RESEARCH REPORT – KEY FINDINGS

Living Wage Implementation in Adult Social Care: *challenges, solutions and benefits*

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Contents

Executive Summary

This report explores the opportunities, challenges and barriers for the implementation of the real Living Wage (LW) in adult social care.

Social care is one of the lowest paid industries in the UK, with 73% of care workers in England earning below the LW. In addition, social care workers also often find themselves in a 'precarious' job situation, as 56% of domiciliary care workers are employed on zero-hours contracts. As a result, the social care industry experiences high staff turnover rates and a fairly high percentage of permanent vacancies. Given that due to an ageing population demand for social care is set to rise in the years to come, this low-wage model of social care is not sustainable in the long term.

Transforming the social care system towards a better paid workforce is challenging, in particular due to the chronic underfunding the sector has experienced over the years, but there is a growing number of social care providers and local authorities that seek to implement the LW in their operations, and in their social care commissioning respectively.

Based on in-depth interviews with 13 social care providers providing a range of services (domiciliary care, care homes, day care, and specialist services), 12 care workers / employees working for LW-accredited providers, and 2 local authorities representatives, this report builds a picture of LW implementation strategies in adult social care, solutions to any implementation challenges, and the benefits that result from LW adoption.

The interviews with the **social care providers** show that the LW can be a viable pay strategy in the social care sector, in particular, where the organisation positions itself as a **quality provider and employer**, linking the LW together with quality of staff and subsequent quality of care. Such business models are likely to have particular potential for providers that cater to private clients, but there are signs that they may also gain traction with publicly-funded, commissioned care. The findings also show that LW implementation challenges such as travel time and pay differentials can be overcome through careful planning and communication. In addition, better retention as a result of the LW is likely to translate into real cost savings for the provider, and the ability to attract better staff through the LW, are likely to translate in the standards of care provided. Despite these opportunities, many care providers still feel constrained by a system that normalises low pay and poor working conditions. A number of interviewed social care providers stated that they would like to do more for their employees but that competitive pressures did not allow them to do so.

The interviews with the **care workers / employees** show that the LW is something that makes a real difference to workers financially and psychologically, and that they appreciate being paid the LW. The findings confirm that the LW (especially where also linked with a range of other good working conditions) helps with staff retention, and is also likely to positively impact staff morale and motivation.

The two case studies of **local authorities** in the final findings section show that local authorities have the potential to drive LW adoption through innovative implementation strategies, which includes smarter ways of organising and commissioning care, and linking LW implementation with a drive to improve the quality of social care provision. The case studies also show that there is potential for a more integrated health and social care approach at local government level, which may lead to a re-allocation of funds towards social care enabling a 'higher value' provision of care.

Based on the insights gained from the research, the final section will propose a number of recommendations to facilitate LW implementation aimed at care providers, local authorities and policy makers / government.

Introduction and background

Social care workers provide essential services to society, looking after the elderly, the disabled and other vulnerable groups in need of support and care. And yet the contribution of social care workers remains underappreciated, as social care is one of the lowest paid industries in the UK. In March 2020, the median hourly rate for an adult social care worker in the independent sector in England was £8.50, which was just 29p above the legal minimum wage for those aged 25 and over (Skills for Care 2021). And 73% of care workers earned below the real Living Wage (LW), the wage rate deemed necessary to enable people to cover their cost of living (in March 2020: £10.75 per hour in London, £9.00 in rest of UK) despite the fact that social care work requires a high level of interpersonal and other skills to ensure a good quality of care. In addition to low wages, social care workers also often find themselves in a 'precarious' job situation, as 56% of domiciliary care workers are employed on zero-hours contracts (Skills for Care 2020).

A reason for low wages in the care sector is seen in its gendered workforce (Rubery 2017), with 82% workers of adult social care workers identifying as female (Skills for Care 2020). This is compounded by the fact that social care has for a long time been chronically underfunded. Local Authorities, which commission most social care in England, have had their government funding halved since 2010, and – because of budgetary pressures - they routinely commission care packages that do not meet the full cost of care (including paying care workers a LW) (Dromey 2018).

At the same time, there is a rising demand for social care. Forecasts by Skills for Care (2020) show that if the adult social care workforce in England grows proportionally to the projected number of people aged 65 and over in the population between 2020 and 2035, an increase of 32% (520,000 extra jobs) would be required by 2035, in addition to the 1.65 million jobs currently existing. Data collected by Skills for Care (2020) also show that in England 7.3% of roles in adult social care were vacant at any one time in 2019/20, which is equivalent to 112,000 vacancies and that the sector also experiences relatively high turnover rates (e.g. 38% for care workers). These figures strongly indicate that a social care model based on low pay is not sustainable in the long term.

There is growing recognition that social care requires a different 'business model', one that is built on better paid, higher quality jobs as a way to ensure sustainable, good quality care. Recent years have seen an increasing number of social care providers making an official commitment to paying their staff at least the real LW through seeking LW accreditation. There is also a growing number of LW-accredited Local Authorities that seek to implement the LW in the social care contracts they commission. These providers and local authorities show that an alternative to the predominant low-wage model is possible, although their efforts are still being constrained by the current health and social care system.

This report explores how LW adoption can be encouraged in the adult social care sector at provider as well as at local authority level, what barriers for LW adoption

exist, and how they can be overcome. The research builds on existing studies into the implementation of the voluntary LW by employers (e.g. Werner and Lim 2016) but focuses in-depth on the adult social care sector taking into account sector-specific features as those outlined above.

This study takes a multi-level approach, showing the opportunities and challenges for LW implementation at both provider and local authority level. It complements these two perspectives with the perspective of employees that work for LW-accredited social care providers. The report will end with a set of customised recommendations based on the insights generated by the research.

Research Design and Method

This research adopted an exploratory, qualitative approach, using interviews with all three stakeholder groups (providers, local authorities and employees) as the main means of data collection. In line with the chosen exploratory approach, all interviews followed a semi-structured format in order not just to cover a range of topics but also to enable respondents to talk about issues around LW adoption and implementation that they felt most strongly about, and to allow for issues to emerge.

A selection of **LW-accredited social care providers** were invited to participate in this study and 12 agreed to be interviewed. One non-accredited provider was included in the sample in order to gauge the view of a provider wishing to receive accreditation but currently not meeting all accreditation criteria.

The interview sample comprised a range of organisation sizes, core services provided, sectors and geographical regions. Five providers employed between 11-50 employees, four between 51-250 employees, two between 251-500 employees and two over 500 employees. No micro-businesses (fewer than 10 employees) were included in the sample. As such, the sample contained a slight over-representation of larger providers compared to the overall population of LW-accredited social care providers, but interviews with larger organisations helped better understand the challenges of LW adoption at a larger scale.

The largest service represented in the sample was domiciliary care (five providers), all of which were private sector organisations. This was followed by four providers running care homes and other residential care settings for older people. Two of these were private sector organisations and the other two third sector organisations. The sample also contained a private sector company offering care agency (care home staff) as well as complex and specialist care services, and two third sector providers offering day services (one for elderly people, the other one for people affected by dementia and disability also offering a supported housing service). A final provider offered specialist services (equipment, sensory rehabilitation, training) operating under a private sector legal form but 100% owned by a local authority.

Three providers were based in London, three in the South East, two in the North West, and the following regions were represented by one provider each: Scotland, South West, East of England, West Midlands, and Yorkshire and the Humber.

Five of the providers received LW accreditation in 2020/21, three providers received their accreditation between 2016 and 2018, and the remaining five providers were accredited between 2013 and 2015.

All care provider interviews were conducted with senior level managers or with the organisation's owner-director. A few interviews were conducted as group interviews, in which a functional director (HR, finance, etc.) was also present.

The twelve **care workers / employees** interviewed for this study were approached via a number of the participating care providers. Six participants worked for domiciliary care services, two for day care services, two for a care home agency, one as support worker in supported housing, and one as an officer for a specialist care provider. One participant was male, the remaining ones female.

The two participating **Local Authorities** were both based in London. One of the local authorities had already received LW-accreditation, whereas the other one was working towards accreditation status. The interviews were conducted with an Assistant Director of Commissioning (LAA) and with the Head of Enterprise and Employment Strategy (LAB).

The interviews took place between February and May 2021. They were conducted either on Zoom or on the phone, and were recorded for transcription. The recorded and transcribed data was treated in line with Middlesex University's research ethics protocols. Respondents gave their written consent to take part in the study. They were assured that their data would be treated in a confidential manner and anonymised for the purposes of this report. The project was approved by the Management, Leadership and Organisations research ethics committee.

The Care Providers' Perspective

The interviews with the care providers probed into the following areas: motivation for LW adoption, their organisations' funding model, how the LW was implemented, implementation challenges that needed to be overcome, and benefits of LW adoption. The responses to these questions are set out below, followed by a general reflection on the opportunities and barriers for LW adoption at care provider level.

Motivation for LW adoption

Why would care providers seek to adopt the LW in the first place? For a number of care providers in the sample the motivation to adopt the LW tied in well with their general philosophy of wishing to provide a **quality service** for which good quality staff who were fairly remunerated was required:

We've always sold ourselves from a real quality angle. So, we've never really tried to get involved in the "race to the bottom" as it were.... So, there's lots of clients that certainly won't pay our rates because they perceive us to be too expensive but the clients we work with, I think, they have to be mindful of the cost, but equally, ***they buy into the quality of the service and the people they receive****.*

The only way to be outstanding, is to have an outstanding team of people who all want to achieve the same, to provide great care, to make a good team, to be accepting of one another, our strengths, our weaknesses. I think it's all connected with the wage as well.

If you are a good employer, if you really do walk the talk and try to live up to that promise we will look after you. It's not just about caring for clients; it's about caring for the team as well. Then you get better, happier, more committed team members and that by very - well I suppose by extension then becomes happier, more dedicated, more committed carers going into people's houses which then get a better level of service.

At the same time, a number of respondents also stated paying the LW to care workers was a **moral decision**.

The accreditation was a moral decision. As someone who has lived with carers working in our family home, I felt that paying a real Living Wage was the right thing to do. We didn't want to be considered just paying our carers the bare minimum – as, unfortunately, so much of the health and social care sector, does. Fundamentally, it's not right that a carer being paid the minimum wage cannot afford to live.

Because it's the moral thing to do. Everybody should be paid a LW. It's something I feel quite strongly about. I don't like taking advantage of people.

Others saw the LW as **a means to value their staff**:

So, it's that kind of valuing the staff for the role that they provide.

and it was felt that there was a need **to recognise the challenging and demanding responsibilities care workers are expected to fulfil**:

[Our sector] seem[s] to expect so much of our staff. … The responsibilities they are expected to take on board are incredible. The amount of information they're expected to digest and be able to act upon, is vast. And so there seems, to me, this incredible disconnect between on the one hand, the level of responsibility that is afforded people and then on the other hand the levels of remuneration. … We play upon the very, very kindly good nature of so many of our colleagues because they're just genuinely kind and generous and wholehearted people that just get a lot of satisfaction out of the incredibly good work that they do out of the levels of appreciation that they get in direct response to the work that they do from the people that they care for and they help and serve… But they shouldn't have to be sustained purely on the kind of feelings of appreciation from their clients, they should be able to earn a reasonable amount of money commensurate with their responsibilities.

There were also **business reasons** as to why care providers sought LW accreditation, in particular related to **recruitment**:

We're competing for best staff against Health … we've got a very big hospital in our area … It's very well known. It provides some very specialist support. So, we're competing against them. So, I don't want all the good staff to go to Health, and Social Care to be the second class citizen.

Recruitment of carers has always been quite a challenging issue for us as well as for the sector in general and one of sort of the challenges within that is the pay rates received. So, we decided to become a London LW employer partly … to make it that little bit more attractive.

For others, the value in LW accreditation lay in the fact that it was an **independent benchmark** that **provided assurance to staff**:

I think it's just more of a guarantee and security for the staff because they know there will be a raise every time there is a rise in the London LW rate.

The accreditation of the real LW, it allows us to have a benchmark to say this is an independently adjudicator level of pay which is fair, and we are thrilled to be able to pay that to our staff.

as well as provided **credibility in the market place**

I think it makes the business look more grown up. A lot of care companies say they pay great rates but they don't pay holiday pay or they don't pay travel time or they don't … but there's lots of different reasons why they're not honest about the rates they pay. And we want to be absolutely above board.

A somewhat different motivation was found with the provider offering specialist services, which sought LW accreditation to establish themselves as a community-based provider and good employer, thus emphasising the **symbolic value of LW accreditation**:

And we knew fairly soon that we wanted to … be much more community based. … And part of that community base is about quality and the fact that 50% of our staff are from [the local area]. [The local borough] is one of the most deprived boroughs in the country and obviously its health population challenges are significant. So, being a good employer was a tactic of ours to ensure that not only did we retain staff, but ***we also have a kind of flag in the sand to say this is who we are****. So, we did a number of things around part of the London LW accreditation.*

Funding Models

The way care providers are funded (i.e. their services paid for) is likely to have an impact on how easy it is to implement the LW in their organisation. For example, a focus on private clients enables care providers to set charge rates higher than the low rates at which Local Authorities routinely commission social care. Three of the domiciliary care providers had primarily privately funded care users. This, so one of these care providers, stated, enabled them to provide better working conditions for their employees:

So, we've got private clients. And a lot of that is to do with trying to make sure that when we sort of run the business that we've got enough sort of money coming in if you like to be able to look after our team. So, the funding from the private marketplace obviously is better and so therefore that means that we can kind of pass on the benefits of that onto our kind of our staff and that's one of the reasons why obviously we looked at the LW.

At the same time, another domiciliary care provider, even though also catering mainly to private clients, still felt local authorities, as the dominant buyers of social care in the market place, placed constraints on how much they were able to charge to their clients (and consequently pass on to social care workers):

The fees we're charging are set really with us to a large extent with the context of the local competitors. So, whilst we're fortunate in that we're not working for local authorities or the NHS who act as like a sort of monopsony buyer, we're not operating in that market. However, we are operating alongside competitors who are also - the prices we all set between - well we don't set between us but what each one sets dictates, essentially, what the whole markets work in. [Interviewer: So, you can't be widely out of line with the competitors.] You can't, no, because you're just not going to get the work. So, we have several competitors in our market and the reality is there's probably £2 difference between the highest and lowest. So, they're all very closely bunched around each other.

The remaining domiciliary care providers had a mix of private and publicly funded services, with one provider emphasising that they wished to be able *"to offer a service irrespective of whether you have the means to pay for it or not, i.e., whether you're a private funded client or you are reliant on the local authority.*

Similarly, one of the four care home providers interviewed had private clients only, two care homes had a mix of private and publicly-funded clients and another one (not LW-accredited) had publicly funded clients only.

The day care service providers and specialist service providers were in the main funded through public funds and grant funding, or a mix of several income streams.

Implementation of the LW

In those cases where sufficient public and/or grant funding had always been available to the organisations – as in those organisations that provided day or specialist services in our sample - paying the LW was less of an issue. The LW was either seen as part of the organisation's ethos that should be reflected in the running costs of the organisation, or in the case of a specialist provider, the vast majority of their employees commanded wage rates higher than the LW anyway, due to their skills set.

Similarly, one domiciliary care provider stated that they found it relatively easy to accommodate the LW as they **had incorporated it into the organisation's business model from the beginning**:

"We've done it from day one. We built our entire business model around the real Living Wage so we knew if we paid our carers X and charged our clients Y to make a gross profit of a certain margin, we'd have a viable business model. We structured that right from the start knowing that if we did that calculation, we'd be clear on what we've got to work with for paying overheads, office staff, etc."

For all other organisations, LW implementation was either reflected in **increased charge rates / fees and/or were initially absorbed as a business cost**:

We factored, as part of the decision to join - we already looked at the charge rates we were making and decided - and looked at the labour costs with paying the LW but then any on-costs, national insurance contributions, pension contributions etc., added all that up and worked out if it was viable based on our rates. Now the rates at the time, it was - were viable, but ever since we've also had to look at fee rates in parallel with any increases in the London LW. So, we've generally sought to increase people's fees in line with London LW increases.

I think we absorbed some of the cost. We didn't pass it all on to customers because, again, I probably saw it as a means of both attracting but also retaining people. So, I thought that actually if we lowered our recruitment costs and maintained a larger workforce then we'd get the benefits through our increased volumes of supply. ... So, absolutely we eroded our margin at the point that we initially implemented it but, yeah, it's worked out well.

We did introduce a small care fee increase which by no means covered the cost of the implementation ... it became part of our operating costs.

[The LW] was budgeted for... I mean we do have a rise in the rates for our members in line with the inflation every year, but it wouldn't be affected by other things we do internally.

Whilst a reflection of the cost of the LW in clients' charge rates might be more feasible and acceptable for those providers catering in the main for private clients, what about

those providers who rely on local authority commissioned/funded services? Here, one domiciliary care provider made the following statement, with how he justifies **charging higher fees to local authorities**:

I charge the local authorities at the higher end of the spectrum that they're prepared to pay, on the basis that if they don't feel that they're getting the best value from us, then obviously they can go and get it from somewhere else. The honest truth is that demand outstrips supply and, consequently, there will always be a certain amount of work that they will ask us to do, having exhausted other options.

And a care home provider in the sample reported how they set their care home fees for their clients, including local authority-funded ones, **based on the real cost of care**:

We've determined the true cost [of social care] … We've then been able to make a calculation on what we would need to maintain and improve our buildings, to maintain and improve the standards of care within our homes, which then allows us, to some extent, to justify the slightly increased fees. … We've used a traditional business model to determine what our costs plus profit needs to be to allow us to make these changes.

Implementation of the LW often went hand in hand with **communication to clients** around the link between charge rates and the wage rates paid to staff.

Each year we will send [our clients] sort of a fee rate increase letter and one of the factors will be - and we explain the reasons behind it. So partly it will be the increase in costs of employment, predominantly the London LW increase, and then also pensions went up as well for a few years. Now at the moment they've plateaued but the way pensions were introduced, there was sort of an increase in the employers percentage over a three year period, so we cited that, as an example, as a reason as well.

We also consulted with our clients about it in terms of why we were doing it because we did introduce a small care fee increase … . But for us it felt like it was the right thing to do because we wanted to get clients' feedback – and clients' families, obviously - about the fact that quality of care – they valued that consistency and stability and security of the people that their families or their parents were being cared for.

For some organisations in the sample, LW implementation also led to a **simplification of their pay policies**, with one provider changing rate increases from people's work anniversaries dates to an annual increase:

I think all we did was did a blanket pay increase which we just made an annual thing. So, prior to that we'd been giving pay rises on people's work anniversaries but actually we just decided to do it on entering [the LW]. … In fact, to be honest, it was easier because … the way we were doing it, we had to remember everyone's anniversary whereas this way you only had to remember one anniversary.

And another one simplified different existing pay rates:

I think we kind of just had to look at all of the kind of rates of pay that we were using across the organisation … because we pay different rates for travel and different rates for

different members of staff. So, we just kind of looked at all of that and made sure that we brought everything kind of into line with the LW. It wasn't particularly difficult for us because we didn't have a very complicated kind of structure in place, and we were kind of relatively new when we did it. But we just looked at kind of simplifying the way that we compensated people and it also kind of made it easy to explain and kind of more transparent for people.

Another issue regarding implementation – and that may be more of a challenge for larger organisations - is **whether to implement the LW gradually or overnight.** Two of the respondents provided an interesting contrast in this regard. The following is an account of an organisation that slowly worked their pay rates up to LW rates.

Our response to [staff feedback about wages] was, in essence, OK, you need to give us a few years to [work on] the sustainability and the financial strength of our business and, when we have done that, we will reward you properly… We have been doing this for over three years, so for three years it's been, sort of, 5 to 8% pay rises for our staff, it just so happened that this was the year that we could manage to get everyone above that or equal to that LW threshold.

By contrast, the other organisation decided to bring in the LW overnight, which was somewhat more challenging.

So we looked at first of all a model whereby we had intended to increase wages – staff wages – the basic wages – over about three or four years so that the impact from a financial perspective would have been managed over a slightly longer period. But [then] we took a decision to make a change within the year. … It added [hundreds of thousands] to our wage bill essentially overnight. … Organisations will take this hit if they choose to do so.

Another point to be made about implementation of the LW pertains to those providers that cater to a mix of public and privately funded clients, and that is that at least to some extent **private client income might cross-subsidise care for publicly funded clients** to ensure that good care can be provided to everybody:

25% [of our income] is private. And that helps us because the private people will pay us on average £2.00 or £3.00 an hour more than the local authority will. And that helps bring the overall average income level up to a point where we can then afford the higher levels of remuneration that we pride ourselves on paying…. I will ask the private client to pay at least the rate of inflation more than they would do the year before because I need every penny to try and reinvest in trying to get the best quality of care and the key element to that really is the actual people, the frontline care workers and the management team that support them.

Initially our growth will be more focused on the private sector fee paying market than it will be on local authority provision. Because we know that we need long term to be able to provide some level of discount to local authorities unless the government does what it should and pays a proper fee for social care.

An important element of LW implementation is the **promotion of LW accreditation** to clients, employees and other stakeholders. Here are some examples of what LW-accredited employers said about how they used their accreditation in the promotion of their services:

I think it does say something that we pay at least the LW to all employees and so it's something that we would lean on when we're promoting our services.

I put it in our email signature because I want people to know. I think there aren't many care companies who do that because cost is always such a big deal with care. I think it's a nice thing for the clients to be able to see that we're paying a sensible wage.

It goes on every folder, the care plan folders, the works, it's there … So, actually, it is a big, very important message for clients and it does matter to them when they're choosing which provider they're going with because it represents ethics. It's like a badge of honour, it says we do have standards, we look after our employees as well as looking after our clients and they want to see that.

One provider reported that they used the LW heavily in marketing to employees:

The LW is to really demonstrate our brand values … So a lot of [our] time is spent promoting, obviously, marketing [our company] not to the clients, it's for the carers to make the company - to demonstrate that we do value the care that they're doing.

In this regard it was also felt important by a number of providers that they **advertised transparent wage rates** so that prospective employees were able to see the base rate and the extra payments for holidays, pension etc., which was something, they felt, many of their competitors did not do:

And I think with some of our competitors as well there's a bit of smoke and mirrors because they will quite often quote their pay rates inclusive of holiday pay. Whereas we quote our rates plus holiday pay. So we pay holiday pay on top. So, it can sometimes be difficult to tell people what the difference is between our rate and one of our competitors.

I think other organisations sort of lump in the pay, so they make it seem more attractive, but actually when you look at it and you actually look at the base pay, it's not as much because they'll lump in things like holiday, travel time, pension.

Finally, some care providers also saw LW accreditation as a means to advertise **a wider message about the importance of the LW**:

The accreditation is nice, and I hope what the accreditation will do is allow us to broadcast this a bit more widely and promote the fact, not that [our organisation] are doing something special, but that social care staff are doing something special and they should be properly paid for it.

We put [LW logo] on our materials, but it's actually about other people understanding what that is and the importance of the London Living Wage and why that has a focal point.

Specific Implementation Challenges

Besides general implementation challenges, as set out above, there is a set of specific challenges that those wishing to receive LW accreditation may have to tackle. These pertain to travel time, sleep-in shifts and pay differentials.

Travel time

Living Wage Foundation policy stipulates that domiciliary care providers are expected to pay care workers the real living wage for travel time at work. This can pose a considerable challenge, as commissioned services only pay an hourly rate for service user contact time, and this way of charging for domiciliary social care is replicated in the wider industry. However, if this hourly rate for service user contact time translates into the care worker only being paid a wage rate for their contact time with the service user, this means that the care worker loses out. For example, for working eight hours a day including travelling between service users, care workers may only receive pay for 5-6 hours. Depending on their pay rate, that might even lead to an overall hourly wage below the legal minimum wage.

One way for the care provider to address this is issue is to calculate their rates so that travel time is incorporated into the rate charged to the service users. This may mean, that for example, they need to consider the way work (i.e. service user appointments) is organised for care workers so that travel time can be kept to a minimum. The following two examples show what measures care providers may put in place in relation to travel time in order to become eligible for LW accreditation.

For the following provider, it meant that pay increase went into the payment of travel time, instead of a further increase of the rate for service user contact time (which already met LW criteria), and that work schedules had to be carefully recalibrated over several months in order to keep staff and clients on board.

We'd wanted to [become LW accredited] for a couple of years but the issue was travel time. Because our care givers go from one client to the next and we could never afford to pay for that time. But, last year, we decided rather than give a rate increase – because they were already on £10 per hour – so we thought we'd pay travel time instead. So we did that. .....That was the only place where we weren't paying enough. Because the hourly rate was enough to cover the time they were travelling but we weren't specifically paying for it. .. We pay for the time they're with the client and previously we made sure that was enough to allow them to get to the next client. But now we pay for that time in between as well. One of the things we had to do to make it affordable – was ... make [their rota] more efficient which is better for [our staff]. They want to be looking after people. They don't want to be travelling. It took us a few months because the caregivers are very fond of their clients ... Sometimes we have one caregiver going to one client for years. So, ...we had to be very careful. We had to introduce somebody else and make sure they get on and then build up a relationship and then gradually we can make the change. So it took a while. It took several months.

And the following care provider changed the *fixed amount* they paid care workers for travel time between visits, to a *'paid by minute' model* as a proportion of the hourly LW rate, and also reorganised care workers' rotas to minimise travel time:

So it used to be something like they would get paid a set amount. So, they'd get say £1 for ... they would get a per visit amount. So, you'd get say £1 per visit that you did to compensate you for travel time. Now, they get paid per minute that they use for travel time. So, sometimes it could work for the carer and sometimes it can work against them. But obviously the less time you're travelling, the more visits that you can do and contact time that you can have with clients. So, overall, it is a fairer means to pay people and a fairer approach. But it just takes a bit more kind of explaining to people. So, we try to organise it so that there's the minimal amount of time between visits.

The issue of travel time is also beginning to be recognised by local authorities and efforts put in place to address this issue (see p. 33)

Usually, LW accredited domiciliary care companies **reject short visit lengths** and would only offer longer visits to their clients (in line with their philosophy of providing good quality care), which also helps resolve in part the issue of travel time. Due to the nature of their funding, providers catering to private clients have the freedom to offer one hour visits as a minimum, e.g.

We don't do any short visits. Our shortest visit is an hour.

Whereas those accepting local authority funded clients may only be able to go to half an hour as a minimum, e.g.

There are some people in this sector that still do 15 minute long visits but I won't countenance that. It's a minimum of half an hour. There are some agencies that do a minimum of an hour, which I envy, but they don't do anything with the local authorities. They're only dealing with private clients.

Sleep-in shifts

Another issue pertains compensation for sleep-in (or on-call) shifts. Legally it is permissible that care workers are paid a fixed amount less than the minimum wage per sleep-over shift (£30-40) if they are not required to actively help a client during that time, as a recent court judgment confirmed (Butler, 2021). However, Living Wage Foundation policy stipulates that during night shifts workers should be paid the full hourly LW rate, no matter whether they are asleep or not. (This is in contrast to live-in care, where workers should be paid according to their daily average hours agreement).

The issue arises because local authorities only pay low amounts for commissioned sleep-in shifts, which would then leave the provider to make up the rest. This inability to pay LW rates for commissioned sleep-in shifts meant that one of the care providers interviewed was not eligible for LW accreditation, even though they met all other LW

accreditation criteria. For another provider it meant that they had decided to withdraw from certain local authority contracts:

When I last tendered for a local authority – they were paying £35 or £40 for a sleeping night. So, our pay cost on a sleeping night would be £100 plus all the other costs and the local authority want to pay £40 and it just doesn't stack up.

This apparent discrepancy between local authority funding and LW-accreditation requirements may mean that those care companies who provide commissioned sleep-in shifts will never be eligible for LW-accreditation, unless they are large enough to absorb the cost through economies of scale. It also indicates that the issue of payment for sleep-in shifts needs to be tackled at local authority level (see p. 33 for an example)

At the same time, when discussing sleep-in shifts in the interviews with the care providers, there was a view emerging that waking shifts, rather than sleep-in shifts, should be the norm.

We [only] have waking nights [in the care home]. I am in the process of setting up a home care agency company, so it will be another branch of the business and we will hopefully be able to support people at home and I would not even offer anyone a sleep in shift. It wouldn't even cross my mind. If I sent a carer to someone's home for the night I wouldn't even think of saying to the client that if you don't wake up it's a sleep in shift and we'll only charge you £50. I just wouldn't even entertain the idea really.

Pay Differentials

Another potential contentious issue when implementing the LW is that of the erosion of pay differentials within organisations, which could lead to dissatisfaction of staff who are on wages higher than the LW, an issue identified in previous studies (e.g. Werner and Lim, 2016).

Some providers took the decision that **LW implementation needed to go hand in hand with (some) erosion of pay differentials**, otherwise LW adoption would have been too expensive.

One care provider sought to tackle the issue of erosion of pay differentials through **communication** within the organisation, explaining the moral value of the LW:

Actually we got some resistance from the higher paid members of the team … And they felt that their pay rate was effectively being devalued by the fact that we'd increased the rate for the lowest paid employees. And that was really difficult. And how we managed that communication and, at the time, I explained it that, fundamentally, we felt that it was unfair that anybody would receive less than the LW. So, that had to be our priority.

In another example, however, where pay differential between care workers and other staff were rather high to begin with, some erosion of pay differential was not perceived as a negative issue, but was by everyone working for the organisation

welcomed as a positive development, which was likely a product of a **positive organisational culture**.

It was quite a common understanding between us and the staff that most of our – so for example nurses, registered nurses are on more than double of the London LW so it was an understanding that … until we kind of recover from [Covid], we won't be doing any other pay rises. ..We all understand that what our job roles are and actually everyone was happy for people that have been on the London LW. There's a very homely feel here and we all know each other really well, and make a really good team, so everyone was really pleased.

For a care home that introduced the LW gradually into the organisation, this **gradual implementation also enabled maintaining of pay differentials**:

Because we've been on the, sort of, upward trajectory we'd, kind of, already got those differentials in place. We'd already built in a differential, sort of, a couple of years ago, so by just continuing the journey all of those challenges, essentially, had already been resolved… We did have to construct this … structure in the business that meant, actually, if we move, we move the whole structure. I think for us, because we'd moved to that point over a number of years, it hasn't been a challenge this year but it would have been four years ago.

Other providers have implemented **graduated pay rises** that are skewed towards people at the bottom end of the pay scale (those who are paid the LW) but enable a pay increase for those at the higher end of the pay scale as well:

Actually, what we do is – we currently have a cost of living rise and so there's two elements to it. Our lowest pay scale is at the real LW rate of pay level in terms of an hourly rate … And then we will set a pay rise for the rest of the organisation. So let's say, for example, the real living wage pay rise is 3.5%. We might set a 2% pay rise for the rest for the rest of the organisation and then we graduate the pay rise down from the 3.5% to 2%. So it helps to just keep some differential between the very lowest paid and [other employees].

The LW part of a wider approach of how to reward and organise care work

An emerging theme in the interviews is that paying the LW is part of a wider package for employees to ensure staff satisfaction, to attract and retain high quality employees, and/or to ensure a high quality service business model.

The following lists a number of measures that care providers put in place *in addition* to the LW to ensure employee well-being and satisfaction:

Ensuring that employees can work flexibly around their needs

And flexibility, we support single mums with flexible working hours…. So, I think it's the same flexibility that we expect and care that we expect from the team is what we also give them.

Employee Assistance Programmes

We have a wellbeing portal so lots of advice in there about physical wellbeing, health, diet, exercise, mental wellbeing, mindfulness, resilience, even financial wellbeing. So, a whole load of sort of videos and things that they can do and information they can get hold of. And we have an employee assistance programme as well so that when - and it's not just related to work matters, it's for them and their family etc., so the only thing we've had people use it to try and resolve rent disputes or even divorces, how to handle all of that, it's got a whole sort of legal side. The aim being to try and just support our staff in the things that life throws at them along the way because the less of an impact that has on them, the less of an impact it has on the company as well.

We've implemented an employee assistance programme and trained an in-house team of mental health first aiders.

Allowing employees to have a real stake in the organisation, through staff engagement, or employee representation or employee ownership

So things like completing staff surveys, having their voice heard …our Vice Chair of the Staff Council is a care worker. So there is that sense of engagement with the wider organisation which comes from that feeling of being valued as a member of staff as well.

Every single member of staff that's been there longer than a year is entitled, for £1, to purchase a share. And, with that share, they can vote for all sorts of things that happen. We also have a staff board. We have an employee owners' board which is run by 12 representatives who represent every area of work across the organisation. And they have a chair and their chair sits on our full board. So, that what we get is that flow of information up and down all the time.

Pension schemes, sick pay, holiday pay

There's a pension scheme to which actually, as an employer, we make quite a significant contribution. And then we have quite generous packages in terms of annual leave and holiday leave.

We're very good at sick pay, discretionary pay for various things.

Early pay scheme

We have an early pay scheme as well. So basically, we load up their hours into a portal, they have an app and every single week, we add up the hours for the previous week and load them in and they can draw down up to 50% of their pay at any point they want. So, again, to help them manage the cycles and vagaries of cash flow and get access to their pay rather than maybe having to get short-term loans.

Staff discount schemes

We have a rewards gateway scheme which is one of the ones where you can get high street discounts, you can charge effectively a recurring gift card but for every £10 you put on,

you only pay £9.50 for instance, so therefore you can then use that to shop so you can save somewhere between 5 and 10% of all of your shopping that you need to do.

Health care cash plan

We have a healthcare cash plan which basically means that if staff need particular forms of medical care then they can claim it back.

Awards, rewards and gifts

We've given them all a present for being amazing during Covid times. We're about to give them another. They get Easter gifts, they get Christmas gifts – well, they get a gift at Easter and a gift at Christmas. And we have awards. They vote for their colleagues and then we give out a few from the directors as well.

We will try to demonstrate our acts of kindness to them and our respect to them so we have also a referral scheme which we run but which also doubles up as a little bit of a retention scheme whereby the managers are given the ability to reward individuals if they've done something themselves and their teams and then we just do - wherever we can, we do extra little sort of acts for them. So, for example, just recently, it was Valentine's Day, so they were all given little chocolates and water bottles to say Happy Valentine's Day.

Providing support for employees when in the field

So, we try to really build that connection between our office and the carers out in the field. So, they just feel like they've got someone that they can rely on basically to kind of ask any questions to and sort of feel like they're ... they are on their own, but they've got somebody there.

Paying and support for training

We pay for all training – which, again, not all of our competitors would do. ... They would expect their employees to do it in their own time where again – if our employees do training in a classroom environment – we pay them for it.

So [our care workers] also do the care certificate as well which, again, is an industry requirement but what we do with that is we use that, so we pay for the time for that, but we use it to fill their hours in the early weeks.

I suppose there's, by extension as well, every single one of our staff has got the care certificate. ... We then encourage, actively encourage, people to sign up for NVQs or QCFs ... and we have huge numbers going through that doing levels II, level III, doing level II and then going on to do level III, so continued development and we can then bring those people who've got those qualifications in to start doing reviews and assessments for clients ... Newbies coming in are not trained by a corporate training team, they're trained by people like them who are a few years down the line. So, again, that reinforces. So, people can see the opportunities of progression, the opportunity to grow and to learn and to develop and not everybody wants that, people want it to varying degrees but it's having the opportunities there. So, again, if you are working out in the community, you can see

it as opening other opportunities in the company as well and I think that's another positive that they carry with them into the job.

A topic that a growing number of domiciliary care providers are taking an interest in is that of **guaranteeing their staff a minimum number of hours** to counteract the image of the 'zero hours' model, which is quite prominent in the domiciliary care sector, and to provide care workers with a stable income basis that, in turn, would help them live better lives as they would not have to worry about paying their bills, rent or mortgage. The general feedback from the care providers that have explored this issue was that not all care workers would like guaranteed hours as this would inhibit their flexibility, but the providers felt they should give their care workers the option to have a guaranteed hours contract. Below are two examples of domiciliary care providers who offered their employees a range of different contracts – giving them the choice to be on more flexible terms, or to work fixed, contracted hours that come with a stable income.

We have some kind of bank contracts where people want a degree of flexibility, but everybody is offered either a full-time 35 hours a week contract, or a part-time 16 hours a week contract. *And two-thirds of them take us up on that. … Why should the risk be on the carer, just because, all right, we have situations where our clients go into hospital. All of a sudden, gone. We're not visiting them, we're not earning. But is that the carer's fault? Why should the carer be underwriting that? Surely that's my responsibility as the business owner. I build in a profit and part of that has to be a contingency to cover those sorts of situations.* ***So, it's an absolute, fundamental, tenement of our philosophy that everybody should be entitled to a proper contract of employment with a guaranteed number of hours and a guaranteed income.***

We offer two types of more structured contracts. We have a guaranteed hours contract, two variants of, one for part-time and one for full-time and then we have a contracted hours which is more - almost a bit more like getting a salary. *But for each of them, there's obviously the commitment that we need from [our staff] as well as we make to them.*

Benefits of LW adoption

In addition to probing into the different ways in which the LW was implemented into their organizations, this study also explored the benefits of LW adoption (potential and perceived) for the care provider organisation.

Staff retention was a benefit frequently mentioned by the respondents. It was seen as a benefit that would, in the end, **help save the organisation money in recruitment and training costs**, for example:

Especially with people who are brand new care workers, it costs money to train them up. So, we know the more people that we can retain the better, rather than us training them up and then disappearing off to another employer, as well. So, it has this constant benefit of us, hopefully, being able to hold onto people as well as attract new people into the business. Even if it wasn't training it's the cost of recruitment, there are so many different

care companies competing to get the same pool of staff, so by being able to retain well you spend less effort on training and recruitment and so on. It would still be thousands, though, just for recruitment and initial training, thousands per staff member.

Others linked retention to **their ability to provide more consistent and reliable care**.

Everything comes back to the quality of your frontline care workers. And their reliability and our ability to recruit them and retain them is in no small part, not entirely, but in no small part based on the levels of remuneration.. but overall, it's worth it because it gives them that peace of mind, it gives them that economic security, which in turn helps with our retention and with our recruitment too and it helps. And anything that slows the churn rate means that we then are able to provide a more reliable, consistent level of service.

Another benefit often mentioned was **the ability to attract good employees to the business.**

I think what it should allow us to do in any particular geography is be a little bit more selective about who we employ and expect them to upgrade to a very high standard.

We want social care to be a career of choice and we want to attract the very best candidates - if you attach a salary that says we are going to value you, train you and develop you then that makes a huge difference to who applies.

One care provider sees paying the LW as the right model because it does not just enable good retention rates and recruitment of good staff but also **saves on costs freeing up resources for investment in staff.**

Because we pay better, we attract better candidates, who in turn become better employees who stay with us for longer. We've got something like twice the length of service compared to our competitors. We've retained staff very well and that means that we can have lower overheads, and focus on really investing in our existing team

Better staff morale was mentioned as another benefit of LW adoption, and this was also linked to the **ability to provide good quality care**:

I think the difference is that you get staff more motivated, more caring, more interested in you. I think, therefore, as an employer, we get a fantastic reputation. It's stupid not to do it would be my thought I guess. What a ridiculous thing not to do. Not to value the people you work with by giving them an honest wage. So, I guess, for me, it means that you have quality services and quality staff because you value them. I think that's it really. It's just a no brainer.

I think part two is that our staff morale improved as well. So actually in addition to that stability of workforce, actually we have staff who are less worried about their financial challenges privately which means they're in a much better position to bring their whole self to work. Because we know that people who have a high degree of financial security are not able to concentrate fully in terms of their work and their day to day activity. And actually it's meant that our care workforce are far more engaged as a population in the wider organisation as a result.

A few providers also mentioned **less absenteeism and less sickness**, although care providers don't always keep records that would prove that this is the case. An interesting example was provided by one provider, who found that it was not people that were sick but cars that were 'sick' when staff earned below the LW.

Our staff were calling in sick, but they weren't sick, it was their car had broken down … And one of the advantages you get when you start paying people more generously and when you give them a contract of employment that gives them more financial security is they can go and get a much better quality vehicle and they can run that vehicle somewhat more easily than they might previously have been able to.

Finally, and not unimportantly, care providers also derive moral satisfaction from being a real LW employer:

It makes me happy!

We pride ourselves on paying higher levels of remuneration.

I'm proud that I'm one of the 50 change makers [in my local borough] championing the London Living Wage.

Reflection on opportunities and barriers

Above accounts from LW-accredited social care providers show that a LW business model can be viable in the social care sector, in particular, where the organisation positions itself as a **quality provider**, linking the LW together with quality of staff and subsequent quality of care. There is more freedom to do this where providers predominantly cater to privately funded clients, as they are less constrained by local authority funding models, although local authorities may also (increasingly) agree with a 'value for money' argument. It is however no surprise that care providers who catered to both publicly and privately clients saw their organisations' growth potential in the private market, rather than in local authority contracts.

At the same time, LW business models become more viable where the provider is not oriented towards profit maximisation but towards a 'fair profit'.

The findings also showed that LW implementation challenges such as travel time and pay differentials can be overcome through careful planning and communication.

Despite their efforts, however, most respondents (even those who had exclusively private clients), felt that they were constrained by the chronically underfunded care system that seemed to normalise low pay for care workers and working patterns that were not necessarily conducive to workers' well-being (e.g. travelling between visits, split shifts).

Respondents felt uneasy with the low pay rates of the industry (*"Care is still a very low paid industry which is wrong"*) especially in view of the demanding and skilled work care workers are asked to provide:

Care assistants [are] often not recognised as a profession or a skilled job even though you need many, many skills to be a good carer.

There seems, to me, this incredible disconnect between on the one hand, the level of responsibility that is afforded people and then on the other hand the levels of remuneration. … You've got to realise just how demanding and challenging the work … is, and it is morning, noon and night and it is seven days a week. You're not working all that time, but the services are required seven days a week, morning, noon and night.

Respondents therefore said that they liked to pay their staff more, and a few actually said that their pay rates already sat slightly above the Living Wage rates because they considered the LW as an absolute minimum. But pushing pay rates much further was also seen as a business risk, as it would make the business less competitive

So, the difficulty for us is the more we increase the rate, the more tricky it does become. And I think it's one thing being slightly more expensive but I think we've got to be careful that we're not blowing our competitor's rates out of the water with much higher rates.

One respondent, therefore, made a case for a legal industry minimum wage, "*at least 20% higher than the national minimum wage*".

Another view that was emerging in the interviews was that social care workers should be viewed, and remunerated, as being similar to NHS healthcare assistants, with one respondent also discussing how social care could be expanded to include healthcare tasks[1].

[1] *What will change is the nature of care in the home. … At the moment, good quality social care can help largely with early recognition issues, but we can't do anything to treat it. … It's almost like a step, it's a step down thing. … That middle piece has gone so you're in full scale hospital with people with chronic and acute conditions, or you're at home. I think we can bridge the gap with more medically trained community teams, and I think the social care companies that are out there are ideally positioned to be able to build the services and deliver that.*

The employees/care workers' perspective

Interviews were conducted with care workers who were employed by some of the interviewed care providers in order to explore the experience of working for a LW-accredited social care provider. The interviews asked about benefits from receiving a LW, attitudes to work and to what extent that was impacted by working for a LW employer, any other aspects that interviewees regarded as important with regards to their well-being and job satisfaction, and their future plans.

The interviewed care workers came from a range of backgrounds and had differing levels of experience. Some had been working for their employer for more than 10 years, others had only joined recently. Some had done care work for other employers before they joined their current employers, for others their job was the first job in the care industry, having worked in other industries before (e.g. hospitality, marketing, public transport).

Benefits

In line with studies previously conducted into the difference a LW job makes (e.g. Linneker and Wills 2016) many of the interviewed care workers emphasised how much having a LW job **helped with their financial situation**, and how grateful they were for that. This related to the ability to pay bills and rent, and not have to worry about them, the ability to save money, to afford a little bit extra and the ability to do educational courses. For example:

I mean, I don't think I'd be able to survive on a minimum wage, not with the current climate now, like the cost of living, how expensive. So even on a 30-hour contract, I'm on quite a good wage for the month.... I'm able to provide for my kids ... So, for me, to not, to be on a living wage means quite a lot and I'm quite, I feel quite lucky and blessed to have that sort of financial help. I do feel like the cost of living is so expensive that I don't actually understand why most companies aren't having the living wage, to be honest.... Food, clothing, it all adds up and especially with children, they grow so fast. I'm already looking at now for the new term that's coming up, thinking what do they need for school, what are they doing to need with the changing weather? They're probably going to need summer dresses. And so having the LW, it does, it makes a big, big difference.

So obviously I was, minimum wage now is like £7.80 something and we get paid, on like an early shift, I think it's £10.25, something like that now, they've just put it up this year. And it doesn't sound like a lot but it's actually really helped. So with my partner not working, we've only had my wages to survive on. So it's been very difficult but that little bit extra has really actually helped. Because you think, obviously, if I worked ten hours, I'm making an extra £30 say, across the week, sort of thing, than if I was on minimum wage. So it does really help. It doesn't sound like a lot but minimum wage is so hard to, it is literally like the bare minimum.

Yes, because running my car and things, saving for a house, it just wasn't manageable with my old company. But with this company, I've managed to be able to have like a financed car and be able to afford that without any worries and rent a house with my boyfriend and save as well... not worrying about having to afford all my bills and things.

We can have meat on our plate rather than beans on toast.

You can just feel more relaxed because it's not like – that's the very important thing, to feel relaxed, because you've got some extra money on the side so you don't worry that, for instance, next month you can have no job.... So, that's the most important [thing] for me. And also when I have extra money I [am] trying to do some courses. Like I was doing before. Maybe even not to make money out of this but to, just for knowledge.

Others emphasised that being paid the LW meant that they **were able to afford to work fewer hours and so to have more time to spend with their family.**

It's enabled me and my husband to do part-time jobs as opposed to having to take a full-time job. It's nice [for people] to have a very high income but they have no quality of life and we both said no we didn't want that. We sat down and looked at our finances and said, no we wanted a quality of life. So, a LW helps us achieve that.

And it is a good wage. Because I worked for a company before, and it was less. And I was having to work lots of hours. ... My eldest daughter has got a godson and he comes and stays and he's three. I look after him. So, I get to spend time with them, and I get to spend the weekends with them.

An interesting finding that emerged however, was that being paid a LW made the care workers **feel more valued** and they felt it had **a positive psychological impact** on them.

Because it makes me feel a valued worker, that they're prepared to go down that route. And therefore, I feel that what I offer is actually valued within the company. ... I'm not motivated by money but to think that they are a LW employer it does make me feel valued.

I think it's really the psychological factor that is very important. ... That I feel respected, and I feel my employers, they look after us, as well.

I feel more valued to work, if that makes sense. I feel like I'm being paid for what I do. Whereas before, I would be doing like a lot of work and minimum wage just didn't feel like it was even worth it. So this pay is, you feel like you're being paid for what you do.

I think you feel a little bit more, what's the word? Not worthy but you feel like you're actually getting paid for what you're doing, you're not just, they're not just paying you because they have to pay you, they're paying you what they think you're worth, in a way. So in your head, like psychologically, you feel like you're actually getting paid for the things that you've learnt to do and everything else, you're not just getting paid the minimum because that's what they have to pay you. You feel a little bit more, like you've got a little bit more worth to you.

Attitude to Work

Interviewees were asked whether the fact that they were paid the LW would change the care workers' attitude to work. The response to this varied, with **a number of respondents saying that it did not have an impact, because they always tried to do a good job anyway**:

I would work the same, I'm quite diligent and I wouldn't change that to how I get paid.

I approach my work whether I was paid the minimum wage or above the minimum wage, I care for the people whether I'm paid a high amount or not.

I wouldn't say it does. I mean, I, to me, my job isn't about the money, I've never gone into the job regards the wage. I'd say we've always been quite fortunate, even when it was ran under the council, we were paid above the minimum wage anyway. So I've never looked at the job in regards seeing it as providing me with money. It's always been, it's the job I've always wanted to do, I like helping people and it's such a unique career. So, yeah, no, I wouldn't say it has.

Others felt, however, that it did make some difference (and this was linked to them feeling valued), **helping them to be more enthusiastic and motivated about their work or encouraging them to 'go the extra mile'**:

I feel that it encourages me, my enthusiasm. That I wake up in the morning and I'm happy to go to see my clients.

I think I do, I think I've always done my job well and professional anyway, like by the book for that client. But having that better increase of pay does make you want to do it, if that makes sense, like for me.

I don't think it's a particularly conscious link, but that said I feel valued as an employee of that company. So, yeah I suppose there is a link between … I mean I hopefully do a good job, I do extra work [outside company time], I'm happy to do holiday cover when I can, and I suppose all that ties in with feeling valued.

Related to this, a question was asked whether they felt that their employer had higher expectations towards them because they paid their workers a LW.

A number of interviewees responded in the negative, implying in their answer that the employer simply trusted them to do their job well:

No. Definitely not, no. … The team phone you and say "Look, I've got this, this and this" or they send emails out "We've got this availability" and you pick what you want, you don't see anyone else really, only in the homes that you go to. So, you do to the best of your ability.

I don't think … they know that I will work, if they need me to work, if somebody has gone off sick, to do the shift cover, then if I can help them out I will. So, they do know that I … as long as I'm working I'm happy.

Another respondent felt that there was likely a link between expectations of higher paying clients and employer expectations but this was not perceived to be a negative thing as it was in the end doing things to the best of one's ability:

Yes, I think so because a lot of them [clients] are private-paying, so they do pay more for us to be paid, if that makes sense. So they obviously want what they pay for. [And the company itself] ... yes, I would say so but not in a bad way. Just because they are, like, we are being paid for what we do, I think you've got to do it the best of your ability and for what they're paying you for. Just so they are getting the quality of that money.

In this regard, an interesting insight was shared by another care worker, who felt that employer expectations were not about working harder but about making sure that the company had the right staff to provide the right quality of care, as she shared her experience about her own recruitment process:

You don't necessarily work harder because they're paying you more, it's just nicer to get paid more but they're just a really nice company to work for, regardless of that. They do think about their staff and I feel that the fact that they do pay you more is better and they'll get better people apply because they're paying more. If that makes sense?... I think their interview process is very [rigorous], they will only pick certain people. So you have to go out and do, if you haven't ever worked in care before, the next thing they look at is like hospitality because you've got to have a certain sort of personality to be able to deal within care and that's what they look for ... But I think you get a different sort of person apply ... For instance, you see a care job that's £7.81 and then you see one that's £10, you automatically, in your head, sort of think, "Oh, well, £10, maybe they want more experience, maybe I won't apply for that one, I'll apply for the other one." Whereas in my head, I was like, "Oh, that's more money, I'll give it a go, see if I can do it." Just because I needed money. But I'd obviously worked in hospitality and customer-facing ever since I've had job [and so they picked me]. But yeah, you have to be a special kind of person to do care.

Other aspects important for worker well-being

Whilst most respondents stated that the fact that their employer paid at least the LW was part of the attraction to work for them, they also stated a range of other factors that they appreciated about the job they had and that they felt were important for their well-being and job satisfaction, again making the LW part of a wider package of employee-focused practices. These included:

Support from employer – this would range from a conscious reaching out by employers to their staff with regards to their well-being to the provision of support in the field. For example:

My director, they write to us letters, they encourage us. With the peak of the virus, they were so supportive. They asked us how we feel, if we are afraid ... And they even offered us that they could have some psychological support. If we didn't feel comfortable to talk

to our managers, they would pay. They had given us a name of a counsellor or a coach that we could speak about our concerns.

Because basically the agency gives us a proper training and plus they are on the phone and they can provide with their professional advice, that's something which is absolutely great

*My manager who I've worked with, who's been really supportive, ***, she's been amazing. And the other managers and that, they're just as good. ***'s one that will roll her sleeves up and, OK, she works in the office but she will also, what I like about it is that if she can't, she will cover a shift if necessary. And if she can't cover it, then she will ask us, we will help and support. And that's great teamwork …If you've got the backing from the managers then you're able to do your job and you're able to give the clients the best possible care.*

Good shift patterns – referring to issues such as continuous shifts (which involve continuous pay) and flexibility around the employees' needs

It worked out better for me [working in care homes] because I'm not travelling here, there and everywhere, so if I'm out for 12 hours I'm getting paid for the 12 hours. Rather than being out for 12 hours and only getting paid for eight or nine.

But they are really, really good … so when you go for your interview, they ask you what your availability is. So I said I'd prefer to do mornings, so out of my ten shifts, I only do one evening, the rest of them are all in the morning, so I'm finished by three o'clock. They'll ask if you want to do extra, there's always the option to do extra. But I know, like, they're very flexible with people with families and things. So I know some of the other carers can only work certain times around childcare and stuff like that, and they are really flexible around that as well.

It's quite flexible, if I want a weekend off, or if I want a couple of days off I just say I'm not available to work. They are accommodating with that. Which they ask you each week when you're available to work, what hours you'd like to work. They are quite good with that.

Some work mornings, some only work afternoons. The company is very flexible. They will help accommodate if you can only do mornings or do nights.

And they're quite flexible, they're really, really flexible. I've had times where I've needed urgent leave because of the children and they've never once said, "Oh, well, we're paying you this." They've never done anything like that. So we're quite fortunate to work for a company that's very understanding.

Sufficient advance notice of work rota

Whereas with [my employer] you know well in advance, a week in advance, your rota for the next week. Some things might change, like, due to sickness or if a client's been in hospital or whatever. But you do know more or less what you're doing within the week, which is good because then you can plan your week around what your work is.

There's, when you start, which is quite good, you agree a two-week rota. So they propose it and they give it to you and then you sort of look at it and … you can sort of say what you don't like and they would move it.

Active support of training opportunities, professional development and career progression

When I signed up [for an NVQ], the person of the NVQ said I could do it. And then I did two units and the assessor come and said that my job role wasn't suitable for the NVQ, it was more for like a manager's role or like a senior carer. So [my employer] have been very good and like let me do things that a senior carer or a manager would, like going out with care plan reviews. And they've let me do that, which means that I can get parts done for my units for my NVQ. So they've been really supportive actually, I'm very grateful for.

Oh god, they're huge on … continued professional development, they're massive on it. Oh my god, I think all of us are at this moment doing a course of some shape or form.

Summary and further reflections

Above accounts of the care workers show that being paid a LW does make a difference to them, in terms of their financial situation and their psychological well-being, and, at least for some, it is likely to have a positive impact on their morale and motivation at work, too.

In addition, the vast majority of respondents, when asked about their plans for the future, stated that they would like to stay with their current employer as they enjoyed the work and/or they felt they worked for a good employer, of which being paid a LW was certainly a part, but other reasons such as flexible shift patterns and training and career opportunities played a part too. One respondent even stated that she enjoyed working for her employer so much that she encouraged colleagues from her former employer to join the company too, which they did:

Because I like the job so much, I told my previous colleagues that I worked with how good it was and four of them have followed me over to the new company.

Interestingly, even the respondent who worked for a specialist provider where the employees' wage levels were above the LW because of people's skills sets stated that their organisation's LW accreditation had an impact on staff retention:

I think internally, we've raised that awareness to our staff and explained what the national living wage is and what the London LW is, why we're doing it and I think that helps with our kind of staff retention, why people stay. Like I said, it is about, the whole importance, and what we're saying is that we value our staff, we value you and this is why we're doing this.

At the same time a number of respondents also expressed the view that social care work was a hard, challenging and skilled job and therefore deserved a higher rate of pay.

The Local Authority Perspective

A final perspective in this study was provided by two local authorities that are beginning to incorporate the LW in the social care services they commission. Their starting points, as well as their approach to LW implementation has been different, despite sharing some similarities. Local Authority A (LAA) was able to implement the LW as a bigger budget for commissioning services was made available, enabling them to commission social care services at a much higher rate than previously. Local Authority B (LAB), by contrast, has to work within current budget constraints, therefore requiring a higher level approach to implementation beyond commissioning services. Both implementation efforts take place under the umbrella of a broader local authority strategy, for LAA a 'community wealth-building strategy', for LAB an 'inclusive growth' agenda, both of which focus on generating better-quality jobs for local residents.

In the following the approaches of the two local authorities will be set out as case studies, followed by some reflections.

Local Authority A

LAA is a newly LW-accredited local authority, which means that they are committed to incorporating the LW in contracted services, including commissioned social care services. As a first step, LAA has put in place measures to incorporate the LW in domiciliary care services, as they employ the largest number of people in the borough across the different types of social care services (which also includes care homes, supported living, community equipment etc). On average 85% of Care Workers are local residents. In addition, the majority are women and as such the move to LW goes some way to supporting better pay for women and closing the gender pay gap in the borough. The Assistant Director of Commissioning (Adults and Health) says "*Better paid employment not only puts people at the heart of what the borough does, but also means Care Workers have more disposable income to reinvest into the local economy*."

Commissioning services successfully bid for money from a dedicated local authority budget supporting LAA's community wealth building agenda, which enabled them to raise the hourly rate for domiciliary care services from around £10 an hour to £18.72, one of the highest rates in the country, according to the commissioning director (The council also raised money through implementing a local social care levy.)

The rate was calculated using the UKHCA rate calculator and includes an allowance (8%) for travel time as well as a budget for care workers to attend and be paid to attend training. The rate is also paid for waking and sleeping nights, although the council does not typically commission this provision as, so the commissioning director says, *"if somebody requires 24-hour support, where they require a sleeping or a waking night, being at home probably isn't the best or safest way to meet their needs; and we would explore extra care provision or care home provision for those individuals."*

For LAA, the increase in the hourly rate is not just meant to reflect the LW rate for care workers, but it also intended to improve the quality of care provided in the borough. It is also seen as a way not only to attract more experienced and better qualified people to work for care providers, but also attract people to the social care market who have not previously considered social care as a career option.

In their recent re-procurement of the service, successful tenderers are not just expected to pay the LW rate for their staff but they are also required to show an 'Outstanding' or 'Good' CQC (Care Quality Commission) rating; and adhere to the UNISON Ethical Care Charter. According to the Assistant Director of Commissioning, the rate should also be sufficiently high to help maintain pay differentials within the care provider companies.

To aid implementation, LAA has reorganised how commissioned domiciliary care services are provided in the borough, by appointing lead providers for each neighbourhood area, which helps reduce travel time and embed the services better in a local area:

"We've got eight neighbourhood areas, with 10 lead providers. One in each neighbourhood, plus two specialist providers who cover a wider patch of four neighbourhood areas each. The aim is to enable providers to better roster the provision - reducing travel distance and time for Care Workers, promoting walking and cycling and thus contributing to the Council's Air Quality Action Plan. In addition, it enables the Care Workers to embed themselves in their local community: they get to know the district nurses, they get to know the pharmacists, the GPs, local shops, etc., and therefore can help those individuals they are caring for also better engage with their local communities and signpost accordingly."

The lead providers, who the council is looking to support and work in partnership with, tend to be small and medium-sized companies rather than large corporates. This approach is in line with LAA's community wealth-building agenda focused on local jobs, as the council ensures that the lead providers have an office in the borough, and employ local residents.

In addition, LAA has implemented a 'trusted assessor model' in which provider staff can be trained up to *"be able to prescribe and assess, for example, small items of equipment like commodes or chair raisers, to work with customers to safely increase or decrease their care packages based on their needs – offering flexible, enabling and outcome-focused care and support. This is not only of benefit to the customer, but also of benefit to the system in terms of saving money"*.

LAA also supports providers by offering a wide-ranging training and other forms of support, which is also meant to improve the quality of care provided in the Borough: *"We've put together quite a supportive mobilisation package. For example, training for Care Workers not only in relation to good infection prevention control practices, but in better care practices. For example, we're delivering Significant 7+training for Care Workers, which looks at the seven signs of deterioration, so that they can be identified*

early on and be addressed or the impact minimised. We're also doing dementia awareness training, positive behaviour training, etc that the Council is funding for our new providers and their staff. It is important to work in partnership with our Providers to continually improve quality of care and support - enabling outcomes over 'task and time'."

The assistant director of commissioning emphasises that she would like to see a more integrated approach between health and social care so that for example care workers can carry out enhanced health tasks such as catheter care, basic pressure wound care, but this is something LAA has yet to thoroughly explore and is impacted by the way in which Health and Social Care is funded (i.e. health care is free at the point of access, whilst social care is chargeable).

Local Authority B

The starting point for LAB's approach to implementing the LW in social care is a strategic goal to improve pay and working conditions (of which the LW is a part) in the health and social care sector in the borough as a whole, as part of the council's local enterprise and employment strategy. This goes beyond a focus on commissioned services, although they remain a central part of the strategy. Also, as highlighted earlier, LW implementation for LAB has to happen under current budget constraints – there is no extra money made available for social care services.

At the time of writing, LAB was not yet LW-accredited, and implementation strategies for commissioned services had been developed but not yet put into practice. As a first step, so the council employee overseeing the enterprise and employment strategy, LAB engaged a local external organisation to identify barriers for commissioned providers to paying the LW. This organisation examined the business models of the providers by looking at the proportion of staff who are on different pay bands within the business, whether they paid travel time, whether they used zero-hours-contracted staff (with likely high turnover) versus long-term, permanent contracts, and how that related to other costs such as cost of recruitment and retention. They also looked at cost of insurance, finding that employers who have a model which is based on a lower-paid and more casual workforce had higher insurance premiums because they had more accidents. Based on these insights, the council will encourage providers to engage in a holistic cost-benefit analysis so that they can develop more effective and efficient business models that make bidding for social care contracts that require LW-compliance more viable for them. Another finding of the external organisation's research was that, unlike NHS staff, social care workers were not eligible for free parking, and a recommendation to the council was developed based on that, asking for the waiving of parking fees for providers so that they again could save costs.

LAB also sought to overcome what was seen as an extreme fragmentation of social care provision in the borough by proposing a joint recruitment system for commissioned providers as well as an agreement about wages, to prevent care workers going from

one provider to another (because pay might be slightly better elsewhere) – and thus help save providers recruitment costs.

Another strategy to make LW implementation more viable was to explore the implementation of digital-assisted care to enable care workers to do some basic diagnostic tests for their clients, such as urine sample tests, thus increasing the value of care they were delivering. However, as such tests are normally done in GP practices, efforts were made to involve the local clinical commissioning group (CCG – the GP level healthcare body) to re-allocate some of their budget to social care so as to increase the funding base for social care services. It was felt that such reallocation of budgets would make sense as a urine sample test taken in the home would be more efficient than having it done at a GP practice. More generally it was felt that more basic healthcare tasks (e.g. changing a dressing) that were normally done by nurses could be done by social care workers, but that this was not currently happening, as they were not insured (and also such service would be funded by healthcare budgets, part of which would need to be reallocated to social care). It was felt that some re-allocation of healthcare budgets via the CCG (rather than the NHS) was a viable route to explore and to exploit, as the CCG was more local community based.

Another major strand of LAB's implementation strategy was to consider whether different types of care could be provided by different types of providers. For example, it was actively explored whether low-level care could not also be provided early intervention providers (council or voluntary sector run) such as community centres, so that the commissioning team could then focus on commissioning (higher value) acute care packages. Related to this, LAB was considering moving commissioned social care services away from a service-delivery-based commissioning framework (stipulating fixed care packages by hours over a fixed period of time) towards an outcome-based commissioning framework, where social care was commissioned on specified outcomes such as lower hospital re-admittance rates, and indicators related to re-ablement and independence. This, it was felt, would enable providers to work in a more flexible way with the council and "would be helpful in terms of how they can then pay and train and support staff".

The above three implementation strategies - related to the providers business models, the re-allocation of health and social care budgets, and the move towards an outcome-based commissioning service - were further complemented by plans to develop paths for career progression for care workers, and to establish a platform for personal care assistants in order to support them but also to ensure they provided a good quality of care to their (direct payments) clients. There were also plans to set up a wholly-owned council company to trial a model care provider and test how well the envisaged implementation strategies would work in practice.

Reflections

The above two case studies showcase how through innovative and exciting implementation strategies, LW adoption in social care can be driven forward at local

authority level. Noteworthy is the attempt in both councils to consider the LW from a holistic perspective: by considering the LW as being linked to the quality of care provided by commissioned providers, by seeking to eradicate inefficiencies in the current provision, by considering social care in wider health and community care contexts, and by seeking to move towards outcome based frameworks.

Another interesting insight is that both councils engage in direct interventions (business support, training provision etc) with private sector social care providers. and that they prefer to tender commissioned services to smaller organisations as they find it easier to work in partnership with them.

Working with local CCQs, as envisaged by LAB may be a particularly promising way forward to move social care to a more 'high value' service that will create efficiencies and savings in other parts of the system.

When comparing the two case studies it appears that their approaches are to some extent complementary and therefore local authorities may benefit from openly sharing their implementation strategies with each other to enable mutual learning and the development of good practice.

Conclusions and Recommendations

The aims of this research were to further understanding of how adult social care providers and local authorities engage with the LW, and to learn about LW implementation strategies in adult social care, as well as about solutions to any implementation challenges.

Gathering data from the three stakeholder groups in adult social care – care providers, employees and local authorities - has enabled the building of an in-depth picture of the implementation challenges and benefits of real LW adoption in the social care sector. This picture is an emergent one and may in the future be complemented with further, larger-scale studies to enable more comprehensive and nuanced insights, and to develop a strong(er) evidence base for action.

The first findings section showed the opportunities (viability) and constraints of LW models for social care providers, showing that LW adoption works best where it is strongly linked with business models that compete on quality rather than cost. Such models are likely to have particular potential for providers that cater to private clients, but there are signs that such models may also gain traction with publicly-funded, commissioned care. In addition, better retention as a result of the LW is likely to translate into real cost savings for the provider, and the ability to attract better staff through the LW is likely to translate in the standards of care provided.

The second findings section, which explored care workers' experience of working for a LW employer, showed that the LW makes a real difference to workers financially and psychologically and that workers truly appreciated being paid the LW. The findings confirmed that that the LW helps with staff retention, and is also likely to positively impact staff morale and motivation.

The final findings section showed that local authorities have the potential to lend significant support to LW adoption in the social care sector through innovations in their commissioning models and their working in partnership with social care providers.

The following set out a number of key recommendations for **adult social care providers wishing to adopt the LW**, **local authorities that seek to implement the LW as part of their social care remit,** as well as **policy makers and government.**

Recommendations for Care Providers

- Consider LW adoption as part of the business' quality strategy and utilise the marketing potential of LW accreditation to both clients and employees
- Consider the LW as part of a wider 'good employer' strategy designed to recruit and retain good quality staff
- Calculate your rates so that they meet the full cost of care provision, including travel time and training

- Consider a gradual implementation of the LW where current wage rates do not allow for immediate LW adoption
- Seek to develop 'efficient' rotas for care workers that minimise travel time
- Monitor any cost savings from better retention rates and use them to re-invest in the workforce
- Plan for impact of LW implementation on pay differentials and develop appropriate internal communication strategies where necessary

Recommendations for Local Authorities

- Consider LW implementation in adult social care as part of a wider local economic development strategy
- Link LW implementation with a drive to improve quality of care
- Make funds available that enable meaningful implementation of the LW
- Develop innovative commissioning models to enable more targeted and 'higher value' social care provision
- Work in partnership with providers to eradicate inefficiencies in the current provision, encourage business models that directly invest in care workers' pay, and ensure good practice around training and standards of care
- In line with the recent White Paper proposals on integrated care systems (DHSC 2021), work with CCQs to enable a more joined-up approach between health and social care provisions, also with the aim to increase funding for social care provision through re-allocation of funds
- Seek to engage in shared learning with other LW-accredited local authorities

Recommendations for policy makers and government

- Recognise more fully the contribution social care workers make to the health and well-being of the population, in particular their contributions that lead to savings elsewhere in healthcare services
- Ensure an equivalence of pay and working conditions between NHS healthcare assistants and social care workers, which involves ensuring that as a minimum social care workers earn at least the independently calculated real LW
- Facilitate the setting up of a platform for sharing good practice for local authorities that seek to implement the LW in adult social care
- Facilitate efforts to develop joined-up health and social care provisions at local and national level and ensure appropriate distribution of funds for social care based on this

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