



PRESS RELEASE: INVESTING IN CARE WORKER PAY IS A WIN FOR THE ECONOMY AND THE NHS – SAYS NEW REPORT

EMBARGOED UNTIL 00.01 WEDNESDAY 12th MARCH 2025

- Latest data from a national care charity uncovers that social care support workers are paid 30.3% less than their direct NHS Band 3 equivalents, a difference of £7,120 a year.
- With the Government's proposed Fair Pay Agreement not expected until 2027 at the earliest, the report urges **immediate investment in an interim uplift in care worker pay.**
- It estimates that every 50p per hour increase would cost just £723 million annually only 2.3% of the £32 billion spent on adult social care and 2.8% of the £25.7 billion extra cash given to the NHS in the 2024 Autumn Budget.
- The report argues that **social care is not just a cost, but an investment** that plays a vital role in driving **economic growth and restoring the NHS** two of the Government's key priorities.
- Full report can be found <u>here.</u>

A new report launched by the independent national charity, Community Integrated Care, today (Wednesday 12th March) exposes a persistent pay gap between social care support workers and their NHS counterparts. The charity is calling on the Government to take immediate action by uplifting care worker wages, arguing that fair pay is not only affordable, but a crucial investment in economic growth and the long-term sustainability of the NHS.

'A Caring Economy – Unfair To Care 2025' is the fourth edition of Community Integrated Care's acclaimed <u>Unfair To Care report series</u>ⁱ. It uniquely compares the pay of social care support workers to their NHS equivalents paid under Band 3 of the NHS Agenda for Change framework.

Using exclusive measurement by global leaders in job evaluation, Korn Ferry, the charity has determined that the role of a **social care support worker is a skilled, accountable and complex one**, revealing that the average care worker, currently earning £12.00 per hourⁱⁱ, would **take home £7,120** a **year more doing a comparable sized role in the NHS**ⁱⁱⁱ.

The charity says that the consequences of this pay disparity are severe, including **high turnover rates** of 26.5%, equivalent to 285,000 leavers a year, combined with vacancy rates of 9.4% or 112,000 roles^{iv}. These challenges create a cascade of far-reaching and negative impacts across society –

reducing quality of life for people who access or work in care, undermining the viability of care providers and the efficiency of the NHS, and constraining economic growth.

Recent unfunded increases to employer National Insurance Contributions and the National Living Wage, totalling around £2.8 billion^v, have further exacerbated the problem, creating financial strain on care providers, with many having to make difficult choices to hand back contracts to local authorities, or in some cases, leave the care market entirely.

THE COST OF ACTION – AND INACTION

The release of this report comes at a critical moment as the Government reviews national social care policy, including **proposals for a Fair Pay Agreement for care workers - acknowledging the urgent need for improved wages and the impact of low pay on the NHS**. However, with the agreement not expected until 2027, at the earliest, Community Integrated Care warns that delaying action will only deepen the crisis; they claim that it will exacerbate workforce instability, continue to disrupt the lives of millions who depend on and deliver social care, and fatally undermine one of the Government's three big shifts: moving care from hospitals to the community.

The charity argues that immediate action is needed and that increasing social care pay is both achievable and essential. Their estimates show that a **50p per hour uplift for the 1.29 million frontline care workers in England^{vi}, would cost just £723 million per year (net) – a small proportion of the annual £32 billion in public spending on adult social care^{vii}, and a fraction of the recent £25.7 billion NHS funding boost in the Autumn 2024 Budget**. In return, fair pay would reduce costly staff turnover, improve retention, and enhance care quality - benefiting the entire health and social care system.

Previous reports have shown that providing parity of pay between social care workers and their NHS equivalents creates a **'Social Care Triple Care Win'**, improving economic growth, as lower paid workers reinvest additional wages in the local economy, increasing NHS capacity and efficiency, and transforming the lives of people who work in and draw on social care.

Teresa Exelby is the Chief Corporate Services & People Officer at Community Integrated Care, which employs over 6000 colleagues and delivers 10 million hours of publicly-funded support to 2500 adults with learning disabilities, autism, mental health conditions and complex needs. She said: -

"Once again, this year's figures highlight the persistent undervaluing of one of society's most vital workforces. Social care support workers are highly skilled, accountable, and emotionally resilient, delivering transformational care and support every day.

While steps toward a fairer pay framework are welcome, we cannot wait for 2027 for that to happen. That's why we are urgently calling on the Government to fund an immediate interim pay uplift – not just because it's the right thing to do for those working in and accessing social care, but because of the benefits it brings for wider society and the economy too.

Within our charity we've seen the transformational impact of raising pay and investing in carers - achieving an 80% retention rate, which is above the sector average. This stability enables us to reinvest, expand our impact, and support our teams to deliver high-quality care, but sustained progress requires

proper funding. With the right investment, social care can thrive - offering sustainable, rewarding careers, empowering people to live their best lives, and driving economic growth and productivity."

Phil Hope, former Minister of State for Social Care and co-author of the report, said: -

"A 'Caring Economy' is a two-way street - a strong economy funds the delivery of care and support, and the social care sector, in turn, drives economic growth and enhances NHS productivity.

The sector is vast and expanding, contributing an estimated £62.1 billion to gross value added in England. Yet, despite its undeniable impact, improved care worker pay remains a contentious issue, often deemed unaffordable. This report not only challenges that perception but also highlights the substantial economic returns it can offer – reducing welfare spending, creating employment opportunities, and stimulating spending in low-income communities.

In reality, the cost of increasing care worker pay could be far lower than assumed. Better wages lead to a more stable workforce, lower recruitment costs, and greater investment in training and innovation. It's time to recognise social care spending as an investment in our economy and society - not just an expense."

ENDS.

References: -

- " NHS Agenda For Change Pay Scale for 2024/2025 Band 3 roles
- ^{1v} Figures used refer to 'direct care' filled roles and are taken from 'The state of the adult social care sector and workforce in England', Skills for Care, October 2024
- * Social care providers at risk of collapse as analysis reveals cost to sector of employer national insurance hike | Nuffield Trust
- ^{vi} The number of 'direct care' filled posts as referenced in 'The state of the adult social care sector and workforce in England', Skills for Care, October 2024 working an average 27-hour week, and including employer on-costs.

vii Social Care 360: Expenditure | The King's Fund

NOTES TO EDITOR

The sector is entering a period of major system-wide change that should provide new opportunities for improving the social care system including:

- A new NHS Ten Year Plan, which has been promised to be announced in summer 2025, which will be heavily reliant on better social care services, if it is to be implemented successfully.
- A Comprehensive Spending Review settlement in summer 2025 for local government and social care funding for the rest of the Parliament (2026 to 2029).
- Legislation for a new Fair Pay Agreement for care workers but which may not be negotiated and implemented until 2027 at the earliest.
- A significant and fundamental two-part review of the social care system and how it is funded by Baroness Casey that is due to report in Spring 2026 (phase 1) and in 2028 (phase 2).



ⁱ www.unfairtocare.co.uk

ⁱⁱ Figures used are average rates for Support Worker roles in England (outside of London) and are taken from the National Care Forum's national pay benchmarking exercise for the not-for-profit sector, October 2024

About Community Integrated Care

Community Integrated Care is one of the UK's largest social care charities. We work in the community, delivering life-enhancing support to over 2500 people with a diverse range of care needs, including: learning disabilities, mental health concerns, age-related needs, and dementia. Across 450+ services, we employ over 6500 caring and committed colleagues in England and Scotland.

Founded in 1988 as pioneers of Care in the Community, we're proud to have been recognised for our impact and innovation as the Charity Times 'Charity of the Year', and at sector honours such as the Skills for Care Accolades, National Care Awards and Great British Care Awards. www.communityintegratedcare.co.uk

Please note: When referring to the charity, we kindly ask that you please use our full name - Community Integrated Care – not CIC. Thank you!

Contact Information

For more information please contact: Alexandra Johnston, Senior Communications & Marketing Manager / 07753 310 452 / <u>alexandra.johnston@c-i-c.co.uk</u>
