



Department  
of Health &  
Social Care

**CARE**

# Fair pay agreement process in adult social care

12<sup>th</sup> March 2026

# What this session will look at

## Background to the FPA

- What is a Fair Pay Agreement (FPA)
- Why is an FPA is being introduced
- When the FPA will be introduced
- How it will be funded

## The FPA consultation

- What is in the consultation
- Engagement with the sector
- What happens now

## Cross economy measures in the Employment Rights Act



# What is a Fair Pay Agreement?

A Fair Pay Agreement (FPA) **will set minimum pay and other terms and conditions for workers specifically in adult social care.**

It will be negotiated through **'collective bargaining'** between employers and employees. This will be via representatives as part of a **new ASC Negotiating Body**. Negotiations will happen annually.

This agreement will be the **first ever of its kind** in the social care sector. Once ratified, it will be the **law and enforced**.

New Fair Pay Agreements will be complemented by **rights for trade unions to access workplaces**, in a responsible manner, for recruitment and organising purposes.

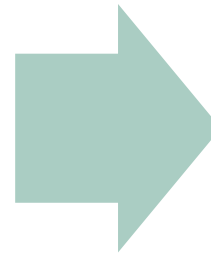


# Why are Fair Pay Agreements being introduced?

There have been many calls for pay and terms and conditions in adult social care to be negotiated by representatives of workers and employers.

## We know that...

- Over 1.5 million people work in adult social care.
- They provide **essential care and support** every day to people of all ages and with diverse needs.
- The adult social care sector faces **significant workforce challenges** including around recruiting and keeping staff.
- Adult social care is a historically **low paid sector** - most care workers are paid at or just above the National Living Wage.



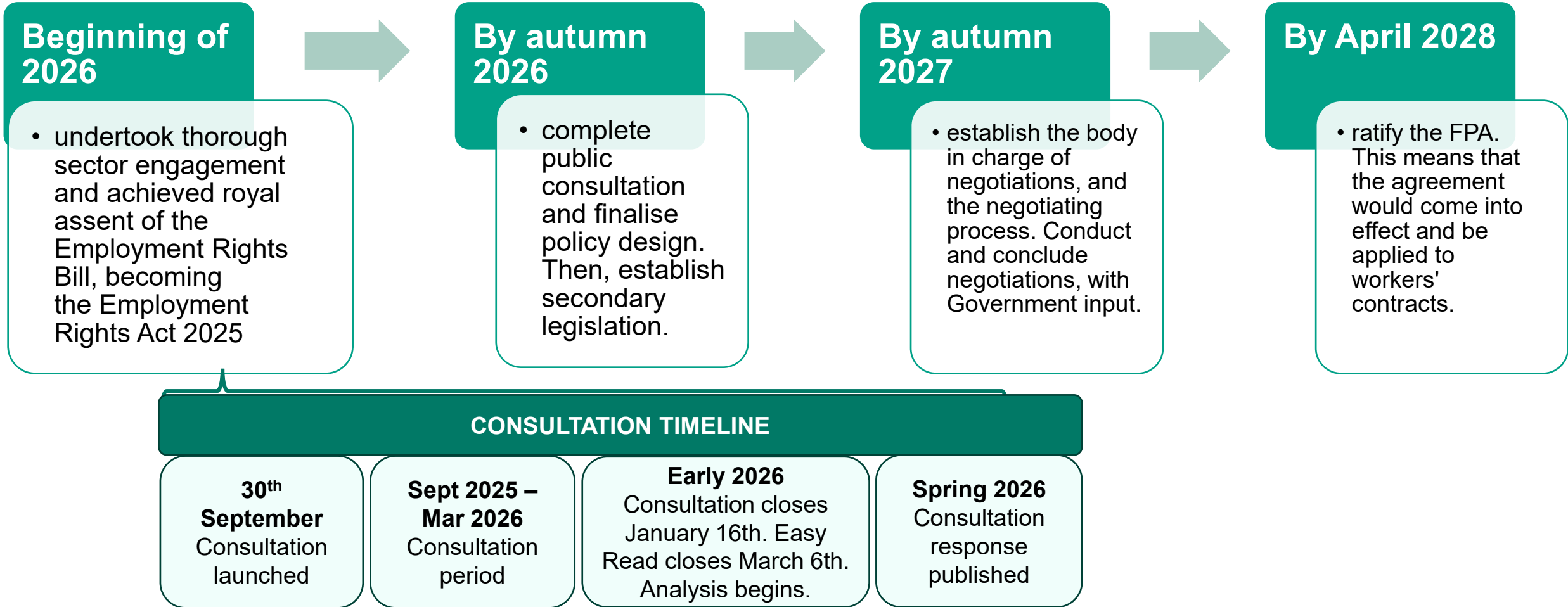
## What are we doing?

- This Government's aim of the Fair Pay Agreement is to:
  - **promote fairness**
  - **improve working conditions**, and
  - give the workforce much needed **recognition and reward** for their vital work in our society.
- Fair Pay Agreements are a key part of the government's [New Deal For Working People](#).



# When the FPA will be introduced?

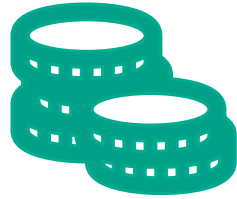
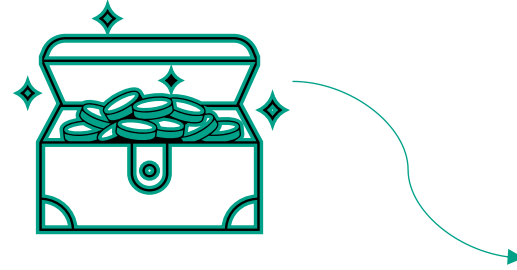
Implementation of the FPA requires several stages of preparation, as set out below.



# How will the FPA be funded?

As the majority of adult social care provision is funded by the state, through councils and the NHS, the **government will financially contribute to the fair pay agreement.**

The government is making around **£4.6 billion of additional funding available** for adult social care in 2028-29 compared to 2025-26.



As part of this, **£500 million** has been earmarked for improving pay, terms and conditions, and other matters as part of the first FPA. This additional government funding will be paid to councils to reflect the increased cost of care.

To balance the need for greater pay for the social care workforce with the potential cost to taxpayers, we propose that the **ASC Negotiating Body will be given a cost envelope** at the start of negotiations. This will set out the maximum funding available to councils to cover increased costs resulting from the fair pay agreement. The ASC Negotiating Body will have to negotiate an outcome that is affordable within this envelope.



# Public consultation

Since November 2024 we have been working with sector stakeholders to develop our policy thinking. On 30<sup>th</sup> September 2025 the Secretary of State announced the launch of the FPA public consultation and the £500 million of funding available for the first FPA. The consultation was a chance for anyone with an interest in adult social care to share their views with us about the design of the fair agreement process in England. The consultation put forward proposals and options on the following:



**Negotiating body:** who is involved in negotiations and the support available for the Body.



**Dispute resolution:** what happens if a decision cannot be reached



**Negotiation process:** how these could work including timelines and frequency of negotiations.



**Implementation:** how an FPA would be introduced to the sector



**Coverage and remit:** who and what is in scope of FPAs



**Compliance and enforcement:** how we will support the sector to comply with an FPA



# Sector engagement

We ran an extensive programme of engagement alongside our public consultation. In total we attended over 80 events and reached over 3000 people.

Location			
<b>Virtual</b>	66	<b>In-Person</b>	18

## Examples of engagement:

The Care Show	Virgin Money/Care England	PA/IE specific Webinar
Roundtable with care workers via the CWC	Alzheimer's Society roundtable	Regional Local Gov meetings
Trade Union Workforce Webinar	Regional Care Provider meetings	National Children and Adult Services Conference

## Easy Read

The Easy Read was published on 21<sup>st</sup> November.

Engagement targeting those who draw on care and support and the workforce was staggered to align with publication, with most events happening in 2026..



### In-Person Events:

- Birmingham
- Ipswich
- London
- Derby
- Bournemouth
- Essex
- Hertfordshire
- Kent

We also engaged teams regionally virtually.



# What happens now?



# Employment Rights Act (2025) cross-economy measures

The Employment Rights Act brings in a wave of reforms to transform employment rights for workers, employees, and unions. Below are three measures to be aware of:

## Statutory sick pay changes – from April 2026

- **SSP from Day One:** SSP starts immediately upon illness by abolishing the 3-day waiting period
- **No Earnings Threshold:** SSP eligibility extended to all workers by removing the lower earnings limit.

## Trade Union Right of Access - April 2026

- **Request for access process:** creating a framework for trade unions to request access to a workplace.
- **Enforcement:** parties may appeal to CAC

## Zero hours contract changes – from 2027

- **Right to Guaranteed Hours:** Workers regularly exceeding contracted hours must be offered a contract reflecting actual hours worked (likely assessed over a 12-week reference period). Workers can reject this offer and remain on a ZHC.
- **Reasonable Notice of Shifts:** Employers must provide fair notice of shift; late changes may trigger compensation.
- **Shift Cancellation Compensation:** Workers entitled to pay if shifts are cancelled or changed at short notice.

Access practical guidance about the changes at: [www.business.gov.uk/employment-changes](http://www.business.gov.uk/employment-changes)

