

Business Resilience Survey 2016

Summary of results

Introduction

The CCPS business resilience survey is an annual survey providing an overview of how third sector social care and support providers are doing based on a series of measures relating to general levels of optimism, finance, procurement and contracting and workforce issues. The survey has been running since 2009 (2012 for HSEU), which enables us to identify trends in organisational wellbeing and the impact of the economic, social and public policy environment in which our members operate.

Method

The survey is accessed online using a Likert scale format and open text boxes for comments for each question. There are 6 parts to the survey covering the following areas:

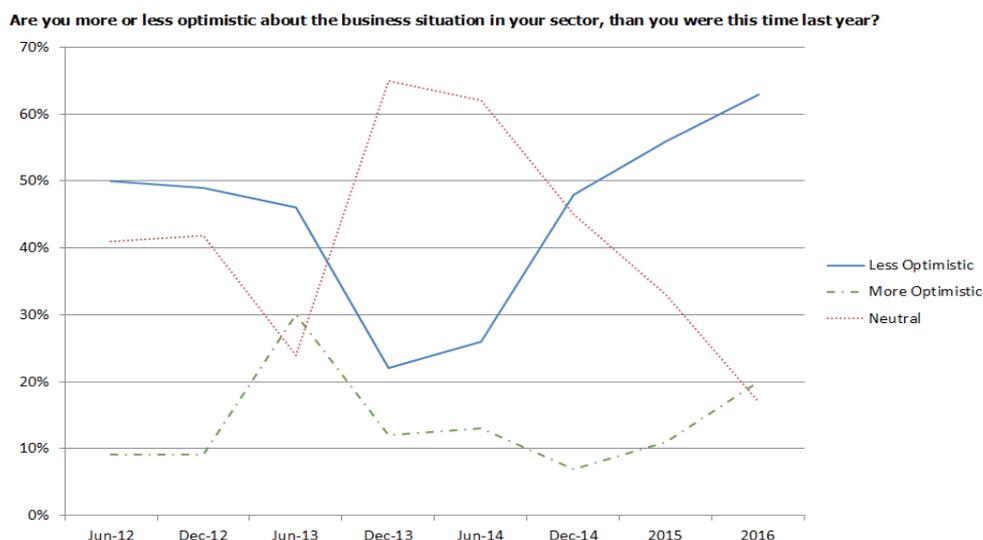
- Optimism about the general business situation
- Financial trends, including income, surpluses, deficits, reserves, funding and sustainability
- Procurement trends including engagement and withdrawal from procurement exercises
- Workforce trends, including employee numbers, pay and conditions and recruitment
- Partnership and collaboration, including involvement with integration and other service planning
- Housing support and early intervention provision

The survey is sent to all CCPS members, as well as to the Criminal Justice Voluntary Sector Forum and Housing Support Enabling Unit stakeholders. This year, 47 organisations completed all or part of the survey, of which 9 are not CCPS members but provide housing support services. This represents nearly 50% of the CCPS membership, is consistent with previous years, and includes a spectrum from the largest to some of the smallest care and support providers.

The organisations represented in the survey manage a combined total annual income of more than £700 million, employ more than 25,000 people and support more than 120,000 people. In addition, initial results of the survey were discussed with both HSEU and CCPS members in various forums as part of the analysis of results. This further input has been included in the report below.

Part 1 - Levels of optimism

This year nearly 65% of respondents said they were less optimistic than they were last year. The graph shows a clear trend of increasing numbers of organisations feeling less optimistic over the past 4 years.



Almost half of respondents mentioned low and decreasing funding levels as being a reason that they were less optimistic. The second most cited reasons for decreasing optimism were challenges in recruitment, unfunded pay increases, or other workforce issues such as inadequate funding for sleepovers and the knock on effect on staffing.

'Funding funding funding. I am concerned that IJB's are not working consistently to address the very real funding crisis in social care. Procurement and PSP's seem to be the approach taken to tackle the need to save money. I see little evidence of more strategic planning based on reviewing service data, needs (met/unmet) and real partnership involvement of third sector providers'

'We are generally less optimistic as the challenges relating to workforce planning, development and terms/conditions continue to stack up in the context of tightening contracts that give no discretion to the changes'

Many people also pointed to the current political and economic uncertainty as a reason for being less optimistic. The Brexit vote happened about halfway through our survey but even then, featured in many comments.

'For the first time I don't know how to answer this question given the amount of uncertainty about almost everything'

Of the 9 respondents who said that they were more optimistic, all cited either a specific policy shift or an increased focus on positive collaborative practices.

Part 2 - Financial Trends

The finance section of the survey asks about income trends, surplus and deficit levels, inflationary uplifts and local authority budget cuts. This year's survey included a specific question about sustainability of services, to help identify the impact of financial trends.

In response to the question about the trend with regard to income, 56% report an increase in income over this time last year. Nearly 25% report a decrease. 60% of those who said that their income was going up said that it was by a very small amount (up by 1-5%). The small number reporting a more significant increase explained this was due to winning relatively large new contracts, but these came with new risks, including increased staffing, TUPE and other operating costs.

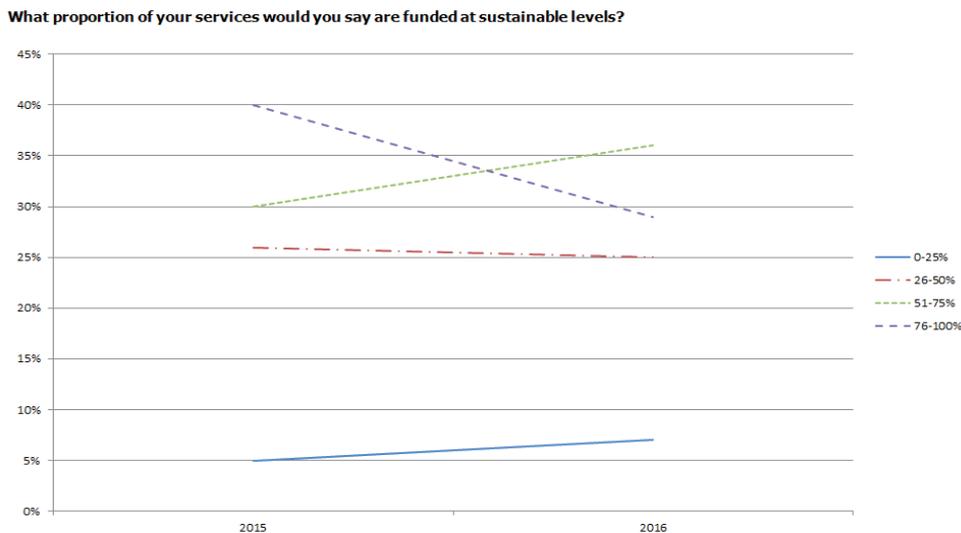
The number of organisations saying that their income has increased has consistently been higher than the number saying that their income has fallen. However, the comments flag up the fact that this is not always “good growth”. The general trend in marginal increases in income may indicate an increase in activity but most respondents continue to express concern that it is not sustainable activity in the long term.

Several of those organisations that did experience significant growth also reported increased concern about financial pressures resulting from growth.

“whilst this [successful contract bid] represents a net increase in turnover it has also increased internal pressures due to the combined contract resulting in an effective reduction in resource, along with TUPE liabilities being incurred at transfer.”

Sustainability

In light of the trend of increased financial pressure on service providers over a number of years, we have started to ask respondents to report on the proportion of their services that are funded at sustainable levels.



More than one third said that fewer than 50% of their services are funded at sustainable levels. Comments revealed that pressures affecting the sustainability of their services include the Scottish Living Wage, sleepovers, short term funding arrangements, specific local authority funding cuts and an historic lack of annual cost of living increases to cover rising costs.

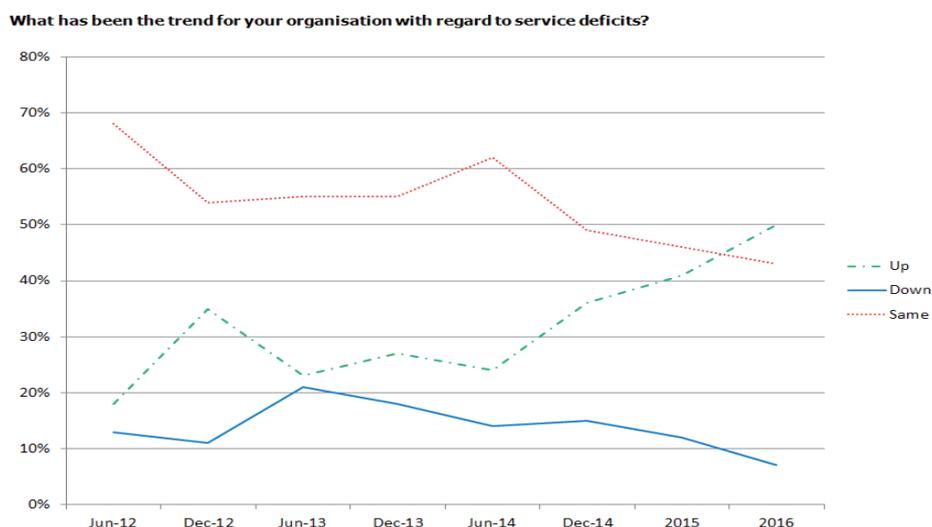
‘The proportion funded at a sustainable level is reducing and getting much closer to 50%. The main factors are pressures on funding allied to increasing employee related cost pressures. The organisation is less financially stable. It is anticipated that this trend will continue.’

‘A number of our service contracts pre-date the increased cost of delivery brought about

by new rulings on sleepovers, living wage, auto-enrolment, etc. This makes services far less sustainable.'

Service deficits

We also ask about services running at a deficit, a further indicator of the sustainability of services.



Over the past three years, the trend for services being run at a deficit is increasing – now with 50% of respondents saying that the number of services run at a deficit has increased and only 7% saying that it has decreased. This trend is consistent with the concerns voiced about longer term sustainability.

Several respondents commented that they are subsidising deficit services with reserves or through fundraising. Organisations said they faced increased and sometimes unexpected costs such as the Scottish Living Wage and increased pay rates for sleepovers. A number of respondents report handing back services because they were unsustainable.

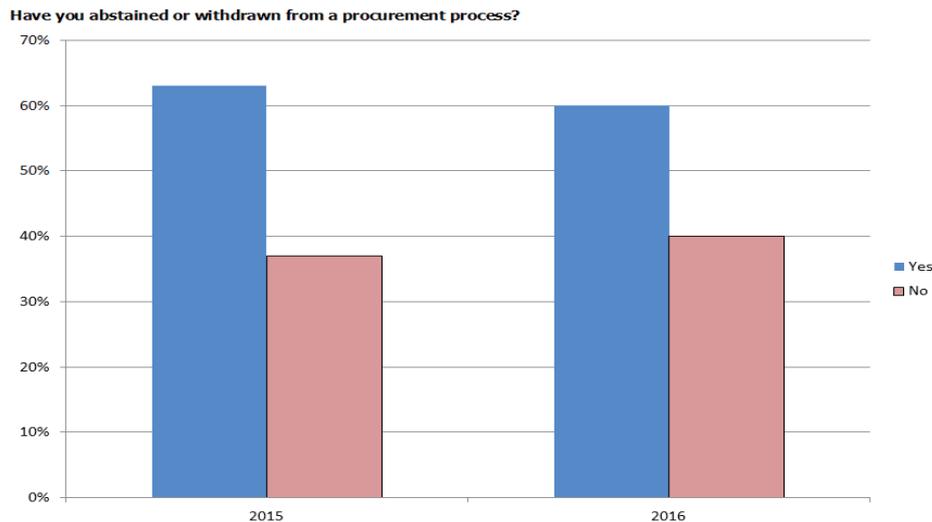
"we handed back 1.2M worth of service provision. We are considering more and considering redundancies."

"Following active management to reduce deficits and renegotiate funding with the local authority we have improved some service performance. However risk still remains significant due to introduction of the Scottish Living Wage for care and this is not factored into recent service changes. If funding is not sustainable, the service will be handed back."

We also asked respondents to tell us what percentage of their services received an inflationary uplift. Unsurprisingly, 82% said that less than a quarter of their services had received an uplift in the last year. For those that did receive an uplift, it tended to be directly related to the Scottish Living Wage or from grant funded projects rather than from statutory funding. For most of those receiving any uplift, it was the first in many years.

Part 3 – Procurement Trends

The procurement questions have been included in the survey for the past two years, so the graph is rudimentary; however, it remains telling. Fully 60% of respondents answered yes to the question 'have you abstained from or withdrawn from a procurement process in the past year?' This has not changed from last year.



In addition, nearly 20% of respondents told us they have withdrawn from current contracts because they were no longer financially viable. Another 10% of respondents said that while they had not withdrawn from a current contract, they were considering this option. Comments illustrate a level of frustration with 'ridiculously low hourly rates' and 'some tenders are just completely unrealistically priced', and more generally a lack of sufficient resource to maintain the sustainability of services.

Respondents also note that in some cases, local authorities appear to be looking for third sector organisations to subsidise statutory service delivery. Other reasons for withdrawing or not participating in a tender include:

- the difficulty in bidding for a tender where service specifications bundle together clients with very differing levels of need and thus requiring different skills and expertise of support;
- the perception that too much business risk is being placed on providers;
- and the lack of provision for living wage or travel time.

Several respondents specifically referred to the impact of TUPE, and will avoid contracts that involve TUPE because insufficient information is provided to enable accurate assessment of liability, or where it is clear that it is financially unviable to take on the terms and conditions of transferred staff.

We asked respondents to tell us about the impact of handing back services. Consistent with last year's survey, responses highlight the impact on staff, with low morale and increased staff turn-over, as well as the uncertainty and lack of continuity for families and people using services.

Part 4 – Employment Trends

Numbers employed

44% of respondents said that the numbers employed by their organisation had increased. About half of these (22%) were small increases (1-5%) and comments indicate that the increase has been mostly part-time, agency or sessional staff, or fixed term contracts tied to specific funding.

Recruitment and Retention

We ask organisations whether they have any difficulty recruiting suitable staff. As with last year, a significant majority (74%) said that they experienced a lot or some difficulty with recruitment.

In discussion with members, the issue of retention of staff is of equal if not greater concern due to the impact of turn-over both on the organisation and on people using services. Respondents note that even where they are successful at recruiting staff, retaining them can be extremely challenging, due to differences in expectation about the nature of their roles, challenging working conditions and schedules and, of course, low pay and the lure of other sectors where demands are different and pay is higher. These findings are consistent with the Scottish Government's recently published research: Recruitment and retention in the social service workforce in Scotland and with the HR Benchmarking Survey.

In response to the increasing difficulties with recruitment and retention, this year we introduced a new question to establish some basic data on staff turn-over. We asked respondents to identify the percentage of employees new in post in the past year. The average for the wider social care sector is 22 %. The average turnover rate identified by the voluntary sector social care benchmark survey for 2016 is 18.7%. Our survey appears to confirm these figures, with nearly 50% reporting new staff at between 6-15%. However, we also had nearly 25% reporting that more than 15% of their staff are new in the past year. A growing number of respondents are noting the impact of turnover on the people they work with.

'Turnover is a significant challenge for us on a number of levels – not least in the direct impact on our service users who value the relationship with staff most highly.'

'Of fundamental importance is the fact that it is costly in human terms, where continuity of staff relationships with supported people is concerned'

'This has a marked effect on consistency of support and long term objectives on quality and sustainability – we spend inordinate time in a perpetual recruitment cycle.'

Several comments also reflect concern about the drain on organisational resources that staff turn over brings.

'It has a dramatic effect on management time required for recruitment, induction and compulsory training programmes and we have had to increase our HR resource to deliver against service needs.'

'There are numerous care posts around and staff have their pick of organisations. People continue to leave care due to shift work, challenge and low pay'

'Complexity of care is rising. More and more people are coming with significant challenges – support hours are under scrutiny and also Local authorities want face to face hours only, which increases pressure on staff and managers. The workforce is becoming more isolated'

Pay and conditions

We ask respondents to report on changes in pay and conditions for their workforce in the last year. Just over half of respondents indicated that pay had increased in the last year. However, for the vast majority of this group, the pay increases were very small.

The drivers behind the pay increase appear to be the Living Wage, and very small, below inflation pay increases (as little as 1%) awarded across all staff. Respondents note that many of these pay increases have come after 7 or 8 years of stagnant wages.

There remains a lot of uncertainty about funding for the Scottish Living Wage, but overall comments across the board indicate that organisations are concerned with ensuring that they offer fair pay, and good terms and conditions and improve these whenever possible.

Part 5 – Partnership and collaboration

Involvement in partnerships with other providers and the statutory sector

This section of the survey aims to gather information on levels of partnership working and collaboration among CCPS members, with the wider third sector, and with the statutory sector. We are particularly keen to identify trends in relation to engagement with the health and social care integration partnerships, and other services planning fora.

The two most common ways that respondents are collaborating is in Public Social Partnerships (PSPs) (46%) and in connection with shared training and workforce development (46%). The general view about PSPs in their different forms, appears to be one of disappointment and frustration at the considerable (unfunded) resources required and the failure of the process to deliver sustainability.

However, there are a number of respondents who express strong support for the partnership work they have established with fellow care and support providers and statutory partners.

'Our partnership working arrangements have been hugely positive in delivering improved access and responses for service users, however they have also taken significant management and planning time that has not been separately resourced.'

'Positive collaborative partnership working becoming the norm.'

Involvement in integration of health and social care and engagement with Third Sector Interfaces (TSIs)

We ask members if they have any involvement with the planning processes of the integration partnerships. 70% of respondents report some level of involvement. A small number are involved widely across the areas in which they work (5 respondents); while over 30% are involved in most or some areas. Notably an equal proportion (30%) report that they are not involved in any areas. The level of involvement ranges from formal representation on the integration joint board (IJBs) (two respondents are the third sector representative), to very little or no engagement with IJBs. Several respondents note that they continue to take a pragmatic approach and focus on relationships that will have a positive impact on their organisation, regardless of whether they sit in or out of the new integration structures.

There appears to have been little change since we surveyed members last year. CCPS works with the Health and Social Care Alliance Third Sector Health and Social Care Support Team to support better engagement with providers and to address the barriers identified. The Alliance team has recently published its latest scoping report, which surveyed the wider third sector to gather views on how integration has progressed. The findings of this report are consistent with the views expressed in our survey. In addition, we will be liaising with Audit Scotland in the preparation for their next review of integration, scheduled to begin in summer 2017.

In terms of involvement with TSIs, in general levels remain low, and where there is reported involvement the impact remains unclear. There are some exceptions, where members have a history of strong and positive involvement with the TSI in their area. There are also concerns among some respondents about the lack of clarity about the TSI's role, particularly in cases where the TSI appears to be developing direct service provision which leads to competition with other providers.

Involvement with children's services and criminal justice services planning

In light of recent legislation designed to increase third sector participation in both children's

and criminal justice services planning, we have for the past two years asked respondents to report on the extent to which they are getting involved in these areas and whether they note any improvement. Broadly speaking, the responses follow a similar pattern this year to last. In relation to children's services, a small number of respondents report involvement across all areas in which they are providing services, which may reflect historic connections. About 25% report no involvement and the balance of about 60% report some engagement. Part 3 of the Children and Young People (Scotland) Act 2014 requires local authorities and health boards to prepare a new children's services plan for April 2017. Guidance is being finalised by the Scottish Government and there is a requirement to consult with both providers and organisations representing children, young people and families in the development of the plans. We will be interested to learn how this evolves over the coming months and to what extent members see any improvement or change in their ability to contribute and influence the planning process.

In relation to criminal justice services, respondents report a similar level of engagement. The Criminal Justice Voluntary Sector Forum is working with members and local areas on a Strengthening Engagement Transition Project, which looks at third sector involvement in the redesign of community justice.

Housing Support trends

About 85% of respondents deliver housing related support. The general trend for housing related support provision has remained fairly stable. Consistently more than half of respondents say that it's remained about the same and roughly the same percentage of respondents have said that it has gone up or down. In the main, this would indicate that while work might move around, the total amount of housing related support is staying fairly stable.

However, it's hard to tell from these figures what the nature of support is, how that support is funded and whether this is changing. Some comments would indicate that services aren't receiving uplifts or that the nature of support has shifted. Interestingly, it seems to be shifting in different ways – some comments said that the shift had been toward people in greater need, with more complex support needed and some comments indicated that welfare reform had been the driver for the shift – toward more budgeting support, welfare rights referrals and other things that we think of as more low level support.



About CCPS

Coalition of Care and Support Providers in Scotland is the national association of voluntary organisations providing care and support services across Scotland.

About HSEU

The Housing Support Enabling Unit helps providers to demonstrate the impact of housing support and to raise awareness about the role housing support plays in helping people to secure and maintain appropriate housing. The HSEU works with and assists providers of housing support across the independent and third sectors.

The Housing Support Enabling Unit is a partnership initiative between Coalition of Care and Support Providers in Scotland (CCPS) and the Scottish Federation of Housing Associations (SFHA), funded by the Scottish Government.

About CJVSF

The Criminal Justice Voluntary Sector Forum (CJVSF) is a collaboration of voluntary sector organisations working in criminal justice in Scotland. A list of our current members can be found here. We warmly welcome new members. If you are a voluntary sector service provider working within criminal justice in Scotland and would be interested in joining the CJVSF, please get in touch.

CJVSF is hosted by CCPS and funded by The Robertson trust and The Monument Trust.

CCPS is a company limited by guarantee registered in Scotland No. 279913, registered with the Office of the Scottish Charity Regulator as Charity No.SCO29199. The company's registered office is at Norton Park, 57 Albion Road, Edinburgh. EH7 5QY.