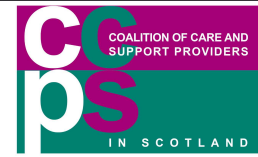


The draft Scottish budget 2011-12: Possible implications for voluntary sector care and support providers



A briefing from Community Care Providers Scotland

The draft Scottish budget was introduced to Parliament on Wednesday 17 November by Cabinet Secretary for Finance and Sustainable Growth, John Swinney; the full document can be accessed online at <http://www.scotland.gov.uk/Resource/Doc/331661/0107923.pdf>. The budget must now be debated by Parliament, so changes are likely to be made before the final Budget Bill is introduced in January 2011. This briefing sets out the key areas of the *draft* budget which might impact on voluntary sector care and support providers.

CCPS will be giving evidence on the budget, and its implications for providers, to the Local Government and Communities Committee on Wednesday 24 November. If you have comments on any of the issues arising from the budget, please forward these to annie.gunner_logan@ccpscotland.org; comments received by close of play on Tuesday 23 November will be used to inform CCPS' evidence to the Committee.

This briefing covers:

- The local government funding settlement
- The proposed change fund for health and care
- The commission on the future delivery of public services
- The health budget
- Funding of Scottish Government departments: third sector
- Funding of Scottish Government departments: care and support
- Other funding and policy commitments
- Efficiency savings
- Pay and conditions
- Equalities

Local government funding settlement

As the majority of providers' funding comes from local government, the settlement to local government is likely to be of particular interest. The Scottish Government and COSLA have proposed a settlement which sees local authorities sustaining cuts of only 2.6% in 2011-12, in return for agreeing to a set of targets and priorities laid down by the Scottish Government. It will be for each local authority to decide whether or not to take up the proposal; those not accepting will face cuts of 6.4%.

The proposals to which local authorities are being asked to sign up relate primarily to SNP election pledges and cover: national outcomes, council tax, police, education and social care. It is encouraging to see social care named as a priority area, but the commitments to which local authorities are to sign up are fairly limited. The specific social care priorities to which local authorities are asked to commit are:

- Working with health boards and other stakeholders to explore services to shift the balance of care, through the change fund for health and care (see below)
- Continued delivery of free personal care (for which payments from government will be up rated in 2011-12)
- A continued commitment to working with government towards implementation of the Carers and Young Carers Strategy at local level, including the maintenance of an extra 10,000 weeks respite provision.

Other parts of the settlement which may be of interest to CCPS members are:

- A commitment to the Early Years Framework
- A commitment to the delivery of Single Outcome Agreements

Should local authorities agree to this package, they will face budget cuts of a much lesser degree than they have been planning for, and it is hoped that this will help to protect public service levels. In response to a parliamentary question from Hugh O'Donnell MSP, the Cabinet Secretary also expressed his hope that this will help to protect voluntary organisations providing frontline services from extreme budget cuts.

Change fund for health and care

£70million has been allocated to a change fund in 2011-12, to enable the redesign of services that support shifting the balance of care towards primary and community care. The fund will be held by NHS boards, but plans are to be agreed through a partnership governance arrangement between NHS Boards, local authorities and the independent sector. Detailed guidance is to be released on this in December, but CCPS understands that the intention is for local plans to be signed off by Community Planning Partnerships; letters have gone out to local voluntary sector interface bodies, alerting them to their possible role in this regard. Providers may therefore be able to become involved in the local plans, either directly or through the local third sector interface.

Although this fund is referred to in the budget document as an initiative in adult social care, it is aimed primarily (wholly?) at helping to keep older people independent in their own homes, reducing unnecessary hospital admissions and speeding discharge after a crisis. The change fund is linked in the budget document to the Reshaping Care for Older People programme, which will continue to address the challenges faced by a rapidly increasing older population at a time of financial constraint while at the same time delivering better outcomes for older people.

Future delivery of public services

The draft budget brings forward plans only for financial year 2011-12; it has been acknowledged, however, that a much longer term approach to public spending needs to be taken. The Scottish Government has therefore established a Commission on the Future Delivery of Public Services, chaired by Campbell Christie, which will be charged with making recommendations about the future provision of public services. Further information on the Commission's membership and remit is due in December, but it is understood that the third sector is to be represented on the Commission. The Commission will be asked to report by June 2011.

It should be noted that this short term approach to the budget has been heavily criticised by the other parties in the Scottish Parliament. They have argued the need for a longer term budget so that organisations, in both the public and voluntary sectors, can make longer term plans and have some sense of how stable or otherwise their organisations are.

Health budget

As widely suggested before the budget, health spending has been protected, with an increase in the real terms budget given over to health from £11,181.9million to £11,359.8million. Much of the debate around this has centred on what is covered by the term 'health'. While the language used in the budget is very much about the various aspects of health and wellbeing, it is worth noting that the vast majority of spending under this heading is directed towards the NHS. There is a section of the narrative accompanying the budget where it might be possible to make a case for care and support as part of a wider health service, but no

specific resources are allocated to this priority: *“We will also continue to support wider preventative services, such as parenting support, education and learning support, employability services, drugs and alcohol services, community policing and services, with a particular focus on vulnerable groups, such as looked after children, offenders and children affected by domestic abuse.”*

It is also interesting to note that one of the ambitions laid out in relation to health is to promote *“mutually beneficial partnerships between patients, their families and those delivering healthcare services, which respect individual needs and values and which demonstrate compassion, continuity, clear communication and shared decision making.”*

Central funding: third sector

Funding to the third sector division of the Scottish Government has been increased from £20.7mil to £24mil. This funding is earmarked for

- Investing strategically in the sector, with the aim of increasing resilience and capacity
- Delivering business supports to the sector, with the aim of increasing resilience and capacity
- Enhancing strategic engagement with the sector at national level and supporting engagement with community planning through third sector interfaces (it is worth noting that the narrative to the budget suggests that a key achievement has been *“...the increased engagement of the third sector in Community Planning Partnerships so that its skills, knowledge and experience provide the maximum input to the delivery of the Single Outcome Agreement in each local authority area for the benefit of local communities, especially the most vulnerable”*, something which is not necessarily borne out by CCPS members’ experiences).

Central funding: care and support

Scottish Government departments dealing with care and support primarily sit within the education and lifelong learning portfolio. The first of this portfolio’s listed priorities for the coming year is to *“... continue to focus resources on supporting improved outcomes for children, young people and users of social care.”* As social care spend is controlled by local authorities, however, this is the only real mention of social care within this part of the budget. Funding for Scottish Government departments dealing with social care issues, for example the sponsorship of the SSSC, has fallen slightly.

Other funding and policy commitments

Other relevant funding commitments made in the budget include:

- A new early years/early intervention fund, with initial start up funding of £5million, to support the third sector to delivery early years provision and early intervention, improving outcomes and building capacity within the third sector
- Protected funding provided to the third sector to improve outcomes for children and young people, including children with disabilities
- Investing £42million in tackling the health and wider social problems associated with alcohol misuse across Scotland
- Commencing delivery of the three week waiting time target for alcohol misuse services
- Investing £31.9million in continuing to tackle drug problems, including £28.9million invested in front-line drug treatment services
- Maintaining existing eligibility criteria for free personal care
- Making Skills Development Scotland responsible for commissioning employability services on behalf of Community Planning partnerships

Efficiency savings

A target of 3% efficiency savings has been set by the Scottish Government; each body will be asked to report on its progress against these efficiency savings annually. In effect, this is a further cut of 3%.

Efficiencies from improvements to scrutiny

Alongside the budget document, the Scottish Government published [Efficiencies from Improvement to Scrutiny](#). This pamphlet sets out how the government's response to the Crerar Review will bring about efficiencies. Members may be interested to note that the creation of the new scrutiny body Social Care and Social Work Improvement Scotland is anticipated to release efficiency savings, with the SCSWIS budget at the end of year three anticipated to be around 21% than the 2010-11 combined baseline of the existing scrutiny bodies it will replace. For 2011-12, both the Care Commission and SCSWIS are given standstill budgets in the draft budget.

Efficiencies from procurement

Another document to accompany the budget is [Efficiencies from Procurement](#), which sets out the savings to be gained from improved procurement. While the document suggests ways in which the procurement process could be tightened up, for example through better training for procurement officers or the development of a standard PQQ, it cautions that “*even in these tough times, we must guard against a fixation on lowest cost above all else – good procurement strikes an appropriate balance between cost, quality and sustainability.*” The document makes clear that social care is an important area of procurement, accounting for around one eighth of all procurement spending by the Scottish public sector, but notes the distinct nature of social care procurement, and the impact that it has on the quality of life, health and wellbeing of people who use services and their carers.

Pay and conditions

The Scottish Government has introduced a pay freeze for those in the Scottish Government and associated public agencies earning £21,000 or more. Those earning less than £21,000 are guaranteed a minimum annual increase of £250, and a living wage of £7.15/hour is to be introduced for government jobs. Local authorities are not included in this arrangement, as local authority pay policies are held to be a matter for local authorities alone.

Equality budget statement

The [Equality Statement](#) to accompany the budget sets out the impact of the budget on equalities groups, including people with disabilities. In relation to people with disabilities, it lists strategic budget and policy decisions which will impact positively, including: commitment to free personal care; legislation on self-directed support and a related national strategy; support from local employability partnerships; and continuation and development of ‘Same as You’. However, it also recognises that many of the services on which disabled people rely are provided at local level, and that decisions about provision at the local level are matters for local authorities. While the Scottish Government expects local authorities to implement an equality impact process, it cannot do anything to influence this.