The Impact of the Scottish Government Adult Social Care (ASC) Worker Uplift Policy





The Impact of the Scottish Government Adult Social Care (ASC) Worker Uplift Policy

Contents

Summary of Recommendations	2
Introduction	4
Pay uplifts for ASC workers resulting from the Scottish Government's policy	7
Methodology	8
CCPS member feedback	1C
Other issues raised during this research	33
Conclusion	35
Acknowledgements	35

Summary of Recommendations

The Scottish Government is urged to conduct a review of the Adult Social Care (ASC) Worker Uplift Policy, in collaboration with COSLA, CCPS, and other key stakeholders. Recommendations 1 to 6 relate specifically to the 2026/27 uplift, which we have written on the assumption these are interim measures to address current challenges. Work is already underway to implement sectoral bargaining as the Scottish Government's approach to social care pay. CCPS is writing on the basis that the tripartite voluntary sector arrangements will be fully functional for negotiating the 2027/28 award, subject to agreement by all parties, including CCPS members.

To ensure the necessary changes can be introduced in time for the 2026/27 uplift, we are recommending that, by December 2025, the Scottish Government:

- 1. Commits to reintroduce a dedicated social care rate for 2026-27.
- 2. Reviews the average workforce percentages on which uplifts are based.
- 3. Reviews what is included within the definition of a workforce cost (national insurance, training, office support, etc).
- 4. Reviews workforce costs for sleepover support as we have been informed that workforce costs for these shift patterns are a higher percentage of overall expenditure than other forms of support.
- 5. Reviews the scope of professionals included within the policy.
- 6. Ensures funding for pay differentials in the 2026-27 award.

In addition, we recommend that COSLA:

7. Work proactively with its members and provider representatives to remove any hindrance to prompt payment of funds provided by the Scottish Government to uplift pay. Established Scottish Government troubleshooting routes should continue to focus on local outliers.

Beyond implementation of the pay uplift for 2026/27, CCPS urges the Scottish Government to:

- 8. Commit to endorsing the full tripartite voluntary arrangements, as negotiated, on sectoral bargaining in time to negotiate for 2027-28, and assuming the body is established following agreement of all parties, including CCPS members agree a timetable to pay parity at pace as part of the new negotiating body.
- Progress the work of the Adult Social Care Ethical Commissioning programme board at pace to identify the True Cost of Care and develop a Fair Funding implementation model.
- 10. Recognise the sustainability challenges facing providers and prioritise the immediate, medium and long-term sustainability and financial viability of the social care sector through investment.

This research focused on the Adult Social Care uplift policy, however, two-thirds of CCPS members provide services to children and young people and face similar challenges with the corresponding uplift policy. The findings and recommendations in this report should inform future uplifts across both the adult and children and young people's social care workforce. CCPS will work with children's service providers to test these recommendations and identify any additional requirements.

Introduction

The Scottish Government's policy has, since 2016, been to ensure that all adult social care professionals delivering direct care in commissioned services are paid at least the Real Living Wage. This policy was extended to professionals delivering direct care to children and young people in 2024.

Initially, increased pay rates for Adult Social Care (ASC) professionals were set by the Scottish Government, whilst workforce costs were negotiated individually between care providers and Health and Social Care Partnerships (HSCPs). This led to significant variation in approaches across local authority areas. During the Covid-19 pandemic in 2020, a national uplift of 3.3% was applied to the full value of adult social care contracts — simplifying the process. Then, in December 2021, the Scottish Government introduced the 'average workforce costs' component of its policy through an updated approach set out in the *Payment of the Adult Social Care (ASC) Worker Uplift Policy* (see Appendix for details of this letter). Under this amended policy, the funding uplift is applied to a fixed percentage of a contract's value, based on an estimate of provider workforce costs, and not to 100% of costs. This has remained the approach up to the current year.

These percentages (weightings) were initially calculated from data provided by Chief Finance Officers (CFOs) of HSCPs. CFOs were asked to provide data on the combined value of contracts that they hold across different services within ASC-commissioned services, with a total cost, and a percentage of that which relates to the workforce. This means that individual providers that have higher workforce costs are disadvantaged. For non-residential services the uplift was initially applied to 86% of the full contract value, and for residential services it was 71% of the full contract value (these percentages were subsequently increased to 86.9% and 71.8 %).

The pay uplift policy is focused on uplifting pay for the lowest paid staff in ASC (for professionals within scope of the policy, see Annex 1). It does not account for incremental pay differences between roles or levels of responsibility within the workforce. These pay increments are called 'differentials'. The March 2024 letter of instruction from the Scottish Government states that:

"any additional funds that providers may have from this policy must be spent on uplifting pay for the directly employed workforce working within services for the 2025-26 financial year. It is the provider's discretion of how any remaining funds are to be spent within these stipulations, but this can be used to support differentials".

Given that the percentages are average workforce costs, some CCPS providers' workforce costs are above the averages, meaning there are no funds to increase pay to maintain differentials. Differentials have an important function, as highlighted in this report.

Since the introduction of a social care pay policy in 2016, the policy and legislative landscapes have shifted considerably. The Scottish Government has attempted to establish a National Care Service (NCS), which aimed to realise Derek Feeley's 2021 Independent Review of Adult Social Care. This has since been scaled back to a set of reforms within the Care Reform (Scotland) Act. There are duties within the Act for the Scottish Government to report on projected care need and on the state of the social care market. Local authorities (LAs) will also be expected to follow statutory ethical commissioning guidance and to produce procurement strategies in line with local strategic plans. The Scottish Government has committed to Fair Work and will be dutybound to produce a Fair Work strategy under the new Act. Over the past three years, the Scottish Government has been negotiating a sectoral bargaining framework for the adult and children's social care workforce with trade unions and provider representatives, including CCPS.

During this period, not-for-profit providers and their employees have been beset by challenges. The pandemic put unprecedented pressure on the workforce. This was followed by significant increases in inflation and a cost-of-living crisis, affecting organisations and their staff. The UK Government has made changes to employer's National Insurance Contributions, which has left an estimated £30 million-pound black hole for CCPS members in 2025-26 alone; this is an ongoing pressure. No adjustment was made to the 2025-26 pay policy to account for this extra expenditure. A forthcoming Employment Rights Bill is expected to strengthen workers' rights, however, this will have consequences that providers must be equipped to manage, as highlighted in our recent briefing. Changes to immigration policy will also cut off international recruitment and exacerbate staffing challenges, whilst vacancies remain high. Finally, the Scottish Social Services Council has also shortened timescales for the workforce to obtain qualifications, whilst not-for-profit providers are now losing, on average, nearly a third of their workforce every year in turnover.¹

The Scottish Government's pay uplift policy has not kept pace with these reforms and challenges. This report outlines the issues with the Payment of the Adult Social Care (ASC) Worker Uplift Policy and its implementation in 2024, reflected in 214 contracts reported by 28 providers across 32 local authorities.

Previous impact review

In approaching this CCPS research, consideration was given to previous appraisals of the policy. The most recent impact review by the Scottish Government was based on a survey which gathered data from ASC providers, members of the workforce, and HSCPs. The survey was live from 30 September to 21 October 2022 and resulted in the following responses:

¹ According to the latest <u>SSSC vacancies report</u>, the 'Voluntary Sector' workforce has become more unstable over the last few years, and in 2023 retained only 71.8 % of its staff from the previous year.

	Number of responses	% of group represented
ASC providers	48	4% approx.
HSCPs	12	37.5%
Workforce	636	0.3% approx.

Reference will be made to the content of this review at relevant points throughout this report.

Purpose of this research

As part of our Scottish Government Adult Social Care, Fair Work, NCS and Sustainability funding (2024-25), CCPS commissioned research into the payment of the ASC worker uplift policy by the Scottish Government. The purpose of this research is to strengthen the current evidence base and produce a report of concerns and recommendations to influence the implementation of the ASC worker rate for future uplifts and inform an agreed review of national weightings for 2026-27. This research focused on the Adult Social Care uplift policy, however, two-thirds of CCPS members provide services to children and young people and face similar challenges with the corresponding uplift policy. The findings and recommendations in this report should inform future uplifts across both the adult and children and young people's social care workforce. CCPS will work with children's service providers to test these recommendations and identify any additional requirements.

CCPS

The Coalition of Care and Support Providers in Scotland (CCPS) is the voice of not-for-profit social care providers in Scotland. Our vision is for individuals and families to thrive through a rights and relationship-based care and support system. We have 85 provider organisations in our membership with remits spanning care and support for children, young people, and families; disabled people; older people; people with learning disabilities; people in the justice system; people experiencing homelessness, and more. Our members work in every local authority area in Scotland.

Pay uplifts for ASC workers resulting from the Scottish Government's policy

Before covering the feedback from the current research, it is important to comment on the pay uplifts made under the policy from December 2021, at the height of the Covid-19 pandemic.

The implementation of the policy from December 2021 heralded a dedicated pay rate for ASC workers. This was set at a rate of £0.52 above the Real Living Wage. Whilst still very much lower than the rate providers were calling for in recognition of the ASC role, it was acknowledged as a step towards fair pay for these staff. In April 2022 the ASC pay rate was set at £0.60 above the Real Living Wage. This again was acknowledged as a further commitment towards fair pay, although still far short of the desired rate. The dedicated rate, however, was short lived and subsequent increases in 2023 and 2024 were set only at the level of the RLW for adult social care workers. There is now no longer a dedicated rate for ASC workers, which raises the question of whether titling the policy 'Payment of the Adult Social Care (ASC) Worker Uplift' is appropriate.

CCPS members are clear that the current rate of pay for regulated social care professionals does not reflect the complexity of duties or levels of responsibility undertaken by staff. The RLW rate is uncompetitive in the current labour market; the Living Wage Foundation currently <u>lists 3970 organisations</u> that pay the RLW in Scotland. This includes retail organisations, where work does not require the same risk management, reporting, emotional labour, regulation, or mandated qualifications. Community Integrated Care (CiC) has conducted <u>research</u> which benchmarks the adult social care support worker role as equivalent to NHS Band 3 in the NHS Agenda for Change framework.² In 2025, not-for-profit social care professionals in Scotland were paid 14% less than equivalent NHS Band 3 staff. The base hourly rate for NHS Band 3 was £14.56, as opposed to £12.60 in social care (see Figure A).

² Unfair to Care 2025 report, 'The Caring Economy', page 13.

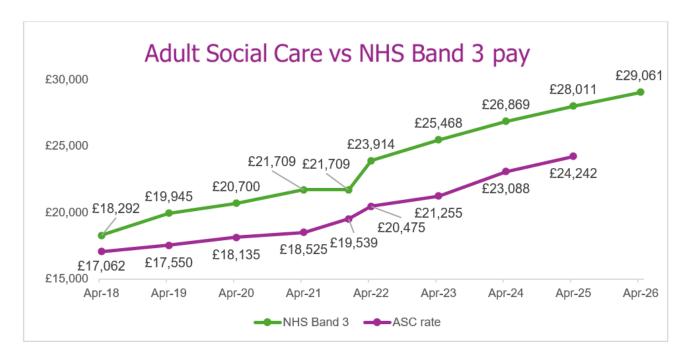


Figure A: pay comparison between NHS Band 3 salaries and the Adult Social Care rate between April 2018 and April 2026.

CCPS Focus Group Comments:

"There is no attempt at parity with NHS and public sector, the social care workforce is not valued highly enough."

"When local authorities are trying to recruit in the same market that we are recruiting in it is particularly challenging to compete, there is several pounds difference. Particularly in more rural areas. Why would you not work for the local authority, with a pension, more money, more holidays?"

Data and intelligence from CCPS members highlight the challenges in recruitment, retention and sustainability that this policy has failed to mitigate. This research illustrates these challenges and issues with the implementation of the policy.

Methodology

CCPS would like to thank Peter Bailey, who facilitated our engagement and supported the development of the final report and its recommendations. We would also like to thank the CCPS members who contributed to this research.

Focus groups

In order to be clear on the issues of concern articulated by CCPS members on the impact of the uplifts, two focus groups were held. Group members were presented with a range of statements which had previously been brought to the attention of CCPS staff. They were asked if these statements broadly reflected member views and were invited to highlight any further issues. As a result of the focus groups, a list of 10 main statements was collated, which reflected 19 member organisations' experiences.

Member survey

The focus groups represented a cross-section of the membership, but to obtain a wider sample, a member survey was issued to CCPS organisations providing adult care services. The questions were designed to test out the statements collated from the focus groups.

The survey was completed by 28 providers, representing approximately one third of CCPS member organisations providing adult care services. The results reflect 214 contracts across 32 local authorities.

Scope of ASC uplift policy

The intent of the uplift policy is clear: to uplift pay for the workforce delivering direct care to at least the ASC rate (for scope of the policy, see Annex 1). However, our research shows that this policy, which affects the vast majority of organisational expenditure, has serious and often perverse impacts beyond the policy itself. A significant number of the issues identified in this research related to the impact of the policy in other areas and these are identified throughout the report.

CCPS member feedback

The ten statements which reflect provider experiences are covered in this section. For each statement, the results from the member survey are highlighted, followed by a comment and recommendation(s).

1. The pay uplift policy is focussed on uplifting the rate of pay for the lowest paid workers in ASC with the Scottish Government stipulating that any additional funds that remained had to be spent on the directly employed workforce within services. Some members indicated that the current percentages based on 71.8% of residential contracts and 86.9% of non-residential contracts aligned to the ASC uplift do not meet the full costs at service level.

Focus Group comments:

"The Scottish Government should publish the calculations of the percentages; it would increase transparency."

"Should commit to increasing from 86 percent to more like 93 percent."

CCPS members were asked: "Are your workforce costs above or below 71.8% (for residential services) and 86.9% (for non-residential services) of full contract value? This refers to the thresholds set out in the Scottish Government's letter to COSLA and other stakeholders". Results are shown in Figure 1:

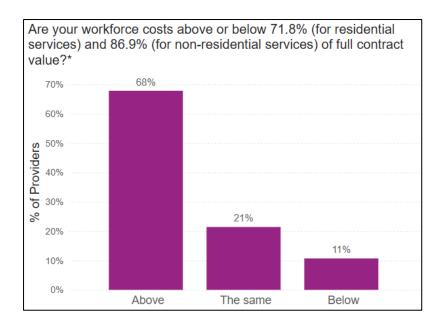


Figure 1 (N=28)

The uplift policy is based on Scottish Government-set average percentages rather than individual contract negotiations. The Scottish Government impact review in 2022 acknowledged that through engagement with stakeholders some providers had little or potentially no funding remaining once the policy intent was delivered. The results from the survey indicate that 68% of respondents reported that their costs are above the percentages used in the uplift policy, with the remaining respondents stating that costs are the same or below. Given the majority response, it is proposed that this information should merit a review of the current percentages.

Recommendation

We recommend that the Scottish Government reviews the average workforce percentages on which uplifts are based.

2. Payments are made by some local authorities after the implementation date set by the Scottish Government (SG) which in some organisations can cause pressure on organisational cash flow and affect recruitment and turnover.

Focus Group comments:

"I've never had one payment on the 1st of April; it's often as late as October/November by the time they can afford to pay uplifts."

"We have two contracts with a local authority; one contract was uplifted in May and the other uplifted in late August."

"We have noticed an impact on staff morale and wellbeing. We have low-income families and are trying to explain to them that it's not us, if they see the headline of an uplift in the news but we can't actually pass that on for some time."

"If we pay later and backdate, working with staff on low incomes that are on benefits such as universal credit, this can impact their benefits, and they can lose benefits altogether with the impact of back pay."

For each local authority, providers were asked to indicate if they received payment for the uplift (payable from April 2024) from local authorities on time, 1-3 months late, 2-6 months late or not paid at the date of the survey. Results are shown in Figure 2:

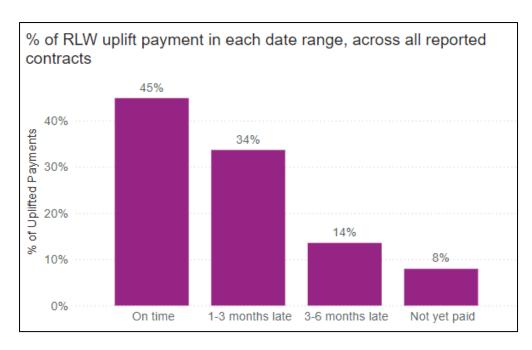


Figure 2 (N=214)

The uplift letter from the Scottish Government for the financial year 2024-25 stated that from local indications most payments would be made across April and May 2024. The survey results confirmed that for 45% of the 214 contracts reported, organisations received payments on time. The uplift letter also indicated that best endeavours would be made to have all payments with providers by July 2024. For a further 34% of contracts, payments were received within this 1–3-month timescale. For the remaining 22% of contracts reported, payments were either received up to 6 months late or were not paid at the time of the survey. There was evidence to suggest that meetings held with Scottish Government, COSLA, CCPS and other stakeholders as part of the established troubleshooting process had improved the timescales for payment. However, the results suggest that there are still areas for improvement. A broad analysis of LA performance in each date range is available.

Note: It should be recognised that the survey allowed for one response per local authority per provider. Some providers may have selected only one representative contract for a single local authority despite having more than one contract with that local authority. The above survey results are based on 214 contracts reported by 28 providers in 32 local authorities.

3. Some providers do not have the resources to pay the increase prior to receiving funding from LAs, leaving them at a disadvantage in terms of recruitment, increased turnover, and causing pressure on cash flow.

Focus Group comments:

"The delays can cause further issues with recruitment with people leaving to get £15-20 per hour elsewhere due to delays in the money being passed down."

"Recruitment was delayed, with little point in recruiting at the lower rate until the board had approved the uplift positions, when it had been confirmed what the organisation was getting and when."

CCPS members were asked: "In the case of late payments, did your organisation pay the increase from April from its own resources?", "What impact has awaiting payment had on organisational cashflow?", "What impact have late payments had on your ability to recruit?", and "What impact have late payments had on staff leaving the organisation?". Results are shown in Figures 3, 4, 5 and 6 (below). The organisations who skipped a particular question are recorded as "blank".

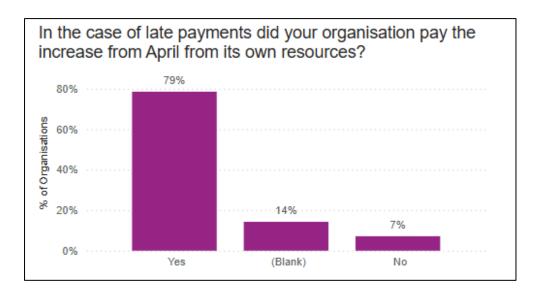


Figure 3 (N=28)

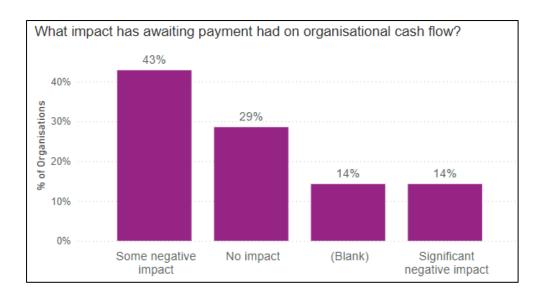


Figure 4 (N=28)

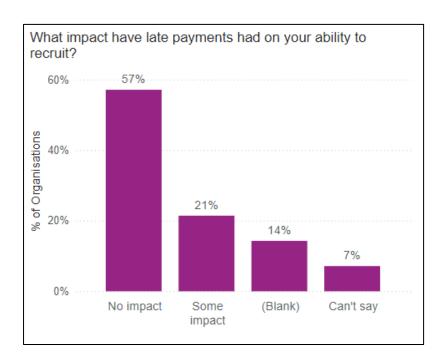


Figure 5 (N=28)

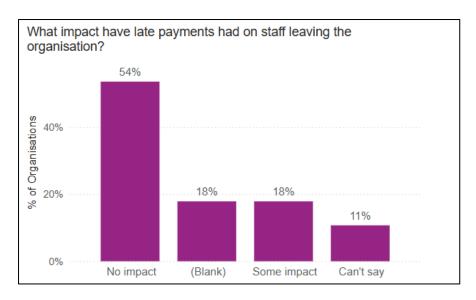


Figure 6 (N=28)

Most providers (79% of survey respondents) indicated that they had paid the uplift from 1 April 2024 from their own resources prior to receiving payment from local authorities. From the information available, it appeared that the two organisations who didn't were organisations with considerably smaller annual turnover than the others. The majority of providers (57% of survey respondents) confirmed that late payment of the uplifts had some or significant negative impact on cash flow and 14% stated that it had a significant negative impact.

The majority of respondents reported that late payments had no impact on recruitment or retention (57% and 54% of survey respondents, respectively), but one fifth stated that it had some impact on recruitment (21%) and on retention (18%).

There is some evidence to suggest that late payments discriminate against smaller providers, with some focus group participants saying that they do not advertise for vacancies until they can do so at the uplift rate after receiving payment. Clearly this may place them at a disadvantage in the recruitment market. Equally, given late payments add to already precarious levels of financial instability in many provider organisations, and negatively impact recruitment and retention in a significant minority, these are grounds for ensuring that payments are made timeously. Consideration should be given to further improvements through the implementation policy and the established troubleshooting process.

Recommendation

COSLA should work proactively with its members and provider representatives to remove any hindrance to prompt payment of funds provided by the Scottish Government to uplift pay. In addition, established Scottish Government troubleshooting routes should continue to focus on outliers.

4. Some providers are left to pay the ASC rate from their own resources* to staff outwith scope of the uplift policy who are delivering care.

* 'own resources' means income generated outwith the income provided by the Scottish Government to fund the Real Living Wage uplift.

The Adult Social Care Pay Uplift letter of February 2024 (see Annex 1) stated under 'scope' that,

"The pay uplift will apply to staff providing direct care within Adult Social Care in commissioned services in the third and independent sectors. This will include Supervisors, Practitioners, Support Workers, Personal Assistants, and staff providing overnight support."

The annex to the letter included a list of professionals within scope (shown in Annex 1 of this report) with the 'broad titles' of supervisor, practitioner and support worker within the included service types.

A 10.09% uplift was applied to a set percentage (national weighting) of contract values, in line with the estimated *average full workforce costs* of services, to deliver the funding for professionals within scope. The letter also states that,

"The current approach provides funding for wages and on-costs...The term average full workforce cost references and means that the weightings do not only include workers on the £10.90 per hour in direct care roles - that this uplift to £12.00 is intended for - but that the calculation also provides for all workers employed directly within services and the associated on-costs. This includes workers on higher rates and in non-direct care roles as are included in the contracts." [emphasis added]

It goes on to say that,

"Any additional funds that providers may have from this policy must be spent on uplifting pay for the directly employed workforce working within services for the 2024/25 financial year. It is the provider's discretion of how any remaining funds are to be spent within these stipulations, but this can be used to support differentials."

There is ambiguity in how the policy defines "workers employed directly within services." While the scope lists discrete roles (such as supervisors, practitioners, and support workers), the policy also states that the uplift 'provides for' workers on higher pay rates and in non-direct care roles included in contracts. This creates uncertainty about which staff are eligible for the uplift. Nevertheless, the central issue is not providers' ability to allocatefunds, but rather that the concern that the available funding appears insufficient to achieve the policy's

main objective—raising the pay of the lowest-paid professionals. There is also a lack of clarity in the funding which addresses the "on-costs" which are incurred in order to support professionals within services.

Our findings indicate that, for many providers, the uplift policy fails to generate the expected remaining funds and does not fully cover all professionals delivering care.

CCPS providers were asked: "Does your organisation have staff working within services who are delivering care that are out with scope of the RLW uplift?", and if a respondent answered yes, they were asked: "Does your organisation pay these staff at least the Real Living Wage from its own resources?" Results are shown in Figures 7 and 8:

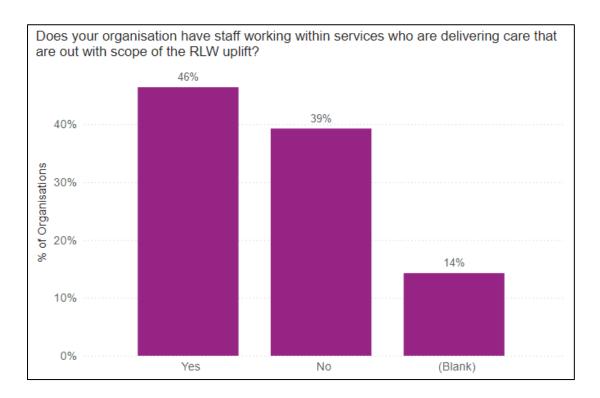


Figure 7 (N=28)

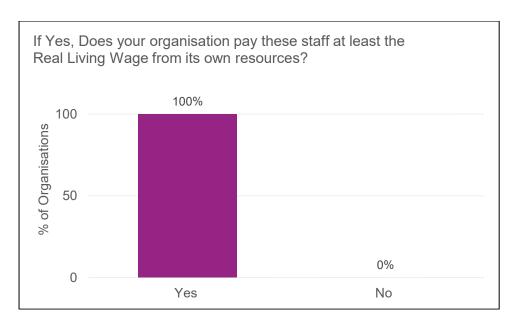


Figure 8 (N=13)

The results suggest that almost half of providers have professionals who are delivering care that are out of scope of the policy, and those that do pay them the RLW from their own resources; this means that providers are paying the RLW to some staff from income generated outwith the income provided by the Scottish Government to fund the Real Living Wage uplift. At the time of the survey, there was not yet confirmation of the uplift for the children and young peoples' workforce, this may have affected participants' responses. Some respondents may have frontline staff working outwith commissioned services (services run through fundraising, national grants or grant awarding bodies).

Recommendation

The Scottish Government is urged to review the scope of professionals included within the policy.

5. The increase to the ASC worker rate of pay has eroded differentials for frontline supervisory and management posts. Consequently, these posts are proving hard to fill with little financial incentive for ASC workers to seek promotion.

Focus Group comments:

"It's embedded in the [Adult social care uplift policy] – it makes no differentiation between a front-line worker on their first day and someone with 20 years of experience."

"Differentials is a big thing for us — we have to try to find money from elsewhere. The impact is a risk of deskilling other staff, risks creating a two-tier workforce, and limits ability to have roles based on skills and experience."

"People are leaving the sector or stepping down because it is not worth it – there is a lack of progression. You can see it in the Care Inspectorate reports as managerial oversight is dropping and if people are leaving, then that impacts quality."

"It's really challenging to fill the managerial roles – multiple support workers are filling a manager role and that impacts care inspectorate reports."

"Differentials between Support Workers and Supervisory Staff have eroded by over 15% over the past 3 years, shrinking the gap and reducing the ability to recruit for these vital roles."

The 2024 letter stated that additional funds from the uplift policy may be used to support differentials, however, the funds are not sufficient to support differentials.

CCPS members were asked: "Does the Real Living Wage policy provide funding that allows your organisation to maintain salary differentials between frontline support workers and supervisory/management staff within services?", "Have salary differentials remained consistent over the past 3 years, grown or eroded?", and "If the differential has eroded, has this had any negative impact on recruitment to these roles?". Results are shown in Figures 9, 10 and 11:

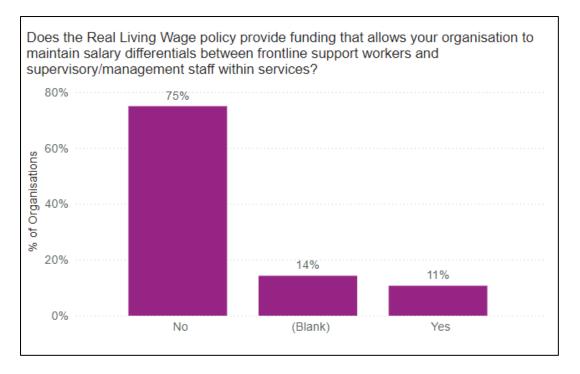


Figure 9 (N=28)

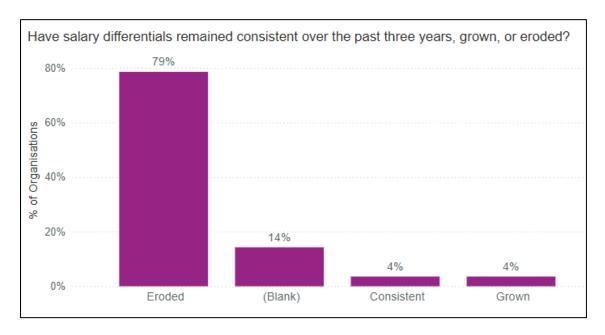


Figure 10 (N=28)

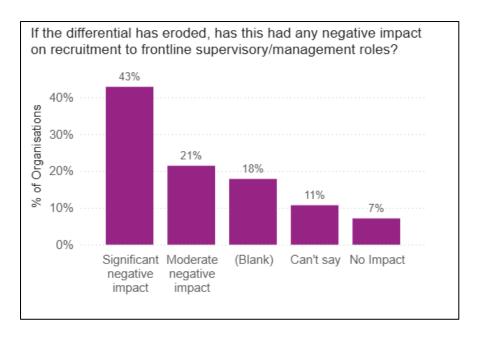


Figure 11 (N=28)

This was an area which has negatively impacted the majority of providers: 75% of survey respondents reported that the funding through the uplift policy does not enable them to maintain differentials between frontline support workers and supervisory/management staff within services; 79% of respondents reported that differentials between frontline staff, supervisory roles and service managers have been eroded over the past three years. Two thirds of providers noted that where differentials have been eroded, this has had a moderate or significant negative impact on recruitment (21% and 43% of survey respondents, respectively). In discussions, many providers suggested that the erosion of differentials has reduced the financial incentive for ASC workers to seek supervisory or management posts. This presents major challenges in providing adequate supervision and support to ASC workers.

Recommendation

We recommend the Scottish Government ensures funding for pay differentials in 2026-27.

We recommend the Scottish Government commits to endorsing the full tripartite voluntary arrangements, as negotiated, on sectoral bargaining in time to negotiate for 2027-28 and – assuming the body is established following agreement of all parties, including CCPS members – agree a timetable to pay parity at pace as part of the new negotiating body.

6. CCPS Members pay ancillary workers and ASC workers the same rate (Real Living Wage) or must fund enhancements to the ASC rate from their own resources to create a differential which reflects the differing roles.

Focus Group comments:

"We pay the RLW for unregulated, unqualified staff too such as catering assistants, then support workers are paid above the RLW...so we are having to maintain the differential."

"Pressure to maintain the differentials is hard, not just to be competitive but to do the right thing."

CCPS providers were asked: "Do you pay care and support workers a supplement on the RLW to maintain differentials with ancillary staff?". Results are shown in Figure 12:

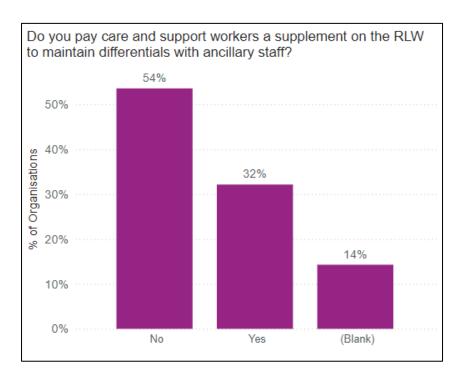


Figure 12 (N=28)

Given that the ASC rate since 2023 has been set at the Real Living Wage rate, unless providers pay a supplement to ASC workers, ancillary and other workers are paid at the same rate as ASC workers; 32% of providers pay this supplement. The majority (54%) of

respondents are unable to fund this differential to recognise the role of the ASC worker. CCPS members are clear that this is another reason why the ASC rate should be set at a higher rate than the Real Living Wage.

Recommendation

We recommend the Scottish Government commits to reintroduce a dedicated social care rate for 2026-27.

Beyond implementation of the pay uplift for 2026/27, commit to endorsing the full tripartite voluntary arrangements on sectoral bargaining, as stated above.

7. Members reported that there is no provision for consequential increases for staff employed in core/central services roles.

Focus Group comments:

"We have been trying to recruit some HR, finance and manager level posts in last few weeks: the recruitment agency told us that we were 10 to 20 thousand pounds below the market rate for one job."

"We are really struggling with having critical mass in managerial functions and back-office functions. There has been a complete erosion."

"You can't let your central staff be left behind or they would just leave, particularly given the cost-of-living crisis. People need to [have their salaries] appropriately increased each year just to be able to stand still, but it is impossible without adequate funding."

"When we are covering the uplift, we are applying it across the organisation but not being paid for it — only front-line workers. It really limits the scope for negotiation with Local Authority commissioners [on funding uplifts for non-frontline roles]."

The policy intent is to increase the rate of pay for the lowest paid professionals in ASC with any additional funds that remained being spent on uplifting pay for the directly employed workforce "within services".

Many CCPS providers noted they were addressing core/central support staff salary increases themselves, but with consequences. We asked: "Have differentials in core/central support salaries compared to service staff salaries remained consistent over the past two years/eroded/grown?", and "If eroded, has this had any impact on recruitment to central support roles?". Results are shown in Figures 13 and 14:

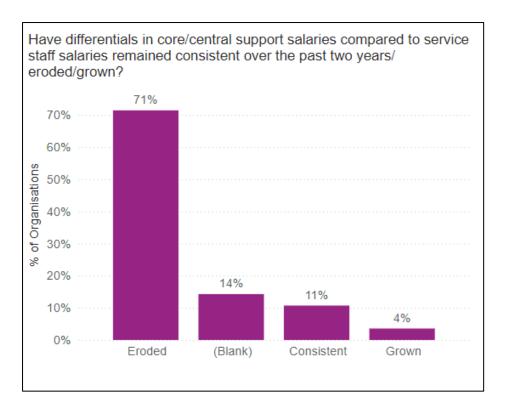


Figure 13 (N=28)

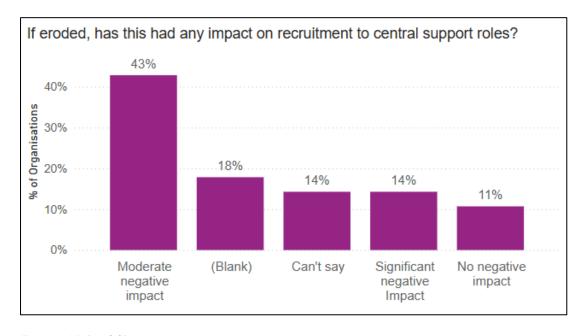


Figure 14 (N=28)

Focus group comments suggested that salary increases for support staff are crucial for retention. The erosion of differentials reported by 71% of organisations was reported to have had a negative impact on recruitment to central/support roles for the majority of

organisations (43% of survey respondents reported moderate negative impact and 14% registered significant negative impact).

Recommendation

We recommend that the Scottish Government reviews what is included within the definition of a workforce cost in the interim ASC pay uplift policy (national insurance, training, office support etc).

We recommend that the Scottish Government progresses the work of the Adult Social Care Ethical Commissioning programme board at pace to identify the True Cost of Care and develop a Fair Funding implementation model.

8. Whilst the increase from the uplift policy was received in the year 2024/25, for the majority of providers who responded, no increase to other contract costs was received from local authorities or savings had been sought on the full contract value.

Focus Group comments:

"Formally recognise what is inherently outside of the scope of the policy, i.e. that non staff costs are not recognised by this uplift – and it needs to be clear who is responsible for that."

"One local authority in particular has behaved quite poorly. Last year said they were going to impose a 3 per cent cut to the rate, this year, 4 per cent. In reality it's a 30 per cent cut. Bizarre. I cannot understand how a local authority can do that. Insurance costs have risen, the cost of travelling etc, and all of the knock-on costs that come with inflation."

"Although conversations are had politely, they felt quite threatening, i.e., 'go away and be creative and if you can't be creative enough, we will have to make a tough decision and impose it'."

According to the Scottish Government 2024 uplift letter:

"This policy, to uplift the minimum rate of pay for adult social care workers, provides funding for wages and on-costs within providers contracts. Local areas still have the ability to offer increases to providers on the non-workforce costs within their contracts. Any changes on the rest of local contracts, or on Scotland Excel's Adult Social Care National Flexible Frameworks, to address other increasing and inflationary non-workforce costs would be out with the remit of this policy and would form part of the normal local contractual negotiating process with providers and their local commissioners and finance departments." [emphasis added]

In focus groups, some members reported that they had been informed by the Scottish Government, when they had raised the issue of core/central staff salary increases, that these increases are the responsibility of the local authority and not part of the uplift policy. Figure

15 (below) shows that 57% of respondents have been informed by a local authority that the funds received for uplifts through the policy for ASC professionals is all that is available to fund services.

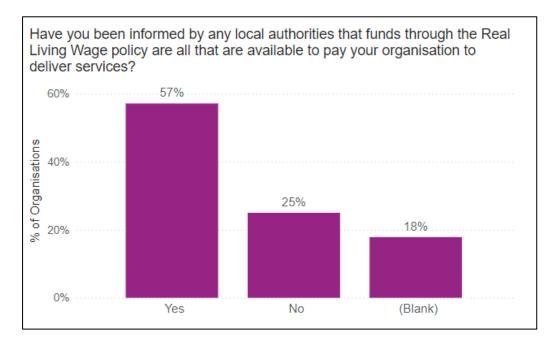


Figure 15 (N=28)

For each local authority, providers were asked: "For 2024-25 contracts, in the local authorities in which you operate, did you get an inflationary uplift in contract costs/reduction/no change?". Results are shown in Figure 16:

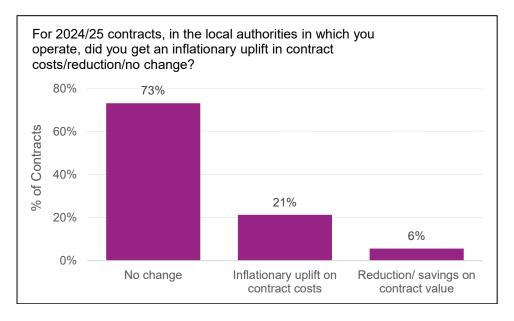


Figure 16 (N=197)

For 79% of local authority contracts reported by providers, there was no inflationary uplift for 2024–25, or even a reduction in contract value, despite the ASC policy uplift. This suggests that the intended impact of the Scottish Government's ASC uplift policy is being undermined in practice. In focus group discussions, many providers confirmed that this has been the case over at least the past three years. Whilst 21% of contracts reported had some inflationary increase, 6% were reported to have been subject to reductions/savings on contract costs. Providers are clear that, in the current financial environment, any request for savings is unaffordable and unsustainable. From current CCPS member comments, the requests from local authorities to identify cost reduction/savings received in advance of the 2025-26 financial year were considerably higher than for 2024-25. Intelligence suggests that a re-run of the survey question for 2025-26 would result in a much higher percentage.

- **9.** To fund the costs not covered in the uplift policy and not paid by local authorities, providers have been forced to meet these costs from their own resources or by effecting savings though restructuring or other means.
- **10.** Providers can no longer continue to effect savings to meet shortfalls in funding, leaving them to face difficult decisions over the coming year.

Focus Group comments:

"Looking at the future, there is not much else we can shave off. We have a flat structure and one office. I know of other organisations where they are having to use reserves, which is a really risky position for the sector to have to be in."

"There is a risk that [receiving only] workforce uplifts become the norm. Discussions on handing back contracts are becoming more prominent, despite organisations not wanting to do this."

"Our finances are published, and we are returning deficit budgets year on year despite trying really hard to change this."

"A contract that we've had for years upon years has become impossible to maintain and so we haven't retendered. Where does that leave the Scottish Government?"

"This trajectory will lead to providers collapsing. It feels like it is not getting any better. I have real worries about where this will lead."

CCPS providers were asked: "Have you funded any shortfalls in contract costs from your own resources? This would be to cover e.g. differentials within services, out of scope staff, core/central support salary increases, or requested contract savings from LAs?", Results are shown in Figure 17:

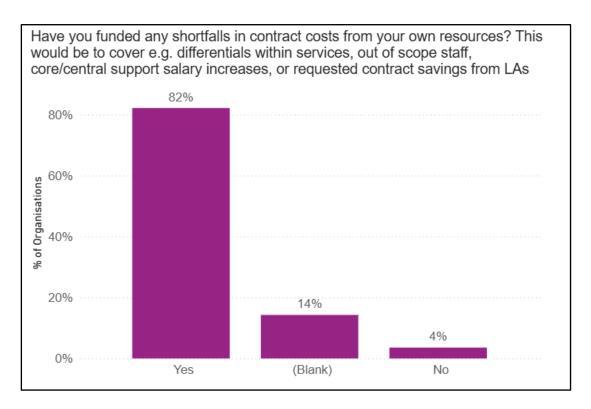


Figure 17 (N=28)

Most of the providers who responded to the survey (82%) have met unfunded costs from their own resources. If participants answered yes to this question, we asked follow-up questions: "In order to meet these costs have you effected cost saving exercises or restructuring over the past two years?" and "is continuation of these cost saving initiatives sustainable in the future?" Results are shown in Figures 18 and 19:

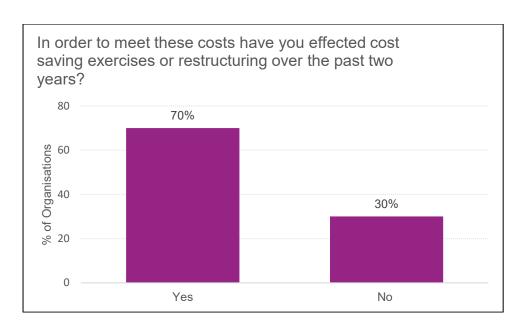


Figure 18 (N=23)

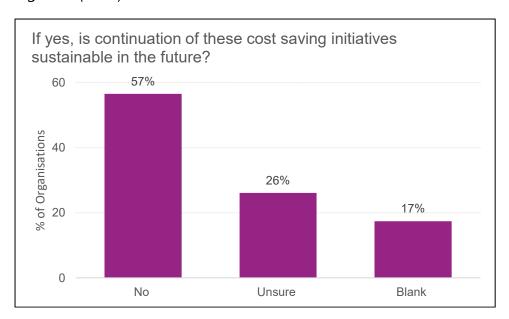


Figure **19** (N=23)

Of those who have had to use their own resources, 70% indicated that they have had to undertake cost saving exercises or restructure in order to do so (this reflects 57% of all 28 survey respondents). For two thirds, these cost saving measures are not sustainable in the future (this represents 46% of all providers surveyed).

For those who answered that their cost saving initiatives are not sustainable, we asked providers to select all of the measures that they would have to consider over the coming year. Results are shown in Figure 20:

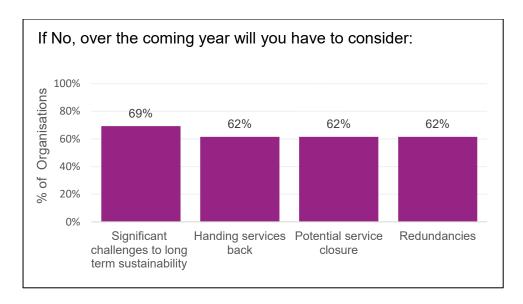


Figure 20 (N=13)

Over the coming year, 69% of those effecting unsustainable cost saving initiatives said they would have to consider significant challenges to long-term sustainability (this represents 32% of survey respondents); 62% would have to consider handing back services, potential service closure or redundancies (29% of survey respondents).

Sector representatives have been pointing out for some time that the current funding situation is unsustainable. The actions that providers will have to consider over the coming year (Figure 20) are a stark confirmation of the dangers for sector sustainability and the future of services to vulnerable people. This requires urgent consideration if services are to continue.

Recommendations

The Scottish Government must progress the work of the Adult Social Care Ethical Commissioning programme board to identify the True Cost of Care and develop a Fair Funding implementation model.

The Scottish Government must recognise the sustainability challenges facing providers and prioritise the immediate, medium and long-term sustainability and financial viability of the social care sector through investment.

Other issues raised during this research

Funding for sleepovers

Although not all CCPS members operate sleepovers, we have heard repeated concerns that the Scottish Government pay policy simply does not reflect actual costs. We have been informed that workforce costs for sleepover shift patterns are a higher percentage of overall expenditure than other forms of support. Given the pressures on those providers requiring staff on sleepover, we recommend that the Scottish Government reviews workforce costs for sleepovers. Further background information can be provided for future discussions.

Older contracts

Some members advised that older contracts awarded by the Scottish Government do not keep up with ASC or RLW increases, and the government does not update grants in line with increases. Further background information can be provided.

Agency costs

Many members pointed out that increased agency costs are not reflected in the uplift policy. CCPS staff have highlighted this in other work and discussions, but it is important to note that it was also raised in this exercise. We have <u>provided options for improvement</u> for the Scottish Government to consider.

Human Rights

Some members highlighted the ways in which the predominantly female social care workforce is disadvantaged by this policy, and that this is a social equality and human rights issue. According to SSSC (2024) data, 81% of the social care workforce is female. One member noted, "I think this is an equalities issue, given that the bulk of the workforce are women, and that the government supresses income to the real living wage. Anyone who is single, wants to buy a house, or start a family, can't do it on this social care salary. You should not have to rely on a parent or spouse to work in social care."

Conclusion

Scotland stands at a pivotal moment for social care. To deliver the government's long-promised commitment to Fair Work and to underpin the sustainable, thriving, sector required to deliver on the government's Public Service Reform vision, the Scottish Government must urgently review and revise its approach to social care pay. A review should directly address the consequences of the current policy, as outlined in this report, and deliver immediate change. But we also need to see the Scottish Government endorse the long-negotiated voluntary approach to sectoral bargaining that would allow all partners to take a new approach to delivering Fair Work to the social care workforce. Whilst we all want a sector where staff and organisations are funded fairly for the vital work they do, there is no longer the time to put off the actions to deliver this.

Acknowledgements

CCPS would like to thank Peter Bailey, who facilitated our engagement and supported the development of the final report and its recommendations. We would also like to thank the CCPS members who contributed to this research. This research was made possible by the grant from Scottish Government's Adult Social Care team.

Annex 1 – Adult Social Care Pay Uplift Letter of 26th February 2024

Director of Social Care and National Care Service Development Directorate Donna Bell To: Integration Authority Chief Officers Integration Authority Chief Finance Officers Local Authority Chief Executives Local Authority Directors of Finance COSLA Scotland Excel ILF Scotland Chief Social Work Officers Scottish Care **CCPS** Care Inspectorate Unite UNISON **GMB STUC** Care providers

From: Donna Bell, Director of Social Care and National Care Service Development, Scottish Government

Date: 26th February 2024

Adult Social Care Pay Uplift

Dear colleague,

Following agreement at COSLA Leaders on 26 January 2024, I am writing to confirm the initial details of the pay uplift for adult social care workers that was announced on 19 December 2023 by the Deputy First Minister as part of the Scottish Budget for 2024/25.

As you are aware, in the Scottish Budget for the 2024/25 fiscal year, it was announced that £230 million will be transferred to Local Government to support the delivery of a £12.00 minimum wage for all adult social care staff delivering direct care in commissioned services from April 2024. This funding will be paid to Local Authorities in the weekly General Revenue Grant payments from April 2024. There has been political agreement that the uplift to £12.00 per hour will be delivered in the same manner as the uplift to £10.90 per hour for these workers, which was delivered in the 2023/24 financial year.

Scope

The pay uplift will apply to staff providing direct care within Adult Social Care in commissioned services in the third and independent sectors. This will include Supervisors, Practitioners, Support Workers, Personal Assistants, and staff providing overnight support. This funding will apply to workers in care homes, care at home, day care, housing support, adult placement services, respite services and those delivering direct support through all SDS Options.

This funding will enable pay for these workers, in these services, to be uplifted from at least £10.90 per hour to at least £12.00 per hour.

Full details of scope and eligible services can be found at Annex A.

Timing and Process

This funding will take effect from April 2024.

In line with existing process and previous years approach, Local Government and Integration Joint Boards will be working through the required governance, legal and contractual arrangements to deliver this to providers.

Local indications suggest that most payments will be made across April and May, with funding back dated and provided from April 2024. Best endeavours will be made to have all payments with providers by July 2024. However, this relies on a timely return of contract variation letters by providers.

The Scottish Government and COSLA will meet with Scottish Care, Coalition of Care and Support Providers Scotland (CCPS) and Trade Union representatives to discuss any concerns or questions around implementation and will work together to resolve these quickly through the established troubleshooting process.

Policy Implementation

The uplift to £12.00 per hour will be distributed to providers in the same manner as the previous uplift to £10.90 per hour for the workers in scope.

This will mean a 10.09% uplift will be applied to a set percentage (national weighting) of contract values, in line with the **average full workforce costs** for residential and non-residential services. A separate agreed weighted percentage has been set for Personal Assistants who are paid directly through SDS Option 1 budgets.

The current approach provides funding for wages and on-costs and the national weightings are based on the average full workforce costs within a contract.

The term average full workforce cost references and means that the weightings do not only include workers on the £10.90 per hour in direct care roles - that this uplift to £12.00 is intended for - but that the calculation also provides for all workers employed directly within services and the associated on-costs. This includes workers on higher rates and in non-direct care roles as are included in the contracts.

National Weightings

The national weightings for the £12.00 uplift will be the same as those used for the uplift to £10.90. These percentages are below:

- Residential care uplift applied to 71.8% of full contract value.
- Non-residential uplift applied to 86.9% of full contract value.
- SDS option 1 Personal Assistants uplift applied to 90% of budgets.

This equates to contract uplifts of:

- Residential Care 7.24%
- Non-Residential Care 8.77%
- SDS Option 19.08%

Due to the nature of this approach, this may result in some providers having funds remaining once the policy intent - to uplift pay for the workforce delivering direct care to at least £12.00 per hour - has been fully delivered.

Any additional funds that providers may have from this policy must be spent on uplifting pay for the directly employed workforce working within services for the 2024/25 financial year. It is the provider's discretion of how any remaining funds are to be spent within these stipulations, but this can be used to support differentials.

The residential care uplift does not relate to National Care Home Contract rates which are dealt with separately and incorporate the pay uplift using the established Cost Model

Non-workforce costs

This policy, to uplift the minimum rate of pay for adult social care workers, provides funding for wages and on-costs within providers contracts.

Local areas still have the ability to offer increases to providers on the non-workforce costs within their contracts.

Any changes, over and above the funding for the pay uplift, on the rest of local contracts / Scotland Excel, Adult Social Care National Flexible Frameworks to address other increasing and inflationary non-workforce costs would be out with the remit of this policy and would form part of the normal local contractual negotiating process with providers and their local commissioners and finance departments. For national arrangements, Scotland Excel will work in collaboration with providers and

commissioners in line with the Framework's Price Review process.

Assurance process

For this uplift, and in line with previous practice, providers will be required to sign and return contract variation letters. This will confirm that the funding must only be used for uplifting pay and local areas will be responsible for assuring this funding is used for these purposes through their normal contract monitoring processes.

As per usual process, funding will then be released to providers as soon as possible after they return their signed contract variation letters.

Personal Assistants

Separate guidance will be issued for PA employers.

ILF Scotland

Separate guidance will be issued for ILF Scotland recipients.

Childrens Social Care

Separate guidance will be issued by the Children and Families Directorate for Childrens Services.

Next steps

I hope this provides clarity on the pay uplift for 2024/25.

The Scottish Government recognises the exceptional work of the social care workforce, and we thank them for the most important role that they play in our

communities.

We appreciate you sharing this with your networks and working with us to get this uplift delivered to the workforce at speed.

Yours sincerely,

Donna Bell

Director of Social Care and National Care Service Development

Annex A

Workforce in scope (those eligible to be paid a minimum of £12.00):

Broad Title	Role Description
Supervisor in Care Home Services / Care at Home Services / Housing Support Services / Day Care Services / Adult Placement Services / Respite Services	Worker who holds responsibilities for providing and supervising the provision of care and/or support provided directly to adults using residential care / a user within a care at home service or of a housing support service. This also includes workers providing overnight support. ³
Practitioner in Care Home Services / Care at Home Services / Housing Support Services / Day Care Services / Adult Placement Services / Respite Services	Worker who provides care and support to adults using residential care and who has responsibility for co-ordinating the implementation of care plans. This may include holding keyworker responsibilities. This also includes workers providing overnight support.
Support Worker in Care Home Services / Care at Home Services / Housing Support	Worker employed in providing care / and or support directly to adults using residential care / a user of service within a care at

³ Overnight support is where a care worker sleeps, provides a waking night service or night sitting service, in the home of someone they support or in work premises, so that they are on hand in case of an emergency or any other issue during the night.

Services / Day Care Services / Adult Placement Services / Respite Services home service or of a housing support service. This also includes workers providing overnight support.

Personal Assistants

Separate guidance will be provided.

Services in scope

The uplift applies to commissioned services for adult social care in the independent and third sectors. This does not include workers in children's, justice, or homelessness services.

Definition of Service Type of Service Care Homes A service which provides accommodation, together with nursing, personal care or personal support, for persons by reason of their vulnerability or need this may include for: alcohol & drug misuse, blood borne virus, learning disabilities, mental health problems, older people, physical and sensory impairment or respite care and short breaks. Care at home Care at home is registered by the Care Inspectorate as a support service – "Support Service - Care at home." A support service is defined as a personal care or personal support service provided by arrangement made by a local authority or health body to a vulnerable or person in need. This does not include a care home service or a service providing overnight accommodation. Day Care Adult day care is registered as a support service – "Support service – Other than care at home." See definition above. A service, also defined as Supported Living, Housing support which provides support, assistance, advice

or counselling to a person who has particular needs, with a view to enabling that person to occupy residential accommodation as a sole or main residence. This will include delegated and non-delegated services. The nature of the work within the contract (either residential or non-residential care) should attract the current percentage uplifts applied to the total value of the contract.

While homelessness services largely fall out-with the scope of this policy, the Scottish Government recognises that homelessness services within the housing support sector as defined by the SSSC, where staff provide direct care, fall within the parameters of this policy.

A service which consists of, or includes, arranging for the provision of accommodation for an adult (age of eighteen years or over), together with personal care or personal support or counselling, or other help, provided other than as part of a planned programme of care by reason of the person's vulnerability or need, by placing the person with a family or individual; but a service may be excepted from this definition by regulations.

All SDS options where workers provide direct Adult Social Care support, either in a social care provider organisation or someone paying a Personal Assistant.

Registerable under a care home and housing support as per the definitions above.

Shared Lives services are a form of care that supports people to live safely and

Adult placement services

All SDS options (1, 2, 3 and 4)

Respite services

Shared Lives

comfortably in a home and community of their choosing. Care is provided by professional carers - either individuals, couples, or families - in their homes and as part of their local community. The services in scope are:

- Live-in support
- Daytime support

The nature of the work within the contract (either residential or non-residential care) should attract the current percentage uplifts applied to the total value of the contract

CCPS, Norton Park, 57 Albion Road, Edinburgh EH75QY

Tel: 0131 475 2676, www.ccpscotland.org

Coalition of Care and Support Providers in Scotland (CCPS) is the voice of not-for-profit social care providers in Scotland.

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