About CCPS

1. CCPS is the Coalition of care and support providers in Scotland. Its membership comprises more than 70 of the most substantial providers of care and support in Scotland's third sector, supporting approximately 270,000 people and their families, employing around 45,000 staff and managing a combined total income of over £1.2bn, of which an average of 73% per member organisation relates to publicly funded service provision.

2. CCPS members provide services right across the spectrum of care and support, including services for older people as well as for children and families, adults with physical and learning disabilities and people facing a range of challenges in their lives, including mental health problems, addictions and involvement in the criminal justice system.

Introduction

3. CCPS welcomes the Scottish Government’s ‘decisive shift to preventative spending’ but we have concerns about how this will happen in practice. Reductions in local authority budgets are being disproportionately passed on to the third sector. Workforce development, the third pillar of the Renewing Public Services strategy in response to the Christie Commission, appears too narrowly focused on the public sector, given that a third of social care is provided by the voluntary sector. The continuation of the Change Fund for older people’s services and new change fund for early years are positive steps but they need to be carefully administered and monitored to ensure that these resources are channeled towards greater integration and prevention and not absorbed into existing services.

Context of Third Sector Social Care Provision

4. This draft budget comes amid growing concern over the impact of competitive tendering and budget cuts on the quality of social care provision. CCPS published research\(^1\) this year highlighting the risks that competitive tendering brings, particularly the impact on the sector’s highly-valued workforce, which we would argue is the most crucial enabling factor for good quality care.

5. Our research shows that in the past three years, third sector care providers have made significant reductions in operating costs. These reductions are partly the result of efficiency savings, but with the extreme

\(^1\) Employment conditions in the Scottish social care voluntary sector: impact of public funding constraints in the context of economic recession, University of Strathclyde/CCPS March 2011
pressure of cost-driven tendering exercises and all avenues for efficiency savings exhausted, many third sector providers have been forced to reduce staff terms and conditions.

6. Key findings include:
   - There are now no remaining elements of public sector pay and conditions universally available to social care staff in the third sector
   - 79% of third sector care organisations have been unable to award a cost of living rise to staff equivalent to the increases paid to the public sector workforce for the past three years
   - 57% implemented pay freezes in the three years before the public sector pay freeze began
   - 60% have made cuts to training budgets
   - 73% have raided organisational reserves in order to maintain services
   - Only 15% retain any link with public sector pension arrangements
   - Organisations continue to receive favourable inspection reports, but there are increasing concerns over future service quality.

7. In this context, further downward pressure on costs through renewed competitive tendering or the direct imposition of across-the-board cuts in response to additional budget restraint is inevitably going to have an impact on service quality.

Local government funding

8. The draft 2012-13 budget reduces the settlement for local authorities by 3.03% in real terms. While a reduction in funding was expected, our concern is that funding cuts have been and will continue to be disproportionately passed on to the voluntary sector, without proper consideration of the excellent track record of those services in successfully delivering Best Value and achieving outcomes. In our view, this will result in further downward pressure on the high quality of care currently provided by the voluntary sector.

9. We maintain that local authorities have a responsibility for the quality of all public services in their area and owe an equal duty of care to those citizens who use services, regardless of whether those services are provided directly by the authority, or by an independent organisation under contract. Consequently, we believe that - especially in times of resource constraint – all services, service providers and staff should be treated equitably, and the principles of Best Value applied, rather than the application of across-the-board cuts or awards to a specific sector or type of organisation, regardless of their quality or level of performance.
Workforce Issues

10. As noted above, the squeeze on public sector budgets is already having a major impact on the voluntary sector social care workforce. There are a number of important workforce provisions in the draft budget that exclude the voluntary sector and may thus have the effect of increasing, rather than alleviating, the pressure on employers:

A. Living Wage

The draft budget maintains the Scottish Government’s commitment to the Scottish Living Wage, which will be uprated for 2012-2013 and is currently fixed at £7.20. We support the principle behind the Living Wage policy. However, we believe that support for the public service workforce needs to recognise the diversity of that workforce: in particular, we believe that public procurement guidance should be strengthened to reflect the government’s commitment to the Living Wage, helping to ensure that competitive tendering becomes a tool for the improvement of workforce terms and conditions in all public services, rather than their further reduction in our sector specifically.

B. Christie Commission Response – workforce development

The Christie Commission response is based on four pillars: a shift toward prevention; greater integration of services at a local level; workforce development; and improved performance. We support (and indeed have argued in support of) the basic principles behind this strategy. However, we are confused by the language of the workforce development section, which uses the terms ‘public sector’ and ‘public services’ interchangeably.

The Christie Commission was about public service reform, not public sector reform. The Scottish Government’s focus should be on the wider provision of public services and the diverse workforce delivering these services. The predominant focus on the public sector ignores the fact that a significant proportion of social care services are provided by the voluntary sector. Proposals for workforce development and training need to recognize that diversity and should include the voluntary sector, particularly given the clear evidence that training and development budgets in the sector are now coming under very severe financial pressure.

C. No compulsory redundancies in public sector

We believe that all public service organisations should be striving to support their workforce. Scottish Government policy should encourage this by promoting and supporting service providers in all sectors to focus on achieving outcomes and impact, rather than maintaining an arbitrary distinction between the public sector and others.
The existing trend to protect in-house services risks being reinforced by Scottish Government policy in this area. Policy may also risk jeopardizing the shift to preventive spend because of the incentive to conserve resources in existing statutory services instead of shifting them towards support that focuses on early intervention and reducing demand for acute care.

In summary, CCPS would like to see an equivalent degree of commitment and support for the whole public services workforce, and not just that part of it delivered directly by public bodies. We are particularly concerned that support and protection for the public sector workforce, in a time of increasing resource constraint, may be delivered not just with the exclusion of our sector, but at its expense.

**Change Funds**

11. The introduction of two new change funds and the continuation of the existing change fund for older people are a strong indication of the Scottish Government’s commitment to prevention and reform. However, we have concerns about the first year of the change fund for older people’s services: the low levels of third sector engagement, the lack of focus on integration and prevention, and the lack of evidence about the extent to which this investment has brought or will bring about actual change.

12. The engagement of the third sector in the change fund was very limited. We understand a relatively small proportion of the first year Change Fund (18%) was allocated to ‘upstream’ or preventive approaches. A further 19% appears to have been spent on hospitals and residential care.

13. We also understand that nearly half the promised £500 million for the new funds will come from existing local authority and NHS budgets. In our view, this increases the risk of these funds being spent on existing services rather than on preventative approaches, particularly in light of the previously mentioned workforce policies which may have the effect of chanelling resources towards established public sector provision regardless of its ability to deliver change.

14. Accordingly, we believe that the revised Change Fund guidance should take a much stronger line on where the money goes, with a particular emphasis on integration and preventative approaches aimed at delivering real change. There should also be much clearer lines of accountability and analysis of the outcomes.
15. We, along with other third sector organisations, have suggested one way to ensure the Change Funds are genuinely spent on prevention would be to allocate a significant portion of the funds directly to the third sector. We note the precedent of the Reducing Reoffending Change Fund which has been targeted directly at third sector organisations leading in this area, and suggest that this approach would be a much better way of achieving the goal of reducing demand, shifting care into the community and improving outcome.

CCPS

19 October 2011