

National Care Service Consultation

Section of Consultation: Finance

Introduction and Summary

“Over this Parliament, the Scottish Government will take forward the biggest reform of health and social care since the founding of the NHS, establishing a new National Care Service (NCS) – with the aim of treating people with dignity and respect at its heart. We will ensure that care is focused on the individual, fully addressing their human rights and understanding their needs, and properly recognises the value and insight of their experiences of living in care. [...]

We will back our ambitions for social care with significant investment. While the exact costs of our reforms will depend on the ongoing consultation, and in turn legislation, as a minimum we will increase public investment in social care by 25% over this Parliament – providing over £800 million more by 2026-27”.

Scottish Government¹: *A fairer, greener Scotland. Programme for Government 2021-22*, 7 September 2021, pages 27-28

Social Work Scotland welcomes the Scottish Government’s commitment to significant investment in social work and care. We very much agree with the Minister’s statement in his foreword to the NCS Consultation paper²: “Social care is an investment in our communities and our economy, so that everyone can take their part in society”. That is an important legacy of the Feeley Review going forward.

However, we are concerned that the additional funding being proposed, at “over £800m” will not allow all the investment recommendations of the Feeley report to be fully implemented, even when these figures are revalued to 2026-27 prices. Many of these recommendations are yet to be costed, including those which Feeley said were needed to “strengthen the foundations” of social care, such as Fair Work contracts and pay increases for social care workers and other low paid staff, and increased support for Scotland’s now one million unpaid carers. Other un-costed Feeley recommendations and NCS proposals include the reform or abolition of eligibility criteria, acknowledged as a key barrier to accessing social care; the adoption of an ethical and collaborative commissioning culture; better uses of technology; the collection and analysis of better data to improve decision making; new agency organisational costs; among others.

The figure of over “£800 million more by 2026-27” is far too small. Those recommendations that the Feeley Review were able to cost in their short timescale already totalled £660M in 2019-20 prices. This did not include paying social care workers more than the £9.50 per hour agreed in May 2021, and the Feeley report estimated that every £1 above this level would cost £100M – a significant underestimate, discussed later in this submission. Nor did Feeley’s £660M total include the new right for unpaid carers to take a break from care, or any of the many other important un-costed recommendations briefly mentioned above, and also discussed later.

These, and the other un-costed Feeley recommendations mentioned above, **will increase the full implementation cost significantly -- certainly to over £1.5bn for adults only**. The NCS consultation proposal to widen the scope of the new National Care Service to include children

¹ <https://www.gov.scot/publications/fairer-greener-scotland-programme-government-2021-22/>

² <https://www.gov.scot/publications/national-care-service-scotland-consultation/>

and families social work and care services, and community justice and prison social work, will also require investment to meet unmet needs and unfunded pressures in these services, in addition to the investment needed for adult social care. In addition, the Feeley Review cost estimates mainly used 2018-19 data, repriced to 2019-20, and therefore did not include the costs of restoring services to their pre-Covid levels.

These high costs are necessary to fix a social care system that has been broken by years of under investment. Feeley found that 3.5% growth, over and above inflation, was needed year on year to meet the needs of increasing numbers of older people and of people of all ages living with disabilities, on the best research evidence available. Such investment was made at lower rates before the decade of austerity, and during that period not at all.

It is therefore crucial that social care, as well as the NHS, receives a large share of the **increases in the Scottish Block Grant**, announced in the UK Government's Autumn Budget and Spending Review³.

UK Autumn 2021 Budget: Total Departmental Expenditure Limits - Scotland

£ billion (at current prices)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Outturn	Outturn	Baseline	Plans	Plans	Plans
Scotland total	32.9	35.5	36.7	40.6	41.2	41.8
Increase on 2021-22				3.9	4.5	5.1
Year on year increases		2.6	1.2	3.9	0.6	0.6
		7.9%	3.4%	10.6%	1.5%	1.5%

Source: UK Government: Autumn Budget and Spending Review 2021, 27 October 2021, Table 1.16

The increases in 2020-21 in particular reflect the UK funding for Covid measures. Scotland will receive an **additional £3.9 billion for 2022-23**, but only below-inflation increases of £0.6 billion in each of the two following years: 76% of the total additional Block Grant arrives next year. This is intended to benefit "building back better" from Covid, and will also help to resolve the resulting backlog of work and other pressures on the NHS.

The phasing may not fit the longer development process for the National Care Service, but there is clear opportunity and resources for the **necessary investments in social care to start as soon as possible**. The Scotland totals in the table include the Barnett consequential from the earlier UK Government announcements to increase National Insurance and other taxation to invest more in health and social care in England⁴.

NCS Consultation paper section on Finance

The Feeley report included several important financial recommendations, none except those on charging for care, are addressed in National Care Service consultation paper, in which the section on finance, in the Introduction, is short:

Finance

The proposals set out in this consultation paper will have a cost to the public purse. But, as the IRASC emphasised, social care support should not be seen as a burden. It is an investment in

³ <https://www.gov.uk/government/publications/autumn-budget-and-spending-review-2021-documents>. For further analysis for Scotland, see SPICE blog by Ross Burnside at: <https://spice-spotlight.scot/2021/10/28/uk-budget-and-spending-review-2021-key-points-and-implications-for-scotland/>

⁴ <https://www.gov.uk/government/publications/build-back-better-our-plan-for-health-and-social-care>, 7 September 2021.

society, it creates jobs and economic growth, and allows people who access care and support and their carers to fulfil their potential and, in many cases, access employment themselves. Done well, a focus on early intervention and prevention avoids the need for more costly action at a later stage. For example, supporting unpaid carers so that they can continue their caring relationship, supporting families to prevent family breakdown, or ensuring appropriate care to prevent deterioration or falls resulting in a need for hospital treatment, all result in benefits for individuals and families, and for our health and care services.

This Government has committed to increase investment in social care by 25%, but public resources are still limited. As we consider the feedback from this consultation, all proposals will be assessed for value for money, to make sure the maximum impact is achieved from that investment. But in doing so we will look at the overall benefits of improving people's experience of care and the outcomes they achieve, as well as the direct costs or savings of providing that care. [Page 6]

A minimum increase of "25% over this Parliament", as stated in the Programme for Government would mean a compound increase over the five years from 2021-22 to 2026-27 of 4.6% per year, *over and above inflation*. However, the Feeley report also recommended an annual increase to offset the growth, due to demographic changes, in the numbers of older people and adults with disabilities who require care and support. The best evidence the Feeley review found for the annual increases required for adult social care, again above inflation, was 3.5%. It is unclear when the Scottish Government proposes to commence this long overdue fiscal recognition of demography, also recommended in its 2018 *Health and Social Care Medium Term Financial Framework*⁵, but not delivered. Work is also required on demographic pressures for children and family social work and care services; the increases in the numbers of people living with learning or physical disabilities, for example, has been increasing at all ages.

The 2021-22 base figure for the minimum 25% increase is also not clear. Is it total net or gross spend in that year, on all social work or care services, or only adult social care, depending on the decisions to be taken after the consultation? Does it include, as Feeley did, spend by self-funders and third parties on residential care, which is not included in the local authority financial returns? Is the 25% increase by 2026-27 on the base figure uprated to 2026-27 prices so that five years of inflation does not cloud the comparison? It has to be in real terms to be of any use⁶.

Turning now to other issues in the above sections on Finance, Social Work Scotland welcomes the emphasis on **early intervention and prevention**, and agrees, if properly resourced, that this can avoid, reduce, or defer the need for more costly action at a later stage. We also agree that better **support to unpaid carers** is a fundamental part of prevention. **Poverty and deprivation** are also drivers of greater need for social work and social care at all ages, but are not mentioned in the consultation paper. Social Work Scotland welcomes the focus on reducing child poverty and low pay in the *Programme for Government*, as well as the current consultations on ending the need for food banks and on Scotland becoming a Fair Work nation. **Economic policies** to reach **zero carbon** need also to be linked to structural changes to reduce the production of inequalities of income and wealth, which have significantly widened since the 1970s.

In the consultation paper, there are **no consultation questions on finance**, apart from charging for residential care, and many of Feeley financial recommendations are also not referenced. We

⁵ See Social Work Scotland's analysis of the 2018 Framework in its submission to the Feeley Review: <https://socialworkscotland.org/wp-content/uploads/2020/11/SWS-Supp-Sub-1-DEMOGRAPHIC-CHANGE-AND-ADULT-SOCIAL-CARE-EXPENDITURE-IN-SCOTLAND.pdf>

⁶ Put another way, if annual inflation were to be on average 2.8% per year then Feeley's £660m at 2019-20 prices would become £800m in real terms by 2026-27, leaving nothing for all the un-costed recommendations.

comment briefly below on what we see as the main financial issues that require further work between the Scottish Government and other stakeholders, in which Social Work Scotland is willing to participate.

Immediate and short-term priorities

In this section we discuss what needs to be done immediately or to start from 2022-23; the section ends with some concerns about interim funding issues. Given the front-loading of the UK increases in Scotland's Block Grant, it seems necessary to bring forward some of the planned investment in social care to 2022-23, unless unspent additional funding can be held in IJB, local authority, or Scottish Government reserves.

1. Fair Work

We welcome the Scottish Government's recent announcement⁷ that additional funding of £48 million will be provided as part of winter planning to increase the hourly rate of *direct* care staff in adult social care from the £9.50 per hour agreed in May to £10.02 per hour; however, Social Work Scotland would prefer social care ancillary staff on minimum pay to also benefit – their input is also essential to the care system.

The sector has high turnover and vacancies, and is competing with job shortages in retail and other sectors which involve less stress. We urge the minimum pay of all social care workers to be progressively **increased further from April 2022 towards a £15 per hour target, to be achieved as soon as possible**. Other Fair Work measures, thoughtfully discussed on pages 119-123 of the consultation paper, are also a priority for implementation to help recruitment, retention and training.

Further work is needed on the investment required to deliver Fair Work for all social care workers, and this should be published. Feeley estimated that "in broad terms, every pound beyond the Real Living Wage will increase the national social care support wage bill by about £100m per annum" (page 92) so an increase from £10.02 per hour to, say, £15 per hour would cost £498m. However, the Feeley estimates are too low.⁸ The costings in the Feeley report included £19.5m to increase the Real Living Wage for social care workers to £9.50 an hour in 2021-22, but the Local Government Finance settlement for 2021-22 required £34m for social care to contribute to the delivery of the Real Living Wage at £9.50 an hour, 75% more than Feeley's estimate. On that basis an increase from £10.02 to £15 per hour would cost £868m. Even higher multiples of cost, for every £1 increase, can be derived from recent work for Enable by BIGGAR Economics⁹ – we have not evaluated this work; **firming up the costs of Fair Work is a priority for the Scottish Government and COSLA**.

2. Restoring reduced care services and support to unpaid carers

Since March 2020, the impact of Covid-19 (and Brexit) on staffing levels for care services has seen much reduced support for people in need, and it is therefore no surprise that there has been a corresponding increase in the numbers of unpaid carers, from around 800,000 in 2019 to an estimated 1.1 million now, as well as increases in their hours of care. **Priority should be given to restoring services for all people with assessed care needs**, including day care which appears among the hardest hit. While this will help unpaid carers, there are also specific

⁷ <https://www.gov.scot/publications/ministerial-statement-winter-planning-health-social-care-tuesday-5-october-2021/>

⁸ SG personal communication, 03/11/21: the SG, COSLA, and Integration Chief Finance Officers now have a short-life working group to review the methodology

⁹ *Scotland's Care Sector: An Economic Driver*, September 2021.

<https://www.enable.org.uk/aboutus/information/publications/factsheets/scotlands-care-economic-driver-report/>

short breaks and respite services, for both adults and disabled children that have not restarted.

3. Relaxation of eligibility, and prevention

A working group should be set up as soon as possible to consider the **reform or abolition of eligibility criteria**, with work then done to cost the recommendations or proposed options. Meanwhile early funding is required to enable existing responsible agencies (IJBs, LAs) to **roll back tight eligibility thresholds**, so that **new assessments of need** are able to result in help for more people with care needs.

Sometimes in adult services **prevention** is considered to be automatically delivered when the eligibility thresholds are lowered from critical only to include support for substantial, moderate or lower-level needs. For some people that will be true, in the sense that help now will prevent or delay the more serious needs that without such support are likely to develop in future, at greater cost. But for many people, the prevention resources that are needed do not exist in their communities. Partly this is due to the decade of austerity which reduced community services, such as community education and funding for community organisations; more generally, civil society has also been weakened. **Investment in prevention**, including community development and community social work therefore needs to go wider and deeper than the relaxation or abolition of eligibility.

Within children's services, the preventative agenda is a core part of the GIRFEC approach, involving partners in education, third sector, health, and community services. Expansion of prevention and early intervention is essential to fulfilling the Promise.

Preventative and other support to **unpaid carers** is often provided locally by carers centres and by national and local Third sector organisations. A review is needed to establish whether there are sufficient carers centres, or similar services, to enable access by carers, especially in rural areas. **Investment funding** is likely to be need to help set up new carers centres and also increase the capacities of existing centres to provide more support to unpaid carers. This should include investment to **widen the choice of types of short breaks and replacement care available**, and to improve their quality – as was also recommended by Feeley, but does not appear in the NCS consultation paper.

While Social Work Scotland welcomes the emphasis on **prevention and early intervention** throughout the NCS consultation paper, we do not think it goes far enough:

We will increase the number of care and support services which focus on prevention and early intervention, including community based services which can be accessed without a referral or full assessment. These will be at the heart of a Getting it Right for Everyone approach to care and support, and will work seamlessly with services for people with more complex care needs. [Page 20].

Social Work Scotland considers that a **wider engagement on prevention** is now needed, jointly with COSLA and other partners, including investment in community development, welfare rights, mainstream services, and community organisations. This will also need to consider the continuing relevance of the Christie Report (2011) recommendations, including the question of why these have been so difficult for the public sector to implement during the decade of austerity. Shifting funding from acute provision upstream to prevention, for example, has proved impossible without **double running costs** during the period of change. A pivot towards communities will also require changes in some social workers' roles.

4. Programme to meet existing unmet need

A phased programme of initial funding is required to allow local authorities to re-assess people known to them whose needs were deemed insufficient to be eligible for support, before the actions at point (3) above to roll-back eligibility thresholds.

Some interesting work was undertaken within the Feeley review, **estimating unmet need at £436M in 2018-19 – for adults only**. The Feeley estimates for “prevention” (£288M at 2019-20 prices) are really for unmet need, since they are based on an estimated 25,500 less service users in 2018-19 than in 2009-10 (calculated on age/deprivation standardised rates, assuming unmet need in the base year). A further £148M was estimated for unmet needs, based on inter-IJB variation in spend per head of population (again, age/deprivation standardised) but only taking an arbitrary part of such variance into account. These calculations are a welcome start, but some further work would be required to establish if there are better methods of determining unmet needs. The effects of unmet need on wellbeing are hard to establish, but many academics have considered the growing unmet need to have contributed to the stalling of the previously-improving population longevity in recent years: in blunter words, that austerity has caused some premature mortality. The largest cause of unmet need in social care has probably been the inability of councils to uprate social care budgets by the full amount required by the ageing population plus the increasing numbers of disabled people in all age-groups, including children.

5. Demography annual uplifts

Feeley recommended “robustly factoring in demographic change in future planning for adult social care” and his report estimates the uplift required for adult social care at **3.5% per year** (after inflation), based on research by the London School of Economics and the Personal Social Services Research Unit (PSSRU). As it happens, Social Work Scotland had also reviewed this research in one of its supplementary submissions to the Feeley review and concluded that it was the best available. As noted earlier it was also adopted in the Scottish Government’s own *Health and Social Care Medium Term Financial Framework* in 2018¹⁰: that accepted the 3.5% annual figure for social care demography in real terms and added 0.5% for relative price effects (the difference between general inflation and that experienced by a particular service), but this was never implemented.

Feeley did advise that “more specific Scottish projections will be vital in the future”, and this is something that the Scottish Government should take up with Scottish university researchers – it would also require significant changes to some of the Scottish population surveys, and probably also booster samples within some key UK surveys, in order to support modern microsimulation methods.

Meanwhile, **annual uplifts on this scale (3.5%) are absolutely essential** to meeting demographic pressures. This should be **implemented from 2022-23** to halt further growth in unmet need.

6. Interim funding issues

Funding to alleviate the crisis of social care for the immediate priorities above **is needed now** and in each of the financial years from 2022-23 to the commencement year for a National Care Services. This will mean **some interim funding increases to local government and IJBs**.

¹⁰ <https://www.gov.scot/publications/scottish-government-medium-term-health-social-care-financial-framework/>

The Scottish Government is committed to establishing a National Care Service; the consultation is not about the principle, but is about the scope and functions of an NCS, and structure and delivery issues. We all need to keep in mind the fact that **people who need social care do not do so in isolation from needs for health, housing, leisure, education and other community-based services – local service inter-connections** need to be maintained and indeed strengthened. The role of local authorities will still be crucial to social care in many different ways, even if legal responsibilities are changed and a National Care Service is created. This **key issue** is not well addressed in the NCS consultation paper, and requires further work. There is also a potential damage to local democracy that Scottish Ministers need to address.

Over the decade of austerity, councils have generally given more protection to spending on social work services for children and families, and adult social care, than to other services¹¹, and continue to spend more on justice social work than they receive in ring-fenced CJ grant. If councils feel that social care services are being removed from their responsibilities, there is a risk that they may seek to reduce this spending priority from now on.

There may be a case for interim funding to local authorities from 2022-23 being more tightly earmarked or ring-fenced for social care than has hitherto been necessary or desirable. (**Resource allocation** issues are also discussed at the end of the next section).

Short to Medium term priorities

In this final section we discuss the remaining key funding issues posed by the Feeley report and/or the NCS consultation paper. Some of these are also candidates to commence in 2022-23.

7. Charging for care

The Programme for Government already includes the statement: “We will develop options to remove charging for non-residential care” (page 28). Social Work Scotland supports the decision to remove these charges. There might be more increased demand for services to meet assessed needs where uptake had been deterred by charges, but the Feeley estimate of £51M seems about right¹², although the lower charging income (£5M) for children and families social work would need to be added if the scope of the NCS is widened.

Residential charging is a more complicated issue for reasons set out in our more detailed response to the Residential Care Charging section of the NCS consultation paper. Total residential charging income was £191.3M in 2019-20 for all social care services. This excludes self-funders in care homes under “route 1” who have not had an assessment of need, but we might request one if the Free Personal and Nursing Care offer is extended to cover all care costs (although these are wider than legal definitions of FPC). Feeley had estimated that this measure would cost £116M at 2019-20 prices but we are not clear if that includes younger adult care homes. In any event, it appears to be an underestimate because the increased demand could be significant. Another factor is the likelihood of private care homes (80% of provision) increasing prices to maintain profits. The difficulties in managing this market are discussed further in Social Work Scotland’s more detailed submission on Residential Care charging.

¹¹ This statement draws upon work by the Improvement Services

¹² Feeley’s estimate of the funding required was £51M; the Local Authority financial returns show £42.5M for non-residential charging income for adult social care in 2018-19, so the £51M perhaps includes an estimate for increased demand. The corresponding figure for 2019-20 was £36.0M – the reduction reflects the expansion of free personal care to people under 65 from 1 April 2019. In addition. There were £5.2M of charges recorded for children & families social work services, so these would also require to be abolished.

Finally, removing charges for care is an important policy although the funding required does not expand the care available, but moves part of its funding from private citizens to the State. So, if all social care requirements cannot be fully funded, it might not be the highest priority.

8. Unpaid carers

Now at around 1.1 million, Scotland's unpaid carers (mainly family members) are the largest social care workforce, and the least supported. **Investment in support to carers is fundamental to the prevention of demand for formal social care services.** Feeley's recommendation 11 proposes a carers' "right to respite", and Recommendation 51 includes increasing short breaks, respite, and the Carers' Allowance. The text of the Feeley report also recommended abolition of all residual charging for respite care. **The NCS consultation paper only includes the "right to respite".** However, the *Programme for Government* includes consultation over the Winter on proposals to replace the Carers' Allowance with a new Scottish Carers Assistance payment – it is not yet clear how far the current restrictive eligibility criteria can be relaxed to benefit more carers.

It is worth noting that additional funding for short breaks was included in the funding for the phased implementation of the Carers (Scotland) Act but only for 16% of carers annually by 2022-23 at an annual unit cost of only £300 per carer (frozen at 2013-14 prices). No funding was provided for the replacement care required by the person cared-for in order for the carers to be able to take a short break – a more expensive item than the cost of the break itself. This means that the 16% figure would never be reached, even without Covid disruption

The latest available data shows that **only 3% of all carers have a short break or respite**, and this is still only 9% for full-time carers providing 35 hours a week or more of care (Scottish Health Survey ad hoc data, 2016-19). During the pandemic, the number of carers in Scotland increased to over one million; a much-needed statutory right to a break from care, including necessary replacement care for the person cared for, will be expensive. In addition, investment is needed to expand the range and quality of respite care available, as Feeley recommended, and also to expand local access to carers centres and other prevention support infrastructure – we discussed the last point under the immediate priorities heading.

A right for carers to have a break from caring is a fundamental human right and necessary to maintain caring. If such a right were modelled on the paid leave enjoyed by most employees, they would be very expensive even at very modest levels of financial contributions by the State to the cost of short breaks and replacement care. Modelling that right for full-time carers, and pro-rata for part-time carers, **can easily produce costs greater than £1 billion**, depending on the amounts of support required for carers to actualise such rights.

Of the options presented in the NCS consultation paper for carers' rights to breaks from caring, including replacement care, Social Work Scotland supports **Option (e+f)**, which situates this right within an amended Carers Act, on the basis of **assessed need without an eligibility condition**. Our support for this option is conditional on the provision of sufficient funding to meet existing and additional demand for both assessment and support costs. We believe such additional funding should be directed to: (a) "light-touch" assessment and support by carers centres, and (b) additional LA/NCS assessment, support and replacement care resources. Both are required to give effect to the new right.

We also support the intention behind the proposed "**hybrid option**" whereby the right to have needs for a break from caring met is combined with a more universal offer to all carers, or to carers caring for, say, 20 or more hours per week. We believe that this *may* be best delivered by ensuring that the new Scottish Carer's Allowance is available to more carers, but if that is not

possible, as seems likely, some other form of **financial recognition for carers**, which can also be used to support breaks, is desirable.

Further discussion is contained in our more detailed NCS consultation submission on unpaid carers. At this stage, Social Work Scotland cannot put any figures on the costs involved. Every £100 per year for a “universal offer” each carer costs **£100M**. Assessing needs for breaks would require a very significant scaling up to raise the proportion of carers having a short break to acceptable levels, above the very low figures consistently reported in annual Scottish Health Surveys.

9. Funding pressures in Children & Families social work services

As mentioned earlier, local authorities have protected spending on children and families social work services more than any other council services during the decade of austerity, but have been unable to meet increasing demand and need.

Poverty and deprivation remain the key driver of need for social work and care support to families and children. Children in low income families experience poorer nutrition, higher levels of chronic illness, poorer mental health with more behavioural and emotional problems, and lower educational outcomes, including language skills and problem solving¹³. Child poverty in Scotland has increased from 19% in 2010-11 to 26% in 2019-20 – well above the Scottish Government’s target reduction for this measure¹⁴ to 18% in 2023-24 and 10% in 2030-31¹⁵. The UK Government’s failure to retain the £20 per week increase in **Universal credit** removes essential income from over 450,000 families in Scotland.

In recent decades the numbers of **children with significant disabilities** who survive birth and infancy has been increasing, and more generally there has been a very welcome improvement in the longevity of people at all ages with learning or physical disabilities. These trends represent a second driver of need for social work and care support, and one that can have high unit costs, for example for residential short breaks to provide support to parents and other carers can cost from £3,000 to £6,000 per week¹⁶.

Children and Families social work services have also faced significant increases in demand some of which is linked to legislative changes over recent years, where the additional implementation funding has been insufficient. These include: new duties of care under the Children and Young People (Scotland) Act 2014 to allow young people to remain in placements until aged 21; payment of fostering equivalent allowances to kinship carers of looked after children and those subject to a Kinship Care Order; and new duties in the Children (Scotland) Act 2020 in relation to the rights of brothers and sisters to remain together and have their relationships maintained.

As with adult services, there is also the continuing impact of Covid on children’s provision, including: children remaining in placements for longer, the consequences of lock down for children’s development, domestic abuse and child protection concerns, all of which will increase demand and related costs over the coming months and years.

The section on children’s services in the NCS consultation paper does not address these trends and issues. Social Work Scotland has commented on the proposal to include children’s social

¹³ <https://cpag.org.uk/scotland/child-poverty/facts>

¹⁴ Proportion of children living in households in Scotland with equivalised incomes below 60% of the median (middle) UK income in the current year. The other measures also show performance well below targets.

¹⁵ <https://data.gov.scot/poverty/cpupdate.html>

¹⁶ Information provided by Social Work Scotland

work services in a National Care Service elsewhere in its submission. Whatever decision the Scottish Government takes post-consultation, **further work is needed urgently** to quantify the translation of these trends into higher levels of need for social work and care intervention and support. The experience of Social Work Scotland members in children and family services is one of relentless increasing pressures, and increasing unmet need. While we welcome the additional funding that the Scottish Government plans¹⁷ to invest of over £500M in keeping “The Promise”, further investment is needed in locality social work, care and protection services, prevention and early intervention.

10. Funding pressures in Justice Social Work services

Social Work Scotland has long-standing concerns that justice social work is underfunded and that significant investment in the range of non-custodial disposals is necessary to deliver the Scottish Government’s ambition to shift the balance of sentencing away from custody and towards community sentences, and to support the judiciary through the consistent provision of high-quality interventions and help reduce re-offending.

The evidence for this shift is compelling. In 2021/22, £460 million was allocated to prisons and £133 million to community justice, 80% of which is allocated to local authorities for the delivery of justice social work¹⁸. The latest reconviction data (2018/19)¹⁹ shows that 52% per cent of short sentence offenders released from prison were reconvicted within one year (up from 49% in the previous year). In comparison reconviction rates for community payback orders were much lower at 29%, the same as the year before. Research studies on reoffending also found that “community sentences are more effective in reducing reoffending than short-term prison sentences”²⁰.

We welcome the commitments in the *Programme for Government* to reduce unnecessary imprisonment through new legislation:

“to change the way that imprisonment is used, with consultation on initial proposals relating to bail and release from custody law this autumn. This will be underpinned by investment in a substantial expansion of community justice services supporting diversion from prosecution, alternatives to remand and community sentencing, which evidence shows is more effective at reducing reoffending”²¹.

The Scottish Government budget in 2021/22 allocated a core ring-fenced grant to justice social work of £86.5 million. The level of this core grant has remained flat for several years, despite increased expectations on justice social work and cost inflation. In any given year the core grant is topped up from other budget lines or funding for new initiatives; in 2020-21 it totalled £105.9 million. These additions need to be continued.

Recently, the Scottish Sentencing Council reported research on *Judicial perspectives of community-based disposals*:

¹⁷ Programme for Government 2021: “**Work across Government to #KeepThePromise** – investing £500 million in a Whole Family Wellbeing Fund over the Parliament, to reduce crisis intervention and keep children and young people with their families, and introduce a new Care Experience Grant, a £200 annual payment over 10 years for care experienced young people”. [Page 10]

¹⁸ *Community justice Sustainable alternatives to custody*, Audit Scotland July 2021

¹⁹ *Reconviction Rates in Scotland: 2018-19 Offender Cohort*, Scottish Government 4/10/21.

²⁰ *What Works to Reduce Reoffending: A Summary of the Evidence*, pp5, Sapouna et al, Justice Analytical Services, Scottish Government, May 2015

²¹ A Fairer, Greener Scotland: Programme for Government 2021-22, Scottish Government 7/9/21, pages 100-101.

The engagement we have carried out suggests that one of the greatest challenges to judicial confidence in community-based disposals concerns limitations of resources to support their management and delivery. To support both judicial and public confidence and efforts to encourage rehabilitation and, ultimately, public safety, it is essential that effective community-based options are available to the courts. This requires greater consistency of provision of community sentences and the services which support their delivery across Scotland, and that these sentences can be robustly managed²².

The immediate priority is to address the backlog created by COVID-19, including court delays, pressures on finances, and delays on the completion of community sentences. Justice social work anticipate the backlog will lead to an increase in workload of between 30-35% over and above pre-pandemic levels.

Work is being undertaken on the unit costs of community sentences and other interventions and it is important that this covers the full range, including bail supervision, diversion from prosecution, the provision of court services including criminal justice social work reports, structured deferred sentences, CPOs, throughcare services for individuals subject to statutory prison licences etc. **Funding services at their true cost is essential to the delivery of community justice.**

Social Work Scotland comments in a separate submission on the NCS consultation proposals on the inclusion of justice social work within a National Care Service, either from the start or at a later date. Whatever the outcome, funding for this service would need to continue to be **ringfenced**.

11. Commissioning culture changes

Feeley did not cost the recommended “shift from competitive to collaborative commissioning” despite calling for “alternatives to competitive tendering” and for commissioning and procurement decisions to “focus on the person’s needs” and “not solely be driven by budget limitations” (Recommendation 33). It is difficult to believe that the better outcomes this would deliver will all be self-financing. There is also the fact that private sector provision has grown in social care because it has cheaper unit costs, largely based on lower pay, pensions, and other poorer working conditions for staff. There is a serious risk that Fair Work implementation, increased FPNC payments, and other measures will simply increase private care prices, particularly in the care home sector, rather than squeeze profits or other value “leakage”. As part of any implementation planning for a National Care Service, on any model, it will be necessary to think through these issues, which are likely to require legislation to enforce transparency and regulation. Meanwhile, **work is required** to cost the desirable commissioning culture changes recommended.

12. Monitoring data, evaluation, outcomes.

The Feeley report mentions in several places the need for better data, information, and outcome measures, and this is seen as one of several key priorities for the proposed National Care Service. In the transition from the current paradigm to the new one, it is essential that the assessment process delivers much better data on people’s needs, the solutions, support and services in the care and support plan, their costs, and any remaining unmet needs, alongside the development of community resources to support prevention. This will require recording practice to be reviewed to enable IT systems to be able to capture this information in a form in which it can be aggregated and fed back to influence budget-setting, commissioning and policy

²² News release 27-10-21, statement by Lady Dorran, Lord Justice Clerk and Chair of the Scottish Sentencing Council; <https://www.scottishsentencingcouncil.org.uk/news-and-media/news/community-sentencing/>

development. In this way the range of solutions, support, and services can be monitored alongside data on unmet needs, so that over time a clearer picture emerges of the costs of the new paradigm, and the extent of any unmet need. Investment in IT systems, information recording, and data extraction and analysis is necessary at both local and national levels to achieve these ambitions.

13. Fair funding distribution issues

A National Care Service will need fair and sensitive resource distribution methodology to proportion funding to population need at local level – at least down to Community Health and Social Care Boards. The “NRAC” system used for Scottish NHS resource distribution to health boards could not simply be adopted for social work and care services without a detailed assessment of strengths and weaknesses, compared to other methodologies. Further development of the “Grant Aided Expenditure” methodology, which underpins Scottish Government revenue grant allocations to councils, was largely frozen by the 2007 Concordat with COSLA; social work and care GAE requires radical overhaul, especially in the extent to which it recognised poverty among other drivers of population need.

We urge the Scottish Government to set up a working group as soon as possible to review the distribution methodologies, with COSLA, Integration Chief Finance Officers, and other stakeholders such as Social Work Scotland. This is likely to require commissioning academic involvement from leading Scottish experts, but also from English research institutes whose survey-based macro- and micro-simulation models would need to be considered. Local authorities will have a keen interest in the question of how the funding they receive for social work and care services will be identified for transfer to a National Care Service, as well as the impact that will have on their remaining responsibilities, and that question also requires the fairest possible solution and should be included in the remit of the working group.

14. Other NCS costs

The Scottish Government’s intention to establish a National Care Service will involve **organisational costs**, whose scale depends on the precise form the NCS takes, and to the extent to which it will **employ its own staff**, as it must do so to be effective. Social Work Scotland comments elsewhere on the ambition to create “a nationally-consistent, integrated and accessible **electronic social care and health record** would be put in place that can be used and seen by all those who provide health and care support” (page 37) – whether or not desirable in the form proposed, this is likely to be expensive especially if the existing IT systems used by local authorities could not deliver that without replacement. If social work and care responsibilities are removed in whole or part from local government, including requirements to be the **provider of last resort** (which in a fragile mixed economy of care must be located somewhere – in the NCS?), there are some legacy issues that need to be addressed, including transfer of responsibilities for **financial redress** to looked after children abused in care. The **VAT** position of a new National Care Service is unclear – will it be like local authorities who can reclaim VAT on most expenditure, or like the NHS which cannot reclaim VAT?

There will no doubt be other issues with significant financial implications that will need to be addressed in any fair transition to a National Care Service.

Comments or question on this response are welcome and should be directed to: Mike Brown, Treasurer, Social Work Scotland, mike.brown@socialworkscotland.org.

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