, trade unions, representative bodies, local authorities, a regulator and a charity. This helped Welsh Government understand the potential impacts on workers, employers, commissioners, public bodies, businesses, the third sector, people who receive care, including self-funders and unpaid carers.

   Welsh Government also held webinars and attended stakeholder-led meetings to explain the proposals, answer questions and gather further views. Stakeholders raised issues including representation, affordability, commissioning, provider sustainability, implementation, workforce scope, Welsh language, equality and potential impacts on people using or paying for care. The responses have shaped the proposed model, including the structure and membership of the SCNB, the advisory roles for Welsh Government and local government, and the need for clear guidance and communications. Welsh Government will continue to involve relevant partners through the development of regulations, impact assessments, guidance and implementation arrangements.

3. **How does the policy contribute to sustainable development and long-term well-being outcomes?**

   The immediate impact of this proposal is the establishment of the SCNB. The longer-term impacts described below will depend on the content of any future FPA.

   The establishment of the SCNB to negotiate an FPA contributes to sustainable development by taking a long-term approach to improving pay, terms and conditions in social care, with the aim of supporting a more stable, valued and sustainable workforce. By establishing a statutory Social Care Negotiating Body and Fair Pay Agreements, the policy is intended to help

prevent ongoing workforce pressures, including recruitment and retention challenges, from worsening and affecting the quality and continuity of care. It could support long-term well-being outcomes by seeking to improve living standards for social care workers, many of whom are in lower-paid roles, while also contributing to fair work, reduced inequality and a stronger foundational economy. However, this will depend on what is eventually negotiated, how it is funded and implemented.

The proposal also supports integration across well-being goals by linking workforce pay and conditions with service sustainability, commissioning, equality, Welsh language considerations and the well-being of people who receive care. Over time, a better supported workforce could help improve the resilience of social care services and may contribute to healthier, more equal and more cohesive communities in Wales.

4. **What are the key impacts (positive, negative, and opportunities) across each of the seven well-being goals?**

A prosperous Wales: Establishing an SCNB to deliver FPAs has the potential to have a positive impact by improving pay, terms and conditions for social care workers, supporting fair work, boosting living standards and helping recruitment and retention in a key foundational economy sector. There may also be an opportunity to strengthen workforce sustainability and productivity, although affordability and provider sustainability will need to be managed carefully, particularly for smaller providers and the voluntary sector.

A resilient Wales: The establishment of the SCNB is not expected to have a significant direct environmental impact. However, a more stable social care workforce may support the wider resilience of communities and services, particularly where care services are under pressure.

A healthier Wales: Improved pay and employment conditions could support the well-being of social care workers and help improve continuity and quality of care for people who rely on services. A more stable and sustainable care service could also have wider system benefits, including potentially supporting NHS objectives around discharge and receive care closer to home.

A more equal Wales: The SCNB and subsequent FPAs have the potential to reduce inequality by improving outcomes for a largely lower-paid workforce and by supporting greater consistency in pay and terms across the sector. Consultation responses identified likely positive impacts for groups with protected characteristics, including women, older workers and ethnic minority workers, although impacts on self-funders, disabled people, older people receiving care and unpaid carers will need continued assessment once the FPAs are implemented.

A Wales of cohesive communities: A more stable and valued social care workforce could support continuity of care, local service resilience and community well-being. There is an opportunity to strengthen relationships between workers, employers, commissioners and government through social partnership.

A Wales of vibrant culture and thriving Welsh language: The proposal could support Welsh-speaking communities by helping retain social care workers, including

Welsh-speaking staff, particularly in rural and Welsh-speaking areas. There is an opportunity for guidance, workforce planning and future negotiations to support Welsh language provision and the principles of 'More Than Just Words', while ensuring Welsh is treated no less favourably than English.

A globally responsible Wales: The proposal aims to support responsible government by promoting fair work, social partnership and sustainable public services in Wales. It also provides an opportunity to demonstrate a preventative, long-term approach to workforce policy, while ensuring affordability, transparency and value for money are considered before Fair Pay Agreements are implemented.

5. **What evidence, including reports under the Act, has informed the policy, and how will it support ongoing decision-making?**

The policy has been led by the UK Government, however, the development of proposals for Wales has been informed by Welsh Government principles of collaboration and social partnership through a combination of statutory context, stakeholder evidence and wider well-being considerations under the Well-being of Future Generations Act. Evidence includes the consultation on the development of a SCNB, responses from workers, providers, trade unions, representative bodies, local authorities and other stakeholders, and engagement through webinars and stakeholder-led meetings. It has also been informed by existing social partnership work through the Social Care Fair Work Forum and its development of the Pay and Progression Framework, the Social Care Workforce Partnership, and learning from the Real Living Wage policy and its independent evaluation.

Wider evidence on affordability, commissioning, workforce sustainability, equality, Welsh language impacts, self-funders, unpaid carers and provider sustainability will continue to inform future regulations, remit letters, impact assessments and implementation guidance. Reports and duties under the Well-being of Future Generations Act, including the seven well-being goals and five ways of working, will support ongoing decision-making by ensuring the policy remains focused on prevention, long-term workforce sustainability, collaboration, involvement and integration across social care, health, local government and wider public service outcomes.

The evidence base will continue to develop as implementation progresses, particularly in relation to affordability, provider sustainability, impacts on self-funders and the longer-term workforce outcomes associated with Fair Pay Agreements.

Summary of Impact Assessments for this proposal

The impacts outlined below reflect the potential longer-term effects of establishing the SCNB and any subsequent FPAs. The nature and scale of impacts will depend on future negotiated outcomes and implementation arrangements.

Mandatory publication (if the Impact Assessment is required)

Equality Impact Assessment

Completed: **Yes**

Published: **Yes**

Children's Rights Impact Assessment

Completed: **Yes**

Published: **Yes**

Health Impact Assessment

Completed: **Yes**

Published: **Yes**

Other Impact Assessments

Welsh Language Impact Assessment

Completed: **Yes**

Data Protection Impact Assessment Screening

Completed: **Yes**

Biodiversity Impact Assessment

Completed: **Yes**

Rural Proofing Impact Assessment

Completed: **Yes**

Sustainable Land Management Impact Assessment

Completed: **Yes**

Carbon Impact Assessment

Completed: **Yes**

Duty of Quality (Health) Impact Assessment

Completed: **Yes**

Socio-economic Impact Assessment

Completed: **Yes**