

## VODG response | ‘Making Work Pay: the application of zero hours contracts measures to agency workers’

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There are 16 million disabled people in the UK. Third sector organisations that are being commissioned to provide essential support to the millions of people with disabilities are committed to providing high quality care. However, it is becoming increasingly difficult to meet the growing demand and costs for delivering our services.

The Employment Rights Bill presents a vital opportunity to improve pay and conditions for our workforce, who are the backbone of the adult social care system. However, the realities of our sector cannot be overlooked. With the state funding a majority of care services, any increase in employment costs could significantly jeopardise the ability to provide care to those in greatest need if not fully funded by government.

VODG (Voluntary Organisations Disability Group) is a membership body for disability organisations. We bring together over 100 disability charities and social enterprises around our shared commitment to providing the best support and services for disabled people. Together, our members support over 1 million disabled people and employ 85,000 staff.

Skills for Care’s 2024 report on the adult social care workforce states that 21% of all adult social care posts are employed on zero-hours contracts with it rising to 37% for those providing domiciliary care.<sup>i</sup> This is the equivalent of approximately 340,000 roles. Social care workers provide a huge value to society and the economy, and they deserve good pay and working conditions. Good working conditions are crucial to the long-term sustainability of our sector with 44% of adult social care providers having been left with no choice but to turn down new admissions due to staffing shortages.<sup>ii</sup>

For disabled people with life-long conditions who draw on social care, the state has a responsibility to fund their support and services. Through the Care Act local authorities have statutory duties both to commission services and – crucially – the local workforce within the context of their market shaping legal duties. There are a number of structural patterns within the sector (for example a reliance on low pay, part-time work) as a direct consequence of the decisions that commissioners across

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the country have made over many years and decades. A good example is commissioning services by hours of support delivered, and in some circumstances such as home care support this commissioning focus can also shift to minutes of time spent with someone. Within the context of zero hours contracts in social care it is important to recognise these first order structural determinants of how the market currently operates.

There are also several reasons that the social care employers offer zero-hour and low-hour contracts that can work well for both employees and employers. The main benefit is flexibility, often requested by employees. For example, some staff are studying alongside work and others have personal caring responsibilities. The Government's definition of 'exploitative' should permit zero- and low-hours contracts where it is the employee's preference regardless of their working pattern. We would also welcome clarity on the definition of low-hours contracts and part-time contracts.

Zero-hours and low-hours contracts also enable the social care sector to be sufficiently agile to provide vital care services in the most cost-effective way possible. For our members this is crucial as 70% of third sector organisations already face a funding shortfall for the public services that they deliver because Local Authority rates are not keeping pace with increasing costs.<sup>iii</sup> The Government cannot ignore the impact of increasing costs on the sector. If zero-hours contracts are banned, social care providers must be given the funding to afford the increased costs that brings.

Any measures that increase the cost of social care without providing sufficient additional funding will be catastrophic for the sector and the people with disabilities that our sector serves.

The Government could provide funding either by extending the reimbursement arrangements for public sector bodies to third sector frontline delivery services or making additional funding available to public sector commissioners. Our preference is the first option as the £600 million of additional funding for social care announced in the Budget will be spread too thinly across local authorities to provide any meaningful offset against increasing staffing costs and money previously allocated to local authorities without a ringfence has not meaningfully found its way to frontline service providers.

Agency workers in this sector ensure that people's care needs can be met even if their usual care provider is sick or unable to attend due to circumstances that arise at short notice. This need for flexibility must be permissible within any changes to the reasonable notice of shifts.

The third sector bring tremendous value to society, but the Government's current approach to social care provision once again leaves invaluable support at significant

risk. As the demand for care services grows, we must be proactive in developing solutions that support both care workers and the individuals who rely on them as well as the viability of care provider organisations.

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VODG is a registered charity no 1127328

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<sup>i</sup> [The state of the adult social care sector and workforce in England, 2024](#)

<sup>ii</sup> <https://www.hft.org.uk/get-involved/public-affairs-policy-and-campaigns-sector-pulse-check/>

<sup>iii</sup> <https://www.ncvo.org.uk/news-and-insights/news-index/true-cost-of-public-service-delivery/>