

Scotland Excel

To: Executive Sub-Committee

On: 19 March 2021

**Report by:
Chief Executive of Scotland Excel**

Care Update

1. Introduction

The purpose of this report is to provide an update on contracts within the care portfolio and on the potential impact of the recommendations from the Independent Review of Adult Social Care.

2. Contract Updates – Children’s Services

Fostering and Continuing Care

The Fostering and Continuing Care framework renewal is being finalised for publication, having been postponed due to Covid19. It is anticipated that the outcome of the process will be presented at the June Executive Sub Committee for approval. This framework will build on the successes of the current framework and, in addition, aims to provide local authorities with greater transparency around the costs of continuing care by seeking indicative costs for these placements in the tender as the basis for discussion when agreeing individual placements

Secure Care

In line with the contractual terms, the first opportunity for secure care providers to seek a fee uplift has opened with three of the four providers seeking an increase well in excess of inflation. The main driver for the requested increases is staffing costs.

Scotland Excel has agreed with partners from COSLA and Scottish Government that the contract fee rate for 2021/22 should not include any forecast cost pressures associated with Covid19. Discussions are ongoing regarding funding for covid-specific cost pressures from April onwards.

Initial negotiations with the three providers who have sought uplifts have taken place and are due to be finalised with any agreed fees in place for 1 April 2021.

Children's Residential Care and Education including Short Breaks

Fee reviews are also taking place with providers of children's residential care, care and education, education only and short breaks. Just over half of framework providers have submitted fee review requests. A wide range of increases have been sought with some in line with anticipated cost benchmarks and others in excess of these. A Common key cost driver is increased staffing costs and an attempt to bring salaries in line with local authorities.

As with secure care, covid-specific cost pressures are not being considered as part of the fees for 2021/22. Analysis and negotiations are currently taking place with any agreed fees expected to take effect from 1 April 2021.

There are seven Grant Aided Special Schools (GASS) in Scotland, all of which are participating in the national framework. The majority have submitted requests to vary their fee mainly as a result of the phased withdrawal of the Scottish Government revenue grant from the GASS in line with 'The right help at the right time in the right place: strategy for the learning provision for children and young people with complex additional support needs 2017-2026¹'.

In addition, some GASS are reporting significant concerns with financial stability as a result of a historical inability to vary fees in line with market factors under previous grant funding arrangement. The GASS increase requests and associated impact to local government are significant, however not unexpected. Analysis and negotiations are continuing with providers with any agreed fees in place for 1 April 2021.

3. Contract Updates - Adult Social Care

Care and Support

The Care and Support Flexible Framework (1318) went live on 1 April 2020 comprising 78 providers, offering 315 services across 22 geographical areas for the councils who have committed to use the framework.

The flexible framework was reopened on 2 October 2020 and this second release received a good response. The post tender negotiation (PTN) meetings have resulted in a positive outcome, particularly for the councils preparing to use the framework from 1 April 2021. The PTN exercise targeted providers where elements of their rate exceeded expected levels as well as those where there was concern about financial sustainability due to low fees. The estimated impact of the PTN includes annual cost avoidance of circa. £900k per annum as well as increased clarity on local variables.

It is anticipated that new providers are appointed to the framework on 1 April 2021. This will increase participating providers to 120 offering over 400 services.

¹ <https://www.gov.scot/publications/right-help-right-time-right-place-scotlands-ten-year-strategy-learning-provision-children-young-people-complex-additional-support-needs/pages/1/>

The Adult Social Care Team are supporting a number of councils to migrate to the framework from 1st April and beyond, developing material to support local mobilisation to compliment local commissioning processes.

Those who are not participating in the framework at this time are kept up to date with regular communication and are offered the opportunity of bespoke benchmarking against current arrangements.

The annual price review for care & support is underway. It was anticipated that the analysis including any clarifications and negotiation, would take place in February and March 2021 with approved variations taking effect 1 April 2021.

On 16th February the Cabinet Secretary for Health & Sport announced a national approach to the living wage increase in adult social care for 2021/22. Scotland Excel are seeking guidance on the scope and plans for this to determine the impact on the framework negotiation processes. An update in relation to this will be shared with local authorities as soon as possible.

National Care Home Contract

Scottish Care set out their opening position for the fee negotiation this year in a paper seeking increases of around 40% to the fees from increases to provider return & capital return and changes to both occupancy and efficiency levels. This proposal was rejected, and more recent discussions have focused on the workforce and areas for potential improvement in pay & conditions.

These discussions are complicated by national work which is ongoing in relation to fair work. This group, has not yet concluded its recommendations in relation to areas highlighted by Scottish Care and therefore no formal policy has been agreed or funding made available.

Scotland Excel proposes to make an offer to the sector based on the agreed cost model and benchmarks for uplift, an approach which has been endorsed by COSLA Leaders, and which includes a living wage uplift for care workers. In relation to other fair work elements there is scope for the offer to include an option to revisit the cost model and rate once the fair work group has concluded recommendations, should funding be made available.

4. Independent Review of Adult Social Care

The report on the Independent Review of Adult Social Care, chaired by Derek Feeley, was published last month.

While the report finds social care provision in Scotland to be built on strong foundations and acknowledges examples of excellent practice it concludes that is the current system of social care is one of unrealised potential. Examples of this include key policy directives, such as self-directed support, which are seen to be innovative but with significant “implementation gaps” between policy and practice. The report is critical of the current structure citing a lack of process in health and social care integration.

Amongst the report's 53 recommendations is the creation of a National Care Service, a new minister for social care and reformed Integrated Joint Boards. The recommendations include significant change to the role of local authorities - to one of delivery partner - as legal responsibility for social care shifts to the new Integrated Joint Boards.

The report is critical of current procurement and commissioning practices, calling for an ethical approach to commissioning with clear recommendations to increase collaboration and to reduce competition between providers. In her opening address to parliament during the debate on the review recommendations, the Cabinet Secretary confirmed areas for immediate action included ethical commissioning.

Other key themes in the report include:

- The need to challenge some of the prevailing narrative about social care and reframe this as an investment
- Focus on human rights and ensuring individuals are at the centre of any decisions about their care
- Focus on outcomes rather than outputs and budget considerations
- Increased support for and recognition of unpaid carers
- Better recognition and reward for the social care workforce
- Increasing levels of provision to tackle unmet need
- The need for better use of technology and innovative models of care

The potential impact on both local authorities and Scotland Excel is significant should the recommendations be accepted in full. Scotland Excel plans to explore expectations in relation to immediate action on ethical commissioning with Scottish Government as well as the longer-term implications for Scotland Excel's role should responsibility for social care no longer sit within local government.

Scotland Excel is well placed to support the implementation of recommendations in relation to procurement & commissioning practice.

5. Recommendation

Members are invited to:

- note the contract updates provided;
- support the proposed approach to concluding the NCHC fee negotiations; support plans to work with key stakeholders to consider the potential impact of the recommendations on Scotland Excel's role in social care; and
- support Scotland Excel's plan to explore the potential to undertake an active role in implementing recommendations relating to commissioning & procurement.