



FUNDING TO IMPROVE QUALITY CARE

EXPLANATORY NOTE

WHAT IS THIS FUNDING FOR?

This funding is allocated to local authorities to enable them to work with contracted providers to introduce or enhance Fair Work practices in respect of their staff including, as appropriate, improvements to pay and conditions and further training to improve the quality of services.

WHAT PERIOD DOES IT COVER?

The £2.5M funding for 2015/16 covers the period from October 2015 to end March 2016, and can therefore be used to backdate relevant initiatives, including pay enhancements. Funding will be baselined at £5M per (full) year from April 2016.

WHY IS THIS A TRI-PARTITE AGREEMENT?

This initiative has been agreed by national partners on the basis that the cost of introducing or enhancing Fair Work practices will be shared between the Scottish Government (50%); the local authority (25%); and providers themselves (25%). Authorities will therefore want to ensure that their contribution is matched by those providers to whom it allocates resource.

HOW SHOULD THE FUNDING BE ALLOCATED?

It is expected that in seeking to enhance local fair work priorities and the allocating of resources among providers, authorities and providers will act in accordance with the following principles:

- Speed and simplicity should be a key consideration of any local allocation method.
- The focus of allocation methods should be the achievement of the greatest overall impact on quality of care, with particular reference to Fair Work: this is likely to vary according to particular local circumstances and conditions.
- Those providers which have worked hard to introduce Fair Work practices (including payment of the Living Wage) despite the constrained funding climate

for social care services should not be disadvantaged in accessing this resource. The principle of additionality, however, should still apply: this resource should be used to increase or enhance Fair Work practices, not to offset costs already met.

- Local priorities and the local allocation method should be discussed with providers as a partner in the funding agreement via the local provider forum or, if there is no local forum in existence, the national provider organisations CCPS and Scottish Care will be able to assist by bringing providers together in particular local areas.
- Local authorities are assured that priorities and allocation methods are state aid compliant (noting that state aid rules apply only to government funding, and not to the contribution made by providers themselves).
- The resource provided by Scottish Government should not be used to offset any legal requirement, for example, payment of the National Minimum Wage or the National Living Wage, when it comes into effect from April 2016. Instead these resources should be used to improve pay and working conditions above legal minimums.

DO PROVIDERS HAVE TO MEET ANY SPECIFIC STANDARDS IN RESPECT OF THIS RESOURCE?

The National Care Home Contract (NCHC) agreed earlier this year enabled care providers to achieve a pay rate of at least £7 per hour for care staff in care homes for older people. Use of this resource is more flexible, but must recognise the general parameters of the statutory guidance on Addressing Fair Work Practices in Procurement, issued by Scottish Ministers in October 2016. This is in recognition of the fact that there will be different Fair Work pressures in different providers and local authority area.

HOW WILL USE OF THE RESOURCE BE CONFIRMED AND MONITORED?

Authorities will share with COSLA (or the Scottish Government as appropriate) information about how they have allocated the resource and what outcomes they anticipate from its use. Similarly, providers will need to set out in writing the specific Fair Work practices for which they will use the resource; authorities will be entitled to verify this through periodic monitoring, including direct verification with employees of the provider as appropriate.

More generally, the partners will be looking for feedback both from local authorities and on providers about the initial allocation for 2015/16, in order to inform the ongoing initiative for next year and beyond.

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