

COSTING CARERS' RIGHTS TO A BREAK

COMMENTS ON THE REVISED FINANCIAL MEMORANDUM OF DECEMBER 2023 TO THE NATIONAL CARE SERVICE (SCOTLAND) BILL 2022

EXECUTIVE SUMMARY

Social Work Scotland welcomes the Scottish Government's intention to provide a new legal right for unpaid carers in Scotland to be able to take a break from caring if they wish to. As well as being an important extension in human rights for about one in five of Scotland's population, improved support to unpaid carers is a key part of reducing or deferring the need for greater volumes of formal care services. Provided the policy is adequately funded, it should make an important contribution to the future sustainability of both the National Care Service and the NHS. The burden of our detailed analysis is that key aspects of the costings provided in the revised Financial Memorandum for the National Care Service (Scotland) Bill are too low, and should be revisited.

We acknowledge the difficulties in costing such legislation, and were active participants with COSLA and the National Carer Organisations in a 2021-22 working group that assisted the Scottish Government to develop the detailed costing model underpinning the carers' section in the Financial Memorandum for the National Care Service (Scotland) Bill 2022. Both the original and revised Financial Memoranda cannot be fully understood without access to the detailed costing model for carers' right to a break. **In the interests of transparency, we believe that the costing model, and the associated spreadsheets should be placed in the public domain**, on appropriate Scottish Government or Scottish Parliament website pages.

The revised costing model, and associated supplementary tables, allow us to compare the *central estimates* in the original and revised Financial Memoranda at constant prices. In the carers section of the FM, the minimum and maximum estimates are all based on the central estimates, which the costing model describes as the "most likely", and therefore do not represent alternative scenarios in the same way as in the costing of the National Care Service (NCS).

Table A: Comparison of 2022 and revised 2023 NCS FM central estimate costs for carers' right to a break, at 2023-34 unit costs and constant prices (i.e. before inflation is added)

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
FM	£M											
Costs for funding to LAs & Integration Authorities for assessed short breaks and replacement care												
2023	0.0	0.0	16.0	32.0	48.1	64.1	80.1	96.1	112.2	128.2	144.2	160.2
2022	0.0	0.0	12.2	25.0	37.8	50.0	62.2	75.0	87.8	100.0	112.8	125.0
Steady state in 2034-35 is now £35.2M (28%) higher												
Costs for funding voluntary organisations for "easy access breaks"												
2023	0.0	5.0	10.0	15.0	20.0	25.0	30.0	30.0	30.0	30.0	30.0	30.0
2022	11.0	16.5	22.0	27.5	33.0	38.0	39.1	39.1	39.1	39.1	39.1	39.1
Steady state in 2034-35 now £9.1M (28%) lower												
TOTAL COSTS FOR INCREASED SUPPORT TO CARERS												
2023	0.0	5.0	26.0	47.0	68.1	89.1	110.1	126.1	142.2	158.2	174.2	190.2
2022	11.0	16.5	34.2	52.5	70.8	88.0	101.3	114.1	126.9	139.1	151.9	164.1
Steady state in 2034-35 is now £26.1M higher												

Notes: These are all **additional costs**. However, the **additional £5M shown for "easy access breaks" in 2024-25 is not in the Scottish Budget**: we understand that current short breaks funding for voluntary organisations is planned to stay at £8M.

As can be seen, the steady state 2034-35 costs for LAs/Integration Authorities are £35.2M (28%) higher in real terms than in the 2022 FM (at constant 2023-34 prices). By contrast, the smaller funding stream of grants to voluntary organisations for “easy access breaks” has been *reduced* by £9M (*minus* 23%). Social Work Scotland welcomes an uprating of the unit costs, and some additional costs for “demography” (discussed later), and we also welcome the inclusion of replacement care to enable young carers to have a break from caring, all of which were missing from the original 2022 FM. However, we continue to have concerns about six key issues:

1. There are **anomalies in some of the unit costs**, particularly for short breaks, and also in the use of different inflation and demography estimates to those used elsewhere in the revised FM.
2. The continuing **absence of any costings for additional carer assessments** undertaken by councils in response to increased demand arising from the new carer rights.
3. **Reductions and delays in the funding** of additional “**easy access breaks**” are likely to lead to increased demand on councils, and are not compatible with prevention or increasing demand.
4. The **long phasing for funding of carers rights to a break** does not seem consistent with investment in prevention.
5. The costing relies solely on the Scottish Health Survey for the **prevalence estimate of adult carers** when this is known from other population surveys to under-count adult carers.
6. There are problems with the **estimates for current funding**, which are subtracted from the costing model's gross outputs to produce the net costs in the FM for the right to breaks from caring for unpaid carers.

We briefly summarise each of these in turn; the supporting evidence and argument is in the detailed paper.

1. Unit Costs, Inflation and Demography

The short breaks and home care unit costs **should be reviewed**. The **unit cost for Local Authority arranged breaks** (£374.40) is ultimately based on a £300 figure in the 2015 Carers (Scotland) Bill FM¹ sourced from a 2011-12 report on *Time to Live* short breaks grants. Had the full inflation been applied to the original £300 figure (using the same CPI dataset used elsewhere in the revised FM), then the **£374.40 unit cost would need to be increased to £402**, a 7% increase. It is also the case that services organised by councils often have higher unit costs than those provided by the third sector, so modelling council costs for short breaks on average *Time to Live* grants, might itself understate the LA costs.

Published data from Shared Care Scotland shows the average *Time to Live* short breaks grants was still only £311 in 2022-23. The reason appears to be that increases in Scottish Government funding have not kept pace with rising demand, resulting in a real terms reduction in the value of payment across more carers. In that context, whilst increasing the **easy access breaks unit cost** to £330 in the revised FM is welcomed, it is still well below the £400 required to cover 12 years of inflation.

¹ Footnote 51 on page 46 of FM 2015 said: “An assumed unit cost of £333 would therefore appear reasonable [for the costs of support to assessed eligible carers, based on UK Government estimates for England] and is known to be more than some of; the *Time to Live* grants which carers in Scotland receive directly from organisations which have been funded by the Scottish Government via Shared Care Scotland. [...] The evaluation of *Time to Live* (2012-13) quotes the average grant awarded as £304 but with considerable variation across the country”.

The other unit costs in the costing models look very reasonable, apart from the **home care costs** (used for non-residential replacement care) which have scarcely moved from £21 per hour, raising questions as to how providers could absorb Real Living Wage increases and other inflationary pressures.

In our detailed paper we agree with the use of **CPI inflation estimates** rather than the GDP deflator, but raise **the need for inflation to be revisited prior to inclusion of FM cost estimates in any future Scottish Budgets**. We note that the CPI estimates used in the revised FM have been replaced by newer forecasts by the OBR and SFC in November and December 2023.

There is also an important difference in **how inflation is applied** between NCS and carer sections of the revised FM, which is less favourable to the carers funding. The NCS costings use CPI only for *non-staff* costs (see FM page 10), preferring 5% for direct care staff and 2.8% for other staff (see section 1.3 in our main paper).

The addition of costs for future **demography increases** in the numbers of carers is a novel addition to the right to breaks costings. We note that the calculations imply 1.4% year on year growth; somewhat less than the 3% annual demography added in FM Table 2 to social care and community health expenditures, albeit only on an "illustrative" basis. In any event, we argue in section 5 below that the survey estimates used for the number of adult carers in the costing model require review, and future monitoring.

2. Increased demand for carers assessments has not been costed

It is implausible to think that a new right to a break, contingent on assessed unmet need, will not result in additional demand for assessments. The Carers Act provided a right to an assessment², but with subsequent access to support dependent on meeting local eligibility criteria. So, the new right to a break with the removal of eligibility should provide carers with stronger reasons for requesting an assessment. (Local Authorities, and through them Integration Authorities, are the legal duty bearers).

The NCS FM includes no costings for additional assessments. Instead, as FM paragraph 75 explains, the costing model assumes that the "steady state" proportions of adult and young carers who have a current ASCP (34%) or YCS (64%) will be the same as assumed in the previous Financial Memorandum³ for the Carers (Scotland) Bill (passed in 2016, and implemented by additional funding to councils over the five years from 2018-19 to 2022-23). **By retaining these same percentages, it is implied, the need to fund additional assessments has been avoided.**

But the total numbers of carers to which these percentages apply has *increased* since the 2015 FM for the Carers Act, and those additional assessments are not funded. Moreover, the 2015 FM estimates were at 2013-14 prices and went into the local government finance settlements in each year to 2022-23 at those values with no inflation added! Furthermore, the estimate that 34% of adult carers would need an assessment was based on 2011-12 satisfaction rates from the biennial Health & Care Experience Survey (HACE), and carer satisfaction has declined markedly since then (see graph on page 15 in main paper).

Finally, the Covid pandemic period will have reduced new carer assessments. The monitoring data from the Carers Census is poor (see section 2.2 in the main paper) and we will need to use data from the carer assessment question in the HACE Survey for 2023 (when published in May 2024) to see whether assessment levels have recovered. There should be **an explicit government commitment to review the demand for carers assessments**, and also **develop with partners an improvement plan for the Carers Census**. Without adequate funding for LA assessments, the new right to a break will not be realised.

² In the Carers Act, assessments of carers needs are called *Adult Carer Support Plans*, and *Young Carers Statements* – hence "ASCPs" and "YCSs" in the NCS Bill FM.

³ The revised NCS FM gives the reference to the 2015 FM for the Carers Bill in footnote 11 on page 37: [https://archive2021.parliament.scot/S4_Bills/Carers%20\(Scotland\)%20Bill/b61s4-introd-en.pdf](https://archive2021.parliament.scot/S4_Bills/Carers%20(Scotland)%20Bill/b61s4-introd-en.pdf).

3. Reductions in the cost estimates for “easy access breaks”

Easy Access Breaks are funded by the Scottish Government under existing Ministerial powers in the form of grants to Shared Care Scotland (currently £5.8M) and the Family Fund (£2.2M) to support short breaks payments and schemes largely delivered by local carers centres. These schemes are over-subscribed. Additional funding is included in the NCS Bill FM as a means of providing more short breaks to meet carers' needs. This will of course reduce some of the increased pressures on local authorities, discussed above, following the passage of the right to a break legislation within the NCS Bill, that right being to have met *assessed unmet need* for a break.

The revised FM shows increases of £5M per year starting in 2024-25, a year later than in the 2022 FM, but since this is not in the Scottish Budget there will be a further year's delay at least. Supplementary tables provided to COSLA show that the revised FM is providing additional annual funding of £30M (at 2023-24 prices) from the first “steady state” year (2029-30), when the 2022 FM would have provided £40M at the same prices. **Delaying and reducing the proposed investment in Easy Access Breaks is not consistent with prevention strategies.** At a minimum, these reductions should be restored, and delivery timescales shortened.

The development of local carers centres has been an important feature of the last decade but do not exist in many areas⁴. In its 2022 response to the parliamentary committees' call for views, Social Work Scotland said there is **a strong case for a funded strategic investment programme in carer support infrastructure alongside increasing funding for Easy Access Breaks grant schemes**. That would also reduce pressures on local authorities, freeing them to concentrate on carers with complex or multiple needs for support, and on organising replacement care when needed for the person cared for.

Social Work Scotland supports the call from the National Carers Organisations, in recent meetings with the Minister, for the new right to a break for carers to be underpinned by a **national improvement strategy**, backed by sufficient investment, to guarantee unpaid carers' access to a diverse and readily available selection of short breaks and respite care, as recommended by IRASC. We agree that a **national task force** should be set up now.

4. Overlong phasing for funding carers rights to a break

It is widely recognised across the UK that the health and social care systems are in a state of crisis. Yet whilst adequate support for carers is one of the most important factors in reducing, or deferring, demand and need for formal care services, most carers receive no support and **only 3-4% reporting having breaks from care**⁵. A funded investment strategy for unpaid carer support, which addresses barriers to meeting the needs of carers in their communities, is an urgent priority, sitting alongside the welcome improvements to carers' benefits.

It is important that additional short breaks funding is in place more quickly to support authorities in carrying out the duties the new Right to Breaks would bring. As we explain in our main paper following this summary, the current phasing is based on an inadequate data source, and **should be reviewed**.

5. The FM costing model under-estimates the number of adult carers in Scotland

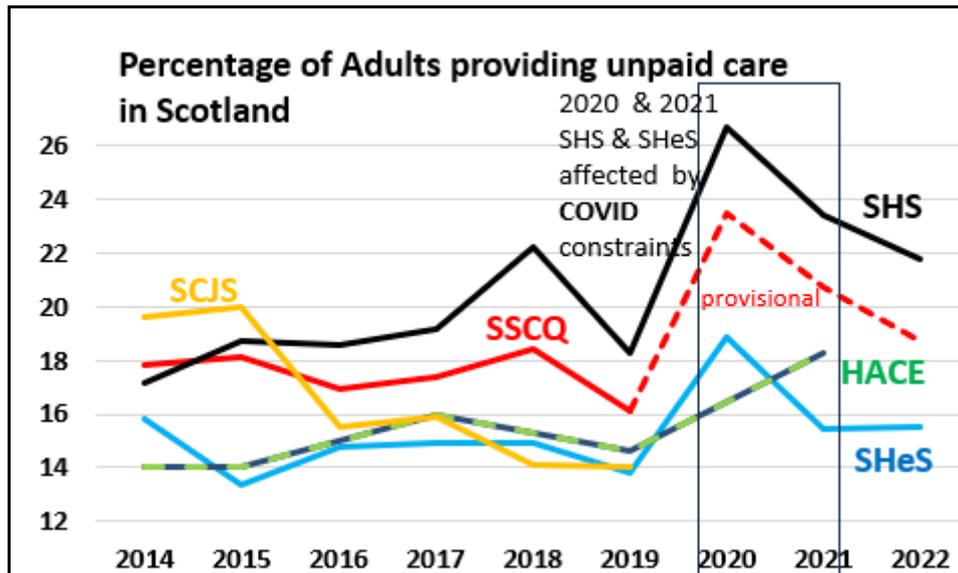
For the prevalence of young carers, the Scottish Health Survey is the only source, but for adult carers there is a choice of three interview-based Scottish Government general population surveys whose results are also available combined in the *Scottish Surveys Core Questions* (SSCQ)

⁴ <https://careinfoscotland.scot/topics/support-for-carers/carer-centres/>

⁵ Scottish Health Survey data: 68% of adult carers reported receiving no support in the 2016-19 combined Scottish Health Surveys; and 66% in the 2018-22 combined surveys. 3% reported received “short breaks/respite” in Scottish Health Survey 2016-19 and 4% for 2018-22 - probably not a “statistically significant” increase.

dataset⁶. SSCQ necessarily has a higher combined sample size than any single survey, with less sampling errors and more stability over time.

As shown in the graph below, the Scottish Health Survey (SHeS) has consistently reported lower numbers of adult carers than the Scottish Household Survey (SHS), the combined SSCQ survey data, or the large, questionnaire-based Health & Care Experience (HACE) survey of adults registered with a GP. The reasons are explored our fuller analysis paper. The 2022 FM also used Scottish Health Survey data for adult carers but for the segmentation of carers into different groups, necessary for the costing model, it used the distribution of hours of care from the 2016-19 combined SSCQ dataset; this was replaced for the revised FM by the distribution in the Scottish Health Survey, which under-counts low-intensity carers (who are the largest group). We believe that **the costing model should be re-run** when the 2018-2022 *Scottish Surveys Core Questions* dataset is available in March 2024.



6. Problems with the estimates of current funding for carers breaks used to produce net FM costings

The Scottish Government's detailed spreadsheet costing model for carers breaks support calculates gross steady state costs, and then subtracts an estimate of current funding. The central estimate takes the gross outputs from the costing model of £333.9M, and deducts an estimate of £143.5M for current funding, leaving a net expenditure requirement of £190.4M for carers rights to a break.

Unfortunately, **the £143.5M estimate for current funding only includes robust figures for two of the three items**: the Carers Act funding to LAs for short breaks (£57.7M) and the Scottish Government Short Breaks grants fund (£8M). The missing element is the legacy funding to LAs for short breaks prior to Carers Act. Instead of seeking to source this from Grant Aided Expenditure statistics, a calculation was based on Scottish Health Survey data for 2016-19 which reports that 3% of adult carers aged 16+ had "short breaks/respite". It was assumed that *all* of the 3% of carers had been supported to have their break by councils rather than by family members (who remain the largest sources of support to carers), or the third sector. The 3% was multiplied by the adult carer population estimate and then by the average annual costs per carer (as calculated in the costing model for breaks support) to produce a figure of £77.8M for legacy *expenditure*, which a further assumption made equal to legacy *funding*.

⁶ Scottish Surveys Core Questions (SSCQ) combines the three Scottish Government interview-based surveys: Scottish Health Survey (SHeS), the Scottish Household Survey (SHS), and the Scottish Crime and Justice Survey (SCJS).

That seems quite a fragile set of assumptions on which to base a deduction of £77.8M from the gross costing model outputs. To be sure, using Grant Aided Expenditure statistics as an alternative source of data on legacy funding is not without some problems since they are *inputs* to the revenue support grant calculations rather than funding *outputs*. However, this alternative source, which gives lower numbers for legacy funding, still has a more robust relationship to funding than the above arithmetic around the 3% figure. **This crucial issue, alongside the others set out in this paper, requires urgent review.**

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12 February 2024

Note: the **full** analysis paper on which this Summary is based is available on the Social Work Scotland website at: <https://socialworkscotland.org/publications/>