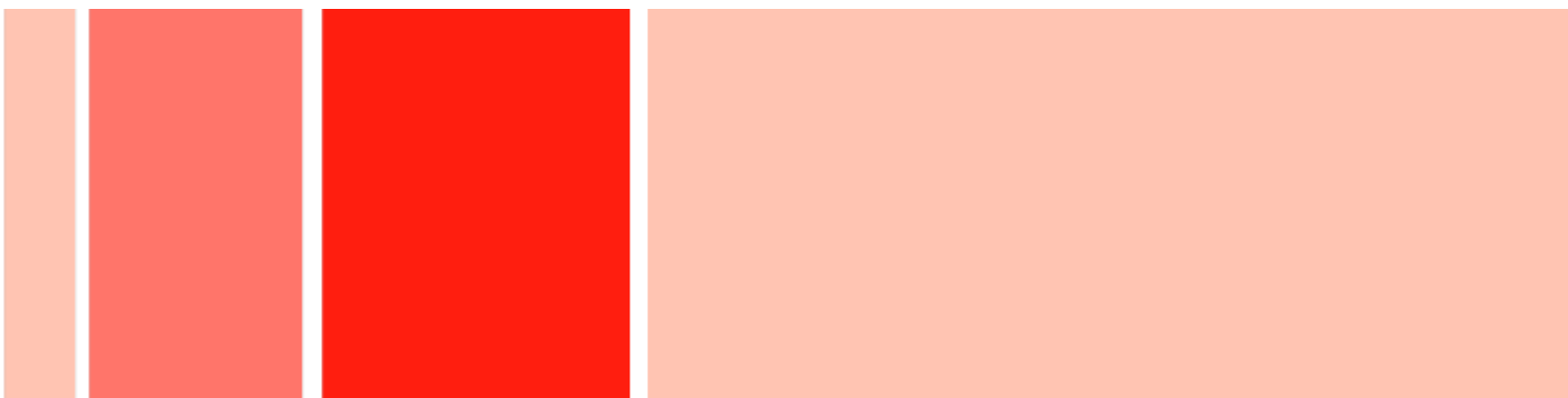


Social research number: 102/2025

Publication date: 22/10/2025

## Real living wage for social care workers: process evaluation



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This document is also available in Welsh.

# Real living wage for social care workers: process evaluation

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Full Research Report: Webster, L. et al (2025). Real living wage for social care workers: process evaluation. Cardiff: Welsh Government, GSR report number 102/2025.

Available at: <https://www.gov.wales/real-living-wage-social-care-workers-process-evaluation>

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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## **Glossary**

### **National Living Wage (NLW)**

The NLW is the minimum wage for those aged 21 and over (as of 2024). Rates change every year on 1 April. At the time of writing (August 2024) the NLW is currently £11.44. In the year prior, the NLW was £10.18 for those aged 21 to 22 and £10.42 for those aged 23 and over.

### **Real Living Wage (RLW)**

The RLW is an hourly rate of pay calculated by an independent body, called the Living Wage Commission. It is based on the cost of living and is paid voluntarily by employers.

The RLW is updated annually and there is an expectation that employers who commit to it should implement the new hourly rate within six months of the annual announcement. The RLW was increased to £10.90 in September 2022 and raised again to £12.00 in October 2023 (excluding London, which has a higher rate).

### **Revenue Support Grant (RSG)**

The RSG is funding provided to each local authority to spend on key services, such as social care, and is distributed according to a needs-based formula.



# 1. Introduction and background

## 1.1 Overview

The Welsh Government commissioned Cordis Bright to conduct an independent evaluation of its policy commitment to paying social care workers in Wales the Real Living Wage (RLW). This evaluation includes the development of a Theory of Change, a process evaluation, and an impact evaluation.

This report presents findings from the **process evaluation** of the RLW policy, assessing the effectiveness of the implementation. It also includes analysis of evidence regarding early outcomes and recommendations for future improvements.

The baseline report, including a rapid evidence review and the Theory of Change for the policy is available here: <https://www.gov.wales/evaluation-real-living-wage-social-care-wales>

The impact evaluation report will be available in 2025.

## 1.2 Paying the RLW to social care workers

The RLW is an hourly pay rate determined by the Living Wage Commission. It is different from the National Living Wage (NLW), the United Kingdom's Government-mandated minimum wage for 21-year-olds and over, as it exists to better reflect the cost of living. It is paid voluntarily by those employers who choose to opt-in to the scheme. The RLW is updated and announced annually in October, with an expectation that employers who commit to it should implement the new rate within six months of its annual announcement.

In October 2023, the new RLW for 2023/24 was announced as £12.00 per hour across the United Kingdom, excluding Greater London, where a higher rate applies.

Paying social care workers across Wales the RLW was a key commitment in the Programme for Government 2021-26, in alignment with the Wellbeing of Future Generations (Wales) Act 2015 (Morgan, 2021; Welsh Government, 2024a; Welsh Government, 2023, please see [the references section](#)). The policy was introduced to reflect a widely recognised need to pay social care workers better and it fits into a wider policy agenda in Wales that is concerned with fair work ([Fair Work Commission, 2019](#)). The Welsh Government's Fair Work policy agenda is primarily driven by the principles of ensuring workers are fairly rewarded, represented, and secure within a healthy and inclusive working environment, where rights are respected.

The Welsh Government pledged to provide the additional financial resources needed to ensure all social care workers receive at least the RLW from April 2022 onwards ([Welsh Government, 2024a](#)). This additional funding commitment intends to cover the difference between the NLW rate for the financial year and the RLW rate announced in the previous financial year. The funding also includes a contribution towards the cost of maintaining salary differentials between social care workers and social care managers ([Welsh Government, 2024a](#)).

The policy applies to all social care workers registered with Social Care Wales, in care homes and domiciliary care across both adult and children's services, and registered domiciliary care workers in supported living settings ([Welsh Government, 2024a](#)). This includes social care workers employed in services which are commissioned or receive any funding from local authority or health board contracts, as well as those in services fully funded by service users.

The policy also applies to all personal assistants funded through direct payments (DPs) ([Welsh Government, 2024a](#)).

A Theory of Change was produced for the RLW policy and can be seen in [Annex A](#).

### **1.3 About the process evaluation**

The aim of the process evaluation was to review how the RLW policy has been implemented, the effectiveness of the implementation of the RLW, and identify factors that have helped or hindered its effectiveness, as well as possible positive and negative unintended consequences.

The process evaluation examined the policy's implementation during the first year of the policy, April 2022 to March 2023, and from the second year and into the start of the third year of the policy from April 2023 to June 2024, when data collection for this evaluation ended.

The objectives of the process evaluation were to:

- assess how effective the implementation of the RLW has been in reaching the different types of eligible social care workers, including identifying facilitators and barriers
- consider the different mechanisms of delivery of the RLW and the level of consistency of approach, for example across LAs and HBs
- identify areas of good practice
- identify unintended consequences of implementing the RLW
- recommend improvements in the management and implementation of the RLW

The process evaluation involved:

- interviews with 11 national strategic stakeholders. Key areas for discussion included progress of the implementation of the policy so far, including how effective progress has been, and any factors that have enabled or inhibited progress
- four regional workshops with 21 social care commissioning staff members from local authorities and health boards. Key areas for discussion included how the policy is being implemented, and what are the expected impacts and unexpected consequences for social care workers and the wider system

- four regional workshops with representatives from 19 care providers. Key areas for discussion included how the costs of the policy were identified and calculated, the funding for the policy, changes organisations have had to make and the effect of the policy
- an online survey with DP recipients, who use their payment to fund a personal assistant. Key question topics included awareness of the policy, what their personal assistant was paid and if this had been increased due to the policy, and what effect the policy has had
- implementation data and documentation, including data from monitoring forms and data extracted from job advertisements

A full description of the methods is in Chapter 2. This includes details regarding sampling and quality.

## **1.4 Structure of the report**

The structure of the report is as follows:

- Chapter 2. Methodology: how data was collected and from which stakeholder groups
- Chapter 3. Implementation of RLW for social care workers: how the policy was planned to be delivered and how it has been delivered
- Chapter 4. How effectively has the policy been implemented: how effective the policy has been at reaching social care workers, and what has facilitated or inhibited that reach
- Chapter 5. Emerging evidence of outcomes and unexpected consequences: what outcomes and unexpected consequences the policy has had on social care workers and the wider sector
- Chapter 6. Conclusion and recommendations: the conclusions and recommendations for the management and implementation of the policy going forward.

## **2. Methodology**

### **2.1. Data collection**

A mixed-methods approach was taken to data collection. This approach was taken as it allowed for a more nuanced understanding, and the integration and triangulation of both qualitative and quantitative data. The methods involved:

- interviews with 11 national strategic stakeholders
- four regional workshops with 21 care commissioners from local authorities and health boards
- four regional workshops with representatives from 19 care providers
- an online survey with 276 DP recipients, who use their payment to fund a personal assistant
- implementation data and documentation, including data from monitoring forms and data extraction from job advertisements.

#### **2.1.1 Interviews with 11 national strategic stakeholders**

Interviews were conducted between February and March 2024 with 11 stakeholders, each of whom held a position providing a national perspective on the development and implementation of the RLW policy. The Welsh Government were asked to nominate stakeholders who they felt could provide this national perspective from different key organisations. Stakeholders interviewed included representatives from:

- Care Forum Wales
- Children's Commissioning Consortium Cymru
- National Commissioning Board
- Unison trade union
- Welsh Government
- Welsh Local Government Association

#### **2.1.2 Workshops with care commissioners from local authorities and health boards**

Workshops with care commissioners were conducted online in May 2024. Four workshops were conducted in total, divided regionally into one each for North, Mid, South East and South West Wales, with the aim for representation of each local authority and health board.

Care commissioners from all 22 local authorities and seven health boards across Wales were invited to attend their regional workshop.

The topics within the discussion guide for the care commissioner workshops included:

- why the RLW policy is needed
- the expected outcomes for social care workers and the wider system
- the expected impact of the policy
- how the RLW policy is being implemented

Across the four workshops a total of 21 care commissioners attended, including 17 care commissioners representing 15 out of 22 local authorities, and four care commissioners representing three out of seven health boards.

### **2.1.3 Workshops with care providers**

Workshops with care providers were conducted online in May 2024. All local authorities were asked to complete a form to nominate seven providers (two residential or nursing home providers for older adults; one residential or nursing home provider for working age adults; one children's home provider; one children's family centre provider; and two domiciliary care or supported living providers) in their local authority areas who they thought would be willing to participate. Local authorities were asked to nominate these provider types as they represent the archetypes of social care across Wales.

In total, 16 local authorities returned provider nominations; and, as some local authorities provided more than the seven nominations, this totalled to 142 nominations (with duplicate nominations removed).

The topics within the discussion guide for the care provider workshops included:

- identifying and calculating the cost of RLW
- funding of the RLW
- changes to accommodate paying the RLW
- looking forward
- early impacts of the RLW

Four workshops were conducted in total, and these were divided into North, South West and two Mid and South East combined workshops, as there were more nominations for the South East and fewer for Mid Wales. All nominated providers were invited to their regional workshop(s) (corresponding to the region of the local authority who nominated them) and offered the opportunity to sign-up on a first-come; first served basis, with maximum participation of 12 per focus group. A minimum of one spot per provider type was also reserved.

A total of 19 representatives from 19 care providers attended across the workshops. Representatives were those who held senior leadership roles, such Directors, Responsible Individuals, or Registered Managers, or roles involved in operations, contracting, or accounting.

The mix of providers who attended included: five residential or nursing care for older adults, three residential or nursing care for working age adults, seven supported living or domiciliary care, two children's family centres, and two children's homes.

### **2.1.4 Survey with direct payment recipients**

An online survey was designed for individuals receiving DP or those appointed to manage a DP on behalf of others. The survey aimed to capture DP recipients' awareness and experiences with the RLW policy and assess the impact of the RLW policy in a single

questionnaire, minimising the participation burden. It included a mix of multiple-choice and open-ended questions, allowing respondents to provide additional details if they wished.

The survey questions asked DP respondents about:

- if they used a DP to pay a personal assistant, and if this was for themselves or someone else who they manage the direct payment on behalf of
- their awareness of the RLW policy
- why and how much they receive in their DP
- how many hours of support they receive from personal assistants and how much they pay their personal assistants
- if they had changed their personal assistants pay since the RLW policy had started.
- any impact they think the RLW policy has had on the quality and number of hours of care they receive from personal assistants, and the ease and quality of recruiting personal assistants

The survey was piloted by a contact at one of the local authorities who dealt with DPs. From this, only minor typographical errors were noted, which were changed accordingly, and no major changes were suggested.

All 22 local authorities were asked to distribute the survey to DP recipients, and 15 local authorities confirmed that they had distributed the survey. The survey was administered via SmartSurvey and could be completed in both English and Welsh, with telephone support available from the evaluation team for those needing assistance.

The survey was open from 1st May 2024 to 30th June 2024. In total, 276 people completed the survey.

### **2.1.5 Monitoring form data**

To help understand the implementation of the policy, monitoring information covering April 2022 to April 2023 was reviewed. This information was collected by the Welsh Government via monitoring forms completed quarterly by local authorities and health boards during the first year of implementation.

The Welsh Government were unable to share the completed forms with Cordis Bright due to confidentiality, and therefore instead shared four summary presentations of the data from each quarter of the first year of implementation. These quarterly presentations summarised increases in commissioning rates, strengths and weaknesses of the information collected, and challenges with implementation.

The forms were not always returned by every local authority and health board. Additionally, certain questions routinely resulted in incomplete or estimated implementation data. These forms described:

- how much funding had been passed to providers for uplifts to the RLW
- how many providers were eligible to receive an uplift to their fees in order to pay their employees the RLW

- and how many providers had uplifted their employee's salary as a result of funding provided by Welsh Government to implement the RLW

Additionally, after the first year the completion of monitoring forms dropped drastically. In response to these challenges, the Welsh Government organised a workshop in December 2023 with local authorities and health boards to explore more effective monitoring approaches. Learning from this workshop identified that a more in-depth piece of work was needed, which the formal independent evaluation in this report would do. Therefore, it was decided to hold on any further monitoring by the Welsh Government until this evaluation was undertaken and recommendations were made.

### **2.1.6 Job advert data**

To compliment the review of monitoring data, a review of job advertisements was undertaken to understand the implementation of the policy by the advertised hourly rate of pay for social worker roles.

The WeCare.Wales webpage was used to find advertisements for social care worker roles. A long list was compiled of live job adverts from the WeCare.Wales webpage, which were active between 19-20th June 2024, that were believed to be eligible for the RLW. The primary criterion used to assess eligibility was whether the role required registration with Social Care Wales ([Social Care Wales, 2024](#)). However, many job adverts did not specify this requirement, and some lacked detailed information.

The Welsh Government and Cordis Bright agreed to include all job adverts in the sample unless there was a valid reason for exclusion, such as the role being ineligible according to government guidance or being a senior position (e.g., a senior care assistant), which would typically be above the RLW.

114 job adverts out of 404 that were live between 19-20th June 2024 were identified as potentially eligible for the RLW. Data was extracted from all these adverts, and the hourly rate of pay could be determined or calculated for 91 of them.

## **2.2 Analysis**

### **2.2.1 Quantitative data analysis**

Data collected via the DP recipient survey was analysed in Excel, to understand how many recipients were paying the RLW to their personal assistant, if not why not, and if they were paying the RLW, was this as a result of the policy. Data collected from the job advert data was also analysed in Excel, to understand how many organisations were advertising roles paying RLW to care workers as a minimum, or within their scale of pay.

### **2.2.2 Qualitative data analysis**

The qualitative evidence captured through interviews and workshops with stakeholders was analysed thematically by a designated team member who identified key themes, commonalities, and divergences in responses. This was an iterative process, using initial data collected to establish themes, and using these themes to continue to examine further

data. In effect this allows for constant comparison of the themes and ensures that any theories or judgements are closely linked to the data that they are developed from. This was then scrutinised, challenged and reviewed by the wider research team (all of whom have access to the original data). Open text responses in the DP recipient survey were also analysed thematically, to identify any recurring patterns and themes within the responses, and to contextualise the quantitative findings.

### **2.2.3 Triangulation**

Both the quantitative and qualitative data was used to answer the research questions, rather than presenting the different data sources in 'silos'. Data with high relevance and high consistency of view was prioritised. In instances where data with high relevance but low consistency of view was collected, the focus was on unpicking why this range of opinion existed. Where data had high consistency of view but low relevance to the research question, this was examined further as it may indicate domains of unintended or unanticipated consequences (positive and negative). Findings were sense-checked through discussions within the research team to make decisions on how to present the information collected.

### **2.2.4 Evaluation challenges and limitations**

There was a high degree of consistency across the research methods regarding the strengths and challenges associated with implementing the RLW policy for social care workers.

However, methodological challenges must be considered when interpreting the report's findings.

#### **2.2.4.1 Nominations of Providers from Local Authorities and Engagement with Providers**

Local authorities were asked to nominate providers they believed would engage with our evaluation. Consequently, they may have selected providers who are more engaged with local authorities, which might differ from those who are less engaged. Additionally, providers self-selected to participate in the workshops, meaning those interested in discussing the RLW and more likely to be paying it or attempting to do so were more likely to be consulted. This likely excluded a group of providers who are not engaging with the policy.

#### **2.2.4.2 Online Survey with DP Recipients**

An online survey with DP recipients was conducted, primarily distributed via email by local authorities, with some also sending letters. It is acknowledged that not all recipients may have had email addresses available, either due to not using this method or because the local authority did not record them. This could have potentially limited the number of responses to the survey. Additionally, some individuals may have difficulty accessing and completing an online survey. To address this, telephone support was offered, which two individuals utilised.



#### **2.2.4.3 Data Not Available from Monitoring Forms**

Quarterly monitoring forms collected by the Welsh Government during the first year of implementation could not be passed on to Cordis Bright due to their non-anonymous nature, and therefore only review summary presentations could be reviewed. Furthermore, it was not possible to access any monitoring data after the first year of implementation. Therefore, this limited the analysis of any national implementation data.

#### **2.2.4.4 Quality of Job Advert Data**

Data was extracted from job advertisements on the WeCare.Wales website; however, the information available was often scarce and of poor quality, limiting the analyses.

### 3. Implementation of RLW for social care workers

#### 3.1 Overview

This chapter outlines how the RLW for social care workers has been implemented in practice. The findings are based on interviews with national strategic stakeholders and workshops with care providers and care commissioners from across Wales.

The evidence collected suggests that the RLW policy was broadly successfully implemented as originally planned. Rollout has aligned with the Theory of Change that was developed for the policy in the Spring of 2024, two years after implementation began (see [Annex A](#)). The majority of stakeholders, including policy makers, care commissioners, and providers, demonstrated a shared understanding of how the policy had been implemented.

Analysis of the efficacy of the implementation of the policy is included in Chapter 4.

#### 3.2 Setting the RLW Rate

The RLW rate is decided on yearly by the [Independent Living Wage Commission](#), on behalf of the Living Wage Foundation ([Living Wage Foundation, n.d.](#)). The Independent Living Wage Commission is a body made up of accredited RLW employers, experts on low pay, including the Resolution Foundation, and union representatives. The commission is free from political influence.

The hourly wage rate is calculated based on a core basket of goods and services that UK residents deem necessary to meet everyday needs. What goes into the basket of goods is reviewed by focus groups every two years ([Living Wage Foundation, 2024](#)).

The RLW is updated each year, with the new rate announced annually in early October, with an expectation that employers who commit to it should implement the new rate within six months of its annual announcement.

##### 3.2.1 Context: RLW rate from 2020-2024

Both the NLW and RLW have increased significantly over the past five years, reflecting rising living costs and inflation, since the Welsh Government gave its policy commitment.

Consumer Price Index (CPI), a commonly used indicator for inflation that examines the weighted average of prices of a basket of consumer goods and services, has varied over the past five years, with a significant increase in the 2022/23 financial year when the RLW policy was first rolled out.

The rates and increases for both NLW and RLW, as well as changes in CPI, from 2020/21 to 2024/25 can be seen below in Table 1. The policy began in 2022/23.

Table 1 shows that since the Welsh Government first committed to pay the RLW to social care workers, there has been an annual increase in CPI of more than 10%, and the difference in value between NLW and RLW has increased. Note that the NLW is announced 1st April each year, and the RLW is announced in October each year. The difference

between the RLW and NLW is calculated using the figures that would be correct on the date that the RLW is announced (i.e. 23/24 RLW is compared to 23/24 NLW).

Additionally, as RLW has risen, it will have likely captured a larger proportion of the workforce, because the NLW and RLW have increased at a faster rate than salaries in the economy as a whole, and therefore workers paid just above the RLW will likely have been caught up by the rate. This means that the numbers of people the policy applies to is also likely to have grown.

**Table 1: The NLW and RLW from 2020 to 2024**

Financial year	NLW rate (1 <sup>st</sup> Apr.)	NLW increase from the previous year	RLW rate (1 <sup>st</sup> Oct.)	RLW increase from the previous year	Cash value difference between NLW and RLW (Oct)	CPI increase over the previous year (1 <sup>st</sup> Apr.)
2020/21	£8.72	6.2%	£9.50	2.2%	£0.78	0.8%
2021/22	£8.91	2.2%	£9.90	4.2%	£0.99	1.5%
2022/23	£9.50	6.6%	£10.90	10.1%	£1.40	9.0%
2023/24	£10.42	9.7%	£12.00	10.1%	£1.58	8.7%
2024/25	£11.44	9.8%	n/a	n/a	n/a	2.3%

([Office for National Statistics, 2024](#))

### 3.3 Calculating the funding for the RLW

The RLW policy was first implemented by the Welsh Government from April 2022. The Welsh Government provided additional funding to local authorities and health boards to implement the policy. The Welsh Government has provided funding to local authorities circa £113 million across 2022-23 and 2023-24 to support this commitment. To continue this commitment in 2024-25 Welsh Government confirmed there is funding within the Local Government's Revenue Support Grant (RSG) to meet the costs of the Real Living Wage of £12 an hour.

The funding for the RLW aims to:

- cover an uplift in social care workers' wages from the NLW and the RLW (i.e. the difference between the NLW and RLW, but not the increase in the NLW).
- meet additional associated on-costs, such as National Insurance contributions, employer pension contributions, travel time allowances and holiday pay.

Provide some support for providers to protect the pay differentials between social care workers and their managers or supervisors.

The increase in funding committed is likely to reflect the growth in the gap between the NLW and RLW in cash terms (see Table 1) and the larger number of social care workers to whom the policy will apply as the wage floor has risen.

At the outset, local authorities and health boards were required to work with providers to determine how much funding was required to deliver the commitment. The guidance also set out the evidence that providers were required to submit to claim payment for the RLW and the associated on-costs, as well as guidance for specific scenarios such as for services operating across local authority boundaries.

In subsequent years, the Welsh Government calculated the cost of funding for the RLW, based on the formula used in the first year of implementation, and provided the funds to local authorities and health boards accordingly in wider funding streams.

### **3.4 Governance and policy guidance**

The Welsh Government provided commissioners with [guidance on the implementation of the RLW policy](#) (Welsh Government, 2024a). This guidance was developed iteratively and updated as and when specific queries or challenges were identified. In 2022, there were discussions and conversations involving care providers and Trade Unions, along with the local authorities and the Welsh Government.

The guidance sets out the criteria for a social care worker to be eligible for the RLW, what financial support would be available to providers, and what it should be used for.

One area for clarification that arose early on was around providers who support English children in Wales, and whether they are eligible for the RLW or not. The Welsh Government provided iterative guidance on this that clarified the policy is for staff funded by local authorities in Wales and is not decided by the nationality of the children they are supporting.

In 2022, a steering group was set up with representation from care providers, Trade Union representatives, Care Forum Wales, local authorities and Welsh Government representatives. The steering group was designed to oversee and improve the implementation of the RLW policy.

“Many groups of stakeholders from government, local authorities, unions and other representatives have been involved in developing the policy and guidance – this has been a key success.” (National strategic stakeholder)

### **3.5 Distribution of funds to care commissioners and providers**

The majority of funding provided by the Welsh Government was distributed to local authorities, with a minority provided to NHS health boards. For example, of the £70 million of funding designated to pay the RLW to social care workers in 2023-24, £55 million went to local authorities and £15 million went to health boards.

The Welsh Government provides funding for the implementation of the RLW to each local authority in Wales through the Revenue Support Grant (RSG), in order to reduce administrative burden on local authorities. This funding is then divided between local

authority services and is passed on to providers of local authority funded social care through the standard commissioning process, which sets the fee rates that local authorities pay to providers.

Providers identified that their experience of agreeing fees, in respect of the process and outcome, varied by local authority and by service. This is explored further in Chapter 4.

This additional funding for the RLW for social care workers is not specifically ringfenced for the policy within the RSG. The RSG is a non-hypothecated grant, which Welsh local authorities use to fund a range of services, and they have the autonomy to take decisions about how this funding is distributed.

The RSG funding includes the funding for the implementation of the RLW for social care workers, and also the day-to-day operations and services that local councils provide, such as education, social services, housing and infrastructure, to name a few.

The Welsh Government provides funding for health boards to pay the RLW for care they commission through health budgets and this is passed on to providers for health board funded social care through the commissioning process.

A new [Code of Practice on commissioning care and support](#) in Wales has been developed and will come into force from 1st September 2024 ([Welsh Government, 2024b](#)). Within this code of practice, care commissioners must ensure that providers are paying the RLW and have been asked to measure this through procurement and contract monitoring processes. This had not applied during the period covered by this evaluation.

### **3.6 Distribution of funds to direct payment recipients with personal assistants**

In Wales, DPs are a way that local authorities can help an individual to meet their care and support needs, by allowing recipients to employ a personal assistant to provide direct care and support to the recipient.

The process of DP recipients paying their personal assistants differed greatly between local authorities. Some DP recipients do not directly deal with the pay of their personal assistants, and had little awareness of the RLW policy, of what their personal assistants were being paid and that they had any decision-making authority around payment of their personal assistant(s).

This is because some local authorities use a third-party organisation to manage the DPs on behalf of recipients, or the local authority manages the payments in house on their behalf.

In some local authorities, DP recipients manage their own payments and therefore have been involved in making changes to the rate of pay of their personal assistants, often with guidance from their local authority. As such, they had more knowledge and involvement in the RLW.

### **3.7 Monitoring and oversight of policy**

Local authorities and health boards were asked to collect quarterly data on how much funding was provided and passed on to providers and directly employed staff to meet the RLW commitment. This was done via monitoring forms collected in the first year (April 2022 to March 2023) of implementation.

During the first year, the forms were completed by most local authorities and health boards. However, when the forms were completed, they were often incomplete or included estimations for some of the requested data. This included:

- how much funding has been passed to providers for uplifts to the RLW
- how many providers were eligible to receive an uplift to their fees to pay their employees the RLW

how many providers have uplifted their employee's salary as a result of funding provided by Welsh Government to implement the RLW.

After the first year, the completion of the monitoring forms dropped significantly. The process of collecting monitoring forms was stopped from December 2023, as discussed in section 2.1.5.

## **4. How effectively has the policy been implemented**

### **4.1 Overview**

This chapter is based on evidence from workshops with providers and care commissioners, a review of publicly advertised RLW-eligible social care jobs, and a survey of DP recipients who employ a personal assistant.

This chapter outlines that the RLW has likely reached the majority of care workers it aimed to reach. To this end, the policy has largely been rolled out successfully. However, the evidence suggests that an unknown proportion of social care workers and personal assistants continue to be paid below the RLW. It is also unclear whether this policy has had an impact on social care workers in independent sector providers which do not receive public funds.

This chapter also outlines that there were a mix of facilitators and inhibitors to implementation of the policy. The quality of relationships between providers and care commissioners were the most important facilitator, whereas funding pressures to cover the wider non-RLW costs of care was perceived as the greatest obstacle. There were mixed views regarding whether sufficient funding has been provided for the RLW.

### **4.2 Policy is well supported by all parties**

There has been strong support for the RLW policy amongst all stakeholders, including national strategic stakeholders, care commissioners, providers, and DP recipients. This widespread agreement on the importance of the policy has meant there was little need for persuasion at the outset of its implementation.

“Everyone supports the Real Living Wage – [any] issues are not due to unwillingness. There is consensus that it needs to be paid.” (National strategic stakeholder)

There continues to be a willingness on all sides to seek to make this policy work, and despite some of the contextual challenges explored in this chapter, this has promoted effective collaboration.

### **4.3 More social care workers are receiving a RLW, but not everyone**

Based on the available evidence, it appears that a majority of social care workers are being paid a RLW or higher, and that this number has grown since the policy was introduced. We do not have concrete evidence regarding whether or not it varies across different local authorities and types of providers.

There is also evidence that some other staff working in the care sector (e.g. cleaners, maintenance, catering staff, etc) have also experienced a salary uplift to maintain parity with colleagues.

However, the policy has not reached all social care workers as intended. In spite of this, the implementation of the policy has been a qualified success thus far.

#### 4.3.1 From discussions with care commissioners and providers

The evidence gathered from discussions with care commissioners and providers suggested that, in the most part, the RLW policy has been implemented by providers and the RLW has been received by the eligible social care workers.

Several providers reported that they were now paying all of their staff the RLW, including non-care staff in care homes who are not in-scope for the policy, such as kitchen and domestic staff. This was not an intended outcome of the policy, but some providers and care commissioners felt it was a positive benefit.

“We weren’t at Real Living Wage prior to 2022. We took the opportunity in 2022 to start paying it... We couldn’t leave our kitchen staff without the Real Living Wage as they all work as a team so it wouldn’t be fair. We decided to pay the Real Living Wage to all staff across the homes and have maintained the differentials so care staff are above the Real Living Wage” (Care provider)

A smaller number of providers reported that they were not paying their staff the RLW. Within this group, most had begun paying the RLW with the introduction of the policy in 2022 but reported that they could not afford to continue to pay the RLW in the years since.

“[We] did implement [the RLW] in 2022... It was very easy initially, but the journey became more and more difficult... We managed to do it and just about balance our books last year. But this year we have not been able to do it [pay the RLW].” (Care provider)

Some care commissioners and providers reported that they knew of or had heard of providers that were not paying any of their staff the RLW and had not done so at any point since the introduction of the policy.

“We’ve had issues with a domiciliary care provider who is not paying the RLW. This individual [a staff member] confidentially shared that with us. We asked the provider to sign a disclaimer to say they are paying their staff at least the RLW, but a staff member has said they are not doing it.” (Care commissioner)

“I’ve heard of providers raising a point in meetings with local authorities and saying ‘if we don’t pay the RLW what are you going to do?’ but I’m not sure if they followed through.” (Care provider)

It was also unclear to care commissioners whether social care workers who are employed by providers that receive all or part of their funding through private contributions (fees paid by social care users or their families, or fund-raised income) are paying a RLW to staff. In Wales, care commissioners (typically local authorities or health boards) commission services from external providers, who then deliver these services based on contractual agreements. Therefore, if the provider does not work with the local authority, the local authority will not have any details of that provider’s pay rates.

In Wales, there are varying estimates of how many people self-fund their social care, but it is estimated to be 32% of care home residents and 21% of older adults using domiciliary or



day care services ([ICF, 2018](#)). Therefore, there may be a significant group of social care workers working in self-funded social care services that the RLW policy covers.

The RLW policy covers all registered care workers and does not dictate that this differs depending on how care is funded ([Welsh Government, 2024a](#)). However, without the commissioning process there is no mechanism to enforce the RLW for private providers whose clients are self-funded; which is noted as a significant challenge in the policy guidance ([Welsh Government, 2024a](#)).

“[A] group not considered there are the people who pay for the care. I.e. the local authority and private payers. For a care home there is no cap on fees. Rates have gone up substantially. If you pay for the full cost of your care have nearly doubled in five years. Costs will go up even more. This group would be affected, but not a beneficiary.” (Care Commissioner)

Based on the available data, it cannot be said whether the policy has resulted in this group of staff being paid RLW and receiving an increase in their pay, and if so, what the mechanism is by which this has occurred or how it is funded. The policy’s impact will be explored further as part of the impact evaluation.

#### **4.3.2 From job advertisements for social care worker roles**

Information from 91 job advertisements was extracted and analysed data for eligible social care roles in Wales, of which 74% (n=67) of roles were paying the RLW as a minimum. Of the 26% of roles not advertising RLW as a minimum:

- 12% of roles (n=11) were not paying RLW as a minimum, advertised an upper rate that included the RLW or higher.
- 2% of roles had an advertised upper hourly rate below the RLW (n=2)
- 12% of roles had no data was available on the upper hourly rate (n=11)

Based on these figures, it is estimated that a minority of social care workers are not receiving a RLW, with the assumption based on job adverts not offering the RLW as a minimum. This is consistent with the sentiment of providers and care commissioners, who reported that a majority of providers do pay the RLW but that the policy has not achieved total adoption.

Of the 24 roles not paying RLW as a minimum, these roles were within residential or nursing homes for working age adults (n=7), children’s homes (n=4), supported living or domiciliary care for children (n=1), supported living or domiciliary care where the client group was not specified (n=9), or jobs advertised across multiple types of services (both supported living and domiciliary care; n=3). This demonstrates that non-payment of the RLW is not an issue that is specific to a single type of provision, but rather, a feature across different settings and service types.

## **4.4 More personal assistants are receiving a RLW**

When DP recipients were asked what they pay for their personal assistants, of the 186 who responded, 79% (n=147) reported that they were currently paying their personal assistant(s) the RLW. This is broadly in line with evidence for social care worker's pay, suggesting that there has not been a particular discrepancy between workers in different roles.

Data on hourly pay was available for 186 of the 276 survey respondents, as we were unable to calculate the hourly rate for 6 respondents; 40 respondents did not know how much they paid their personal assistants; 11 respondents preferred not to say; and 33 respondents skipped this question.

When DP recipients were asked if they had increased the wages of their personal assistants since the RLW policy had been rolled out in April 2022, 71% (n=195) of the 273 respondents had increased how much they pay their personal assistants. Note that although 195 respondents said they had increased their personal assistant(s) wages since RLW policy, further data was only available for 192 of these.

Of those that increased their personal assistant(s) wages:

- 55% increased wages to RLW or above (n=106)
- 27% increased wages but to below RLW (n=51)
- 12% were unsure of how much the increase in wages was (n=24)
- 6% preferred not to say (n=11)

For those DP recipients that had not increased their personal assistants pay, this was most commonly because they were already paying the RLW (43%; n=15) or for other reasons (37%; n=13), such as:

- another organisation pays their personal assistant so they do not deal with pay;
- they pay their personal assistant what their local authority recommends and contributes;
- they did not believe it was their decision or know how to increase their personal assistants pay.

"I would like to pay my personal assistant more, but [I] need help and advice on how to do this." (Direct payment recipient)

## **4.5 The policy has increased the number of social care workers being paid the RLW, but we cannot say by how much**

There is strong evidence from consultation workshops and interviews with stakeholders and the survey of DP recipients that the policy to pay RLW has increased the number of people being paid at this higher rate.

However, it is challenging to assess the precise contribution of this policy to any increase in the number of social care workers and personal assistants who are now receiving a RLW but were not before.

This is because there is a lack of a mechanism for capturing salary data on an individual or organisational level. While a monitoring form was introduced in the first year of the policy's implementation by the Welsh Government, its completion rate was poor, with data incomplete or estimated for several questions. Furthermore, the form has not been redistributed since December 2023, so there is not a consolidated understanding at local authority or national level.

There was also a lack of baseline data about the extent to which the RLW was already being paid to social care workers in Wales prior to the introduction of the policy. This means it is difficult to quantify the scale of the difference made by the policy.

“A good percentage of our providers were already paying at this rate before it came in.” (Care commissioner)

“We don’t know the position before we started, so it’s difficult to assess the impact or change on the sector.” (Care commissioner)

While some providers increased social care workers’ wages to RLW from April 2022, some care commissioners and providers indicated that a proportion of providers were already paying their social care workers the RLW or higher, before the policy was introduced in April 2022.

“We paid above Real Living Wage for many years wherever possible. The implementation of the policy made little difference. We were just able to increase our rates when the uplifts were passed on, as pay rates were already in place.” (Care provider)

#### **4.5.1 The RLW policy is only one driver of increased investment in social care worker salaries**

Whilst some providers reported that they did begin paying the RLW to their social care staff as a result of the policy being introduced. Other providers also identified other factors that may have meant that they would have chosen to pay the RLW to their social workers, irrespective of the implementation of the policy. These factors are:

**Ongoing challenges with recruitment:** Providers in Wales have struggled to recruit enough social care staff to provide their services. This was a cause for many providers to raise pay to the RLW rate or higher before the introduction of the policy in 2022. This trend would likely have continued without the introduction of the policy, and more providers would have moved to the RLW rate to help with recruitment challenges independently in this time.

**Cost-of-living crisis:** The UK-wide cost-of-living crisis, which began in late 2021, has seen the price of essential goods increase more rapidly than incomes, with incomes not expected to return to pre-2021 levels in real terms until 2027 ([Institute for Government, 2022](#)). This may have led providers to raise pay rates during this period, irrespective of the RLW policy.

By the same token, however, the cost-of-living crisis may have also acted as a barrier to the rollout of the RLW policy, given the wider financial pressures faced by providers.

**Competition with other low wage employers:** Providers reported that one of the main reasons for raising their pay rates to the RLW or higher was to disincentivise staff from leaving their care roles, in favour of other local employers such as supermarkets. These competitor employers are broadly also paying the RLW or higher. This incentive for social care providers to raise their pay rate would remain without the RLW policy, and therefore it is likely that many employers would have raised their pay to try to match their competitors regardless.

For this reason, it is not possible to entirely attribute increases in the payment of RLW to effective implementation of this policy. Rather, the policy is recognised to have likely been a significant contributing factor and enabler within a wider range of drivers.

#### **4.6 Funding scarcity for social care has made it more difficult to apply the RLW policy**

The primary challenge, in the view of care commissioners and providers, to paying the RLW has been funding.

National policy stakeholders reported that the Welsh Government has provided sufficient funding to meet the difference in costs between NLW and RLW, plus the additional on-costs, like pensions, annual and sick leave, travel time, and towards pay differentials.

This view was not shared by a majority of providers and care commissioners. Most providers and care commissioners reported that, in the first year of the policy's implementation, the level of funding was sufficient. However, in the second year of implementation, the funding provided was reportedly insufficient to pay the RLW.

"We are delighted as we wanted to pay the RLW for years and were not able to. We would like to pay more than RLW. We are a non-profit so don't have a lot to fall back on in terms of being able to fund ourselves. In Year 1 we were given the funding we needed by local authorities. This year we haven't had enough funding." (Care Provider)

"[We're] told on the one hand by the Welsh Government that sufficient funds have been allocated and that they worked out costs needed. But being told by local authorities and health boards that they haven't got the funding. It feels like providers caught in middle and people saying they want to do it but its someone else's fault." (National strategic stakeholder)

The difference in opinion appears to have been shaped by the contextual funding pressures on care commissioners and providers, as well as the means by which funding for the RLW has been distributed using the RSG.

The budget for RLW in 2023/24 was £70m, and it was included in the RSG, which is approximately £5.5bn of funding distributed to local authorities in Wales, making it a small

percentage of the overall funding settlement. This funding is not specifically allocated to social care, but all the services provided by the local authorities.

Within this budget, local authorities must make decisions about how much they invest into different services and activities including social care. While the Welsh Government reports that the RSG includes funds to cover the costs of the RLW policy, and therefore it is up to local authorities to decide whether or not to allocate funding for this purpose.

While national policy makers were confident that the funding for RLW was available, local authority commissioners reported that the value of the RSG has not kept pace with the cost of commissioning social care, due to a combination of inflation and increased demand for social care services.

“Every year we internally set the Welsh Government budget and how much goes to local government. It went up a lot in the past few years, but next year is only going up about 2-3%.” (National strategic stakeholder)

“[Redacted: local authority name] were one of the few who said ‘we’ve done the full analysis, and we can’t afford it’. If they were all honest, this is what they would all be saying.” (Care provider)

As a result, providers and care commissioners reported that effectively they must decide how to allocate funding, and whether or not to prioritise the RLW over other funding demands. Some care commissioners reported that the funds are effectively ‘*lost*’ or ‘*swallowed up*’ by rising costs elsewhere.

“The money has been lost in the big pot; there is no additional money for social care. In previous years, we had been able to maintain the differential. We are having to make savings elsewhere to mitigate our uplifts.” (Care commissioner)

Providers highlighted that these are not easy decisions and often there are fixed financial costs that they must pay (e.g. NLW, energy and other bills, etc), which means that at times, some have chosen to not pay the RLW.

“We had a 400+% increase in electricity costs at the same time.” (Care Provider)

“Our service has to buy food, so the general crisis of costs is affecting us.” (Care Provider)

Going forward, while inflation has fallen from its peak, if it continues to outpace the rate of funding increases, stakeholders agreed that it is likely that it will become harder to ensure a RLW is paid to social care workers without a stricter regime of oversight to make sure that the funding reaches the intended destination.

“We’ve already had a number of local authorities tell providers that they haven’t got the funding to increase fees in to enable them to pay the Real Living Wage for the 24/25 financial year. There are pressures on the local authority funding but also comes down to whether this is a sufficient priority for them or not.”  
(National strategic stakeholder)

## **4.7 Providers have struggled to maintain pay differentials between frontline workers and managers**

Linked to the challenge of funding, some providers and care commissioners reported that they believed the additional funding for the RLW is only sufficient to meet the difference in costs between NLW and RLW, but not the other costs including differentials between social care workers and supervisors/managers.

Many providers reported that they have found it challenging to maintain these differentials with the funding provided by local authorities, suggesting that this element of the policy has been less effectively implemented.

The funding for the RLW does include a contribution towards the cost of maintaining salary differentials between social care workers and social care managers ([Welsh Government, 2024a](#)), though it is not intended to cover this difference in its entirety, with providers expected to make a contribution as well.

“We found that it is harder to maintain differentials because you have to increase pay for staff higher up the ladder as well.” (Care provider)

This evaluation did not include a review of how the funding formula was calculated or how much of the funding was expected to be allocated to paying on-costs. However, in the context of costs rising faster than funding, provider feedback suggests that some will struggle to meet any additional costs associated with protecting wage differentials between roles.

## **4.8 The Welsh Government does not set the RLW rate or control the timing of announcements**

The Welsh Government does not set the RLW rate, nor does it have control of the timing of the announcement.

This has proven to be a challenge, since the timings and rates set do not consider funding available to the Welsh Government – and by extension, care commissioners of social care – or align with the annual decision-making processes for setting fee rates in social care. This has affected the timeliness of the implementation of the policy, making it seem slow-moving to social care workers, according to providers.

Providers reported that there is a delay between the time when the RLW is announced each year (usually October) and when local authorities' take decisions regarding fee rates for the next financial year. In most cases, local authorities begin paying new fee rates from the start new financial year in April, six months after the new RLW rate is set by the Living Wage Foundation.

There is typically not a mid-year adjustment by the local authorities to meet the new RLW, and therefore individual providers have to make a decision about whether they can afford to increase pay, or whether they will wait for the next financial settlement.

This delay results in a lag between when staff become aware of the new rate and when they typically receive it in their pay, which can cause tension with staff, who may expect to be paid the increase with immediate effect. The Living Wage Foundation when it announced the new rate in October does state that employers should implement within 6 months.

However, by contrast, competitor low wage employers like supermarkets can implement the new rate immediately after its announcement by the Living Wage Foundation, undermining any competitive advantage the policy seeks to gain in the employment market.

“We are waiting for uplift announcements until March, and RLW rate is often known in September/October time... There is a period where we must advertise for new staff but can't advertise the new RLW rate yet.” (Care provider)

“Staff are very aware of the uplift from October... there are WhatsApp groups for care staff and a lot of conversation about which providers are paying their staff quicker and higher.” (Care provider)

Providers and care commissioners suggested that this is likely to continue to be a challenge so long as fee settlements are conducted annually and there are no mechanisms included for in-year reviews.

#### **4.9 Relationships and negotiations between care commissioners and providers, and DP recipients and local authorities, are variable**

Providers and care commissioners agreed that the quality of relationships locally can be either an obstacle or an enabler.

For the most part, there was mutual respect and understanding between providers and care commissioners. Each recognised that the challenge of funding and delivery social care is significant and at times requires tough decisions to be taken.

In relation to the RLW, where stakeholders reported good working relationships, with regular dialogue between providers and care commissioners, there has typically been more effective implementation of the policy.

Where there is less dialogue between providers and care commissioners, it was reported that there were greater tensions and more difficulty with implementation. Less dialogue was often a feature in areas where local authorities were reportedly less able to offer increases in fees.

Some care commissioners described feeling ‘*stuck in the middle*’. On the one hand, providers report to them that they receive insufficient fee uplifts to cover the cost of the RLW, but on the other hand, the Welsh Government reports that the funding to cover the costs between NLW and RLW has been made available.

“We’ve had some friction due to publications that Welsh Government have released that say they have given us [local authorities] enough funding. Providers come back to us with this. This demonstrates the complete lack of cohesion between Welsh Government and local authorities.” (Care commissioner)

Some providers reported that their local authority had active and ongoing consultation with them to negotiate fees and the uplift amount needed each year to maintain the payment of the RLW. Other providers reported little to no consultation or conversation with their local authority.

“[Redacted: local authority name] have been really good. They do have a conversation with providers about funding requirements. This doesn’t happen in [redacted: local authority name] – they just tell you what you’re getting.” (Care provider)

In turn, some providers felt that there was a lack of clarity about how decisions are taken about fee rates, and what the expectations were on them regarding payment of the RLW.

This concern was exacerbated by providers’ experience that different local authorities were offering different fee uplifts. Some providers who worked with multiple local authorities reported that fees for some of their clients were high enough to cover the pay increase, but others were not.

“This is causing some chaos within the sector when we have patients next to each other who are funded by different local authorities – some [local authorities] who have paid the uplift and some who haven’t.” (Care provider)

“Most local authorities don’t have a consistent approach to awarding or deciding what fees should be.” (Care provider)

#### **4.9.1 Use of contractual obligations**

Many local authority care commissioners reported that they have included clauses in social care contracts that mandate paying staff at least the RLW rate. Several providers mentioned that these contractual obligations make it mandatory for them to comply with the RLW policy.

“It’s not an option for us [not to pay it] as it’s in our contracts.” (Care provider)

“We fed the RLW into the contracts for providers so if it’s not passed on, then we can recover our money.” (Care commissioner)

However, stakeholders acknowledged that these contractual clauses are not legally enforceable if a provider chooses to breach them.

“It’s not easy to collect information on whether the RLW is being passed on or not. We had different advice on our ability to enforce the RLW – our legal dept said it had to be a recommendation not a requirement. This is one of the limitations – it’s guidance rather than enforced – [it] makes it difficult for commissioners.” (Care commissioner)

Furthermore, whilst care commissioners will choose to commission providers who agree to paying the RLW where possible, some acknowledged that this is not always possible when a choice of providers is not available, such as in more rural areas.



"We have a new contract for home care, which is patch based. As part of this contract, they've signed up to paying the RLW. In residential and nursing care, we haven't got that in the contract and haven't got the choice to go elsewhere either." (Care commissioner)

Not all local authorities and health boards are putting this in their contracts, and some providers reported that they would not enter a contract that had this clause.

"We make it clear that we are not making a contractual agreement to pay the RLW. Whether we pay it or not is our business really." (Care provider)

#### **4.9.2 DP recipients and the administration of the RLW**

There were concerns from DP recipients around the inconsistency in the application of RLW by local authorities and the administrative burden on those managing DPs. Most concerns centred around the additional financial burdens placed on DP recipients to pay the increase to RLW. This may be especially true when DP recipients heard from their local authority that they would not be increasing the funding. This can lead to worry that DP recipients would need to cover the costs themselves or lose hours of support, and potentially not retain their personal assistants if they couldn't increase wages.

"Will the local council pay for the increase, or do we lose hours?" (Direct payment recipient)

"[Redacted: local authority name] told me that the legislation is only a guideline and they are not committed to providing the living wage. They said the budgets are tight and they may increase the pay this year but nothing is confirmed. They only pay £11.65 at the moment and they proceeded to explain that only minimum wage is the law, and that the Welsh Legislation was not the law." (Direct payment recipient)

Additionally, there was also tension described between DP recipients and local authorities over the payment of the RLW to personal assistants, and who had control over this. A DP recipient who responded to the survey reported:

"I have no control over how much the personal assistant gets paid and I have no dealings with the money. All I do is reply to an email sent to me every 4 weeks from the direct payments department at the council with the hours worked in that 4-weekly period by the personal assistant then they pay her direct. I hadn't even realised that she was getting paid so little." (Direct payment recipient)

#### **4.10 Oversight of policy implementation lacked detailed data**

There are currently some gaps in available data that could be used to assess the implementation of the RLW policy, both for the monitoring of how funds are used to increase wages for social care worker and for if the level of funding is enough.

As discussed earlier in this chapter, it is disputed whether or not there is sufficient funding available to cover the aims of this policy, and also uncertainty about whether or not funds are being used to pay for the RLW or other costs.

“Employers tell us they are not getting sufficient increase in fees from local authorities or health boards to pay the RLW and differentials to pay those with higher responsibility. They are complaining the mechanism is not working – but from our perspective it is difficult to know.” (National strategic stakeholder)

Due to a lack of data, and with the other pressures providers are facing, there is also uncertainty around how many providers have uplifted their rates to pay their staff the differential between NLW and RLW, to their social care workers particularly. This information may be requested by local authorities, who are reliant on providers sharing this information with them.

“There are a lack of data sets available of what is happening with the payment of the RLW and how it is moving through the system at each level - we have not got a transparent picture.” (National strategic stakeholder)

Stakeholders also reflected that it is difficult to know if the overall level of funding for the policy is, or was for previous years, enough, due to the lack of detailed data on this.

“I don’t disagree with amount of funding, but it’s difficult to know as there is no concrete evidence to say if it was enough... But we need evidence of the gap between funding and what it actually costs to pay the RLW.” (National strategic stakeholder)

This may be partly because, as a national strategic stakeholder described there is “not data on [the] workforce and understanding [of the] size of workforce where the policy applies.” This makes it difficult to accurately calculate and anticipate the fundings costs of the policy for each upcoming financial year.

## 5. Emerging evidence of the outcomes and unexpected consequences

### 5.1 Overview

This chapter outlines the early outcomes and unintended consequences of the RLW policy, including the current and anticipated scale of its effects. The findings are based on interviews with national strategic stakeholders and workshops with care providers and care commissioners from across Wales. Social care workers were not directly consulted with as part of the process evaluation but will be engaged with for the impact evaluation.

There is some emerging evidence from employers to suggest **positive impact on social care workers**, including on increased pay, satisfaction and morale, as intended. This will be explored further within the impact evaluation.

However, stakeholders were more **cautious about the extent of impact on the wider care sector** in terms of recruiting or retaining the best staff, despite a handful of positive examples of potential progress in these areas.

As part of the next phase of this evaluation, an impact evaluation will be conducted to look at the impact of paying the RLW to social care workers in Wales. This will explore in further detail the impacts and unintended consequences of the policy, including consultation with registered social care workers and personal assistants who have not yet been engaged as part of this evaluation.

The findings presented in this report should be considered interim and treated with additional caution. Plans for the impact evaluation, which includes consultation with social care workers, are detailed in [Annex B](#).

### 5.2 Outcomes for social care workers

The RLW policy has had some early outcomes for social care workers on pay, in-work poverty, and morale.

#### 5.2.1 Social care workers receive higher rates of pay

Based on the review of advertised social care roles and provider and care commissioners' feedback, it can be concluded that since the implementation of the policy to pay social care workers a RLW, a greater number of care providers have begun paying the RLW to their social care workers. This includes providers who specifically reported that they began paying the RLW to their social care workers because of the policy being introduced. However, as said above, the number and extent of this is unclear.

#### 5.2.2 Preventing in-work poverty and mitigating the cost-of-living

Stakeholders reported that the policy has led to an improvement in living standards for some of their staff, with one provider reporting a reduction in staff experiencing in-work poverty.

“We have seen a reduction in staff in-work poverty. [The] pressure doesn’t seem to be so intense on our lowest paid staff.” (Care provider)

Care commissioners and providers reported that implementing the RLW has provided care staff with some protection against the effects of the cost-of-living crisis over the past couple of years.

The RLW may have acted as a preventative measure, and without it, staff might have felt the impacts of the cost-of-living crisis more acutely, potentially leading to higher staff turnover in the sector.

“What would the impact have been if they weren’t given the RLW? Due to the cost-of-living crisis we would have seen a lot more people leave probably. It’s more of a preventative thing rather than an improvement.” (Care commissioner)

Some stakeholders suggested that staff were not likely to have noted a difference in their living standards, as the costs of living and the RLW have risen at the same time.

It was not clear from focus groups whether stakeholders believed that the RLW had genuinely improved living standards for social care workers whose salaries had risen from NLW to RLW, which should have resulted in above-inflation increases to their salaries. For social care workers who were paid RLW across 2023 and 2024, their salaries would have approximately tracked inflation. As a result, their financial position would not be expected to improve, although the RLW should have helped mitigate the erosion of their income.

The calculations for the RLW take changes to inflation into account and therefore, as prices rise, the RLW should mitigate this and prevent anyone falling below a certain point ([Living Wage Foundation, 2023](#)). There also the six-month time period between when the RLW rate is announced in the Autumn to when it is implemented in April the following year. This means in each financial year, the RLW rate will have been announced more than 6 months prior to implementation, hence the perception that the rate is not high enough for current circumstances.

“The reality is that any extra money in people’s pockets will be swallowed up by the cost of living.” (Care commissioner)

### **5.2.3 Social care workers are more satisfied and have improved morale**

One of the key intended outcomes of the policy, as set out in the Theory of Change, is to ensure that social care workers feel valued, and their work is recognised. A few providers reported that paying the RLW may have had a positive impact on staff member’s job satisfaction, and them feeling more valued and recognised for their work.

“[Staff] feel valued, more valued. We still think they should be paid more, but it has at least narrowed the gap with healthcare.” (Care provider)

However, some providers felt that the lag in applying the uplift for the RLW from when it is announced to when it is paid communicated a message of reluctance to pay the RLW. While this is in line with the requirements with being a Real Living Wage provide, it was

noted that many private companies choose to act more swiftly. Providers highlighted that this could be improved if care commissioners were able to fund in-year increases to fee rates.

### **5.3 Outcomes for the wider care system**

The RLW policy has also had some early outcomes on the wider social care system, particularly for the recruitment and retention of care staff and for pay increases for non-care staff.

Unlike social care workers, where positive outcomes were identified, stakeholders presented more mixed evidence of impact on the wider care sector. Providers highlighted that there are signs that the overall financial stability of their organisations has been challenged. However, they were cautious about attributing negative outcomes to this policy, highlighting a wider context of challenges.

#### **5.3.1 Recruiting and retaining staff**

Providers and care commissioners overall thought that it is too early to gauge the impact of the policy on recruitment and retention. Some stakeholders said there were too many competing factors affecting recruitment and retention in social care, such as the professionalisation of the sector and the working conditions, which make it very difficult to identify the impact of the RLW policy exclusively.

However, there were some small positive outcomes on recruitment and retention reported from care commissioners, providers, and DP recipients.

“We have been fortunate to keep the same personal assistants in place before and after the wage changes. We believe the increase to the Real Living Wage has enabled them to continue working as personal assistants rather than seek other better paid work.” (Direct payment recipient)

“It [the Real Living Wage policy] has improved recruitment and retention issues in [redacted: local authority name].” (Care commissioner)

#### **5.3.2 Financial stability of services**

Some providers who have struggled financially with the implementation of the RLW policy, along with other recent pressures, reported that they have had to shut down certain services to reduce their costs.

Several providers reported that they had reduced the range of services they offered since the introduction of the policy, and some said they knew of other organisations that had closed down completely in recent years, for various financial reasons including the cost implications of the RLW policy. Of providers who said they had stopped providing certain services within the range of services they had provided, most of them reported cutting their day care service provision first.

“We have exited the market in day care services.” (Care provider)

These providers agreed that overall funding of social care services was insufficient, which included the resource required to pay a RLW, as well as the other costs associated to delivering a service.

### **5.3.3 Reach of the policy to non-care staff**

Several providers reported that, as a result of the policy, they now pay a wider range of staff the RLW. While this was not an anticipated or intended consequence of the policy, many saw this as a positive outcome, and suggested that the policy's reach was greater than planned.

## **5.4 Unexpected consequences of the RLW Policy for social care workers**

As a result of the policy, a number of unexpected consequences were described for social care workers.

### **5.4.1 Staff reducing hours or leaving roles**

The introduction of the RLW has affected benefit entitlements for care staff. Several providers reported concerns from their staff relating to benefit claims given their new, higher salary. The result of this has been that some staff who are claiming Universal Credit and other benefits have sought to reduce their hours or left their roles entirely, in order to keep their entitlement.

This may be because it normally takes a minimum of five weeks to receive the first Universal Credit payment after making a claim ([Shelter Cymru, 2024](#)). As a result of the claiming process being long and potentially complicated, some staff who are claiming it fear losing the top up as their wages rise to the RLW.

“We lost a lot of staff when we said we were going to implement the RLW, as staff said, ‘I’m now going to be paid too much and it will affect my benefits’... staff asked to reduce their hours.” (Care provider)

“It [RLW] has some funny effect. Team members deserve RLW but you also find people on Universal Credit with reduced hours so they sometimes do not want more pay because it will impact their Universal Credit... we used to have 35/36 team member but now have 40 team members because people are working less hours.” (Care provider)

The effect of a pay rise from NLW to RLW on Universal Credit payment for a single adult aged 25 or over receiving Universal Credit was calculated. The calculations assume the person is not in receipt of any other social security benefits such as Housing Benefit. The calculations show that for full-time workers, the pay rise is significant (£255.55 gross pay). However, because of the Universal Credit taper rate, for a 20hr part time role the difference made by a move to RLW is smaller, at a £60.38 increase in gross pay per month. See Annex C for the full calculation.

### **5.4.2 Disincentivisation of career progression**

Many providers have reported struggling to maintain pay differentials between care roles of different levels of seniority and responsibility, and some reported that staff are now less likely to want to be promoted or train to go on to more senior roles as a result. This challenge has also led some providers to flatten pay structures.

“Differentials between workers and managers have not been maintained across all providers. This makes workers think ‘what’s the point in taking on extra responsibility for hardly any more salary’.” (Care commissioner)

“We’ve applied the Real Living Wage across the whole organisation... meaning we’ve taken the banding away as we couldn’t maintain differentials.” (Care provider)

### **5.4.3 Pay expectations have been raised**

Social care staff in Wales who have been receiving the RLW pay rate now expect their pay to rise every year in line with the Living Wage Foundation’s set rate, over which the Welsh Government has no control.

When providers have increased their wages to RLW in one year, and then not done so in a subsequent year, staff have reportedly felt disappointed with their employer.

“Based on the fact that we paid it in 2022 but have been unable to pay it this year, staff now feel like something has been taken away from them.” (Care provider)

Pay expectations were also noted as being raised amongst other staff groups in care homes who are not eligible for the RLW, and that this can lead to tension between staffing groups.

“I have an issue with the fact there are people working in residential nursing homes who haven’t benefitted. Cooks, kitchen assistants, domestic staff, laundry, etc. Carers couldn’t do what they do without those staff. It caused so much bad feeling in care homes. One care home in [redacted: local authority name] lost three staff over this.” (Care commissioner)

These dynamics highlight a risk for the Welsh Government and social care sector. For example, if there was another extended period of high inflation and rapid increases in the RLW, this policy has created an expectation that salaries will track those increases, with potential risks if they do not.

However, funding for social care is not tied to inflation. As a result, there is potential for a mismatch between the funding available, and the cost of the RLW commitment, which policy makers are not fully in control over.

## **5.5 Unexpected consequences of the RLW Policy for the wider care system**

There have also been unexpected consequences for the wider care system, including changes to how small providers run, and top ups from families of services users.

### **5.5.1 Small providers changing how they provide care**

Small and family-run providers reported having changed the way they provide care, in order to make the implementation of the RLW feasible for their staff and small business. Owners of businesses of this type reported that they have been more likely to take on more day-to-day care tasks themselves, such as covering annual leave and sick leave for their staff, rather than recruiting for more posts or paying overtime to their staff. The overall effect of this could be the reduction of roles available within family-run care providers and other small providers.

“It’s a matter of juggling. I’m doing more hands-on, in terms of appointments and things which previously would have been done by staff. I’m doing more of the jobs that previously I would have paid staff to do. As it’s a family business, my family are also doing more.” (Care provider)

### **5.5.2 Top ups of funding from service users and families**

Some care homes have also implemented top up fees paid for by families, to supplement the pay for care staff amongst other rising costs, as local authority funding does not fully cover the RLW.

“We charge top ups too. Last financial year we tried to take all our staff above RLW. This year we aren’t able to pay the domestic staff at RLW rate.” (Care provider)

Similarly, some DP recipients also noted that they have had to top up their personal assistant’s pay above the amount they get via their DP, to ensure the person does not leave their role.

“The local authority only pays £11.65/hr in direct payment, but we ‘top-up’ the rate to £12.10 out of our own funds. I think if we didn’t do that it would be harder to recruit, and they deserve it too.” (Direct payment recipient)

These unintended consequences will be further explored in the impact evaluation phase.

## **5.6 How much has the RLW made a difference?**

At this interim stage, stakeholders were keen to express that they felt positively about the introduction of RLW, despite some challenges in implementation. As discussed earlier in this chapter, the emerging evidence suggest that it has made a positive difference in a number of areas for social care workers.



However, stakeholders reflected that they were uncertain about whether the RLW policy would necessarily achieve its intended aims without other reforms, especially given a number of contextual challenges.

#### **5.6.1 Pay is only one part of the puzzle**

Though pay was noted as the most common reason social workers in Wales would leave their roles in the following year in the most recent Social Care workforce survey results ([Social Care Wales, 2023](#)), stakeholders consulted in this evaluation consistently reflected that raising pay is just one part of the puzzle in addressing the recruitment and retention problems that exist in the social care sector in Wales.

The stakeholders who were consulted in this evaluation reported that terms and conditions, leadership and management approaches, and training and qualification requirements are all potentially more impactful on recruitment and retention figures than pay rates.

“Pay isn’t everything. Whilst it’s good that the bar was raised, we can see it’s not the only factor in people taking and remaining in work. There are so many other things impacting on care workers. We need better terms and conditions for staff.”  
(Care commissioner)

#### **5.6.2 The RLW rate may not be high enough to have a significant impact**

The UK RLW, as set by the Living Wage Foundation, is £12.00 (as of July 2024) - an increase of 66 pence per hour on the NLW. Stakeholders had concerns that the rise to RLW is not significant enough to have any effect on recruitment and retention, especially when combined with other, more influential factors as outlined above.

“People think it should have been more than the Real Living Wage. I can’t implement the Real Living Wage, and it’s not high enough anyway.” (Care provider)

“Even though wages are higher they are still not high enough for the hard work and unsociable hours carers have to do. The job has major restrictions on carers lives and the money still does not encourage people to want to work in social care.” (Direct payment recipient)

#### **5.6.3 Competition with other sectors**

The social care sector is in competition with other low wage sectors, such as retail and hospitality. Providers report trying to keep their wages competitive to disincentivise staff from leaving, but that it is hard to keep up with the competition when retailers and hospitality venues can afford to pay higher wages.

For example, of the nine largest supermarket chains in the United Kingdom, seven currently pay the RLW as a minimum as of April 2024 ([Grocery Gazette, 2024](#)). Furthermore, many of these large supermarket chains also announce immediate pay increases to the new RLW rate, or higher, shortly after the new rate is announced every October, six months ahead of social care ([Grocery Gazette, 2024](#)).

Additionally, the social care sector is often in competition with the healthcare sector, where similar roles to care workers are often paid higher wages and may come with better terms and conditions. For example, new Healthcare Assistants are often paid £1 more per hour compared to the average care worker ([Skills for Care, 2023](#)). In addition, for the 2024/25 financial year, NHS workers on the lowest band, band 2, are paid £12.08 per hour as a minimum ([NHS Employers, 2024](#)).

“Even the ‘Real Living Wage’ is not enough to encourage applicants when they can, arguably, receive up to £15 per hour stacking shelves in supermarkets.”  
(Direct payment recipient)

“We can’t compete with health pay rates.” (Care Provider)

## **6. Conclusions and recommendations**

### **6.1 Overview**

This section provides a summary and discussion of the key findings of this process evaluation and presents some suggested recommendations for the continuing management and implementation of the RLW policy commitment by the Welsh Government.

### **6.2 Conclusions and key findings**

In drawing this report to a conclusion, four key findings emerge from the process evaluation of the implementation of the RLW policy for social care workers, particularly referring to implementation between April 2022 and June 2024.

#### **6.2.1 The policy has mostly been implemented as planned by the Welsh Government, care commissioners, and providers**

The evidence suggests that the policy has been broadly implemented as planned by the Welsh Government, care commissioners, and providers of care services. The rollout has aligned with the policy's Theory of Change (see Annex A), except for where there is evidence to suggest that providers have used funds differently to how the Welsh Government intended (i.e. where they do not pay a RLW).

#### **6.2.2 The RLW policy has likely reached the majority of eligible social care workers**

The balance of evidence indicates that the RLW has likely reached the majority of the intended care workers. However, the evidence also suggests that a minority of social care workers and personal assistants continue to be paid below the RLW.

Therefore, it is concluded that the implementation has been mostly achieved, but not across the board. Given the challenging economic and funding environment, stakeholders recognised that this is an important achievement.

It is unclear how many social care workers were paid the RLW before the policy rollout, and the policy's implementation and outcomes for workers in privately funded services remains uncertain. The mechanisms of paying the RLW and the data collection process have primarily focused on care commissioned by local authorities and health boards or provided via personal assistants funded by local authority DPs. This focus excludes privately funded care, making it unclear if social care workers employed by privately funded providers are receiving the RLW or how this has been funded.

#### **6.2.3 The biggest obstacle for the policy is the economic and funding context, but this has been exacerbated by not ring-fencing funds for the RLW**

The biggest obstacle providers and care commissioners report is that the policy is being implemented during a period when the costs of funding care are rising faster than the funding that is available.

Whilst policy makers consulted in the national stakeholder interviews expressed confidence that the Welsh Government has provided sufficient funding for the RLW, care commissioners and providers report that the funding is insufficient. This discrepancy may arise because policy makers view the funding for the RLW as a separate entity, whereas care commissioners and providers see it as part of a larger, non-ringfenced budget. Therefore, given the current context of rising care costs, the funding for RLW may therefore be perceived as inadequate by providers and care commissioners.

Since the RLW funds are not ringfenced within local government budgets, in the context of funding pressures, there is a risk that funding intended for the RLW will be used to pay for other costs.

#### **6.2.4 There have been early positive outcomes of the policy for social care workers, but also unexpected and negative consequences**

There is emerging evidence that the policy has had early positive effects for social care workers, ensuring many workers received a pay rise during a cost-of-living crisis and improving satisfaction and morale as intended.

Conversely, the policy may have had some negative effects on social care workers, providers and the wider social care sector, such as staff reducing their hours, families and DP recipients paying more towards fees or topping up wages, and smaller providers changing how they provide care. The implementation process has highlighted existing challenges in social care and may have exacerbated them for some providers. These aspects will be further explored in the impact evaluation, as the workforce were not engaged with as part of the process evaluation.

### **6.3 Recommendations**

The report provides four recommendations intended to improve the management and implementation of the RLW for social care workers in Wales.

The improvements and actions set out in this report are based on stakeholders' views and suggestions and our analysis and interpretation of them.

It is not expected that everyone will agree with all the improvement suggestions, but the proposed actions are intended to support the more effective implementation of the RLW for social care workers to achieve the policies intended aims.

These recommendations will require the input of all stakeholders, including Welsh Government, local authorities and NHS health boards, and providers to be achieved successfully.

**Consider how you communicate the timing of the RLW uplifts to give people confidence about when pay rise will come and what it will be.** Communications about the timing of the RLW uplift could be enhanced to clearly convey that the new RLW rate will be implemented from the following April. If it were possible to make provisions for a mid-year pay rise at the time the latest RLW rate is announced, this would likely help to help maintain goodwill amongst the workforce and prevent the temptation for care workers to

move to employers that have the ability to pay the uplift more quickly than the care sector on wages. Where this is not possible, additional focus on communicating the timeline for uplifts will be important.

**Consider the feasibility of ring-fencing funding to pay the RLW and associated on-costs, to improve transparency and accountability. If this is not feasible, Welsh Government could be more explicit with local authorities as to what funding is intended for the RLW within the non-hypothecated RSG.** There is a possibility there would be an administrative burden on local authorities and transaction costs to ring-fencing funding. However, it may be the most effective means to ensure that funding intended for paying RLW is used for this. If ring-fencing is not feasible, particularly with the current funding mechanisms, then consider explaining specifically what funds each local authority has received that is intended for the RLW within the RSG, to better direct them to use the funding as intended. We acknowledge that this will still be open to providers and local authorities making different choices.

**Review the means of monitoring the implementation of RLW policy, including using existing workforce data collections to monitor both actual pay levels and people's experiences of their pay.** It cannot currently be said with certainty how many eligible social care workers are being paid the RLW. Further consideration of how workforce pay is collected would aid in monitoring this policy's implementation on an on-going basis.

**Increase transparency and communication around the calculation of the funding for the RLW policy and what it includes.** Greater transparency and clearer communication about how this figure has been reached would give providers a clearer understanding about what the funding is for (i.e. the gap between NLW and RLW, and differentials). It will also make it easier for policy makers, care commissioners, and providers to identify if funding is sufficient and understand what providers should be contributing themselves.

In addition to these recommendations, policy makers are invited to consider more widely the risks associated the commitment to pay the RLW, when the Welsh Government does not possess the means to control the costs of the policy.

There is a risk that, should the Welsh Government, care commissioners or providers consider that the RLW becomes unaffordable, expectations have been raised across the workforce and any move to pay less than the RLW could undermine the intended outcomes of the policy.

The risk of the policy being perceived as unaffordable is particularly acute due to a combination of high inflation and funding scarcity. This evaluation has already identified organisations that are considering whether RLW is affordable or not.

Further exploration of the impacts and unexpected consequences for privately funded care will be explored as part of the impact evaluation that will be conducted from the Autumn of 2024, with this report being available from Summer 2025.

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## **8. Annex A: Theory of Change**

### **8.1 Why**

#### **8.1.1 Evidence-based need**

The social care workforce in Wales includes a significant proportion of staff who are earning the NLW, and possibly less, after factoring travel time and other factors.

Social care worker roles are difficult to recruit for and employers struggle to retain their staff. Competition with the NHS as well as other, easier, low-paid sectors is a challenge.

It is recognised that the current workforce feels under-appreciated and poorly rewarded relative the challenges and importance of their work.

A workforce characterised by high vacancies and turnover is unlikely to provide good continuity of care and therefore contributes to suboptimal care outcomes for service users.

#### **8.1.2 Evidence-based observation**

An improvement to the basic rate of pay of social care workers should:

- improve the sectors competitiveness for new staff.
- better reward current staff and incentivise their continued employment.

Better financial incentives will result in improvements to recruitment and retainment.

### **8.2 Who (evidence-based assumptions)**

#### **Direct beneficiaries:**

- registered social care workers who have been paid below the rate of the RLW.

#### **Indirect beneficiaries:**

- social care managers who also receive uplifts to maintain existing salary differentials.
- users of social care services, who receive greater continuity of care.
- social care providers, who benefit from improved recruitment and retention of staff.
- the local foundational economy, which benefits from local expenditure

### **8.3 How (based on 2023-24)**

#### **Inputs:**

- the Welsh Government will provide additional funding to local authorities and health boards as part of mainstream budgets.

#### **Activities:**

- local authorities and health boards will be responsible to distribute funds to providers via commissioning. This should cover the salary increase, 'on-costs', and associated knock-on costs.
- providers of social care will pass on the negotiated settlements to eligible staff members.
- local authorities will pass on additional funding directly to people with Personal Budgets who employ a Personal Assistant

## **8.4 What will the policy achieve?**

### **8.4.1 Short-term outcomes**

#### **For social care workers**

- workers receive higher pay.
- increased satisfaction with pay.
- improved morale among social care workers.

#### **For the wider care system**

- retain current social care professionals.
- attract more people to work in the social care sector.

### **8.4.2 Medium-term outcomes**

#### **For social care workers**

- greater recognition of the value of social care work.
- in-work poverty is eliminated, with nobody paid below a living wage.
- improved health and wellbeing.

#### **For the wider care system**

- improved reputation of social care careers as desirable and attractive professions.
- greater efficiency due to reduced costs associated with high employee turnover.
- improved quality of social care service provided to users, benefiting from greater continuity of care.
- benefit to local economies, due to greater spending power of social care workers.

### **8.4.3 Long-term outcomes**

A strong and stable social care workforce that is happy, healthy and fairly paid.

Social care work perceived as a viable and desirable career.

The sector has the skilled workforce it needs to deliver high-quality care.

High quality of care is delivered by professional and esteemed workforce.



## **8.5 Assumptions**

The Real Living Wage pay rate is high enough to:

- raise living standards for social care workers
- disincentivise social care workers to leave the sector in favour of other sectors
- attract new staff to the sector
- ensure social care workers feel valued and rewarded

Sufficient funding will be provided on an ongoing basis to meet the costs of the RLW for social care workers and the funding is correctly allocated to its intended cohort.

Recruitment and retention of social care workers can improve quality of care.

## **8.6 External factors**

Wage increases in other sectors such as retail, hospitality, and the NHS, which may or may not erode the competitive advantages sought by the paying the RLW.

Social Care budgets do not meet increasing demand, resulting in negative pressures on quality of care.

Other measures taken by Welsh Government, commissioners, or individual employers to improve the attractiveness of working in social care.

## **9. Annex B: Plans for the impact evaluation**

The three objectives of the impact evaluation are to:

### **Assess the impact that paying the RLW to social care workers has had on:**

- social care workers in Wales, both personally, but also in terms of the workforces (for example on recruitment and retention)
- individuals receiving care and support in Wales
- individuals receiving DPs
- registered social care providers in Wales
- care commissioners of registered social care services, such as local authorities, health boards and Regional Partnership Boards

### **Based on the theory of change, the theory-based impact evaluation will:**

- test the underlying assumptions made when developing the policy
- understand why and how paying the RLW to social care workers has (or has not) resulted in the intended or unintended consequences

### **Recommend improvements relating to the scope and remit of paying the RLW to social care workers.**

The impact evaluation will involve:

- Semi-structured interviews with national strategic stakeholders (n=10). Interviews will be conducted with the same cohort as the process evaluation.
- Semi-structured interviews with providers (n=70): Semi-structured interviews will be conducted with a range of social care providers. It is estimated that 70 interviews will be required, based on two interviews per service type per HB including: residential care homes (65+); care homes (18-65); children's homes; supported living; and home care/personal assistants.
- Semi-structured interviews with care commissioners (n=58): Semi-structured interviews will be conducted with care commissioners, including representatives for children's and adult social care from each of the 22 local authorities and 7 health boards.
- National online survey of registered workforce and personal assistants: An online survey will be designed to explore workforce views of the RLW policy. This will be distributed via local authorities and providers.

- Survey of DP recipients who use it pay a personal assistant: This survey has already been conducted and the results will be used to understand more about the impact of the policy for both DP recipients and personal assistants.
- Review of any available outcomes data.

## 10. Annex C: Effect of a pay rise from NLW to RLW on Universal Credit payment

The calculations below model the effect of a move from NLW to RLW for a single adult aged 25+ receiving Universal Credit. The calculations assume the person is not in receipt of any other social security benefits such as Housing Benefit.

The calculations show that for full-time workers, the pay rise is significant (£255.55). Because of the Universal Credit taper rate, for a 20hr part time role the difference made by a move to RLW is smaller, at £60.38 per month.

### Full-time Role (37.5 hours per week)

NLW Income:

- Weekly:  $37.5 \text{ hours} \times £10.42 = £390.75$
- Monthly:  $4.33 \text{ weeks} \times £390.75 = £1,692.95$

RLW Income:

- Weekly:  $37.5 \text{ hours} \times £12.00 = £450.00$
- Monthly:  $4.33 \text{ weeks} \times £450.00 = £1,948.50$

### Part-time Role (20 hours per week)

NLW Income:

- Weekly:  $20 \text{ hours} \times £10.42 = £208.40$
- Monthly:  $4.33 \text{ weeks} \times £208.40 = £902.35$

RLW Income:

- Weekly:  $20 \text{ hours} \times £12.00 = £240.00$
- Monthly:  $4.33 \text{ weeks} \times £240.00 = £1,039.20$

## 10.1 Universal Credit Impact Calculation

Standard monthly allowance for a single person over 25: £393.45

### Full-time Role

NLW:

- Monthly earnings: £1,692.95
- UC reduction:  $(£1,692.95 - £673) \times 0.55 = £561.82$
- UC received:  $£393.45 - £561.82 = £0$  (UC fully reduced to zero)

RLW:

- Monthly earnings: £1,948.50
- UC reduction:  $(£1,948.50 - £673) \times 0.55 = £700.73$
- UC received:  $£393.45 - £700.73 = £0$  (UC fully reduced to zero)

### **Part-time Role**

NLW:

- Monthly earnings: £902.35
- UC reduction:  $(£902.35 - £673) \times 0.55 = £125.29$
- UC received:  $£393.45 - £125.29 = £268.16$

RLW:

- Monthly earnings: £1,039.20
- UC reduction:  $(£1,039.20 - £673) \times 0.55 = £201.76$
- UC received:  $£393.45 - £201.76 = £191.69$

## **10.2 Summary**

### **Full-time Role**

- NLW Total Income:  $£1,692.95$  (Salary) +  $£0$  (UC) =  $£1,692.95$
- RLW Total Income:  $£1,948.50$  (Salary) +  $£0$  (UC) =  $£1,948.50$

### **Part-time Role**

- NLW Total Income:  $£902.35$  (Salary) +  $£268.16$  (UC) =  $£1,170.51$
- RLW Total Income:  $£1,039.20$  (Salary) +  $£191.69$  (UC) =  $£1,230.89$