

Call for Evidence: Make Work Pay Employment Rights Bill

[Make Work Pay: Employment Rights Bill - Committees - UK Parliament](#)

I am a Professor of Human Resource Management in the Centre for Decent Work and Productivity at Manchester Metropolitan University. My research focuses on creating good and decent work, with a particular emphasis on the adult social care sector in England. My response to the Call for Evidence is in relation to this sector. In addressing the general question of how this Bill will contribute to economic growth, in July 2024, the Secretary of State for the Department of Health and Social Care stated that: *“The NHS is no longer a public service... it's an economic growth department.”* (e.g. <https://www.independent.co.uk/news/uk/wes-streeting-nhs-britain-government-one-b2577472.html>). It is also widely acknowledged that for the National Health Service to operate effectively, an efficient and effective adult social care system is needed. Both have a vital role in preventing ill health and enabling economic activity. An effective adult social care system could also release capacity back into the workforce through enabling people who are delivering unpaid care to return to work. A number of the measures in the Bill have particular relevance to the adult social care workforce:

- Banning exploitative zero-hours contracts: the adult social care sector relies heavily on zero hours contracts, particularly in the workforce that delivers care at home (SfC, 2024a), which contributes to high labour turnover in the sector. A reduction in their usage would be very welcome. The meaning of exploitative is, however, unclear and it appears that the onus will be on workers to request guaranteed hours contracts based on their working hours over a reference period. Care workers may avoid doing this if they cannot then access flexible working patterns, as they will lose control over the hours that they work. For this measure to be effective, it must be accompanied by robust flexible working provisions and more detail around this measure in the Bill is needed. Providers also report concern around banning zero-hours contracts and that it could lead to increased reliance on agency staff. This results from the commissioning mechanisms used by many local authorities whereby care is commissioned on a spot rather than volume basis, leading to insecure revenue flows for the mainly private and voluntary sector providers who deliver the bulk of social care. This insecurity is passed onto workers in the form of zero-hours contracts. While outside the scope of this Bill, more secure (and higher) revenue flows are needed to enable providers to deliver this measure, and many other measures in the Bill, without causing adverse consequences such as an increase in use of agency labour and/ or job losses. This will run contrary to the Bill's intention of improving security at work. We report on this, together with pay and a number of other important matters related to terms and conditions in the sector, in a report to be published on 9 December (Atkinson et al., 2024).
- The Fair Pay Agreement in the adult social care sector is a vital part of the Bill. Again, our report evidences low pay in the sector and the challenges this creates for workforce recruitment and retention (Atkinson et al., 2024), leading to a workforce crisis (SfC, 2024a). This crisis results not just from low pay, but lack of pay variation, that is, there is a flat rate of pay for care workers and another, only slightly higher, flat rate of pay for senior care workers. There very limited pay progression i.e. no way to gain pay increases, even if qualifications and experience are gained. This works against the DHSC's (2024) ambition to increase career pathways in the sector and build workforce capacity. Our work joins with others in calling for this to be addressed via a national minimum wage for the sector (Atkinson et al., 2024, Hemmings et al., 2024) and for pay progression mechanisms (Atkinson

et al., 2024, Sfc, 2024b). Sfc's (2024) modelling in the recent national adult social care workforce strategy for England shows that introducing NHS Agenda for Change Band 2 and Band 3 salary points for care workers will be cost neutral over a 15 year period. However, there are immediate financial pressures in the sector; most notably, the recent increase to employer National Insurance (NI) contributions, which has caused great concern. Many providers who pay the Real Living Wage have suggested that this may no longer be possible. Others have suggested an increased reluctance to engage with the Fair Pay Agreement. In the short term, there is an urgent need to consider how to alleviate the pressures caused by NI increases. Longer term, as outlined above, increased sector funding will be needed to support higher pay and better pay progression for care workers and senior care workers.

- Finally, strengthening statutory sick pay is a very important step in the sector. Care providers typically offer only statutory minimum provisions on a range of terms and conditions including sick pay, holidays and pensions. Our research outlines particular concern about sick pay and care workers suggest that strengthening this is very important to them (Atkinson et al., 2024). In the absence of day one rights, many have to work while ill, creating risk for themselves and those they care for, or fall into financial hardship where they cannot pay. Again, this measure will come at substantial cost to care providers and consideration on how local authority funding might support this is needed. It is, however, an important step in creating good and decent work in the sector that will support improved recruitment and retention.

References

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