

VODG Response to the Low Pay Commission, June 2025

The Voluntary Organisations Disability Group (VODG) is the membership body for voluntary sector organisations that support and work alongside disabled people. We bring together over 140 care and support, health, welfare and housing organisations around our shared commitment to providing the best support and services for disabled people.

This VODG response has been informed by our members and follows a virtual roundtable between VODG members and LPC Commissioners in June 2025. Particular thanks go to Options, Seeability and Sense for their contributions to our response

Our response

Overarching messages

We have worked with our members to gather their views and experiences relating to low pay, focusing on the social care sector. Our response is broken down into themes to reflect what has come out in discussions and feedback from our members.

We recognise that some of these issues are likely to be addressed as part of the ongoing Fair Pay Agreement for adult social care discussions, and we have been feeding into this work. The Fair Pay Agreement could be a welcome lever for improving pay across the adult social care sector, but it must come with realistic, sustainable funding and sector-specific understanding.

The narrative around social care needs to shift from one that paints roles in social care as low-value and low-status to one that represents working in social care for what it is – one that requires a high level of skill and compassion, and that is essential to society. In 2019, our Chief Executive, Dr Rhidian Hughes discussed the importance of moving towards a social care system that considers social value as well as funding. Although much has changed since then, this point still stands.

Broader challenges in local government and social care

The funding and capacity challenges in local government are well documented and are not the focus of the consultation or our response. However, these funding challenges

are impacting pay in commissioned and in-house social care services, as rising demand and diminishing budgets mean that funding does not keep pace with the cost of delivering services. 2024 data from the [County Councils Network](#) found that councils spend almost 65% on average of their entire budget on social care (both adults and children's services), up from 57% in 2014.

VODG members aim to pay over the National Living Wage (NLW), but this brings challenges – in some areas, councils expect the NLW or Real Living Wage (RLW) to be paid and their funding covers this, but in other cases councils expect the NLW or RLW to be paid but there is a funding shortfall – meaning care workers are either paid less or the organisation has to make up the difference. Staffing costs account for over 80% of delivery costs, and the recent unfunded increase in Employer National Insurance Contribution means that the funding disconnect in the social care commissioning model is being acutely felt. Particularly by third sector organisations that are wholly reliant on public sector funding.

Whilst the increase of the NLW in April is a welcome step, due to the increase in Employer National Insurance contributions, the precarious state of the social care funding model and pay competition from sectors such as retail and hospitality, it is having limited impact on the recruitment and retention of staff in the social care sector.

In the consultation, you asked about the impact on many differentials as a result of the NLW increase. Whilst the exact numbers will vary between sectors, we expect the following trends:

- Employment – the increased NLW rate is welcome, but it will increase Employer National Insurance Contributions which is unfunded. Even if funding does rise, organisations may not be able to hire any more staff due to not being able to pay increased national insurance rates.
- Earnings – if the organisation can pay the NLW rate then this increase will positively affect earnings, but we have heard from multiple members that public sector fee rates often fails to sufficiently cover this, meaning either lower pay for staff or making up the shortfall.
- Recruitment (and retention) - the social care sector is increasingly having to compete with the retail and hospitality sectors which can pay more, usually offer more hours, for work that is generally less physically and emotionally demanding. The narrative around social care being 'low skilled' contributes to recruitment challenges, as does the lack of parity between social care and NHS pay bandings.

- Demand in the economy – In 2023/24 there was an estimated 131,000 vacancies in the care sector. The demand for employees and the hours of work are there to be filled, but even with rising NLW rates, people are not coming forward to work in the sector. Changes to the immigration system, reducing access to international recruits before embedding a domestic workforce strategy, is also adding further pressure to an under resourced sector. This was exacerbated by the higher minimum wage for workers coming through the visa route than the domestic NMW. If we are to resolve the staffing challenges within the social care sector it must be considered in the round, including international and domestic recruitment campaigns, reforms to skills and training, welfare reforms and the government's wider growth agenda.

Social care sector issues

There are some issues that whilst not exclusive to the social care sector, are often found and present a challenge to providers and the wider social care labour market.

The sector relies on migrant labour due to the number of vacancies and the need to fill these roles. However, those international workers working in the UK on a Health and Care visa must meet a minimum salary requirement to meet the conditions of their visa. This often results in international workers being paid more than their UK counterparts. Employers would like to pay all workers equally, but this would require more funding.

You ask about how employers are dealing with pay pressures further up the pay scale. In the care sector, important management roles – for example Support or Operations Managers - have seen their pay stagnate as employers have been unable to increase their pay at the same rate as those entering the sector. When taking account for inflation, in many cases this will result in a real terms pay cut – affecting morale, recruitment and retention. Again, third sector employers want the pay of these managers to reflect the work they do and to increase in line with the lowest paid employees, but the funding isn't there to do it. Unlike other parts of the market, third sector organisations do not make big profits that can be invested in staff wages or have access to private funders who often pay above public sector commissioned rates.

Low pay and high churn affect the quality of care provided, impacting not just on the workforce, but on the quality of life of those receiving care. Care workers, wherever they rank in terms of seniority can often get better pay, terms and conditions in retail, hospitality and the NHS, so often look to move sectors in search of these benefits.

In addition to this, funding does not keep up with the longer-term investment needed in the workforce. This response has already covered the funding issues related to the

NLW, but if the government wants new people attracted to the sector, or to retain the current workforce, then more investment is needed in long-term career pathways and workforce development. Our members want to do this, but the funding simply is not there. Targeting underrepresented groups in the sector (for example those aged under 25) will require a well thought out, aspirational and holistic approach that reflects the value and importance of a career in social care.

Sleep-in shifts are another issue faced by the care sector. We are aware that the Low Pay Commission has recommended that the government review the current position on sleep-in shifts, and whilst this will not necessarily lead to a change in pay rates, the government is being urged to revisit the legal and policy framework around sleep-in shifts. It is also an important issue to be considered as part of the Fair Pay Agreement.

The intent of the Fair Pay Agreement and potential changes are welcomed, but as the Low Pay Commission has recognised, changes to pay rates for sleep-in shifts will place significant pressure on a sector that is already facing severe financial challenges. This question has gone to the Fair Pay Agreement team for consideration but should be mentioned in the wider context of low pay.

VODG members also wish to note the difference between the NLW and the RLW. There is not a big difference between the two rates outside of London – the NLW is £12.21 and the RLW is £12.60. In London however, there is a discrepancy between the rates – the NLW does not have any form of London weighting so stays the same, whereas the RLW accounts for the higher cost of living in the capital and is currently set at £13.85. Members report that paying the RLW is good for staff morale and helps with staff retention. In part because the RLW is seen as an optional and therefore a chosen investment by the employer in their workforce. The NMW/NLW are seen as something they must do and therefore, the perceived value is lessened.

The impact of low pay on care workers and people receiving care and support

The consultation asks about the impact of low pay on disabled people. Members have voiced concern over how the benefits system interacts with low paid employees.

If someone starts work and is in receipt of benefits, then tries to increase their hours it is complicated and the current system disincentivises working more – and if someone has to reduce their hours then they risk being worse off whilst the changes are dealt with through the Universal Credit system. Again, this disincentivises working and does not recognise the flexibility that is sometimes needed.

It also impact disabled people in receipt of care and support. Sense research shows that the workforce crisis is [affecting disabled people](#), with findings last year highlighting that nearly a third of disabled people with complex needs who receive social care (31%) had experienced staff shortages over the previous 12 months.

There is clearly a demand for more hours to be worked in the care sector, evidenced by the vacancy rate in the sector. VODG members are keen not only to see higher, fully funded wages in the sector, but also a benefits system that is simplified, less punitive and less permanent to support low paid care workers to work more and to give them the flexibility when they need it.

Women are far more likely than men to be employed in the care sector, so any increases in the NLW will positively impact this demographic group. However, due to the stigma and negative perception around low pay, an increase in the NLW does not always feel well received amongst women care workers. On the flip side, as a lot of organisations employing care workers cannot pay much over the NLW which disproportionately affects women, this reinforces the perception that care work is low status, despite its skill, complexity and vital social contribution.

Case study – Sense report - “From crisis to care – making social care work for disabled children”

Earlier this year, VODG member [Sense published a report focusing on the social care system and disabled children](#). It takes an all-encompassing look at the experiences of disabled children and their families accessing the care system, including accessing the assessment stage and the quality and availability of the care provided once it is agreed. Unsurprisingly, some of findings are related to the availability of care workers to provide the care needed:

- Over half of parents (52%) say they’ve been unable to access the care and support that their child needs.
- The report cites research by Coram UK that the biggest barrier to sufficient social care provision is the recruitment and retention of the social care workforce, including personal assistants paid with direct payment money.
- Parents told Sense that the fight for support can be so hard they stop asking for help.
- Even when the child’s needs have been assessed and the support package agreed, there can be delays in accessing the care with local authority funding not matching the cost of the package or parents having to part or self-fund their child’s care.
- 61% of parents surveyed felt that funding decisions by the council were motivated by cutting costs, and not what was best for the child.

- Parents are concerned about whether carers have the right training to support children with complex needs and have expressed nervousness over agency staff being used due to potential lack of training.

The report concludes describing a system that is inaccessible, unfair and alienating. There are many challenges within the system, but the recruitment and retention of staff is contributing to the difficulties that parents are facing.

We would be happy to provide you with any additional information if required.

For any queries relating to this submission please contact
Research.Policy@vodg.org.uk

VODG is a registered charity no 1127328
www.vodg.org.uk | Research.policy@vodg.org.uk