

THE LIVING WAGE IN SOCIAL CARE:

A TOOLKIT FOR SOCIAL CARE PROVIDERS
AND LOCAL AUTHORITIES COMMISSIONING CARE

Living Wage Foundation 2021



Supported by



FOREWORD

As we celebrate 20 years of the Living Wage campaign, **over 8,000 employers** across the UK choose to go beyond the government minimum and pay their workers a real Living Wage. This commitment to tackle in-work poverty has resulted in **over £1.5 billion** going back into the pockets of low paid workers. However, there is more to do as there are still **5.5 million employees** in the UK who earn less than the real Living Wage, including **1.3 million key workers**.¹

The Covid-19 pandemic has highlighted the need for key workers to be paid a real Living Wage. In adult social care, almost **three-quarters of care workers** in England earn below the real Living Wage.²

Since the start of the pandemic, the Living Wage Foundation's focus on winning a real Living Wage for key workers has led to the accreditation of over **1,000 organisations in key worker industries**, uplifting more than **30,000 employees** to the real Living Wage.

The commitment of social care providers and local authorities commissioning care to the Living Wage accreditation has resulted in **over 7,000 pay rises** during the pandemic. So far, the real Living Wage in adult social care has put over **£36 million back into the pockets** of care workers.

This toolkit provides guidance for adult social care providers and local authorities commissioning care who wish to accredit as Living Wage Employers. We look forward to working with you on your journey to join the Living Wage movement!

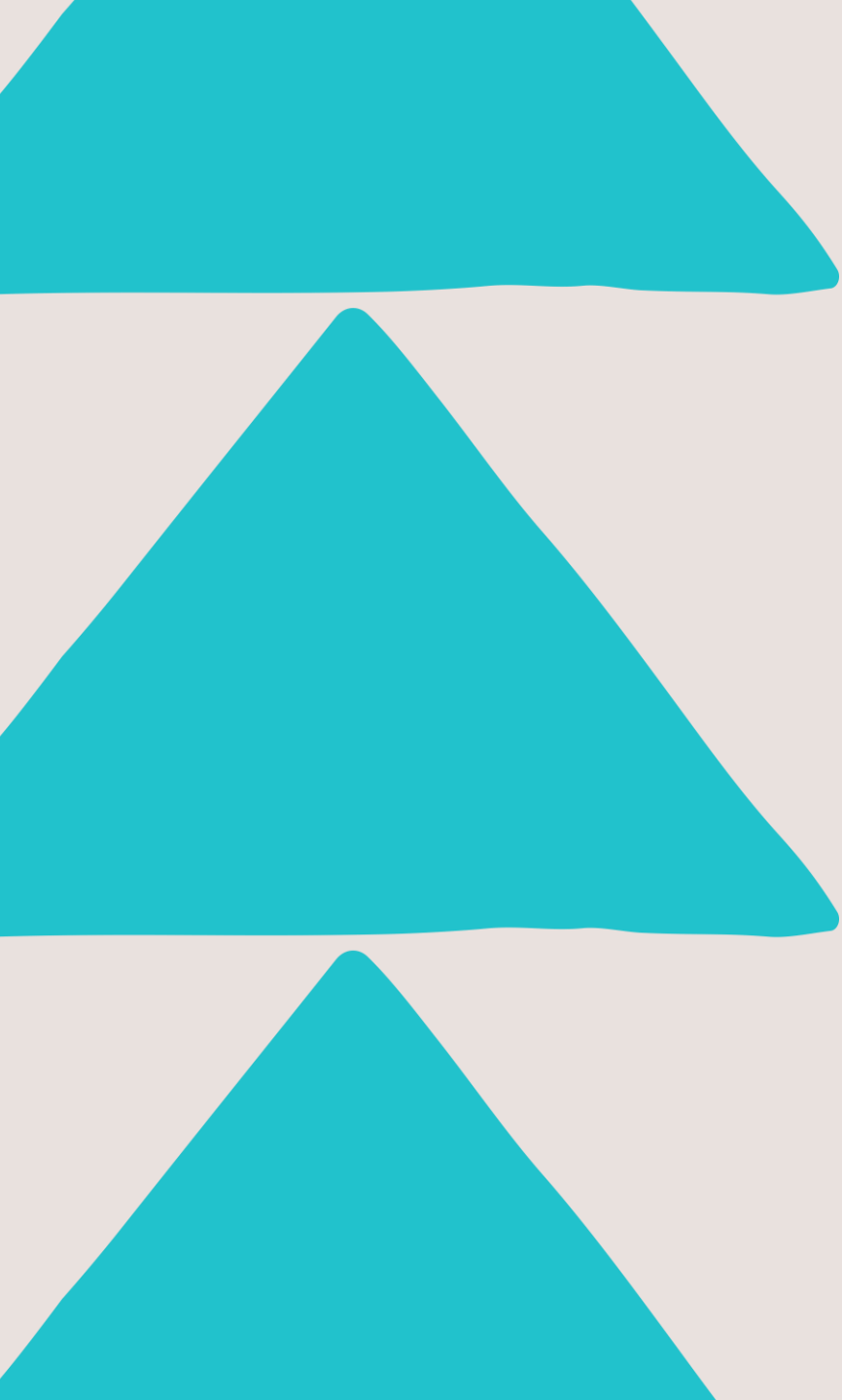


Graham Griffiths

*Director
Living Wage Foundation*

The Living Wage Foundation logo, featuring the text "Living Wage Foundation" in a white serif font. The text is overlaid on a graphic of three overlapping circles: a large light blue circle on the left, a smaller green circle on the right, and a smaller yellow circle at the bottom right. The entire logo is set within a light green circular background.

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1. INTRODUCTION TO THE LIVING WAGE

WHAT IS THE REAL LIVING WAGE?

The real Living Wage* is the only UK wage rate that is **voluntarily paid by over 8,000 UK businesses** who believe their staff deserve a wage which meets their everyday needs - like the weekly shop, or an unplanned trip to the dentist.

The Living Wage rates are updated in November each year, during **Living Wage Week** ([click here](#) to view the current rates). The calculation is overseen by the Living Wage Commission, an independent body drawn from leading Living Wage Employers, trade unions, civil society and academics. The methodology is based on the '**Minimum Income Standard**', which is determined by what members of the public think is needed for an acceptable standard of living in the UK.

In April 2016, the government introduced a higher minimum wage rate for all

staff over 25 years of age inspired by the Living Wage campaign. Currently set below the Living Wage, the government's **National Living Wage** is not calculated according to what employees and their families need to live. Instead, it is based on a target to reach 66% of median earnings by 2024. Under current forecasts this means a rise to £10.33 per hour by 2024. From 2021, the National Living Wage was adjusted to include those over 23 years old.³

The **Living Wage** rates are higher because they are **independently-calculated based on what people need to get by**. That's why we encourage all employers that can afford to do so to ensure their employees earn a wage that meets the **cost of living**, not just the government minimum.



THE **REAL LIVING WAGE**
IS THE ONLY RATE INDEPENDENTLY
CALCULATED ANNUALLY,
BASED ON THE REAL
COST OF LIVING

*For the purpose of clarity, where the phrase 'Living Wage' is used in the remainder of this toolkit, it refers to the voluntary Living Wage in the UK, calculated by the Living Wage Foundation.

HISTORY OF THE LIVING WAGE CAMPAIGN



The campaign for the Living Wage **was launched in 2001 by Citizens UK**, the home of community organising in the UK. The movement is a unique example of businesses, civil society institutions and citizens joining together around the belief that all workers deserve a wage which allows them to **meet their everyday needs**.

The movement began at a meeting in East London, when Citizens UK brought together churches, synagogues, mosques, schools and other local institutions to talk about the **issues affecting their communities**. One issue came up again and again – low pay.

It became clear that the government's minimum wage was simply not enough. Some people were working two or three minimum wage jobs and still struggling to keep their heads above water. The gap between the legal minimum and the amount needed for families to live on was having a **big impact on people and their family life**.

Out of this meeting, a powerful movement of faith leaders, trade unions and community

organisations came together to call on major employers to pay all staff, including those contracted through a third party, a wage they could live on.

In 2011, the Living Wage Foundation was established to promote the Living Wage and celebrate employers who pay the Living Wage by awarding the **Living Wage Employer mark**. Living Wage Employers pay all their **directly employed and regular third-party contracted staff** the Living Wage. It is a voluntary scheme, providing an ethical benchmark for responsible pay.

In the 20 years since the campaign started, we have seen cross-party support and **over 275,000 people** have had their wages uplifted as a direct result of

the Living Wage movement. For each of these people, the increase to the Living Wage means the difference between struggling to keep the heating on and being able to afford to put food on the table.

There are now **over 8,000 accredited Living Wage Employers**, including nearly 50% of the FTSE 100 and big household names including Nationwide, Google, Everton FC, and Lush. Thousands of accredited small-to-medium size enterprises are also part of the network. All accredited Living Wage Employers implement the new Living Wage rates every November. Collectively, these employers have put **more than £1.5 billion** back into the pockets of low-paid workers.



The background features abstract, overlapping geometric shapes in various shades of green and white. A large, light green circle is prominent in the upper right, partially overlapping a darker green shape. Below it, a white circle is partially filled with a light green gradient. The overall composition is modern and clean.

2. WHY A LIVING WAGE IS NEEDED IN SOCIAL CARE

THE CHALLENGES IN SOCIAL CARE: LOW PAY & JOB INSECURITY

Adult social care workers provide **vital services** needed in our society, looking after our parents, our grandparents, our siblings and friends. At some point in our lives either us or a loved one will **need to access social care**. And yet, adult social care is one of the lowest paid sectors in the UK.

There are **1.52 million people** working in adult social care.⁴ Research by Skills for Care for the Living Wage Foundation shows that **73% of care workers** in England are paid less than the Living Wage.⁵ In March 2020, the average hourly rate for an adult social care worker in the independent sector in England was just **£8.50/hour**.⁶

Insecure work is also an issue in care, as 56% of domiciliary care workers and 24% in the sector as a whole work on **zero-hours contracts**.⁷

The **Covid-19 pandemic** has highlighted low pay in adult social care as well as poor working conditions that exist in the sector. During the peak of the pandemic, care workers, looking after our loved ones, were on the front line, **working without proper pay, job security or protection**.

We **clapped for carers** at the start of the pandemic, now clapping must translate into **proper pay** for the work that care staff do.

82% of the adult social care workforce is female.⁸

21% of care workers are from racialised communities, this figure is 66% in London.⁹

The average age of care workers is 44, 27% are over 55.¹⁰

“I feel like a Roman Gladiator going into the ring on a night shift. Everyone is clapping for you but you're pitting yourself against a deadly disease without proper pay and protection.”

Tabitha, Care Worker

THE ARGUMENTS FOR A LIVING WAGE

The recruitment and retention gap

The average staff turnover in England in social care is 30.4% (430,000 leavers in 2019/20), with rates as high as 38% for care workers. There is a shortage of care staff with over 112,000 vacancies in adult social care.¹¹

In addition to fewer care workers travelling from the EU due to the pandemic, from 1 January 2021, new immigration workforce regulations have meant that care workers from overseas are not able to work in the UK. This has likely further impacted vacancies in social care.¹²

Growing demand for care

Vacancies in the sector will continue to grow with an ageing UK population and growing demand for care. By 2050, it is projected that one in four people in the UK will be aged 65 years and over – an

increase from approximately one in five in 2019.¹³ The number of over 85s requiring 24-hour care is expected to double by 2035.¹⁴

Forecasts by Skills for Care show that if the adult social care workforce in England grows proportionally to the projected number of people aged 65 and over, an additional 520,000 jobs would be required by 2035, in addition to the 1.65 million jobs currently existing in social care.¹⁵

Lack of funding to cover the cost of care

There is not enough funding from central government to local authorities to cover the cost of publicly funded care. Cuts to funding from central government has seen a 17% fall in council spending on local public services in England over the last decade.¹⁶

Local authorities set the local rates

for care commissioning. However, as local authorities are underfunded, these rates do not always reflect the true cost of care and there are indications that private care can subsidise local authority care. As a result of the lack of funding in the sector, people are not accessing the care they require. Age UK estimates that there are 1.5 million people in England who cannot access the care they need.¹⁷

Tackling low pay & the quality of care

There is evidence to suggest that tackling low pay and ensuring care workers are paid higher wages will see better quality care provided.¹⁸

Post-Covid jobs & levelling-up

As the UK recovers following the pandemic, it is vitally important to acknowledge the value of care workers through proper pay. Good,

well-paid jobs in social care will help tackle unemployment challenges and support local economies, particularly in areas of the UK where there is a growing demand for, but lack of care services.

89% of adults in the UK support key workers such as cleaners, care workers and couriers being paid at least the Living Wage.¹⁹

WORKFORCE REFORM & PROGRESS SO FAR

Workforce reform

In September 2021, the UK Government announced plans for health and social care reform with a commitment of funding £36 billion over 3 years of which £5.4 billion is to be allocated to social care. A Health and Social Care Levy will be introduced from April 2022 to raise funds through a 1.25% raise of national insurance contributions and tax on share dividends.

The reform plans referenced the need to develop and retain the social care workforce, however, funds have not yet been committed to increase pay in social care. Sufficient funding is urgently needed from the UK Government in order to implement the Living Wage in adult social care in England, alongside guidance for local authorities commissioning care, as well as for care providers.

Scotland

Since October 2016, the Scottish Government has provided funding to enable adult social care workers to be paid the Living Wage for waking hours. During 2018/19, this commitment was extended to include those undertaking overnight social care support. [The Poverty Alliance](#) is the Living Wage Foundation's accreditation partner in Scotland.

Wales

In June 2021, the Welsh Government announced its plan to fund the Living Wage in social care. From April 2022 the Living Wage will be phased in across social care in Wales, covering all employees in the sector by 2024. Employers in the sector will be encouraged to accredit with the Living Wage Foundation. [Cynnal Cymru](#) is the Living Wage Foundation's accreditation partner in Wales and can support through the accreditation process. The [Social Care Fair Work Forum](#) has been tasked with advising the Welsh Government on implementation in a complex care sector which mainly consists of small private sector providers commissioned by local authorities.

Employers choosing to go further

In the UK, over 280 organisations working in social care as well as many local authorities commissioning care already choose to go beyond the government minimum and pay their directly employed and third-party contracted staff the Living Wage. This commitment has seen pay rises to over 12,000 people. Over 50% of these pay rises took place during the Covid-19 pandemic. So far, the Living Wage in adult social care has put over £36 million back into the pockets of care workers.

The Institute of Public Policy Research has previously calculated that raising workers in social care to the Living Wage in England would require an additional £445 million beyond current funding needs, benefitting over 500,000 workers.²⁰

82% of adults in the UK support government investment in social care to fund a pay increase for care workers.²¹

The background is a solid teal color. In the upper right quadrant, there are several abstract geometric shapes in a lighter shade of teal and a light greyish-blue. These include a large circle, a triangle, and several overlapping rectangular and trapezoidal shapes, some of which are partially cut off by the edge of the frame. The overall aesthetic is modern and minimalist.

3. IMPLEMENTING THE LIVING WAGE IN SOCIAL CARE

THE ACCREDITATION PROCESS

STEP 1

Ensure all **directly employed staff** are paid the Living Wage.

All staff **over the age of 18** are in scope, excluding apprentices.

There is an **hourly rate for the UK** and a **higher hourly rate for London** to account for the higher cost of living.

See the [Living Wage Foundation website](#) for the **current rates**.



STEP 2

Have a plan to pay all third-party contracted staff such as cleaning and security staff, the Living Wage:

- Identify all **third-party contracts** where staff are frequently providing a service: 2 or more hours a week for 8 consecutive weeks or more.
 - Find out if the Living Wage is paid on these contracts.
- Have a **plan in place** to move contacts to the Living Wage at the first legal opportunity, usually within 3 years (each of these contracts will be included as a milestone in your licence agreement).
 - Build the Living Wage into all **future contractual agreements** and into third-party communications.



STEP 3

Check **Social Care policy** p.14 and [Guidance for Local Authorities](#).

Review [FAQs](#).



STEP 4

Calculate what the **cost of implementing** the Living Wage will be for direct and third-party staff and budget accordingly.

THE ACCREDITATION PROCESS

STEP 5

Submit your signed licence agreement form **online** with your list of milestones which have been agreed with the Living Wage Foundation.

STEP 6

Accredit as a Living Wage Employer!

Celebrate your accreditation.

STEP 7

Each year between November and May, **uplift all staff to the new Living Wage rates** and ensure the uplift has been implemented across third-party staff.

Report milestone progress to the Living Wage Foundation at the anniversary of your accreditation.



POLICY AREAS TO CONSIDER IN SOCIAL CARE

Travel Time

Travel at work time should be paid at least at the Living Wage.

For workers with no fixed place of work, travel between care visits should be paid at least at the Living Wage.

If travel to work is paid, this should be paid at the Living Wage.

Sleep-in Shifts

Sleep-in time should be paid at the Living Wage.

If a worker is on standby at work, they should be paid for their time.

There is an exception for live in carers, who are not required to be paid 24 hours a day but as per their Daily Average Hours Agreement.

Make sure **agency staff** are paid at least the Living Wage.

Direct Payments

Local authorities can encourage recipients of direct payments to ensure their carers receive the Living Wage for the time they are providing their care. This can be through the local authority making sure there is enough budget in personal allowance payments to pay the Living Wage, suggesting a Living Wage suppliers list, and communicating the benefits of paying the Living Wage.

Specifically for Local Authorities

See further [Guidance for Local Authorities](#).

UNISON Ethical Care Charter

If not signed up already, local authorities are asked to sign up to the [UNISON Ethical Care Charter](#) as part of the Living Wage accreditation. The UNISON Ethical Care Charter aims to establish a minimum baseline for the safety, quality and dignity of care through employment conditions.

Spot & Block Contracts

Stipulate payment of the Living Wage for staff delivering spot contracts by building this into the individual service agreements or preplacement agreements. Where there is joint commissioning of block contracts in care homes, local authorities should work with the other stakeholders to implement the Living Wage.

IMPLEMENTING THE LIVING WAGE: BUSINESS MODEL

The way care providers are funded or how their services are paid for is likely to impact how straightforward or challenging it is for an employer to implement the Living Wage.

Some care providers have implemented the Living Wage into their business model from the start, whilst others have implemented the Living Wage over a number of years. Other approaches have been to increase charge rates or to initially absorb the uplift to the Living Wage as a business cost. Once implemented, providers have made cost savings with recruitment and retention and so balanced the books.

Incorporating the Living Wage from the start: Abney & Baker

When setting up the organisation in 2015, Abney & Baker developed their business model with the Living Wage built in from the beginning:

“We’ve done it from day one. We built our entire business model around the 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 in 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.”

Abney & Baker have not only found this a viable business model but have found many benefits of paying the Living Wage to staff from the start:

“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.”

Ian Willis, CEO, Abney & Baker

Implementing the Living Wage over time: Borough Care

Listening to staff feedback, Borough Care were keen to implement the Living Wage but knew this could take some time as they became a more financially sustainable business. Over three years, the business incrementally increased its staff pay. Borough Care haven’t changed their business model but have determined the true cost for social care and charged this rate to clients, including local authorities:

“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 need to be to allow us to make these changes.”

Mark Ward, CEO, Borough Care

Accrediting during the pandemic, almost 400 staff have been uplifted to the Living Wage as a result of Borough Care’s commitment.

IMPLEMENTING THE LIVING WAGE: PAY DIFFERENTIALS

Maintaining pay differentials across pay scales whilst implementing the Living Wage is often a challenge for care providers. Pay differentials can be implemented alongside the Living Wage through planning and communication with staff.

Joseph Rowntree Housing Trust (JRHT)

With over 500 staff in their care services, JRHT have embedded differentials as part of their grade and pay scales.

Staff paid at the Living Wage receive an uplift to the new Living Wage rates every year and they graduate the pay rise for other staff to a flat rate which helps JRHT to maintain the salary differentials between grades.



“From a moral and an ethical point of view, our position as a good employer is that we will always try and weight our pay envelope towards our lowest paid staff.”

“As we look at our pay structures and pay progression, we always prioritise how we create the capacity for people to be able to progress their pay within our organisation as they develop.”

Claire Townson, Director of Corporate Services,
Joseph Rowntree Foundation & Joseph Rowntree Housing Trust

IMPLEMENTING THE LIVING WAGE: TRAVEL & SLEEP-IN SHIFTS

Travel Time

Living Wage Foundation policy stipulates that travel at work time should be paid at least the Living Wage. For workers with no fixed place of work, travel between care visits should be paid at least the Living Wage. If travel to work is paid, this should be paid at the Living Wage.

This can pose a challenge, as commissioned services often pay an hourly rate for service user contact time, and this way of charging for domiciliary social care is replicated in the wider industry. If staff are not paid for travel time, in some circumstances this can mean their overall salary drops to below minimum wage.

Some care providers implement the Living Wage into travel time by calculating their rates so that travel time is incorporated into the rate charged to the service user or commissioners of care. Other care providers minimise travel time by organising care visits more efficiently, for example, a carer visits homes that are in the same area. This can also help embed services better in the local area.

Sleep-in Shifts

Living Wage Foundation policy states that in social care, sleep-in shifts should be paid at the Living Wage. If a worker is on standby at work, they should be paid for their time.

There is an exception for live-in carers, who are not required to be paid 24 hours a day but as per their Daily Average Hours Agreement.

Some care providers have topped up hourly rates for staff working sleep-in shifts to meet the Living Wage. Other care providers have moved away from the practice of sleep-in shifts and introduced waking night shifts.

“We used to pay our staff a flat rate per night for sleep-ins. We changed this a few years ago to make sure we were compliant with Living Wage accreditation requirements. Sleep-in staff now get paid their hourly rate whilst sleeping (which is higher than the Living Wage) and an additional amount for any work they do upon waking.”

Claire Townson, Director of Corporate Services,
Joseph Rowntree Foundation & Joseph Rowntree
Housing Trust

“We count all hours as working hours and so we pay the Living Wage irrespective of whether someone’s sleeping or they’re awake.”

Stewart Thorp, CEO, Superior Healthcare

“Borough Care did use sleep overs historically, but we haven’t used sleep-in shifts for a very long time, our staff are all awake and working and are paid in full for every hour.”

Mark Ward, CEO, Borough Care

IMPLEMENTING THE LIVING WAGE: LOCAL AUTHORITIES

Tips for local authorities implementing the Living Wage in social care:

Consider Living Wage implementation as part of a wider local economic development strategy.

Calculate the cost of care at the Living Wage – you may find the [UKHCA's Minimum Price for Homecare Services](#) useful.

Make funds available to implement the Living Wage in care contracts e.g. ringfenced Council budgets or the local social care levy.

Develop commissioning models that both implement the Living Wage and aim to improve quality of care.

Work in partnership with care providers, encouraging business models that directly invest in care workers' pay, and ensure good practice around training and standards of care.

Consider how the Living Wage will be implemented in travel, sleep-in shifts, block and spot contracts, as well as direct payments.

Sign up to the [UNISON Ethical Care Charter](#).

Further guidance and case studies for implementing the Living Wage for local authorities and in care commissioning can be found in the [Local Authority Toolkit](#).

Work with other local authorities, particularly where there is joint commissioning.

CASE STUDY: LONDON BOROUGH OF NEWHAM

The **London Borough of Newham** (LBN) accredited with the Living Wage Foundation in 2021, playing an active role in the **Making the Royal Docks a Living Wage Place** Action Group.

In Newham, domiciliary care providers employ a large number of people, **85% are Newham residents**. Therefore, this was one of the first areas where LBN sought to implement the London Living Wage. Better paid employment not only puts people at the heart of what LBN does, but also means care workers have more disposable income to **reinvest into the local economy**.

The Adults and Health Commissioning Team successfully bid for budget from a dedicated LBN budget to support its corporate Community Wealth Building agenda. It also raised

budget to implement the Living Wage in social care through implementing a local Social Care levy.

This enabled LBN to raise the hourly rate for domiciliary care **from £10/hour to £18.72/hour** and implement the Living Wage. The £18.72 rate was calculated using the **UKHCA rate calculator** and includes an allowance 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 LBN rarely commissions this provision. The rate is sufficient to help maintain **pay differentials** within the care provider companies.

LBN's commitment to increase the hourly rate is not only to pay care workers the Living Wage, but also to improve the quality of care

and support provided in Newham. Paying the Living Wage to staff is not only seen as a way to attract **more experienced and better qualified staff** to work in care, but also to attract people to the social care market who have not previously considered it as a career option.

In LBN's recent re-procurement of domiciliary care provision, successful tenderers are not just expected to pay their care workers **London Living Wage**, but they are also required to show an 'Outstanding' or 'Good' Care Quality Commission rating; and adhere to the UNISON Ethical Care Charter.

LBN has re-modelled how commissioned domiciliary care is provided in the borough by appointing **lead providers for each neighbourhood area**, which

not only helps reduce travel time but embeds care workers and providers within a local area. Lead providers that the Council is working with tend to be SMEs, in line with the LBN's Community Wealth-Building agenda focused on local jobs and employing local residents.

So far, LBN has uplifted **1,900 staff** providing domiciliary care to the Living Wage.

“It takes a special person to be a care worker; and it is only right that their passion, skill and experience is rewarded with appropriate pay and conditions.”

Lydia Drummond, Assistant Director of Commissioning – Adults and Health, London Borough of Newham



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4. BENEFITS OF PAYING THE LIVING WAGE

THE DIFFERENCE THE LIVING WAGE MAKES TO CARE WORKERS

“I don't think I'd be able to survive on a minimum wage, not with the current climate now, because the cost of living is so expensive. I'm on quite a good wage for the month. I'm able to provide for my kids. Food, clothing, it all adds up and especially with children. And so having the Living Wage makes a big, big difference.”

“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.”

“Running my car and saving for a house just wasn't manageable with my old company. But with this company, I've managed to be able to have a financed car, to afford that without any worries, to rent a house with my boyfriend, and to save as well. I don't have to worry about affording all my bills.”

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

“You're not just getting paid the minimum because that's what they have to pay you. You feel like you've got a little bit more worth to you.”

Care Worker



WHY ACCREDIT?

Saving the NHS money

Providing good quality social care could prevent people needing hospital care.

Good for the local economy

The Living Wage in adult social care, so far, has put over **£36 million** back into the pockets of care workers – money that is spent in the local economy.

Better quality care

Better staff morale from being paid the Living Wage results in the ability for staff to provide good quality care.

Good for the brand

86% of accredited businesses say the Living Wage has improved the reputation of their business and 64% of businesses say the Living Wage has helped differentiate themselves from others in their industry.²⁴

Improving retention rates & saving money

75% of accredited businesses say the Living Wage has increased motivation and retention rates at their organisation.²²

“It’s not just made it easier to recruit care staff and easier to retain care staff, it’s also dramatically reduced the overhead spend. It’s dramatically reduced our advertising spend as well.”

Abney & Baker

93% of accredited businesses say the Living Wage has benefited their business.²³

Rewarding staff

Most care organisations commit to the Living Wage because it’s the right thing to do to reward their staff. Organisations feel they are valuing their staff and recognising the challenging and demanding responsibilities care workers are expected to fulfil.

Workforce stabilisation

“We halved our turnover in the first year of introducing the Living Wage. Ours went down to about 12%.”

Joseph Rowntree Housing Trust

CASE STUDY: ASPIRE FOR INTELLIGENT CARE AND SUPPORT CIC

Aspire is a not-for-profit Community Interest Company providing person centred support services to people in Salford and beyond. They became an accredited Living Wage Employer in 2015 and since then have been a valued member of the Salford Living Wage Action Group, campaigning for Salford to become recognised as a Living Wage City.

Why become accredited as a Living Wage Employer?

“As a social care provider, we recognise that our staff are our most valuable asset, and we feel it is important that we show our commitment to them by paying the Living Wage.”

“We support some of the most vulnerable people in Salford and we aim to deliver very high standards of care – the dedication of our care workers is a key factor in achieving success. In the same way that we are trying to maximise the life experiences of the people we support, we also want to make a difference to our employees by ensuring they are paid fairly for the important work that they do.”

“Our accreditation helps to demonstrate that we care and value our workforce, and that we take our responsibilities as a social care employer seriously – this helps to enhance our reputation as a quality care provider.”

Better staff morale:

“We believe our staff are generally happier and not as preoccupied or worried with issues of low pay. If you can go to work in a better frame of mind, you are more motivated and more interested in the work you do. You want to support your colleagues; you work better in a team and ultimately you deliver a better service.”

“We provide a Living Wage, good working conditions and an overall wellbeing package – this all contributes to better staff morale and quality services.”

Recruitment benefits of accreditation:

“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.”

“Our staff turnover rate is around 8% which is very low for this sector – retention of staff is great for the people we support and great for our company. Being an accredited Living Wage Employer helps to provide the reassurance that we are a caring and supportive employer.”



©Aspire for Intelligent Care and Support CIC

4. Benefits of paying the Living Wage

How did Superior Healthcare manage the uplift to the Living Wage?

CASE STUDY: SUPERIOR HEALTHCARE

Superior Healthcare became a Living Wage Employer in 2014 and are one of the Living Wage Foundation's largest accredited care providers. They provide specialist care for adults and children who have complex health needs as well as working to support care providers including care homes and private hospitals by providing agency carers and nurses.

Why become accredited as a Living Wage Employer?

“The accreditation was a moral decision. As someone who has lived with carers working in our family home, I felt that paying a 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.”

“During the accreditation process we did have to increase our lowest rates of pay because we weren't quite at the Living Wage at that point. When we became accredited with the Living Wage Foundation, the rate was £7.85 and at the time, our rates were around £7.20, £7.50. We probably had to increase our rates by about 5% in order to bring them up to the Living Wage. Initially we were topping up if an employee's average hourly rate fell below the Living Wage but since then, we've moved to make sure the lowest rate of pay that anyone will ever receive is the Living Wage. That's happened over a period of time.”

For Superior Healthcare, the Living Wage is part of a wider commitment to their employees:

“Implementing the Living Wage was the first stage of a programme of generally ‘upgrading’ the proposition for our employees. Since then, we've extended the pay for training, implemented an employee assistance programme and trained an in-house team of mental health first aiders.

“We've recently launched the option of a guaranteed hours contract so that our employees can decide between the security of a guaranteed hours contract or a flexible contract that supports them to balance their work and personal commitments, brought in an employee lottery and employee of the month programmes - as well as inviting the team to regular social events.”

“Becoming a Living Wage Employer is one element of a wider programme of making employees feel valued. The coronavirus pandemic has really brought home the vital and valued service that our carers and nurses provide and it is only right that they should be paid fairly for the contribution they make. It's time to make our carers feel appreciated!”



©Superior Healthcare

5. NEXT STEPS

The background features abstract geometric shapes in various shades of green and white. A large white circle is partially filled with a light green color. There are also several green circles and angular shapes of different sizes and colors (from light to dark green) scattered across the page.

STEPS TOWARDS PAYING THE LIVING WAGE

If your organisation is not able to accredit as a Living Wage Employer just yet, there are some steps you can take to work towards accreditation.

Recognised Service Providers

If you are a care provider whose model is based on delivering commissioned care through your client contracts, you may not always have the final say in guaranteeing the Living Wage to your staff.



The Recognised Service Provider accreditation recognises organisations who take steps to promote the Living Wage through their client contracts. As part of this accreditation, employers pay the Living Wage to all their direct and third-party staff that aren't tied to client contracts, whilst committing to always providing a Living Wage bid alongside a market rate bid to clients, where possible, as part of the tendering process. Recognised Service Providers aim to move towards the Living Wage Employer accreditation contract by contract.

You can read more on our website [here](#).

Working towards incremental steps on pay

The United Kingdom Homecare Association (UKHCA) sets out a minimum price for homecare services each year and provides a useful breakdown of the hourly cost of care. This includes a rate for implementing Living Wage rates both in London and the rest of the UK. Current guidance can be found on the [UKHCA website](#).

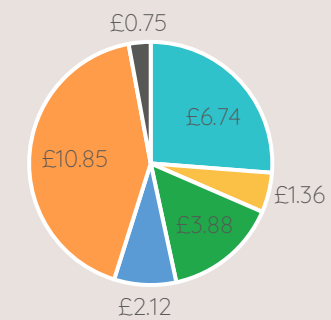
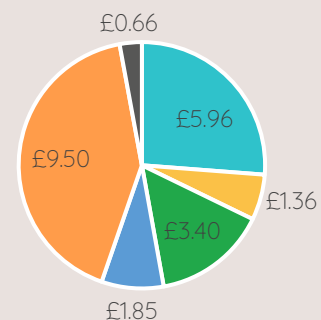
Care providers and local authorities commissioning adult social care can work towards incremental steps on pay by providing evidence of the additional budget needed and committing to use this additional funding to implement the Living Wage in social care.

UKHCA Minimum Price for Homecare by wage rate: 2021-2022

UK Living Wage: £22.73 per hour

London Living Wage: £25.70 per hour

- Running the Business
- Mileage
- Other wage related on-costs
- Travel time
- Contact time
- Profit or Surplus



GOING FURTHER

Paying the Living Wage to staff in the care sector should be seen as part of a wider package of benefits offered to staff. There are ways you may wish to go beyond paying the Living Wage.

Staff Voice

Consider how you are listening to and engaging your staff when embedding the Living Wage. We recommend working with staff Union representatives.

“We did an engagement survey recently and 100% of our staff would recommend us as a place to work. Plus 100% would recommend our services. We feel the two go hand in hand and are extremely proud our team feel that way.”

Abney & Baker

Aspire for Intelligent Care and Support CIC has a staff owned board run by 12 representatives from across the organisation. The Chair sits on the Aspire Executive Board.

Training & Development

Alongside pay, training and development opportunities are important. What are your progression pathways?

“Staff complete the care certificate, and we offer opportunities for people to develop through their career as well if they wish to do so.” Joseph Rowntree Housing Trust

Examples of additional benefits

“We have a healthcare cash plan which means if staff need particular forms of medical care, they can claim it back.” Joseph Rowntree Housing Trust

“Every single staff member that’s been at the organisation longer than a year is entitled, for £1, to purchase a share.” Aspire for Intelligent Care and Support CIC

Living Hours



With over 50% of domiciliary care staff and 24% in the sector as a whole working on zero-hours contracts,²⁵ insecure work is a challenge in the care industry.

The Living Wage Foundation’s Living Hours scheme sets minimum standards for contracts and helps tackle insecure work, providing workers with guarantees on their working hours and shift patterns, whilst still allowing those who want to work flexibly to do so. The Living Hours scheme includes:

- Decent notice period for shifts: of at least 4 weeks’ notice, with guaranteed payments if shifts are cancelled within this notice period
- The right to a contract that reflects accurate hours worked
- A guaranteed minimum of 16 hours per week (unless the worker requests otherwise)

Being involved in the wider community

Organisations in towns, boroughs, cities and regions all over the UK are working together to make their area a Living Wage Place. Living Wage Employers form action groups to expand the take-up of the Living Wage in their locality. There are Health and Social Care strands in the campaigns to make London and Greater Manchester Living Wage Places.

GET IN TOUCH

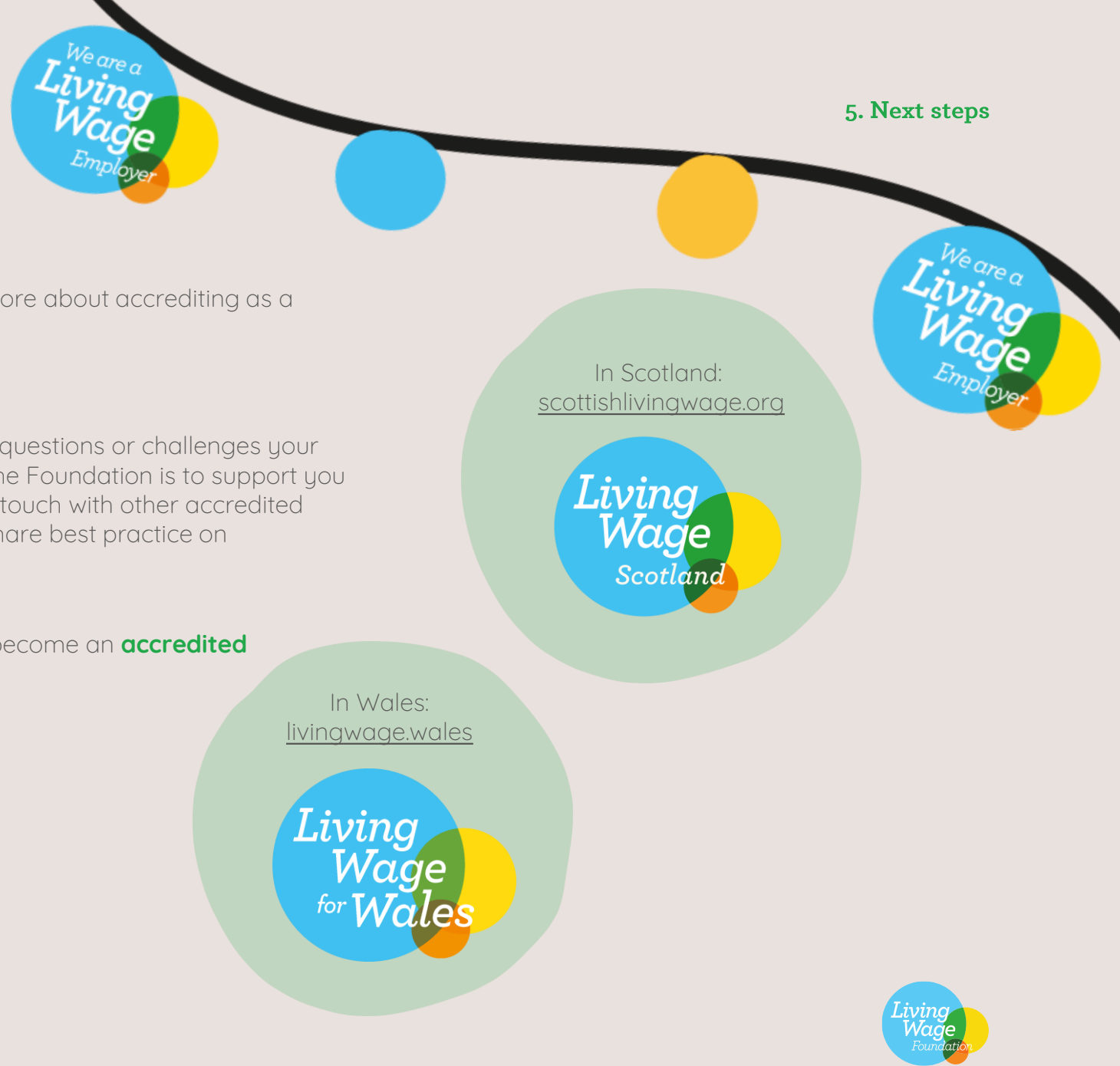
We hope that you have found this toolkit useful in learning more about accrediting as a Living Wage Employer.

Contact the Living Wage Foundation

Get in touch with the Living Wage Foundation to discuss any questions or challenges your organisation has with the accreditation process. The role of the Foundation is to support you in your journey towards accreditation and we can put you in touch with other accredited care providers and local authorities commissioning care to share best practice on implementing the Living Wage.

Contact us for more information and begin your journey to become an **accredited Living Wage Employer**:

livingwage.org.uk/become-a-living-wage-employer
livingwage.org.uk/contact-us
accreditation@livingwage.org.uk



NOTES & REFERENCES

1. [Living Wage Foundation & New Economics Foundation](#), (June 2020).
2. [Analysis by Skills for Care for the Living Wage Foundation](#), (November 2020).
3. Low Pay Commission, ['The National Minimum Wage in 2021'](#), (April 2021).
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5. [Analysis by Skills for Care for the Living Wage Foundation](#), (November 2020).
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7. Ibid
8. Ibid
9. Ibid; We recognise the limitations and challenges of grouping the experience of racialised communities into one broad 'racialised communities' classification, but some data sources only present in this way and we felt the point was a valid one when taking an overall view of the demographic make-up of the social care sector. We will continue to work towards better understanding and drawing out how intersectional experiences differ within communities.
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17. [Age UK](#), (November 2019).
18. Institute for Public Policy Research, ['Fair Care: A workforce strategy for social care'](#), (November 2018).
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22. Cardiff Business School, ['The Living Wage Employer Experience'](#), (April 2017).
23. Ibid
24. Ibid
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