COSLA Submission to the Independent Review of Adult Social Care

COSLA

COSLA, the Convention of Scottish Local Authorities, is a membership organisation for Local Government in Scotland. We provide political leadership on national issues, and work with councils to improve local services. Our vision, as set out in the Blueprint for Local Government, is that Scotland's communities are sustainable, vibrant places to live, work and visit. The wellbeing of our communities is central to this vision and COSLA have called for sufficient investment in Local Government which includes longer-term financial planning, protection of core Council budgets, and increased flexibility to make financial decisions across all budgets, including those that are ringfenced for the benefit of our communities.

COSLA welcomes the Independent Review of Adult Social Care. The Chair of the Review, Derek Feeley, attended a recent meeting of the COSLA Health and Social Care Board where Board Members provided their views on the strategic changes needed to allow fundamental improvements to adult social care. There is no formal consultation for the Review and that has made it difficult to narrow down the specific points the review are seeking clarity on; however this paper expands on those initial discussions with the Board and reflects comments from a range of partners including SOLACE, Directors of Finance and Social Work Scotland. The submission also builds on a series of principles, outlined in Annex A, which have been agreed – on a cross party basis - by COSLA Leaders.

As is set out throughout this submission, COSLA's vision is that of a system of adult social care which is person-centred, puts communities at its heart and which is built around the human rights of those who use it. Local Government is essential to the achievement of this vision, and as such, must continue to be at the very centre of adult social care moving forward. Local Government is rooted in communities throughout Scotland and is accountable to democratically elected local politicians, and the communities they serve. This democratic mandate is central to the realisation of any system based on transparency and local accountability, which is flexible and based on the principles of need and location. These are fundamental values that we believe must continue to underpin the adult social care system in Scotland.

It is evident that care reaches far wider than health alone. Local Government leads and delivers improvement across many of the key social determinants of health and care. Only by considering care in this broader context can we seek to determine the necessary steps that should be taken to support positive outcomes for the people who use services, their carers and their families. It is well recognised that funding is a central determinant of the quality of care that can be provided, and that available resource has often acted as a barrier in this respect. The matter of sustainable funding for adult social care will have to be clearly addressed in the review's recommendations. The content of the submission provided below seeks to build on these overriding points and we have sought to reflect the considerations of those working and experiencing adult social care at the front and centre of our response.

Person Centred and Human Rights Based

This review should be rooted in, and guided by, what works for people.

Respect for the fundamental dignity of each and every person lies at the heart of human rights, as do the principles of equality and individual autonomy. These values, among others, are critical measures of success for health and social care services in Scotland. Social care must ensure that people are at the centre of planning and decision making of the services that they use and rely on and people's rights must be at the centre of this. Social care support should serve to enhance people's lives, consider their abilities, and support people within their communities. Social care services should also be readily available and used before any individual or group reaches crisis point. Early intervention and prevention has been the central plank of public services across Scotland – as detailed in the Christie Commission – and remains as critical now as back when it was published almost 10 years ago. A restrictive focus on treatment alone is simply not sufficient in this context. Local Government, which is central to improving the social determinants of health, is uniquely placed to focus on prevention, on strengthening public health, community wellbeing, resilience and independence rather than just treating illness.

These ambitions of a person-centred and preventative approach to social care require a community-led approach, one which recognises the significance of place. Social care plays a key role in making, and retaining, connections in our local communities, all with the aim of supporting people to be well, safe and independent. A significant proportion of care is provided at home or in a community setting and that is why links with housing are particularly important to support people to remain independent. Decisions made centrally cannot provide the person-centred model that is required, the requisite knowledge lies at the local level. Local democratic leadership, statutory responsibility and accountability will, as such, continue to be required to support effective partnership working and public confidence, and to ensure the achievement of a truly person-centred system of social care.

Taking a human rights based approach is about making sure that people's rights are put at the very centre of policies and practices and this must a central consideration for the Review. Applying the PANEL principles is one way of applying human rights approach in practice – Participation, Accountability, Non-Discrimination and Equality, Empowerment and Legality. Engaging communities in the design of services, along these principles, is regularly employed by Local Authorities across all services and systems.

COSLA is a member of the National Taskforce on Human Rights Leadership which is developing recommendations for a new human rights framework including the International Covenant on Economic, Social and Cultural Rights.

Critically this includes the:

- Right to adequate standard of living, including

- Right to adequate housing
- Right to food
- Right to protection against poverty and social exclusion

- Right to the enjoyment of the highest attainable standard of physical/mental health
- Right to education
- Right to social security and protection
- Right to take part in cultural life
- Right to a healthy environment

The duty for progressive realisation of these rights, within the maximum available resources, will have a profound effect on the shape and design of services across the whole system.

Shared Lives Fife Service

Fife Council has a well-established and highly successful Shared Lives service. As demographics change and rising demand places pressures on traditional social care services, the Shared Lives Fife service has been adapting and innovating in order to accommodate changing user need in a flexible, personalised and cost-effective way. Shared Lives is a model of social care where an adult who needs care and support moves in with, or regularly visits, an approved Shared Lives carer, and together they share family and community life. The support offered can take the form of day support, short breaks of long-term placement. The service has been developed in a person-centred way and is tailored to meet the needs of the individual, while helping to maintain their independence and promote their physical, mental, and emotional well-being. The approach allows adults who need support to maximise their potential and lead their lives as independently as possible, fully included in their own communities.

Local Governance Review

In 2018, COSLA and Scottish Government agreed to a radical and transformative agenda for services and our communities called the **Local Governance Review**. Acknowledging that services have historically been designed around a central control model which has not led to good outcomes for a significant percentage of our population, this Review seeks to place services in the heart of communities. Following a number of consultation and engagement events around the country, both spheres of Government agreed that the future lies in three interlinked and powerful empowerments – community empowerment, functional empowerment and fiscal empowerment. COSLA notes there are a number of single public authority models under consideration as part of the LGR which would improve outcomes for local communities and these must be considered in the round. Colleagues are now working on a range of pilots which will test the three interlinked empowerments in theory and the Review of Adult Social Care will want to make sure they are aware of how those pilots are progressing as the three empowerments are so close to the success of Adult Social Care.

This person-centred and community led approach is not new and has been evident in the direction of travel in adult social care for some time, for example in the objectives of Self-Directed Support (SDS). SDS is Scotland's approach to social care support and the ethos of SDS legislation is that individuals and carers have choice and control and are supported to plan their own, or their family member's, support. There have been challenges to rolling out SDS across Scotland, some of these issues include:

- Delivering consistently high standards of care and support across Local Authority areas.
- Issues with being able to offer choice and control within small, rural communities. This also impacts on availability and access to community supports out with paid supports.
- Role and accessibility of independent advocacy.
- Self-Directed Support includes an element of early intervention, eligibility criteria can impact upon this approach.
- Balance between the need to support and protect someone versus promotion of their independence and enablement. This can be difficult especially within a context of risk and when using public money to fund unconventional supports.
- Throughout the pandemic period there has been increased pressure, reliance and challenges on family carers. Which reiterates the importance of ongoing and sustainable support to family carers, especially as caring can impact upon other aspects of their life.

Risk thresholds have changed over time, with older people now more likely to live in community settings with higher incidence of complex needs. But to control risk in these settings costs a significant amount of resource, there is a balance between the three pillars of personal choice, levels of risk and affordability that needs to be reconciled.

The aspiration of consistency of experience across Scotland is worthy, the reality of differing needs, social supports and locations of individuals makes this ambition difficult to execute. Instead, councils and their partners aim to ensure that each person has consistency of experience, is offered the four SDS options and understands what the differing support means in terms of their control. This is a much more deliverable outcome and allows local areas to continue to develop their response to local issues with those using the services provided.

Governance and Accountability

Local democratic accountability is central, and should continue to be central, to the design and delivery of adult social care.

It is an essential means of empowering people and communities in the planning and delivery of social care in a way that works for them. Engagement with local elected representatives and with Councils has continued to represent a key means by which people can engage with the adult social care system and this should continue to be the case and be reinforced where possible.

Family Support

A local family was becoming increasingly concerned regarding an elderly relative who lived someway away from the rest of the family and the support they were able to provide as her dementia worsened. The family were having difficulty having their concerns seen as a high priority as their relative lived in another Council area and did not have a social work link locally. The family contacted their local Councillor who advocated on behalf of the family, noting it was in the best interests of all the family for their elderly relative to be moved closer to the family. The escalation resulted in social work support to move the elderly relative close to the family, family support – including counselling for the relatives and the Council also arranged for the welfare benefit team to look at the benefit situation in the household.

The current governance landscape for adult social care is undoubtedly complex and there is confusion, for example around the assurance and accountability of IJBs. Nonetheless, health and social care integration is achieving change across the country and this was never more evident than during the response to the pandemic. Indeed, Health and Social Care Partnerships (HSCPs) were able to mobilise rapidly in response to the pandemic and we have seen important examples of joined up working across the NHS and Local Government. These would have been far more difficult to achieve without integration.

Home First Approach

One area where this was evident was the acceleration and embedding of the Home First approach, ensuring that home was the default option for people being discharged. There were outside influences to the acceleration of this approach, such as the changing public perception during the pandemic, however the permission to act quickly and an appetite to embrace change were undoubtedly factors in this.

It should also be recognised that integration is still a relatively new model considering the degree of structural change that it brought, and it may still be too early to fully see the progress that integration is making. Another full-scale structural re-design of the system will certainly take capacity away from delivery and the current focus on improvement. It would also have significant financial and practical implications as is highlighted later in this submission. We would question whether time would not be better spent on a greater focus on embedding the principles of integration – including working to make the governance landscape less complex. There are also lessons to be learned from what has been different during the pandemic that has allowed more streamlined governance and progress to be made at a pace - unlike it has ever been seen before.

Whilst there is universal support for improved integration of health and social care, there are issues with how consistently both the body corporate and the lead agency model are working in practice. The role of Chief Officers within this accountability structure is increasingly difficult and this has led to a high turnover rate amongst a group of very capable officers. The models of integration are variable in different areas in relation to the inclusion of children's services and justice. For the most part, acute services are retained functions by the local Health Board, despite it being clear these are drivers for community-based demand.

The extent of delegated powers to IJBs are not consistently understood and this can mean consistent and effective decision making is more difficult with changes in policy or service delivery models more challenging to deliver. The dual reporting on performance, planning and finance to Local Authorities and to Ministers via Health Boards illustrates the challenges experienced by Health and Social Care Partnerships and the balancing act senior staff must perform. This has contributed to slow implementation of change in both health and social care. The membership of IJBs is made up of elected members as voting members and non-elected members as non-voting members.

The difference in financial regimes in which Health Boards operate compared to Local Authorities and IJBs also creates challenges which have been acutely exposed by the pandemic. Longer term, the implementation of human rights budgeting approaches will require significant cultural shift including on how performance is measured and reported, to influence service design and delivery to support the realisation of human rights within our communities.

There has been significant national attention around the possibility of a National Care Service. There are a broad range of models that could inform the establishment of a National Care Service however we must recognise that reform of such a nature may lead to a focus on structures and prevent the necessary focus on improving the quality of care, outcomes and realisation of people's rights for those using social care at the moment.

Quality and a Whole System Approach

Any reform of adult social care must be considered in the context of its role as part of the wider system, with acknowledgement that many of its key drivers sit largely external to it.

These include considerations, such as poverty, lifestyle, and education, all of which do not fall in the direct scope of this review. There is a risk that, if care is not considered within this wider context, the review will not be able to achieve the improvements in overall outcomes that it seeks.

It is evident that adult social care cannot be reviewed within a silo. Adult social care is one part of the wider health and social care system and is directly impacted by decisions, policy and behaviour in a range of settings. For example, another significant driver of social care demand is through acute and primary health care settings. "Whole system" consideration of the drivers must be about more than the perspective of the end user – providing a one door access to health and social care should be relatively straightforward, however, making the whole system operate efficiently is more complex.

The whole system element required to support our communities and deliver high quality, sustainable social care support, also stretches beyond traditional health and social care support services and into a wide range of other elements that impact wellbeing such as public transport, availability of arts and leisure services and a healthy local economy.

Individuals who access social care and health care services also access other services, such as housing, education, welfare advice and employment support. Services should work together, interact seamlessly with professionals across services and sectors interacting to support people to live within their communities. In every one of the areas highlighted above, Local Government has a significant role – and makes a vital contribution to weaving the social fabric of communities and creating healthy places for people to be born, live and work.

This can be seen in the example of housing, which should be a central consideration when considering the means of achieving a person-centred social care system. There are numerous housing models that provide innovative care and support and these must be considered alongside adaptations to existing homes to allow people to live at home, safely for longer. Specialist housing will always be marginal to overall supply, and most social care will be provided in people's existing mainstream homes. Ensuring that people have safe, secure homes and that the housing system works effectively is key in supporting everyone's wellbeing, and enabling social care to be provided in the home where required, contributing to the strategy of shifting the balance of care and improves people's outcomes. The joint COSLA and Scottish Government Ending Homelessness Together action plan published in 2018, and updated this year, noted the need to improve links between health, social care, housing and homelessness, with a focus on prevention. This should be a key consideration for the Review of Adult Social Care - recognising the undisputable links between housing and living well.

Dundee Survival Group

Dundee Survival Group provides accommodation with housing support to homeless people in Dundee. Currently, they are working in partnership with the Dundee City Council Housing Service and Dundee Health and Social Care Partnership, with a 'Test of Change' project providing wheelchair accessible flats as step down accommodation, helping to reduce delayed discharge, and providing early discharge from hospital for people made homeless where their accommodation is no longer suitable for them as a result of an enduring disability post treatment.

It is also important to consider the transition between children's services and adult services, which has been a long-standing issue. This is due, in part, to how parts of the system work together, and how the associated funding streams are provided. This makes it difficult to enact transition planning meaningfully and the variation in budgets that will be available for people can change drastically almost overnight. Any consideration of funding, therefore, should consider how ringfencing has added to this challenge.

The transition point when a young person, with health and social care needs moves from child to adult services is often seen as the most stressful for carers and families. Who have to contend with the end of school based support and a new world of assessments and eligibility thresholds which can lead to reduced levels of support and greater reliance on carers and families. Parents and carers may also need, at this point, to apply for Guardianship if their young person lacks capacity to make decisions.

Workforce

Scotland cannot succeed in delivering a high-quality social care system without a skilled, valued and empowered workforce.

The social care workforce, one of Scotland's biggest, includes many thousands of committed individuals who are immensely proud of what they do and are driven by a desire to make a difference to others' lives. COSLA believes that Scotland's social care workforce is a vital asset to our communities and to the economy. We acknowledge however, the significant pressures on recruitment and retention in the social care sector, including the challenges in some of the remote, rural and island areas.

The Fair Work report in social care found that more needs to be done to ensure people working in social care experience fair work. Fair Work practices, as defined by the Fair Work Convention, are broadly accepted as being in place for Local Government's social care workforce. The Fair Work in Social Care Group will make recommendations over the coming months around how Fair Work might be achieved across the social care sector more generally. Critically important as part of Fair Work considerations is trade union representation across the social care workforce. COSLA Leaders previously agreed a set of principles around Fair Work and these are being used to inform discussions. The social care workforce is predominantly (approximately 80%) made up of women, often on relatively low wages and on part time contracts. A wider review of the social care system should consider gender equality issues and aim to reduce the gender pay gap and in-work poverty as well as how to better support women in the workforce – an area brought sharply in to focus through the early days of the pandemic.

Social Care Report

The Fair Work Convention Social Care report[1] stated that more than 200,000 people (7.7% of the overall workforce) work in social care and 82% of these people were women.

Concerns have been raised about a two-tier workforce – i.e. those working within local government and those in the third and independent sectors, with a range of different (often poorer) terms and conditions. Whilst the impact of good terms and conditions cannot be understated, the way workers are managed, supported, have opportunities for progression and have their wellbeing needs met are also key factors.

1 https://www.fairworkconvention.scot/an-update-on-fair-work-in-scotlands-social-care-sector-lilian-macer/

There is significant learning from the pandemic and an opportunity to utilise and build on the attention that social care has received. Whilst it did not come as a surprise that there was such significant variation in terms and conditions across employers in social care a number of policy interventions had to be made to support the workforce during the pandemic such as increased investment in the living wage commitment and introduction of the social care staff support fund.

Social Care Staff Support Fund

The social care staff support fund was established by the Scottish Government on 25th June through regulation of the Coronavirus (Scotland) (No.2) Act 2020. This was to ensure that people working in the social care sector were not financially impacted when they were absent due to coronavirus due to their terms and conditions. The introduction of the fund was welcomed by COSLA and Local Government have played a key role in the administration of this, with a commitment from Scottish Government to meet the full cost. Scottish Government also made additional funding available as part of the national agreement on an uplift to ensure the living wage was implemented for the workforce, this was an additional £8.4million. These interventions have been important steps towards addressing some of the issues in relation to Fair Work, however they have required significant additional investment from Scottish Government.

In Local Government, we recognise the difference between social work and social care professionals in terms of resourcing, workforce planning and career development. However, a false structural separation of the two workforces would lead to increased poor outcomes for people and communities who require the support of both sets of colleagues. The Social Work workforce is crucial to the social care workforce and vice versa. Adequate numbers of Social Workers, as well as training placements for trainee social workers, are essential. COSLA notes the Social Work Scotland's position that there should be consideration of how to support the social work profession nationally and locally.

Recruitment into social care can be challenging. The impact of the pandemic and the other economic factors of people losing their jobs in other sectors may affect this. In addition to this, the exist of the UK from the EU, demographic changes and widely differing local labour market conditions must all be considered in planning the social care workforce. We need an inward migration system that can attract skilled workers into social care and social work as well as a focus on attracting workers to urban, rural and island areas.

There is a need to build and plan for a more sustainable workforce through a mixed approach including early awareness of the sector through schools; wider recruitment campaigns; the availability of apprenticeships; other appropriate training and skills development; and access to careers pathways offering genuine development opportunities. With budget cuts over the past decade, local authority social work learning and development teams have all but disappeared, impacting greatly on the ongoing training of social work and social care staff. This highlights the lack of parity of social work and social care with other professions such as teaching and nursing. If adaptive change is to be implemented effectively, then the workforce requires not only high standard skill-based training but ongoing intensive coaching and supervision, and to expect pay rises in line with those offered to other public sector colleagues. COSLA maintain a clear position that there should be parity of esteem across all public sector workers.

Finance, Commissioning and Procurement

Local Government is ambitious on the part of families and communities.

We recognise that quality care is expensive. We also recognise that local accountability for financial decisions is of central importance to the adult social care system. That is why the review must include due consideration of the long-term sustainable funding model required and include long-term investment in prevention and early intervention. The annual allocation of budgets is a barrier to longer term financial planning and if we are truly to achieve the shift that is required in social care - longer term budget allocations are crucial. Annex B Provides information on investment in social care.

There must also be consideration of how the system can be funded to increase the pace of securing improvement in outcomes and value. Integration Authorities have a key role in driving innovation and new models of care and significant progress has been made across the country since the integration of health and social care but there is more to do.

Whilst additional investment, particularly in the face of the pandemic, has been welcome, it is important to recognise that investment in social care hasn't always directly provided more capacity for the system – instead it has often been used to drive specific policy commitments. As such, there continues to be significant pressure on the system and it is well understood that demand is increasing and will continue to do so. This is the reality brought about by Scotland's demographics, and in particular our ageing population.

To date, there has not been fundamental consideration of how much it costs to provide high quality social care in Scotland. Nor is there robust data to understand the cost of social care support at an individual level or how this relates to the outcomes this achieves for people. Work was identified through the Reform of Adult Social Care to start to consider this, alongside how this would be paid for. COSLA and representatives in Local Government would welcome the completion of this work so that we can truly understand the level of investment that will be required now and into the future and, importantly, the extent to which investment in social care will reduce costs to other parts of the system such as acute care.

A simple comparison of the systems of funding show that social care does not have parity with how health services are funded. Aside from the message this sends on the perceived value of social care, it directly impacts on the effective role of Health and Social Care Partnerships. The movement of resource within the system hasn't kept pace with policy development, creating resource pressures which lead to increased management time addressing the lack of capacity to the detriment of innovation and service improvement. For example, set aside budgets have not had the intended effect and have failed to facilitate either the quantum or pace of resource to move.

When considering the steps that could be taken with respect to the future of adult social care as part of this review, it is also vital that significant consideration is given to the practicalities and financial realities that would be required by any significant structural change. This should also be set against a backdrop of a significant period of recovery for public finances owing to the pandemic. Until there is clarity on the policy intent it is difficult to respond in precise terms,

however any significant changes to the existing model would no doubt be cost intensive and would have a considerable impact on public spending. It would also inevitably represent a lengthy and difficult process, subject to significant challenge. This is important, as action should not be taken that serves to substantively detract from delivery. It is vital that all practicalities and implications for finance are considered as part of this review. Further detail to this effect is outlined in detail in the submission provided by SOLACE.

COSLA produces annual charging guidance for care and support to try to support consistency across the country. It should be noted no such charging guidance is required to access other health services – these are free at the point of need. However, social care charging needs to be considered in the mix as an element of how care and support will be paid for and how equitable this is across different age groups and services to protect people from disproportionate costs.

Commissioning and Procurement

Commissioning and procurement represents an area of central importance that should be considered as part of this review. It is our view that the commissioning and procurement of social care should align with the planning of services in a community. Therefore, it should be done in a way that is person-centred and that can be flexible in order to meet an individual's outcomes identified through their personalised support plans.

The social care 'market' has numerous employers and most of the provision is commissioned in the independent and third sector. Whilst this can be seen as a layer of complexity within the system, it also allows an opportunity for a healthy, sustainable and vibrant 'market' of social care support providers in Scotland. The Third and Independent sectors are partners in social care and play a vital role in providing services to our communities. This partnership working has been demonstrated throughout the pandemic time and time again. In many areas, the third and independent sectors have proved they are uniquely placed to provide specialist services tailored to particular client groups or in particular localities. However, undoubtedly, in a number of areas there has been a lack of balance in provision. We would welcome support for local authorities ad providers to rebalance the provision and ensure social care offers true choice and control for people and welcomes the role that smaller local providers can play.

There are other influences that can impact on the choice and control a person has, such as budget constraints, workforce challenges and concerns over the financial sustainability in the sector. These challenges can be particularly acute in remote and rural areas where some of these outside influences can be more prevalent.

Health and social care is an important anchor in the community and the role of commissioning can support local economies and drive a fair work agenda. Commissioning and procurement can often be cited as a barrier to enabling innovative service redesign. However, there are flexibilities within the current procurement regulations that can be utilised for social care. There also numerous examples of where more collaborative models of commissioning and procurement have been used successfully. These approaches can achieve good outcomes; however, they can also take a significant amount of time and resource. National work to learn from local areas who do this well and remove these barriers could support other local areas to move to this approach.

The Glasgow Alliance to end homelessness is one model that could be used to understand what needs to be done to support local areas looking to take a collaborative approach. However, it should be noted that there are numerous examples from other areas that could be used. The Alliance approach is a more collaborative and co-produced approach and can be used to drive innovation however it can be complex to ensure the governance, legal and financial arrangements in place.

Conclusion

COSLA's vision is that of a system of adult social care which is designed by people, linked to wider services for that individual or family and puts communities at its heart, and which is built around the human rights of those who use it. Local Government is essential to the achievement of this vision, and as such, must continue to be at the very centre of adult social care moving forward.

Local Government, which is rooted in communities throughout Scotland and is accountable to democratically elected local politicians, and the communities they serve, is central to the realisation of any system based on transparency and local accountability and which is flexible based on the principles of need and location. These are fundamental values that we believe must continue to underpin the social care system in Scotland.

We look forward to continued engagement with the Independent Review of Adult Social Care over the coming months – recognising that this first period of engagement will need to be followed up with concentrated work to ensure any recommendations will make a difference to the communities we support, can be delivered without risking the progress made to date and importantly are accurately costed against a delivery plan.

COSLA

13/11/2020

COSLA Overriding Principles

- Local democratic accountability must be a central aspect of any system of adult social care;
- Any reform of Social Care should aim to ensure that a drive to improve outcomes equitably and achieving a shift to prevention and addressing health inequalities should underpin our approach;
- Reform should ensure that we empower citizens and communities in the planning and delivery of social care, embracing innovative approaches to accountability, governance and decision making;
- Integration Authorities have a key role in driving innovation and new models of care and support;
- Recognition of the specific professional role of social workers must be central in and policy development;
- Fair Work and valuing the social care workforce must be a fundamental principle;
- The important role of the third sector, particularly in delivering highly specialist care should be recognised, and they should be partners in any developing policy;
- Views of people who experience care and their carers should be central in the considerations of any reform of adult social care;
- High quality, sustainable social care services need to be retained with clear regulation and scrutiny processes;
- There must be a fundamental consideration of how social care will be paid for, including social care charging;
- There must be longer term investment in social care to enable longer term financial planning and the level of innovation required to truly transform social care;
- There should be support offered to rebalance the social care market to ensure it offers true choice and control for people using social care support;
- Support should be provided for areas that want to commission support differently and any barriers to doing this should be removed;
- Social care should interact seamlessly with other services, such as housing, education and employment, with professionals across services and sectors interacting to support people to live within their communities; and
- Digital advancements should be embedded in adult social care, whilst ensuring that services remain person-centred.

Finance Considerations

This annex provides additional financial context to the information provided in the main body of the submission.

Consideration 1:

There needs to be fundamental re-consideration of how social care will be paid for.

1.1 **Long Term Sustainable Funding:** A mechanism must be found to provide more stable and adequate long-term planning for social care spending within the context of the whole health and care system and the long term value of investment in prevention and early help while ensuring a sufficiency of highly rated support.

Financial Context

The NHS Budget for 2018/19 was £13.4bn, this represents an increase of 1% in real terms since 2017/18. This is 42% of the Scottish Government budget and growing. In contrast Local Government revenue budget has decreased 7% in real terms since 2013-14 and our share of the total budget has fallen to 33%.

1. In 2018-19, according to Local Government Finance Statistics, gross spending on Adult Social Care was £3.418bn. An Audit Scotland report in 2016 suggested that additional funding of between £125m and £165m a year was required to respond to demographic and other pressures of some 4% to 5%. Much of this pressure comes from the living wage rightly increasing the pay of staff working in lower paid roles including care workers. In 2016-17 gross spending on adult social care was £3.166m. Over this 2 year period, spending has increased by £252m but only through reductions in spending in other areas.

2. Attached in appendix 1 is a summary of additional funding that has been provided for Health and Social Care Partnerships HSCPs for social care (either directly to councils, or through NHS). What it shows is varying level of funding provided, for a variety of specific purposes, and also restrictions on how this funding could be used.

Pay and Benefits

3. An element of funding has been provided for Living Wage for private and third sector care providers. Whilst some funding has been provided, to continue this commitment, recurring increases in funding will be required as the Living Wage increases. There is also a growing differential between wage increases for staff that are paid the living wage and those who provide direct adult social care support and other staff. As

integration develops, there is also an expectation that Terms and Conditions will harmonise with an expectation of these leading to increased costs through increased pay and other costs including pensions.

4. Rightly the intent of the review is to secure the highest attainable standard of support. In some areas it is difficult to secure sufficient support, especially to see a continuing increase in people choosing to be supported at home. Turnover in the sector is high and this turnover leads to continual changes in who provides support. These changes add to the challenges that some vulnerable people experience including those with dementia. Increasing pay and conditions helps reduce turnover and sickness and improves stability. Increasing the number of personal assistants can help with this – see later. Securing the highest attainable standard of support will require a pattern of increasing pay, conditions and career routes in health as well as social care. There is a comparatively low uptake of work pension amongst low paid social care. There is the potential to explore a single social care pension fund with employers paying standard contribution to make the profession more attractive.

Increasing Number of People and Increasing Need

5. Beyond increasing pay and benefits, various reports have highlighted an increasing group of people requiring support. As highlighted above the majority (77%) of people requiring social care services or support are aged 65 and over. Many are 85 and over. Numbers in both groups are increasing – mainly as a result of advances in health care. While people are living longer, they do so with an increasing number of multiple health conditions. So, alongside an increasing number of people requiring support, the amount of support that each individual requires is also increasing. Funding needs to be available to meet the increasing number of people and increasing need. This is important with regards to respecting people's rights, dignity and choice of care.

Prevention and Early Help

6. The review rightly highlights the benefits of prevention and early help in order to avoid needs escalating. While some of this can be provided by increasing community capacity, it still requires increasing funding to recognise the demographic changes above and to ensure the evidenced benefits of these measures continue to reduce the scale of demand longer term.

1.2 **Robust individual data** - understanding, recording and reporting on the outcomes and costs for each person as an essential building block of long-term funding, learning and securing improved outcomes, rights and value.

1. Securing the highest attainable standard of support for the independence and wellbeing of people who use adult social care services requires robust information on how many people adult social care is supporting, at what cost for each individual and how this is changing year by year. How is activity changing? How the cost of providing high quality care is changing?

2. There is a need to track the reality on the ground, for example how numbers and costs are really changing to inform forecasts. Regular reporting and scrutiny improves the robustness of this information and awareness of change to inform decisions about funding.

3. This information also informs decisions about value. Looking at how costs are increasing and unit prices are changing can help make informed choices about who offers the best value in providing support. This may suggest change from the current arrangements.

4. Some of the financing models operated by external providers may also lead to consideration of other models of provision. In other areas of social work provision – for example for children there has been a move for the organisations involved to move provision in house for residential care as this now offers better value. Some councils across the UK have also been developing their own residential care provision. Some have looked at hotel models where the council provides the bricks and mortar and an operator provides the support.

5. In all cases there has been an intent to secure as good value as possible. Robust information has been the key to this.

Consideration 2:

Investment in social care needs to include consideration of charging

2.1 **Fair contributions to the costs of care;** The system needs to ensure fairness within/ between generations and reduce the sharpness of the differential between health and social care in order to protect individuals from disproportionate costs.

1. People in residential care receive a free personal care contribution of £180 per week and those in nursing care a further £81 a week. **However, a person funding their own residential care placement is likely to face much more significant costs.**

2. 25% will have costs of at least £120,000 and 10% costs of at least £200,000 – see appendix 2. The current arrangements result in those who own their own home contributing much of the value of that home towards the cost of their care.

3. The value of a home is taken into account in determining what people pay. Land registry information (August 2020) indicates that the average house value in Scotland is £155,000. Those with costs of £120,000 will typically pay 80% of the value of the home in care costs. This is simply because where people have assets of over £28,500 they pay for all their care costs.

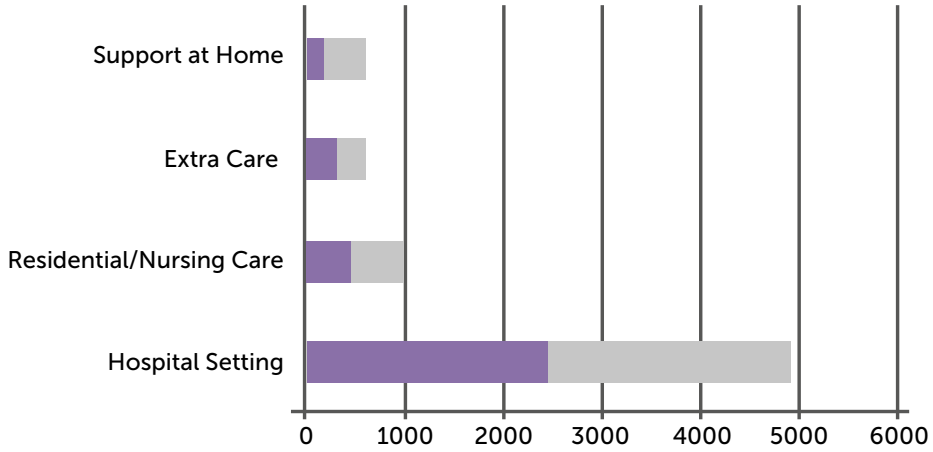
Consideration 3:

Long term investment to facilitate long term financial planning, innovation and transformation

3.1 **Transformation funding** - to facilitate and increase the pace of securing improvement in outcomes and value.

1. There is a consensus that there is scope to see more people supported at home with better outcomes at lower health and social care cost – see the table below – drawn from current social care and health cost information.

Range of Costs (£) Per Week by Care Setting



2. If spending increased at a greater rate to encourage the development of more support in the community then this would lead to better outcomes and value. Achieving this change requires one off funding to facilitate change and to recognise a degree of double running as support shifts from hospital and care home settings to support at home as evidenced in Greater Manchester.

3. As with the rest of health and local government, the solutions for ensuring financial sustainability and innovation lie with being able to transform, particularly in an environment of increasing demand.

4. Capacity to develop and test transformative methods across HSC would allow a revised and refreshed approach to new ways of working. There have been sources of funding across the last decade providing investment in reforming older peoples care, however, it is important that funding goes beyond merely meeting additional costs (associated with policy changes such as living wage and removing some charges).

5. Funding for transformation requires something more fundamental than previous models which have come in the form of a small 'Change Funds'. Essentially, the bridging finance to move from one model to the next needs to have further reach, in that it almost allows for some parallel running/progressive transition to be funded. Doing all this whilst trying to keep the existing plates spinning is often where we have struggled in the past before to make the necessary leap.

6. Evidence demonstrates that lack of capacity slows the pace of securing improvement in outcomes and value. Capacity diverted from the impact of Covid19 also reveals this impact – in some cases calling a halt to transformation programmes. Appropriately resourced transformation ensures delivery of the benefits.

3.2 **Learning, the expectation of continuing improvement** - there is scope to improve outcomes and value through learning from other examples and experience within and without Scotland.

1. The evidence paper published alongside the most recent preparedness plan for Adult Social Care brought together national and international learning to provide a context and rationale for the plan.

2. Just as the winter plan required investment so too does learning from others. The aim to achieve the highest attainable standard of support for independence and wellbeing will involve learning from others. There is scope to achieve this aim with more people supported at home and more enabled self-directed support with better outcomes and value.

3. National and international experience demonstrates the need for investment to achieve beneficial change and transformation.

Consideration 4:

A rebalancing of market is needed

4.1 **People Supported where and in the way they would prefer to be as long as these choices offer as good value as other options** - Self Directed Support is aimed at giving people greater informed choice and control over the services they want to support them, and how they want to be supported. It stresses the importance of individuals being ***enabled*** to achieve the life that they want for themselves.

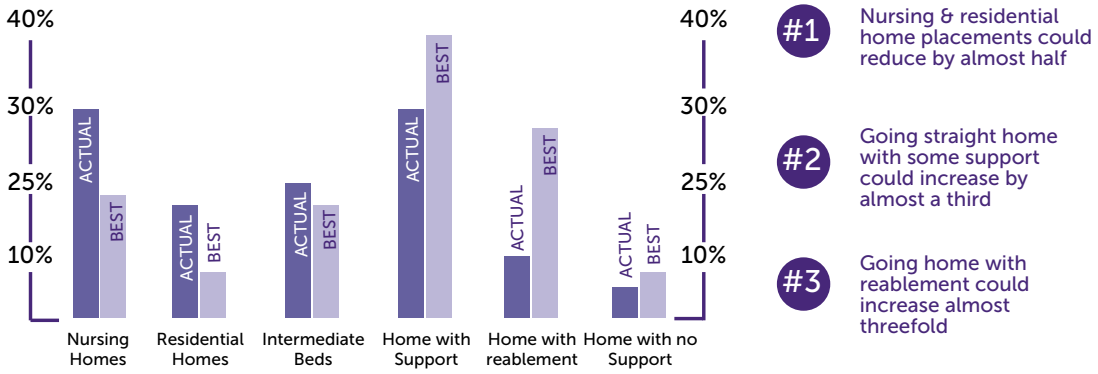
1. A variety of reviews have highlighted that people prefer to be supported at home and to have as much informed choice and control over the support they receive to maintain their independence with this offering the best outcomes and value. These preferences are reflected in the Home First approach to hospital discharge and in the approach to self-directed support.

More people supported at home

2. There is a growing consensus to see more people supported at home with fewer

people in other care settings so the Scottish Government rightly wants to maximise the number of individuals able to live and be cared for in their own homes. The health service also sees this as the preferred discharge from hospital. There is recognition in the NHS 10 year plan that there is scope to do more – see the diagram below. The balance of care in Scotland with 65% of people receiving long term support in Care Homes in Scotland would suggest scope to see more people supported at home – as this figure is higher than some other nations with rates as low as 39% in the same year.

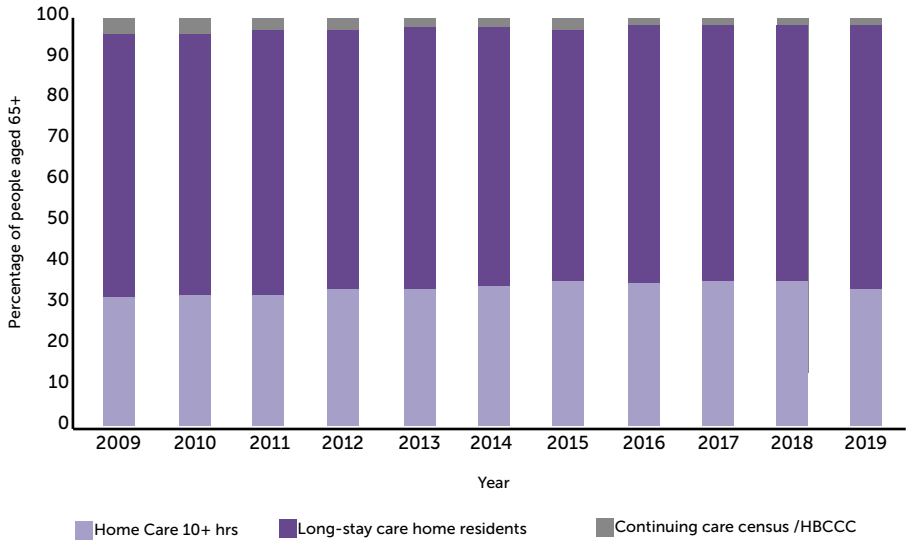
Where are People Being Discharged vs. Where Would be Best for Them?



SOURCE: Newton 685 cases reviewed in 15 workshops with 300 multi-disciplinary staff in 14 acute trusts and 9 local authorities: April-July 2018.

The three summary points are based on the sample reviewed in this work.

% of People Aged 65+ in different care settings



3. There are developments such as extra care housing and developing care models such as technology enabled houses where a group of people who have higher dependencies can be supported in their own home. Such developments require capital funding to facilitate change with long term benefits from such investment.

4. Greater emphasis on reducing dependency – proper reablement and the capacity to review care and staircase it downwards (ie the package on discharge should be seen as temporary). The capacity of SW to conduct reviews needs to be considered.

More Enabled Self Directed Support

5. Self-Directed Support is aimed at giving people greater informed choice and control over the services they want to support them, and how they want to be supported. It stresses the importance of individuals being **enabled** to achieve the life that they want for themselves.

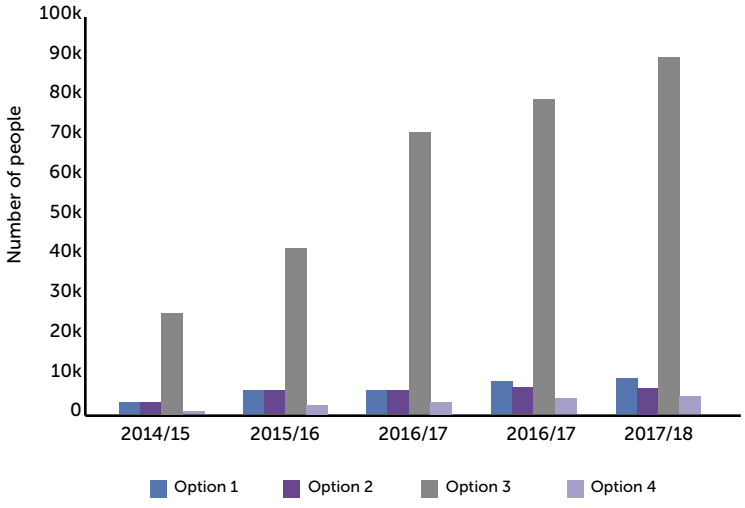
6. There has been a continuing shift in Scotland to more personalised support, (not borne out by the trends and stats – see SDS charts later on. Most people want councils to continue to organise and deliver care on a professional judgment,) including the promotion of direct payments. Their development has helped encourage a more diverse market of providers including micro and small providers who offer as good if not better quality than larger scale providers and with lower overheads, better value. Almost half of direct payments elsewhere involve the use of personal assistants.

Direct Payments – Benefits of Personal Assistants

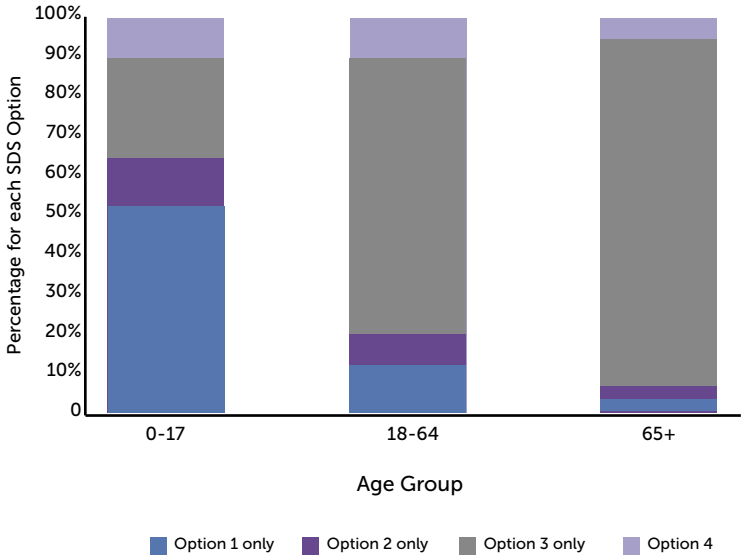
7. Because tthe person or carer prefers to administer their own direct payment arrangements there is scope to pay the personal assistant more. Where organisations follow this practice, they still save money compared to traditional home care. At least 20% of the rate – so £3.50 an hour is taken up in overheads which employing a personal assistant avoids. Overall arrangements contribute to significantly less turnover and sickness.
    - Personal Assistants - not on zero hours contracts – compared to 35% of care workers
    - Lower turnover – 18.4% compared to 39.5% for care workers
    - Lower sickness – one third of rate for care workers

8. There has been an increase in the number of direct payments, in 2018-19 only 10% of adults 18-64 chose a direct payment. In the same year only 3% of adults 65 and over chose direct payments. Much less than other nations. Still by far the most prevalent option is 3 where the council chooses and arranges the support. Direct payments are the most prominent choice with younger people with 54.3% of people aged 0-17 choosing only this option.

Estimated number of people in Scotland receiving self-directed support by option chosen, 2014/15 – 2018/19



Self-Directed Support Options by Age - 2018/19



Option 1 – Direct Payment Option 2 – Individual Service Fund - Option 3 – Managed by the Council Option 4 – A mix of the above options

Source – PHE Scotland

Consideration 5:

Social care should interact seamlessly with other services, such as housing, education and employment

5.1 **Inter-dependent services are essential but also face financial challenges**: Locally Housing and HSCPs work closely to align Strategic Commissioning Plans and complementary frameworks result. It is important that representatives from these key services that interact with Social Care are involved in the review to ensure financial considerations affecting all inter-dependent services is considered. There requires to be an acknowledgement that sustainable funding for all these services is a key consideration alongside sustainable funding for social care.

Appendix 1

Integration of Health and Social Care

Year	Funding Allocation via LAs	Requirements
2016/17	£125m (with a further £125m routed via NHS)	That minimum living wage of £8.25 to be paid to Social Care providers from the third and private sectors, from October 2016. Councils were advised that a second amount of £125m could be used to reduce their contribution to Integration Joint Boards, and therefore help their budget position (provided the minimum living wage of £8.25 was paid to Social Care providers from the third and private sectors, from October 2016).
2017/18	£107m	Deliver the Living Wage for social care workers, sleepovers and sustainability (£100m) and remove social care charges for those in receipt of war pensions and pre-implementation work in respect of the new carers legislation pressures (£7m). To reflect this additional support local authorities were able to adjust their allocations to Integration Authorities in 2017-18 by up to their share of £80 million below the level of budget agreed with their Integration Authority for 2016-17.
2018/19	£66m	Support for the implementation of the Carers (Scotland) Act 2016, maintaining our joint commitment to the Living Wage (including our agreement to now extend it to cover sleepovers following the further work we have undertaken) and an increase in the Free Personal and Nursing Care payments. Maintenance of the £355 million baseline transfer from NHS Boards to Integration Authorities in support for health and social care.
2019/20	£160m	£40m in relation to continued implementation of the Carers (Scotland) Act 2016. £120 million to be transferred from the health portfolio to Local Authorities in-year for investment in integration (this included £12 million for school counselling services). Taken together, the total additional funding of £160 million allocated to Health and Social Care and Mental Health was to be additional to each Council's 2018-19 recurrent spending on social care and not substitutional. The Government advised that councils should ensure that the 2019/2020 funding provided to IJBs is higher than the recurrent 2018/2019 IJB contributions.
2020/21	£100m	Living Wage (£25 million), uprating of free personal and nursing care payments (£2.2 million), implementation of the Carers Act in line with the Financial Memorandum of the Carers Bill (£11.6 million), along with further support for school counselling services whether or not delegated under the Public Bodies (Joint Working) (Scotland) Act 2014 (£4 million).

Full Funding of Increases in Pay Rates and Changes in Terms and Conditions

An element of funding has been provided for Living Wage for private and third sector care providers for members of the workforce providing direct adult social care support. This leads to issues for social care providers with pay differentials and the ability to increase wages for senior members of staff within an organisation to keep pace with living wage increases. Whilst funding has been provided, to continue this commitment, recurring increases in funding will be required as the Living wage increases. A higher proportion of the workforce are now impacted by the increases in the Living Wage than when the policy was introduced and there needs to be a consideration of this will be paid for alongside how to ensure there is Fair Work in the sector. As integration develops, there is also an expectation that terms and conditions will harmonise with an expectation of these leading to increased costs through increased pay and other costs including pensions.

The aim of improving hourly rates for Social Care Workers was first addressed in April 2016 when the SG provided funding to ensure all workers were paid the minimum wage for a 25 year old of £7.20. This funding was referred to as Low Pay (Home Care) and Quality of Care (Care Homes). The hourly rate for Social Care Workers was then increased to £8.25, the Real Living Wage, effective from 1 October 16.

The Real Living Wage is announced in November each year and care providers have been required to pay this rate effective from 1 April in the following year, in order to be paid the increased contractual rate paid by the Local Authority. This must be sufficient to ensure that the care provider can meet their Real Living Wage obligation. The funding for living wage was paid via Health for 16/17 and 17/18 and then via the finance settlement for councils from 18/19 onwards.

There have been increasing concerns that the amount provided by the Scottish Government for the Living Wage does not meet the cost of the commitment and in 2019/20 COSLA and Scottish Government started to work on what the cost of the policy is. In 20/21 the SG paid a contribution towards the cost of Living Wage, a national agreement made between COSLA and Scottish Government to ensure the workforce received the uplift for the living wage required an additional allocation paid via the mobilisation plans of £8.4million.

If moving towards one party delivering health and social care, workforce issues will arise. If moving to a single employer then TUPE will most likely will apply – partners can retain their own Terms and Conditions T&Cs (including pay). Whilst not a forever protection and gives huge employee relations issues. Harmonising T&Cs is the answer so pay is likely to float up to the higher level. Demands in other T&C areas will also be for higher levels for example to meet additional pensions costs.

Appendix 2

Estimated Length of Stay Costs – Scotland

Estimated Care Home Fees	Residential Care		Nursing Care	
	Frail older	Dementia	Frail older	Dementia
Scotland per week 2020	£799	£818	£887	£918
Less Personal Care Contribution	£180	£180	£180	£180
Less Nursing Care Contribution			£81	£81
Net Cost Per Week	£619	£638	£626	£657
Cost per Year	**£32,191**	**£33,173**	**£32,565**	**£34,148**
Source - Laing Buisson Care of Older People UK Market Report 2019 - plus 5% for increase to 2020				
Length of Stay Years				
Longest 25%	3.6	3.6	3.6	3.6
Longest 10%	6.2	6.2	6.2	6.2
Source - PSSRU - length of stay in care homes				
Length of Stay Cost				
Longest 25%	**£115,886**	£119,424	£117,234	£122,934
Longest 10%	£199,582	£205,675	£201,903	**£211,720**