

DHSC Consultation on the Adult Social Care Negotiating Body and Fair Pay Agreements

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Adult Social Care Negotiating Body

- Government's 'Make Work Pay' agenda includes the introduction of a Fair Pay Agreement (FPA) in adult social care (ASC), to improve pay and conditions for those employed in the sector
 - Employment Rights Bill, likely to get Royal Assent in autumn 2025, sets out the headlines of the body with further detail now being consulted upon
 - The Adult Social Care Negotiating Body (ASCNB) is expected to be established in Oct 2026, and the first FPA to take effect in 2028
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ASCNB consultation

- The consultation opened on 30 September 2025 and closes on **16 January 2026**
 - LGA webpage [DHSC consultation on the Adult Social Care Negotiating Body | Local Government Association](#)
 - Encourage all councils to respond to consultation
 - Comprehensive responses including perspectives as employer and commissioner
 - Impact assessment is very light on the potential costs and additional burdens on councils
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Coverage

- Consultation proposal is for council employed ASC staff to be within scope of the FPA (including DASS, social workers, care assistants and anyone else deemed to work in ASC).
 - The LGA has concerns about these staff being included in relation to both equal pay and potential conflict with existing local government collective bargaining.
 - This could impact recruitment and retention of key staff including statutory officers, ASC staff and related workforces such as children's and public health workers.
 - Inclusion of LG employed ASC workers increases the risk of equal pay claims and industrial action.
 - LGA proposal is for directly employed staff are out of scope of FPAs to start with (this could be reviewed when wider reward in the ASC sector is closer aligned with LG workforce).
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Representation

- The constitution of the ASCNB must provide sufficient representation to recognise local authorities as statutorily responsible for the provision of ASC and the single largest commissioners of social care in their areas.
 - As employers of over 100k council staff in scope of the FPA, the LGA will also need representation on the ASCNB in recognition of councils' role as an employer.
 - DHSC rejected the LGA's proposal for the employer side of the ASCNB and are suggesting limited engagement with local government in the FPA process despite the sector being critical to the success of the ASCNB and FPA implementation.
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Funding

- Government have announced £500 million available for first FPA in 2028 drawn from the £4 billion announced in the SR.
 - Implementing the uprated National Living Wage in 2025/26, a 6.7 per cent increase, cost the adult social care sector £1.85 billion.
 - NLW going up to £12.71 (from £12.21) in April 2026 – 4.1 per cent
 - Concerned that local government - without being able to affect the terms of FPAs - will be expected to either provide funding for FPA provisions; or compensate for any failures of providers resulting from FPAs.
 - Councils may be required to meet further additional costs, including the incorporation of the FPA into procurement and monitoring processes, as well as costs for directly employed staff.
 - The LGA believes the commitment to funding needs to be in addition to costs already arising from, for example, NLW.
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Other issues

Timescales

- Ambitious timescales in the consultation for FPAs to be concluded and implemented.

Industrial action

- Local government won't have a sufficient role in dispute resolution (at most this could be as one of many employers if directly employed workers are in scope).
 - If unions/employers don't agree an FPA the Secretary of State can unilaterally determine the FPA.
 - Ballot thresholds to be removed in 2026 – easier to ballot and take action
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Impact assessment

- Underestimates **costs of wage** increases – e.g. the NLW calculations do not take account of additional pension costs
 - DHSC says “...**labour costs make up c.70 percent % of the production of care...** [DHSC] expectation that **any increase in labour costs will be passed on to commissioners of care (including local authorities and the NHS) and self-funders**”
 - Has not costed the **administrative burden on councils** in addition to that placed on employers
 - IA states that at ‘...**at this stage, there is no new burden**’
 - Concerned that it is misleading in relation to NJC staff / employers being able to effectively ‘choose’ the more generous pay settlement (either ASC FPA or NJC)
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Equal pay

- Increased risk of equal pay claims if directly employed council staff are in scope
 - If higher pay award under FPA than NJC then those with posts rated as equivalent under JE scheme, could have a potential equal pay case (or other claim); the same would apply in reverse if NJC delivers a higher pay rise
 - The impact of this could impact recruitment and retention of key staff and affect morale
 - Potentially very costly and time consuming for councils and a further course of industrial action risk
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Links to consultation documents

- LGA's comments on consultation: [LGA's key issues with ASCNB proposals | Local Government Association](#)
 - DHSC consultation documents: [Fair pay agreement process in adult social care](#)
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