

FUNDING THE NATIONAL CARE SERVICE FOR SCOTLAND

**AN ANALYSIS OF THE FINANCIAL MEMORANDUM
TO THE NATIONAL CARE SERVICE (SCOTLAND) BILL 2022**

SEPTEMBER 2022

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SUMMARY

The establishment of a National Care Service for Scotland could be the most important change in health and social care since the establishment of the NHS in 1948, provided it is adequately funded. For these reasons, Social Work Scotland believes that the Scottish Parliament, stakeholders, and public deserve to see more than a “framework Bill” with a Financial Memorandum that *excludes* the social care reform programme that is integral to the National Care Service and necessary to its success. **It is far from clear that the full costs of the National Care Service are affordable.** MSPs need greater clarity on that key issue during Stage 1 of the Bill.

Since that information is not in the Financial Memorandum, it is a disappointing document. We divide our summary, including comments and concerns, into five groups: generic concerns, NCS national costs, NCS care board costs, impacts on local authorities and other bodies, and costs for carer’s rights to breaks.

Generic concerns with the Financial Memorandum

1. **It does not cover the full costs of establishing and running a National Care Service** in Scotland that meets the aspirations of the Feeley Report and the Scottish Government’s own Autumn 2021 NCS consultation. Instead of seeing the social care reform programme as part and parcel of the National Care Service, these have been separated. That means that MSPs, civil society and the public, cannot see the total costs in order to be able to discuss any **priorities or alternatives**, or any required **additional funding mechanisms** (as Derek Feeley believed would be necessary and asked to be reviewed in his final recommendation). **MSPs are entitled to be clearer about the overall affordability of the National Care Service including all the necessary service improvements during the Stage 1 scrutiny and debate**
2. The FM is largely confined to the **establishment and running costs of the NCS Institutions** – *nationally*, an expansion of the Scottish civil service at a net additional cost of between £83m and £124 million; together with an undetermined number of local Care Boards to replace Integration Joint Boards and take over social work and care functions of Local Authorities as specified later in Ministerial directions or secondary legislation, at a net additional cost of between £142m and £376 million.
3. **Service improvement investment is specifically excluded** from the scope of the Financial Memorandum (at paragraph 13) “in order to only focus on the impact of the Bill”. These are described as “Scottish Government commitments” whose “effect on the NCS” have not been included in the costings: increased **investment in social work services**, and in **early intervention and prevention**; **Fair Work** pay increases and improvements in terms and conditions for adult social care staff in commissioned services; increases in **Free Personal and Nursing Care** rates to cover more of the care costs in care homes; **removal of charging** for residential care; and **investment in data and digital solutions** to improve social care support. The costs of **commissioning culture changes** are also excluded later in the FM in paragraphs 55/57¹.
4. Some **key Feeley recommendations are missing** from this list, including: annual NCS budgets that rigorously reflect the care implications of demographic change; meeting existing unmet needs; the reform of eligibility criteria; and improving performance and management information.

¹ In the standard version of the FM there are two paragraphs numbered 45; this is corrected only in the easy read version, hence our use of double paragraph numbers

5. Such **investment is necessary for the success of the National Care Service**, and is presupposed by the economic benefits set out in the FM on pages 4-5. Those benefits cannot be realised by the institutional establishment of the NCS, but only when combined with the programme of investment in prevention and other services to better meet needs and realise human rights. These social care reforms seem relatively unaffected by the co-design process, which in any case must work within funding envelopes, and we cannot see **any reason why cost estimation ranges could not be given in the FM**.
6. Social care investment costs also deserve **Parliamentary scrutiny** during Stage 1 of the Bill, as well as wider public discussion. Since the **organisational costs total between £225 and £500 million**, it is far from clear that the total budget for the NCS will be enough to fund the service investments needed. The total NCS budget is “more than **£840 million**” according to the Scottish Government’s *Resource Spending Review* in May 2022. The alternative formulation used since the 2021 *Programme for Government* has been a 25% increase, and this is the figure used in the FM, with 2021-22 as the implied baseline².
7. Furthermore, the **National Care Service principles** are set out on the first page of the Bill and are not cost-neutral. Social care as an **investment in society**, the need for NCS services to be **financially stable**, centred around **early intervention and prevention**, and for the NCS to be a **fair work** exemplar, all have either recurring cost implications, or need significant medium-term investment to provide the prevention services that can reduce longer-term costs alongside better outcomes.
8. Only the few service investments that require changes to *primary* legislation have been included in the FM. For **carers’ rights to breaks** a very slow build up results in costs of between £16-£27 million by 2026-27 with steady state annual funding of £82-£133 million not reached until 2034-35. To these sums the Scottish Government will add funding under existing powers to increase easy access short breaks provided by carers centres and the third sector: £25m by 2026-27, reaching a recurring steady state of £34-£37 million by 2029-30. The carers section is the only part of the FM that explains the price-basis of cost-estimates, which for carers are at 2022-23 prices. Updating for inflation for subsequent years is not mentioned.
9. The other service improvement in the Bill and FM is “**Anne’s Law**”, giving “rights to people in adult care homes to see the people important to them even during outbreaks of infectious disease”. This is costed at one-off funding of £276,000 for the Care Inspectorate over the next two years: “thereafter, improvements to visiting will become embedded in the sector and we estimate that costs will fall away from year 2024/25 onwards”.
10. **Inflation is not dealt with transparently in the Financial Memorandum**. The only place where inflation receives attention is in the section on the “illustrative” costs for local authorities in “providing services that could be transferred to care boards”. Here local authority gross expenditure on social work and social care in 2019-20 is updated for each year to 2026-27 using forward inflation projections provided by the UK Office for National Statistics, plus 3% for demographic change and pressures above inflation, less unspecified savings. But local authorities have not received full inflation or received demography funding in the local government finance settlements; and the May 2022 *Resource Spending Review* flat-lines local government funding going forward in *cash* terms, meaning an annual reduction over £1 billion in real terms by 2026-27 compared to 2021-22. So, the figures in Table 2 are an illusion, and also do not appear to do any real work within the NCS estimates. In any event, future transfers from councils need to be based on local authority *grant funding* from the Scottish Government

² FM paragraph 14: “Overall the Government has committed to increase public investment in social care by 25% over this Parliamentary session (2021-26)”. The latest LFR03 expenditure data is for 2020-21 – *one year earlier than the baseline*. Using 2020-21 figures, if the 25% were based on total social work and care spend, less charging and Covid income, then 25% would be **£1,201 million**; if based on Adult Social Care, plus pro rate share of service strategy, less charging and Covid income, then 25% would be **£915 million**. The £840 million figure seems below the 25% increase.

not on local authority *spending*, as that is also funded from council tax and non-domestic rates. Inflation is clearer on in the section on Carers rights to a break, which have been costed at 2022-23 prices according to a helpful footnote. The FM does not tell us the price basis for the sections on NCS organisational costs, but we understand from communications between COSLA and the Scottish Government that 2% per year has been assumed for the care board costings, with 2-3% for the national NCS costs. It is unclear whether the current expenditure which is netted off to create the estimates of additional cost has also been updated.

11. The **VAT position for the National Care Service appears potentially serious, and may increase costs significantly**. Local authorities can reclaim VAT on non-business and other exempt activities, but government departments and the NHS cannot. The FM explains:
Currently Integration Joint Boards are established in a similar way to a local authority body, and can therefore reclaim VAT on services. If care boards are not able to reclaim VAT in a similar way, there could be a significant financial impact. This could reduce the overall funds available to spend directly on social care support. Work is underway to understand this potential cost and how it might be mitigated to ensure maximum support for front line services. VAT costs are not assumed in table 7 or 8 at present. [Page 15]
12. **VAT** is an important financial issue and we believe that **MSPs are entitled to know the worse-case additional cost scenario**. Presumably estimates could be made based on the position of the Scottish Health Service, including that part which is within the civil service.
13. Finally, all NCS costs in the FM are **additional**, and take into account attributable current *organisational* spending by central and local government, not *service* spend (except in the calculations for costing carers' rights to a short break). But the **current organisational spending on social work and social care is not fully quantified in the FM**, so no-one can see the **total costs** of that part of the National Care Service for Scotland that has so far been costed.
14. Across the FM, the **general problem is simply that there is insufficient detail** on the costing assumptions and calculations to allow meaningful scrutiny.

NCS national organisational costs

15. Costs are divided between the **establishment phase** ending in 2025-26 and for **running costs** starting in 2025-26 and reaching steady-state in 2026-27. As expected, staffing costs are the highest element in both phases but "headcount" staffing numbers are only given in the tables for the establishment phase, peaking at between 440-660 additional staff in each of 2023-24 and 2024-25. Is not clear whether the "headcount" figures count people or whole-time equivalents (WTE), whether they are permanent or temporary employees, or management consultants; or how many may move into the NCS national staffing.
16. Since **staffing costs** are provided, the average staff costs can be calculated but only for the establishment stage: these range from £90k per person in 2022-23, to £107-107k per person over the next two years, falling to £80k per person in 2025-26. These are **high average unit costs**, even allowing for any included employers NI and Pension contributions, and is unclear whether this is because they include the CEO of the NCS, and other senior civil servants, or are inflated by the high costs of management consultancy. While non-staff costs for the establishment phase are not large, they increase sharply per WTE.
17. **Ongoing national running costs** for the NCS are based on "the full range of functions", that is for adult social care, children and families social work, and justice social work (see paragraph 38), so scope differences do not explain the wide range projected, between £83m and £124m by 2026-27. The FM tables do not give the staffing headcounts for the ongoing staff costs which account for 73% of the total ongoing costs. Paragraph 39 states that "Total headcount is expected to grow to the region of 500-700 people, which is in line with other large areas within

government, such as social security”. However, since these 500-700 people “are not all additional posts”, they cannot be compared to the staff costs in the FM table of £60 to £91 million, which are only for *additional* costs. (No information is given about the numbers of civil servants employed on social care policy issues assumed to transfer to the NCS). The lack of current and future staff headcounts which relate clearly to the *additional* staff running costs means that it is **impossible to be clear about the permanent national staffing of the NCS** as an addition to the Scottish civil service. This is a major gap in the information normally provided in an FM, and is one of several key issues which impair financial scrutiny of this Bill.

18. It is also not clear whether these costs already include provision for the **special national boards** that may be needed, or whether those costs will be additional. The figures *do* include the cost of the **National Social Work Agency**, estimated to be between £8-£12 million annually, but with no further information provided. Further debate is needed about whether the National Social Work Agency should be part of the civil service and hence under direction of Scottish Ministers, or whether it should be more arms-length in order to protect the independence of “national leadership to the social work profession” on professional issues.

NCS Care Board organisational costs

19. Set up costs totalling £16-£24m over two years fall to the Scottish Administration, while Care Board total running costs in 2026-27 range between **£142m and £376m**, which is 2.6 times higher. Two explanations are given in the FM - fewer care boards than 32 are cheaper (economies of scale?), and staff transfers may be achieved in all Care Boards (for the high estimate) or achieved in fewer areas or in none at all (for the low estimate). These “are all high-level estimates which will be refined as proposals are further developed through the co-design and options appraisal process” which the Scottish Government expects to be undertaken in each local area. ***But can individual local Care Boards decide not to directly employ the local authority social work and social care staff?*** Social Work Scotland is concerned that commissioning social work services risks undermining the rights-based relational social work that is needed by making it transactional; it may also result in some variation between local areas, something that the Scottish Government criticises in the current local government services, but without clearly distinguishing between warranted and unwarranted variation.
20. These **additional running costs of between £142m and £376 million**, compared with the status quo, exclude an estimated £25m-£40 million of relevant current spend by local authorities, health boards, and IJBs, capable of being transferred to Care Boards (paragraph 48/49), but no details are given about the make up. It is worth pausing to understand what is being said. At the lowest estimates, £142m is additional to current organisational spending of £25m. So, the lower end, the total organisational cost of Care Boards, is £167m compared to a £25m *status quo*; and at the upper end is £416m compared to £40m, which is to say almost ten times higher. These are big increases, before any service investment.
21. The **price-basis** for these estimates is not stated, but we understand from COSLA that civil servants have confirmed that 2022-23 is at current prices, and that 2% per year has been added for inflation. In any event, the figures are likely to **require revision for rising prices** during 2022-23, and beyond for at least the first part of the remaining Scottish Parliamentary term.
22. As stated, the higher estimates include **staff transfer costs**, which “could involve up to 75,000 employees across social work and social care. Costing of this is difficult as all local authorities may have different pay rates and terms and conditions for their staff, which will need to be rationalised within a single service” (page 15). The FM states that additional pay would cost up to £43m in each of 2025-26 and 2026-27 (so no inflation assumed here?) and standardising terms and conditions would cost up to £84m in 2025-26 and £120m in 2026-27. It is surprising that the service condition changes cost nearly three times as much as the pay additions in the final, steady state year: more detail is needed to explain this.

23. The FM implies that the pay figures take account of **Fair Work**, in that it states that: “The figures for pay and terms and conditions set out in table 8 have been baselined against current assumptions on Fair Work” [FM, page 15]. However, **there is no information about what this means for social care workers’ pay and terms and conditions**, how this has been costed, and how much of the totals of £43m for pay and £84m in 2025-26 and £120m in 2026-27 for terms and conditions this represents.
24. In the table for additional costs for Care Boards, the minimum costs pay and terms and conditions lines is £0m in each year, reflecting a “zero transfer” scenario. But local authorities which continue to employ care staff directly, whose work would then be commissioned by Care Boards, still need to be paid at Fair Work levels falling to be met in the commissioning, so should those Fair Work costs not also be reflected in the “zero transfer” option? That seems to be a mistake.
25. The FM states that the Care Board cost estimates exclude costs for **VAT** and for **assets**, but include some provision for **staff pensions** “for staff affected by any changes” – it is unclear whether this means for all directed employed staff, including transferred staff. It is really **necessary to see more detail** about the calculation of the pay and service conditions lines, which **together cost up to £163m**, to better understand the assumptions.
26. Costs may also rise when further work is done on **asset transfers or leases** as “No capital costs of any asset transfer, or revenue costs of any asset maintenance, are assumed in table 7 or 8”. There is also no mention in the FM of Council **debts and other liabilities** associated with social work and care assets and services. As stated earlier, the **VAT position** may add significant costs when this is clarified.

Impacts on local authorities and other bodies

27. The FM at paragraph 53/54 states that the Scottish Government will be undertaking a “thorough option appraisal” with COSLA on the financial impacts of the NCS on local authorities. These are bound to be very disruptive. Social work and care services account for between a quarter and a third of council budgets, depending on the scope is adult or all social work and social care. Front-line services are often delivered from neighbourhood offices shared with other services working closely together, and be no longer viable or disrupted by staff transfer. Similar issues arise for many Council headquarters functions supporting strategic and service planning, policy development, commissioning, purchasing, financial management and administration, IT systems, management information, assets management, legal advice, welfare rights, etc, not just for social work and care but for other services.
28. Another problem is **the identification of the funding councils receive for social work and care services**. This cannot be based on actual expenditure, as this is based on income from Council Tax and Non-Domestic Rates, as well as government funding, and would also disadvantage the majority of councils which have sought to protect social work and care budgets, compared to others³, because these services are needed by their most vulnerable citizens. There are also problems in basing the transfer on the Grant Aided Expenditure” (GAE) data used in the grant distribution calculations. The development of GAE methodology was largely frozen by the 2007 Concordat with COSLA; social work and care GAE requires radical overhaul, especially in the extent to which it recognises household poverty, as well as area deprivation, among other drivers of population need.
29. A National Care Service will **need fair and sensitive resource distribution** methodology to proportion funding to population need at local level – at least down to Care Boards. In our

³ Improvement Service (2021): National Benchmarking Overview Report 2020-21, pages 18-19.
https://www.improvementservice.org.uk/_data/assets/pdf_file/0018/31338/Benchmarking-Overview-Report-2020-21-FINAL.pdf

November 2021 NCS consultation finance submission⁴, Social Work Scotland urged the Scottish Government to set up a working group as soon as possible to review the distribution methodologies, with COSLA, Integration Chief Finance Officers, SWS, and other stakeholders. **None of these issues are addressed in the FM** and the Scottish Government should set out its approach to the joint work required with COSLA and other partners as soon as possible.

30. The **impacts on health authorities** are much less, because staff are not transferring from the NHS to Care Boards but will have community health services commissioned. Could these be commissioned from other providers, with risks of creeping privatisation?
31. The impacts on **other bodies**, such as the third sector or private care providers have still to be determined. As with the commissioning policy changes, Social Work Scotland has previously expressed concerns that “there is a serious risk that Fair Work implementation, increased FPNC payments, and other measures will simply increase private care prices, particularly in the care home sector, rather than squeeze profits or other value ‘leakage’” – see also the recent STUC report⁵.

Costs for carer’s rights to breaks

32. The Feeley report rightly recognised the foundational role of unpaid care in the health and care systems. The Scottish Health Surveys consistently show that only about 3% of adult carers in Scotland report have a break from caring. For full-time carers the figure is still only around 9%. Social Work Scotland supports the Bill’s intention to create rights for carers to have a break from caring, but is concerned that this has not been specified in terms of carers rights to a **minimum frequency or duration**. (We also call attention in our fuller paper on this topic⁶ to the need to implement other Feeley recommendations about or affecting carers). The FM does not fully explain how the “steady state” cost estimates for **£143 million** [£116m to £170m] by 2034-35 to support more carers having a break were calculated, partly to be consistent with the rest of the FM, and partly because they have been derived from a complex and impressive NCS Carers Right to Breaks Funding Model which clearly sets out all the variables involved in the calculations, together with the data, assumptions and judgements used to set their numerical values. **All costs are at 2022-23 prices**, which means **a commitment is needed to meet future inflation**. We have three main criticisms: there is no funding for at least four key issues; the phasing is unnecessarily long; and the current funding component is too high.
33. Probably the most pressing issue currently facing carers who need a break from caring is the **slow recovery from Covid-19** of services for carers and the people they care for. Funding is needed to restore services for all people with assessed care needs, including day care which appears among the hardest hit, and also for specific short breaks and respite services, for both adults and young carers, that have not restarted.
34. **Investing in support infrastructure for carers**. The Feeley report recognised that carers need “regular access to quality respite provision” and that required developing “a range of options for respite and short breaks”. Simply adding to the funding for Short Breaks Funds also does not itself address the need to invest in the support infrastructure. A programme of work is needed to establish which areas need investment in additional carers centres in towns currently without them, and in more staffing to meet the expected additional demand.
35. **No additional assessments costs are included in the FM calculations**, because it is assumed that the proportions of carers who need such assessments is the same as those

⁴ <https://socialworkscotland.org/wp-content/uploads/2022/01/SWS-NCS-Supplementary-Response-FINANCE.pdf>

⁵ STUC (June 2022): *Profiting from care: Why Scotland can’t afford privatised social care*. <https://stuc.org.uk/files/Reports/Profiting-from-Care-Report.pdf>

⁶ To be published early in September 2022: at:

assumed for the Carer Act funding between 2018-19 and 2022-23, which included assessment costs. This fails to take account of an increase in the numbers of carers since the 2015 Carer Act FM, and that the original proportions were based on carer satisfaction data which has fallen 10 percentage points since then. Moreover, a new right to breaks for carers assessed with unmet needs for a break from caring, is likely to increase demand for assessment.

36. The need of replacement care is identified and costed at 73% for assessed adults with unmet needs for personalised breaks. But **no replacement care** is identified for young carers with personalised assessments under the Carers Act, or for any carers accessing Easy Access Breaks. This possible oversight seems implausible, and should be **reviewed**, together with other issues in the Funding Model that Social Work Scotland has identified.
37. The NCS funding for personalised carers breaks is phased over 10 years from notional commencement in 2025-26 to a fully implemented steady state in 2034-35. The phasing is based on current assessment data that is flawed; alternative data from the two-yearly Health and Care Experience Survey for 2019 and 2021 gives higher figures which would suggest a **phasing of 5 years**. The key role that supporting unpaid carers has in prevention also indicates that a long phasing over 10 years is undesirable.
38. Finally, the Funding Model produces gross costs from which current funding should be deducted. However, the estimate used (**£149 million**) is partly based on questionable imputed expenditure estimates for the current 3% of carers who report receiving a break. We do not know what the actual expenditure is on breaks and replacement care provision was deleted by the Scottish Government from the LFR3 financial returns from councils for 2013-14 onwards. In any event, it is funding we need to deduct, not spend. While not perfect, the Grant Aided Expenditure data for “carer support and respite services” provides an indication of the level of funding going into the 2022-23 local government finance settlement. We consider that the 2022-23 GAE figure of **£92 million**, is the most legitimate figure available for current funding:

GAE items for carer support and respite services

	£000s
Formerly Frozen GAE, historic levels for carer support and respite	24,125
Redetermination, mentioned in Green Book 2020-21 Notes	2,820
Total for Carers Act implementation by local authorities	83,500
Less Carers Act funding for Assessment (ASCPs and YCSs)	-20,390
Less Carers Act funding for Information & Advice	-3,040
Scottish Budget 2022-23 transfer from H&SC to LG for unpaid carers	5,000
Total GAE for carer support and respite services	92,015

39. In conclusion, Social Work Scotland believes that the carer section of the NCS Financial Memorandum requires urgent inter-agency review to address the issues raised here, and in more detail in the fuller analysis we have undertaken.

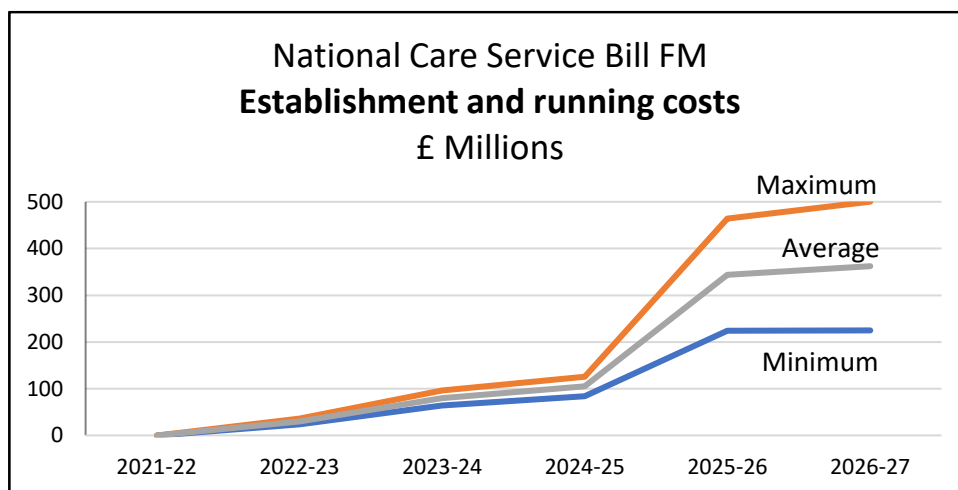
CONCLUSION

40. The same conclusion applies to the National Care Service Financial Memorandum as whole. It is simply not up to the task of supporting a major piece of legislation. The Scottish Parliament, civil society, people who use social work and social care services, unpaid carers, family members, people who working the care system in Scotland, and the general public need to be able to see more robust statements of the costs of the National Care Service, including the essential investments in social care services that are urgently needed. What is included in the Financial Memorandum is alarming: up to £500 million of additional organisations costs by 2026-27, without the whole picture necessary for the affordability of the National Care Service to be established, and any necessary priorities or alternatives to be discussed.

PART 1: NATIONAL CARE SERVICE ORGANISATIONAL COSTS

1.1 OVERVIEW OF NCS COSTS, SCOPE, INFLATION, DEMOGRAPHY, AND OTHER ISSUES

The FM sets out minimum and maximum cost ranges for establishing and running the National Care Service at both national and local levels, following a planning and establishment phase over the next three years, with the local Care Boards replacing the current Integration Authorities in 2025-26, and with 2026-27 as the first full year of existence. These are additional costs, net of existing relevant organisational expenditure in the Scottish Government, Local Authorities, Integrated Joint Boards, and Health Boards. Limited information is given in the FM about current expenditures already netted off from its cost estimates.



The 2026-27 cost estimates therefore represent the “steady state” position for the National Care Service, as confirmed in paragraph 34:

The Scottish Government is committed to establishing the NCS by the end of this Parliamentary term, i.e., in financial year 2025-26. Costs for an additional year have been provided to allow for the transition to steady operating costs. [...]. Costs include staff and non-staff costs with a transition into running costs once a NCS is fully established in 2025-26. These costs cannot therefore be thought of as ‘one off’ set up costs, they are the foundation of an NCS, with the staff and skills transferring into the running of the organisation. (Page 10)

However, the FM includes an important caveat about costs and timescales:

The transfer of functions may take place immediately on establishment of care boards in 2025-26, or may be phased with different functions transferring gradually over a number of years. A phased approach may result in a period of double running costs or transfer costs in addition to the costs set out below. Decisions on the timing of transfers will be subject to rigorous readiness and financial assessment to ensure value for money and affordability, as well as ensuring there is no disruption to the provision of support to people. (Para 29, page 8)

No significant double running costs are included in the FM, apart from overlaps of between £10 million and £16 million between establishment and running costs in 2025-26. This one of several examples in the FM where the actual costs may turn out to be higher.

The infrastructure costs of establishing both the national and local arms of the National Care Service – the headquarters function, national agencies and services, and the local Care Boards – lead to running costs of between £225 and £500 million by 2026-27 (the average estimate is £376 million). This is **before any investment in increasing service volumes**, and this raises concerns that insufficient funding will be left for the very significant investment in social care that is needed and was called for by Derek Feeley in his report, as we discussed earlier in the summary.

SWS Table 1: Summary of NCS establishment and running costs

		2022-23	2023-24	2024-25	2025-26	2026-27
		£m	£m	£m	£m	£m
Establishment phase						
Staff costs	Min	18	47	48	5	0
	Max	27	71	72	7	0
Non-staff costs	Min	6	13	22	6	0
	Max	9	19	34	8	0
Totals	Min	24	60	70	10	0
	Max	36	90	106	16	0
Ongoing running costs						
Staff costs	Min	0	0	0	59	60
	Max	0	0	0	88	91
Non-staff costs	Min	0	0	2	23	22
	Max	0	0	2	34	34
Totals	Min	0	0	2	82	83
	Max	0	0	2	122	124
Additional establishment and running costs of care boards						
Scottish Administration	Min		4	12	0	0
	Max		6	18	0	0
Care Boards	Min				132	142
	Max				326	376
TOTAL COSTS						
Totals	Min	24	64	84	224	225
	Max	36	96	126	464	500
	Average	30	80	105	344	363

Sources: FM Tables 1, as corrected in Ministerial letter to Scottish Parliament Health, Social Carer & Sports Committee, 30 June 2022⁷, 6 and 7. Average of minimum and maximum costs added by SWS

The **explicit exclusion of service investment** in the FM, apart from the right to breaks for carers, affects the **economic benefits of establishing the NCS**, summarised on pages 4-5 of the FM. For the majority of those social and economic benefits result from *direct care services*, rather than from a new care organisational structure itself. Increasing **investment in social work services**, and in provision focussing on **early intervention and prevention**, and securing **fair pay and working conditions** for care workers in the private and voluntary sectors, are all “Scottish Government commitments” explicitly excluded from the Financial Memorandum at paragraph 13.

Paragraph 13 also excludes **non-residential charges** while expanding **free personal and nursing care** in residential homes, which while having a very positive effect on many people who need care and their families, and contributing to social justice, do not add to the volume of services (apart from any funding for increased demand) but simply replace private care spending by State expenditures. **Ethical commissioning** duties are on the face of the Bill, but is also excluded from the FM in paragraph 56/57⁸.

Whatever funding is being planned by the Scottish Government for these excluded investments is not yet in the public domain. Despite being clearly associated with the National Care Service –

⁷ https://www.parlamaid-alba.scot/-/media/files/committees/finance-and-public-administration-committee/20220630_ministermwscctoconvener.pdf

⁸ The standard version of the FM has two paragraphs numbered 45; the “accessible version doesn’t have this problem so its paragraph numbers from 46 onwards are one higher than those in the standard FM; hence our double numbering.

featuring in both the Feeley Report and the Scottish Government's 2021 Consultation on NCS – they are not in the Bill papers before Parliament. This appears to be an unfortunate consequence of the decision to only bring forward “framework” legislation, with much of the detail to be provided later in Ministerial directions or secondary legislation. The democratic risk is that these essential issues of policy and investment, which are absolutely necessary to the success or failure of the National Care Service, will not receive sufficient Parliamentary scrutiny and amendment opportunities.

Later in this paper we examine in more detail the information given in the FM about how these figures have been constructed, but we need first to raise some further general issues and concerns.

1. How do the costings relate to the scope of the National Care Service?

It is of course very difficult to cost an NCS for which key decisions about scope still lay in the future. This is recognised in the FM discussion of running costs, worth quoting in full:

38. The Bill provides for the Scottish Ministers to become responsible for social work and social care support for adults, for children, and relating to the justice system. As set out in the policy memorandum, further work is required to consider the risks and opportunities, costs and benefits of the transfer of services for children and justice, and the transfer may be phased over a longer period. However, since no decisions have yet been taken on such phasing, the figures in tables 5 and 6 assume that the NCS will take on the full range of services from the start. As the Scottish Ministers already have responsibility for primary care and community health, and teams in the Scottish Government managing those areas, it is assumed there will be no change in costs relating to that work. 39. Running costs for the NCS have been estimated based on this full range of functions. [Page 11].

It is tempting to assume that the lower cost estimates, at least for running costs, are for adult social care only, and the higher costs include children & families, and justice social work. However, there is no statement to that effect in the FM, and estimation ranges appear elsewhere for other reasons for uncertainty. The estimation ranges are just as wide at the NCS establishment stage (a total of £164-£248 million spent over four years from 2020-23) as they are for ongoing costs (with similar totals of £167-\$248 million spent over the two years 2025-27), so it is likely that uncertainty of scope affect both stages.

2. How is inflation treated in the FM?

A major omission, surprising in a cost-of-living crisis, is the lack of any price-basis in the FM for the cost estimates⁹. Correspondence between COSLA and civil servants on this issue has been shared with Social Work Scotland; this states that 2% per year has been added except for directorate posts where 3% have been used. (Some of the annual changes in Table seem to have lower uplifts, but this could be an artifact of rounding). These inflation assumptions should have been stated in the FM for the relevant table lines. They appear in need of revision as inflation for the current year is rising fast and is also likely to affect the forward cost projections.

In a period of much higher inflation, clarifying the FM price-bases and the treatment of inflation in the FM and during implementation¹⁰, is a very important matter that the Scottish Government should address¹¹.

⁹ Apart from Carers' rights to breaks which are at 2022-23 prices – discussed later in this paper.

¹⁰ The cost estimates in the 2015 FM for the Carers Act were all at 2013-14 prices, which were never updated for inflation despite a phased implementation process which was completed with the final tranche of funding this year, 2022-23, still at 2013-14 prices! That is a considerable risk to the current FM's estimates for short breaks support which stretch at 2022-23 prices all the way to 2034-35.

¹¹ In addition, the Scottish Government seems not to collect data on NHS and Social Care pay and price changes, from which inflation indices could be constructed as an alternative to GDP deflators which measure overall changes in inflation across the economy as a whole.

3. Additional or total costs?

As stated, the cost estimates in the FM are all *additional* costs – for example, they do not include civil servants already working on social care policy, finance, or statistics. No information is given in the FM about the numbers of staff who will be transferred within the Scottish Government from health and social care functions to the National Care Service. The upshot is that we **cannot tell from the FM what the total National Care Services budget will be**, including the balance between national and local expenditures. In terms of *additional* expenditure, between £83-£124 million will be spend on increasing capacity within the Scottish Administration, and between £142-£376 million extra will be spend on Care Boards.

4. Current costs of social care support and community health

Paragraph 24 describes the process for deciding whether or not children and family social work services, and justice social work are to be transferred from local authorities to the National Care Service¹². Paragraph 25 of the FM then states:

25. The figures for the costs of delivering services which may transfer, set out in table 2, provide a range of estimates in which the lower figure would cover only the transfer of adult social care, and the upper figure would include the transfer of all the services mentioned in paragraph 24 above.

These are not additional costs to the system therefore have not been included in table 1.

SG Table 2: Costs of providing services that could be transferred to care boards

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m	£m	£m	£m
Social Care services								
Adult social care	3,517	3,659	3,844	4,205	4,600	4,833	5,077	5,334
Children’s and families	992	1032	1084	1186	1298	1363	1432	1505
Justice social work	137	143	150	164	180	189	198	208
Service Strategy	52	54	57	63	68	72	76	79
Total	4,699	4,889	5,136	5,618	6,146	6,457	6,783	7,127
Community Health services								
Primary care	2,690	2,799	2,941	3,217	3,518	3,696	3,884	4,080
Community Health	3,135	3,261	3,427	3,748	4,100	4,307	4,525	4,754
Mental health services	70	73	76	84	92	96	101	106
Total	5,895	6,133	6,444	7,048	7,710	8,100	8,510	8,940

Notes: “Figures given here are illustrative to show a scale of the services in scope”; see FM Paragraph 30 for extensive caveats and assumptions. Mental health services exclude “inpatient and state hospital”.

The 2019-20 column for social work and social care shows gross expenditure from the Local Government Financial returns and for community health services from the NHS Costs Book. Extensive caveats and assumptions are mentioned in paragraph 30, the final bullet in which explains the figures for 2020-27:

These figures have been projected forward using inflation (see table below) plus a standard 3% increase on all years and services to show growth in activity and any pressures above inflation

¹² “Part 1, Chapter 6 of the Bill provides powers to allow for the transfer of social services functions from local authorities to the Scottish Ministers or to care boards. The functions covered by these powers include adult social care and social work, children’s social work and social care, and justice social work. In relation to services for children and justice, further work will be undertaken with stakeholders to consider the risks and opportunities, and to rigorously assess the costs and benefits, before decisions are made about implementing the transfer and how it might be phased. Section 30 makes provision requiring the Scottish Ministers to consult publicly about any proposed transfer relating to children’s or justice services before regulations are brought forward. A summary of the process and responses received to the consultation must be laid before Parliament at the same time as the draft regulations. Ministers will also have powers to transfer functions from health boards to the new care boards, and to delegate their own health functions as NCS functions, in order to maintain the integration of community health and social care functions”. (Page 7)

e.g. pay, prescribing and energy prices. This is net of any savings made. Inflation figures have been obtained from the Office of National Statistics.

2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
2.3%	2.5%	6.2%	6.2%	2.0%	2.0%	2.0%

These inflation figures are neither further explained, nor given a date stamp, nor referenced to a published ONS source. They might be based on the consumer price index rather than the GDP deflator, given the predominance of staffing costs within these services. However, consumer inflation is likely to be higher than these estimates.

It is perhaps ironic that inflation is explicitly taken into account in these only “illustrative” figures in Table 2 about potential financial transfers to the NCS from local government and the NHS, when inflation is not mentioned at all in the main FM estimates about the establishment of the NCS and its running costs!

5. Demographic change and savings

The second problem with Table 2 concerns the assumed 3% increase for “growth in activity and any pressures above inflation” in social care and community health services, which is said to be “net of any savings made”. The main drivers of increasing need and demand for these services are demography changes and poverty. The Scottish Government’s 2018 Health and Social Care Medium Term Financial Framework acknowledged the financial impacts of demographic pressures from an aging population and also from the improved longevity for people at all ages with learning or physical disabilities, and estimated that this would cost an additional 3.5% per year in real terms for adult social care, with a further 0.5% increase per year for above inflation price increases. So, the MTFF figure of 4% increases in real terms can only become 3% “net of any savings made” of 1% a year. After more than a decade of fiscal austerity, the scope for further savings is limited; instead, service levels have kept up with demographic pressures and there is significant problem of unmet need, as recognised in the Feeley report.

In any event, the “illustrative” social care figures in Table 2 are unrealistic for two reasons. **First** because these demography increases above inflation have not been implemented in the annual Local Government Finance Settlements – that is one reason why the Feeley Report recommended “robustly factoring in demographic change in future planning for adult social care” (Rec. 53), a recommendation not discussed in the NCS Bill FM, nor mentioned in the Scottish Government’s 2021 NCS Consultation.

Secondly, the 2002 Scottish Government Resource Spending Review¹³, *Investing in Scotland’s Future* flatlined local government revenue funding in cash terms, thus reducing it in real terms¹⁴ (as measured by March 2022 GDP deflators):

SWS Table 3: Scottish Government Resource Spending Review (31 May 2021)

Local Government revenue spend	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	£M	£M	£M	£M	£M	£M
Local Government (current prices)	10,491	10,616	10,616	10,616	10,616	10,716
Local Government (real terms)	10,917	10,616	10,366	10,177	9,982	9,879
Real changes		-301	-250	-189	-195	-104
Real % changes year on year		-2.8%	-2.4%	-1.8%	-1.9%	-1.0%

The fall in Scottish Government funding for Local Government is 7% in real terms from 2022-23 to 2026-27. From 2021-22 to 2026-27 it is 9.5%, or over £1 billion less in real terms. In these circumstances it is not reasonable to expect local government to be able to deliver either inflationary or demography increases. Councils will be hard pressed to protect social work and

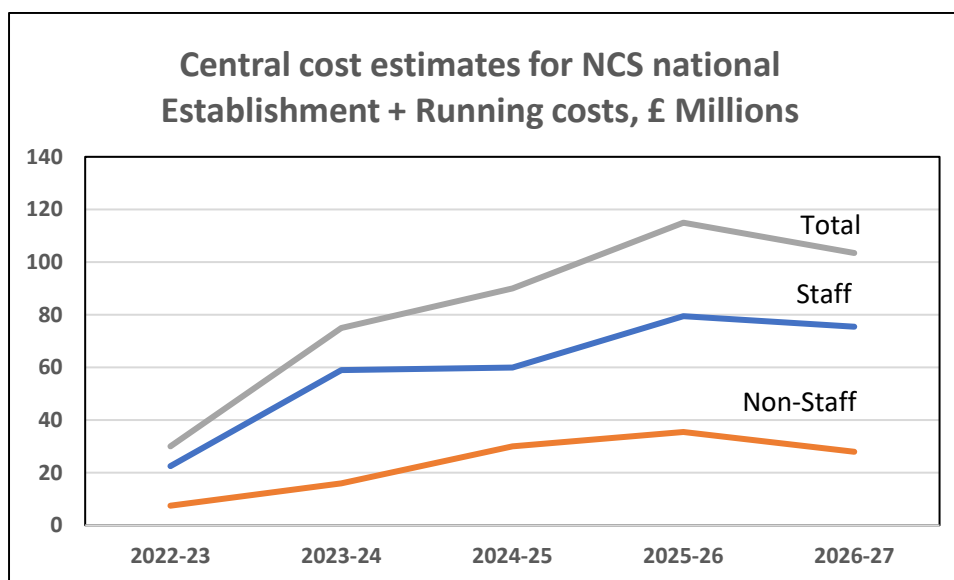
¹³ <https://www.gov.scot/publications/investing-scotlands-future-resource-spending-review/>.

¹⁴ Using March 2022 Office for Budget Responsibility GDP deflator projections.

care services, even as the Scottish Government requires budget transfers from Councils to Integration Authorities in the run-up to a National Care Service¹⁵.

1.2 NATIONAL COSTS FOR NATIONAL CARE SERVICE

Average staff and non-staff costs for the national NCS functions rise steeply to 2025-26, the year in which the establishment and running costs overlap, then fall to average running costs of £103.5 million (the mean of estimated range of £82m to £125m).



NCS Establishment Phase

Preparatory work on the NCS has already begun (para 34) including “policy development and co-design, Programme and Project Management (PPM), recruitment costs, financial forecasting, data and digital discovery work and workforce planning”¹⁶. FM Table 3 provides information about staff “headcounts” and costs, from which average costs per staff can be derived.

SWS Table 4 NCS National establishment phase headcount and staff costs

		2022-23	2023-24	2024-25	2025-26	2026-27
Headcount	Min	200	440	440	60	0
	Max	300	660	660	90	0
Staff costs (£M)	Min	18	47	48	5	0
	Max	27	71	72	7	0
Average staffing	Mean	250	550	550	75	0
Average costs	£M	22.5	59	60	6	0
Average costs per staff	£ pa	90,000	107,273	109,091	80,000	

Source: **FM Table 3**, with average costs and costs per head calculated by SWS

This is the only place in the FM where staffing figures are given for the staff-costs. “Headcount” is a term which normally refers to counts of persons, but here we assume these are WTE figures¹⁷. The implied average costs per staff are high, even allowing for their including employers NI and Pension contributions, so are likely include the senior civil servants required under the national management model for the NCS preferred by the Scottish Government. They may also include

¹⁵ We discuss this further in the section on funding to Care Boards.

¹⁶ A fuller list of tasks is given in five bullet points in paragraph 33.

¹⁷ If they are counts of persons, and include part-time staff, then the average costs per Whole Time Equivalent (WTE) would be even higher

consultants: “It is expected a significant amount of staff costs will be in the data and digital space, some of which will be shorter term contractors with specific skills for set periods of time” (Para 35). However, the tables also show “third party advice (legal/consulting)” under non-staff costs, so the position is not clear.

FM Table 4 provides information about non-staffing costs in the NCS establishment phase:

SWS Table 5 NCS National establishment phase non- staff costs

		2022-23	2023-24	2024-25	2025-26	2026-27
		£m	£m	£m	£m	£m
Systems and IT	Min	0	0	9	2	0
	Max	0	1	13	4	
Training and other staff costs		0	2	2	0	0
Premises costs	Min	0	1	2	2	0
	Max	0	1	4	2	0
Third party advice (legal / consulting)	Min	6	10	10	2	0
	Max	9	14	14	2	0
Totals	Min	6	13	22	6	0
	Max	9	19	34	8	0
<i>Of which:</i>						
Excluding third party advice	Min	0	3	12	4	0
	Max	0	5	20	6	0
	Mean	0	4	16	5	0
Average Non staff costs per WTE	£		7,273	29,091	66,667	

Source: **FM Table 4**, with average costs and costs per head calculated by SWS

Non-staff costs for this phase are not large; their apparent increase per head of staff to what seems a significant amount might benefit from further explanation – perhaps some of the non-staff expenditure is on assets used by national staff in the NCS once it is established.

NCS National running costs

No staff headcounts are given for the national ongoing running costs in FM Tables 5 and 6, other than a statement in paragraph 39 that these are expected to be around 500-700 people:

39. Running costs for the NCS have been estimated based on this full range of functions¹⁸. This includes staff costs across various different teams, the majority being the existing staff from the establishment phase. Total headcount is expected to grow to the region of 500 – 700 people, which is in line with other large areas within government, such as social security. These are not all additional posts compared to current headcount profile, and as per the headcount profile for the establishment phase, the staff base for the NCS will be built over the next 3-4 years. (Page

Since these “500-700 people” are not all additional posts, they cannot be compared to the staff costs in the table below of £60 to £91 million, which are only for additional costs.

¹⁸ That is, for adult social care, children and families social work, and justice social work – see paragraph 38

SWS Table 6: NCS National running costs, staff and non- staff

		2022-23	2023-24	2024-25	2025-26	2026-27
		£m	£m	£m	£m	£m
Ongoing running costs						
Staff costs	Min	0	0	0	59	60
	Max	0	0	0	88	91
	Mean	0	0	0	73.5	75.5
Non-Staff costs						
Systems and IT	Min	0	0	2	11	10
	Max	0	0	2	16	16
Training and other staff costs	Min	0	0	0	3	3
	Max	0	0	0	5	5
Premises costs	Min	0	0	0	5	5
	Max	0	0	0	7	7
Third party advice (legal / consulting)	Min	0	0	0	4	4
	Max	0	0	0	6	6
Non-Staff Totals	Min	0	0	2	23	22
	Max	0	0	2	34	34
	Mean	0	0	2	28.5	28
Grand Totals	Min	0	0	2	82	83
	Max	0	0	2	122	124
	Mean	0	0	2	102	103.5

Sources: FM Tables 5 and 6, with average (mean) costs added

The lack of staff head counts which relate clearly to the staff running costs means that it is impossible to be clear about the permanent national staffing of the NCS as an addition to the Scottish civil service. This is a major gap in the information normally provided in an FM, and is one of several key issues which impair financial scrutiny of this Bill.

Special Boards for national services

The Bill gives Scottish Ministers powers to create special boards at a national level, and these are mentioned twice in the FM, in paragraphs 27 and 47/4819, but it is not clear which national NCS or care board lines in the FM tables contain the estimated funding for such developments, or even whether they are included.

National Social Work Agency

The Scottish Government intends to set up a National Social Work Agency, as “part of NCS national management”, to “provide national leadership to the social work profession” and to “support and invest in the social work profession, enabling social workers to work with people to transform their lives and implement rights-based practice as part of the overall objectives on

¹⁹ Para 27: “It is anticipated that the Scottish Ministers may transfer some functions, at least in part, to themselves, and the NCS at national level may plan, commission and procure social care services for people with complex and specialist needs across Scotland. Further decisions will need to be taken, in discussion with those accessing and providing such services, about which services may be treated in this way, before any estimate can be made of what proportion of costs they will represent”. Para 47/48: “The Scottish Ministers will also have powers to create special care boards, which could provide central functions in a similar way to the Special Health Boards. Any decisions to create such special care boards would take account of the costs of setting up a new board balanced against the benefits and any savings to be gained from providing central services. The cost of creating any special boards, should they be formed, will be calculated based on the function and size of the board. Of the current eight Special Health Boards, in 2019/20 budgets ranged from £18 million - £425 million”.

the NCS” (para 45). Costs are stated to be between £8 - £12 million annually, and these figures are included in the establishment and running cost tables, but not as separate lines. No other information is provided on the costings for this important development.

There also should be more debate about whether the National Social Work Agency should be part of the civil service and hence under direction of Scottish Ministers, or whether it should be more arms-length in order to protect the independence of “national leadership to the social work profession” on professional issues.

1.3 ESTABLISHMENT & RUNNING COSTS OF CARE BOARDS

1.3.1 Introduction and table of costs

The Bill gives the Scottish Ministers powers to establish care boards, which are expected to carry out the delivery functions of the NCS and replace the current Integrated Joint Boards (creating an additional body in Highland). Care boards will be accountable to the Scottish Ministers and directly funded by them, and they will employ their own staff. [FM Para 45/46, p13]

The FM explains that “Set up costs such as recruiting board members and acquiring premises prior to establishment of the boards will fall to the Scottish Administration, while ongoing running costs will be allocated to the boards themselves as public bodies” (paragraph 48/49²⁰). Set up costs total £16-£24m over two years, while the 2026-27 running costs are estimated at £142-£376m per year.

SWS Table 7: Establishment and running costs for Care Boards

		Costs to Scottish Administration			Costs to care boards	
		2022-23	2023-24	2024-25	2025-26	2026-27
		£m	£m	£m	£m	£m
Governance and Board costs	Min	0	0	0	22	23
	Max	0	0	0	33	34
Premises and digital	Min	0	2	10	63	69
	Max	0	4	15	94	103
Support services	Min	0	0	0	45	46
	Max	0	0	0	67	69
Administration and communications	Min	0	1	2	2	4
	Max	0	2	2	4	6
Pay	Min	0	0	0	0	0
	Max	0	0	0	43	43
Terms and Conditions	Min	0	0	0	0	0
	Max	0	0	0	84	120
Totals	Min	0	4	12	132	142
	Max	0	6	18	326	376
	Mean	0	5	15	229	259

Source: SG **Table 8 Additional costs for Care Boards**. The Totals line above is identical to SG **Table 7** providing summary Care Board costs. The final average (mean) line has been added by SWS.

The price-basis for these estimates is not stated, but we understand from COSLA that civil servants have confirmed that 2022-23 is at current prices, and that 2% per year has been added

²⁰ The standard version of the FM has two paragraphs numbered 45; the “accessible version doesn’t have this problem so its paragraph numbers from 46 onwards are one higher than those in the standard FM; hence our double numbering.

for inflation. In any event, the figures are likely to require **revision for rising prices** during 2022-23, and beyond for at least the first part of the remaining Scottish Parliamentary term.

These costs are clearly *additional*, with an explanation given of the *existing* funding already taken into account:

The figures [...] include an assumed impact from existing supporting services across the health boards and local authorities, and from the abolition of Integration Joint Boards, which is set against the additional costs of the new boards. The range of costs which have been offset as assumed to already exist are between £25 - £40 million per year. [FM Para 48/49, page 13].

The range given for existing expenditures presumably reflects difficulties in estimating relevant current spend by local authorities, health boards, and IJBs, capable of being transferred to Care Boards. No details are given for the makeup of the £25 - £40 million estimate.

1.3.8 Explaining the range of cost estimates

As with cost estimates for the national part of the NCS, there are some wide ranges between minimum and maximum costs. Care Board total running costs in 2026-27 range between £142m and £376m, which is 2.6 times higher. Two explanations are given in the FM - fewer care boards than 32 are cheaper (economies of scale?), and staff transfers may be achieved in all Care Boards (for the high estimate) or achieved in fewer areas or in none at all (confusingly, both explanations are given for the low estimate):

While the number of local care boards has yet to be decided, the figures [...] assume at the top end of the range there will be 32, one for each local authority area. [Paragraph 46/47²¹, page 13].

The top end of the range of costs [...] is based on all care boards having their first year of operation in 2025-26, and assuming that all social workers and care workers will transfer to the NCS. The lower end reflects the possibility that decisions may be taken to start the transfer in a small number of areas, building up over time, to allow appropriate planning, consultation and impact assessment. [Para 49/50, page 14].

The lower end of the estimate assumes that no staff would transfer” [para 50/51, last bulleted paragraph, page 14].

Given the large increases (43%) in the maximum costs for the combined pay and conditions of service lines between 2025-26 and 2026-27 it would appear that the assumption “that all social workers and care workers will transfer to the NCS” represents a part-transfer for 2025-26 and a full one for 2026-27. This illustrates some of the difficulties that readers have in making sense of the FM figures.

Paragraph 50/51 also provides more detail on the different rows in the table above on the “core management costs of care boards”. These “are all high-level estimates which will be refined as proposals are further developed through the co-design and options appraisal process” which the Scottish Government expects to be undertaken in each local area:

49/50. The timing and phasing of establishing care boards and transferring functions to them will be subject to further discussion through the co-design process and the production of business cases. These will need to consider local tests of change, implementation plans tailored to individual areas and a delivery readiness assessment to ensure no detriment to services while change takes place. [Page 13]

Clearly many of these decisions need to be taken locally. But can individual local Care Boards decide not to directly employ the local authority social work and social care staff? Social Work Scotland is concerned that commissioning social work services risks undermining the rights-based relational social work that is needed by making it transactional; it may also result in some variation

²¹ The quotation comes after: “Section 4 [of the Bill] gives the Scottish Ministers power to determine the number of local care boards and the areas they will cover. Decisions on the number of care boards will require rigorous assessment to ensure value for money, while also considering the best approach to ensure services are designed to meet local needs and circumstances”

between local areas, something that the Scottish Government criticises in the current local government services, but without clearly distinguishing between warranted and unwarranted variation.

1.3.9 Staff transfers

For these and other reasons, staff transfers are an important topic. The main text is paragraph 52/53:

Where local authorities deliver social care services directly, that delivery may in future transfer to care boards, together with the staff who provide those services. This could involve up to 75,000 employees across social work and social care. Costing of this is difficult as all local authorities may have different pay rates and terms and conditions for their staff, which will need to be rationalised within a single service. The figures for pay and terms and conditions set out in table 8 have been baselined against current assumptions on Fair Work. Decisions will require further assessment and engagement with local authorities and with the workforce, to determine how many staff are likely to transfer and on what conditions. “Pay” represents the additional cost of increased basic pay rates, while “terms and conditions” represents the cost of other issues, for example increased sick pay or covering increased holiday entitlements. [Page 15].

The only figures we have in the FM table (above) are that additional pay would cost up to £43m in each of 2025-26 and 2026-27 (so no inflation assumed) and standardising terms and conditions would cost up to £84m in 2025-26 and £120m in 2026-27, so presumably there is some phasing involved? It is surprising that the service condition changes cost nearly three times as much as the pay additions in the final, steady state year. The explanations in paragraph 50 do not say what is included here, but do say that “Much of the overall costs of care boards reported here are therefore for front line delivery services” (page 14). Paragraph 51/52, discussed later, states that additional **pension costs** are included in pay and service condition lines.

Paragraph 52/53 implies that the pay figures take account of **Fair Work**, in that it states that:

“The figures for pay and terms and conditions set out in table 8 have been baselined against current assumptions on Fair Work” [FM, page 15].

However, there is no information about what this means for social care workers’ pay and terms and conditions, how this has been costed, and how much of the totals of £43m for pay and £84m in 2025-26 and £120m in 2026-27 for terms and conditions this represents.

The minima for each item is £0m in each year, reflecting (as we have seen) a “zero transfer” scenario. But local authorities which continue to employ care staff directly, whose work would then be commissioned by Care Boards, still need to be paid at Fair Work levels falling to be met in the commissioning, so should those Fair Work costs not also be reflected in the “zero transfer” option? That seems to be a mistake.

There is simply **insufficient detail here on the costing assumptions and calculations to allow meaningful scrutiny.**

1.3.10 Costs for Pensions VAT, and Assets

Paragraph 51/52 states that “It is expected professional expert support will be required to identify costs further in a number of areas including VAT, assets and pensions”. (Given the tight timescales, we presume this work is already ongoing). The Care Board cost estimates exclude costs for VAT and for assets, but include some provision for **staff pensions** “for staff affected by any changes” – it is unclear whether this means for all directed employed staff, included transferred staff:

For pensions, a number of options for the provision and ongoing management of pensions have been initially considered for staff who may be affected by any changes. More work and engagement will be required to determine the most suitable and affordable design, as decisions are made on the scope of the NCS. A standard pension contribution rate of 20.9% is currently assumed in the care board costs, based on expected future direction of travel of public sector terms and conditions.

It is really **necessary to see more detail** about the calculation of the pay and service conditions lines, which together cost up to £163m, to better understand the assumptions.

The **VAT position** for the National Care Service appears potentially serious. HM Treasury (2020) usefully summarised the position: “Local authorities and certain other bodies [are] able to recover the equivalent of the VAT incurred on purchases made to support their non-business activities. They can also recover VAT incurred on purchases relating to any exempt supplies they make, provided that the amounts involved are insignificant in relation to the total VAT incurred”²² By contrast “Public sector organisations, such as government departments and the NHS carry out public service functions and cannot reclaim VAT incurred on many goods and services they buy. VAT is therefore a cost for departments and, absent of specific VAT refund rules, this must be funded through departmental budgets” (*ibid*, page 3).

The question then is whether the Scottish National Care Service will be treated by HMT and HMRC in a similar way to the NHS and will not be able to reclaim most VAT, as the FM explains in paragraph 52/53:

Currently Integration Joint Boards are established in a similar way to a local authority body, and can therefore reclaim VAT on services. If care boards are not able to reclaim VAT in a similar way, there could be a significant financial impact. This could reduce the overall funds available to spend directly on social care support. Work is underway to understand this potential cost and how it might be mitigated to ensure maximum support for front line services. VAT costs are not assumed in table 7 or 8 at present. [Page 15]

VAT is an important financial issue and we believe that **MSPs are entitled to know the worse-case addition cost scenario**. Presumably estimates could be made based on the position of the Scottish Health Service.

On **Assets**, we agree that further work is needed as the FM acknowledges:

Assets directly linked to care delivery will also have to be considered, as to whether ownership or leases will be transferred to new boards. Data does not currently exist in one place on market value of social care properties, backlog maintenance or other associated costs. This will be further investigated. No capital costs of any asset transfer, or revenue costs of any asset maintenance, are assumed in table 7 or 8. [FM, page 15].

There is also no mention in the FM of Council debts and other liabilities associated with social work and care assets and services – we assume these are transferred to the NCS Care Boards.

1.3.11 Impacts on local authorities

The FM at paragraph 53/54 states that the Scottish Government will be undertaking a “thorough option appraisal” with COSLA on the financial impacts of the NCS on local authorities²³. However, the potential scale of those impacts does not appear to have been understood.

²² HM Treasury (2020) *VAT and the Public Sector: Reform to VAT refund rules*, page 6. The local authority VAT rules are intended to ensure that VAT costs are not funded through local taxation. See: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/912789/20200824-Section_41_Policy_Paper_for_publication_Aug_2020.pdf

²³ FM para 53/54. “The transfer of functions from local authorities in particular may have additional financial implications. These may include, for example, costs for the transition process, but there may also be potential savings on central services such as finance, digital systems and premises, if a significant number of staff move to the NCS. These costs and savings will depend on what services are to be included in the NCS, when the transfer is to take place and how the transition process will be staged. The Scottish Government will carry out thorough options appraisal, working with COSLA, to identify these financial implications at the appropriate time and inform the approach taken. Further information will be provided to the Scottish Parliament when the relevant secondary legislation is brought forward”.

The transfer of social care functions and funding to a National Care Service will have a significant and negative impact on local government. Social work and care services accounted for 30% of provisional net local authority expenditure in 2021-22 and 33% of reported 2022-23 local authority budgets²⁴; for adult social care alone, the corresponding shares are 25% and 28%²⁵. In many councils, the front-line services are delivered from neighbourhood offices shared with other services with which social work and care has close working relationships that aim to provide joined-up approaches to the needs of people in their local communities. Removal of social work and care staff teams to new premises would damage these relationships, and in some cases would mean the council's neighbourhood office was no longer viable. Similar issues arise for many Council headquarters staff providing support for strategic and service planning, policy development, commissioning, purchasing, financial management and administration, IT systems, management information, assets management, legal advice, welfare rights, etc, not just for social work and care but for other services. Only in the larger councils will many of such staff be dedicated to social care support full-time.

Another problem is the **identification of the funding** councils receive for social work and care services. In the FM (paragraph 28), "Table 2 sets out the approximate current and projected costs of the services that could be transferred to care boards and to the Scottish Ministers" (for national services – covered later). But as we have discussed earlier, that table simply takes the actual gross expenditures from the 2019-20 local government financial returns and updates them for inflation and demography, net of assumed savings. While there have been increases in local government funding for specific social care related items, the local government finance settlements have not provided inflation additions each year, and have seldom recognised demographic pressures. If the quantum of funding to be transferred is based on the actual expenditure, this will disadvantage the majority of councils which have sought to protect social work and care budgets, compared to others²⁶, because these services are needed by their most vulnerable citizens. There are also problems in basing the transfer on the Grant Aided Expenditure" (GAE) data used in the grant distribution calculations. The development of GAE methodology was largely frozen by the 2007 Concordat with COSLA; social work and care GAE requires radical overhaul, especially in the extent to which it recognises household poverty, as well as area deprivation, among other drivers of population need.

A National Care Service will need fair and sensitive **resource distribution** methodology to proportion funding to population need at local level – at least down to Care Boards. The "NRAC" system used for Scottish NHS resource distribution to health boards could not simply be adopted for social work and care services without a detailed assessment of strengths and weaknesses, compared to other methodologies. In our November 2021 NCS consultation finance submission²⁷, Social Work Scotland urged the Scottish Government to set up a working group as soon as possible to review the distribution methodologies, with COSLA, Integration Chief Finance Officers, SWS, and other stakeholders. We suggested this was likely to require commissioning academic involvement from leading Scottish experts, but also perhaps from English research institutes whose survey-based macro- and micro-simulation models would need to be considered.

None of these issues are addressed in the FM and the Scottish Government should set out its approach to the joint work required with COSLA and other partners as soon as possible.

²⁴Local Government 2021-22 Provisional Outturn and 2022-23 Budget Estimates, at: <https://www.gov.scot/publications/local-government-2021-22-provisional-outturn-2022-23-budget-estimates/>

²⁵ Includes proportionate share of generic "service strategy"; author's calculations.

²⁶ Improvement Service (2021): National Benchmarking Overview Report 2020-21, pages 18-19. https://www.improvementservice.org.uk/data/assets/pdf_file/0018/31338/Benchmarking-Overview-Report-2020-21-FINAL.pdf

²⁷ <https://socialworkscotland.org/wp-content/uploads/2022/01/SWS-NCS-Supplementary-Response-FINANCE.pdf>

1.3.12 Impacts on health authorities

54/55. The financial implications for health boards are expected to be less significant, because of the expectation that they will continue to deliver services commissioned by the NCS. As with local authorities, those implications will be considered when more detail of the arrangements is known.

What is the detail that needs to be known? If it is the outcome of locally co-produced Care Board “arrangements”, then is it possible for community health services to be commissioned from different providers than the NHS?

1.3.13 Impacts on other bodies, businesses or individuals

55/56. It is not anticipated that the establishment of the NCS and care boards, and the transfer of functions to those bodies, will have any financial implications for any other public bodies, businesses or third sector organisations, or for individuals. [FM page 16]

That may be true for the very narrow scope of the Bill and FM, but is clearly not the case for the wider set of changes set out in the Feeley report and in the Scottish Government’s NCS consultation paper last year. Just one example, is the proposed changes to charges for social care which will have direct and positive financial impacts on people who use social care services, and on their families.

The Bill includes an NCS “**ethical commissioning strategy**” in the national and local strategic plan duties places respectively upon Scottish Ministers and Care Boards. The FM goes on to acknowledge possible future impacts of Fair Work and “ethical procurement” on care providers, which include private businesses as well as voluntary organisations:

56/57. When social care functions are transferred from local authorities to care boards, it is assumed that in the first instance, all contracts and arrangements with external organisations for the provision of social care support services will also transfer. Over time, changes to policies on ethical procurement and Fair Work may lead to changes in the requirements on potential providers. While the Bill will enable the Scottish Ministers to promote such policies more effectively, the detail is not set out in the Bill and will be subject to separate financial and regulatory impact assessment. [FM page 16]

By deferring Fair Work ethical commissioning financial assessments, the Scottish Government excludes these key issues from Parliamentary scrutiny of the Bill and FM at Stage 1. As Social Work Scotland commented in our November 2021 Finance submission to the NCS consultation:

Commissioning culture changes. Feeley did not cost the recommended “shift from competitive to collaborative commissioning” despite calling for “alternatives to competitive tendering” and for commissioning and procurement decisions to “focus on the person’s needs” and “not solely be driven by budget limitations” (Recommendation 33). It is difficult to believe that the better outcomes this would deliver will all be self-financing. There is also the fact that private sector provision has grown in social care because it has cheaper unit costs, largely based on lower pay, pensions, and other poorer working conditions for staff. There is a serious risk that Fair Work implementation, increased FPNC payments, and other measures will simply increase private care prices, particularly in the care home sector, rather than squeeze profits or other value “leakage”. As part of any implementation planning for a National Care Service, on any model, it will be necessary to think through these issues, which are likely to require legislation to enforce transparency and regulation. Meanwhile, **work is required** to cost the desirable commissioning culture changes recommended.

Since then, the STUC has published an important analysis²⁸ of profits and other “value leakage” from the private care sector, finding that “Large private providers are associated with lower wages, more complaints about care quality, and higher levels of rent extraction than

²⁸ STUC (June 2022): Profiting from care: Why Scotland can’t afford privatised social care. <https://stuc.org.uk/files/Reports/Profiting-from-Care-Report.pdf>

public and third sector care providers” [page 2]. The report ends with nine recommendations that deserve attention. The overall conclusion concerns the scope and ambition of the NCS.

Ultimately, we conclude that Scotland’s ambition to build a truly transformative National Care Service - one that respects the human rights of care workers and care users alike – simply cannot be achieved

CONCLUSION ON PART 1: ORGANISATIONAL COSTS

41. The most important problem with the Financial Memorandum is that it **does not cover the full costs of establishing and running a National Care Service** in Scotland that meets the aspirations of the Feeley Report and the Scottish Government’s own Autumn 2021 NCS consultation. Instead of seeing the social care reform programme as part and parcel of the National Care Service, these have been separated, but with **no costs given for the necessary programme of investment in social care services**, without which the National Care Service cannot succeed.
42. Confining itself to the national and local *organisational* costs, despite the fact that the founding principles for a National Care Service in the Bill, and the economic benefits described in the Financial Memorandum, both presuppose a wider view, there is too little information provided to support scrutiny. But what is said, that up to £500 million in additional *organisational* costs may have to spend, and perhaps more, given that some key issues (including VAT status, and asset transfers) have not been costed, is enough to ring alarms bells that too little will be left from the “more than £840 million” budget to meet the needs for immediate investment to stabilise the care workforce facing recruitment retention crisis, and for an early programme of investment in prevention and early intervention, as well as all the other parts of the social care reform programme, including Feeley recommendation are missing, such as addressing unmet need, factoring demography into annual budgets, and reforming eligibility criteria.
43. It is not at all clear that the National Care Service, in the sense recommended by the Feeley Reviews, and consulted upon last year, is affordable. MSPs, civil society and the public, have not been given the total costs in the Financial Memorandum which they need in order to be able to discuss **priorities** or **alternatives**, or any required **additional funding mechanisms** (as Derek Feeley believed would be necessary and asked to be reviewed in his final recommendation). **MSPs are entitled to be clearer about the overall affordability of the National Care Service including all the necessary service improvements during the Stage 1 scrutiny and debate.**

PART 2: RIGHTS TO BREAKS FROM CARING

The FM is based on a total of 839,000 adult carers and 30,000 young carers in Scotland from the 2020 Scottish Health Survey. We accept these figures with two caveats²⁹. Scotland's unpaid carers provide an estimated **18.2 million care hours per week**, an average of 21 hours per carer. For comparison, home care purchased or provided by local authorities amounts to 733,500 care hours per week, an average of 12 hours per client. **So, for every hour of home care arranged by local authorities, another 25 hours of unpaid care** are provided mainly by family, and sometimes neighbours or friends. There are nearly 60,000 home care clients in any week, but 869,000 people helped by unpaid carers³⁰. The Feeley report rightly recognised the foundational role of unpaid care in the health and care systems.

The NCS Bill seeks to implement a **right for carers to have a break from caring** by amending the Carers (Scotland) Act 2016 to remove eligibility criteria from the existing duty of local authorities to meet assessed unmet need for a break from caring. Thereafter, these and other social work and care duties and powers would be transferred to NCS care boards³¹. In addition, Ministers will use existing powers to maintain and increase direct funding to the Short Breaks schemes currently provided by third sector national carer organisations, mostly via local carers centres, in order to provide "Easy Access Breaks", as an alternative for carers with less needs for support.

Total net costs are estimated in the FM at **£143 million** for the central estimate [£116m low to £170m high] at 2022-23 prices, after a long build-up to a 'steady state' position not reached until 2034-35. The FM shows this is divided between NCS costs of **£107.5m** [£82m-£133m] for personalised breaks and replacement care, and Scottish Administration costs of **£35.5m** [£34m-£37m] for Easy Access Breaks (which reaches 'steady state' earlier in 2029-30). Figures in bold are the central estimates; figures in square brackets are the ranges from lower to upper estimates also given in the FM, but no explanation is given of their basis, apart from their reflecting "considerable uncertainty inherent in these estimates" (page 21).

These FM estimates are derived from a complex NCS Carers Right to Breaks Funding Model which clearly sets out all the variables involved in the calculations, together with the data, assumptions and judgements used to set their numerical values. A fundamental assumption is that the need for support generally increases with the intensity of caring, as measured by the banded hours of care available from populations surveys: under 20 hours per week (combining under 4 and 5-19 hours), 20-34 hours, 35-49 hours, and 50+ hours per week. We believe this assumption is correct, is supported empirically³², and represents an improvement on the previous methodology to cost the Carers Bill in 2015. It is no fault of the Model, which is an impressive piece of work, that so many variables cannot have their values set by actual data; the scarcity of which is in inverse proportion to the scale of unpaid care in Scotland, and requires urgent review.

All the Funding Model calculations are gross of current public funding which then has to be subtracted at the end of the arithmetic. Current funding to local authorities has been estimated at

²⁹ Caveats: (a) That the Scottish Consolidated Care Questions data (which combines the Scottish Health Survey with carers data from with that from two other Population Surveys) is considered for updating these estimates when next available post-Covid. (b) That the reasons are investigated for the apparent fall in the numbers of young carers from 44,000 in 2012-13, used on the 2015 FM for funding the Carers (Scotland) Act, to 30,000 in 2020.

³⁰ Assuming a one-to-one relation between unpaid carers and persons cared (people cared for by more than one carer are offset by carers who care for more than more person).

³¹ It is not yet clear what powers, and possibly duties, relating to social work and care would be retained by local authorities, and whether this would be restricted to their service provider role.

³² It is supported by data on carers' receipt of help or support collected by the Scottish Health Survey, and more recently (following changes proposed by SWS and the National Carer Organisations) by similar data in the Health and Care Experience Survey.

£149 million. We believe that figure is too high, for reasons summarised later. The table below summarises the key Funding Model outputs, before rounding down for the FM:

NCS Carers Rights to Breaks: Summary of Steady State funding - central estimate

	Funding costs at 2022-23 prices			Numbers of carers		
	Adult Carers	Young Carers	Total	Adult Carers	Young Carers	Total
	£M	£M	£M	No.	No.	No.
TOTAL NUMBERS OF CARERS				839,000	30,000	869,000
Local Authorities/ Care Boards						
Total assessed (ACSPs, YCSs)	£0.000	£0.000	£0.000	285,260	19,200	304,460
<i>As percentage of all carers</i>				34%	64%	35%
Personalised short breaks	£78.617	£6.912	£85.529	86,318	19,200	105,518
<i>As percentage of assessed carers</i>				30%	100%	35%
Personalised replacement care	£169.285	£0.000	£169.285	63,194	0	63,194
Young Carers Support workers	£0.000	£2.203	£2.203	0	19,200	19,200
LA/ CB Sub-total (gross)	£247.902	£9.115	£257.017	86,318	19,200	105,518
Minus Assumed current funding			- £149.124			NA
LA/ CB Sub-total (Net)	£104.07	£3.83	£107.893	86,318	19,200	105,518
	<i>pro rate</i>					
Scottish Administration						
Easy Access Breaks	£35.376	£0.375	£35.752	117,921	1,251	119,172
Total FM funding for new Carers Rights	£139.443	£4.202	£143.644	204,239	20,451	224,690
Rounding down in FM	£139.000	£4.000	£143.000			
Per head of all carers	£165.67	£133.33	£164.56	24%	68%	26%
<i>Of which</i>						
Personalised + Easy Access Breaks, excluding replacement care & YC Support Workers	£113.993	£7.287	£121.281	204,239	20,451	224,690
% of which Easy Access Breaks	31.0%	5.2%	29.5%	57.7%	6.1%	53.0%
All breaks as a % of all carers				24.3%	68.2%	25.9%

The table immediately shows some important issues:

- The overall aspiration to increase the proportion of carers having a break from caring from 3% (Scottish Health Survey) to 26%.
- The crucial role in the calculation of the estimated current funding.
- That there is no funding to meet increased demand for carers assessments.
- That there is no funding for replacement care for to enable young carers to take personalised breaks, or to enable any easy access breaks.

These and other concerns are discussed further in our much longer, more detailed paper on Carers rights to breaks³³:

1. The NCS Bill and FM doesn't cover all Feeley recommendations concerning carers

The National Care Service (Scotland) Bill seeks to implement one of Feeley's recommendations about improving support to unpaid carers, that they should "have a right to respite with an

³³ Available on the Social Work Scotland website.

amendment to the Carers Act as required” (*part*³⁴ of Rec. 11). Other Feeley recommendations to better support carers are not discussed in the NCS Bill papers, especially:

- the need for investment in a wider range and volume of different types of breaks and respite care (other part of Rec 11);
- the cessation of charges for respite care³⁵.

It is unclear if other Feeley recommendations³⁶ concerning carers are planned to be addressed in subsequent Regulations after the Bill’s enactment.

2. Carers are also affected by the general failure of the FM to address the financial stability of the NCS and Feeley’s recommendation on demography

Paragraph 1 (b) of the NCS Bill states: “for them to be such an investment [in society], the services provided by the National Care Service must be financially stable in order to give people long-term security”. Financial stability requires that **inflation** is fully recognised in annual funding changes which also factor in the fiscal impact of **demographic change**. It also requires that **savings** taken are genuine and not service volume or quality reductions masquerading as ‘transformational change’.

Increasing population needs were covered by **Feeley’s Recommendation 53**: “Robustly factoring in demographic change in future planning for adult social care”. This recommendation did not appear in the Scottish Government NCS consultation last year, and is not in any of the Bill papers. There is no point in simply updating the Health and Social Care Medium Term Financial Framework (2018) which estimated annual demography changes at 3.5%, also adding to 0.5% above standard inflation, *without a commitment to also implement such plans*³⁷. Carers’ rights to breaks are costed in the FM at 2022-23 prices without mentioning the need to uprate them subsequently for inflation, despite the proposed funding being slowly phased up to 2034-35.

3. Service recovery from the impacts of the coronavirus pandemic

Probably the most pressing issue currently facing carers who need a break from caring is the slow recovery from Covid-19 of services for carers and the people they care for. Funding is needed to restore services for all people with assessed care needs, including day care which appears among the hardest hit. While this will help unpaid carers, there are also specific short breaks and respite services, for both adults, disabled children, and young carers that have not restarted.

4. Investing in support infrastructure for carers

The Feeley report recognised that carers need “regular access to quality respite provision” and that required developing “a range of options for respite and short breaks”. Simply adding to the funding for Short Breaks Funds also does not itself address the need to invest in the support infrastructure. A programme of work is needed to establish which areas need investment in

³⁴ **Feeley Recommendation 11**: “Carers need better, more consistent support to carry out their caring role well and to take a break from caring with regular access to quality respite provision. Carers should be given a right to respite with an amendment to the Carers Act as required, and a range of options for respite and short breaks should be developed”.

³⁵ **Feeley Recommendation: 12** “A new National Care Service should prioritise improved information and advice for carers, and an improved complaints process [...]”; **Rec 13**: “Local assessment of carers’ needs must, in common with assessment of the needs of people using social care support services and supports, better involve the person themselves in planning support”; **Rec 14**: “Carers must be represented as full partners on the Integration Joint Boards and on the Board of the National Care Service”.

³⁶ “*Although charges to carers are waived under the Carer’s Act, some Local Authorities allocate charges to the supported person for respite. Removing such charges should be considered alongside other investment priorities* (Feeley, page 93)”. This is partly covered by cessation of non-residential charges under “Scottish Government commitments” excluded under FM paragraph 13, but it remains unclear if residential respite charges are waived in full, or whether ‘hotel costs’ remain for residential respite in proposals to expand FPNC that are also excluded from the FM.

³⁷ See Social Work Scotland’s analysis of the 2018 Framework in its 2020 submission to the Feeley Review: <https://socialworkscotland.org/wp-content/uploads/2020/11/SWS-Supp-Sub-1-DEMOGRAPHIC-CHANGE-AND-ADULT-SOCIAL-CARE-EXPENDITURE-IN-SCOTLAND.pdf>

additional carers centres in towns currently without them, and in more staffing to meet the expected additional demand. It is also needed to implement the first part of Feeley's Recommendation¹², that "a new National Care Service should prioritise improved information and advice for carers".

5. Rights to breaks are limited to assessed personalised breaks, because Easy Access Breaks are non-statutory

In the 'steady state', when phasing is over, 24% of adult carers and 68% of young carers should have supported annual breaks - that compares with only around 3% in the latest available surveys for adults (the figure for young carers is not published). The FM calculations result in nearly 225,000 carers taking breaks, of whom 53% will be accessing "Easy Access Breaks" funded directly by the Scottish Government Short Breaks Fund and delivered via the Third Sector and carers centres. Unlike assessed personalised breaks under the Carers Act as amended by the NCS Bill, Easy Access Breaks are non-statutory. This means that if any carer requested assistance from the Short Breaks Fund, but was refused, their only recourse would be to request an assessment from their local authority or care board.

6. No statement of carers rights to a minimum frequency or duration

The Funding Model is based on an average of 2.5 breaks a year for adult carers assessed as having an unmet need for breaks in caring. However, while the Funding Model is more generous for young carers in assuming more require a break from caring, the calculations run on just one break per year, which is also the assumption for "Easy Access Breaks" for adult and young carers. Neither the FM or Funding Model discussion the duration of breaks from caring; apart from replacement care, the costing is *per break*. A statement of carer' rights to a break from caring might be expected to contain a minimum frequency, such as at least annually, and a minimum duration.

7. Replacement care is only included for adult carers assessed under the Carers Act

The need of replacement care is identified and costed at 73% for assessed adults with unmet needs for personalised breaks. But no replacement care is identified for young carers with personalised assessments under the Carers Act, or for any carers accessing Easy Access Breaks. This is possibly an oversight, but seems implausible, **so should be reviewed**.

8. No additional assessments costs are included in the FM calculations

One might think that a new right to breaks from caring under the Carers Act would increase demand for the necessary assessments (Adult Carer Support Plans and Young Carer Statements). The Carers Act already provides a right to assessment on request, although not necessarily right away, and the Funding Model simply assumes the same percentages of adult carers (34%) and young carers (64%) having an assessment as had been assumed in the 2015 FM for the Carers Act. Since the final year of Carers Act funding is 2022-23, the Funding Model assumes that councils have already received the steady state funding needing for this level of assessment, and so be able to transfer this to the NCS at inception.

In the real world, of course, councils have to set budgets which take into account the lack of funding for inflationary and demographic pressures, which will reduce the monies that can be spent on support to carers and other priorities. But even *in the modelled world*, there is also a problem because the number of adult carers to which the 34% applies has increased, and is not fully offset by a fall in the number of young carers to which the 64% applies. Moreover, the carer satisfaction data (from the Health and Care Experience Survey) on which the 2015 FM based its 34% assumption has fallen by 10 percentage points since then. And this is all before any increase in demand created by a new right to breaks. **Additional funding is needed for assessment.**

9. Some Funding Model assumptions do not recognise increased needs for higher intensity carers

The fundamental assumption that the need for support generally increases with the intensity of caring is correct, but is not consistently followed in the Funding Model. For example, the proportion of adult carers with an assessed unmet need for a break from caring stays at 50% for each of the three carer groups, including the 35-49 hours per week full time carers and only rise to

83% for carers providing 50+ hours per week of care. The uptake of Easy Access Breaks with no personalised breaks support is modelled at 10% for the lowest intensity group but thereafter in 40% for all others, including full-time carers. These assumptions lack plausibility and should be reviewed.

10. Phasing problems

The NCS funding for personalised carers breaks is phased over 10 years from notional commencement in 2025-26 to a fully implemented steady state in 2034-35. This uses 2020-21 data from the Carers Census to estimate the numbers of carers assessed per year. For adult carers that is estimated to be 27,000 which is then divided into the steady state figures of assessed carers (34% of all adult carers = 285,260) to get the estimated 10-year phasing. The **first problem** is that the Carer Census data is unreliable due to missing records, as the FM later acknowledges³⁸, which is why it is badged by the Government Statistical Service as “data under development” and not as “official statistics” or even “experimental statistics”. **Secondly**, there is other data, from the Health and Care Experience Survey collected every two years, which provides higher assessment figures for 2019 (58,000) and 2021 (49,800); the latter may be lower due to Covid and/or changes to the format of the question (see Annex to our fuller paper). These figures suggest a **phasing of 5 years**. Policy considerations also favour a faster phasing – improving support to carers is a key element in **prevention strategies**, as the FM acknowledges in its analysis of “savings due to breaks” on pages 21-22.

11. Estimates of current funding of support for carers

All estimated costs for breaks support in the SG NCS Carer Breaks Funding Model are gross total costs, from which an estimate of current local authority funding is netted off. That estimate of **£149 million** is of some importance since it takes off over half (58%) of the gross costs to produce the net central estimates of **£143 million**. It is partly based on relevant 2022-23 Grant Aided Expenditure figures for “carer support and respite services”, plus an additional sum for expenditure. The latter addition does not seem legitimate, since the logic is to subtract current *funding* from the gross funding requirements, to achieve net funding needs. Any expenditure “over GAE” is problematic. It is also not available since expenditure on respite provision was deleted by the Scottish Government from the LFR3 financial returns from councils for 2013-14 onwards, because the data quality was considered too poor to use. In any event, spending over GAE will have wilted over the 10-12 years of austerity. Despite the usual caveats about GAE only being a stepping stone in the Local Government Finance Settlement distributions, it does include the funding provided in the Carers Act and previous legislation. We consider that the 2022-23 GAE figure of **£92 million**, is the most legitimate figure available for current funding:

GAE items for carer support and respite services

	£000s
Formerly Frozen GAE, historic levels for carer support and respite	24,125
Redetermination, mentioned in Green Book 2020-21 Notes	2,820
Total for Carers Act implementation by local authorities	83,500
Less Carers Act funding for Assessment (ASCPs and YCSs)	-20,390
Less Carers Act funding for Information & Advice	-3,040
Scottish Budget 2022-23 transfer from H&SC to LG for unpaid carers	5,000
Total GAE for carer support and respite services	92,015

³⁸ “The Carers Census already aims to collect information about breaks provided under the existing Carers Act. However, this information has proven challenging for organisations to return and so the data available is largely incomplete. The Carers Census is currently being reviewed and work is ongoing to support local areas to improve the collection”. [FM page 21]

12. Treatment of inflation

The Funding Model runs on unit costs at 2022-23 prices; given the large within-year inflation these may need to be reviewed at the year end. Inflation will also need to be added when funding based on these figure is provided to the responsible bodies.

In conclusion, Social Work Scotland believes that the carer section of the NCS Financial Memorandum requires urgent inter-agency review to address the issues raised in this summary paper, and in more detail in the fuller analysis we have undertaken.

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2 September 2022

FUNDING CARERS' RIGHTS TO BREAKS FROM CARING

**AN ANALYSIS OF THE FINANCIAL MEMORANDUM
TO THE NATIONAL CARE SERVICE (SCOTLAND) BILL 2022**

SEPTEMBER 2022

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FUNDING CARERS' RIGHTS TO BREAKS FROM CARING SUMMARY

The FM is based on a total of 839,000 adult carers and 30,000 young carers in Scotland from the 2020 Scottish Health Survey. We accept these figures with two caveats¹. Scotland's unpaid carers provide an estimated **18.2 million care hours per week**, an average of 21 hours per carer. For comparison, home care purchased or provided by local authorities amounts to 733,500 care hours per week, an average of 12 hours per client. **So, for every hour of home care arranged by local authorities, another 25 hours of unpaid care** are provided mainly by family, and sometimes neighbours or friends. There are nearly 60,000 home care clients in any week, but 869,000 people helped by unpaid carers². The Feeley report rightly recognised the foundational role of unpaid care in the health and care systems.

The NCS Bill seeks to implement a **right for carers to have a break from caring** by amending the Carers (Scotland) Act 2016 to remove eligibility criteria from the existing duty of local authorities to meet assessed unmet need for a break from caring. Thereafter, these and other social work and care duties and powers would be transferred to NCS care boards³. In addition, Ministers will use existing powers to maintain and increase direct funding to the Short Breaks schemes currently provided by third sector national carer organisations, mostly via local carers centres, in order to provide "Easy Access Breaks", as an alternative for carers with less needs for support.

Total net costs are estimated in the FM at **£143 million** for the central estimate [£116m low to £170m high] at 2022-23 prices, after a long build-up to a 'steady state' position not reached until 2034-35. The FM shows this is divided between NCS costs of **£107.5m** [£82m-£133m] for personalised breaks and replacement care, and Scottish Administration costs of **£35.5m** [£34m-£37m] for Easy Access Breaks (which reaches 'steady state' earlier in 2029-30). Figures in bold are the central estimates; figures in square brackets are the ranges from lower to upper estimates also given in the FM, but no explanation is given of their basis, apart from their reflecting "considerable uncertainty inherent in these estimates" (page 21).

These FM estimates are derived from a complex NCS Carers Right to Breaks Funding Model which clearly sets out all the variables involved in the calculations, together with the data, assumptions and judgements used to set their numerical values. A fundamental assumption is that the need for support generally increases with the intensity of caring, as measured by the banded hours of care available from populations surveys: under 20 hours per week (combining under 4 and 5-19 hours), 20-34 hours, 35-49 hours, and 50+ hours per week. We believe this assumption is correct, is supported empirically⁴, and represents an improvement on the previous methodology to cost the Carers Bill in 2015. It is no fault of the Model, which is an impressive piece of work, that so many variables cannot have their values set by actual data; the scarcity of which is in inverse proportion to the scale of unpaid care in Scotland, and requires urgent review.

All the Funding Model calculations are gross of current public funding which then has to be subtracted at the end of the arithmetic. Current funding to local authorities has been estimated at

¹ Caveats: (a) That the Scottish Consolidated Care Questions data (which combines the Scottish Health Survey with carers data from with that from two other Population Surveys) is considered for updating these estimates when next available post-Covid. (b) That the reasons are investigated for the apparent fall in the numbers of young carers from 44,000 in 2012-13, used on the 2015 FM for funding the Carers (Scotland) Act, to 30,000 in 2020.

² Assuming a one-to-one relation between unpaid carers and persons cared (people cared for by more than one carer are offset by carers who care for more than more person).

³ It is not yet clear what powers, and possibly duties, relating to social work and care would be retained by local authorities, and whether this would be restricted to their service provider role.

⁴ It is supported by data on carers' receipt of help or support collected by the Scottish Health Survey, and more recently (following changes proposed by SWS and the National Carer Organisations) by similar data in the Health and Care Experience Survey.

£149 million. We believe that figure is too high, for reasons summarised later. The table below summarises the key Funding Model outputs, before rounding down for the FM:

NCS Carers Rights to Breaks: Summary of Steady State funding - central estimate

	Funding costs at 2022-23 prices			Numbers of carers		
	Adult Carers	Young Carers	Total	Adult Carers	Young Carers	Total
	£M	£M	£M	No.	No.	No.
TOTAL NUMBERS OF CARERS				839,000	30,000	869,000
Local Authorities/ Care Boards						
Total assessed (ACSPs, YCSs)	£0.000	£0.000	£0.000	285,260	19,200	304,460
<i>As percentage of all carers</i>				34%	64%	35%
Personalised short breaks	£78.617	£6.912	£85.529	86,318	19,200	105,518
<i>As percentage of assessed carers</i>				30%	100%	35%
Personalised replacement care	£169.285	£0.000	£169.285	63,194	0	63,194
Young Carers Support workers	£0.000	£2.203	£2.203	0	19,200	19,200
LA/ CB Sub-total (gross)	£247.902	£9.115	£257.017	86,318	19,200	105,518
Minus Assumed current funding			- £149.124			NA
LA/ CB Sub-total (Net)	£104.07	£3.83	£107.893	86,318	19,200	105,518
	<i>pro rate</i>					
Scottish Administration						
Easy Access Breaks	£35.376	£0.375	£35.752	117,921	1,251	119,172
Total FM funding for new Carers Rights	£139.443	£4.202	£143.644	204,239	20,451	224,690
Rounding down in FM	£139.000	£4.000	£143.000			
Per head of all carers	£165.67	£133.33	£164.56	24%	68%	26%
<i>Of which</i>						
Personalised + Easy Access Breaks, excluding replacement care & YC Support Workers	£113.993	£7.287	£121.281	204,239	20,451	224,690
% of which Easy Access Breaks	31.0%	5.2%	29.5%	57.7%	6.1%	53.0%
All breaks as a % of all carers				24.3%	68.2%	25.9%

The table immediately shows some important issues:

- The overall aspiration to increase the proportion of carers having a break from caring from 3% (Scottish Health Survey) to 26%.
- The crucial role in the calculation of the estimated current funding.
- That there is no funding to meet increased demand for carers assessments.
- That there is no funding for replacement care for to enable young carers to take personalised breaks, or to enable any easy access breaks.

These and other concerns are discussed further in our much longer, more detailed paper on Carers rights to breaks⁵:

1. The NCS Bill and FM doesn't cover all Feeley recommendations concerning carers

The National Care Service (Scotland) Bill seeks to implement one of Feeley's recommendations about improving support to unpaid carers, that they should "have a right to respite with an

⁵ Available on the Social Work Scotland website.

amendment to the Carers Act as required” (*part*⁶ of Rec. 11). Other Feeley recommendations to better support carers are not discussed in the NCS Bill papers, especially:

- the need for investment in a wider range and volume of different types of breaks and respite care (other part of Rec 11);
- the cessation of charges for respite care⁷.

It is unclear if other Feeley recommendations⁸ concerning carers are planned to be addressed in subsequent Regulations after the Bill’s enactment.

2. Carers are also affected by the general failure of the FM to address the financial stability of the NCS and Feeley’s recommendation on demography

Paragraph 1 (b) of the NCS Bill states: “for them to be such an investment [in society], the services provided by the National Care Service must be financially stable in order to give people long-term security”. Financial stability requires that **inflation** is fully recognised in annual funding changes which also factor in the fiscal impact of **demographic change**. It also requires that **savings** taken are genuine and not service volume or quality reductions masquerading as ‘transformational change’.

Increasing population needs were covered by **Feeley’s Recommendation 53**: “Robustly factoring in demographic change in future planning for adult social care”. This recommendation did not appear in the Scottish Government NCS consultation last year, and is not in any of the Bill papers. There is no point in simply updating the Health and Social Care Medium Term Financial Framework (2018) which estimated annual demography changes at 3.5%, also adding to 0.5% above standard inflation, *without a commitment to also implement such plans*⁹. Carers’ rights to breaks are costed in the FM at 2022-23 prices without mentioning the need to uprate them subsequently for inflation, despite the proposed funding being slowly phased up to 2034-35.

3. Service recovery from the impacts of the coronavirus pandemic

Probably the most pressing issue currently facing carers who need a break from caring is the slow recovery from Covid-19 of services for carers and the people they care for. Funding is needed to restore services for all people with assessed care needs, including day care which appears among the hardest hit. While this will help unpaid carers, there are also specific short breaks and respite services, for both adults, disabled children, and young carers that have not restarted.

4. Investing in support infrastructure for carers

The Feeley report recognised that carers need “regular access to quality respite provision” and that required developing “a range of options for respite and short breaks”. Simply adding to the funding for Short Breaks Funds also does not itself address the need to invest in the support

⁶ **Feeley Recommendation 11**: “Carers need better, more consistent support to carry out their caring role well and to take a break from caring with regular access to quality respite provision. Carers should be given a right to respite with an amendment to the Carers Act as required, and a range of options for respite and short breaks should be developed”.

⁷ **Feeley Recommendation: 12** “A new National Care Service should prioritise improved information and advice for carers, and an improved complaints process [...]”; **Rec 13**: “Local assessment of carers’ needs must, in common with assessment of the needs of people using social care support services and supports, better involve the person themselves in planning support”; **Rec 14**: “Carers must be represented as full partners on the Integration Joint Boards and on the Board of the National Care Service”.

⁸ “*Although charges to carers are waived under the Carer’s Act, some Local Authorities allocate charges to the supported person for respite. Removing such charges should be considered alongside other investment priorities* (Feeley, page 93)”. This is partly covered by cessation of non-residential charges under “Scottish Government commitments” excluded under FM paragraph 13, but it remains unclear if residential respite charges are waived in full, or whether ‘hotel costs’ remain for residential respite in proposals to expand FPNC that are also excluded from the FM.

⁹ See Social Work Scotland’s analysis of the 2018 Framework in its 2020 submission to the Feeley Review: <https://socialworkscotland.org/wp-content/uploads/2020/11/SWS-Supp-Sub-1-DEMOGRAPHIC-CHANGE-AND-ADULT-SOCIAL-CARE-EXPENDITURE-IN-SCOTLAND.pdf>

infrastructure. A programme of work is needed to establish which areas need investment in additional carers centres in towns currently without them, and in more staffing to meet the expected additional demand. It is also needed to implement the first part of Feeley's Recommendation¹², that "a new National Care Service should prioritise improved information and advice for carers".

5. Rights to breaks are limited to assessed personalised breaks, because Easy Access Breaks are non-statutory

In the 'steady state', when phasing is over, 24% of adult carers and 68% of young carers should have supported annual breaks - that compares with only around 3% in the latest available surveys for adults (the figure for young carers is not published). The FM calculations result in nearly 225,000 carers taking breaks, of whom 53% will be accessing "Easy Access Breaks" funded directly by the Scottish Government Short Breaks Fund and delivered via the Third Sector and carers centres. Unlike assessed personalised breaks under the Carers Act as amended by the NCS Bill, Easy Access Breaks are non-statutory. This means that if any carer requested assistance from the Short Breaks Fund, but was refused, their only recourse would be to request an assessment from their local authority or care board.

6. No statement of carers rights to a minimum frequency or duration

The Funding Model is based on an average of 2.5 breaks a year for adult carers assessed as having an unmet need for breaks in caring. However, while the Funding Model is more generous for young carers in assuming more require a break from caring, the calculations run on just one break per year, which is also the assumption for "Easy Access Breaks" for adult and young carers. Neither the FM or Funding Model discussion the duration of breaks from caring; apart from replacement care, the costing is *per break*. A statement of carer' rights to a break from caring might be expected to contain a minimum frequency, such as at least annually, and a minimum duration.

7. Replacement care is only included for adult carers assessed under the Carers Act

The need of replacement care is identified and costed at 73% for assessed adults with unmet needs for personalised breaks. But no replacement care is identified for young carers with personalised assessments under the Carers Act, or for any carers accessing Easy Access Breaks. This is possibly an oversight, but seems implausible, **so should be reviewed**.

8. No additional assessments costs are included in the FM calculations

One might think that a new right to breaks from caring under the Carers Act would increase demand for the necessary assessments (Adult Carer Support Plans and Young Carer Statements). The Carers Act already provides a right to assessment on request, although not necessarily right away, and the Funding Model simply assumes the same percentages of adult carers (34%) and young carers (64%) having an assessment as had been assumed in the 2015 FM for the Carers Act. Since the final year of Carers Act funding is 2022-23, the Funding Model assumes that councils have already received the steady state funding needing for this level of assessment, and so be able to transfer this to the NCS at inception.

In the real world, of course, councils have to set budgets which take into account the lack of funding for inflationary and demographic pressures, which will reduce the monies that can be spent on support to carers and other priorities. But even *in the modelled world*, there is also a problem because the number of adult carers to which the 34% applies has increased, and is not fully offset by a fall in the number of young carers to which the 64% applies. Moreover, the carer satisfaction data (from the Health and Care Experience Survey) on which the 2015 FM based its 34% assumption has fallen by 10 percentage points since then. And this is all before any increase in demand created by a new right to breaks. **Additional funding is needed for assessment.**

9. Some Funding Model assumptions do not recognise increased needs for higher intensity carers

The fundamental assumption that the need for support generally increases with the intensity of caring is correct, but is not consistently followed in the Funding Model. For example, the proportion of adult carers with an assessed unmet need for a break from caring stays at 50% for

each of the three carer groups, including the 35-49 hours per week full time carers and only rise to 83% for carers providing 50+ hours per week of care. The uptake of Easy Access Breaks with no personalised breaks support is modelled at 10% for the lowest intensity group but thereafter in 40% for all others, including full-time carers. These assumptions lack plausibility and should be reviewed.

10. Phasing problems

The NCS funding for personalised carers breaks is phased over 10 years from notional commencement in 2025-26 to a fully implemented steady state in 2034-35. This uses 2020-21 data from the Carers Census to estimate the numbers of carers assessed per year. For adult carers that is estimated to be 27,000 which is then divided into the steady state figures of assessed carers (34% of all adult carers = 285,260) to get the estimated 10-year phasing. The **first problem** is that the Carer Census data is unreliable due to missing records, as the FM later acknowledges¹⁰, which is why it is badged by the Government Statistical Service as “data under development” and not as “official statistics” or even “experimental statistics”. **Secondly**, there is other data, from the Health and Care Experience Survey collected every two years, which provides higher assessment figures for 2019 (58,000) and 2021 (49,800); the latter may be lower due to Covid and/or changes to the format of the question (see Annex to our fuller paper). These figures suggest a **phasing of 5 years**. Policy considerations also favour a faster phasing – improving support to carers is a key element in **prevention strategies**, as the FM acknowledges in its analysis of “savings due to breaks” on pages 21-22.

11. Estimates of current funding of support for carers

All estimated costs for breaks support in the SG NCS Carer Breaks Funding Model are gross total costs, from which an estimate of current local authority funding is netted off. That estimate of **£149 million** is of some importance since it takes off over half (58%) of the gross costs to produce the net central estimates of **£143 million**. It is partly based on relevant 2022-23 Grant Aided Expenditure figures for “carer support and respite services”, plus an additional sum for expenditure. The latter addition does not seem legitimate, since the logic is to subtract current *funding* from the gross funding requirements, to achieve net funding needs. Any expenditure “over GAE” is problematic. It is also not available since expenditure on respite provision was deleted by the Scottish Government from the LFR3 financial returns from councils for 2013-14 onwards, because the data quality was considered too poor to use. In any event, spending over GAE will have wilted over the 10-12 years of austerity. Despite the usual caveats about GAE only being a stepping stone in the Local Government Finance Settlement distributions, it does include the funding provided in the Carers Act and previous legislation. We consider that the 2022-23 GAE figure of **£92 million**, is the most legitimate figure available for current funding:

GAE items for carer support and respite services

	£000s
Formerly Frozen GAE, historic levels for carer support and respite	24,125
Redetermination, mentioned in Green Book 2020-21 Notes	2,820
Total for Carers Act implementation by local authorities	83,500
Less Carers Act funding for Assessment (ASCPs and YCSs)	-20,390
Less Carers Act funding for Information & Advice	-3,040
Scottish Budget 2022-23 transfer from H&SC to LG for unpaid carers	5,000
Total GAE for carer support and respite services	92,015

¹⁰ “The Carers Census already aims to collect information about breaks provided under the existing Carers Act. However, this information has proven challenging for organisations to return and so the data available is largely incomplete. The Carers Census is currently being reviewed and work is ongoing to support local areas to improve the collection”. [FM page 21]

12. Treatment of inflation

The Funding Model runs on unit costs at 2022-23 prices; given the large within-year inflation these may need to be reviewed at the year end. Inflation will also need to be added when funding based on these figure is provided to the responsible bodies.

In conclusion, Social Work Scotland believes that the carer section of the NCS Financial Memorandum requires urgent inter-agency review to address the issues raised in this summary paper, and in more detail in the fuller analysis we have undertaken.

ANALYSIS OF THE NCS FINANCIAL MEMORANDUM RIGHTS TO BREAKS FROM CARING

Introduction

The Feeley report recognised the foundational role of unpaid care in the health and care systems. The National Care Service (Scotland) Bill seeks to implement one of Feeley’s recommendations about improving support to unpaid carers, that they should “have a right to respite with an amendment to the Carers Act as required” (*part¹¹ of Rec. 11*). Rights to breaks from caring are one of only two “reforms connected to delivery [...] of care” in Part 3 of the Bill (the other is “Anne’s Law” about the right of people in care homes to receive visitors).

202. Section 38 of the Bill makes changes to the Carers (Scotland) Act 2016 to deliver a right to personalised short breaks support for carers who need it. Existing powers can be used for Ministers to maintain a national short breaks fund to enable easy-access support for people in less intensive caring roles. [Policy Memorandum, page 38].

The Financial Memorandum (FM) includes costs for the new right to a short break, under the Bill’s proposed amendments to the Carer’s Act, and also for a Scottish Government policy to expand the current non-statutory short breaks fund to provide more easy access breaks. All costing calculations are based on estimates for the number of unpaid carers in Scotland at around 869,000¹². We discuss those estimates first, and then go through the detail in the FM and the supporting SG NCS Carers Right to Breaks Funding Model, to which Social Work Scotland has been given access¹³.

1. THE NUMBER OF UNPAID CARERS IN SCOTLAND AND THEIR NEEDS

1.1 The number of carers in Scotland and hours of care

The FM uses the most recent Scottish Health Survey data¹⁴ (2020) for the number of adult carers, estimated at 839,000. Earlier 2016-19 data is used for the number for young carers, estimated at 30,000, because only adults were included in the much shorter, Covid-restricted, 2020 Survey.

SWS Table C1: Number of carers and proportion expected to have ACSP / YCS in steady state

	<20 hours a week	20-34 hours a week	35-49 hours a week	50 or more hours	Total	20+	35+
Number of adult carers	624,864	59,280	29,640	125,215	839,000	214,135	154,855
Number of young carers	27,900	900	300	900	30,000	2,100	1,200
Total carers	652,764	60,180	29,940	126,115	869,000	216,235	156,055

Source: FM Table 10, Total line added by SWS

¹¹ **Feeley Recommendation 11:** “Carers need better, more consistent support to carry out their caring role well and to take a break from caring with regular access to quality respite provision. Carers should be given a right to respite with an amendment to the Carers Act as required, and a range of options for respite and short breaks should be developed”.

¹² This is smaller than the “over one million” figure used in the SG’s NCS Consultation paper last Autumn and in Social Work Scotland’s and many other responses). That was based on a small YouGov survey that attempted to measure the expansion of unpaid during the Corona virus pandemic when lockdowns reduce d other services and support.

¹³ As a member of the Short Life Working Group which helped develop the methodology in 2021-22; the assignment of numerical values to the various variables, much of which had to done on an assumption or judgement basis, owing to lack of data, was the responsibility of the civil servants involved.

¹⁴ <https://www.gov.scot/publications/scotlands-carers-update-release-2/>

Two other Scottish population surveys also cover adult carers – the Scottish Crime and Justice Survey (SCJS) and the Scottish Household Survey (SHS). Scottish Survey Core Questions (SSCG) 2016-19 pool the data from the three surveys, which reduces sampling error¹⁵. When updated SSCG data is again available, post Covid, they should be considered for future revisions of the Scottish Government’s NCS Carers Funding Model which underpins this part of the Financial Memorandum (FM).

For young carers, the estimate of 30,000 from the Scottish Health Survey is the only source. The estimate of 30,000 is quite a bit lower than the 44,000 used by civil servants in the 2015 FM for the Carer’s Act, using Scottish Health Survey data for 2012 and 2013 combined, particularly as the authors thought then that “the number of young carers is likely to be an underestimate as young carers in particular may not identify themselves as such in a survey”¹⁶. These issues are worth further exploration. Conversely, the 2022 FM estimate for adult carers at 839,000 is higher than that used in 2015 (745,000).

The table above shows everything we know about the **volumes of care** provided by unpaid carers, apart from split between under 5 hours, and 5-19 hours a week, which are combined in the Funding Model. Nothing else is known about the *distributions* of unpaid care hours per week, not even their grand total, nor the average hours provided in each hours per week band. To estimate the total hours of unpaid care, we have to do arithmetic on the mid-points of the banded categories:

SWS Table C2: Estimates of total hours of care provided each by Scotland’s unpaid carers

	<20 hours a week	20-34 hours a week	35-49 hours a week	50 or more hours	Total	20+	35+
Number of adult carers	624,864	59,280	29,640	125,215	839,000	214,135	154,855
Number of young carers	27,900	900	300	900	30,000	2,100	1,200
Estimated category mid points	10	27.5	42.5	70			
Est Adult carer hours	6,248,640	1,630,200	1,259,700	8,765,050	17,903,590	11,654,950	10,024,750
Est Young carer hours	279,000	24,750	12,750	63,000	379,500	100,500	75,750
Total unpaid care hours	6,527,640	1,654,950	1,272,450	8,828,050	18,283,090	11,755,450	10,100,500
Total carers	652,764	60,180	29,940	126,115	869,000	216,235	156,055
Hours per carer	10	27.5	42.5	70	21.0	54.4	64.7
Home care census week, March 2020							
Home care hours					733,505		
Home care clients					59,960		
Average hours per client					12.2		

¹⁵ Scottish Government statisticians seem to have a preference for using only the Scottish Health Survey for updating the adult carers counts on their Scotland Carers web publication (April 2022).

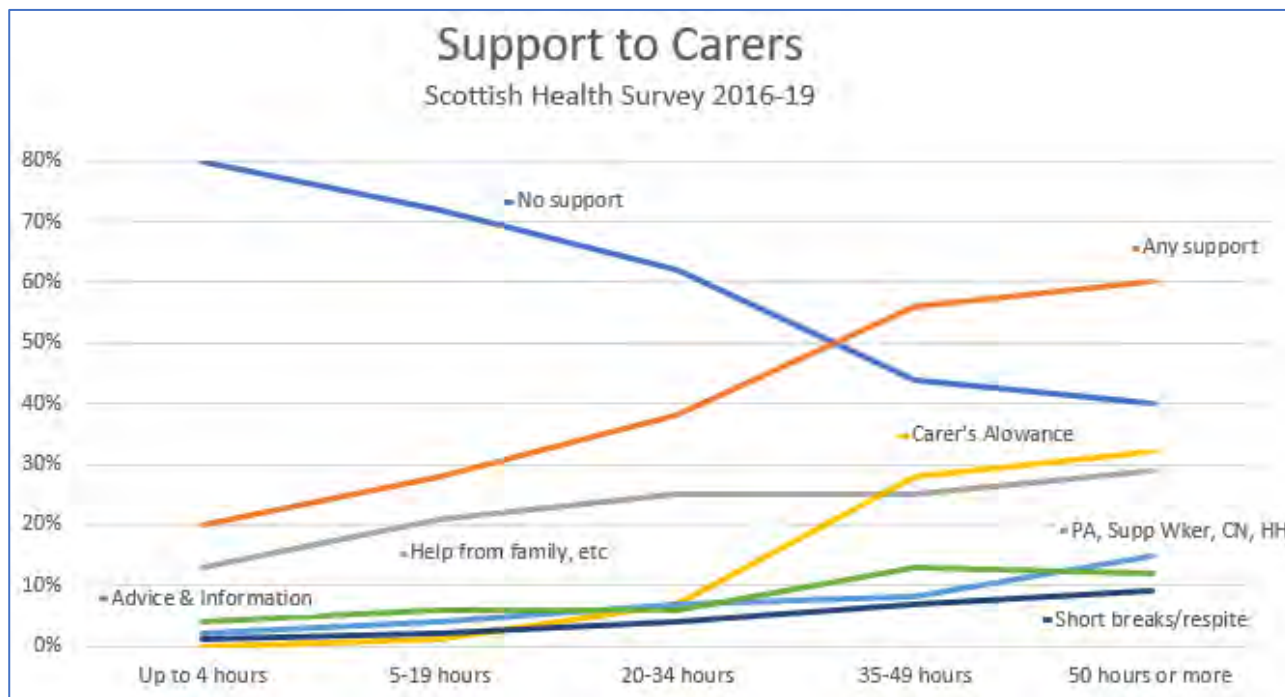
<https://www.gov.scot/publications/scotlands-carers-update-release-2/>. Comparing the three surveys, the authors note that “It is thought that the [Scottish Household Survey] SHS estimate is higher due to this being asked in the context of other questions around volunteering and time spent providing care”. That seems to us a good reason for considering using the pooled SSCQ data from the three survey results, which also have lower sampling errors and may be more stable over time than the Scottish Health Survey alone.

¹⁶ [https://archive2021.parliament.scot/S4_Bills/Carers%20\(Scotland\)%20Bill/b61s4-introd-en.pdf](https://archive2021.parliament.scot/S4_Bills/Carers%20(Scotland)%20Bill/b61s4-introd-en.pdf), page 26.

Scotland's unpaid carers provide an estimated **18.2 million care hours per week**, an average of 21 hours per carer. For comparison, home care purchased or provided by local authorities amounts to 733,500 care hours per week, an average of 12 hours per client. **So, for every hour of home care arranged by local authorities, another 25 hours of unpaid care** are provided mainly by family, and sometimes neighbours or friends. There are nearly 60,000 home care clients in any week, but 869,000 people helped by unpaid carers¹⁷.

1.2 Carer population needs and support

A fundamental principle underpinning the Carers Breaks Funding Model (and therefore of this part of the FM) is the proposition that, on average, **the needs of carers for support increase with the intensity of caring**, as measured by the average hours of unpaid care provided each week. Scottish Health Survey data on support received by adult carers¹⁸ clearly supports this proposition:



The percentage of carers receiving **any support** rises with the volume of hours of care provided each week; overall from 20% for carers providing under 5 hours per week, to 60% for carers providing 50 or more hours per week of care. Only in the two 35+ hours per week groups does the number of carers receiving some support exceed those with no support.

In every category, **help from family or friends or neighbours** is the largest type of support (apart from Carer's Allowance for eligible carers providing 35+ hours of unpaid care per week). Only 13% of carers providing 35+ hours per week said they were supported by a **“personal assistant, support worker, community nurse, and home help”**. (The majority of these 13% of carers can be presumed to be supported by these services being provided to the person cared for, particularly if carer and cared-for person are co-resident). **Advice and information** is the next highest type of support received by high volume carers, but still only at 12% for carers providing 35+ hours of care per week.

Even so, 40% of carers providing care for 50 hours or more per week received **no support**; for carers providing 35-49 hours per week, 44% received no support. Only 3% of carers overall say

¹⁷ Assuming a one-to-one relation between unpaid carers and persons cared (people cared for by more than one carer are offset by carers who care for more than one person).

¹⁸ Support data is collected by the Scottish Health Survey but not published by hours of care provided per week, perhaps because the smaller sample sizes, even aggregated for 2016-2019, will mean far more of the differences between types of support will not be statistically significant. The data in the graph is from an SWS ad hoc request in 2021.

they receive a **short break or respite**. This rises to 9% for the 50+ hours group (and is also the percentage for the 35+ hours group as a whole)¹⁹.

Data on support, of course, is only a proxy for needs. Paradoxically, most of the survey data available about Scotland's 869,000 carers reinforces how much *we do not know* about the needs. Nevertheless, using the carer population segmented by hours of unpaid care provided each week is an important advance on the costing methodology used for the 2015 Carer Act FM.

2. THE SCOPE OF IMPROVEMENTS FOR CARERS

The Bill proposes amendments to the Carers (Scotland) Act 2016 to provide rights for assessed unpaid carers to have a break. The other policy costed in the Financial Memorandum concerns the maintenance and expansion of the current short breaks funds; this is not covered by the new rights in the Bill and is non-statutory.

2.1 Rights to breaks for caring

Section 38 of the Bill amends the Carers (Scotland) Act 2016 to remove local eligibility criteria for support to carers who are assessed as needing a break from caring. Local authorities are then under a duty to provide or arrange support for a break for "carers not otherwise able to access sufficient rest and breaks from caring" (PM, para 209). The Carers Act already places local authorities under a duty to assess carers who request an assessment, among other circumstances; the amendments in the NCS Bill strengthen the requirement that assessments must include the need for breaks from caring, and deletes the eligibility restrictions on the duty to meet unmet needs for breaks. (The Carers Act already includes within support for breaks any replacement care required for the person cared for).

When the Bill is enacted, these duties will apply to local authorities, and thereafter to care boards when these are established under the new powers the Bill gives to Scottish Ministers. Those powers include clarifying in Regulations the meaning of "sufficient breaks from providing care for the cared-for person". That is important to make sure that "sufficiency" does not function as a proxy for eligibility.

One of many issues about the funding of the new right to breaks support is whether there will be sufficient assessment resources available to local authorities and care boards to meet demand and thereby enable unpaid carers to realise their new rights. Those resources will include social work and other assessment staff in councils, and also staff in third sector agencies, such as local Carers' Centres with whom statutory bodies may contract to undertake some of the Adult Carer Support Plans and Young Carers Statements and/or some of the short breaks support. (The legal duties of course remain with the statutory bodies). The resources required also include a wider range of different types of replacement care, both at home and away from home.

The Bill papers **do not include any investment strategy** to ensure there are sufficient resources.

2.2 Short breaks fund

60. The Scottish Government also intends to maintain a national short breaks fund, using existing powers, to enable easy-access support for people in less intensive caring roles. This will build on existing non-statutory voluntary sector short breaks funding. These schemes provide micro grants schemes for unpaid carers to help them take short breaks that meet their needs. Individual grants can be used flexibly, e.g. for a weekend away, entertainment subscription or sporting or hobby equipment. [FM, page 17]

¹⁹ That is not surprising as 81% of carers in the 35+ hours group provide 50+ hours of care per week.

In the Policy Memorandum this is presented as meeting the NCS consultation responses²⁰. That is not quite accurate²¹.

Certainly, an expansion of the Short Breaks Fund is welcome, and the scale of increase is discussed later. However, being non-statutory, this falls short of providing “a smaller, guaranteed minimum flat-rate entitlement” which was a part of the “hybrid option” set out in the consultation. The only legal entitlements are through the Carers Act assessments. This means that if any carer requested assistance from the Short Breaks Fund, but was refused, their only recourse would be to request an assessment from their local authority or care board²².

2.3 Carers centres

Carers Centres are third sector bodies usually with charitable status, staffed by paid employees and volunteers. In recent years, they have played an increasingly important role in support to unpaid carers, providing information and advice on benefits, respite and support services, advocacy, etc; emotional support, often involving other carers; social and other activities including time out from caring, and breaks; and training on a wide range of health, care, and financial issues²³.

In some areas, local authorities contract with carers centres to provide the Adult Carer Support Plans and Young Carer Statements under the Carers Act, particularly for carers with lower-level needs. For this reason, the Scottish Government’s Carers Census²⁴, set up to monitor the Carers Act, collects information from carers centres as well local authorities, but is currently unable to produce the results separately²⁵.

Carers Centres also deliver some of the short breaks funding that the Scottish Government wishes to expand. FM paragraph 60/61²⁶, quoted above, continues:

²⁰ “The consultation then asked about several options (alternative approaches) for establishing a right to breaks, each of which would deliver a different balance between these elements. The options included:

- standardised entitlements to a flat rate breaks package or graded packages linked to intensity of caring
- rights to personalised support, built into the existing Carers (Scotland) Act 2016 system for carers not otherwise able to access sufficient rest and breaks from caring, or
- a hybrid approach combining the above, enabling easy-access support for carers with low levels of need and the option of personalised breaks support under the Carers (Scotland) Act 2016 for those in more intensive caring roles.

“210. Consultation responses showed clear support both for establishing a right to breaks from caring and for the hybrid approach outlined above. Respondents valued personalised support and the option of easy-access support for those with less significant needs”. [Policy Memorandum, para 209, page 39]

²¹ The “hybrid approach” in the consultation paper²¹ combined the “personalised approach” via Carers Act assessment with “a smaller, guaranteed minimum flat-rate entitlement [...] which is easier to access for those in less intensive caring roles” (page 33). After brief discussion the consultation text then suggested an “alternative” version of the second element in the hybrid, which was “expanding the existing non-statutory Short Breaks Fund”. The consultation questions did not distinguish between these two versions of the second element in the hybrid, so the majority response favouring the hybrid was ambiguous

²² Not only are payments from the Short Breaks Fund not entitlements, but they are not flat-rate either. We are not saying they should be, but only they do not meet the first version of “standardised entitlements” in the “hybrid” solution in the NCS consultation paper.

²³ For a fuller list, see: <https://www.careinfoscotland.scot/topics/support-for-carers/carers-centres/>

²⁴ <https://www.gov.scot/publications/carers-census-scotland-2019-20-2020-21/pages/6/>

²⁵ There are other problems with the Carers Census, the second annual publication in December 2021 carries this warning: “The data collection systems and quality assurance processes necessary to collect and process the data are still being developed. The statistics shown here, therefore, are data under development and should not be considered as National or Official Statistics”.

²⁶ The standard version of the FM has two paragraphs numbered 45; the “accessible version (which is just in larger font rather than ‘easy’ read’) doesn’t have this problem so its paragraph numbers from 46 onwards are one higher than those in the standard FM; hence our double numbering.

Time To Live grants²⁷ are delivered locally, usually by local carer centres. **Take a Break Scotland grants**²⁸ for carers of disabled children and young people and their families are delivered nationally by the Family Fund. The Scottish Government is committed to increasing this funding to provide easy access to breaks for carers without the need for a support plan or statement. While this fund does not require new legislation, it will have an impact on the costs of providing the personalised support required by the provisions of the Bill, depending on the balance of whether carers access personalised support or easy access breaks. These schemes provide micro grants schemes for unpaid carers to help them take short breaks that meet their needs. Individual grants can be used flexibly, e.g. for a weekend away, entertainment subscription or sporting or hobby equipment.

The FM does not quantify what the increased funding will buy; we discuss the funding increases later in our response.

2.4 Investing in support infrastructure for care

The Bill papers do not address the other parts of Feeley's Recommendation 11, which were to ensure that carers have "regular access to quality respite provision" and to achieve that by developing "a range of options for respite and short breaks". This was in response to evidence from carers that the *forms* of short breaks and replacement care were too limited, in addition to insufficient *volumes* of supply.

Simply adding to the funding for Short Breaks Funds also does not itself address the need to invest in the capacity of carers centres. The most recent available information²⁹ suggests that carers centres exist in all 32 local authority areas, but over half (19) have only one carers centre, including some rural authorities. It is far from clear that all carers have access to carers centres within reasonable travelling distance, or digitally. There are also fewer carers centres that provide support for young carers support³⁰.

A programme of work is needed to establish which areas³¹ need investment in additional carers centres in towns without them and in more staffing to meet the expected additional demand. It is also needed to implement the first part of Feeley's Recommendation 12, that "a new National Care Service should prioritise improved information and advice for carers".

2.5 Other Feeley recommendations

Feeley also recommended fully waiving all charges for support to carers, which also applies to both residential and non-residential replacement care for the people cared for. Charging changes are among the "Scottish Government commitments" excluded from the scope of the FM in paragraph 13, how these will apply to carers is not yet clear.

It would be also be helpful if the Scottish Government confirmed that future Regulations will include Feeley's Recommendation 14: "Carers must be represented as full partners on the Integration Joint Boards and on the Board of the National Care Service", and also the second part of 13 on "an improved complaints process" for carers.

2.6 Other issues not in scope - restoring carer support services

Probably the most pressing issue facing carers who need a break from caring is the slow recovery from Covid-19 of services for carers and the people they care for. Funding is needed

²⁷ Increased to £2.5million in 2022-23 – see

<https://www.sharedcarescotland.org.uk/shortbreaksfund/timetolive/>

²⁸ <https://takeabreakscotland.org.uk/about-us/> How much is the 2022-23 funding: ask NCOs?

²⁹ See: <https://www.careinfoscotland.scot/topics/support-for-carers/carers-centres/>, last updated on: 8th March 2022

³⁰ Information provided by National Carers Organisations

³¹ We have suggested a methodology using 2011 and then 2022 Census data, when available, on the geographical distribution of carers, and travel distances to carers centres (using established "travel to work" statistical methods).

to restore services for all people with assessed care needs, including day care which appears among the hardest hit. While this will help unpaid carers, there are also specific short breaks and respite services, for both adults and disabled children, that have not restarted.

There is no obvious source of data on the extent of this problem, such as statistical returns from which the service volumes that support carers can be extracted. In April 2022, the Care Inspectorate launched “a national inquiry into adult unpaid carers’ experiences of social work and social care services”, which is due to be published later in August³². In May 2022, Scottish Ministers wrote to H&SC Partnerships “to ask for an audit of adult day care and respite services in every local authority, with a view to finding out which services have reopened and which have only partially opened or opened with reduced capacity”³³. We understand the results are being collated.

3. THE CALCULATION OF CARERS FUNDING INCREASES – PART 1

The calculations in this section of the FM are necessarily complicated, with many assumptions and judgements having to be made in the absence of relevant data. Due to the complexity, only some of these are tabulated in the FM. We first present a **summary of the steady state annual funding**; then we discuss the **phasing** proposed in the FM; and finally, we go through the **mechanics of the cost model** to discuss areas which we believe require correction or further work. All figures are for the **central cost estimates**, not the upper and lower variations.

3.1 Summary of steady state annual funding

The underlying calculation model (which we discuss in more detail later) nets off an estimate for relevant current spend by local authorities, including breaks funding in the Carers (Scotland Act), to reach a total of £143.644M, rounded in the FM to £143M:

SWS Table C3: Steady state annual funding for Carers Rights to Breaks - central estimate

	Adult Carers	Young Carers	Total	SWS Comments
	£M	£M	£M	
Local Authorities/ Care Boards				
Assessments costs (ACPS & YCSs)	None	None	None	Assumed funded in Carers Act
Personalised short breaks	£78.617	£6.912	£85.529	
Personalised replacement care	£169.285	£0.000	£169.285	None for young carers
Young Carers Support workers	£0.000	£2.203	£2.203	Additional YC support cost not in Carers Act
LA/ CB Sub-total (gross)	£247.902	£9.115	£257.017	
Minus Assumed current LA funding			-149.124	Discussed at end of paper
LA/ CB Sub-total (Net)	£104.07	£3.83	£107.893	Pro rate split: Adult/Young Carers
Scottish Administration				
Easy Access Breaks	£35.376	£0.375	£35.752	Assumes no replacement care required. SG round to £35.5m
Total FM funding for new Carers Rights	£139.443	£4.202	£143.644	SG round to £143m

Source: Scottish Government Carers Breaks FM model v3. Consistent with FM tables 11-13.

The range for the total central estimates of £143m is given on the FM as between £116m to £170m. We understand this is based on illustrative changes to the model parameter values rather than any particular arguments that problematic assumptions or estimates should be higher or lower.

³² https://www.careinspectorate.com/images/Carers_Inquiry_2022_-_Carers_Survey.pdf

³³ Scottish Parliament, 4 May 2022, Official Report, Col 37:

<https://www.parliament.scot/api/sitecore/CustomMedia/OfficialReport?meetingId=13725>

The costs for more Easy Access Breaks are also rounded down (to £35.5m) and are excluded from the summary costs of the NCS Bill in Table 1 of the FM, because Scottish Ministers already have powers to make such payments.

3.2 Phasing calculations

The phasing is explained in paragraph 67/68³⁴:

67. Based on Carers Census data on the numbers of such plans and statements, the Scottish Government estimates that it will take approximately ten years to reach the steady state number of carers with plans and statements, increasing on average by approximately 27,000 plans and 1,600 statements per year from 2025/26 to 2034/35. This assumes the right to personalised short breaks support under the Carers Act, established by the Bill, is implemented from April 2025, although the implementation date is yet to be decided. [...]. (FM, page 19).

The table below shows the calculations behind the 10-year phasing

SWS Table C4: Phasing assumptions calculations in the FM

Steady state	No. of carers	% of total carers	% based on	Assessments per year	Implied No. of years
Adult carers with ACSP	285,260	34%	Carers Act FM	27,000	10.57
Young carers with YCS	19,200	64%	Carers Act FM	1,600	12.00
Total	304,460			28,600	10.65

Sources: first two columns from data in FM table 19; next two from text on page 19; final column SWS calculation.

The FM therefore proposes a 10-year long phasing for the additional breaks funding to local authorities/ care boards, which is not expected to reach steady state until 2034-35. The shorter 6-year phasing for the Scottish Government funded short breaks schemes, start earlier from next year and reach steady state in 2029-30:

SWS Table C5: Central estimates for phased costs of Carers Act breaks and Easy Access breaks

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Carers Act Breaks	0	0	0	10.5	21.5	32.5	43	53.5	64.5	75.5	86	97	107.5
Easy Access Breaks	0	10	15	20	25	30	34.5	35.5	35.5	35.5	35.5	35.5	35.5
Total	0	10	15	30.5	46.5	62.5	77.5	89	100	111	121.5	132.5	143

Sources: FM tables 11, 12 and 13; SWS averages of the upper and lower estimates

We understand that the unit costs used to produce these figures are all **at 2022-23 prices**, which means that there would need to be a commitment from the Scottish Government going forward to **uprate the estimates** for inflation.

3.3 Criticisms of the phasing

3.3.1 Arguments from policy

³⁴ See earlier footnote on the need on the paragraph numbering differences between standard and accessible FM versions.

Scotland's 870,000 unpaid carers provide the majority of care work in Scotland. For around 18%-19% of adult carers that is full time work of 35 or more hours a week, and most of those carers work 50+ hours a week. Support to sustain and enable unpaid carers to continue this labour is at or near the top of prevention priorities for health and social care in Scotland. Indeed, the FM states that "the Scottish Government estimates unpaid care is currently saving Scotland £12.8 billion per year in social care costs, plus £320 million in health care costs – a total saving of £13.1 billion per year³⁵"(page 21).

The FM section on "Savings due to rights to breaks" goes on to claim:

Para72/73. The measures in the Bill are designed to protect carers' health and wellbeing, helping sustain caring relationships. This will reduce costs which would otherwise arise for the NHS, Local Authorities and Integration Authorities, and subsequently the NCS, through unplanned hospital admissions, failed hospital discharge and additional residential care when caring relationships break down. There are around 156,000 people in Scotland providing 35 hours of unpaid care or more per week. If the right to breaks helps prevent 1% of these intensive caring relationships breaking down, that will save £68 million per year in health and social care costs. If the right protects 5% of these intensive caring relationships, the saving will be £318 million per year.

Why then inhibit the continued delivery of these prevention benefits by an over-long phasing of the further investment in breaks and replacement care for carers? If these benefits are achieved with only 3% of carers receiving a break from care what more prevention could be achieved with better support for carers to have breaks?

As regards the Easy Access Breaks funding, direct from the Scottish Government and then via Shared Care Scotland³⁶ to carers centres, or via the Family Fund³⁷, the reasons given for the 6-year phasing are:

[...] this support does not require new legislation and can therefore be implemented immediately.

The model assumes this support builds over time allowing the sector to expand its staffing and provision while growing the numbers of unpaid carers being supported. These figures are predicted to reach a steady state towards the middle of the period as higher numbers of carers are expected to be receiving personalised breaks under the Carers Act. [FM para 68/69, page 20]

We have already argued earlier (in section 2.4) for a programme of investment to create more carers centres and increase their capacity to support carer breaks; such investment could achieve a faster build up.

3.3.2 Arguments from data

The data from the FM in our Table 4 above -- on 27,000 adult and 1,600 young carer assessments per year -- is drawn from the Scottish Government's Carers Census³⁸, which is problematic, with many missing or partly completed records returned by local authorities and carers centres about carers known to them with assessment or support events in the relevant years; hence it is badged with a health warning as "Data under development", as noted earlier. Even so, it is quite hard to recognise these FM figures in the published statistical tables.

The only other source for carers assessment is the Health and Care Experience Survey (HACE) of a large random sample every two years of people aged 17+ registered with Scottish GPs. The question was first asked in 2019, and again but differently worded in 2021.

³⁵ Reference 12 in the FM: Scottish government calculation of replacement care and hospital days avoided (April 2022) using results in Weaver et al: Does availability of informal care within the household impact hospitalisation? *Health Econ Policy Law*. 2014 Jan; 9(1):71-93.

³⁶ <https://www.sharedcarescotland.org.uk/shortbreaksfund/timetolive/>

³⁷ <https://takeabreakscotland.org.uk/>

³⁸ <https://www.gov.scot/publications/carers-census-scotland-2019-20-2020-21/>

In October/November 2019, 8.7% of HACE carers answered Yes to Q31 - **'Have you had a carers assessment, now known as an Adult Carers Support Plan or Young Carers Statement?'** Applying that figure to the FM estimate for adult carers yields 58,000 carers with an assessment. Plugging that into the phasing formula yields an estimate of **5 years** build up to the steady state; coincidentally, the same phasing as was used for the Carers Act.

However, for HACE 2021 the question was combined (to save space) with a new question on types of support, modelled largely on Scottish Health Survey questions:

SWS Table C6: HACE 2021 Q37 (for people already identifying that they have caring responsibilities):

"Have you received any support to help with your caring role? <i>Please tick all that apply</i> "	% of carers
1 = A written plan about your caring role and support available to you;	3.0
2 = Help from family, friends or neighbours;	27.0
3 = Help from Carer Centre/local organisation;	10.9
4 = Break(s) from caring;	1.8
5 = Services to replace care you usually provide so you can have a break;	2.2
6 = Other support;	7.7
7 = No support or help	60.1
Implied some support	39.88

It seems unlikely that the change in question wording would have so lowered the percentage of carers reporting that they had had an assessment. That leaves (a) the impact of Covid-19 on local authority services, including carers assessments, despite the fact that councils had received further tranches of Carers Act funding in the two years between these surveys, and (b) the fact that asking the question as part of a list risks that some respondents do not tick "all that apply" but rather the most important items. For example, it is unusual to have replacement care for the person you care for if this is not to enable you to have a break, but additional HACE data received following an ad hoc request³⁹ showed that 75% of carers reporting they had received replacement care hadn't reported that had received a break. The combined percentage of carers who had received a break and/or replacement care was 3.4% which is similar to the 3% reporting receipt of "short breaks /respite care" in the Scottish Health Survey in 2016-19.

Similarly, the ad hoc data shows that 79% of carers receiving breaks or replacement care did not report having had a written support plan – normally that would precede a break or replacement care, if that were organised by a council. Adding these to the 3% with a plan, increases the percentage to 5.9%, or 49,800 with an assessment. Plugging that figure into the phasing formula yields an estimate of just under **6 years** build-up to the steady state.

We conclude that the HACE data provides more reliable estimates of the number of carers assessments, unless the missing records which affect the Carers Census data can be reliably imputed. It is reasonable to use the 2019 figure, since this is not affected by Covid-19 services reductions; **this puts the phasing period at no more than 5 years**. This also provides time to address the capacity issues discussed earlier.

4 THE CALCULATION OF CARERS FUNDING INCREASES – PART 2

In this section we consider the data, assumptions, and judgements used to produce the steady state cost estimates of £143 million (largely ignoring the variation range of £116m to £170m). In the interests of transparency, we present the full data, estimates, and assumptions from the NCS FM Carers Funding Model – that means quite large tables.

4.1 The proportions of carers with an ACSP or YCS

³⁹ SWS ad hoc request for additional HACE data – see Annex to this submission for further analysis.

The FM assumes a “steady state” of 34% of adult carers and 64% of young carers will have current assessments under the Carers Act (Adult Carers Support Plans, Young Carer Statements) at any time. These assumptions are crucial in the calculations and are borrowed from the 2015 FM for the then Carers (Scotland) Bill.

66/67. Table 10 shows the number of carers by intensity of caring and our estimate for how many will have ACSP/YCS in the steady state. The distributions assume that 80% of carers in the 50+ hours per week band will have plans/statements, with reducing proportions for less intensive bands and with the balance in the <20 hours per week band to give total proportions of 34% and 64%. [Page 19]

SWS Table C7: Number of carers and proportion expected to have ACSP / YCS in steady state

	<20 hours a week	20-34 hours a week	35-49 hours a week	50 or more hours	Total
Number of adult carers	624,864	59,280	29,640	125,215	839,000
Number of carers with ACSP	143,592	23,712	17,784	100,172	285,260
Proportion of carers with ACSP	23%	40%	60%	80%	34%
Number of young carers	27,900	900	300	900	30,000
Number of carers with YCS	17,670	585	225	720	19,200
Proportion of carers with YCS	63%	65%	75%	80%	64%

Source: FM Table 10

In the table above the 40%/60%/80% estimates for the proportions of adult carers in the three 20+ hours bands are judgements which generate the respective numbers of carers with ACSPs, these are added up and subtracted from the total given by the 34% assumption – the remainder is then the number of assessed carers in the residual under 20 hours category, with turns out to be 23%.

We have four significant criticisms:

- (1) The adoption of the same key percentages (34% and 64%) for carers with an ACSP or YCS has the effect that **no additional funding is provided for Carers Act assessments**, which councils are assumed to have now received in full with the final instalment of the Carers Act funding made in the 2022-23 Local Government Finance Settlement. But this is not strictly accurate. **Firstly**, the 2015 FM used unit-costs at 2013-14 prices, these were never updated for inflation either for first year funding for 2018-19, or for final funding in 2022-23. So local authorities never had the full amounts. **Secondly** the numbers of adult carers have increased, offset by a lower figure now used for young carers: **the net impact is 23,000 additional un-costed assessments**, costing around **£5m** at the 2015 FM unit costs for assessment, uprated from 2013-14 values by 2% per year.

SWS Table C8: Comparison between 2015 Carers Act FM and 2022 NCS FM numbers of carers

	Total number of carers		% assessed	Total numbers of carers with ACSPs or YCSs		
	2015 FM	2022 FM		2015 FM	2022 FM	Difference
Adults	745,000	839,000	34%	253,300	285,260	31,960
Young carers	44,000	30,000	64%	28,160	19,200	-8,960
Total	789,000	869,000		281,460	304,460	23,000

- (2) No allowance has been made for an increase in demand for Carers Act Assessments, which is likely to follow publicity that carers now have “a right to breaks from caring”, assuming the NCS becomes an Act and is enacted. That seems implausible.

- (3) The 2015 FM judgement that 34% of adult carers would want an assessment was based on carer satisfaction data - changes in that data since then have not been taken into account. We discuss this further in section 4.2.
- (4) 1,200 Young carers provide full time care, most of which is for 50 hours a week. It is difficult to understand why the policy objective is not to assess the needs of *all* young carers providing these volumes of care, in which case the FM judgement that 64% of young carers would want an assessment should be revised upwards, rather than retained for consistency with the 2015 Carers Act FM.

4.2 Carer satisfaction and the basis for the % of carers with an assessment

The justification of these 34% and 64% estimates remains that given in paragraphs 56 and 64 of the original 2015 Financial Memorandum⁴⁰ to the Carers (Scotland) Act 2016; we consider paragraph 56 first:

56. [...] The estimate is that over time 34 per cent of adult carers will be the highest percentage of carers who will have an ACSP. This is based on a number of factors relating to the evidence including the fact that 44 per cent of carers currently feel supported to continue caring (Scottish Health and Care Experience Survey) but that some who do not feel supported will opt out of the ACSP because they want more support from family and friends: 32 per cent of carers reported that caring had a negative impact on their health and wellbeing (same survey); and 42 per cent of carers⁴¹ who provide 35 hours or more of care do not receive any support (Scottish Health Surveys 2012 and 2013). Moreover, some carers will continue to be assessed through the community care assessment/disabled child's assessment and other assessments and will not want the ACSP. [...] It has to be acknowledged that the percentage of adult carers with an ACSP might be more than 34 per cent over time but it is very difficult to be accurate about this. (2015 FM, Page 39).

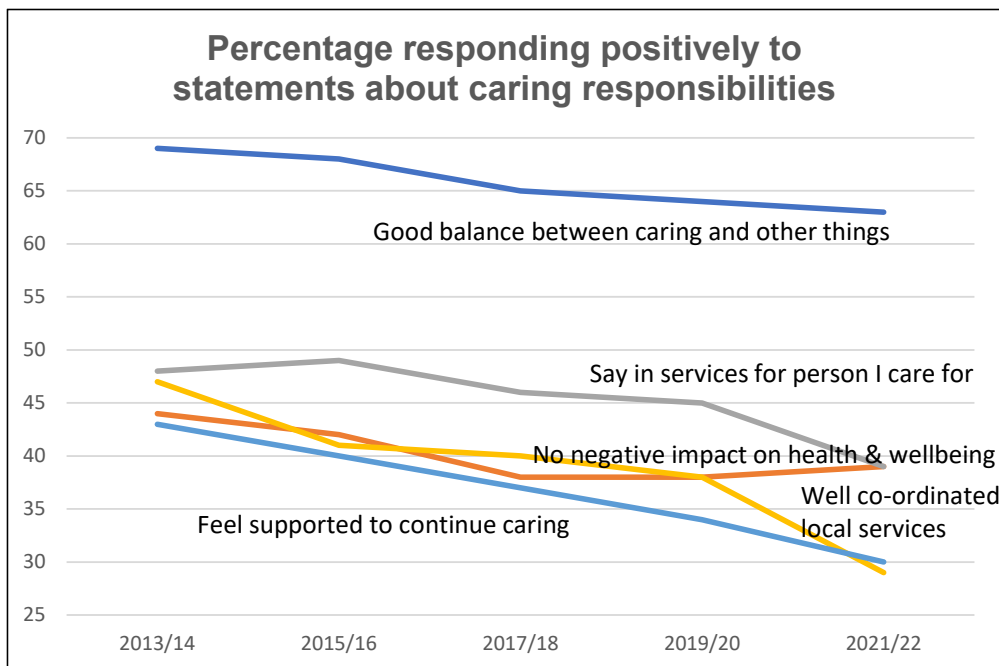
This opaque text shows how difficult it is to make judgements about carers' needs in the absence of reliable data. It is not clear how the various quoted HACE survey figures about adult carer satisfaction feeds into a judgement that that 34% of carers will have had an ACSP once the Carers Act is fully implemented, and that this will be the annual steady state thereafter. However, *what is clear* is that carer satisfaction has fallen sharply since then – see graph overleaf.

If we take the average of the five satisfaction scores each year, then they decrease by 10 percentage points since the 2013-14 data used in the 2015 FM: from 50.2% satisfied to 40%. So, in the absence of better proxies for need, **there is a prime facie case for increasing the adult carer percentage requiring an ACSP from 34% to 44%**. That would add another 83,900 un-costed ACSP assessments, to be put through the funding model with consequential short breaks and replacement care costs. We have not run those changes through the costing model.

We agree that the figure for young carers should be higher than for adults. The steady state estimate that 64% of young carers should have should have a Young Carer Statement did not have a clear basis in the 2015 Carers Act FM. It difficult to assume that just over a third of young carers do not need an assessment of the impact of caring on their childhoods, health and education, because they are already well-supported. Data from the Scottish Health Survey on support to child carers aged 4-15 has not been published. In the higher caring groups (35+ hours per week), should the aim not be 100%?

⁴⁰ [https://archive2021.parliament.scot/S4_Bills/Carers%20\(Scotland\)%20Bill/b61s4-introd-en.pdf](https://archive2021.parliament.scot/S4_Bills/Carers%20(Scotland)%20Bill/b61s4-introd-en.pdf)

⁴¹ This hasn't much changed, an SWS ad hoc request for the Scottish Health Survey for 2012-19 (the survey is small so data for four years is aggregated) show the most recent figure is that 41 per cent of carers caring for 35 hours a week have no support from any source. This question was not asked in 2020.



Source: HACE published reports.

4.3 Adult carers personalised breaks support

SWS Table C5 shows the key steps in the FM calculations: shaded cells are input variables; the rest are derived statistics and cost outputs.

SWS Table C9: Adult carers personalised breaks support

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total	20+	35+
Adult carers	624,864	59,280	29,640	125,215	839,000	214,135	154,855
Proportion of adult carers with ACSP	23.0%	40%	60%	80%	34%	66.2%	76.2%
Number of carers with ACSP	143,592	23,712	17,784	100,172	285,260	141,668	117,956
Proportion of carers with ACSP receiving carer breaks	10%	20%	40%	60%	30%	50.8%	57.0%
Number of adult carers receiving carer breaks	14,359	4,742	7,114	60,103	86,318	71,959	67,217
Percentage of all carers with breaks	2.3%	8%	24%	48%	10.3%	33.6%	43.4%
Number of carer breaks per adult carer	1	2	2	3	2.5	2.8	2.9
Cost per break (Carers Act PM £300, uprated to £360 (2022-23))	£360	£360	£360	£360	£360	£360	£360
Cost of carer breaks (£m)	£5.169	£3.415	£5.122	£64.911	£78.617	£73.448	£70.033

Sources: Scottish Government NCS Carers funding model – central estimate

We note that 10.3% of all adult carers would have an average of 2.5 break per year. This compares with Scottish Health Survey data for 2016-19 which has consistently shown only 3% of all adult carers receive a “break/ respite”. Ad hoc data from the same survey shows that only 9% of full-time unpaid carers (caring for 35+ hours per week) received a break: the intention implied by the Funding Model is that this will rise to 43%. Both increases do not include “Easy Access Breaks”, which we discuss later. There is no data on the frequency of breaks.

The number of **carer breaks per adult carer** is problematic. We agree that people who care for longer hours each week will on average need more breaks. We do not agree that the number of

breaks needed will be on average the same (2 per year) for carers providing 35-49 hours a week, as it is for carers providing 20-24 hours per week. Full-time carers need more. (For illustration only, an average of 2.5 breaks per year, instead of 2 for the 35-49 hours group costs about £2m more). The issue would benefit from consideration in tandem with the duration of breaks, discussed after unit costs.

Those average **unit costs** of £360 per break look too low, especially if overnight stay away from home is needed. The figure used in the Funding Model is based on an inflation uplift of the 2015 Carers Act FM costing of £300 per break, itself based on data on “Time to Live” grants to help support carers to take short breaks, in 2012-13 this averaged £304⁴². Councils, and subsequently Care Boards, will need to set personal budgets in relation to assessed needs, rather than set each one at £360 per break.

There is also no consideration of the **duration** of the break. **So, the “right to a break” is not a right to any particular minimum duration, but only whatever breaks is assessed as sufficient to meet unmet needs.** Full-time carers, the vast majority of whom will not have had a holiday for some time – according to the statistics about receipt of breaks – may be assessed as requiring a break of at least a week away from caring: £380 will not cover any of those costs. According to one website⁴³, “a vacation [in] the United Kingdom for one week usually costs around £852 for one person”. We do not know how much of such costs could be met from carers’ own resources.

Many carers cannot take a break without replacement care being available for the person they care for – we discuss this for adult carers before considering personalised breaks for young carers.

4.4 Adult carers and replacement care

The costing model is quite complicated here. Again, the key input assumptions are shaded.

SWS Table C10: Adult carers whose personalised breaks support requires replacement care

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total	20+	35+
Number of carers with ACSP	143,592	23,712	17,784	100,172	285,260	141,668	117,956
Proportion of adult carers with ACSP that receive replacement care	5%	10%	20%	50%	22%	50%	41%
Number of adult carers receiving replacement care	7,180	2,371	3,557	50,086	63,194	56,014	53,643
As percentage of adults receiving carer breaks	50%	50%	50%	83%	73%	78%	80%
As percentage of all adult carers	1%	4%	12%	40%	8%	26%	35%
Of which % residential care	0.0%	10.0%	30.0%	65.0%	53.6%	60.4%	62.7%
Of which % home-based care	100.0%	90.0%	70.0%	35.0%	46.4%	39.6%	37.3%
Number of weeks replacement care per carer (Adult carers)	1	2	3	4			

⁴² However, this average was restrained by the fact that these grants had an upper limit of £500 at that time. *Time to Live* is providing direct grants to carers (via a local application process managed by Carers Centres) that they can use to help access leisure, recreation, social activities, mini-breaks and other opportunities that meet their personal outcomes. These grants are administered by Shared Care Scotland.

⁴³ <https://www.budgetyourtrip.com/united-kingdom>. This is for visitors from abroad to the UK, but excludes travel costs.

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total	20+	35+
Number of weeks replacement care	7,180	4,742	10,670	200,344	222,936	215,757	211,014
Adults carers supported by residential replacement care	0	237	1,067	32,556	33,860	33,860	33,623
Care home weeks required for replacement care	0	474	3,201	130,224	133,899	133,899	133,425
Care Home weighted average cost, £ per week	£981	£981	£981	£981	£981	£981	£981
Cost of replacement care in care homes, £M	£0.000	£0.465	£3.140	£127.731	£131.336	£131.336	£130.871
Cost per adult carer supported		£1,962	£2,943	£3,923	£3,879	£3,879	£3,892
Adults carers supported by domiciliary replacement care	7,180	2,134	2,490	17,530	29,334	22,154	20,020
Home care hours required weekly per person	8	10	22	22	17.70	20.84	22.00
Home care hours required for replacement care	57,437	42,682	164,324	1,542,649	1,807,091	1,749,655	1,706,973
Average cost £ per hour	£21	£21	£21	£21	£21	£21	£21
Cost of replacement care £M - home care	£1.206	£0.896	£3.451	£32.396	£37.949	£36.743	£35.846
Cost per adult carer supported	£168	£420	£1,386	£1,848	£1,294	£1,659	£1,791
Total cost of replacement care, £M	£1.206	£1.361	£6.591	£160.126	£169.285	£168.079	£166.717

Sources: Scottish Government NCS Carers funding model – central estimate

The model starts with assumptions about the proportion of adult carers with an ACSP that need replacement care. Of course, it is possible to be assessed as needing a short break but not as needing support for the break, as that might be met by the person's family. A much more typical situation is where the replacement care is necessary for a carers to take a break from caring. For that reasons we have shown replacement care as a subset of short breaks support, in the fourth line of the table, highlighted in yellow. It does not seem probable that only half of adult carers requiring a break from full-time caring for 35-49 hours will need also replacement care, and this figure should be increased. The percentages here are consequences of two earlier assumptions:

SWS Table C11: Products of two assumptions:

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total	20+	35+
Proportion of adult carers with ACSP receiving carer breaks	10%	20%	40%	60%	30%	50.8%	57.0%
Proportion of adult carers with ACSP that receive replacement care	5%	10%	20%	50%	22%	50%	41%
Therefore: Proportion of adult carers with personalised Breaks support that receive replacement care	50%	50%	50%	83%	73%	78%	80%

The final row shows what may well have been an unintended consequence: flat line percentages for the first three hours bands is not consistent with the Funding Model's primary assumption that

the need for support rises with increasing carer hours per week. Some adjustment is therefore needed to the first two rows.

The cost of replacement care is more than twice that for short breaks. The assumptions are equivalent to 73% of carers with personalised short breaks requiring replacement care. That's higher than the latest HACE data show (around 63% - see **Annex 1**), but what we don't know is how many carers cannot take a short break because replacement care is not available: both HACE and the Scottish Health Surveys show only 3% of carers have a break. There is a strong case for the Funding Model to increase the percentages of carers receiving breaks in the full-time caring categories

The other key judgement is about **replacement care durations**: how many weeks of replacement care are needed? We agree with the assumption that, on average, this will increase as the weekly hours of unpaid care increase; the assumption that this increases stepwise by one week as we go up to 50+ hours per week (at 4 weeks per year replacement care) seems as reasonable as any judgement that can be made in the total absence of any data collection on such needs⁴⁴.

The cost estimates are highly sensitive to whether residential respite is required, and the number of weeks of replacement care is required to be supported annually. No data is available to help these judgements.

4.5 Costing Adults residential replacement care

Residential replacement care unit costs are £981 per week, based on a weighted sum in the proportions 3:1 of £800.31 (for the national care home contract rate per week for nursing care of £762.20 per week in 2019-20(?) plus 5% inflation uplift to 2022-23), and £1,522.50 (an estimate for respite costs for complex placements, provided by IJB chief finance officers, of £1,450 plus 5% inflation). Certainly, respite beds are more expensive than long-stay beds as the turnover intervals per bed are much higher. The figures were reasonable at the time of calculation; however, the 2022-23 nursing home rate is now £832.10 – updating the model for that change alone adds £3m to the central cost calculations. It is also the case that the national care home contract only applies to local authority purchased places in private and voluntary care homes for *older people*. Prices for adults with learning or physical disabilities are much higher, as are places in local authority care homes. The “complex placement” rate and the weightings may or may not fully capture those costs.

4.6 Costing Adults non-residential replacement care

Home care costs are used to stand for all non-residential costs. The funding model uses £21 per hour, based on average respite homecare rate provided by IJB Chief Finance Officers, uprated by inflation to represent 2022/23 costs (no other information is given in the model). This seems reasonable; the problem is rather the assumptions about how **unpaid care hours convert to replacement paid care hours**. This is not on a one for one basis:

SWS Table C12: Conversion of unpaid hours into paid replacement care hours:

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total
Adults carers supported by domiciliary replacement care	7,180	2,134	2,490	17,530	29,334
Replacement Home Care hours a week in the SG Funding Model	8	10	22	22	17.7
Midpoint hours of unpaid care	10	27.5	42.5	70	
Implied percentage recognised	80%	36%	52%	31%	35.5%

⁴⁴ If the relevant aggregated data from local authority carers assessments existed, it would necessarily only show cash-limited judgements of what people need.

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total
<i>Alternative model</i>					
Replacement HC hours per day	1	2	3	5	
Replacement HC hours per week	7	14	21	35	25.4
% of midpoint	70%	51%	49%	50%	51.0%

We understand that the Funding Model assumptions in the greyed row are based on an analysis of quartile averages for home care hours per client in the March 2020 Home Care Census week. So, the upper quartile average was 22 hours per client and this has been used for the two full-time carer categories, and the lower quartile average of 8 hours per client was used for the under 20 hours a week carer group, with a judgement of 10 hours per client for the 20-34 hours group. One problem with using this data is that some home care clients will be also supported by unpaid care, so the average home care hours per week will understate met needs, as they will for other reasons such as the existence of unmet and partially met needs in a cash-limited care system.

We cannot compare those amounts with the average hours of care provided for each of the four banded hours categories in the model. This is because no survey has asked for the number of hours of unpaid care that was provided yesterday or last week or usually. So, the numbers of carers in these banded hours (with the under 20 hours group split between under 5, and 5-19) are the only data available for the distributions of hours per week of unpaid care. All we can do, therefore, is use the band mid-points as a proxy for medians or means – this is done in the next row, with a judgment that the average for the 50+ hours group is 70 hours. The model's assumed replacement Home Care hours a week are then shown as a percentage of these midpoints to measure the conversion rates from unpaid care to paid replacement care hours – these are in the rows labelled "Implied percentage recognised", which vary with no consistency. This undermines their rationale.

Put another way, we estimate that 1.2 million hours per week of unpaid care at home provided by 29,300 carers is being replaced by 519,200 hours of paid home care on the SG Funding Model, a conversion rate of 36% overall, but varying from 80% for the people with the least unpaid care per week (under 20 hours) group but only 31% for the group with higher intensity needs at 50 or more hours per week. That makes little sense.

A **preferred approach** would be to try to **keep the conversion rate constant**, on the basis that the distribution of unpaid care across the different bands categories for hours per week is indicative of relative needs. We agree that it is reasonable for the conversion rate for the replacement paid care funded by the local authority/care board to be less than 100% of the unpaid care and still be at an acceptable standard; in the real world this would be determined by a personalised needs assessments. For illustrative purposes, we have costed a more generous and consistent alternative which sets the replacement care at 1 hour a day for the least intensive caring group, and for the other groups aims at 50% for each of the mid-point hours, so that two hours of unpaid care is replaced by one hour of paid care as shown in the bottom half of SWS Table C8 above. This would cost an additional £19.1million.

4.7 Young carers and support for breaks

As we have seen, the SG Funding Model assumes that 64% of all 30,00 young carers receive a personalised assessment (a Young Carers Statement). The model assumes that 100% of assessed young carers receive will require a break from caring, so the percentage of all young carers who have an annual break is also 64% - for adult carers it was 10.3%. But while that smaller number of adults had 2.5 breaks a year on average, for young carers the model assumes only one break a year.

SWS Table C13: Young carers personalised breaks support

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total	20+	35+
Number of Young carers	27,900	900	300	900	30,000	2,100	1,200
Proportion of Young carers with YCS	63.3%	65.0%	75.0%	80.0%	64.0%	72.9%	78.8%
Number of carers with YCS	17,670	585	225	720	19,200	1,530	945
Proportion of young carers with YCS with activity enabling break	100%	100%	100%	100%	100%	100%	100%
Number of young carers with YCS with activity enabling break	17,670	585	225	720	19,200	1,530	945
Number of carer breaks per Young Carer	1	1	1	1	1	1	1
Cost per break (Carers Act PM £300, uprated to £360 (2022-23))	£360	£360	£360	£360	£360	£360	£360
Cost of carer breaks (£m)	£6.361	£0.211	£0.081	£0.259	£6.912	£0.551	£0.340
Number of FTE YC Support Workers (at 1:388 carers with YCS)	45.54	1.51	0.58	1.86	49.48	3.94	2.44
Cost of Young Carer Support Workers at £44,520 per FTE, in £ million	£2.027	£0.067	£0.026	£0.083	£2.203	£0.176	£0.108
Total cost of Young Carer Breaks support	£8.389	£0.278	£0.107	£0.342	£9.115	£0.726	£0.449

Sources: Scottish Government NCS Carers Funding Model – central estimate

So young carers are being treated differently than adults; how differently? The Model provides 19,200 breaks to be costed. If this was at 2.5 breaks per person, as for adults, but the total breaks to be costed stayed the same, then the proportion of young carers with a break would be 26%, which is more generous than the 10.3% figure for adults. Policy objectives for support to young carers may well justify higher average levels of support than for adults, reflected in the 2012 and 2022 FM assumptions provide for nearly twice as many personalised assessment⁴⁵s for that of young carers than for adult carers, and 100% of those receiving one break a year. Nevertheless, one break a year seems somewhat low for young carers providing 20-34 hours of care per week, and certainly so for the only 4% of young carers estimated to be caring full-time. **This should be reviewed.**

The one break a year is costed at the same £360 rate as for adults. For 19,200 young carers this works out at £6.6 million a year. In addition, local authorities/care boards seem encouraged to employ or commission “**Young Carer Support Workers**”, the costs for which are based on a scheme in one council area, which has one full time worker supporting 388 young carers, or at least there being that many young carers in the catchment, not all of whom need support. Is that because other forms of support are available in that area, such as a carers centre, or schools which are aware of and support the young carer pupils? These workers are presented as part of the support for young carers with YCSs, and so are part of delivering a legal right to a break. At this level of funding, only £2.2 million is available across Scotland for such schemes.

Perhaps the most baffling aspect of the Funding Model for Young carers is **the lack of any replacement care**. Is this because other family members are assumed to step in to enable the young carers to take a break from the care, for example, of disabled siblings, or a single parent with mental health problems? It seems very probable that all the 1,200 full time young carers and

⁴⁵ The assumptions already discussed that 64% receiving a Young Carers Statement compared to 34% of adult carers receiving an ACSP. We have already provided grounds for these assumptions to be reviewed.

a significant proportion of the 20-34 hours per week group, will need replacement. **We believe this issue should be reconsidered.**

5. EASY ACCESS SUPPORT

As the FM reminds us in paragraph 65/66:

The estimates for personalised support are based on the number of carers with plans and statements, and those for easy access support are based on the balance of carers who do not have plans/statements. [Page 19]

The tables below show the stages in the calculations:

SWS Table C14: Easy Access Breaks Support for Adult Carers

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total	20+	35+
Percentage of Adult carers with no personalised breaks support	77.0%	60%	40%	20%	66%	33.8%	23.8%
Adult carers with no breaks support	610,505	54,538	22,526	65,112	553,740	72,467	36,899
Uptake by Adult carers with no personalised breaks support	10%	40%	40%	40%	21.3%	78.5%	95.0%
Adult carers with Easy Access support	61,050	21,815	9,011	26,045	117,921	56,870	35,055
Easy Access payment per carer	£300.00	£300.00	£300.00	£300.00	£300.00	£300.00	£300.00
Adult carers Easy Access Breaks costs in £m	£18.315	£6.545	£2.703	£7.813	£35.376	£17.061	£10.517

Sources: Scottish Government NCS Carers Funding Model – central estimate

SWS Table C15: Easy Access Breaks Support for Young Carers

Easy Access Breaks Support for Young Carers	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total	20+	35+
Percentage of Young carers with no YCS/personalised breaks support	36.7%	35.0%	25.0%	20.0%	36.0%	27.1%	21.3%
Young carers with no YCS/personalised breaks support	10,230	315	75	180	10,800	570	255
Uptake by Young carers with breaks support	10%	40%	40%	40%	11.6%	40.0%	40.0%
Young carers with Easy Access support	1,023	126	30	72	1,251	228	102
Easy Access payment per carer	£300.00	£300.00	£300.00	£300.00	£300.00	£300.00	£300.00
Young carers Easy Access Breaks costs in £m	£0.307	£0.038	£0.009	£0.022	£0.375	£0.068	£0.031

Sources: Scottish Government NCS Carers Funding Model – central estimate

Most of the total funding will go on adults (£35.4m) because there are many more without a personalised break. The unit costs used an average of £300 per break, which the FM states is “based on feedback from providers of Time to Live and Take a Break Scotland grants” (footnote 9 on page 18). This is not much lower than the £360 unit cost used for personalised breaks provided under the Carers Act. Uptake percentages are assumed to be the same for adult and young carers: at 10% for the under 20 hours a week group and 40% for the other three groups – so the demand for these breaks is not assumed to increase with intensity of caring, which is perhaps

surprising. Again, this seems a departure from the fundamental assumption that support needs increase with intensity of caring, and **should be reviewed**.

There is **no replacement care** associated with Easy Access Breaks in the FM or underpinning Funding Model, despite over 35,000 recipients being assumed to be full-time carers, so many carers who need replacement care will need to go down the personalised local authority/care boards Carers Act assessment route, rather than Easy Access. Presumably, carers centres or the Family Fund will refer carers who need replacement care to these statutory agencies.

The next table shows the combined breaks provision being funded in the Model, excluding the replacement care oncosts and young carer support workers:

SWS Table C16: Combined Breaks, Excluding replacement care and young carer support workers

Combined breaks table Excluding replacement care and YC Support Workers	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours	Total	20+	35+
Total Breaks costs, Gross £M							
Adult carers	£23.484	£9.959	£7.825	£72.725	£113.993	£90.509	£80.550
Young carers	£6.668	£0.248	£0.090	£0.281	£7.287	£0.619	£0.371
Total Gross Breaks Funding	£30.153	£10.207	£7.915	£73.006	£121.281	£91.128	£80.921
Of which Easy Access	£18.622	£6.582	£2.712	£7.835	£35.752	£17.129	£10.547
	62%	64%	34%	11%	29%	19%	13%
Adult replacement care	£1.206	£1.361	£6.591	£160.126	£169.285	£168.079	£166.717
Young carer support workers	£2.027	£0.067	£0.026	£0.083	£2.203	£0.176	£0.108
GROSS GRAND TOTAL FUNDING	£33.386	£11.636	£14.531	£233.215	£292.768	£259.382	£247.746
Estimated current funding					£149.124		
TOTAL NET FUNDING					£143.644		
Total Breaks recipients							
Adult carers	75,410	26,557	16,124	86,148	204,239	128,830	102,272
Young carers	18,693	711	255	792	20,451	1,758	1,047
Total	94,103	27,268	16,379	86,940	224,690	130,588	103,319
Of which Easy Access	62,073	21,941	9,041	26,117	119,172	57,098	35,157
	66%	80%	55%	30%	53%	44%	34%
Breaks recipients as % of all carers							
Adult carers	12%	45%	54%	69%	24%	60%	66%
Young carers	67%	79%	85%	88%	68%	84%	87%
Total	14%	45%	55%	69%	26%	60%	66%

The end result is that 24% of adult carers and 68% of young carers should have supported annual breaks in the “steady state” position. That compares with around 3% in the latest available surveys for adults (the figure for young carers is not published). Total gross costs for breaks are estimates at £121.3 million plus £169.3 million for replacement care and £2.2 million for young carers support workers. This brings the gross total to £292.8m. An estimate of £149m for current local authority funding for support to unpaid carers is then deducted, leaving £143m (rounded down) of which £35.5m per year will be spent by the Scottish Government on easy access short breaks grants schemes with the balance of £107m (rounded down) transfers to NCS Care Board funding.

6. ESTIMATE OF CURRENT LOCAL AUTHORITY FUNDING FOR SUPPORT TO CARERS

All estimated costs for breaks support in the SG NCS Carer Breaks Funding Model are gross total costs, from which an estimate of current local authority funding is netted off. That estimate of **£149 million** is of some importance since it takes off over half (58%) of the gross costs to produce the net central estimates of £143 million. The calculations in the Funding Model are somewhat obscure. A major part of the problem is that there has been no data currently collected on local authority expenditure on “respite care” and other support to carers since 2012-13 when the Scottish Government decided to delete these lines from future local authority financial returns on grounds of poor data quality. Similar considerations about data quality led to the deletion of the respite care service activity statistics collected by the Scottish Government from councils, with 2015 being the last year. The replacement Carer Census is still “data under development” and has many missing or incomplete records, so cannot yet provide robust counts of assessments, care breaks, respite care, and also does not include costs⁴⁶.

The Funding Model takes into account “carer support and respite services” figures from the Grant Aided Expenditure (GAE) “Green Book” used to reach each Council’s service expenditure need totals in the formula that determines each local authority’s annual funding grant settlement from the Scottish Government, but mixes these with some estimates of current spend based on the Scottish Health Survey data on the number of breaks (at 3% of the carer population).

There are two problems here: we do not know what councils spend currently on carer support, and in any case the FM is about funding, so if this is calculated on gross costs to meet total need, at the levels largely determined by the assumptions and judgement in the Model, then it should be only *current funding* that is deducted, to establish the net additional funding required.

The GAE category for carer support and respite services is currently also used to distribute certain funding not associated with carers; excluding that, we have the following amounts:

SWS Table C17: GAE items for carer support and respite services

	£000s
Formerly Frozen GAE, historic levels for carer support and respite	24,125
Redetermination, mentioned in Green Book 2020-21 Notes	2,820
Total for Carers Act implementation by local authorities	83,500
Less Carers Act funding for Assessment (ASCPs and YCSs)	-20,390
Less Carers Act funding for Information & Advice	-3,040
Scottish Budget 2022-23 transfer from H&SC to LG for unpaid carers	5,000
Total	92,015

The reason the assessment and information & advice elements within the Carers Act funding need to be deducted is because this funding is already presupposed by the NCS Carers Funding Model and being excluded from the total costs in the NCS FM is therefore not available to net off the gross costs of the additional levels of breaks and replacement care. In fact, the Funding Model recognises this in a similar adjustment to the Carers Act funding total. The reason for the difference between the £92m total figure in the table and the £149m figure in the Funding Model is that the latter includes around £57m of assumed additional spending. That estimate is unreliable, and if anything like that was being spent over the GAE levels in the last decade, local government austerity will have brought it down. In any case, the logic of the calculation means it has to be *funding* that is counted here, not actual *expenditure* (which the Scottish Government ceased collecting for support to carers in the local government financial returns ten years ago).

⁴⁶ The FM notes that “The Carers Census is currently being reviewed and work is ongoing to support local areas to improve the collection” [page 21].

Of course, the figures in the table do not include and generic funding uplifts that local government received for time to time for social care pressures, some of which could be used fund support to carers. On the other hand, the Carers Act funding shown in the table was calculated at 2013-14 prices and never updated for inflation, but simply put into the local government finance settlements as *cash*, on a phased basis over the five years from 2018-19 to 2022-23. So, the sums in the table will not buy the service volumes assumed when they were calculated.

If £92m was used at the netting off figure against the total Gross NCS and Easy Breaks figure of £293 million, then the Net central steady state funding would be around £200m, not £143 million.

Mike Brown, Treasurer,
Social Work Scotland,

2 September 2022

NEW HEALTH & CARE EXPERIENCE SURVEY DATA ON SUPPORT RECEIVED BY CARERS

The Health and Care Experience survey (HACE), undertaken every two years, is based on a large postal questionnaire sent to a random sample of people aged 17 or over who are registered with Scottish GPs. It includes questions about any caring roles, hours of care provided, five satisfaction questions around services, support, and life/care balance, etc, and a new question on types of support received. 537,924 forms were sent out in November, 130,352 were completed (59% online); a response rate of 24.23%⁴⁷. The results for the new question are shown below:

HACE 2021, New Question 37: Have you received any support to help with your caring role? Please tick all that apply.

	Number of respondents	%	Low CI %	High CI %
<i>Published data</i>				
A written plan about your caring role and support available to you	714	2.99	2.75	3.23
Help from family, friends or neighbours	6,111	27.03	26.39	27.68
Help from Carer Centre/local organisation	2,580	10.86	10.42	11.30
Break(s) from caring	428	1.78	1.59	1.97
Services to replace care you usually provide so you can have a break	498	2.16	1.96	2.37
Other support	1,740	7.73	7.34	8.12
No support or help	13,442	60.12	59.41	60.82
Total carers	22,525			
Of which: some help	9,083	40.32		
<i>SWS Ad hoc request</i>				
Break(s) and replacement care	134	0.58	0.47	0.69
Break(s) but no replacement care	294	1.20	1.05	1.35
Replacement care but no break(s)	364	1.58	1.41	1.76
Total Breaks and/or replacement care	792	3.36		
Written support plan, break(s), and replacement care	53	0.24	0.17	0.31
Written support plan, break(s), but no replacement care	47	0.20	0.13	0.26
Written support plan, replacement care, but no break(s)	68	0.28	0.21	0.35
Total	168	0.72		
Breaks or replacement care but no written support plan	624	2.64		
<i>If not possible without assessment:</i>				
Implied assessments plus written support plans	1,338	5.94%		

Notes: Last two CI columns show the 95% confidence intervals supplied by SG statisticians. For example, 2.99% of carers in the survey sample had a written plan, and there is less than a 5% chance that the true value of this percentage in the total carer population is outside the range 2.75% and 3.23%. Figures in the table calculated by SWS have blanks in these columns

⁴⁷ Responses were lower in cities, and lowest in Glasgow (16%); lowest also in the worst deprivation quintile (15%), compared with 32% in the least deprived; and lowest in the 17-24 age group (10%); compared with people 65+ (44%). To deal with these differences, the responses are weighted up to the total population size for each GP practice, and then to reflect the Scottish population age/sex structure. See HACE Technical Report at: <https://www.gov.scot/publications/health-care-experience-survey-2021-22-technical-report/>

SWS has recently raised a query about the percentages with HACE statisticians, which differ slightly for each question from the survey respondent numbers divided by total respondents identifying as carers (N=22,525). For example, the 6,111 respondents who report “Help from family, friends or neighbours” are 27.13% of the totals of 22,525 respondents, rather than the 27.03% published. (Percentages calculated by SWS have to use the number of respondents divided by 22,525 and are those shown in the table with blanks for the confidence limits columns). Until this is explained (probably in terms to do with sample weighting), the figures shown be regarded as provisional.

The other problem with the table data is the probability that some respondents will not have “ticked all that apply”, but only the main or most important sources of support. For example, nearly half of carers (46%) reporting support in the form of replacement care did not also report having “break(s) from caring”. But the wording of the replacement care question refers to “Services to replace care you usually provide so you can have a break”, so by definition having a break was involved. The questions do not distinguish the source of support, but it is possible that the replacement care was counted because it came from an agency such as the local authority, while the break was taken without this support. Conversely, breaks taken without replacement care reported may have had the latter covered by family members and so be counted under “Help from family, friends or neighbours”.

For these reasons we believe that the figure for breaks from caring at 1.8% is under-reported, and is better understood as including replacement care, which would bring it at 3.4% more into line with the 2016-19 figure from the Scottish Health Survey for “Short breaks or respite e.g. day time breaks, overnight breaks or emergency respite” of 3% (not available unrounded). On that basis, 62.9% of carers with breaks reported receiving replacement. We have not yet requested that figure by hours of caring per week, but clearly it will be much higher for full-time carers.

Similar problems face the interpretation of the responses about assessments of carers’ needs: “A written plan about your caring role and support available to you”, which was only reported by 3.0% of carers responding to HACE in 2021. This significantly lower than the previous HACE question, asked for the first and only time in the October/November 2019 survey. Then, 8.7% of carers answered Yes to Q31 - 'Have you had a carers assessment, now known as an Adult Carers Support Plan or Young Carers Statement?'. It does not seem likely that the change in the wording of the question is responsible for this drop in positive responses. (The 2019 use of Carers Act terminology seems less likely to have been understood than “assessments” also mentioned). It seems more likely that combining this question (to save space) with a new question including other types of support, led some assessed respondents to tick only the support. It is also very likely that there was also a real fall in the number of people receiving an assessment during the restricted availability in Covid-19 circumstances during 2020 and 2021.

Again, we cannot assume that *all* breaks and replacement care were arranged following a local authority assessment of needs, although it seems very likely that most of those reported were, especially for replacement care. It is not credible that 79% (N=624/ 792) of carers reporting a break from caring or replacement care have not had an assessment or written plan. Adding these (N=624) to the number reporting a written plan (N=714), produces a revised estimate of 6% of carers having had an assessment (N=1338/ 22525). This is still below the 2019 total (8.7%), probably reflecting Covid-19 impacts.

Questions of interpretation aside, the main indisputable fact from the HACE new question is that the majority of carers (60%) received no help or support at all, slightly lower than the 68% reported by the Scottish Health Survey for 2016-2019 (combined).

Further analysis work is planned on survey data available about carers in Scotland.

Mike Brown, Treasurer, Social Work Scotland