

## FINANCE COMMITTEE

### DEMOGRAPHIC CHANGE AND AGEING POPULATION INQUIRY

#### SUBMISSION FROM COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

##### Key Points

- a shift towards prevention is key to sustainability
- change funds need to be more focused on encouraging this shift
- Giving people choice and control in the design and delivery of their care and support is a powerful tool for improving outcomes
- Low level preventative housing support must not be dropped in favour of more intensive services
- Policy must consider the sustainability of terms and conditions for the whole social care workforce, not just the public sector

##### About CCPS

CCPS is the Coalition of Care and support Providers in Scotland. Its membership comprises more than 70 of the most substantial providers of care and support in Scotland's voluntary sector, supporting approximately 270,000 people and their families, employing around 45,000 staff and managing a combined total income of over £1.2 billion, of which an average of 73% per member organisation relates to service provision that is commissioned, purchased or otherwise funded by the public purse. CCPS members provide services right across the spectrum of care and support, including services for older people; children and families; adults with physical and learning disabilities; and people facing a range of challenges in their lives, including mental health problems, addictions and involvement in the criminal justice system.

##### General

***What is your view about the effects of demographic change and an ageing population on the sustainability of funding for (a) health and social care and (b) housing services and (c) public pensions and the labour force? What public services will individuals increasingly call on and in what way?***

1. CCPS welcomes the Committee's timely inquiry, as sustainability is such an important issue. We note that the Committee's previous inquiry into preventative spending concluded that we must do everything we can to 'redirect resources away from crisis intervention to crisis prevention'. It also noted the unanimous support for a shift from reactive to preventative spending from across the political spectrum.

2. The third sector's role in bringing about this shift could be significant. We are at the forefront of high quality care and support in Scotland, as recognised by the Care Inspectorate.<sup>1</sup> The quality and value for money of third sector services are compelling arguments in support of a shift of resources towards prevention.

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<sup>1</sup> Improving the quality of care in Scotland – An overview of Care Commission findings 2002-2012, Scottish Commission for the Regulation of Care

3. However, CCPS continues to gather evidence of the impact of public authority decisions that appear to run contrary to the goal of redirecting resources in favour of preventative approaches. Public spending decisions, rather than enhancing the sector's ability to contribute to the prevention agenda, are making it more and more difficult for the third sector to do what it does best – personalised and preventative care and support.

4. The pressures on voluntary sector providers have been growing over the past three years, as evidenced by the CCPS provider optimism survey, which takes the pulse of member organisations twice yearly. Providers' responses paint a picture of decreasing surpluses, increasing deficits, reductions in staff numbers and terms and conditions, and increasingly reduction in services<sup>2</sup>.

5. In addition, recent Freedom of Information (FOI) research into social care pay rates in local authorities found that the quality of care for disabled people, older people and others with care needs may be at risk, because many of the rates paid for care by local authorities are too low to support a quality service. Indeed, rates paid for voluntary sector providers were in many cases less than half the rate of corresponding in-house services.

#### **Health and social care**

##### ***To what extent are preventative policies such as the Change Fund key to addressing demographic pressures on the provision of health and social care?***

6. While supportive of the policy idea behind the funds, we have concerns that the execution has been problematic. Many change fund plans have made peculiar choices about how to spend the money, including allocating relatively small proportions to preventative services. Indeed, very little of the funds have found their way into the third sector, where much of the preventative, early-intervention work is taking place. In addition, answering a question about the impact of the change funds is made difficult by the lack of any systematic process to assess the funds, hampered by the absence of any centrally collected information.

##### ***To what extent are the pressures on health and social care a consequence of an ageing population as opposed to other health challenges such as obesity?***

7. Prevention was one of the overarching themes of the Christie Commission. We suggest this provides a better conceptual approach to addressing current pressures on the health and social care system. Many of the pressures are the result of a system overly focused on acute care, to the detriment of preventative approaches. Unfortunately, the actions of some public authorities continue to work contrary to the prevention agenda, for example with the increasing of eligibility thresholds for social care services. Cutting back on low level support is going to increase pressure on more acute and expensive services down the line.

8. The Committee should also consider the role of the self-directed support strategy in addressing pressures on the system. This agenda provides potentially powerful solutions to improve outcomes for individuals. Personalisation, choice, and control over the type of care and support an individual receives are key principles that, if applied with a view to improving personal outcomes and not just reducing budgets, will contribute to the goal of managing

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<sup>2</sup> <http://www.ccpscotland.org/news/stories/evidence-revealed-of-ongoing-impact-of-funding-cuts>

demands on the system; not least by encouraging active citizenship and considering people as members of a community with aspirations and contributions to make, as well as needs to be met.

## **Housing**

***What is likely to be the main pressures on both the public and private housing stock arising from the demographic change and what action should government and other public bodies be taking now to address this?***

***What adaptations will be required to the existing housing stock to provide long-term care and to what extent should the design of new builds take into account the possibility that the home may be used for care purposes in the future?***

9. CCPS provided evidence about housing support to the Finance Committee during its inquiry into preventative spending in autumn 2010. We noted that helping older people to live independently in their own homes can help to prevent their support needs from escalating to a point where they require costly residential care. However, already we were seeing evidence of a reduction in lower level housing support: 'we therefore note with concern the finding of the Housing Support Enabling Unit (HSEU) that services providing less intensive support, which older people are more likely to use than other client groups, are the most likely to face funding shortfalls. Preventative services/early intervention will only be effective in addressing the financial impact of demographic change if local authorities recognise the value of these services.' HSEU research showed that low level preventative services within housing support are more likely to face financial difficulties than more intensive support services, suggesting that these low-level services are easier for authorities to cut.<sup>3</sup>

10. More recently, CCPS members Bield, Hanover and Trust Housing Associations published a social return on investment study of housing support and adaptations.<sup>4</sup> The report concludes that there are important benefits, including improved outcomes for individuals and financial savings, to be had by investing in low level housing support and adaptations.<sup>5</sup> The 'study finds that both services are key ways of significantly 'shifting the balance of care' away from care homes and hospitals. The study also demonstrates that both services have a fundamental role in 'reshaping care for older people' through reducing waste and reducing both short and long term costs, whilst improving the well-being and independence of older people.'<sup>6</sup>

## **Pensions and labour force**

***What is the likely impact on the public finances within Scotland of demographic change on public sector pension schemes and what action is required by the Scottish Government and other public bodies to address this?***

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<sup>3</sup> <http://www.ccpscotland.org/hseu/publications/housing-support-in-scotland/hseu-research-into-housing-support-funding-levels-and-service-volume-in-scotland-in-200809>

<sup>4</sup> [http://www.hsha.org.uk/SiteCollectionDocuments/Measuring\\_SRI\\_S3\\_Adaptations\\_VSH.pdf](http://www.hsha.org.uk/SiteCollectionDocuments/Measuring_SRI_S3_Adaptations_VSH.pdf)

<sup>5</sup> For example, the research 'demonstrates that £1.4 million invested annually in adaptations across the three housing associations *alone* creates approximately £5.3 million in cost savings to the Scottish Government per year; and £3.1 million in social and economic value for tenants. This gives a total return on investment of £5.50 to £6.00 for every £1 invested, and the Scottish Government recoups £3.50 - £4.00 for every £1 it invests.'

<sup>6</sup> Ibid

11. The Scottish Government in its plans for public service reform said that ‘reshaping public services to deliver better outcomes for the people of Scotland must be an inclusive and collaborative endeavour involving the workforce at all levels.’<sup>7</sup>

12. CCPS supports this statement. Unfortunately, the Committee’s question has narrowed the focused to public ‘sector’. In fact, the social care workforce is largely made up of **non-public sector** workers.<sup>8</sup> Thus the inquiry needs to consider the full range of the workforce that delivers social care and support related public services. This is a major issue for our members, as there is already a huge gap between public and voluntary sector terms and conditions. CCPS’s workforce unit research published in March 2011 identified serious issues and potential future challenges resulting from the existing 2-tier workforce. It found that there were no elements of public sector pay and conditions that were universally available to voluntary sector employees. It also noted the potential for future problems with recruitment, retention and labour mobility due to the creation of two or three-tier workforces in the sector.<sup>9</sup>

13. In addition, the findings of our FOI inquiry bear out the conclusions and recommendations published earlier this year by Audit Scotland, in its examination of social care commissioning. Audit Scotland reported that councils do not always have a full understanding of how much social care services cost. It also concluded that councils can focus too much on reducing costs when procuring services, and give insufficient regard to the range and quality of services and their impact on individuals. The FOI exercise reinforces those concerns, and shows that councils do not always have clear and consistent data about the cost of care readily available to inform their decision-making.

14. Government action must consider the impact of demographic change on the whole workforce providing care and support as a matter of priority, in light of the growing evidence of the impact on quality of care and individual outcomes.

15. Lastly, we strongly urge the Committee to consider the consequences of the introduction of pension auto enrolment legislation (which will begin to take effect in October 2012). Preliminary results from a survey of CCPS members indicate that up to 80% of the workforce in some organisations are currently **NOT** enrolled in an occupational pension scheme. The financial implications, as well as the administrative challenges of managing the new scheme will have a potentially huge impact on voluntary sector providers.

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<sup>7</sup> <http://www.scotland.gov.uk/Publications/2011/09/21104740/6>

<sup>8</sup> For example the third sector provides the largest proportion of registered care and support services for adults (44%).

<sup>9</sup> <http://www.ccpscotland.org/assets/files/Employment%20Conditions%20Report.pdf>