

What is the current policy/legal framework?

There is no pre-existing law on sectoral agreements in the social care sector. Historically, the bargaining power of care workers has been low, partly because of low unionisation rates. The Resolution Foundation estimates union membership is just 20 per cent for frontline care workers, where across the economy they are generally higher (at 41 per cent).¹ This has contributed to limited action on pay and terms and conditions in the sector.

Currently the National Minimum Wage and National Living Wage apply to almost every worker across all sectors, including adult social care. Adult social care is a typically low paid sector. The Scottish Government have implemented a pay uplift commitment for social care staff to at least £12 an hour, increasing to £12.60 from April 2025. The Welsh Government has pledged to pay social care workers in Wales the Real Living Wage.

Policy Intent

The adult social care workforce in England is large, with 1.59m people working in the sector in 2023/24, making it a larger workforce than the NHS.² In Wales there are over 88,000 people employed in the social care sector, providing essential services for both children and adults.³ In Scotland the social service workforce comprises 212,780 workers.⁴ Demand for adult social care services and for more staff is expected to grow in the future. However, the sector is characterised by weak domestic recruitment and high turnover, with growth in staff levels driven by international recruitment in recent years. Alongside other factors, evidence shows that low pay and poor terms and conditions affect domestic recruitment and retention.

By empowering worker, employer, and other sector representatives to negotiate pay and terms and conditions, sectoral agreements known as Fair Pay Agreements (FPAs) will help to address the recruitment and retention crisis in the sector, in turn supporting the continued delivery of high-quality care. For Scotland and Wales, the provisions will build upon the existing contractual mechanisms in place to uplift pay for social care workers by introducing a legislative framework.

How will it work?

The Social Care Negotiating Body measures in the Employment Rights Bill will enable the Secretary of State, Scottish Ministers and Welsh Ministers to establish the process for FPAs for the adult social care sector in England, and for both adult and children's social care workers in Scotland and Wales, through secondary legislation, following engagement with the sector.

The powers in the Bill will allow the appropriate authority to make regulations that, among other things:

- Establish social care negotiating bodies for England, Scotland and Wales, including provision about the appointment of its members;
- Make provision about the remit of the negotiating body (for example, to specify additional matters relating to employment as a social care worker);
- Specify how matters are to be considered by a negotiating body in its negotiations;

¹ <https://www.resolutionfoundation.org/publications/who-cares/>

² [CQC update for adult social care providers](#)

³ [Social care workforce report 2023](#)

⁴ [Scottish Social Service Sector: Report on 2023 Workforce Data \(2024\)](#)

- Set out the process for dispute resolution and reconsideration of matters; and
- Ratify a negotiating body's agreement so that its provisions relating to workers' pay and terms and conditions are given legal effect.

We have already been engaging with sector representatives through the Department of Health and Social Care's Fair Pay Agreement working group, established at the end of 2024 so that Government can update, and seek feedback from, adult social care sector representatives and trade unions. Alongside this, the Department of Health and Social Care is coordinating a series of policy specific Task and Finish Groups with sector partners that will help to inform a public consultation on the design of the FPA process. Following this consultation, we will set out the details of the process in secondary legislation for the adult social care sector in England.

Key Stats

The need for adult social care within the UK population is growing. The UK population is ageing, and the number of people aged 85 and over is projected to increase by 1.4 million between 2025-2045.⁵ Wales is experiencing a growing demand for social care services due to increasing family support needs, an ageing population, and longer life expectancy.⁶ Scotland has also seen an increase in the size of the social service workforce of 0.6% since 2022.⁷ This increase has been driven mainly by increases in the housing support/care at home and nurse agency sub-sectors. The need for more dedicated, skilled and committed social care workers will therefore continue to grow.

Adult social care in England is a historically low paid sector, with the Health Foundation estimating that up to 1 in 5 residential care workers experience relative in-work poverty⁸. Most care workers are paid on or just above the National Living Wage.⁹

Poor terms and conditions are associated with higher staff turnover, and workers in social care are typically employed on statutory minimum terms and conditions. Turnover rates remain higher than most sectors, and higher than the UK average.¹⁰

Skills for Care data shows in 2023/24 there were 1.705 million filled posts, an increase of 70,000 filled posts since 2022/23. Data also shows staff turnover rates in the independent sector decreased from 30.4% in 2022/23 to 25.8% in 2023/24.¹¹

It is likely that this overall growth depended on international recruitment with 105,000 recruits into care worker or senior care worker roles in 2023/24. In addition, there remain ongoing challenges with domestic recruitment with Skills for Care reporting around 30,000 fewer posts filled by people with a British nationality between 2022-23 and 2023-24.¹²

Skills for Care estimate that the sector will need 29% (540,000) more jobs by 2035 based on population projections of older people; and a higher proportion of more skilled roles given the rising prevalence of more acute needs.¹³

⁵ [ONS \(2025\), Zipped population projections data files, UK](#)

⁶ [Social care workforce report 2023](#)

⁷ [Scottish Social Service Sector: Report on 2023 Workforce Data \(2024\)](#)

⁸ [The cost of caring: poverty and deprivation among residential care workers in the UK - The Health Foundation](#)

⁹ [The state of the adult social care sector and workforce in England, 2024](#)

¹⁰ [The state of the adult social care sector and workforce in England, 2024](#)

¹¹ [The size and structure of the adult social care sector and workforce in England](#)

¹² [The size and structure of the adult social care sector and workforce in England](#)

¹³ [The size and structure of the adult social care sector and workforce in England](#)

Common questions

What will be in scope of the Fair Pay Agreement (FPA) process?

The scope of the FPA process is yet to be determined, and the details of individual FPAs will be subject to the negotiating process. In England, we have commenced the engagement process and are seeking views from the sector and Trade Unions. Officials have set up a working group with adult social care sector representatives and trade unions to help inform and develop the policies we intend to consult on publicly later in the year, which will include proposals relating to the scope of the FPA process in England. Further detail will also follow on plans for establishing FPA processes in Scotland and Wales.

Is the negotiating body's activity collective bargaining?

Fair Pay Agreement processes are a form of sectoral collective bargaining which will empower employers, worker representatives, including trade unions, and others in partnership to negotiate pay and terms and conditions. It will operate under a new, bespoke legal framework which applies to the negotiating bodies and provide for sector-wide agreements. This is separate to that provided for by the Trade Union and Labour Relations (Consolidation) Act 1992, which deals with individual employer and union negotiations, and will not preclude such collective bargaining from continuing to take place to agree more favourable terms than any minimum entitlements arising from the Fair Pay Agreement process.

What are the timelines for implementation of a FPA process?

We are committed to consulting widely on the design of the FPA process and in England we aim to begin the public consultation after the Employment Rights Bill receives Royal Assent later this year. Secondary legislation establishing the adult social care negotiating body for England will follow. The body will then negotiate the first FPA. This government is committed to establishing the FPA process and seeing the first FPA take effect for adult social care workers in England within this Parliament.