

Scottish Care Response to the Economy, Jobs and Fair Work Committee Inquiry into Scotland's Economic Performance

About Scottish Care

Scottish Care is the representative body for independent social care services in Scotland. This encompasses private and voluntary sector providers of care home, care at home and housing support services across the country. Scottish Care counts over 400 organisations as members, which totals just under 1000 individual services. Scottish Care is committed to supporting a quality orientated, independent sector that offers real choice and value for money. Our aim is to create an environment in which care providers can continue to deliver and develop the high-quality care that communities require and deserve.

In relation to older people's care, this sector provides 89% of the care home places in Scotland, both residential and nursing. There are more older people in care homes any night of the week than in hospitals – as at 31st March 2016 there were 873 care homes for older people providing support to 33,301 residents any night of the year.

The following comments relate to the social care sector in Scotland, especially from the perspective of the independent care sector. The response utilises the three categories in the Call for Evidence, and addresses trends, challenges and future developments in namely:

- GDP growth and productivity
- Inequality and labour market issues
- Inclusive growth.

GDP growth and productivity

Social Care as an economic asset

Scottish Care has argued for some time of the importance of the increased recognition and acknowledgment of social care as a key sector for the economic and social wellbeing of Scotland. A great deal of the political and media narrative portrays social care as a 'cost', 'expense' and 'drain', rather than recognising social care as a major contributor, asset and source of capacity and innovation. We believe that you cannot talk about Scotland's economic growth and productivity without considering the positive contribution of social care.

Together with other parties Scottish Care, has been involved in research which is currently under way and due for publication in the late spring 2018 which will underline the economic contribution of social care in Scotland as being in the region of several £billions per annum. Given the employment of over 100,000 staff by independent sector providers alone (part of the total of over 200,000 Scots employed in social care) this is perhaps not surprising. What adds to the Gross Domestic Value (GDV) of social care is that the sector is an enabler of others to maintain their employment by providing care and support to some of our most vulnerable citizens. It is a matter of regret that the value of social care is often ignored given its role in employing close to 1 in 13 Scots.

It is in specific relation to the contribution of the SME sector that social care is additionally overlooked. The vast majority of the near 1,000 members of Scottish Care are small family businesses and enterprises, both in care home and care at

home services. This is especially the case in older people's care and support. Unlike other parts of the United Kingdom there is considerable diversity in the nature of business models used within the sector in Scotland. However, over the last ten years and most especially the last five, there has been a re-alignment within this diversity with the loss of more singleton and SME care providers. This trend has led to the increase and growth of medium sized Scottish businesses rather than a sharp growth in cross-national providers as has occurred elsewhere in the United Kingdom.

Sustainability in the care home sector

The nature of the care home sector has changed quite considerably in the last ten years. This is perhaps most noticeable when you consider the profile of the typical individual accessing residential or nursing care home support. Some ten years ago the typical resident would walk into a care home under their own steam and would in all likelihood live on average for between 3 and 5 years. Now there are very few who 'walk' into a care home, and the majority are there for between 18-24 months. Care homes have changed and are now often referred to as 'mini-hospital' dealing with a complex range of co-morbidities with the majority of residents living with dementia and in palliative and end of life stages.

Scottish Care published a number of reports in 2017¹ in which we highlighted the fragility of the care home sector in Scotland. The reasons for this fragility in a Scottish context are numerous but include the high vacancy levels of nurses in social care (31%)²; the over-reliance upon expensive agencies to provide necessary staffing and recruitment and retention difficulties (70% of providers are struggling to recruit for all posts).

This assessment aligns with the overall analysis undertaken by the Competition and Markets Authority financial report, *Care Home Market Study*, 12 in September 2017 which was the largest independent analysis of the care home sector across the United Kingdom. This report underlines the necessity of serious financial investment in a sector which is fundamental to the continuity of person-centred and dignified care in our communities. It acknowledges that there has been a failure to adequately invest in the sector and that without stability from public authorities, there is a very real risk that the financial sector will not engage in the level of investment and support needed not just to maintain provision as it is but to grow and innovate in the future.

There are also fundamental issues with the funding model for care homes.³ Together with Cosla and the Integrated Joint Boards, Scottish Care has been working on developing a transparent Indicative Cost Model for care home provision. We are nearly at the end of that journey. However, the impact of measures such as the Scottish Living Wage and the Apprenticeship Levy, alongside restrictions on local authority and IJB funding, are having a real adverse impact. For instance, it is often stated that there has been an increase in the amount given to care homes as part of the National Care Home Contract over the last three years of 13.8% - what is ignored is at the same time staffing costs have increased on average between 24-26% and commodity costs have increased by 8%.⁴ The sums don't add up and what we are

¹ See *Care Home Workforce Data Report* (July 2017): <http://www.scottishcare.org/wp-content/uploads/2017/07/Care-Home-Workforce-Data-2017.pdf>

² See *Independent Sector Nursing Data Report 2017* (November 2017): <http://www.scottishcare.org/wp-content/uploads/2017/11/Nursing-Survey-Data-Report-Nov-2017.pdf>

³ See http://www.parliament.scot/S5_HealthandSportCommittee/Inquiries/Scottish_Care.pdf

⁴ See *Scottish Care statement on care home funding* (February 2018) <http://www.scottishcare.org/scottish-care-news/scottish-care-media-statement-on-public-funding-of-care-homes/>

increasingly faced with is an under-resourced, under-staffed sector finding it very difficult to sustain itself in a manner which enables innovation and growth.

Despite the apparent aspirations of some policy theorists the reality is that even with enhanced care in the community and an emphasis on independent living, we will continue to need significant elements of care home and nursing home provision. There is a real concern that we will not have that resource available to the extent which is needed to sustain the wider Scottish economy never mind the social care system per se.

Sustainability in care at home and housing support

In January 2018 Scottish Care published a report⁵ on the sustainability of the care at home and housing support sector following research in late December 2017. It made worrying reading and confirmed other work published in 2017. It stated that:

- Nearly 40% of care at home services handed work back to Local Authorities in 2017 on the basis of sustainability and capacity
- Half of home care services did not apply for contracts offered by their Local Authority in 2017 on the same grounds
- 86% of home care services are concerned about their sustainability and survival in 2018, with nearly a quarter extremely concerned.

Alongside evidence that 9 out of 10 providers are struggling to recruit, the care at home and housing support sector is in desperate need of strategic attention and increased funding. The current commissioning model has led to a drive to the bottom in terms of prices and contracts are now being issued, and electronically monitored, with levels of funding which are unsustainable and demeaning of both those who receive support and those who work in care.

Unfortunately, these findings only serve to consolidate what we already know and what we have been telling Scottish Government, Health & Social Care Partnerships and commissioners throughout 2017. It means we have a huge number of home care services willing and able to provide high quality care in people's own homes but who are stifled from doing so by a drive to the bottom by Local Authorities within current commissioning practices in terms of pay and conditions offered to those services delivering that care. The inability of services to recruit and retain staff and to pay them a good wage further cripples these essential services. We are faced with a reality where a quarter of services are not sure they will still be operating this time next year.

Inequality and labour market issues

Any assessment of both the performance and future of social care in Scotland has to be set within the wider reality of considerable demographic challenge and opportunity. Our ageing population will increase by 86% by 2037 and this will inevitably mean a higher proportion of individuals seeking to access social care support.

There are also significant issues faced by the social care sector in Scotland as a result of the Brexit decision. Scottish Care has already given evidence on these challenges

⁵ See *Care at Home Contracts and Sustainability Report* (January 2018): <http://www.scottishcare.org/wp-content/uploads/2018/01/SC-Care-at-Home-Sustainability-report-2017.pdf>

but in summary we would contend that between 6-8% of the overall social care workforce of our members and between 8-12% of nursing staff are EEA in origin.⁶ The level of uncertainty which still pervades the Brexit settlement is already having a profound impact on the care home and care at home sector. It is unclear into the future how this might be addressed.

There are also particular issues of inequality facing the workforce. With a workforce which is predominantly female (86%) and with a majority over the age of 45, Scottish Care has stated that there is a real issue of gender segregation within social care in Scotland which must be urgently addressed. In addition, whilst the payment of the Scottish Living Wage has in some ways been a step forward, it has been well documented that social care is still a career which is poorly rewarded, recognised and societally valued.

Inclusive growth

Self-directed support

Scottish Care has consistently supported the extension of choice and control to citizens in their use of and access to social care. Our continued support of Self-directed Support recognises it as one of the most progressive and permissive pieces of social care legislation anywhere in Europe. We are fully supportive of the Act's intention to increase individual choice, give greater control to supported people and thus to enhance a human rights and outcomes-based approach to support and care. It is in this context that we are especially concerned and disappointed at what we would argue has been a failure to robustly implement this positive legislation. This has been a real missed opportunity which would have significantly enhanced Scotland's economic performance over the last period of time, and which still has potential into the future if properly implemented.

We would agree completely with the critique and analysis offered by Audit Scotland⁷ in their recent report and in their hearing before the Public Audit Committee of the Scottish Parliament in December 2017. However we would contend that even this does not go far enough. In addition, we would commend to the Committee the recent publication on human rights and Self-directed Support.⁸

Specifically in terms of the economy, there has been lost potential of SDS as a result of the focus on older people being inadequate.

The initial priority groups for implementation were perhaps not surprisingly those with learning and physical disabilities. There was comparatively little attention given to the prospect of older individuals accessing SDS. This is reflected in recent statistics which evidence, in particular, little positive uptake of Option 2 by those over 65. Too often we still hear phrases such as '*older people are happy with what they receive*' or '*this is going to be too much hassle for older individuals*' and so on. Such arrogant utterings or even unconscious presumptions have no place in the arrangement of care for older Scots. At the heart of this is the ability of older people to exercise equal rights under the law, to be empowered to exercise these rights and to be resourced to access these rights. We have to begin to ask ourselves whether such a resistance

⁶ See: http://www.parliament.scot/S5_HealthandSportCommittee/Inquiries/BREX031_Scottish_Care.pdf

⁷ See Audit Scotland Report on Self-directed Support (2017): http://www.audit-scotland.gov.uk/uploads/docs/report/2017/nr_170824_self_directed_support.pdf

⁸ See: <https://www.centreforwelfarereform.org/uploads/attachment/579/selfdirected-support-your-choice-your-right.pdf>

is illustrative of an unconscious yet systemic discrimination against the granting of control, choice and thus power, to older citizens.

Mechanisms need to be found and best practice built upon which will enable older people to exercise control and choice when they access social care in the form of care at home and housing support or care home support. We know SDS can work for older Scots, so we must engage in extensive illustration of the potential.

Integration of health and social care

Once again, we would contend that there has been a failure to maximise the opportunities which the Public Bodies legislation proffered. There has been too much attention on structures and process and much less focus on engagement and outcomes. The economic benefits of ensuring care is closest to those who needed it where they desired care and health have not been forthcoming, not least because of the failure to adequately transfer resource from the acute sector into the community. A vibrant and healthy economy cannot be based on a continued focus on preserving outdated models of health and care which are based within an acute paradigm. The critical under-resourcing of social care has in part been because of failure of resolve to address the inefficiencies within our health sector.

This is especially evident in the demonstrable failure to invest in early intervention and prevention approaches to health and care. Scottish Care presented a vision of a reformed homecare sector in early 2017.⁹ That vision was rooted in the principles of prevention, self-management and time flexibility. We would argue that economic benefit and positive social care impact will only arrive when there is an overall political will and local Integrated Joint Board level desire to invest in preventative approaches.

Social care and older people's care and support has much to contribute to Scotland's economic wellbeing but to do so its role needs to be recognised, valued and resourced. We hope the next ten years will evidence economic progress in that regard.

Scottish Care would happy to provide further information.

Please contact:

Becca Gatherum
Policy & Research Manager
becca.gatherum@scottishcare.org

⁹ See *Bringing Home Care: a vision for reforming home care in Scotland* (May 2017): <http://www.scottishcare.org/wp-content/uploads/2017/05/SC-Bringing-Home-Care-FINAL-LoRes.pdf>