Finance Committee

Report on the Carers (Scotland) Bill’s Financial Memorandum
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1. The remit of the Finance Committee is to consider and report on-
   a. any report or other document laid before the Parliament by members of the Scottish Government containing proposals for, or budgets of, public expenditure or proposals for the making of a tax-varying resolution, taking into account any report or recommendations concerning such documents made to them by any other committee with power to consider such documents or any part of them;
   b. any report made by a committee setting out proposals concerning public expenditure;
   c. Budget Bills; and
   d. any other matter relating to or affecting the expenditure of the Scottish Administration or other expenditure payable out of the Scottish Consolidated Fund.
2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.
3. In these Rules, “public expenditure” means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.
## Committee Membership

<table>
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<tr>
<th>Convener</th>
<th>Deputy Convener</th>
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<tr>
<td>Kenneth Gibson</td>
<td>John Mason</td>
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<tr>
<td>Scottish National Party</td>
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<th>Party</th>
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<tr>
<td>Richard Baker</td>
<td>Scottish Labour</td>
</tr>
<tr>
<td>Gavin Brown</td>
<td>Scottish Conservative and Unionist Party</td>
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<tr>
<td>Malcolm Chisholm</td>
<td>Scottish Labour</td>
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<tr>
<td>Mark McDonald</td>
<td>Scottish National Party</td>
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<tr>
<td>Jean Urquhart</td>
<td>Independent</td>
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Introduction

1. The Carers (Scotland) Bill (“the Bill”) was introduced by Shona Robison MSP, Cabinet Secretary for Health, Wellbeing and Sport, on 9 March 2015. The Committee issued a call for evidence on the Financial Memorandum (FM) for the Bill to which it received 18 responses.

2. At its meeting on 13 May 2015, the Committee took evidence on the FM from the Scottish Government Bill team. Following that evidence, the Committee agreed to ask the Minister in charge of the Bill to provide written clarification of some of the issues raised in evidence and to give oral evidence to the Committee on 3 June 2015. The Committee’s letter and the clarification received from the Minister are attached as annexe A to this report.

The Financial Memorandum

3. The Policy Memorandum (PM) sets out the Scottish Government’s intentions that carers “should be better supported on a more consistent basis so that they can continue to care, if they so wish, in good health and to have a life alongside caring.” The intention is similar in relation to young carers “but that young carers should have a childhood similar to their non-carer peers.” The PM states that the “objective of the Bill is to make real this ambition by furthering the rights of both adult and young carers.”

4. The duties and provisions of the Bill that are addressed in the FM are—

- duties to prepare and review the adult carer support plan (ACSP) for adult carers
- duties to prepare and review the young carer statement (YCS) for young carers
- duties to establish and maintain an information and advice service for all carers and young carers in the local authority area
- duties to provide support to both adult and young carers where needs fall within local eligibility criteria and powers to provide support where needs do not fall within local eligibility criteria
- duties to prepare a local carer strategy
- waiving of charges for support to carers
- training and development of the statutory health and social care, third sector and education workforce and awareness-raising with carers and young carers
- the implications flowing from the regulations and guidance underpinning the Bill

5. The FM provides the Government’s best estimates but also states that—
“It is recognised, however, that it is challenging to predict the demand profile with complete accuracy. The Scottish Government is, therefore, very willing to work in partnership with COSLA if any new information comes to light about the cost estimates. The Scottish Government would be prepared to consider any such information.”

6. The total costs of the Bill, as set out in the FM are—

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adult carer support plan</strong></td>
<td>0.74 (min)</td>
<td>1.82 (max)</td>
<td>2.35 (min)</td>
<td>5.75 (max)</td>
<td>3.42 (min)</td>
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<td><strong>Young carer statement</strong></td>
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<td>0.21 (max)</td>
<td>0.27 (min)</td>
<td>0.43 (max)</td>
<td>0.50 (min)</td>
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<tr>
<td><strong>Information and advice service</strong></td>
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<td>3.04 (recurring)</td>
<td>3.04</td>
<td>3.04</td>
<td>3.04</td>
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<tr>
<td><strong>Duty to support adult carers</strong></td>
<td>3.721</td>
<td>9.935</td>
<td>17.079</td>
<td>24.808</td>
<td>51.218</td>
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<tr>
<td><strong>Duty to support young carers</strong></td>
<td>0.732</td>
<td>1.465</td>
<td>2.930</td>
<td>4.395</td>
<td>6.493</td>
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<tr>
<td><strong>Additional short breaks component</strong></td>
<td>2.36 (recurring)</td>
<td>2.36</td>
<td>2.36</td>
<td>2.36</td>
<td>2.36</td>
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<tr>
<td><strong>Local carer strategies</strong></td>
<td>0.32</td>
<td>0</td>
<td>0</td>
<td>0.16</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>11.303 (min)</td>
<td>19.415 (min)</td>
<td>29.329 (min)</td>
<td>42.143 (min)</td>
<td>71.791 (min)</td>
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</tbody>
</table>

\[1\] Written evidence from Social Work Scotland suggested that this figure was incorrect. The Bill team confirmed in oral evidence that the figure in the FM is incorrect and should actually be £36.288.
Adult Carer Support Plans (ACSPs) and Young Carer Statements (YCSs)

Adult Carer Support Plan

7. Under the Bill local authorities would be required to prepare an ACSP with individual adult carers. This would “replace the current carer’s assessment which is available to carers of any age…who undertake a substantial amount of care on a regular basis.”

8. Paragraphs 38-54 of the FM set out detail about the methodologies used in calculating the levels of uptake, and therefore costs of providing, ACSPs. The estimate reached “is that over time 34% of adult carers will be the highest percentage of carers who will have an ACSP.” This estimate is “based on a number of factors relating to the evidence”. Details of what has been factored in are set out in paragraph 56 of the FM and include information gathered from the Scottish Health and Care Experience Survey and the 2012 and 2013 Scottish Health Surveys.

9. A range of costs is provided based on three separate unit costs for providing an ACSP. The highest point in this range is £176.

10. Based on the unit costs the total costs for ACSPs estimated are—

<table>
<thead>
<tr>
<th>Year</th>
<th>% Carers Receiving ACSP</th>
<th>ACSPs per annum</th>
<th>Additional ACSPs per annum</th>
<th>Unit Cost of £72 (£m)</th>
<th>Unit Cost of £110 (£m)</th>
<th>Unit Cost of £176 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>3</td>
<td>22,350</td>
<td>10,350</td>
<td>0.745</td>
<td>1.138</td>
<td>1.821</td>
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<tr>
<td>2018-19</td>
<td>6</td>
<td>44,700</td>
<td>32,700</td>
<td>2.354</td>
<td>3.597</td>
<td>5.755</td>
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<tr>
<td>2019-20</td>
<td>8</td>
<td>59,600</td>
<td>47,600</td>
<td>3.427</td>
<td>5.236</td>
<td>8.377</td>
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<tr>
<td>2020-21</td>
<td>14</td>
<td>104,300</td>
<td>92,300</td>
<td>6.645</td>
<td>10.153</td>
<td>16.244</td>
</tr>
<tr>
<td>2021-22</td>
<td>16</td>
<td>119,200</td>
<td>107,200</td>
<td>7.718</td>
<td>11.792</td>
<td>18.867</td>
</tr>
</tbody>
</table>

11. By comparison, current recurring costs for providing 12,000 carer assessments per year at each unit cost would be £0.86 million, £1.32 million and £2.1 million.

12. The submissions received by the Committee contained a number of comments about the estimates provided in the FM in relation to the provision of ACSPs. Comments addressed both the anticipated level of uptake and the estimated unit costs.

13. COSLA’s submission set out three “areas of concern” in relation to ACSPs – the unit cost of assessment, the speed at which carers will come forward for assessment and the total number of carers that will come forward for assessment.
14. In relation to unit costs, COSLA observed that the FM “makes no clear recommendation” about which of the three unit cost estimates provided is thought to be most accurate and states that it—

- “has concerns about the representation of these unit costs as alternative options as these could lead to a presumption that the lower unit costs are realistic. Given that the FM itself describes the £176 as the average unit cost, it is COSLA’s view that, in presenting a range of unit costs in the FM with £176 at the top of the range, this is misleading.”

15. Glasgow City Council stated that it “estimated that a carer assessment in Glasgow costs around £280” and for young carers “submitted an estimated unit cost of £394.” These figures contrast with the FM estimates of unit cost ranges of £72-£176 for ACSPs and £106-£167 for YCSs.

16. SWS also commented on the unit costs in the FM stating that—

- “…the selection of the lowest and highest options is biased. Footnote 32 explains that the questionnaire survey of Scottish local authorities yielded unit costs for 14 LAs of between £72 and £342 per carer assessment, after excluding the highest and lowest unit costs. The average unit cost was £176…This would normally generate low, medium and high estimates of £72, £176 and £342. Instead the FM takes the average of £176 as the high end estimate.”

17. On the speed at which carers come forward, COSLA noted the “low and slow” uptake that is anticipated in the FM which estimates moving from 3% of adult carers with an ACSP in 2017-18 to 34% in 2012-22. COSLA states that “there is no evidence presented to support the year-on-year increases profiled in Table 1 regarding the speed at which carers will come forward for assessment.”

18. COSLA went on to state that—

- “Whilst councils have indicated that further consultation is needed locally to estimate the likely patterns of demand, the broad view from councils is that the duty to provide an ACSP, along with the removal of the ‘regular and substantial test’, will lead to an increase in uptake well above the estimates provided in the FM.”

19. Comparing these estimates to previous experience of the uptake of entitlements, COSLA commented that for “Free Personal Care, for instance, growth was closed to 30% of the eligible population over the first 3 years of the new policy coming into place, compared with 16% over 5 years for take up of ACSPs estimated in the FM.”

20. The assumptions about the build up of demand were also questioned by SWS which considered that a faster build up of demand is likely because—
“(1) The Scottish Government wishes to ensure that all carers who request an assessment will get one – that is bound to increase demand for assessments significantly.

(2) Previous social care legislation known to increase demand did so more quickly. Published Free Personal Care statistics from implementation in July 2002 to 2013 show three distinct periods: (a) early take-up period of just over 3 years from July 2002 to September 2005; (b) a period of lower growth up to the end of 2010 (with demography a key driver); and (c) a flatter period of growth from 2011 in response to increasing austerity and resource constraint.

(3) The UK Government has implemented very similar legislative changes for England within the Social Care Act 2014: their analysis of new demand for carer’s assessments assumes only two years of build-up before saturation in year three.”

21. In relation to the assumption of assessment levels, both for ACSPs and YCSs, SWS stated that—

“While there are many statistics quoted in the Finance Memorandum from different carer surveys and research, none of this evidence leads to these particular estimates, or to the “steady state” cumulative estimates of 34% of the total number of adult carers ever having had an ACSp, and 64% of young carers ever having had a YCS. It would be helpful if the FM had achieved greater transparency about the basis for the estimates: clearly many are matters of judgement.”

22. North Ayrshire Council stated that it had “estimated that 1,430 carers within North Ayrshire will require an ACSP” and went on to say that it “would expect that through the annual review of the service user, the ACSP will be completed for each carer” and that this is estimated at “53% in the first year not as stated in the bill "when carers come forward", this wording suggests that it is only on requests and contradicts the duty to prepare an adult care and support plan.”

23. Argyll and Bute Council believed “that there has been a significant underestimate of the increase in demand which will emanate from the introduction of adult carer support plans” and goes on to caution that the “potential worst case scenario is arriving at a position where the role of local authorities in targeting limited resources to those of greatest need is displaced by a demand driven by a formal assessment of all carers irrespective of need.”

24. Asked about the level of uptake, the Minister accepted—

“There was also a suggestion that the provision should be compared to free personal care, but that is not a fair or direct comparison. It is reasonable to expect that the take-up of free personal care is higher than the take-up of the new rights in this bill, certainly initially. That is primarily because those
entitled to free personal care already receive local authority services—in many cases, in a care home. That makes it much easier to raise awareness of the new rights, and it means that the cohort of people who are targeted by the provisions are already in contact with the state.”

25. The National Carers Organisations (NCOs) noted that “the costing for the duty in relation to the provision of Adult Carer Support Plans appears to be based on the model of a one-off intervention” but that “an outcome based support plan is a process, rather than a single event.”

26. The FM states—

“The largest cost element in assessments and reviews is the pay of the professionally qualified, and other, staff who carry them out. The biggest contribution to reducing the costs of the ACSP might come from considering changes to the mix of staff grades and skills.”

27. In relation to this point, the NCOs stated that—

“…it is important that all staff who carry out this task have the correct skills to do so and are experienced in working directly with carers. This does not mean that staff at lower grades are necessarily less skilled at working with carers, but that additional training and learning may be required and will have associated costs.”

28. The submission went on to suggest that, for the third sector, resourcing “will be required if the local authority wants a carers centre or other third sector organisation to carry out the ACSP on their behalf” and that it would therefore “be useful to explore the costs of completing a carers’ assessment for the third sector in the same way as the costs have been estimated for completion by the local authority, especially as the Financial Memorandum states that contracting the third sector may lead to cost savings.”

29. The Committee sought clarification from the Bill team about how the unit cost for an ACSP had been estimated. The Bill team explained that—

“…it would be a difficult, challenging and detailed exercise to try to build up a unit cost based on the different types of assessment, the number of days it takes to carry them out and so on. We know from the returns that some assessments are carried out by social workers, some by health professionals, some by social care assistants and some by the voluntary sector, and as the financial memorandum itself points out, the efficiencies involved need to be looked at…

It is difficult to look across the piece, and we have done our best with the information that has been presented. Concern was expressed that we had not taken account of the figures over £300, but the fact is that only two of the returns were at that level. Although the median unit cost in England is
£116, we agree that there is merit in considering whether the unit cost should be increased towards £176 to take account of rurality and other issues, but that issue would be explored by the finance group…"10

30. The Committee also sought clarification of whether the estimated unit cost had taken into account the number of assessments carried out in each local authority or whether an average figure for each local authority had been taken and the calculation made on that basis. The Bill team responded that—

“For each questionnaire return that we received, the unit cost itself was not presented. What was presented was the number of assessments carried out in a year and the cost of carrying out those assessments. We then calculated the average unit cost for each authority, based on that. It was an arithmetical calculation. To that extent, the number of assessments carried out in each local authority area was taken into account."11

31. Asked about the concern expressed by SWS that the average unit cost of £176 was set out as the highest unit cost estimate in the FM, the Bill team stated that—

“It was a minority of local authorities that gave unit costs of more than £176. The reason why the unit cost for the adult carer support plan was set out in that way was to give the Finance Committee an indication that assessments can be carried out in different ways. I mentioned telephone assessments and so on. The lowest figure, which is £72, was not originally the lowest. We took out of the equation the lowest and the highest figures, because they were at the extremities.

The £176 figure is presented as the average across a good number of local authorities. There are ones at the higher end, so I understand Social Work Scotland saying, ‘You haven’t presented the higher ones.’ That is the case, but there would appear to be a good reason for that, especially given what we know about the costs of assessment down south. However, it is something that will be looked at and considered further.”12

32. Asked to comment on the selection of the high-end figure of £176 as the estimated unit cost for an ACSP, the Minister stated—

“There is no attempt to present the costs in a biased form or to present them in any way other than the clearest possible fashion.

I think that I am right in recollecting that we conceded that there are some other average costs that we did not include in our consideration because they seemed to us to be outliers. It was not only the higher figures that we did not include when we came to our estimate; we also discounted some of the lower estimates. If we had included one group of figures rather than the other, we could have been open to accusations of bias."
33. Expanding on this, the Minister said “I note that I have met the COSLA spokesperson for health and wellbeing, and I made the offer…that, if COSLA has alternative estimates and an alternative methodology, we are very willing to see them.”

34. Commenting on the challenge of estimating both the unit costs and demand for the ACSP and other part of the Bill, the Minister stated—

> “I see merit in further work to refine the assumptions set out in the financial memorandum and the underpinning detail. That is why we will set up a finance-led group with key stakeholders, including the Convention of Scottish Local Authorities and carers organisations. The group will consider cost estimates in further detail. It will also aim to establish a clear understanding of risks and how they can best be mitigated.”

35. The Committee regrets that the finance-led group referred to by the Minister was not established prior to the introduction of the Bill and considers that, if it had been, the findings of the group may have led to fewer concerns among stakeholders about the way in which the estimated unit costs and uptake of assessment set out in the FM have been calculated. The Committee also considers that clarity should be provided about the establishment, membership and deadlines for the work of the group. The lead committee may wish to seek this information from the Minister.

36. The lead committee may also wish to seek confirmation from the Minister as to whether COSLA has responded to the offer he made to them.

**Young Carer Statement**

37. The current assessment landscape for young carers differs from that for adult carers with a number of different assessment types which “include the child’s plan, children’s plan, integrated comprehensive assessment and third sector assessment.”

38. The FM states that there “are challenges in estimating the average until cost of a carer’s assessment (or other assessment) for young carers.” The FM goes on to note that in reaching unit cost estimates, the higher costs provided by local authorities have not been taken into account “as they encompass comprehensive integrated assessments which will be more costly than a YCS…because the comprehensive integrated assessment tends to address all the needs of a child and the capacity of his or her parents to respond appropriately to these needs within the wider family and community context." By comparison the YCS "addresses the caring situation only on a personal outcomes basis."
39. The YCS would be available to all young carers. The FM assumes that over time about 60 per cent of 37,500 young carers might want the YCS. The 37,500 estimate is based on a total of 44,000 young carers across Scotland less 3,500 supported in dedicated young carers’ services and an estimated 3,000 young carers receiving a good service from mainstream services such as schools and youth clubs.

40. As with the ACSP, costs for the YCS are based on a range of three unit costs—

<table>
<thead>
<tr>
<th></th>
<th>% carers receiving YCS</th>
<th>YCSs per annum</th>
<th>Additional YCSs per annum</th>
<th>Unit cost of £106 (£m)</th>
<th>Unit cost of £125 (£m)</th>
<th>Unit cost of £167 (£m)</th>
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</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>12</td>
<td>5,280</td>
<td>1,280</td>
<td>0.135</td>
<td>0.160</td>
<td>0.213</td>
</tr>
<tr>
<td>2018-19</td>
<td>15</td>
<td>6,600</td>
<td>2,600</td>
<td>0.275</td>
<td>0.325</td>
<td>0.434</td>
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<td>2019-20</td>
<td>20</td>
<td>8,800</td>
<td>4,800</td>
<td>0.508</td>
<td>0.600</td>
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<td>2020-21</td>
<td>25</td>
<td>11,000</td>
<td>7,000</td>
<td>0.742</td>
<td>0.875</td>
<td>1.169</td>
</tr>
<tr>
<td>2021-22 (recurring)</td>
<td>30</td>
<td>13,200</td>
<td>9,200</td>
<td>0.975</td>
<td>1.115</td>
<td>1.536</td>
</tr>
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41. By comparison, current recurring costs for providing 4,000 assessments for young carers per year at each unit cost would be £0.424 million, £0.500 million and £0.668 million.

42. The build up to 60 per cent of young carers with a YCS over a five year period is set out in a table on page 43 of the FM.

43. SWS commented on the range of units costs estimated for this part of the Bill, noting that the “lowest cost of £106 appears to be based on one return, while the £125 middle cost is an “average across five LAs with a unit cost of less than £200”, and the higher cost of £167 is an “average across seven LAs with a unit cost of less than £300”.”

44. SWS went on to state—

“The exclusion of all assessment unit costs above £300 may or may not be valid; if it is, then we can take a weighted average of the three unit costs in terms of the number of LA questionnaire returns behind each figure: that suggests an average of £146 across the 13 LAs. Quite why the assessment cost should be lower for young carers is not clear, and there may be an argument for using a common unit cost for young carers and adults.”

45. In relation to young carers of pre-school age, the health board would be the authority responsible for preparation of the YCS, although approval of the YCS would rest with the local authority where the young carer lives. The estimated number of pre-school age young carers is 200. The costs of this work for health boards is estimated “to be around £1,800 in 2017-18, £2,250 in 2018-19, £3,000
in 2019-20, £3,750 in 2021-22 and £4,500 in 2021-22 on a recurring basis. (This is a maximum 120 YCS in 2021-22 and on a recurring basis from 2021-22 @ £125 unit cost assuming that a proportion of young carers in pre-school will not have a YCS.)”

46. The lead committee may wish to note that the issues around estimating the unit cost of a YCS are the same as those outlined above in relation to the ACSP and may therefore wish to raise the issues about estimating both types of assessment with the Minister.

Duty to support carers

47. Clarification was also sought of the assumptions underpinning the estimated unit costs for support to carers. The response to this is provided in Annexe D of the letter from the Minister.

48. Under the Bill, local authorities will have a duty to support carers with eligible needs and will be required, in particular, to consider whether that support should include or take the form of a break from caring. The FM states that the “eligibility criteria will be locally determined but overlaid by matters set out in regulations which the local authority must have regard to” and that these matters “will include the desirability of providing support to meet carers’ needs at a stage where doing so is likely to prevent those needs from escalating.”

49. Paragraphs 72-76 of the FM discuss the number of carers who will need targeted or bespoke care under this duty. This discussion includes consideration of the percentage of carers who currently feel supported to carry on caring, the number of carers who would benefit from access to information and advice services and access to community based services through local carers centres.

50. The estimates assumed in the FM are that 21 per cent of adult carers and 40 per cent of young carers would be eligible “for targeted or bespoke support which does not include the support or services which are provided to members of the public or adult carers generally, or are being met through services provided to the cared-for person.”

51. The FM assumes an average spend on carer-specific support to be £1,000 per carer over a period of 2-3 years but that this would “vary according to the individual circumstances of carers.” The FM goes on to state that it is “challenging to estimate how quickly an increase in ACSPs and YCSs and provision of support might occur” and that this will “largely depend on the time it takes local authorities and the third sector to recruit additional staff to prepare the ACSP and YCS.”
52. Based on a spend of £1,000 over three years equating to a unit cost of £333 per year. In evidence to the Committee, the Bill team explained that “the Government has based the £333 figure...on fairly recent published research from the Carers Trust.” The table below sets out the estimated costs provided in the FM (with the ACSP costs 2020-21 corrected) for providing support to carers—

<table>
<thead>
<tr>
<th></th>
<th>Estimated numbers receiving support and % of carer population</th>
<th>% of ACSP holders</th>
<th>Costs to support adult carers @ £333 unit cost (£m)</th>
<th>Estimated numbers receiving support and % of young carer population</th>
<th>% of YCS holders</th>
<th>Costs to support young carers @ £333 unit cost (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>11,175 (2%)</td>
<td>50</td>
<td>3.721</td>
<td>2,200 (5%)</td>
<td>42</td>
<td>0.732</td>
</tr>
<tr>
<td>2018-19</td>
<td>29,837 (4%)</td>
<td>50</td>
<td>9.935</td>
<td>4,400 (10%)</td>
<td>45</td>
<td>1.465</td>
</tr>
<tr>
<td>2019-20</td>
<td>51,288 (7%)</td>
<td>50</td>
<td>17.079</td>
<td>8,800 (20%)</td>
<td>57</td>
<td>2.930</td>
</tr>
<tr>
<td>2020-21</td>
<td>108,973 (15%)</td>
<td>60</td>
<td>36.288</td>
<td>13,200 (30%)</td>
<td>61</td>
<td>4.395</td>
</tr>
<tr>
<td>2021-22 (recurring)</td>
<td>153,811 (21%)</td>
<td>60</td>
<td>51.218</td>
<td>19,500 (40%)</td>
<td>69</td>
<td>6.493</td>
</tr>
</tbody>
</table>

53. While the estimates in the table cover support including short breaks, the FM states that there is a need to build in a further estimate. The FM states that this is “due to the Bill’s provisions and also because short breaks are required by some carers.” Based on information from Scottish Health Surveys and the Scottish Health and Care and Experience Survey, the FM uses information about those carers who reported neutral or negative views that they had a good balance between caring and other things in their life as a proxy for carers requiring short breaks. The estimate of this is £11.8 million by 2021-22 or £2.36 million per year, which is reflected in the table at paragraph 10 above.

54. Paragraph 83 of the FM states that the “Bill has a power for local authorities to support carers who do not meet the eligibility for support” and that the “resources for implementation of the power can be found from within the resources that the Scottish Government is making available to local authorities for the Bill’s provisions.”

55. The NCOs were “unsure how the estimate of need has been calculated” and “are concerned that this is likely to be an underestimate of demand, both of the number of carers requiring support and also of the cost of providing adequate support.” The submission also commented that that unit cost estimate of £333 is “drawn from research which does not include the cost of providing a short break to the carer.” According to the submission, the estimate “is based on the average cost of providing support through a local carer support organisation, for services such as information and advice, peer support and carer training and does not include the cost of providing short break services.”
56. COSLA commented in similar terms stating that “little in the way of justification is given in the FM for the estimate of 21% of adult carers and 40% of young carers being eligible for targeted or bespoke support.” COSLA went on to state that it is also “unclear from the FM whether 40% and 21% are the percentages of those carers who come forward for assessment or of the total carer population.”

57. The unit cost of £333 per year was also commented on by COSLA—

“...should only be viewed as a component used to arrive at an overall costing. This cannot be seen as an actual entitlement as the actual cost will vary depending on the nature of support provided, which is entirely driven by the eligibility criteria determined locally.”

58. COSLA also stated—

“...there is a tension between the two duties insofar as the Bill will establish a universal entitlement to assessment through the provision of ACSPs, whilst at the same time councils will need to manage demand for direct support to carers in light of the funding available for this. Within the context of a finite resource being made available under the Carers Bill, there is the concern therefore that resources which could have been available for direct support are instead required to be diverted to assessment.”

59. The NCOs pointed to data showing “an overall decrease in provision [of respite care] over the last 12 months of almost 2,000 weeks despite continued additional government funding to local authorities to sustain levels of respite care.” They “believe strongly that future funding to support carers, including short breaks, has to be provided within a robust monitoring and evaluation framework to ensure funding is being used for purposes intended. In the absence of ring-fencing we believe there must be clear, measurable success indicators in place so that progress can be reliably tracked and corrective action taken if necessary.”

60. Shared Care Scotland submitted a response which also highlights a question about the funding of carer short breaks in which it contends that if “sufficient funding is not attached to the Bill, particularly to cover the costs of implementing the Duty to Support, then local authorities will adjust their eligibility criteria thresholds 'upwards' to reduce the number of carers falling within the scope.”

61. Paragraphs 10-12 of the Shared Care Scotland submission set out their calculations of the potential cost of supporting carer short breaks. It concluded that this would produce a cost of £47.3 million annually recurring and comments that—

“However, the total amount identified in 2017-18 to cover all costs associated with the Duty to Support only amounts to £6.8m. This eventually rises to £60m by 2021-22. The position therefore appears to be that the estimated levels of eligible need, which exists now, will not be met until at least 2021-22. We believe this needs explanation.”
62. Both Shared Care Scotland and the NCOs commented that the FM does not include any costs for replacement care that might be needed by the carer-for person in the period in which the carer is taking a short break.

63. SWS considered that the “cost of meeting this new duty is likely to be far larger than anticipated in the FM” noting that the—

“The FM assumes that the proportion of carers assessed who are also eligible for support will be 60% for adults who have had an assessment and 69% for young carers by 2012-22 (para 79). The numbers who have had an assessment are cumulative, but are adjusted for people ceasing their caring role – estimated at 13% per year for adults and 20% for young carers – and also for “renewals”: people already assessed whose ASP or YCS is revised (re-assessed), also assumed at 20% for both adults and young carers. This brief description shows the complexity of the calculations, which are highly sensitive to the various assumptions.”

64. SWS went on to comment that—

“The evidence “taken into account” in these estimates includes a finding from one survey that “44 per cent [of carers] on average are positive about feeling supported to continue caring” (FM, para 72). However, the Policy Memorandum quotes from a different survey that “70% of carers said they receive no support with their caring responsibilities” (PM para 17, fifth bullet). Moreover, support needs change over time in a way that snapshot surveys are unlikely to capture.”

65. In the FM calculations for the cost of support to adult carers in 2020-21, SWS identified “what seems to be an error” where the figure in the FM should be £36.288 million but is given in the published FM as £24.808 million. The Bill team confirmed that this is an error and that they will take the new figure into account.

66. The Committee explored the number of carers receiving support estimated in the FM, as set out in the table at paragraph 52 of this report. The comparison the Committee sought to explore was the estimate of 2% of the carer population receiving support from 2017-18 against the 4% of carers indicated as currently received short breaks or respite care in the 2012 and 2013 Scottish Health Surveys, as referred to in paragraph 81 of the FM. In a follow-up letter to the Committee (Annexe B to this report), the Minister explained—

“The 4% of carers in the Scottish Health Survey who say they receive short breaks/respite and the estimated 2% of carers who will receive carer-specific support are not directly comparable. The 4% in the Scottish Health Survey includes carers who are supported directly by breaks provided by the third and independent sectors, including through the voluntary sector short breaks fund, as well as by health and social care public sector providers and indirectly by provision put in place for the cared-for person.
from which the carer benefits. In contrast, the figure of 2% relates to carers supported solely by local authorities, or by local authority commissioned services, since the duty to provide support in the Bill falls on local authorities. The 2% is also for direct support only and not for indirect support via the cared-for person and excludes those carers who will be supported by the information and advice services and by general services in the community.”

67. The number of carers currently receiving support was not provided.

68. Paragraphs 88-98 of the FM set out background to the options that local authorities currently have to waive charges for services provided in relation to support for carers, including challenges being faced by local authorities in implementing the regulations, the main challenge being identified as “the categorisation of replacement care provided to a cared-for person at the point when a carer takes a break.”

69. The FM states the Scottish Government is working with COSLA to revolve the difficulties and that resolution “would be expected to result in a favourable position regarding breaks from caring” but that it is “not possible to set out in this Financial Memorandum the position that the Scottish Government and COSLA are working towards as the position has not been finalised and would be subject to further discussion with key interests.”

70. The FM goes on to state that—

“In moving forward on what is a challenging issue for local authorities, with repercussions for carers, any cost implications of changes to the waiving of charges regulations would be considered by the Scottish Government.”

71. In concluding on this section, the FM states that—

“It is fully expected that regulations will be made to waive charges for support to carers. It is further expected that the regulations would be different from the present regulations given the current challenges experienced by local authorities. If there are cost implications to the Scottish Government arising from the regulations, the Scottish Government would present these in a revised Financial Memorandum.”

72. The NCOs explained that the “current regulations prevent carers being charged for support they receive in their own right, which is identified in a Carers Assessment.” The NCOs “welcome this statement of expectation that regulations will accompany the Bill to waive charges for carers” but express concern about the expectation that those regulations would be different from the current regulations. They state that—

“It is difficult for us to comment on the financial memorandum in respect to this without sight of the proposed regulations and accompanying financial
memorandum. However, once the Scottish Government and CoSLA discussions are complete and these are forthcoming (along with accompanying financial information), the NCOs will make a full response."

73. SWS noted that the current regulations on waiving charges went through “without any additional Scottish Government funding to councils to implement.’ In relation to the statements in the FM regarding the “challenges” of implementing the current regulations, SWS notes the FM suggests—

"…that this is due to practical ambiguities as to whether care is provided to benefit the carer (not chargeable), or to benefit the cared-for person (chargeable, unless free personal care for older people), or to benefit both. However, in our view, the fact that there was no implementation funding is at the very least an equal ingredient in the “challenging” mix.”

74. Argyll and Bute Council commented that the waiving of charges—

"is a core matter that requires resolution and associated full acknowledgement of the financial loss to local authorities. There is a case for a means tested approach to charging as with many areas of social care services and delegated decision making for charging that reflects the additional costs in rural and island locations.”

75. In its response to the COSLA questionnaire on this issue, Inverclyde Council commented that—

"The waiving of costs and charges has a direct negative impact on current budgets and would lead to tightening of eligibility criteria reduced provision which is counter intuitive to the principals driving the Carers Bill. Further funding is required to offset this and to increase the provision and availability of short breaks and respite.”

76. The issue of waiving charges and the potential cost implications of this was one of the main issues explored in taking evidence from the Bill team. The Bill team explained the background to the waiving of charges—

"The previous Minister for Public Health gave a commitment when the Social Care (Self-directed Support) (Scotland) Bill was going through Parliament. That bill—now the Social Care (Self-directed Support) (Scotland) Act 2013—contains a power to support carers, and the minister gave a commitment that, if the power is used, charges will be waived for the support that the carer receives, because carers are providers of services and should not be charged for the services that they provide. The Scottish Government developed regulations and guidance around that waiving of charges, and it was stated that, if local authorities use that power under section 3 of the 2013 act, after going through the carer’s assessment and so on, the charges will be waived…"
Referring to support under section 3 of the 2013 act, the issue and the challenge that have arisen are around replacement care. COSLA and some local authorities have told us that it is unfortunately not possible to say whether replacement care benefits the carer or the cared-for person. If it benefits the carer, the charges would be waived. If it benefits the cared-for person, normal charging would apply. Charging would be waived where it supports the carer.24

77. The FM estimate of £333 for the unit cost of providing support to carers does not include costs for the provision of respite care. Asked about the comparison between the FM estimate and the figure of £967, given in COSLA’s submission as the average cost per year for carers requiring short breaks/respite, the Bill team stated—

“If we were to include a similar figure for respite care in Scotland, it would be a figure of more than £600 rather than a figure of £900 because that is the national care contract figure for residential care, so that would be the figure. We have not included such figures for respite care or replacement care because the Scottish Government, along with COSLA and others, is considering waiving charges, which I can speak about later, and that will have an impact.”25

78. The Bill team went on to explain that—

“The £609 figure that has been quoted is the per-person cost of respite care in a care home. That would be for a cared-for older person going into a care home so that the carer gets a short respite... However, the figure down south of £900 is not directly comparable to the figure here.”26

79. The Committee sought to clarify the impact on the overall costs of the Bill if the waiving of charges is not resolved. The Bill team stated that the “type of support to carers will vary and that “it would not be appropriate to say that, in all cases, the unit cost will be over £600.” Expanding on this point in relation to short breaks, the Bill team said—

“There can be a variety of short breaks, including some that are not traditional. Although some traditional forms of respite are very much relevant, we can try to get in an element of innovation regarding the type of holiday break. Even purchasing a greenhouse is quoted as providing a break for some people, and although that is not seen as traditional respite, we know from feedback that there are carers who would say that with that sort of facility they can do what they want and get time out from caring. That is what they want. Respite does not have to mean that the cared-for person is in a care home.”27

80. Asked whether the cost of replacement care could be the major cost of the Bill, the Bill team stated—
“The cost of replacement care could be in the region of £30 million across Scotland—that is at present prices. Replacement care could be support primarily for the cared-for person or primarily for the carer, or it could be of benefit to both. As I say, categorising replacement care is challenging.”

81. When clarification was sought from the Bill team as to why this figure was not provided in the FM, the Bill team responded—

“The figure was worked out fairly recently, after the financial memorandum was submitted. We did not mean not to be straightforward about it. Also, the waiving of charges issue is still outstanding. I think that it is fair to say that a further financial memorandum should be presented, but it probably would not have been appropriate to present a figure of £30 million, had it been known, because some replacement care could certainly be of prime benefit to the cared-for person rather than the carer.”

82. In taking oral evidence from the Minister, the Committee sought further clarification about the £30 million figure mentioned by the Bill team. The Minister stated that the figure—

“…encompasses a whole range of expenditure. Indeed, some of that expenditure is happening at this very moment. The £30 million is therefore a fairly broad-brush figure and is, perhaps, a starting point for us to analyse how we take forward the waiving of charges.”

83. The Committee asked the Minister to follow-up in writing what portion of the £30 million would be accounted for by existing expenditure and for confirmation of whether it is an annual sum. The response from the Minister confirmed that some of this was existing expenditure but stated—

“We have not identified what per cent this is and what it is presently expended on. We cannot ascribe a £30 million cost to anything we determine to do regarding replacement care and the waiving of charges. This is because the mechanism which we may bring forward for the Bill at Stage 2 that will affect costs is not worked out yet.”

84. The Minister also confirmed that if “any mechanism that we seek to introduce at stage 2 of the bill to do with the waiving of charges has cost implications, the financial memorandum will, of course, be revised to take into account any additional costs.”

85. The Committee is concerned that the Scottish Government is not yet in a position to provide greater certainty on the issues of replacement care and waiving charges and the potential additional costs that may arise if the issue is not properly resolved.
86. The Committee notes that the difficulty with the waiving of charges is a known issue arising out of the Social Care (Self-directed Support) Scotland Act 2013. It is not clear to the Committee how much progress has yet been made on resolving this issue. The Committee is concerned that this is the case given that the difficulties around waiving charges was a known issue at the time the Bill was introduced in early March.

87. The Committee believes that clarification of these issues and the nature of any amendments that the Government intends to bring forward should be provided before the Parliament is asked to vote on the Bill at Stage 1.

88. The Scottish Government has indicated that it would intend to bring forward a supplementary FM to address the costs of any amendments at Stage 2. The Committee is of the view that sufficient time must be allowed between Stage 2 and 3 of the Bill to allow proper scrutiny of a supplementary FM, including time for the Committee to seek evidence from stakeholders and the Scottish Government.

89. Clarification was also sought from the Government about the operation of any system to waive charges where replacement care is provided by a private company rather than by a local authority. In his letter, the Minister explains that—

“If a private care provider (for example, Four Seasons Care Home) is commissioned by the local authority to provide care home places, and if the local authority has made the decision that the cared-for person should be placed there for a period in order to support the carer and meet needs identified in the course of a carer's assessment, then the local authority may not charge the carer in respect of that support. The cost of care in this instance will be met by the local authority. This is because a local authority is obliged to waive charges where services or support are provided to adult carers under section 3(4) of the Social Care (Self-directed Support) (Scotland) Act 2013 Act.

If, however, the cared-for person is in the home as a result of the local authority's decision that the cared-for person's own needs call for the provision of such accommodation, then the local authority would charge the cared-for person for the accommodation (subject to the rules which apply in relation to free personal and nursing care and means testing).

If any respite care is purchased privately by the carer or the cared-for person (rather than through arrangements made by a local authority), then the care provider would charge directly for the provision of that service in accordance with its normal terms. The regulations do not apply to such private arrangements.”
Voluntary sector short breaks fund

90. The Committee also asked for clarification of the Scottish Government’s intentions in relation to the continuation of the voluntary sector short breaks fund beyond the end of the current spending review period. The Minister states that “Given there is currently a baseline budget for the Short Breaks Fund, the current working assumption would be that this would continue, subject to the Spending Review process.”

Other issues raised in evidence

Local carer strategies

91. Local authorities will be required to prepare and publish a local carer strategy and there will be an explicit obligation for the strategy to consider the needs and circumstances of young carers in the area. The FM states that “in the main, this duty will formalise what most local authorities are presently doing with regards to preparing local strategies.”

92. The FM notes that in the responses to the questionnaire issued to local authorities “a few…were content to absorb the costs of preparing the strategy while others saw significant additional costs.” It further notes that “in at least two cases, the costs of preparing the local carer strategy now is met by the health board using carer information strategy (CIS) funding.” The FM goes on to note that there are differing approaches to preparing strategies for young carers. The FM states that the exact figures for these three approaches are unknown.

93. The FM states that there “will be some additional costs of preparing local carer strategies to ensure robust methodology on data gathering and analysis.” The estimated costs set out in the FM are—

<table>
<thead>
<tr>
<th>2017-18 to 2019-20 (duration of strategy)</th>
<th>£m</th>
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</thead>
<tbody>
<tr>
<td>NB: Not all first statutory local carer strategies will be prepared and published in 2017-18 as the timing is dependent on the date by which the next review of the strategic plans under the Public Bodies (Joint Working) (Scotland) Act 2014 takes place.</td>
<td>0.32 (£10,000 to each local authority)</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>2021-22 to 2023-24</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>(£5,000 to each local authority recurring every three years. Data collection and methodology will be embedded in local authority practice)</td>
<td>0.16</td>
</tr>
</tbody>
</table>

94. Responding to the calculation of these costs COSLA comments that the FM “presumes that the preparation of strategies is an extension of existing local strategies and hence will be covered by existing staff” but goes on to state that—
“In order to develop robust strategies, with proper consultation, COSLA argues that more resource is required. A number of councils have indicated that they would require at least an additional staffing resource to prepare local carer strategies, citing the fact that these are more formalised and require far more extensive consultation with the caring community.”

95. The NCOs note that the FM recognises “the current lack of comprehensive data on spending by local authorities on support to carers” and state that—

“We therefore believe that section 28 of the Carers Bill relating to the duty on local authorities to prepare a local carers strategy should specify the inclusion of a financial breakdown. Each local carer strategy should outline the resources which are allocated to local carer support and what these resources will be used for. In addition, this information should also be reflected in the Joint Adult Strategic Commissioning Plan.”

**Directing authorities**

96. For young carers in independent and grant-aided schools, the YCS will be prepared by the directing authority of the school. The FM states that “it is not known how many young carers are in these sectors nor the proportion of carers who would want a YCS.”

97. The FM uses an estimate of 620 (2 per cent) pupils in these sectors being young carers and a unit cost of £125 for the preparation of a YCS to be approved by the local authority. In the period from 2017-18 to 2021-22 this would give a cost to the sector of £77,500 or £15,500 per annum.

98. The Scottish Council of Independent Schools’ (SCIS) view is that—

“… the numbers provided may not be accurate. Moreover, the logic to how the numbers have been calculated is unknown and more accurate data should be an early requirement. It may be that the number of young carers attending independent schools has been over or underestimated in other ways and may also have been underreported, however, SCIS cannot currently be certain of the number of young carers attending independent schools in Scotland.

SCIS would be happy to work with schools to attempt to provide more definitive numbers. When discussing this Bill with independent schools there was an indication that it was likely that there were young carers who were pupils. Independent schools have an important role to play in supporting young carers are part of their pastoral role and they take this very seriously. This Bill would therefore clearly hold financial implications specific to the independent school sector. At present it is unclear what these will be. SCIS hopes these implications will be borne in mind when decisions are made about the Carers (Scotland) Bill.”
99. SCIS also comments that the FM does not reflect the costs of training and workforce development that would be necessary to ensure staff in independent schools had the skills required. SCIS notes that the FM indicates that training will be “provided via NES and SSSC and it would be helpful to know if independent schools [would] be able to access this training.”

Third sector

100. The Bill does not set out any duties for third sector providers and does not therefore identify any direct costs on the sector arising from the Bill. However, the FM notes that the Government encourages local authorities and health boards to work in partnership with the third sector on the Bill’s provisions and states that—

“If the third sector is commissioned as intended by local authorities and health boards to help prepare the ACSP and the YCS, to provide information and advice and to support carers, then, in addition to the financial support from local authorities and health boards that must flow to the third sector to allow this to happen, there will be a requirement for additional resources. It is expected that transformation costs for this sector will centre around systems (such as IT, accounting, data collection, data protection and recording).”

101. In terms of funding that would be allocated for these transformation costs, the FM goes on to state that—

“The allocation is estimated at £500,000 per annum in each of 2017-18, 2018-19 and 2019-2020. This would help support about 50 providers in each of the three years at £10,000 each. Some of the 50 providers might work across local authority boundaries as some third sector organisations do this in any event. As stated, the funding would not be to support carers.”

102. The submission from the NCOs states that they are “extremely disappointed” that the FM states there will be no direct duties on third sector providers and therefore no costs identified. The submission states that the “third sector, in particular local carer organisations, will be instrumental to the successful implementation of the Bill” and that unless “they are adequately resourced, they will be unable to cope with the additional demands placed on them.”

103. The NCOs view is that the “impact of The Carers Bill on third sector carer support organisations must be properly scoped and additional resources must be identified to ensure they are in a position to respond to the increased demands on their services.”
Conclusion

104. The Health and Sport Committee is invited to consider the above as part of its scrutiny of the Bill.

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1 The FM can be found at page 23 of the [Explanatory Notes](#) for the Bill.
2 Policy Memorandum, paragraph 2
3 Financial Memorandum, paragraph 7
4 Unless otherwise indicated in the table costs are recurring from 2012-22
5 Financial memorandum, paragraph 36
6 Their estimated increase in the number of assessments has been criticised as too low by leading academics – see Linda Pickard, Derek King and Martin Knapp (2015): The ‘visibility’ of unpaid care in England, Journal of Social Work online, 1-20.
7 We use this term to denote the period after the initial increase in assessment requests following implementation of the Bill.
8 Paragraph 56 states that: “The estimate is that over time 34 per cent of adult carers will be the highest percentage of carers who will have an ACSP”.
9 Paragraph 60 says “about 60%”, however Table 2 in paragraph 64 gives 64%.
10 Official Report, 13 May 2015, cols 51-52
13 Financial Memorandum, paragraph 57
14 Financial Memorandum, paragraph 62
15 Financial Memorandum, paragraph 102
16 Financial Memorandum, paragraph 71
17 Financial Memorandum, paragraph 77
18 Financial Memorandum, paragraph 78
19 Financial Memorandum, paragraph 79
20 Financial Memorandum, paragraph 80
21 Financial Memorandum, paragraph 95
22 Financial Memorandum, paragraph 96
23 Financial Memorandum, paragraph 98
24 Official Report, 13 May 2015, cols 60-61
26 Official Report, 13 May 2015, col 56-57
27 Official Report, 13 May 2015, col 57
28 Official Report, 13 May 2015, col 68
29 Official Report, 13 May 2015, col 68
30 Official Report, 3 June 2015, col 53
31 Financial Memorandum, paragraph 84
32 Financial Memorandum, paragraph 85
33 Financial Memorandum, paragraph 86
LETTER TO THE SCOTTISH GOVERNMENT – 13 MAY 2015

At its meeting today the Finance Committee took evidence from Scottish Government officials on the Financial Memorandum (FM) accompanying the Carers (Scotland) Bill.

In the course of the evidence-taking it became apparent that there are a number of areas where the information set out in the FM requires further clarification.

I am therefore seeking clarification from you on—

- details of the assumptions underpinning the estimated unit costs for Adult Carer Support Plans, Young Carer Statements and support to carers
- resolution of the issues in relation to the waiving of charges given the impact that this may have on the costs of providing support to carers
- the position in relation to the waiving of charges if the carer taking a short break involves respite care being provided for the cared-for person in a private facility
- the intention to continue funding the voluntary sector shorts breaks scheme, currently funded at £3 million per year, which is due to end in 2016.

The Official Report of today’s meeting, which is due to be published by Monday 18 May, will provide full details of the Committee’s consideration of these issues.

The Committee invites you to provide written clarification of these issues by Thursday 28 May and to provide oral evidence on Wednesday 3 June. The Committee will then aim to provide a submission to the lead committee by 18 June.

I am copying this letter to the Convener of the Health and Sport Committee.

Kenneth Gibson MSP
Convener
RESPONSE FROM THE SCOTTISH GOVERNMENT – 28 MAY 2015

Thank you for your letter of 13 May to the Cabinet Secretary for Health, Wellbeing and Sport seeking further clarification in a number of areas regarding the Financial Memorandum accompanying the Carers (Scotland) Bill. I am replying as the Bill is within my area of responsibility.

Estimated unit costs for the adult carer support plan, young carer statement and support to carers

Annexes A to D attached set out the detailed assumptions. Annex A provides the background to the unit costs for the adult carer support plan (ACSP) and young carer statement (YCS), Annex B sets out the assumptions underpinning the estimates for the ACSP and Annex C sets out the assumptions underpinning the estimates for the YCS.

I see merit in further work to refine the assumptions set out in the Financial Memorandum and the detail which underpins them. We intend to set up a Finance-led Group with key stakeholders. The exact membership of that Group is being determined, but I will write to you again as soon as that is finalised. The Group would consider, amongst other things, the cost estimates in further detail and an extension of the time period beyond 2022-23, and would review any relevant additional information which comes to light. It would also review appropriate methods of funding distribution and would establish procedures for monitoring demand, costs and achievements against the Bill's objectives. The Group should also aim to establish a clear understanding of risks and play a role in ensuring that risks are understood, shared and mitigated as far as is possible. Again, I am happy to keep you informed of the work of that Group.

Resolution of the issues in relation to the waiving of charges

Work is on-going in order to resolve the issues of whether any replacement care provided through a local authority is to be categorised as support for the carer or as a community care service for the cared-for person, and whether any charges should be made by a local authority in respect of the provision of replacement care. There is an additional issue concerning the extent to which the carer, cared-for person or both should make decisions about the provision of replacement care. We intend to bring resolution to that for Stage 2 of the Bill. Paragraphs 88 to 98 of the Financial Memorandum provide background to the waiving of charges issue. They were included at the request of the Scottish Parliament's Legislation Team in order to meet Standing Order requirements. I recognise of course that the Committee has an interest and critical role to play in scrutinising any commitment to public expenditure that will arise as a result of any decisions made in this area. If there is an impact on the cost of providing support to carers, as stated in paragraph 98 of the Financial Memorandum, I will provide a revised Financial Memorandum for the Finance Committee's consideration. Paragraph 98 states: "If there are cost implications to the Scottish Government arising from the regulations, the Scottish Government would present these in a revised Financial Memorandum."

The position in relation to the waiving of charges if the carer taking a short break involves respite care being provided for the cared-for person in a private facility
The term 'waiving of charges' refers to the charges which a local authority would have been entitled to make in respect of services which it provides under specific provisions of social care legislation. Section 87(1) of the Social Work (Scotland) Act 1968 generally permits a local authority to recover such charge as it considers reasonable from a person to whom it provides such a service (subject to more specific rules about charges for personal and nursing care and residential accommodation, and a general requirement not to charge more than is practicable for the person to pay). This rule applies to services provided directly by the local authority itself, or by the local authority having made arrangements with other statutory, independent or third sector bodies in pursuance of the local authority's functions under that social care legislation.

The Carers (Waiving of Charges for Support) (Scotland) Regulations 2014 require the local authority to waive any charges which it would have been entitled to make under section 87(1), where the service or support in question is provided under section 3(4) of the Social Care (Self-directed Support) (Scotland) Act 2013 (support to adult carers) or provided to a child who requires it because they are a young carer under section 22 of the Children (Scotland) Act 1995. The regulations have no application to the charges made for the provision of services by any body other than a local authority (i.e. a private or third sector provider).

If a private care provider (for example, Four Seasons Care Home) is commissioned by the local authority to provide care home places, and if the local authority has made the decision that the cared-for person should be placed there for a period in order to support the carer and meet needs identified in the course of a carer's assessment, then the local authority may not charge the carer in respect of that support. The cost of care in this instance will be met by the local authority. This is because a local authority is obliged to waive charges where services or support are provided to adult carers under section 3(4) of the Social Care (Self-directed Support) (Scotland) Act 2013 Act.

If, however, the cared-for person is in the home as a result of the local authority's decision that the cared-for person's own needs call for the provision of such accommodation, then the local authority would charge the cared-for person for the accommodation (subject to the rules which apply in relation to free personal and nursing care and means testing).

If any respite care is purchased privately by the carer or the cared-for person (rather than through arrangements made by a local authority), then the care provider would charge directly for the provision of that service in accordance with its normal terms. The regulations do not apply to such private arrangements.

To be absolutely clear, 'waiving of charges' do not relate to any charges levied by private organisations to commissioning bodies or individuals. To be clearer still, I do not believe that the Parliament is even empowered to legislate for such at provision, even if it were the Scottish Government's intention to legislate for that, which I reiterate it is not.

The intention to continue funding the voluntary sector short breaks scheme, currently funded at £3 million per year, which is due to end in 2016

I value the voluntary sector short breaks fund. Paragraph 32 of the Financial Memorandum states that "subject to Spending Review decisions, this funding would
continue for short breaks." Given there is currently a baseline budget for the Short Breaks Fund, the current working assumption would be that this would continue, subject to the Spending Review process.

I am copying this letter to the Convener of the Health and Sport Committee.

Jamie Hepburn  
Minister for Sport, Health Improvement and Mental Health

Annex A – Carers Bill

Estimated Unit Costs of the Adult Carer Support Plan (ACSP) and Young Carer Statement

Background

1. COSLA issued a questionnaire to local authorities seeking information on a range of issues to help inform the Financial Memorandum. This questionnaire was designed in collaboration by Scottish Government and COSLPAP officials and with input from Social Work Scotland.

2. Questionnaire returns were submitted to COSLA by 21 local authorities. In addition, Glasgow City Council submitted its return directly to the Scottish Government. NHS Highland's return is relevant too as it is the lead agency for adult carers in Highland. One council, Inverclyde, submitted its return directly to the Finance Committee and it is posted on the Finance Committee's website.

3. The questionnaire included the following questions:

   a) On average, how many carer's assessments do you currently undertake in a year for adult carers?

   b) What is your total spend in a year on carer's assessments carried out, excluding the cost of any self-assessments and excluding spend on community care assessments and assessments for disabled children?

   c) On average, how many carer's assessments other assessments do you currently undertake in a year for young carers?

   d) What is your total cost in a year on carer's assessments for young carers carried out, excluding the cost of any self-assessments and also excluding the cost of community care assessments and assessments for disabled children?

4. The questionnaire included a footnote that "total spend" covered, as appropriate for each individual local authority, cost of staff time 011 initial contact, assessment, inputting data into the database, travel time, review, and developing a support plan. It was stated that the cost will depend too on whether the assessment is being carried out by a qualified social worker or not. It was also stated that local authorities should not include the cost of any support provided.
5. Based on the answers provided to the questions, the Scottish Government calculated for each local authority the average cost in a year of a carer's assessment for adult carers and of a carer's assessment/other assessment for young carers. The reason that other assessments were taken into account for young carers is that a number of different types of assessment are undertaken with young carers - see paragraph 57 of the FM.

Annex B – Carers Bill

Assumptions Underpinning Estimated Unit Costs of the Adult Carer Support Plan (ACSP)

1. The assumption underpinning the estimated unit cost of the ACSP is:

   a) the average unit cost of preparing the ACSP should be approximately the same as the unit cost of a good quality carer's assessment (paragraph 52 of the Financial Memorandum (FM)). A good quality carer's assessment is one which is co-produced with the carer in an empathetic way based on conversation rather than being a tick-box exercise.\(^2\) The aim is to provide the ACSP as efficiently as possible.

2. An average unit cost (Scotland-wide) was calculated by looking at the unit cost of completing a carer's assessment in 14 local authorities. The Scottish Government removed from the calculation the lowest and highest unit costs in two local authorities in order to provide a level of confidence with the figures as both the lowest and highest unit costs were extreme by comparison with the other unit costs. Even then, the range of costs is between £72 and £342 (footnote 32).

3. The average unit cost works out at £176 (table at paragraph 54 of FM) and this is presented as option 3 (highest cost) in the Financial Memorandum.

4. The lower unit costs in the Financial Memorandum (options 1 and 2) are presented to show that the lowest unit cost within the group of 14 local authorities was £72 and the mid-range was £110 based on a comparison with the Surrey Council average of £100 and other factors (paragraph 50 of FM). The unit cost of £176 compares very well with the median unit cost of £116 presented in the final Impact Assessment for the Care Act 2014 in England.

5. The unit cost will vary according to a number of different factors including rurality, level/grade of staff involvement, whether the assessment is carried out by the third sector and the degree to which assessments are carried out with the most vulnerable and isolated carers (paragraph 48 of FM).

Annex C – Carers Bill

\(^2\) Carers assessment and outcomes focussed approaches to working with carers. A joint project between Midlothian Council Community Care Team and VOCAL Midlothian Carers Centre. A series of research projects about health and social care for older people - 2013

Assumptions Underpinning Estimated Unit Costs of the Young Carer Statement (YCS)

1. The assumption underpinning the estimated unit cost of the YCS is:
   a) the YCS should not cost more than the carer's assessment for young carers (paragraph 64 of FM)

2. The average unit cost (Scotland-wide) was calculated by looking at the unit cost of completing a carer's assessment in five and then in seven local authorities. Five local authorities presented unit costs of less than £200 giving an average unit cost of £125. Seven local authorities presented unit costs of less than £300 giving an average unit cost of £167. These average unit costs are set out in paragraph 63 of the Financial Memorandum.

3. The Financial Memorandum at paragraph 62 states that there are challenges in estimating the average unit cost of a carer’s assessment for young carers. Comprehensive integrated assessments undertaken in some local authorities are more costly than a YCS and the costs of these were excluded from the estimates.

4. Three local authorities presented unit costs at over £1,000. Two of these were for integrated assessments and were excluded. A third said that the young carer's assessment provided by the voluntary sector covers a 6-8 week period with individual or group work or referral on. This was considered to be a different type of assessment from the YCS and was also excluded from the calculations.

Annex D – Carers Bill

Assumptions Underpinning Estimated Unit Costs of Support to Carers

1. The estimated unit cost of supporting one adult or young carer is £333 every year (paragraph 78 of FM).

2. The £333 is a figure used in a survey by the Princess Royal Trust for Carers (now the Carers Trust). Footnote 51 in the FM states that a more recent Carers Trust review of personal budgets and direct payments of carers in England shows wide variation in the financial amounts carers receive. However, 19 out of 30 authorities reported a maximum of between £250 and £500. On this basis, £333 was deemed therefore to be reasonable.

3. The £333 would exclude information and advice to carers as additional separate resources are being made available for the information and advice services. Paragraphs 65 to 70 of the FM set out the estimated costs of the information and advice services. The £333 could include the cost of a short break if appropriate. Paragraph 82 of the FM sets out an additional short breaks element at an estimated unit cost of £300.

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3 Includes other types of assessments completed for young carers
4. The unit costs do not include the costs of replacement care. This is because the costs of replacement care are linked to the waiving of charges issue. Paragraph 96 of the FM states that "any cost implications of changes to the waiving of charges regulations would be considered by the Scottish Government. It is not possible to provide further information in this Financial Memorandum as discussions between the Scottish Government and COSLA are on-going."
Annexe B – Correspondence between the Committee and the Government following 3 June meeting

LETTER FROM THE MINISTER FOR SPORT, HEALTH IMPROVEMENT AND MENTAL HEALTH – 10 JUNE 2015

I refer to the Senior Assistant Clerk’s email of 4 June requesting follow-up information on three issues arising in my evidence session to the Finance Committee on 3 June. The information is set out below.

How much of that £30 million potential cost would be accounted for by existing expenditure and whether the figure of £30 million that was given as the potential cost for replacement care is an annual figure

As set out in my previous reply to you of 28 May, the waiving of charges issue is to be resolved for Stage 2. However, I confirm that a portion of £30 million will be accounted for by existing expenditure. We have not identified what per cent this is and what it is presently expended on. We cannot ascribe a £30 million cost to anything we determine to do regarding replacement care and the waiving of charges. This is because the mechanism which we may bring forward for the Bill at Stage 2 that will affect costs is not worked out yet. We will take this into account if a revised Financial Memorandum is required at Stage 2.

The current number of carers receiving support and the percentage of the carer population this represents

During the evidence session, Mr Brown noted from paragraph 81 of the Financial Memorandum that 4% of carers said they received short breaks or respite care (estimates from the Scottish Health Surveys 2012 and 2013). Mr Brown then queried that in 2017-18, the estimated numbers of carers receiving carer-specific support at 11,175 or 2% of the carer population (table under paragraph 79 of the Financial Memorandum) seems low.

The 4% of carers in the Scottish Health Survey who say they receive short breaks/respite and the estimated 2% of carers who will receive carer-specific support are not directly comparable. The 4% in the Scottish Health Survey includes carers who are supported directly by breaks provided by the third and independent sectors, including through the voluntary sector short breaks fund, as well as by health and social care public sector providers and indirectly by provision put in place for the cared-for person from which the carer benefits. In contrast, the figure of 2% relates to carers supported solely by local authorities, or by local authority commissioned services, since the duty to provide support in the Bill falls on local authorities. The 2% is also for direct support only and not for indirect support via the cared-for person and excludes those carers who will be supported by the information and advice services and by general services in the community.
The table under paragraph 56 in the Financial Memorandum shows that the ambition is to double the number of adult carer support plans carried out in 2017-18 from the current estimated number of 12,000 to 22,350. We estimate that bespoke support will be required for 50% of these adult carer support plan holders. This represents 11,175 carers or 2% of the carer population.

The Finance-led Group to be set up will consider further the demand profile for support to carers if any new evidence comes to light.

I trust this letter is helpful to you and the Finance Committee but if I can provide any further clarity, please let me know. Similarly, if I can be of any other assistance to you or the Committee, please do not hesitate to contact me again.

I am copying this letter to the Convener of the Health and Sport Committee.

**Jamie Hepburn**  
**Minister for Sport, Health Improvement and Mental Health**