



The Settlement

A newsletter from the campaign for a National Care Service

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FROM THE CO-CHAIR

A pension for care workers, and the question of who pays

On 30 September the Health and Social Care Secretary, Yvette Cooper, used her keynote speech at the Labour Party Conference to announce three things for the adult social care workforce. The first is a national collective pension scheme, which she described as the first of its kind for workers in the care sector. The

second is a legally binding fair pay agreement, setting minimum standards of pay and conditions across every employer, backed by £500 million for the first settlement. The third is a dedicated workforce plan covering career progression, training and the development of specialist skills.

Unless the money follows the commitment, providers will be handed a legal duty they cannot fund, and the people who lose out are the ones being cared for.

MELANIE WEATHERLEY MBE, CO-CHAIR, CARE ASSOCIATION ALLIANCE AND CHAIR OF LINCOLNSHIRE CARE ASSOCIATION, 30 SEPT 2026

What the announcement means

A collective pension scheme pools members' contributions and shares investment and longevity risk between them, which is different from the individual pots most care workers are enrolled into today. None of the reports we have seen gives a contribution rate, who pays the employer share, or a start date.

The fair pay agreement is a negotiated process. A new body bringing together employers and trade unions sets minimum pay and terms that then apply across the sector. The £500 million was first committed in September 2025, when the government's timetable put negotiations in 2027 and the first agreement in force in 2028.

The workforce plan has no publication date. It builds on the national care workforce pathway the government has already introduced, which sets out 18 role categories and the routes between them. The Prime Minister has said workforce reform is an immediate priority alongside the longer-term ambition of a National Care Service, and Baroness Casey's review will help decide how and when that service is developed.

What we said

We issued the statement below to the media on the day, and it is reproduced here in full.

Melanie Weatherley MBE, said:

“Care workers have been undervalued and underpaid for years, so a national pension scheme and a legally binding fair pay agreement are genuinely welcome. This is the workforce settlement the Care Association Alliance is calling for in its forthcoming policy paper, due to be launched imminently, and it is good to see the direction of travel.

“The question every provider will be asking this morning is who pays. A fair pay agreement lands its costs on councils and providers, and neither has the headroom to absorb them. Unless the money follows the commitment, providers

will be handed a legal duty they cannot fund, and the people who lose out are the ones being cared for.

“Career pathways matter, but they only work if pay moves with them. Today a care worker with five years' experience earns about seven pence an hour more than someone who started last week, down from thirty-three pence a decade ago. That is why people leave. A pension and a fair pay agreement are the right tools to fix it, provided they are funded properly and reach every employer, not just the ones already doing the right thing.

“We have been promised reform of social care before, and delivery is what has been missing. Get the funding right and this could be the moment the workforce is finally valued. We stand ready to help the Government make it happen.”

The next place the funding question can be answered is the Autumn Budget on 28 October.

How it was covered

The announcement was reported across the trade and health press on 30 September and 1 October. Our statement ran in full in *The Carer*, alongside reaction from the GMB, which called the pension pot long overdue, and from Care England, which said it fully supports the scheme. Ours was the reaction in that piece that asked who pays.

The funding question was not ours alone. The Care Home Environment reported the National Care Forum warning that providers would need additional funding if a collective scheme raised employer contributions, and the Local Government Association saying reform must be fully funded. *Nursing in Practice* carried the Royal College of Nursing, which wants more registered nurses in social care and meaningful pay improvements, and the Social Care Institute for Excellence, which called the announcements very welcome.

A pension and a pay agreement make a job worth staying in. They do not fill the posts. The rest of this issue is about the other half: the young people the Youth Guarantee is meant to bring into care, and where that pipeline is leaking.



Melanie Weatherley MBE

Co-Chair, Care Association Alliance

and

Chair of Lincolnshire Care Association

This edition's figure

6p to 10p

A care worker with five years' experience now earns **between six and ten pence an hour more** than someone who started last week, down from 33p in 2016. That is the gap a pension and a fair pay agreement have to close, and it is why people leave.

Source: Bridgehead Communications analysis for the Care Association Alliance of Skills for Care historic pay data, as set out in Policy Paper Two. The Alliance's 30 September statement gave the figure as about seven pence.

THE OTHER HALF

The Youth Guarantee names care. The referrals have not followed

The retail sector has grasped the Youth Guarantee with both arms, and they're getting a lot of publicity around it. They talk about 100,000 jobs. We've got about that number of vacancies too. We should be talking about 100,000 careers.

MELANIE WEATHERLEY MBE

Last month's issue set out why young people and care vacancies belong together. This month is about the plumbing, because that is where the idea is stuck. Health and social care is one of only three priority sectors in the Youth Guarantee. A young person who tells a Jobcentre Plus adviser that they want to work in care should be a short step from a provider who is hiring. The step is longer than it should be.

A Lincolnshire care association advertised an admin vacancy and was sent two CVs. One of the candidates had registered with DWP as looking for a care support worker job in his own village. He would have been an ideal fit for the providers around him. His CV was never sent to the one that was advertising. Nobody did anything wrong in that exchange, and the system still produced the wrong result.

Part of the explanation is scale. As we understand it, DWP's own targets are built on volume, so referral effort goes to employers who can take on young people in the hundreds. Most care providers are small or medium businesses that need two or three. Small and medium employers are a challenge for DWP, locally and nationally, and this is where care associations can play a part. We know our members, their vacancies and which of them can supervise a placement properly. For a provider the prize is real: three placements at £3,000 each is roughly £9,000.

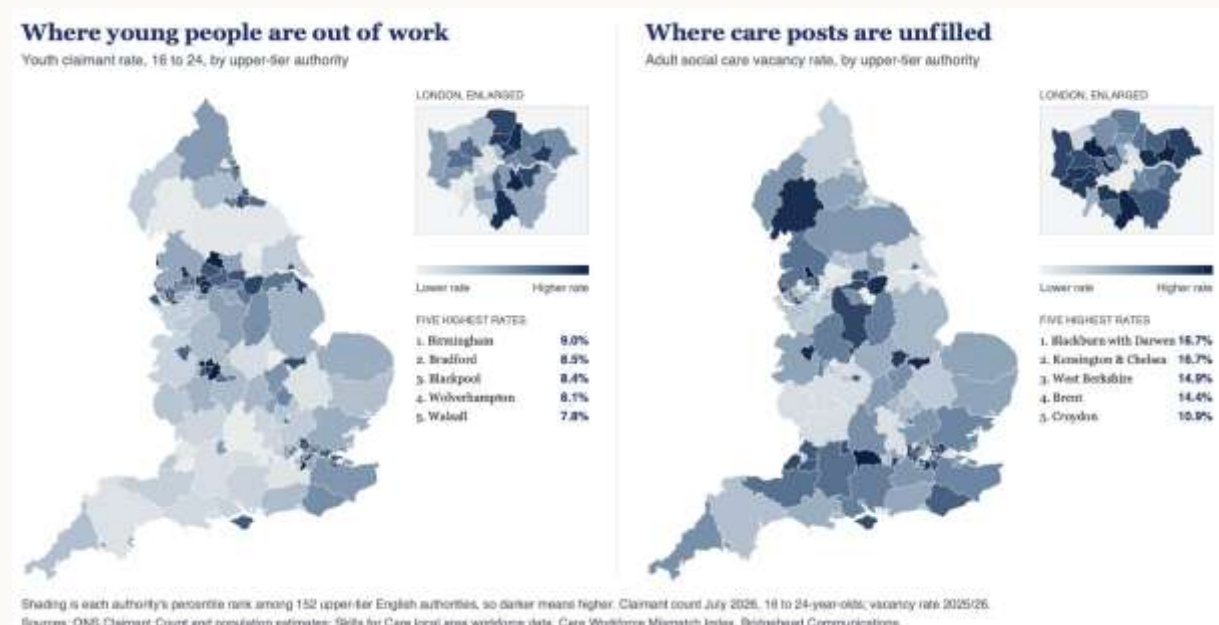
The second gap is what happens after the placement. The Youth Jobs Grant is paid in two instalments, £1,800 after six weeks and £1,200 after 18 weeks, and only if the young person is kept on for at least 16 weeks. As we understand it, DWP's tracking

effectively stops there. A job that ends in week 19 counts the same as one that lasts for years. Longer-term tracking should be part of any initiative to support young people, and others, into work. Without it nobody can say whether the money bought careers or just placements.

There are myths on both sides, and both need to be debunked. Some in the sector assume that candidates sent by the Jobcentre will not stay or cannot do the job. Some in DWP still hold an old-fashioned view of care as an employer. High turnover at some of the largest providers has coloured how job centres see the whole sector, including the smaller providers who work very differently. Each side is wrong about the other in ways that data would correct quickly.

DHSC and DWP are talking to each other, and that is welcome, but the coordination between them is still immature. A workforce plan will only work if the Youth Guarantee feeds it. We would rather bring DWP a solution than a complaint, and the next section sets out what we would like changed.

Where the young people are, and where the vacancies are



Youth worklessness is highest in the West Midlands conurbation, Bradford and Blackpool. Care vacancies are highest in Blackburn with Darwen, west London and West Berkshire. The two maps barely overlap, with a correlation of minus 0.04 across 152 authorities, which is why the pathway has to be designed nationally and delivered locally. Thirty-seven authorities are above the median on both measures. The youth measure is the claimant count, not the Department for Education NEET rate. Sources: ONS Claimant Count, July 2026, and mid-2025 population estimates; Skills for Care local area workforce data, 2025/26.

What we want DWP to change, and what we are offering

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01 Send local CVs to the providers who are hiring

Where a registered, suitable candidate lives near a care provider with a vacancy, the provider should see the CV, whatever the size of the provider.

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02 Make the system work for small and medium employers

Referral and claim processes that assume an employer taking people 200 at a time need to be more automated and less labour intensive for a provider taking three. Care associations can aggregate our members' vacancies and act as a single point of contact in each area.

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03 Track retention beyond the grant period

Follow placements past the 18 weeks the grant covers, to six, twelve and eighteen months, for young people and for others supported into work. We expect DWP would find that small and medium care providers are strong performers, and good value for the time its advisers spend.

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04 Our offer: Pathway into Care

The Alliance has drawn up a programme, delivered by local care associations or care academies with Skills for Care, local authorities, employers and further education providers. It starts with pre-programme engagement to set expectations, then work experience across several care settings (10 to 15 people a cohort), then a Sector Based Work Academy Programme with Personal Development for Employability at Level 1 or 2, Care Certificate-mapped skills, stand-alone qualifications such as Basic Life Support and Dementia Friends, and a six-week run of shadowed and then supervised shifts. It ends in interviews with local providers who have vacancies. Participants can then move into work supported by the Youth Grant or the Jobs Guarantee, an apprenticeship, or an unfunded job. It is also open to school and college leavers who are not eligible for the Grant.

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05 What it costs

Pre-programme engagement and work experience are funded locally by partnerships and employers. We are asking DWP to fund the Work Academy at £1,000 a delegate, with a minimum of £10,000 a cohort. Co-ordination, at roughly £2,500 a locality to cover a series of programmes, would be sought from local partnerships and others.

Four things to do now

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1 **Read our statement in The Carer**

The full Alliance response to the pension announcement ran in The Carer on 30 September. Share it with your own members.

[Read it in The Carer](#)

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2 **Tell us what DWP has sent you**

If you have advertised a vacancy and been sent CVs from Jobcentre Plus, or you know of a registered local candidate whose CV never reached you, tell your care association. Anonymised examples turn an anecdote into evidence, and the Alliance will use them with officials.

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3 **Tell us if you could host a cohort**

Pathway into Care is delivered locally. If your association, or a provider in your area, could host work experience or a Work Academy cohort, say so. Named local partners are what make the offer credible to DWP.

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4 **Forward this issue to your own members**

The campaign's reach depends on cascade rather than national coverage alone. The providers who would take on a young person are the evidence base for the ask.

Care Association Alliance

The Settlement, produced by Bridgehead Communications for the Care Association Alliance.

Sources

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2. Nursing in Practice, [Government to create national pension scheme for social care nurses](#), 30 September 2026: Royal College of Nursing and Social Care Institute for Excellence reaction.
3. The Care Home Environment, [Care workforce reforms step up with pension promise and workforce plan](#), 1 October 2026: National Care Forum, Care England and Local Government Association reaction.
4. Department of Health and Social Care, [£500m for first-ever fair pay agreement for care workers](#), 30 September 2025: the £500 million and the 2027 negotiation and 2028 implementation timetable.
5. Department for Work and Pensions, Youth Jobs Grant guidance: £3,000 per eligible hire, paid as £1,800 after six weeks and £1,200 after 18 weeks, for a minimum 16-week placement, subject to confirmation of earnings through HMRC Real Time Information.
6. Care Association Alliance, *Pathway into Care*, the Alliance's offer in response to the Youth Grant: programme stages, delivery partners, resourcing and the figures of £1,000 a delegate, £10,000 a cohort minimum and £2,500 a locality. *The Settlement*, Volume 1 Number 6, for the 96,450 unfilled posts.
7. Image: Yvette Cooper, official portrait by Chris McAndrew, UK Parliament, via [Wikimedia Commons](#), licensed [CC BY 3.0](#).