COMMUNITY CARE PROVIDERS SCOTLAND

21ST CENTURY REVIEW OF SOCIAL WORK: SECOND CALL FOR CONTRIBUTIONS

Response from CCPS

Community Care Providers Scotland (CCPS) is the association for social care service providers in the voluntary sector. Its membership comprises over fifty of Scotland's most substantial providers of services, supporting more than 50,000 people and their families. Services provided cover community care, children and families and housing support.

In late April, CCPS members attended a consultation event hosted by the 21st Century Review team. A comprehensive report of that event was produced.

This brief submission, drafted in response to the subsequent call for contributions on the future delivery of social care services, reinforces the key points emerging from that event. These points were mainly concerned with the first consultation question on planning and delivering services: **this short response therefore concentrates entirely on the first question.**

CCPS has encouraged its members to submit responses on their own behalf.

Planning and delivering services

The voluntary sector's role in developing social care has been crucial. It is the voluntary sector that has largely pioneered the service redesign agenda, developing models (in community care) of supported living, supported accommodation, community based day activities, social firms and crisis services, and (in services for children and families) of family support and preventive services. These are gradually replacing the more traditional, local authority-run services such as residential care, adult training centres, sheltered workshops, day centres and resource centres.

Voluntary organisations operate these services within the 'mixed economy' using contract-based purchasing arrangements with local authorities. This market-based system is well established in community care and is increasingly used as a model for funding children and families services.

However, this funding system is perceived as highly unsatisfactory by voluntary sector providers, as it tends to inhibit development and in some cases jeopardises quality.

Briefly, the key issues are these:

- The way in which the mixed economy is set up to operate means that local authorities act as providers and as purchasers, controlling the resources for both. However local authority direct service budgets are set automatically at 'full cost recovery' levels, whilst budgets for services purchased from the voluntary sector are not. There is therefore a significant likelihood that traditional service models receive a disproportionate amount of available resources compared with more innovative voluntary sector support systems.
- As employer members of the SJC, local authorities must meet their obligations to provide nationally agreed pay and conditions packages to staff; however they are under no such obligation in relation to purchased services. Voluntary sector providers consequently struggle to offer equivalent packages (especially pension

entitlements) to support workers, leaving them at a structural disadvantage in the labour market. Again, this places more innovative services at risk.

- Voluntary sector service providers rarely have purchasers other than local authorities, and can therefore be in a weak position in the 'market'. This can sometimes result in behaviour on the part of local authorities that providers interpret as unreasonable – for example, contract conditions can be imposed or altered unilaterally, and voluntary organisations can be expected to shoulder a disproportionate amount of financial risk.
- Local authorities' approach to doing business can sometimes involve 'micro-management' of costs and inputs, rather than agreement on prices and outcomes. In addition, there is often an expectation that voluntary sector providers will either use their reserves, or deploy charitable income, to compensate for standstill or below-inflation budgets; the alternative, which is to reduce the volume or quality of service, is often either not considered or explicitly ruled out by purchasers.
- There is an expectation that new cost burdens resulting from national policy and legislation (eg. Care Commission fees, SSSC-related training costs, NI increases, etc) will be met from the provider's management charge, on which many authorities place a cap; or, again, from the voluntary organisation's own resources. This is the result of a seriously problematic issue in the current system: policy, targets and standards are set nationally, whilst funding is disbursed locally. Local authorities retain the right, as democratic bodies, to make their own decisions about funding and providers are increasingly caught up in the very significant gap between national policy and local implementation.
- Providers are encouraged to compete largely on cost, rather than on quality; this has the effect of driving down staff pay and conditions and may over time affect service quality.
- Providers are generally excluded from strategic planning, as local authorities are concerned that providers' interest in such exercises is purely commercial. Structures are rarely put in place to manage this; providers are simply shut out of the process.

Providers are concerned about these matters for the following reasons:

- The considerable expertise and experience of the voluntary sector, both as specialist organisations and as innovative providers, is absent in most strategic planning activity.
- Providers struggle, under current funding arrangements, to respond to the practical demands of the "Aiming for Excellence" agenda and associated targets for staff qualification and service standards – targets which they themselves have largely supported and in some cases have helped to set.
- Development of new services is severely inhibited in a funding environment where costs are micro-managed and surpluses, where they exist, are clawed back. There is little market incentive to improve quality or redesign service models.
- People who use publicly-funded services provided by voluntary organisations either have their support subsidised by that organisation's non-statutory resources, or, where no such resources are available, are supported by a service which is significantly under-funded by comparison with similar services provided by local authorities directly. Neither of these alternatives should be acceptable in a publicly-funded system based on equity.
- There are no mechanisms in the system to estimate future costs of social care provision in the voluntary sector. Local authorities, in consequence, are unable to properly predict such costs, most of which are incurred under contract between the local authority and voluntary sector providers. This in turn means that the overall

spending requirements of local authorities, which they discuss with the Executive, are not fully informed of the voluntary sector costs.

- The current system of planning and funding does not allow for strategic discussion over longer term improvements to the terms and conditions of the voluntary sector social care workforce. In the light of the national strategies and improvement agendas for social care, covering a wide range of client groups and services, such strategic discussions must also be on a national basis and must have the status of major reviews for other important groups of workers such as health service staff and teachers.

The renewed central government drive for efficiency savings, together with cuts to specific budgets (such as Supporting People), may mean that the situation is likely to get worse rather than better, unless corrective action is taken.

Such action would involve ensuring that resources for services are distributed equitably between sectors – public, voluntary and private – with no structural advantage or disadvantage built in for any one sector.

It would also involve the design of a funding system that prioritises quality, not cost. The current market is still driven almost entirely by cost considerations and there appears to be no market incentive to improve quality.

CCPS
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