Scrutiny of the Draft Budget 2012-13 and Spending Review 2011

Scottish Council for Voluntary Organisations

Summary

The focus on prevention in the Scottish Government's draft budget is welcome and timely. In particular, the Change Funds are a key means by which to take forward the preventative agenda, change the culture in public service provision and enable the third sector to play its part. However, it is important that the lessons of the first year of the pilot Reshaping Care Change Fund are learned if the full potential of the Change Funds are to be realised. As such our response is focused on the performance of the pilot Change Fund.

The experience of the first year of the Change Fund leads us to make four key recommendations:

1. Allocate the Change Fund money to preventative and early intervention projects to reduce demand rather than redirecting it to different patterns of service
2. Do not allow Change Funds to be used to plug local authority and NHS funding gaps
3. Reform the Partnership model overseeing the implementation of the Change Fund to ensure the third sector is a genuinely equal partner from the earliest stage of the decision making process
4. To ensure the accountability and transparency of how funds are being spent, Change Plans should be signed-off by the Ministerial Steering Group

Our response

SCVO welcomes the opportunity to respond to the Health and Sport Committee's scrutiny of the Scottish Government's draft budget bill.

The announcement in the draft budget of a new focus on prevention was broadly welcomed by the third sector as a step in the right direction. In particular, the continuation of the pilot Reshaping Care Change Fund and the announcement of two new Funds, targeted at children and young people and reoffending, was well received.

However, to make the most of the new Change Funds it is essential that the lessons of the first year of the pilot Change Fund are learnt, not just for its continued operation over the next three years but also for the two new Funds.

Background

While there is undoubtedly a great deal of excellent work funded through the Reshaping Care Change Fund pilot, the mid-year review of Fund allocation has given cause for some concern. The review's analysis shows that only 18% has been allocated to preventative and anticipatory care while 19% has
been spent on hospital and institutional care, essentially investing in alternative means of providing existing services.

If the Change Fund and the new funds announced in the draft budget are intended as a catalyst to progress the prevention agenda, the Scottish Government needs to ensure that the £500m earmarked for them is focused on preventative community services; the predicted pattern of spend so far suggests it will make only a small difference.

The report from which the above figures are taken does itself acknowledge as much, commenting that: “Ideally, and certainly over the life of the Change Fund, investment in the preventative/proactive support at home and in the community should be greater than that in reacting to post-admission problems such as delayed discharge.”

This briefing is intended, to borrow Alex Neil MSP’s words, to look at the performance of the existing pilot Change Fund and “see how it can be done better so that before we go into other areas and set up mechanisms, we’ll learn the lessons.”

The key questions

- The principle of the pilot Change Fund is that Change Plans must be cross-boundary and have sign-off from health boards, local government and the third sector but in some areas the third sector is struggling to have a meaningful influence in the key decision-making process. How can the Scottish Government ensure that the third sector is genuinely taken seriously as an equal partner, not just asked to sign off on plans it had minimal input into?

- Similarly, the pilot Change Fund is intended to provide ‘bridge funding’ for the transition to a different model of public service delivery, one that priorities prevention and early intervention to free up public resources and deliver better outcomes. Sadly, in some places this isn’t happening. Is the Scottish Government willing to intervene to ensure the money provided through the Change Fund isn’t spent inappropriately?

Four changes to make Change Funds more effective

1. Allocate the Change Fund money to preventative and early intervention projects to reduce demand rather than redirecting it to different patterns of service
2. Don’t allow Change Funds to be used to plug local authority and NHS funding gaps
3. Reform the Partnership model overseeing the implementation of the Change Fund to ensure the third sector is a genuinely equal partner from the earliest stage of the decision making process
4. To ensure the accountability and transparency of how funds are being spent, Change Plans should be signed-off by the Ministerial Steering Group
**Areas where the Change Fund could be improved**

**Inappropriate allocation of funds**

There is a fear among the third sector that some money from the Change Fund is simply being used to fill gaps in local authority funding. For example:

- The reported use of almost £1m of Glasgow’s £8m Change Fund share to buy in social care services from Cordia. Whilst focussed on reablement, we would like to see what outcomes this has for service users and carers.
- There are also reports that Glasgow has ‘allocated’ substantial sums to for purchased care home places

In some localities, very little of local allocations will be spent on e.g. supporting unpaid carers, a key element of preventative support. Also, some local areas have already allocated funding for next year and years beyond without considering how they will meet the requirement to demonstrate how 20% of their allocations will impact on unpaid carers and help them to continue caring. Some 650,000 unpaid carers provide the equivalent of over £10 bn. Organisations such as The Princess Royal Trust for Carers and other carers organisations have expressed some concern about this. There may also be unintended consequences for and increased pressure on unpaid carers as a result of some projects proposed by the Change Fund. Some projects which propose to try and prevent admission e.g. for COPD are strong ideas but take little account of the impact this might have on families. Any guidance to be issued for the next rounds of the fund must re-emphasise the commitment to carers who, with the right support, can care for longer, preventing admissions/re-admissions to hospital and residential care.

Meanwhile, Alzheimer Scotland commented that it had seen little focus on supporting people who have just been diagnosed with dementia despite the significant savings and better outcomes that can be achieved through post-diagnostic support. Good quality post-diagnostic support for people with dementia (and their families) can delay admission to residential care by two to four years, with only a two to three week delay sufficient to recoup an investment equivalent to one year’s support. In the context of an ageing population and a prediction that the number of people with dementia in Scotland – 82,000 – is set to double within 20 years, post-diagnostic support is exactly the sort of project that the Change Fund should be supporting.

**Transparency and accountability**

We have heard concerns from third sector organisations that the substantial amounts of money allocated to the Change Funds have not always been agreed with Third Sector partners. Some have concerns about the accountability for this substantial stream of funding, and lessons should be learned from similar concerns expressed about Carer Information Strategy funding during the last session of the Parliament. How will the Government...
ensure that the funds have been spent on what was intended and that clear outcomes for older people will be achieved?

It is essential that it is possible to account for the money spent under the pilot Change Fund, particularly in terms of the outcomes it has achieved.

There are also fears about accountability as to how money is allocated at the local level, with both the NHS and local authorities in control and the third sector not being seen as an equal partner despite the intention that it should be.

**Difficulty for third sector organisations in engaging with decision making process**

Several have suggested that the structural issues within the Change Fund will mean the lack of a real driver for change – some have little faith that local authorities and health authorities will really take on the preventative and public service reform agendas by themselves, other than around the margins, and there is little evidence to date that they treat the community sector seriously as a partner or potential partner.

One suggestion of improving the situation regarding the engagement of the third sector in the commissioning process with the Change Funds involved a requirement on whoever holds the money to ensure that all partners are actively involved and that any bids demonstrate joint partnership/sign up. While this is already the case in principle, the reality has often been that the third sector organisations are reluctant to stand up to their statutory sector counterparts and have been asked to sign off Change Plans they had little or no input into.

**The challenge for the third sector**

The Third Sector Interfaces require more support to ensure they have the capacity to fully engage in the local Change Fund Partnerships and to act as the lynchpin for third sector organisations in the process. Many comments suggest that at present they have not always been able to influence the decision making process at local authority / health board level as well as a reported difficulty in pro-actively engaging third sector organisations.

The Interfaces need to be able to bring together the organisations they work with in their areas as well as larger national charities, housing associations etc, something which not all Interfaces yet have the experience and capacity to do.

Ideally, the Interfaces would be able to work in partnership with local authorities and health boards to design and deliver a whole system approach where the range of preventative and anticipatory approaches move from being separate projects and initiatives to a coherent and comprehensive range of mutually reinforcing measures that complement the emerging rehabilitation and re-ablement services being developed and commissioned by the statutory
sectors. There is good evidence that individual interventions such as telecare, rehabilitation, re-ablement, anticipatory care plans, the impact of unpaid carers etc. produce cost effective and positive outcomes. The challenge is to scale up these initiatives and commission and deliver them in an integrated way.

In reality, both the statutory and third sectors need support and direction to reach this point.

Positive news from the Change Fund

Despite the areas where the Change Fund could be improved, there are many valuable projects being funded through the pilot Fund, including:

- South Ayrshire Carers Centre – c £80k (pro rata for rest of year) allocated to seek out and link up older carers in rural areas, ensure they are accessing the right support and are not isolated.
- Orkney – expanding local respite provision, supporting carers in the outer isles to get to mainland Orkney to get to essential appointments, doing things which many of us take for granted.
- Midlothian – hospital based carer support workers
- Borders – focus on ensuring older carers are accessing Carers Assessments.

Third sector mapping exercises to demonstrate the reach and impact of the Third Sector in the wider Reshaping Care agenda. Also locally, some projects are being approached and are being asked to consider bids in relation to volunteering, carer support and other areas which have a preventative focus.

Conclusions

There is much to be enthusiastic about in the pilot Change Fund, and reason to be optimistic about the opportunities afforded by the three Change Funds announced in the draft budget. However, unless the issues around transparency and accountability, inappropriate allocation of funding and the full and comprehensive engagement of the third sector in the decision making processes are resolved, there is a risk that the Change Funds will not achieve their potential in driving forward the prevention agenda.

Given the pressures on public finances and the even more significant factor of an ageing population, failing to learn the lessons of the pilot Fund is simply not an option.

About us

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. There are over 45,000 voluntary organisations in Scotland involving around 137,000 paid staff and approximately 1.2 million volunteers. The sector manages an income of £4.4 billion.
SCVO works in partnership with the third sector in Scotland to advance our shared values and interests. We have over 1300 members who range from individuals and grassroots groups, to Scotland-wide organisations and intermediary bodies.

As the only inclusive representative umbrella organisation for the sector SCVO:

- has the largest Scotland-wide membership from the sector – our 1300 members include charities, community groups, social enterprises and voluntary organisations of all shapes and sizes
- our governance and membership structures are democratic and accountable - with an elected board and policy committee from the sector, we are managed by the sector, for the sector
- brings together organisations and networks connecting across the whole of Scotland

SCVO works to support people to take voluntary action to help themselves and others, and to bring about social change. Our policy is determined by a policy committee elected by our members.¹

Further details about SCVO can be found at [www.scvo.org.uk](http://www.scvo.org.uk).

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¹ SCVO’s Policy Committee has 24 members elected by SCVO’s member organisations who then co-opt up to eight more members primarily to reflect fields of interest which are not otherwise represented. It also includes two ex officio members, the SCVO Convener and Vice Convener.