

# CCPS Briefing for the Health, Social Care and Sport Committee: Winter Pressures in Social Care

## Background

Ahead of the Health, Social Care and Sport Committee discussion on winter pressures, the Coalition of Care and Support Providers (CCPS) in Scotland is providing the committee with information on the current pressures facing the not-for-profit social care and support sector. CCPS has a membership of over 90 third sector providers working with over a quarter of a million people each year.

In early September, CCPS conducted a snapshot survey of its members to gather data in response to widespread concern about sustainability, immediate cost pressures, and increasing demand, described by one member as “a *perfect storm that will test our resilience to the max.*” Data from that survey, along with information from our wider sector work, is included in this paper.

Survey responses were received from just under 30% of CCPS member organisations (n=27). Responding organisations included both national organisations working across a range of different local authority areas and smaller organisations working in just one or two. 96% of responding organisations provide adult social care services, and 26% provide services to children and families.

## Immediate pressures on third sector providers

### Summary

Reflecting on the current situation as a whole, and their ability to keep services running for people who need them, CCPS members were asked to rank their greatest concerns. In response to this question, one member wrote:

*“It’s hard to rate these as most of them are a “1”. They are all important as they all connect together to create the perfect storm of non-sustainability/service shrinkage and staff/supported people and families will suffer as a result”.*

The chart shows the responding organisations’ collective priorities.

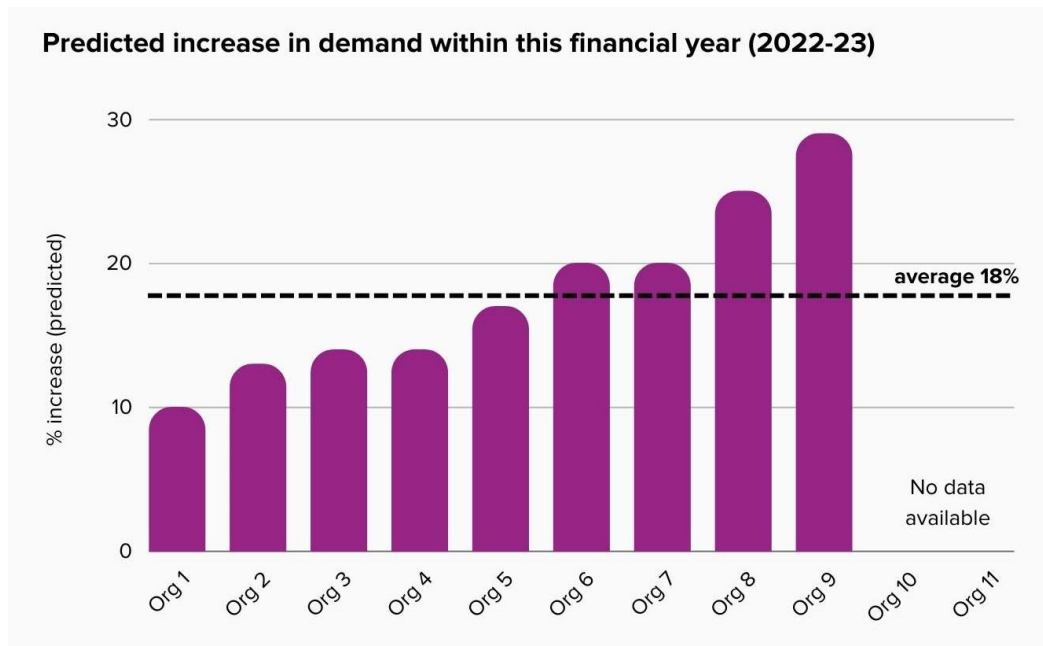


Ranked responses: What are your top concerns for your organisation this winter?

## Increasing demand

Forty one percent of responding organisations were preparing for an increase in demand for their services due to the impact of the cost-of-living crisis on individuals and families.

Among those who were anticipating increased demand, estimates of the increase ranged from 10% to 29% as shown, with an average of 18%. One provider commented, “*There will be pressure applied on our services, staff and volunteers due to an anticipated increase in demand.*” Another wrote, “*Even though there is so much unmet need, we will not be able to help.*”



Size of predicted increase in demand among the 41% (n=11) of organisations who were preparing for an increase.

## Recruitment and Retention

In 2021, data from CCPS members showed that staffing pressures in the sector had reached crisis levels. They have remained unsustainably high ever since. In our most recent survey (September 2022), respondents ranked recruitment and retention as their greatest concern, describing it as “critical” and “a major risk going forward”.

The announcement of an immediate increase to the Real Living Wage on 22<sup>nd</sup> September, although important to address poverty widely, leaves many social care staff once again earning less than the Living Wage Foundation calculates is necessary to meet every day needs.<sup>1</sup> These are staff working in positions of responsibility with older people, disabled people, children, families and others who need support, on pay that does not reflect the skill requirements of their roles.

<sup>1</sup> Local government social care contracts for third sector providers of adult social are currently based on the lowest paid frontline staff being paid 10.50ph – 40p per hour less than the Real Living Wage following its increase to £10.90 on 22<sup>nd</sup> September. Maintaining the previous differential between the Real Living Wage and basic pay for a frontline social care worker would mean increasing their hourly rate to £11.55, with proportionate increases for all social care staff to maintain differentials.

In a response to CCPS data collection in October 2021, 75% of respondents selected pay as the main cause of staffing issues, which have persisted despite organisations investing heavily in recruitment and retention initiatives. We see this reflected again in the most recent survey, in which one respondent wrote, “*Without Fair Work, our recruitment will not have any chance of improvement.*”

CCPS data collection from June 2021 to March 2022 suggests that many organisations have been operating with a vacancy rate of 10-14%. Teams are operating short staffed for long periods of time, leading to exhaustion and burnout that then impacts staff turnover, exacerbating recruitment issues. As the cost-of-living crisis deepens, survey respondents were concerned about the toll of this on staff struggling to “heat, eat, and get to work”, and see in-work poverty as an increasing issue for the sector.

Staffing difficulties also connect to wider pressures, leaving organisations with difficult choices, such as using agency workers to deliver vital services despite the impact on financial sustainability, or reducing service delivery to the people they support.

## **Energy costs**

We asked our members about their concerns regarding energy costs before the announcement of temporary measures from Westminster through the Energy Bill Relief Scheme. Given the 6-month limit on current commitments, and the importance of fixing business tariffs under the scheme, there remain significant pressures on the sector.

At the time of answering, 48% of responding organisations said they would be directly affected by energy price rises during the winter period, with 37% facing this issue immediately or within the next month specifically because their fixed rate contracts expire. Those with contracts in place until Spring 2023 highlighted the sudden impact on their services if prices remain high into next year. Providers of residential services expressed concern about the impact of business rates on the people living in their buildings.

Before the relief scheme was announced, we asked providers to estimate the percentage increase they had expected in their energy bills and the estimated cost of this for this financial year. Projections ranged widely, as expected given the high level of uncertainty at the time, from 10% to 800%, with an average of 145% and a median of 60%. Collectively, they estimated the additional cost was £1.54 million.

Twenty-seven percent (27%) of responding organisations said that one or more of their services would become financially unsustainable if they did face these increases.

## **Financial sustainability**

In most cases, organisations are attempting to manage rising costs and increasing demand without additional funding. Several organisations noted that it is now costing them to deliver services for which the local authority has a statutory duty. Contracts are being run on a deficit, needing to be subsidised unsustainably by the use of reserves, or by drawing heavily on charitable donations in those organisations which raise money in this way – a source which is also under pressure as a result of the cost-of-living crisis. An additional £200m has been provided by the Scottish Government to cover local cost pressures, but we have yet to see the evidence that this has been passed on to third sector providers fully.

Providers have alerted local authorities to these issues. Collectively, the organisations that responded to the survey have been involved in 99 conversations with 30 local authorities and

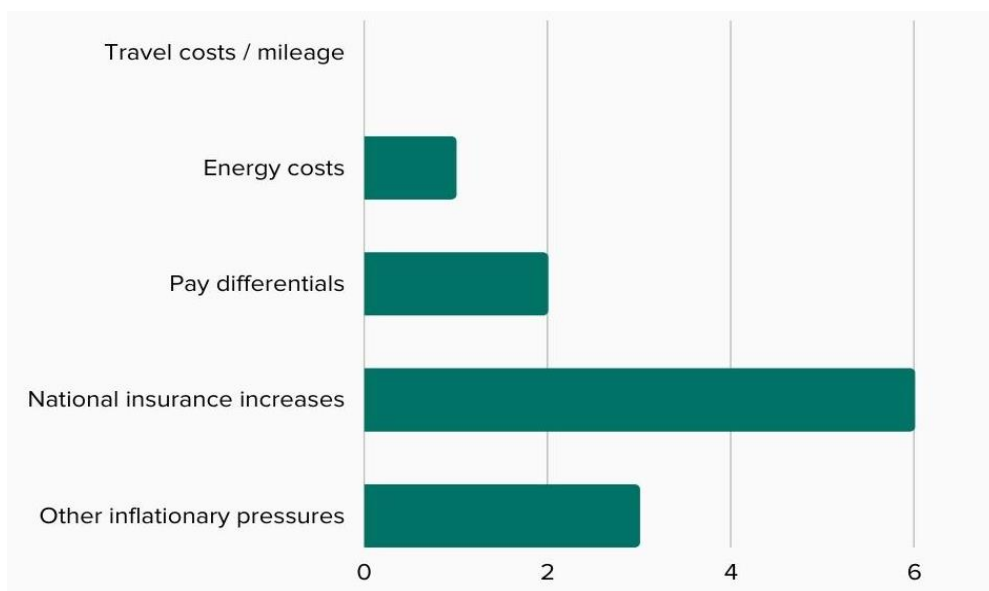
HSCPs about sustainability in the last two months. These conversations have resulted in just 12 sustainability payments or contract uplifts that are confirmed or paid (see breakdown below), not including the implementation of the £10.50 uplift from April 2022.

Respondents commented:

*“I doubt that we are alone in feeling under siege. There will be pressure applied on our services, staff and volunteers due to an anticipated increase in demand. Funding for the services we deliver has not been adequate for some time and...fundraising...is under pressure...to the extent that we cannot continue to subsidise service delivery.”*

*“We have written to all 3 local authorities to highlight this gap and ask what their plans are to address it and have had no response.”*

*“It will not take much to make services unsustainable. We are not sure what contingency planning the Local Authority and the Health and Social Care Partnership are putting in place for this winter. We are certainly not involved in any dialogue with them about the situation in general or specific to us. No doubt we will have to prompt these discussions.”*



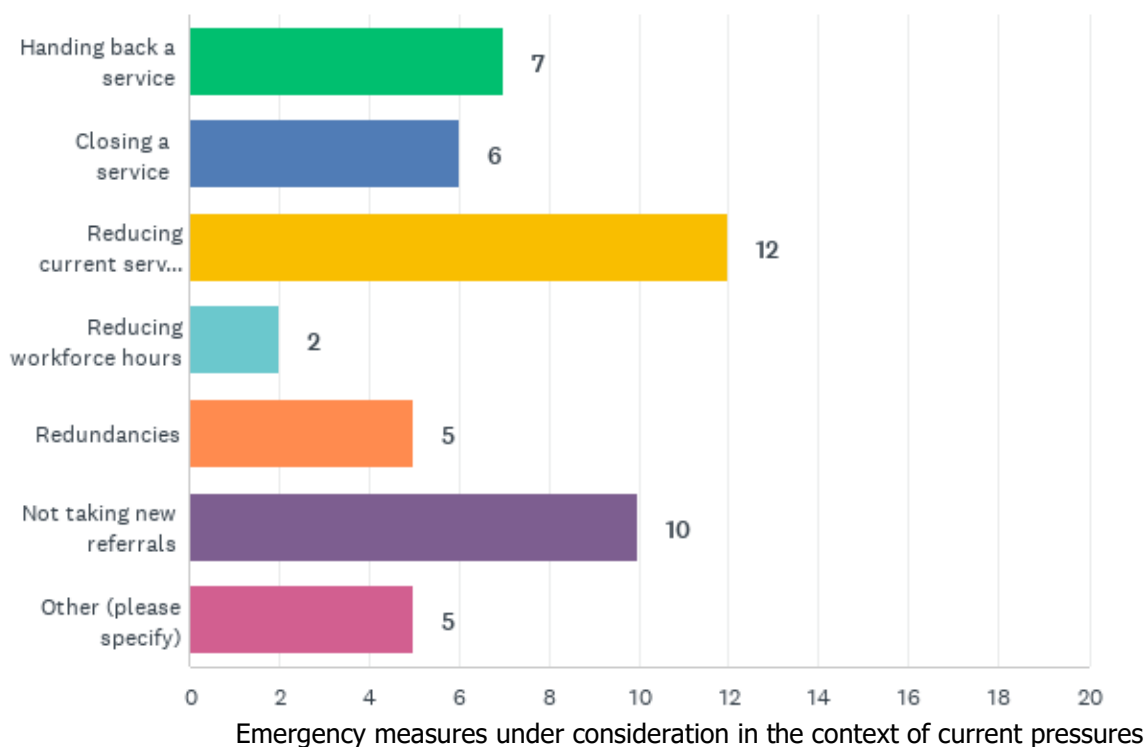
Sustainability payments confirmed/paid by local authorities, 13 Sept 22

## Accumulation of cost pressures

Providers also referenced apparently small things such as commercial waste collection charges and IT licensing fees, which are not covered by local authorities' contribution towards central operating costs and add up to increase the pressure on financial sustainability. Cumulatively, all the issues we have set out combine to place significant pressures on the sector.

## Service Impact

When asked about the impact of this situation on the services they deliver and the people they support, 63% of responding organisations said they were considering one or more emergency measures. As shown below, 45% of respondents (12 of 27 organisations) may need to reduce current service delivery, with 37% (10) no longer taking new referrals. Service closure and the handing back of contracts were also under consideration in 26% and 22% of cases respectively, leading to a reduction in workforce hours and the possibility of redundancy despite the known staffing issues.



## Conclusion

Third sector social care providers are facing a perfect storm this winter. The pressures on individuals and families from the cost-of-living crisis is likely to drive up service demand. Equally these pressures are being felt by low paid staff in the sector, destabilising recruitment and retention at a time when services are needed most. Pay rises offered in the public sector are pushing third sector social care pay backwards, adding to the pressures on staff and providers. Inflation is bearing down hard on financial sustainability, and even where some relief is being offered it is limited in scope and timescale. The people who will lose out, if sector sustainability remains at this heightened risk, are those who most need crucial care and support from third sector providers this winter.

CCPS is currently working with members on a package of proposed measures to help address these immediate pressures, which include parity in pay uplifts to reflect the accepted principles of Fair Work and help providers keep the skilled and committed workforce they require to meet need. We will be happy to provide further details on this to the Committee in the coming weeks. For further information please contact [rachel.cackett@ccpscotland.org](mailto:rachel.cackett@ccpscotland.org).

CCPS  
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