

# **HEALTH (TOBACCO, NICOTINE ETC. AND CARE) (SCOTLAND) BILL**

[AS AMENDED AT STAGE 2]

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## **SUPPLEMENTARY FINANCIAL MEMORANDUM**

### **INTRODUCTION**

1. This Supplementary Financial Memorandum is published to accompany the Health (Tobacco, Nicotine etc. and Care) (Scotland) Bill (introduced in the Scottish Parliament on 4 June 2015) as amended at Stage 2.

2. The Memorandum has been prepared by the Scottish Government. It does not form part of the Bill and has not been endorsed by the Parliament. It should be read in conjunction with the original Financial Memorandum published to accompany the Bill as introduced.

3. The purpose of this Supplementary Financial Memorandum is to set out the anticipated costs associated with the new provisions included in the Bill following Stage 2. Section 31A of the Bill as amended at Stage 2 was added by amendment. That section provides a statutory basis for the provision of communication equipment and associated support. This document seeks to address additional cost that will be incurred as a result.

### **PROVISION OF COMMUNICATION EQUIPMENT**

#### **Costs on the Scottish Administration**

4. Amendments agreed at Stage 2 by the Health and Sport Committee added section 31A to the Bill, which creates a statutory duty upon Scottish Ministers to provide or secure the provision of communication equipment and support in using that equipment to any person who has lost their voice or has difficulty speaking (both children and adults). The equipment and support is to be provided to such an extent as Ministers consider necessary to meet all reasonable requirements.

5. Whilst the duty is being placed on the Scottish Ministers in the legislation, there is provision within the National Health Service (Scotland) Act 1978 (“the 1978 Act”), which allows for the Scottish Ministers’ functions under the 1978 Act (such as this new duty) to be delivered by Health Boards.

6. The Scottish Government currently provides Health Boards with funding to deliver the prevention of illness, care and aftercare which already exists within the 1978 Act.
7. Section 31A does not create a new duty: its aim is to place a more explicit duty on Scottish Ministers to provide or secure the provision of communication equipment and associated support. The Scottish Government does not anticipate the additional costs to be significant.
8. Around 26,500 people in Scotland use Augmentative and Alternative Communication (AAC) equipment.
9. Scottish Government budgetary allocations to Health Boards do not currently ringfence a proportion of the funding for provision of AAC: the Health Board bundles are managed in different ways at a local level. It has not been possible to estimate how much of the current Scottish Government Health Board funding is allocated for the provision of voice equipment.
10. One Health Board (NHS Lothian) estimates that current average annual expenditure on an AAC user who requires high tech voice equipment is around £6,500, which includes staff and equipment costs. Another (NHS Fife) estimates that the current average annual expenditure is around £22,000. It should be noted that this only represents two Health Boards and that not all AAC users require high tech voice equipment: some will require access to, for example, a tablet device or picture mats. Health Boards may also use different levels of staff at different points of the equipment user's journey which can result in variable staff costs. For example, a high grade Speech and Language Therapist (SLT) may carry out the initial diagnosis and recommendation of equipment and a lower grade SLT may then provide ongoing support.
11. The Scottish Government recognises that individuals who use AAC have concerns around some aspects of service delivery. The Scottish Government also recognises that some stakeholders advise that equipment is provided but not always in a timely manner.
12. Through the planned operational improvement work the Scottish Government will consult and consider the necessary information at local and national level to inform the detail of the directions to achieve maximum impact. This work will also inform any additional financial requirements associated with any directions but the Scottish Government would expect these to be minimal.
13. The Scottish Government is currently in discussions with the Royal College of Speech and Language Therapists to develop a national Scottish Government funded programme of operational improvement work.
14. This programme will aim, over a two year period, to identify areas for operational improvement at local and national level which will lay strong foundations for the introduction of any directions. Findings from this work will also, in the short term, contribute to the development of the directions. The estimated costs of this initial piece of work are summarised in Table 1 below.

**Table 1: Estimated costs associated with the national AAC operational improvement support programme**

	<b>Budget 16/17</b>	<b>Budget 17/18</b>
National employment costs (1 AAC Operational Improvement Lead)	£70,000	£70,000
Budget to support the work of the above post	£11,500	£11,500

15. At this stage, before the improvement programme has concluded, it has not been possible to describe what form the directions will take. The Scottish Government is unable to quantify any further financial implications that the introduction of the directions will bring. Only through the planned operational improvement work will the Scottish Government be able to gain the necessary information at local and national level to inform the detail of the directions most likely to have the maximum impact.

### **Financial implications for the NHS**

16. The Scottish Government does not anticipate any additional direct costs on Health Boards arising from the duty to provide communication equipment and support. These provisions already exist through the 1978 Act's functions, the service is already being provided across all Health Boards to those who need it and it is not anticipated that this duty will lead to an increase in demand. As such, this cost is an existing cost which is not expected to increase as a result of the Bill's provision.

17. Future directions which will be developed on the basis of the findings of the work of the AAC operational improvement work, detailed above, will more accurately determine any future financial implications.

18. We understand that any additional costs on Health Boards will be modest and are likely to be for a small number of staff (for example to reduce waiting times or for additional pieces of equipment). Provision, maintenance and renewal of equipment is person and situation dependent: a school child, for example, may heavily use a piece of equipment on a daily basis to access education.

19. In addition, there may be cost savings to be realised through, for example, the introduction of a national equipment contract which would ensure that a uniform, nationally-negotiated price is being paid across Health Boards in Scotland.

### **Financial implications for local authorities**

20. The Scottish Government does not anticipate additional costs on local authorities as a direct result of this duty. As above, the development of directions and operational improvement work will allow a more accurate determination of future financial implications.

**Financial implications for other bodies, individuals and business**

21. The Scottish Government does not anticipate additional costs on other bodies, individuals and businesses as a direct result of this duty. As above, the development of directions and operational improvement work will allow a more accurate determination of future financial implications.

**Conclusion**

22. The Supplementary Financial Memorandum sets out the Scottish Government's estimated costs for work to be undertaken in the first instance after the provisions of section 31A of the Bill come into force. This work will inform the directions that will require to be set for Health Boards by the Scottish Ministers and generate the estimated cost associated with implementing those directions.



*This document relates to the Health (Tobacco, Nicotine etc. and Care) (Scotland) Bill as amended at Stage 2 (SP Bill 73A)*

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