

Directorate of Health and Social Care Integration

Integration and Reshaping Care

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To : Chief Executives, NHS Boards

## **FUNDING TO IMPROVE QUALITY OF CARE**

The Scottish Government, local government and care providers place great importance on the need to encourage fair work practices which contribute to improving the quality of care. As a result the Scottish Government has agreed to allocate funding of £2.5m in 2015-16 which will be baselined at £5m per year in subsequent years, to improve the quality of care by supporting Fair Work practices in the care at home and housing support sector.

This funding is additional to the £100m per year of SG resources allocated to NHS Boards through the Integrated Care Fund in 2015-2018.

This is part of an agreement in which Scottish Government funding is provided on the basis that local authorities contribute £2.5m collectively per year with a similar contribution from providers. This will create a £10m per year resource to support our shared agenda of improving the quality of care by enabling fair work practices for care workers in care at home services. In 2015-16, the tripartite funding will cover £2.5m from Scottish Government, with £1.25m from local authorities and £1.25m from providers due to this agreement being made part way through the year. This resource complements investment made available earlier in the year to assist local authorities and care providers to improve the quality of care in care homes for older people. Funding for social care is being considered as part of the Spending Review.

Funding should be used primarily for the purposes of addressing fair work practices, including improving staff pay, terms and conditions which will assist in improving the quality of social care. This can support a range of fair work practices, including making progress towards paying the Living Wage, to enable contracted care providers to attract and retain high calibre staff. The Scottish Government considers the Living Wage to be a significant indicator of an employer's commitment to Fair Work practices. The resource provided by Scottish Government cannot 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. We encourage local authorities to work flexibly with care providers to seek to ensure more progressive employers are not disadvantaged in accessing this resource.

As with any public funding, local authorities should seek their own advice on State Aid and procurement related issues. Local authorities are encouraged to mainstream this funding as soon as possible and to have regard to statutory guidance on Addressing Fair Work

Practices, including the Living Wage, in Procurement which was issued on 6<sup>th</sup> October and which applies to new procurement processes, which commence on or after 1 November 2015.

This funding is provided on the basis that, for the purposes of gaining knowledge of progress made at a national level, local authorities will share information with COSLA on the improvement made which will allow for a joint understanding between Scottish Ministers and Council Leaders.

Funding was also agreed on the basis of the established practice that distribution to individual local authorities would be determined by COSLA Leaders. It has been decided that funding will be allocated according to the Grant Aided Expenditure (GAE) line for Services for the Home Based Elderly. This has resulted in allocations to individual local authorities in 2015-16 as set out in the attached table.

This funding supports the shared aims of local authorities and NHS Boards under integration of improving the quality and consistency of care that enables people to stay in their homes, or another homely setting, where it is safe for them to do so.

To ensure consistency with funding already provided this year, this resource will be initially routed through NHS Boards, with the funding provided in the November allocation letter. NHS Boards will be required to transfer the full value of the investment to local authorities, to ensure that the funding meets its intended purpose of enabling fair work practice in contracted care services. Given that this resource is being made available part way through the financial year, it is requested that NHS Boards distribute these funds as soon as possible once they are available.

Please contact David Fotheringham on 0131 244 1778 if you have any queries.

Yours faithfully

Ian Mitchell  
Deputy Director

Copy to: NHS Boards, Directors of Finance  
Local Authority, Chief Executives  
Local Authority, Directors of Finance  
Chief Executive, Scottish Care  
Chief Executive, Coalition of Care and Support Providers in Scotland

<b>Distribution of funding to improve quality of care (care at home) 2015-16</b>			
<b>NHS Board Area</b>	<b>Local Authority</b>	<b>Share (£s)</b>	<b>Total (£s)</b>
Ayrshire & Arran	East Ayrshire	62,133	
	North Ayrshire	73,035	
	South Ayrshire	66,217	
			<b>201,385</b>
Borders	Scottish Borders	58,610	<b>58,610</b>
Dumfries & Galloway	Dumfries & Galloway	84,958	<b>84,958</b>
Fife	Fife	169,311	<b>169,311</b>
Forth Valley	Stirling	37,919	
	Clackmannanshire	21,831	
	Falkirk	70,340	
			<b>130,090</b>
Grampian	Aberdeen City	87,007	
	Aberdeenshire	95,024	
	Moray	42,250	
			<b>224,281</b>
Greater Glasgow & Clyde	Glasgow City	318,095	
	East Dunbartonshire	46,805	
	East Renfrewshire	40,359	
	Inverclyde	46,634	
	Renfrewshire	84,423	
	West Dunbartonshire	48,404	
			<b>584,722</b>
Highland	Highland	106,025	
	Argyll & Bute	49,403	
			<b>155,428</b>
Lanarkshire	North Lanarkshire	152,054	
	South Lanarkshire	152,902	
			<b>304,956</b>
Lothian	City of Edinburgh	193,270	
	East Lothian	46,379	
	Midlothian	34,442	
	West Lothian	61,926	
			<b>336,017</b>
Orkney	Orkney	10,250	<b>10,250</b>
Shetland	Shetland	9,100	<b>9,100</b>
Tayside	Dundee City	80,528	
	Angus	59,054	
	Perth & Kinross	73,364	
			<b>212,946</b>
Western Isles (Eileanan Siar)	Western Isles (Na h-Eileanan Siar)	17,946	<b>17,946</b>
		<b>£2,500,000</b>	<b>£2,500,000</b>