

Petition briefing - [PE2074](#) - Increase local government funding to help protect the vulnerable elderly population and prevent the closure of care homes.

The petitioner is calling on the Scottish Parliament to urge the Scottish Government to increase the funding it provides to local councils, enabling them to deliver the best possible health and social care, and help to protect the vulnerable, frail and elderly population from the closure of residential and nursing care homes.

Background

The petitioner is concerned that local authorities are not being funded sufficiently to continue to run care homes in their areas, and fears that some are being forced to close.

There has been a high level of media and other interest in the proposed closure of the care homes mentioned in the petition. [South Lanarkshire Health and Social Care Partnership \(HSCP\) are conducting consultation events](#) and have produced a [FAQ on the consultation](#). The [Integration Joint Board \(IJB\) papers](#) for the meeting on 18 October state:

“Having regard to the increased range of services available to people in the community and the current capacity of and reducing demand for the five residential care homes, the IJB is asked to approve that the consultation process outlined at appendix 4 in respect of the commissioning of residential care service places from Dewar and McClymont Care Homes SLC is approved. This consultation process will follow the ‘Planning with People’ and ‘COSLA’ guidance and will involve direct engagement with residents, relatives, staff and wider stakeholders in the respective geographical areas. The SLC partner will also notify the Care Inspectorate that it intends to undertake an engagement process in the respective homes.”

This briefing will provide general information on care homes, social care and local authority funding, to provide some context to the issues raised by the petitioner.

A minority of care homes in Scotland are owned and run by local authorities/health and social care partnerships.

[The Care Inspectorate](#), the national regulator for care services in Scotland, publishes data on all registered care services, including care homes, and this shows that most care homes are privately owned and run. For example, the most recent [quarterly statistical report](#) shows that out of 779 care homes for the elderly in Scotland, 593 are privately owned, 73 owned and run by a voluntary organisation, with health boards and local authorities running the remaining 113 (16 by health boards, 97 by local authorities).

Social Care and support - care homes

Local authorities are responsible for commissioning or providing social care services for their local population. They have a statutory duty to assess needs and to ensure services are provided to meet needs. As well as an assessment of needs, a financial assessment is made to find out whether a person needs to pay a contribution towards their care, or if the local authority will fund all of it, or if they will need to cover all the costs themselves.

Social care and support can be provided to someone in their own home, or, if a person cannot manage at home, then they will move to residential care – a care home. There is no difference between a care home and a nursing home - all are referred to as care homes, and will have varying input from nursing staff employed by the home, depending on the needs of the residents.

Some people will be eligible for local authority funding towards their care, but others will not because [their income](#) and [assets are over a certain amount](#), and some choose to pay for all of the care home fees themselves and are referred to as self-funders. However, everyone is entitled to free personal and nursing care if the local authority assesses them as needing it, whether they pay for their care home or not. In this instance, the [local authority pays the care home set amounts](#), which are reviewed annually, to cover the costs of providing personal and nursing care.

A self-funder might decide not to have an assessment of their needs for free personal and nursing care, and will cover the total cost of their care.

Every year councils negotiate what are known as the '[standard rates](#)'(p 13) which are the rates councils will pay care homes to provide care to individuals whose care costs are covered by the council. These standard rates do not apply to care homes run by health boards and local authorities for the accommodation they provide. However, the nationally agreed rates payable for care in a residential setting might be lower than the rate a home charges self-funding residents. The '[standard rates](#)' for 2023/2024 are:

- £888.50 a week for nursing care
- £762.62 a week for residential care

Further information on social care and support can be found on the [Care Information Scotland website](#).

The [Charging for Residential Accommodation Guidance \(CRAG\)](#) is revised annually, and agreed by the Scottish Government and COSLA (the coalition of Scottish local

authorities). This provides detailed guidance to local authorities on carrying out financial assessments.

The standard rates given above don't apply in the same way to council run care homes as to independent or voluntary sector run homes. According to CRAG (p12), Section 22 of the National Assistance Act 1948 requires that "local authorities set the standard rate for local authority homes at an amount equivalent to the full cost to the authority of providing the accommodation".

Local authority funding

The majority of Scottish Government funding to local government is provided through the general revenue grant. Combined with Non-domestic Rates income, this funding amounts to over £12 billion in 2023-24 (see [Local Government Finance Circular 8/23](#)). It is the responsibility of individual local authorities to allocate this funding based on local needs and priorities, with part of it directed by the Integration Joint Board (IJB), a partnership between the local authority and NHS Board. There are statutory requirements on local authorities to deliver certain services. Social care is the second highest area of local government spend after school education (see [Local Government Finance Statistics](#)), and the Accounts Commissions has [recently shown](#) that council spend on adult social care across Scotland has increased by over 20% in real terms over the past 10 years.

The IJBs direct the funding provided to local authorities to provide adult social care, and work closely with the relevant local authority to ensure that they stay within their budget and find savings where required. The IJB and local authority referred to by the petitioner will not be unique in requiring to find recurring savings, and the board papers from 18 October 2023 provide information on the financial situation and the need for savings in social care expenditure, and outline options for the board to consider.

The [Accounts Commission](#) is responsible for scrutinising how money is used by local authorities, holding them to account. They report on the 32 councils, 30 health and social care integration joint boards and other joint boards and local government pension funds. [They carry out annual audits of each of these and also report on a national basis on matters affecting all of local government](#). The Accounts Commission is independent of local authorities and the Scottish Government. Every year they publish an [Overview of Local Government in Scotland](#).

The overview includes reference to services where performance is at risk or declining. One of these areas is adult social care:

Exhibit 2.

Service performance during the covid-19 pandemic against selected Local Government Benchmarking Framework indicators up to 2021/22

Performance at risk or declining



Adult social care

There are signs that the sector is in crisis, with growing backlogs, declining satisfaction and no clear picture of demand or unmet need. Spending increased during the pandemic, continuing the longer-term trend. Homecare hours dropped slightly in 2020/21 before increasing to the highest levels ever recorded in 2021/22. Satisfaction continued to decline, and 2021/22 saw a drop of eight per cent in care services graded 'good' or 'better'.¹ Concerns have been raised about day centres not fully reopening. Delayed discharges, an indicator of capacity in the system, dropped at the start of the pandemic but are now at their highest levels since the current guidance came into place in 2016 (delays due to the non-availability of home care are also at their highest).

Source: Audit Scotland

The overview also includes reference to a UK-wide survey by the Society of Local Authority Chief Executives (SOLACE) which found that 78 per cent of council chief executives and senior managers responding to the survey stated that they were facing a large or very large budget gap in 2023/24. Those services they identified as at risk of cuts included:

- Environmental service (identified by 75 per cent of respondents)
- Libraries, leisure and tourism (identified by 67 per cent of respondents)
- Regeneration (identified by 50 per cent of respondents)
- **Adult social care** (identified by 44 per cent of respondents)
- Transport (identified by 38 per cent of respondents)
- Children's services (identified by 37 per cent of respondents)
- Housing (identified by 33 per cent of respondents)

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The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

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