Consultation

1. Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?
Yes, Angus Council has responded to the consultation exercises which preceded the Bill and has commented on the financial assumptions in the Self Directed Support (SDS). This is outlined in Angus Council’s consultation response to the financial memorandum and potential costs which was submitted to COSLA in July 2012.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?
No, based on Angus Council’s projections outlined in the financial memorandum, the proposed allocation of funding over three years identified falls short of even our most conservative estimates of the cost we may face in relation to implementing the SDS legislation. The net effect of this is a risk that the new duties may place additional financial burdens on Angus Council at a time when resources are diminishing and demand is rising.

Angus Council recognises that the bridging finance that will be required to support infrastructure and cultural change is difficult to estimate with any certainty. Despite this Angus Council’s case for bridging finance was made on the basis that we currently social care contractual commitments spread over several years with a provider or groups of providers, and significant investments in buildings-based facilities such as day centres.

Should a significant number of service users choose to move away from Council-arranged services to personalised budgets there is a risk that Local Authorities would continue to be expected to comply with commitments to retain building based facilities or block contracts until the end of their agreed contract period (dual running costs). Based on this assumption it is likely that there will be increased demands on Commissioning and procurement resources, both in terms of arranging and monitoring different types of contract and supporting the shift towards outcome based commissioning. There are also likely to be implications for the Care Management and assessment Services in relation to increased activity of assessments and the processing of applications for SDS.

3. Did you have sufficient time to contribute to the consultation exercise?
Angus Council is currently developing its policy position in relation to SDS legislation. We would argue that there has been limited time to formulate a position on the finance being made available for implementation since the bill was introduced to Parliament on the 1st of March. We would argue that there is a need to further debate the level of resources that will be required to support SDS in the future, both in relation to any residual transformation costs, and any increases in service costs that might emerge as a result of moving to new commissioning models.

Costs

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details?
No, the proposed funding allocation outlined in the financial memorandum to support the implementation of the self directed support bill is considerably less than we had estimated. This excludes the additional funding proposed for an implementation manager. This estimate is detailed in Angus Council’s response to the Self Directed Support consultation
on financial memorandum and potential costs which was submitted to Cosla in July 2011. It is important to emphasise that if insufficient resource is not made available, the pace and timing of the implementation of the legislation could be affected as a result.

While Angus Council broadly supports the distribution of financial resources and is committed to transformational change, it recognises that the extent and timing of cultural change and the shift away from existing service models is difficult to predict. While SDS may deliver savings over the longer term through improving outcomes and thereby reducing demand, such savings will take time to emerge and will require transformational changes to cultures and existing service models.

5. Do you consider that the estimated costs and savings set out in the financial memorandum, and the timescale over which they are projected, are reasonable and accurate?
While Self Directed Support may deliver savings over the longer term through improving outcomes and thereby reducing demand, such savings will take time to emerge and will require transformational changes to cultures and infrastructures. Angus council would argue that council’s across Scotland are at different stages in this transformation. We do anticipate that we will incur costs over the short to medium term in relation to:

- Workforce development – mainstreaming the SDS approach across relevant services
- Increased care management time – developing an outcome based approach to assessment.
- Withdrawing from existing service arrangements and the potential decommissioning of services.
- Entering in to new contracting arrangements.
- Maintaining existing services (‘dual running costs’)
- Building a support infrastructure to support change i.e. IT systems.

The detailed costings for these areas of development are outlined in financial memorandum and potential costs which was submitted to COSLA in July 2012.

6. If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?
In terms of the broader costs of implementation, it is difficult to accurately estimate this for a number of reasons. The precise extent and timing of the shift away from existing service models will depend in part on the choices individuals make in relation to their preferred option of receiving care. An outcomes based commissioning model will also need to be accelerated and developed to support this shift.

7. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?
While Angus Council broadly supports the distribution of financial resources and is committed to transformational change, it recognises that the extent and timing of cultural change away from existing service models is difficult to predict. While SDS may deliver savings over the longer term by improving outcomes and thereby reducing demand, such savings will take time to emerge and will require transformational changes to cultures and structure.

Angus Council is committed to supporting the personalisation agenda and believes that SDS should be available to everyone with assessed care needs. If the proposed legislation is to be effective in supporting progress in this area, issues relating to the scope
of the Bill and the resources required to support its implementation need to be further debated in the context of the legislative timeline.

Wider Issues
8. Do you believe that the Financial Memorandum reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?
As SDS is developed and imbedded there could be a reduction in the workforce in relation to the delivery of direct care. There could lead to savings in terms of staff that deliver training, workforce development, personnel, payroll and other staff based costs, as well as building and transport related costs. These reductions may be offset by additional contracting, monitoring and quality assurance costs. Angus Council would also need to invest in augmenting our IT system and there would be recurring costs to maintain the IT system (resource allocation system).

9. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?
Angus Council has been clear throughout the consultation process that it does not support the use of direct payments to purchase residential accommodation this is reflected in Angus Council's response to the consultation in respect of the Self Directed Support bill.

The introduction of direct payments to purchase residential care may lead to variable rates being charged by providers would not link well with national contracts, top up fees may become an issue, and there is a risk that service users or their circle of friends would not pay. Angus Council would argue that there are no clear benefits to service users, providers or the local authority in implementing direct payments to purchase care.

SELF-DIRECTED SUPPORT (SCOTLAND) BILL
FINANCE COMMITTEE QUESTIONNAIRE: RESPONSE OF ARGYLL AND BUTE COUNCIL

Consultation Questions
1. Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?
Argyll and Bute Council did send a very short response to the financial implications concerning SDS. The Council was not in a position to estimate potential implications of the Bill.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?
N/A.

3. Did you have sufficient time to contribute to the consultation exercise?
Yes.

Costs
4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details?
Argyll and Bute Council are not in a position to comment on this question in specific terms. However in general the financial memorandum appears to highlight the main areas where a financial impact is anticipated.

5. Do you consider that the estimated costs and savings set out in the Financial Memorandum, and the timescale over which they are projected, are reasonable and accurate?
Given the level of uncertainty attached to the costs and savings it is difficult to comment on whether or not these figures are reasonable, particularly given the early stage that the council are currently at a local level.

6. If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?
As highlighted in the financial memorandum there are a number of areas of uncertainty, mainly in relation to transformation costs and requirement of bridging funding. Until further detailed investigation has taken place and the allocation of Government funding for this has been agreed (i.e. outcome of SG and COSLA negotiation) then it is difficult to comment on the council’s ability or otherwise to meet these costs in the short to medium term.

7. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?
Timescale is over a 3 year period, given that the Bill is expected to come into force during late 2013/14 then this would mean that additional funding would cease at the end of the first full year of implementation (2014/15). Given the level of uncertainty, particularly in relation to bridging costs and the ability for local authorities to move away from block / minimum level contracts, internally provided services (where staff costs are fixed) and buildings based costs, then there may be an additional financial burden on local authorities in the medium terms (2015 onwards).

Wider Issues
8. Do you believe that the Financial Memorandum reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?
It appears to capture the majority of potential direct and indirect costs associated with the Bill. One area worth consideration is the potential indirect impact on externally provided services, where reductions in either block contracts or service levels either lead to sustainability issues for providers (particularly an issue in more rural areas) and / or an increase in provider rates. This has the potential to increase the cost of the remainder of externally provided services.

9. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?
The Council believe one possible further expense may be an increase in activity in relation to Adults with Incapacity legislation with the potential for interventions under AWI to increase. Activity concerning a range of adults who lack capacity may well require the Local Authority to seek a range of interventions involving Mental Health Officers and registered social workers.
Introduction
1. COSLA welcomes the opportunity to provide evidence to the Finance Committee on the financial implications associated with the Social Care (Self Directed Support) (Scotland) Bill. The Committee should note that our submission focuses on the financial implications of the Bill and also longer term strategy, rather than focussing on the specific questions which have been set out in the Committee’s call for evidence.

2. The Committee should also be aware that COSLA is also submitting evidence as part of the policy scrutiny of the Bill by the Parliament’s Health and Sport Committee, which will set out COSLA’s wider policy position around the Self Directed Support Bill and longer strategy, and we would be happy to provide the Finance Committee with a copy of this to provide a wider context.

Self-Directed Support Strategy
3. The Finance Committee should be aware that Scottish local authorities have been working with their community planning partners, including the communities they serve, to develop more personalised services that put individual outcomes, choice, and control at the heart of service delivery. COSLA is fully committed to self-directed support (SDS) as an approach to advancing the personalisation agenda and supporting people to live independently in the community. In order to take this forward, COSLA has been working closely with the Scottish Government and launched a joint national strategy for self-directed support in October 2010. This strategy sets out a ten-year vision for delivering social care that is fit for the future.

4. The strategy recognises that councils are at different stages in the development of SDS, with many facing challenges in relation to moving to new procurement models to support commissioning for individuals; developing and embedding resource allocation systems to identify individual budgets; shifting cultures and mainstreaming the SDS approach across relevant services and winding down traditional group model services. The strategy therefore has a 10 year implementation horizon in recognition that public services require sufficient time to put the required infrastructure in place and to bring about shifts in culture.

5. Whilst overall we remain supportive of the SDS approach, it is our view that the self-directed support strategy needs to be given sufficient time to fully influence practice, before there can be a clear case for taking the next step of introducing legislation. Nevertheless COSLA firmly believes that self-directed support has the potential to deliver a step-change in the way support services are provided.

Resource Implications
6. Specifically in terms of the resource implications, COSLA acknowledges that £23m of funding has been made available to local government across the next three years from 2012/13 to 2014/15. These resources are intended to support the necessary transformation, including associated infrastructure costs, required to deliver the new Bill duties and wider requirements of the SDS strategy.

7. COSLA has worked with the Scottish Government SDS Bill team over recent months to help identify anticipated implementation costs and influence the financial memorandum to the Bill. This new approach to working has been welcomed and has provided the opportunity for Councils to outline some of the financial costs that will be required to deliver the wider SDS strategy, and associated duties as outlined within the Bill. Part of this work included carrying out a survey of councils in November last year. The responses
received raise significant concerns regarding the resources identified to support the Bill. In addition, given that this will require a fundamental shift in both culture and infrastructure, and that this will take time, there needs to be much wider consideration around the overall period for which resources are made available to enable this shift to be delivered. Whilst this more joined up approach has managed to secure some additional resources for local government than originally intended, it is clear that the level of resources which have currently been provided fall significantly short of initial Councils projections required to deliver both the duties of the Bill and indeed meet the wider strategy requirements.

8. COSLA recognises that SDS may deliver savings over the longer term through improving outcomes and thereby reducing demand, however any such savings will take time to emerge and will require transformational changes to both cultures and supporting infrastructure. The 10 year strategy recognises the longer term benefits that this approach will entail, however it also recognises that Councils are at different stages in this transformation process. Whilst the level of resources which have been identified may go some way to supporting this required change, clearly there will be differing resource requirements across Councils depending on; their current stage in the personalisation agenda, local contracting arrangements, and indeed the level of demand for differing services away from those that are currently offered, much of which will take time to fully realise. Given this it is difficult to completely separate the short term transformational costs from the wider resource requirements which will be necessary to support the longer term SDS strategy.

9. In addition, the overall resource requirements for Councils in relation to the overall delivery of SDS will also depend on the extent of demand for social care services, and indeed the overall choices that individuals make in relation to how these services are provided. We are all faced with financial challenges as a result of the economic downturn, and in turn this has placed significant pressure on the wider local government settlement. Clearly the nature of demand led services is always challenging, and indeed makes it difficult to secure economies of scale where there is no certainty around the level of demand. The nature of SDS requires Councils to offer a number of options around how their care should be provided and supported, and indeed this creates challenges particularly in the short term around the ability to budget appropriately and to accurately estimate the associated take up of specific services.

**Transformational Costs**

10. The financial memorandum acknowledges that fully implementing the principles of the Bill will require councils to make fundamental shifts in both culture and infrastructure. While recognising that councils are at different stages in this transformation, our survey showed that the majority anticipate they will incur costs in relation to:

- Workforce development – mainstreaming the SDS approach across all relevant services, including social work services and housing
- Increased care management requirement – for example, to explain the four options and support decision-making; to formulate individual service budgets and deal with any concerns; to support the purchasing services from a more diversified market; to repeat these processes when packages are review and reconfigured
- Withdrawing from existing arrangements – for example, costs associated with closing services that are no longer viable due to reduced client numbers
- Entering into new contracting arrangements – for example, additional time from administration and finance staff to deal with a higher number of smaller payments and contracts; processing a higher number of direct payments
Maintaining existing services until they can be closed or scaled down (‘dual running costs’) – for example, meeting fixed overheads for services running below capacity, maintenance costs for buildings until alternative uses can be found.

11. Both the financial memorandum, and indeed previous research studies, acknowledges it is difficult to accurately estimate the costs that will arise from the changes outlined above. Indeed, the timing and extent of these shifts in commissioning arrangements, administrative costs, and dual running costs are partly dependent of the choices individuals make under SDS. That said, the £23m identified falls far short of even councils’ most conservative estimates. Whilst it is difficult to fully estimate the exact cost for all Councils, from the information provided by Councils even the lowest estimate for each of the cost areas outlined above over three years would total just over £50m nationally. Given that councils are at different stages in implementing SDS, it is highly likely that these costs would be higher, and indeed even based on the median of the estimates which were received the total cost to councils, over the next three years would be over £90m. Clearly this is very different to the actual level of funding which has been provided.

12. These estimates are of course subject to the limiting factors outlined earlier and COSLA is in no way presenting these figures as definitive. What we do wish to highlight however, is the level of disparity between even our most conservative estimates and the resource being made available.

13. The need for initial set up costs has also been highlighted as part of the recent research which has been undertaken by Stirling University around the costs relating to SDS. What still however remains unclear is the actual amount that is required for these set up costs, and these will vary significantly across Councils. Many Councils will face significant costs associated with bridging finance and dual running costs which will be required to allow Councils to maintain or potentially scale down existing Council led services. There will be costs associated with the traditional infrastructure of running the existing service, including buildings costs and staffing costs, on top of the costs associated with commissioning new contracts with service providers, many of which may be at a substantially higher cost, given the inability for economies of scale associated with many larger block contracts. The difficulty around estimating the overall cost associated with bridging finance will depend on local circumstances, including; the demand and take up of alternative options in relation to how their care and support is provided, and indeed the overall cost of commissioning new contracts, and ‘spot purchasing’ which has traditionally higher unit costs.

14. In addition there may be implications for other parts of the social care markets, where Councils may be required to withdraw from current block contracts. This will vary substantially depending on the local market, where many private or third sector providers rely on existing council contracts for a high proportion of their income. Income from individual SDS contracts is likely to be spread across a diversified local market, and may take time to realise. This may create additional financial challenges for providers, and indeed may risk destabilising the market and reducing client choice, particularly at a time where the overall aim is to develop the market and indeed improve client choice. Furthermore this may in turn place pressure on Councils should a provider collapse, where particularly in the short term Councils may be faced to step in and provide services, particularly should there be a reduction in in-house capacity.

15. Furthermore it is anticipated that there will be costs associated with increased care management time including ensuring the overall assessments and reviews explore the SDS options and support the individual’s decisions. These additional costs will arise from; the need for Councils to review their current systems to ensure that they appropriately
support the duty for Councils to offer and indeed support the range of SDS options, an
appeared increase in the overall volume of SDS assessments as these will be offered to
all new clients and other client groups will also be reviewed; an increase in care managers
time required to spend with clients, including initial assessments and also the need to
review and purchase individual arrangements.

16. Whilst it is difficult to estimate the overall transition costs which Councils will be faced
with to support the duties of the Bill, it is clear from initial Council estimates that the costs
which they are anticipating will be significantly greater than the level which is provided,
and indeed could be greater than double the level of resources required. It is recognised
that Councils are at differing stages of implementing SDS locally, but the precise extent
and timing away from traditional service models, will depend in part of the choices that
individuals make in relation to their preferred option. Nevertheless given the Bill will place
new duties on Councils, they will be required to provide the necessary systems and
infrastructure in place to support not only existing services but also to commission new
services, and all of this will come at a cost.

Future Resource Requirements
17. In addition, the Financial Memorandum to the Bill anticipates that implementing SDS
thereafter will be cost neutral. Whilst COSLA recognises that SDS may deliver savings
over the longer term, the SDS strategy is a 10 year vision. Whilst resources have been
provided to support the next 3 years, it is clear that both changes to culture and
associated infrastructure often take time to emerge, and will require resources to support
the necessary changes. Given the Bill places new duties on Councils, it is difficult to
estimate what level of savings may be realised going forward. Whilst the Scottish
Government have made it clear that the level of resources which are currently provided
are for the next Spending Review only, there will be a need to consider any future
anticipated resources going forward. COSLA will work closely with the Scottish
Government to review the actual costs incurred by Councils and anticipated future
resources to meet the requirements of the longer term strategy aims.

SELF-DIRECTED SUPPORT (SCOTLAND) BILL
FINANCE COMMITTEE QUESTIONNAIRE: RESPONSE OF DUNDEE CITY COUNCIL

Consultation
1. Did you take part in either of the Scottish Government consultation exercises
which preceded the Bill and, if so, did you comment on the financial assumptions
made?
Dundee City Council did participate in the Scottish Government consultation exercises
with particular involvement through COSLA with regards to the Financial Memorandum in
the form of completion of the COSLA survey regarding the potential financial impact of the
introduction of the Self Directed Support Bill and subsequent follow up workshop with
COSLA, Scottish Government, Local Authorities and other stakeholders.

2. Do you believe your comments on the financial assumptions have been
accurately reflected in the Financial Memorandum?
Some limited consideration has been given around the costs of implementation of SDS
but real concerns regarding the longer term sustainability should Scottish Government
funding not be continued past 2014/15 have not been addressed in the Financial
Memorandum.

3. Did you have sufficient time to contribute to the consultation exercise?
A reasonable amount of time was given to contribute. The Scottish Government has acknowledged that local authorities are at different stages of implementing SDS (para 84 of the Financial Memorandum) and Dundee City Council is making progress but still at a relatively early stage of the process therefore it has been difficult to determine the implications across all areas (e.g. finance, staff development, procurement, IT, assessment etc).

Costs

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details?

The categories of additional costs are widespread but arguably have been accurately reflected although there are concerns regarding the potential shortfall in funding by the Scottish Government. These are explained in more detail in the response to question 5 below.

5. Do you consider that the estimated costs and savings set out in the Financial Memorandum, and the timescale over which they are projected, are reasonable and accurate?

The COSLA lead survey on the potential cost of the implementation of SDS highlighted how difficult it was to predict what the costs may be with considerably different responses from local authorities. Notwithstanding this, there are real concerns that the amount of Scottish Government funding for implementation is insufficient in both the level of funding and the length of funding period. For instance, at a local level, the identified estimated costs of implementation (with a number of significant expenditure areas not yet costed) equates to the maximum possible share of Scottish Government funding available to Dundee.

There are a number of assumptions made in the Financial Memorandum impacting on the level and length of funding which we would challenge:

Transformation Costs:
Arguably these could be the most significant costs of implementing SDS as current "fixed" infrastructure is dismantled over time (in terms of buildings, local authority direct services and block contract funded services). The Scottish Govt highlights at para 102 that it does not anticipate a "big-bang" shift in individuals directing their own support. If this is indeed the case, local authorities could be faced with the situation of running under capacity, inefficient services while funding SDS packages (double running costs) for a longer period than expected as people gradually move away from traditional services. With the increases in demand for services due to demographic changes unlikely to be met through additional Scottish Government Funding given the current financial environment, local authorities cannot afford to carry this inefficiency. This would indicate that a longer term fund for transformational change would be more appropriate.

Cost Neutrality of the Bill:
In para 79 the Scottish Government suggests that the shift towards self-directed support will be cost-neutral and notes that savings should be possible (para 78) with people electing to arrange support at home as opposed to residential accommodation. While this may be the case, this has been the general national policy direction over a number of years through shifting the balance of care and more recently through the creation of the Change Fund for Older People with major developments in the way care at home can be provided therefore this potential saving has perhaps been over-emphasised.

There is also reference to some administration costs transferring to individuals thereby reducing bureaucracy (and presumably costs) with the cost of liaising with providers
shifting to individuals. However, if a "big bang" is not anticipated, local authorities cannot reduce their administrative infrastructure accordingly. In addition, many individuals will choose to rely on external agencies to provide the support services they need to manage their self-directed budget, which they will have to pay for therefore reducing the amount of self-directed budget available to purchase the services they need.

In addition, Dundee City Council's experience of Direct Payments is that there is still a significant administrative burden to the council as monitoring of the direct payment is still required, payments still have to be made (to individuals rather than organisations), debt recovery action still needs to be taken if clients contributions aren't made and unused balances at the year end still need to be pursued.

The potential reduction in the use of resources identified in para 78 through reducing "unwanted" provision of arranged services is a possibility but it could be reasonably expected that any such efficiencies would be required to meet increasing demographic demand.

Recurring costs through increased support to independent advice and support services, ongoing increased staff training costs the management and monitoring of SDS will all require to be funded. With no clearly identifiable recurring savings, it is difficult therefore to conclude that the Bill will be cost neutral.

Demand Levels:
The Financial Memorandum cites evidence that demand levels shouldn't increase significantly due to the introduction of the Bill with parallels drawn with the experience of the introduction of Direct Payments and the limited shifts to this method away from traditional services. However it could be argued that SDS is higher profile and with £7m being provided to provide information and advice there is potential for there to be a "woodwork effect" and therefore a significant increase in demand. This would be over and above the demographic demand increased expected generally.

Sustainability
Tied in with cost neutrality is the longer term sustainability of the ongoing infrastructure required to support SDS with the increased capacity of advice and advocacy services a particular concern. Within Dundee, current available funding to these organisations is already insufficient to meet increasing levels of demand faced by them. With no large "resource release" anticipated as outlined above, and increasing levels of demographic need, additional funding is unlikely to be found from within local authority budgets to provide support funding to these organisations. Without these services the whole SDS strategy could be undermined.

6. If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?
As highlighted in 5 above it is anticipated that the longer term financial costs associated with the Bill cannot be met. The ongoing costs should be met through a continuation of Scottish Government funding.

7. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?
The Financial Memorandum does attempt to reflect this but as outlined in 5 and 6 above falls short of providing a realistic longer term view of the ongoing resource requirements to meet the additional costs. Costs for 2015/16 and beyond should be acknowledged even if funding cannot be guaranteed.
Wider Issues

8. Do you believe that the Financial Memorandum reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom? While most costs are captured there are some potential consequences of the Bill which could result in additional expenditure incurred by local authorities. For instance as more and more people are supported to lead independent and individualised lives in the community there will be a demand for more housing which will require investment. The restrictions in Scottish Government funding for Housing Association Grants continue to restrict investment thereby creating demand and unnecessary admission to care homes. Similar considerations around OT equipment and adaptations exist.

9. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?
None identified

SELF-DIRECTED SUPPORT (SCOTLAND) BILL
FINANCE COMMITTEE QUESTIONNAIRE: RESPONSE OF EAST AYRSHIRE COUNCIL

Consultation

1. Did you take part in either of the Scottish Government Consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?
East Ayrshire has responded to previous consultations with respect to the Bill, including the financial assumptions made.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?
On the basis the information contained in the Financial Memorandum is the same allocation detailed in the Health and Social Care Integration Directorate this does not reflect the financial assumptions previously submitted to the Scottish Government.

Initial financial assumptions based on available information but in the absence of estimates for a number of elements, were £138,956 £142,430 and £145,980 for years 12/13, 13/14, 14/15.

The East Ayrshire allocation identified in the Health and Social Care Directorate communication detailed as £152,960, £269,960 and £152,520 for years 12/13, 13/14, 14/15. Given that there were a number of areas not quantified specifically there is potentially a significant shortfall. In addition a minimal cost estimate of £84,458 was identified for years 2015 and beyond which does not feature in the Financial Memorandum as it is restricted to the current Spending Review.

3. Did you have sufficient time to contribute to the consultation exercise?
No, the timeframe was short and did not facilitate opportunities to consider the complete impact of the Bill across all services and systems both within the Council and with our partner providers including Independent Advocacy services.
Costs

4. If the Bill has any financial implications for your organisation, do you believe those have been accurately reflected in the Financial Memorandum? If not, please provide details?

No, as previously stated there was a significant number of areas for which no cost was available. Implications for self-funding residents of care homes, systems required to process payments, collect charges if gross direct payments are to be made, debt processing, electronic system developments, dual running costs, increased monitoring arrangements, developing the workforce including partner providers and shifting the culture across staff, service users and carers were not costed in the original consideration of financial implications.

5. Do you consider that the estimated costs and savings set out in the Financial Memorandum, and the timescale over which they are projected, are reasonable and accurate?

The savings and cost neutral assumptions are concerning as there is limited evidence to support this. While it may be fair to anticipate there would be minimal difference in costs of direct service provision and self-directed arrangements, consideration is required to the supports required to deliver this both in terms of supporting vulnerable people directly and robust systems to monitor and deliver this route of support where there are audit and regulatory imperatives along with an underlying duty of care by the local authority. The time frame for allocation being restricted to the current Spending Review is a risk as there is no means to anticipate what the take up will be, implications for current service providers including local authorities and the potential need to decommission services.

6. If relevant, are you content that your organisation can meet the financial costs associated the Bill which your organisation will incur? If not, how do you think these costs should be met?

Reduction in public sector resources, increased service demands and the Health and Social Care Integration agenda are all pressures which will impact on the capacity to meet financial costs associated with any new legislation. The systems changes required to facilitate the Bill including audit, care management, review and monitoring, electronic systems, billing, debt collection and contract and commissioning will all have associated costs. The potential impact on closing down current service provision at a, “tipping point,” where demand transferring to self-directed support requires service reconfiguration will have costs attached, particularly where there are staffing implications including the potential for redundancy payments.

The fact that the finances identified relate specifically to the current spending review poses significant risks to local authorities therefore it is not possible to state confidence in the capacity of East Ayrshire Council to meet additional costs associated with the Bill.

In terms of sources for costs to be met there may be potential if there are savings from the Health and Social Care Integration agenda and specifically the Integrated Resource Framework to support implementation of the Bill but this would be a long term solution.

7. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

No, there are greater margins of uncertainty associated with other policy developments and presumptions of cost neutral outcomes.

Wider issues

8. Do you believe that the Financial Memorandum reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?
The Financial Memorandum fails to recognise the systems changes required as previously referenced, the regulatory and duty of care implications and the impact of potential double running costs for services.

9. **Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?**

   In spite of concerns expressed regarding the financial projections for the Bill, East Ayrshire Council fully supports the principles of the legislation with respect to service users having full involvement, informed choice and collaborative solutions to their care needs. Our current practice aspires to reflect those principles however, full scale systems change at a point of diminishing public sector funding, increasing demand and the Health and Social Care Integration agenda poses risks in terms of the capacity to provide a robust system without the appropriate resources to support this.
| Consultation paper section | Area of potential cost impact | Response - Please provide as full a narrative response as possible to each question in the boxes below. Please use the 'Council Estimate' and 'Estimated Savings' columns to the right to provide quantified estimates where possible. Where it is not possible to provide an estimate, please tell us more about the types of costs, or other pressures, you expect to arise, why and when. | Estimated costs - initial estimates provided by the Scottish Government (where available) including indication of nature of cost (recurring / non-recurring) | Council Estimate - please provide estimated costs per annum, including any transitional costs for preparatory work in 2012/13. For all years, please indicate whether costs are one-off (o), or recurring (r). | Estimated Savings - please provide any estimated savings which are anticipated. Please indicate whether savings are one-off (o), or recurring (r). |
|-----------------------------|--------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 8.1                         | SDS advice / support services - costs associated with building the capacity of support / advice services. | 8.1a) What are the likely requirements for costs of increased capacity within council advice and support services (including those provided) | At present we have one support assistant grade post which responds to both the financial monitoring and practical support of 100 people who currently access self-directed support. In order to extend the capacity and separate the financial monitoring from the Recurring - No estimate. | 30,264 | 31,021 | 31,786 | 32,591 | 0 | 0 | 0 | 0 |
| 8.1a)                       |                                |                                                                                                 |                                                                                                 | |


by care managers)?

<table>
<thead>
<tr>
<th></th>
<th>support provided directly with respect to the processes involved and with the general awareness raising and information provision to all stakeholders we would anticipate enhancing the capacity by one post per 100 service users.</th>
</tr>
</thead>
</table>

8.1b) What is the likely requirement for increase funding from local authorities for independent advice and support services?

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<tr>
<th></th>
<th>Non-recurring</th>
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<tbody>
<tr>
<td></td>
<td>32,750</td>
</tr>
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</table>
What are the likely requirements for developing skills of staff members within in-house and/or commissioned advice and support services?

In order to maximise knowledge and understanding across all stakeholders with respect to self-directed services, a programme of awareness raising and training will require to be developed and delivered on a rolling programme basis. The provision of learning materials in terms of written information will also be required. While this is delivered at present by current staff involved in self-directed services it will require to be enhanced and include outcomes based practice sessions in order to shift the culture across all organisations including the local authority, NHS, partner providers, service users and carers. This will require the enhancement of provision in the training section. Given the considerable agenda we would anticipate the need for one additional training officer post in East Ayrshire and a third share of a post for a Pan Ayrshire role across NHS.
<table>
<thead>
<tr>
<th>8.1d)</th>
<th>What other pressures, including knock-on effects for other services, might arise from increased demand for advice and support?</th>
<th>Ayrshire and Arran and partner providers.</th>
<th>N/A</th>
<th>tbc</th>
<th>tbc</th>
<th>tbc</th>
<th>tbc</th>
<th>0</th>
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</thead>
<tbody>
<tr>
<td>8.1e)</td>
<td>What savings might be realised through more people accessing advice / support and SDS packages?</td>
<td>It is difficult to quantify at this point what savings might be achieved through increased uptake of self-directed service packages. It could be anticipated that there will be savings across all administrative functions concerned with commissioning and monitoring contracts and the management and audit of payments to</td>
<td>Recurring - No estimate</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</table>
contracted services and in-house staffing costs however, it is possible that any savings will require to be utilised to support and facilitate enhanced monitoring of the use of self-directed supports to ensure people's needs are being met safely and risks to the most vulnerable service users are minimised in terms of adult support and protection.

<table>
<thead>
<tr>
<th>8.2</th>
<th><strong>Appropriate person provisions</strong> - costs associated with assessing appropriate persons applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8.2a)</strong></td>
<td>What additional requirements and costs might the 'appropriate person' option lead to?</td>
</tr>
<tr>
<td></td>
<td>Costs would be associated with establishing processes including training and monitoring of &quot;appropriate person&quot; arrangements. Until further clarity is provided with respect to the actual role and function of an &quot;appropriate person&quot; this is difficult to quantify.</td>
</tr>
<tr>
<td></td>
<td><strong>Recurring - No estimate</strong></td>
</tr>
</tbody>
</table>
8.2b) How are these likely to change over time?

As Councils continue to have ultimate responsibility for monitoring care arrangements particularly with respect to protection and use of the public pound, it is unlikely the training and monitoring costs would fluctuate over time.

Recurring - No estimate

8.2c) To what extent could guardianship applications be expected to reduce in line with uptake of the appropriate person option?

The use of Access to Funds facilities should minimise the need to make application for financial guardianship. It is unclear what the difference between the "appropriate person" and access to funds arrangements might be at this time until there is further clarity with respect to the role and function.

Potential savings to OPG (not quantified)

8.2d) If, as expected, the Bill focuses on more informal "circles of support" what implications might this have for councils; and what, if any, costs would be incurred?

In addition it is anticipated safeguards would require to be in place to ensure informal circles of support are meeting the needs of the individual. It is anticipated additional independent advocacy and care management capacity may be required as a consequence.

Recurring - No estimate
### 8.3 Services to carers - costs associated with offering self-directed support to carers

<table>
<thead>
<tr>
<th>8.3a)</th>
<th>What are the wider implications for local authorities of offering self-directed support to carers - both in terms of i) assessment and ii) support?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>There should be minimal implications with respect to the provision of carers’ assessments given this is current practice however there is acknowledged low take up. In terms of support provision it is anticipated there is considerable unmet need at present which will have an impact financially to the council regardless of how this is provided.</td>
</tr>
<tr>
<td></td>
<td>Recurring - No estimate</td>
</tr>
<tr>
<td></td>
<td>Recurring - tbc</td>
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<tr>
<td></td>
<td>tbc                                                                         tbc                                                                         tbc                                                                         tbc                                                                         0                                                                         0                                                                         0                                                                         0</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>8.3b)</th>
<th>Do you currently provide direct payments to carers and if so, at what levels? (Please provide numbers of carers and costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We have not to date provided direct payments to carers.</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
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<td></td>
<td>n/a</td>
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<td>n/a</td>
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<td>n/a</td>
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<table>
<thead>
<tr>
<th>8.3c)</th>
<th>How is demand likely to change over time, with how demand may change on account of the bill proposals. In East</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>It is difficult to anticipate how demand may change on account of the bill proposals. In East</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
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<td></td>
<td>tbc</td>
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<tr>
<td></td>
<td>Respect to the bill proposals? (Please provide numbers of carers and estimated costs)</td>
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<tr>
<td>8.3d)</td>
<td>To what extent do you see this meeting current unmet need?</td>
</tr>
<tr>
<td>8.3e)</td>
<td>To what extent do you anticipate the power to support carers will allow councils to ‘spend to save’? For example, by enabling carers to provide more care, or provide care for longer, thereby reducing demand for services by the individuals they support?</td>
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<tr>
<td>8.3f</td>
<td>What might be the likely savings from any overall reduction in demand?</td>
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<tr>
<td>8.4</td>
<td><strong>Residential care</strong> - costs potentially arising from the use of direct payments for the purchase of long term residential care</td>
</tr>
<tr>
<td>8.4a)</td>
<td>What is the risk of individuals paying for their residential care through direct payments being classified as self-funders?</td>
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<td></td>
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<tr>
<td>8.4b)</td>
<td>Would this risk create any financial liabilities for local authorities?</td>
</tr>
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</table>
8.4c) How would adjustments to payments (as part of the quality award element of the national care homes contract) be dealt with under direct payments? What financial or administrative pressures might this bring for councils?

The payment adjustments would be cumbersome as they may require to be adapted on a case by case basis resulting in additional administrative costs to process.

8.5 Payment methods - costs associated with changes to payment methods

8.5a) If payments were to be made gross, what difficulties might arise for councils?

At present we pay net. If paid gross there would be associated costs with issuing bills for charges and pursuing payments and possibly debt recovery.
| 8.5b) | **Would there be any administrative costs arising from gross payments and if so can these be quantified?** | At points where debt was amassing, if they are subsequently written off then there would be effective double funding by the council. Monitoring and processing of gross payments would have additional administrative resource implications. | Recurring - No estimate | tbc | tbc | tbc | tbc | 0 | 0 | 0 | 0 |
| 8.5c) | **What other implications might arise from each payment method, for example, where individuals wish to purchase services from neighbouring authorities?** | The implications with respect to gross payment methods are described above as payments would be made then charges applied in line with policy. Where charges are taken at point of payment administrative costs are minimised with respect to the process. | Recurring - No estimate | tbc | tbc | tbc | tbc | 0 | 0 | 0 | 0 |
| 9.1 | **SDS implementation managers based in local authorities - costs associated with employing additional staff for 3 years** | | | | | | | | | | |
9.1a) Which of the low and high end assumptions is the most appropriate for additional staff to support transition?

Across Ayrshire there may be potential to have one post covering the three council areas, however this would require to deliver high level advice and guidance given the different structures and cultures within each council area. The majority of tasks are currently undertaken within existing staffing arrangements which will require to be enhanced to meet the aspirations of the bill.

Non recurring (first 3 years only) - Between £0.96m to £3.8m over 3 years. £3.4m over 3 years, to be made available by the Scottish Government.

9.1b) Are the costs associated with these posts accurate?

Any posts would be subject to job evaluation. The money identified would only realistically provide input if there was a shared post across all three Ayrshire Councils providing a project management type function. Alternatively, this resource could be targeted to enhance current arrangements which would result in the integration of tasks within mainstream work arrangements, reducing the risk of self-directed supports being considered outwith day to day operations.

Non recurring (first 3 years only) - £40,000 on costs per post, per annum.
### 9.1c) What pressures might arise as SDS manager posts come to an end?

If posts are time limited there is considerable pressure to ensure practice is mainstreamed at an early point as possible. It would be more valuable to ensure this is the case from the outset by funding additional capacity within existing structures in the short term with a view to freeing up resources to sustain this input rather than having specialist posts.

<table>
<thead>
<tr>
<th>Recurring - No estimate</th>
<th>n/a</th>
<th>n/a</th>
<th>n/a</th>
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</table>

### 9.2 Training, information and awareness raising; publicity on the new legislation

Training will require to support a shift from process to outcomes focussed practice across social work staff, service users and carers.

<table>
<thead>
<tr>
<th>No recurring - No detailed estimate. Assumed costs unlikely to exceed similar Bill costs e.g. £200k for materials and £600k to deliver training.</th>
<th>0</th>
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### 9.2a) What other training or development requirements might arise from the SDS Bill? (please exclude any requirements that are likely to be met by the SDS managers)

<table>
<thead>
<tr>
<th>No recurring - No detailed estimate. Assumed costs unlikely to exceed similar Bill costs e.g. £200k for materials and £600k to deliver training.</th>
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<tr>
<td>9.3</td>
<td>Bridging finance</td>
<td>costs associated with winding down of existing contracts</td>
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<tr>
<td>9.3a)</td>
<td>What additional requirements and costs might arise from the winding down of existing contracts?</td>
<td>Third party providers may require a level of incentive to remain operational within areas where there is no continuation of specific contract commitments by the council. There is the potential for additional costs arising from TUPE transfers.</td>
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<tr>
<td>9.3b)</td>
<td>To what extent is the case for bridging finance dependent on the speed or pace of SDS roll-out? For</td>
<td>The practicalities of reviewing all service users following the introduction of legislation will have an impact on all elements of service delivery in terms of capacity. It would be preferable, as happens</td>
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<td>The practicalities of reviewing all service users following the introduction of legislation will have an impact on all elements of service delivery in terms of capacity. It would be preferable, as happens</td>
</tr>
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</table>
example, is the case stronger if local authorities decide proactively to review all clients or particular groups on the back of the legislation? just now, that self-directed supports were considered at each point care plans are being agreed or reviewed.

| 9.3c) | What additional administration costs might arise from increased numbers of direct payments, e.g. in relation to volume, or changes to financial systems? | Note response in 8.1 d | Non recurring - No estimate. Decisions yet to be taken on whether there is sufficient evidence to support the case for bridging finance. | tbc | tbc | tbc | tbc | 0 | 0 | 0 | 0 |

| 9.3d) | What is the likelihood of a requirement for dual running costs? Over what period and at what cost? How much of this is to | Dual running costs may be required at the tipping point between people wishing self-directed supports as opposed to established care. At this point it is difficult to anticipate when this might occur and what direct impact there may be as it | tbc | tbc | tbc | tbc | 0 | 0 | 0 | 0 |
| 10.1 | **Please tell us about any additional recurring or non-recurring costs or savings for councils.** | **At this point it is difficult to anticipate costs and savings associated with self-directed services. Across the council and support services it is likely there will be additional costs in facilitating a fundamental switch in service delivery however** | tbc | tbc | tbc | tbc | tbc | tbc | tbc | tbc |
in the long term this may be reduced as systems are adapted. There will however require to be continued and potentially enhanced monitoring of support provision associated with legislative requirements to support vulnerable adults.
1. Did you take part in the Scottish Government's consultation exercises which preceded the bill and if so did you comment on the financial assumptions made? Yes

2. Do you believe your comment on the financial assumptions have been accurately reflected in the financial memorandum. The estimates provided were based on our early experience of implementing personalisation. We believe that although the financial memorandum attempts to incorporate most comments, more could have been included.

3. Did you have sufficient time to contribute to the consultation exercise? Yes

4. If the bill has any financial implications for your organisation do you believe these have been accurately reflected in the financial memorandum? If not please provide details? Our concerns lie in the main with growth of advice and support services, services to carers, payment methods (requirement to provide gross payments), along with the bureaucracy that it would entail, and bridging finance for service redesign.

5. Do you consider that the estimated costs and savings set out in the financial memorandum and the timescale over which they are projected, are reasonable and accurate? We believe that the costs and timescale are under estimated

6. If relevant are you content that your organisation can meet the financial costs associated with the bill which your organisation will incur? If not how do you think these costs should be met? The Council will continue to review the implementation of Personalisation, and look to improve efficiency and effectiveness within the emerging policies. Additional support will be required for short to medium term transformational costs.

7. Does the financial memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to rise? We believe that the costs and timescale are under estimated

8. Do you believe the financial memorandum reasonably captures costs associated with the bill? If not which other costs might be incurred and by whom? As above.
9. Do you believe that there may be future costs associated with the bill, for example through subordinate legislation? If so, is it possible to quantify these costs?
We would suggest that future subordinate legislation consider potential costs of bureaucracy and consideration should be given to net payments not just gross payments. Prescriptive guidance in legislation on local authorities to pay DP’s on gross may inadvertently result in funds being redirected from service provision to back office costs.

SELF-DIRECTED SUPPORT (SCOTLAND) BILL
FINANCE COMMITTEE QUESTIONNAIRE: RESPONSE OF PERTH AND KINROSS COUNCIL

1. Are you generally in favour of the Bill and its provisions?
Yes.

2. What are your views on the principles proposed?
While these principles – involvement, informed choice and collaboration – are fundamental to the underpinning values of social work, they have been compromised by the service led model of provision which has developed during the 20 years since the National Community Care Act was implemented. This Bill is a welcome change in direction and will promote a greater leaning towards person centred planning models and personalised solutions to support the achievement of agreed outcomes.

3. What are your views on the four options for Self-directed Support proposed in the Bill?
3.1 Option 3 of local authority arranged support is, to all intents and purposes, the status quo, excluding people who opt for Direct Payments. The inclusion of this as an option implies that this is Self-directed Support. While it is necessary to ensure a full range of options for people and their families, and while the principles of involvement, informed choice and collaboration may be incorporated to a certain extent, its inclusion creates confusion.

The culture shift required to embed the model of working which the Bill aims to promote is considerable. The workforce needs a clear message of a fundamentally new direction which this dilutes.

Perth and Kinross would like to see this option as a fall back position to ensure local authorities can carry out their statutory duties where people eligible for support are unable/refuse to make choices for whatever reason and who have no-one to take these decisions for them. A separate section encouraging application of the principles to “traditional” care packages would provide for those who effectively are unable or chose not to opt for Self-directed Support. Clearly it can still be used together with options 1, 2 and 4 when required.
3.2 The “direct available resource” or managed package as referred to in other guidance, while necessary to promote choice and control raises some problematic governance and auditory issues. The local authority’s liability in commissioning personalised, one-off, non regulated resources, where PVG cannot be enforced raises safety and protection issues. The purchase of individual items e.g. computers to promote independence and equipment to support independent living is indicated by the Bill but raises issues of safety. Some clarity around the intentions of the Bill committee is necessary to ensure consistency of implementation across Scotland.

3.3 The employment of personal assistants by local authorities under option 2 imposes duties in relation to continuing employment. How can this be resolved? Perth and Kinross has the view that the range of options available under options 1 and 2 should be as near as possible the same.

7. Do you have any views on the provisions relating to adult carers?
In Perth and Kinross a resource allocation system for carers is being developed which is seen by the carer consultation group as a positive step.

Individual budgets for carers will offer greater choice and control, however there are some challenges in relation to the application of charging/contributions policy. To date, the cared for person has been charged, following financial assessment, for residential short break to give their carer respite. If carer respite is seen as part of the carer support package for which they are allocated their own budget, to be managed according to the options under the Bill, the responsibility for financial contribution transfers to the carer. What is the view of carer organisations on this matter?

8. Do you agree with the approach taken by the Scottish Government not to place restrictions on who may be employed by an individual through the proposals in the Bill?
Perth and Kinross would seek clarification on whether this means that family members can now be employed, and what the definition of family member in this context would be. If the family member is also managing the direct payment they would, in effect, be paying their own wages. This introduces contractual complications and conflict of interest. Liability insurance is also problematic. While Perth and Kinross welcomes the greater flexibility some clarification is required around these matters.

9. Do you have any views on the assumptions and calculations contained in the Financial Memorandum?
The Financial Memorandum to the Bill anticipates that implementing SDS thereafter will be cost neutral. Although the assumption that SDS may deliver savings over the longer term it is clear that both changes to culture and associated infrastructure will take time to emerge. It is likely that there will be additional costs for Councils in the first period of the 10 year SDS Strategy. It is clear that we have the same view of most other Councils that the level of additional costs anticipated will be significantly higher than those estimated by the Scottish Government.

Acknowledging that our Council is at an early stage of developing SDS it is difficult to express any evidence based comment on the calculations within the Financial
SELF-DIRECTED SUPPORT (SCOTLAND) BILL
FINANCE COMMITTEE QUESTIONNAIRE: RESPONSE OF SCOTTISH BORDERS COUNCIL

Consultation
1. Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?
   Yes, SBC contributed to both the Scottish Government and COSLA consultation and the Stirling University study commissioned by the Scottish Government.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?
   The financial assumptions have on the whole taken into account the key areas that are likely to have a cost implication. However, we would also expect there to be additional costs for care management support/support planning during the transition time. We expect care managers to take longer with the processes as they adapt to the SDS approach and processes.

3. Did you have sufficient time to contribute to the consultation exercise?
   Yes we did.

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details?
   We consider that the training costs will be double those reflected in the memorandum (i.e. 2 days per staff member); that the bridging finance costs will be higher as we make the change from investing in buildings to individual packages; that during the introduction of SDS care management time will be costly as staff develop new approaches.

5. Do you consider that the estimated costs and savings set out in the Financial Memorandum, and the timescale over which they are projected, are reasonable and accurate?
   The profile of funding over the 3 year period, with highest funding in year two is beneficial. We consider that there are potential savings in the long term from people managing and making decisions about the use of the funding based on a range of options.

   However, we are concerned about the timescale of funding – we note that there is recognition, from the continued funding of the test sites, that there is a substantial cost implication over at least 6 years for these local authorities.
6. If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?

To meet the costs we will need to seek funding from other sources e.g. Change Fund. We will work in partnership with organisations who have been funded by the Scottish Government to support change, for example, through the fund for capacity building, to assist us in providing information and support to individuals.

We are concerned about the impact of double funding costs whilst we have decreasing use of building based services with fixed costs whilst people choose to use individualised support.

7. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

We feel that margins of uncertainty are captured. It is also accurate to capture the likely increase in demand due to demography. In our experience to date we are also aware of people choosing SDS because of the flexibility where the ‘traditional’ approach would not have suited them, so there may be the ‘woodwork’ effect noted by Stirling University. We feel that the timescales could be longer than 3 years – please see question 5 above - before there are potential break even/efficiencies.

Wider Issues

8. Do you believe that the Financial Memorandum reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?

Please see above.

9. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?

We view the potential to pay individual budgets as net as a potential saving on administrative and payment collection time. If payments can be either gross or net then there will be less of a saving as systems will need to be in place for gross payments.

SELF-DIRECTED SUPPORT (SCOTLAND) BILL
FINANCE COMMITTEE QUESTIONNAIRE: RESPONSE OF SOUTH LANARKSHIRE COUNCIL

Consultation

Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?

1. Yes. South Lanarkshire Council submitted information to Cosla and ADSW in relation to the Bill and its financial assumptions.

Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?
2. In part. The Financial Memorandum covers the main areas for development and change. It rightly identifies that individual authorities are at very different stages in the transition to SDS models. Many of those who have achieved some success to date have been able to do so because they were able at that point in time to withdraw from many traditional building based services, primarily due to capital investment and poor conditions of the estate infrastructure. For those authorities who have invested significantly in their buildings over the last few years, the change presents challenges in maintaining a balance for those individuals who may still wish to access more traditional forms of support with those seeking a new direction under SDS.

Did you have sufficient time to contribute to the consultation exercise?
3. Yes

Costs
If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details
4. The memorandum appears to cover the main areas that affect the Council. The area where there is insufficient detail is in the discussion on contracts, in particular where the person chooses option 2. This option places a duty on the local authority to arrange support as directed by the person. This is likely to make significant demands on Councils in relation to establishing and monitoring contracts on behalf of the person. It is our view that the cost implications for Councils are not fully addressed in the memorandum.

Do you consider that the estimated costs and savings set out in the Financial Memorandum and the timescale over which they are projected, are reasonable and accurate?
5. Timescale
The Bill is a major component in 10-year national SDS strategy. Para 69 contrasts the “weak and ineffective” delivery of Direct Payment legislation against the aim of transformational change envisaged through the SDS legislation. It is our experience that such transformational change will require longer than the proposed three year funding programme. We recommend this should be a minimum of 5 years. Like most Councils we have an existing programme of transformation. The delivery of the aims of the SDS agenda requires transformation in practice and outcome, in processes, systems and culture. It requires transformation in the way we engage with people who use supports, with carers, with local communities, with partners and with provider agencies. Our experience is that this requires long-term investment. The assumption in para 107 of one days training per person is wholly inadequate to support transformational change among the workforce. Our view is that this demands a long-term learning (rather than training) programme that is modelled on a co-design approach, involving people who use support, carers, partner colleagues and people offering support. We consider the statement that “significant costs are not expected beyond 2014/14” (para 70) to be optimistic.

Estimated costs
• Learning programmes
The SDS National Strategy lays heavy emphasis on an outcomes-based approach and on co-design and co-production. This Council, in line with others, has invested substantial money and time in transforming our practice, procedures and systems. We have found that it is over simplistic to assume that because a worker has attended a training event, this will support changes in practice. Our ambition is to free up frontline practitioners with significant expertise to support and guide staff to deliver person centred practice. In a recent article that discusses self-directed support, Slasberg (2011) argues for the need for “best, person-centred practice moving from desirable to essential.” Current practice is dominated by a care management approach that is based on a deficit model of social care. This approach affects social workers, occupational therapists, allied health professionals, medical staff, and people accessing supports, carers and providers. Freeing frontline staff over an extended period to support the transformation will require backfilling those posts. Monies should be available to meet those costs. There will be similar costs for provider agencies. Monies should also be available to support training programmes for people accessing support and for carers.

- Bridging costs
The memorandum rightly states this has been most difficult to estimate with any certainty (para 102). The experience in England, despite their targets, is that the journey is a long one, making the estimate of the financial impact of people opting to move away from building based services more difficult to predict. This Council has invested heavily in buildings that are inclusive. We anticipate that many of the people who currently use these as part of their support plan will continue to do so. We need security to explore how we can manage a fall off in the use of these buildings which results in their remaining viable, but with reduced numbers of people whom receive support in other settings. It is our view that the allocation of bridging finance should reflect the pattern of resources provided by each Council.

There appears to be an underlying assumption that building based services are not fully compatible with SDS and the personalisation agenda. This may be true of buildings that offer a segregated service. Research into benefits and deficiencies of integrated centres as part of a wider support plan as opposed to those which exclude totally centre based services would be relevant to future commissioning strategies. There are also some people who require a safe environment appropriately equipped to meet their needs.

We have argued that transformation change is required across practice, processes, systems and cultures. One area that the framework gives insufficient attention to is systems transformation. IT systems must support best practice in assessment and support planning. This will require additional resource to renew IT systems, with an accompanying training programme.

If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?

6. Meeting financial costs
Not known. The assumption is that this three year funding package will allow authorities to develop and bed in an SDS approach and that resources will be released from more traditional forms of service provision to continue beyond this
period. The National Strategy is a ten year programme. The likely uptake of SDS is unknown. Clearly a major challenge is in the timescale required to offer alternatives that meets people’s aspirations and needs which do not form part of a building based service.

Other areas requiring more detailed work will include amending or upgrading IT systems to support and SDS outcomes based approach. This will vary according to the current functionality and configuration of systems.

If the pace of service redesign is slower than anticipated it may force authorities to make hard choices in terms of redirecting resources from other service areas.

**Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and timescales over which such costs would be expected to arise?**

7. Margins of uncertainty
Yes. The issues here have been addressed in response to question 5.

**Wider Issues**

Do you believe that the Financial Memorandum reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?

8. Costs associated with the Bill
The memorandum appears to cover the areas where the implementation of the Bill will attract costs, with the exceptions of those identified above.

**Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?**

9. Subordinate legislation
While subordinate legislation appears inevitable since the Bill is part of the 10-year strategy, we do not consider it possible to identify what these will be – or the associated costs.

**Conclusion**

The inclusion of financial memorandum is essential if the Bill is to engender the projected transformation. The timescale for the spend sets ambitious targets. The monies committed appear conservative at best. We argue that a longer term implementation period is necessary, with a more flexible funding package.

South Lanarkshire Council is committed to the approach and has for a number of years promoted independence for service users in decision making. Challenges remain, but this is the correct direction of travel. It is essential we take service users, carers and staff with us to achieve success.
Consultation
Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?
Yes, West Lothian Council fully supports the personalisation agenda and the roll out of Self Directed Support as a means of better meeting individuals care needs and achieving improved outcomes. West Lothian provided comments on the financial assumptions in both of the previous Scottish Government consultation exercises.

Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?
The costs contained in the Financial Memorandum do not reflect the estimated costs previously identified and provided by West Lothian, as above. Over the three year period 2012/13 to 2014/15, the costs/funding contained in the memorandum for local authorities very significantly underestimates the costs indicated by West Lothian.

In addition, the council’s view that recurring costs will also be incurred has not been reflected in the Financial Memorandum.

Did you have sufficient time to contribute to the consultation exercise?
Satisfactory time provided.

Costs
If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.
The Bill will clearly have financial implications for the council. In the short to medium term these are likely to relate to:

- Mainstreaming the SDS approach across relevant services
- Ensuring assessments and reviews undertaken by Care management staff explore the SDS options and support decision making
- Withdrawing from existing arrangements e.g. existing block care contracts are likely to result in double running costs for a period
- Administration of more direct payments and individual budget allocations for clients

Based on the overall local authority funding noted for the period to 2014/15, the allocation for West Lothian over the 4 years will be significantly lower than the costs identified and submitted.

The West Lothian submission also highlighted substantial recurring costs resulting from the Bill as a result of the new duties and commissioning models that will be put in place. Duties on the council regarding care assessment and provision of care will increase as a result of the Bill. While it is acknowledged there may be offsetting savings as increased direct payments reduce traditional care management costs,
there remains a great deal of uncertainty regarding the assumed cost neutral recurring position adopted in the Financial Memorandum. It is proposed that the costs of implementing the Bill are closely monitored on an ongoing basis and this is taken account of in future financial settlements.

Do you consider that the estimated costs and savings set out in the Financial Memorandum and the timescale over which they are projected, are reasonable and accurate?
See above response

If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met?
Given previous comments, West Lothian would not consider itself as content that the financial costs of the Bill can be funded via the additional funding so far confirmed. As noted, it is proposed that the costs of implementing the Bill are closely monitored and amended for/reflect in funding provided to councils.

In addition, as the Bill places statutory duties upon the local authority, any costs incurred in meeting these statutory requirements which are not met under the provisions of the Financial Memorandum will have to be met from elsewhere and this may have implications for existing service delivery.

Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and timescales over which such costs would be expected to arise?
While the Financial Memorandum includes reference to the uncertainty surrounding the net costs resulting from the Bill, the position adopted on costs is very much lower than the costs identified by West Lothian and other councils. It is not considered therefore that the memorandum accurately reflects the margins of uncertainty associated with costs.

Wider Issues
Do you believe that the Financial Memorandum reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom?
See above

Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs?
This would depend what the subordinate legislation is but if it were to increase the duties placed on local authorities then this would inevitably lead to increased costs but it is not possible to quantify these