



Item No: DA02

Meeting Date: Wednesday 13th May 2020

**Glasgow City
Integration Joint Board**

Report By: Sharon Wearing, Chief Officer: Finance and Resources

Contact: Sharon Wearing

Tel: 0141 287 8838

SCOTTISH LIVING WAGE SETTLEMENT (2020/21)

- PROVIDER RATE UPLIFTS (GLASGOW PURCHASED SERVICES CONTRACTS)
- SLEEPOVER RATES
- DIRECT PAYMENT RATE UPLIFTS

Purpose of Report:	To advise Glasgow City Integration Joint Board of the Scottish Living Wage Settlement for 2020/21.
Background/Engagement:	Since April 2016 the Scottish Government's financial settlements for Glasgow City Council have contained a contribution to support an uplift in the Scottish Living Wage. This funding was used to support local uplift awards to Providers and Direct Payment recipients who complied with Scottish Living Wage rates. On 12 April 2020, the Cabinet Minister announced a national increase of 3.3% for 2020/21.
Recommendations:	The Integration Joint Board is asked to: a) note the report; b) agree that the Partnership will offer a 3.3% uplift to overall Provider rates within Glasgow Purchased Services Framework; c) agree that the Partnership will offer a revised Sleepover rate of £11.48 in recognition of Scottish Living Wage requirements;

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	<p>d) agree that the Partnership will apply a 3.3% uplift to Direct Payments;</p> <p>e) note that this will be subject to Providers confirming they will pay the Scottish Living Wage from 6 April 2020;</p> <p>f) note that the rate increase will be effective from 6 April 2020;</p> <p>g) note that ability to fund future rate increases will be impacted if funding for the 2020/21 uplift is not provided recurrently in the base line settlement for 2021/22; and</p> <p>h) direct the Council to include the Scottish Living Wage obligations in its financial planning, should the Scottish Government funding cease.</p>
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Relevance to Integration Joint Board Strategic Plan:

The delivery of good health and social care outcomes is dependent on the quality of care delivered by providers with whom we contract. This uplift improves conditions for staff and organisations and should contribute to improved health and wellbeing outcomes for staff and service users.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	Outcome 9. Resources are used effectively and efficiently in the provision of health and social care services
Personnel:	No impact on Partnership personnel.
Carers:	No direct impact on carers, however, the current shape of service provision must move beyond a dependence on paid employee inputs only, to one that also includes an increased use of technology enabled care and other support networks being deployed in care support not just for the service user but also for their carer.
Provider Organisations:	This settlement assists Providers deliver the Scottish Living Wage and assists financial sustainability.
Equalities:	No EQIA carried out as this report does not represent a new policy, plan, service or strategy.
Fairer Scotland Compliance:	This settlement supports the delivery of a Fairer Scotland.

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Financial:	<p>The proposal of the 3.3% uplift will cost £4,847,000. It is proposed to fund £3.966m from the IJB's 2020/21 budget, with the remaining gap of £0.881m to be funded by the Scottish Government as part of the Greater Glasgow and Clyde Health Board Mobilisation Plans.</p> <p>It should be noted that at this stage it is not known if the additional funding being provided by the Scottish Government will be provided on a recurring basis. This will need to be reviewed once the budget settlement figures are provided for 2021/22 and could impact on the uplift which can be provided recurrently from 2021/22.</p>
Legal:	<p>From a legal perspective the Council is unable to force Providers to implement the Scottish Living Wage as the Scottish Living Wage is not enshrined in law. That said, the Council supports the implementation of Fair Work Practices including the Scottish Living Wage via it's contracting and procurement processes and will continue to encourage and incentivise providers to comply.</p> <p>No option for delivering the Scottish Living Wage is free from the risk of legal challenge. The approach adopted for 2020/21 is consistent with the approach taken in previous years and presents the least risk.</p>
Economic Impact:	None.
Sustainability:	None.
Sustainable Procurement and Article 19:	None
Risk Implications:	As above for Legal.
Implications for Glasgow City Council:	Risk of challenge from Providers.
Implications for NHS Greater Glasgow & Clyde:	None.

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Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	
	2. Glasgow City Council	✓
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	

1. Purpose of Report

- 1.1 To advise Glasgow City Integration Joint Board of the Scottish Living Wage Settlement for 2020/21. On 12 April 2020 the Cabinet Secretary announced a national increase of 3.3% to contract hourly rates to ensure that the wider workforce receive payment for the Living Wage and to recognise the efforts in the response to COVID-19.
- 1.2 In accordance with this announcement, the proposal for Glasgow is to offer;
- i) A 3.3% uplift to the overall Provider rates within Glasgow Purchased Services.
 - ii) Providers a revised sleepover rate of £11.48 in recognition of Scottish Living Wage requirements.
 - iii) An increase of 3.3% to Direct Payment rates.
- 1.3 Implementation date will be 6th April 2020. Personal budgets will be updated by 3.3% as part of the implementation plan.

2. Background

- 2.1 From April 2016 the Scottish Government's financial settlements for Glasgow City Council contained a contribution to support an uplift in the Scottish Living Wage. This funding was awarded to Providers and Direct Payment recipients who complied with Scottish Living Wage rates as follows:
- 3.1% on rates from 1 April 2016
 - 2.5% on rates from 1 May 2017
 - Introduction of a transitional sleepover rate to £9.38 from 2 October 2017
 - 2.8% on rates from 9 April 2018, revised sleepover rate of £10.86
 - 2.3% on rates from 8 April 2019 (Purchased Services Framework 2015, supported accommodation and supported living services), revised sleepover rate of £11.11

These measures represent to date an investment of £21.7m in Scottish Living Wage and sleepover payments.

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3. Proposed Increase

- 3.1 The new Living Wage rate as announced by the Living Wage Foundation is £9.30 per hour. The proposed uplift of 3.3% will support the uplift in the Living Wage rate from £9.00 to £9.30. This national agreement which is not the normal arrangement, has been made on the basis that additional costs in relation to applying this uplift will be met by Scottish Government. The additional costs would be where the national uplift of 3.3% is greater than the uplift that would have been applied so may not apply in all areas.
- 3.2 The Scottish Living Wage settlement for the National Care Home Contract, is the subject of a separate report to the IJB.
- 3.3 This report proposes an increase in rates for all Purchased Services. Excluded from this award will be those services governed by national contracts, such as the National Care Home Contract (see 2.3) and Scotland Excel (ie Residential Schools).
- 3.4 This offer will be subject to Providers confirmation that they agree to pay the Scottish Living Wage. From a legal perspective the Council is unable to force purchased providers to implement the Scottish Living Wage as the Scottish Living Wage is not enshrined in law. That said, the Council supports the implementation of Fair Work Practices including the Scottish Living Wage via it's contracting and procurement processes and will continue to encourage and incentivise providers to comply. The position at March 2020 is that the vast majority of purchased providers have confirmed that they are paying the Scottish Living Wage. There are 5 providers who have not yet done so.
- 3.5 Direct Payments provide service users with an alternative to commissioned services, promoting independence and self-directed care. As with previous Scottish Living Wage increases, it is proposed to increase Direct Payment rates by 3.3% consistent with that for Purchased Services.

4. Sustainability

- 4.1 The IJB is committed to contracting with providers on a sustainable basis and this has been reflected in the 2019 Framework. As outlined in section 2.1 providers have received successive increases to their contracted value to assist with this.
- 4.2 In partnership with service users, disabled persons organisations, carers, social care providers, advocacy organisations and the Care Inspectorate, the partnership is developing a transformational change programme in relation to the provision of overnight supports in Glasgow. A key feature of the change project is assessing the contribution that assistive technology and localised responder services can make in continuing to ensure that people who have overnight support needs are well supported in their own homes.

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5. Funding

- 5.1 The proposal of the 3.3% uplift for the Scottish Living Wage will cost approximately £4.847m. Implementation date will be 6 April 2020.
- 5.2 The IJB approved the budget on 25 March 2020. As part of this budget £4.664m was allocated for the uplift to the National Care Home Contract and the Scottish Living Wage. This paper also had a provisional sum of £6.000m for demographic pressures in 2020/21. The IJB has recently approved the nationally agreed uplift to the National Care Home Contract, which will cost £2.423m. This leaves a balance of £2.241m available as a contribution to the Scottish Living Wage uplift proposed above.
- 5.3 In normal circumstances the uplift to providers would be negotiated locally and approved by the IJB. Our local proposal would have been to provide an uplift of 2.7%, at a cost of £3.966m, which is in line with previous years uplifts where the staff element of the rate was uplifted for Scottish Living Wage.
- 5.4 The Scottish Government have been clear that they would meet the additional costs associated with the national uplift (please see attached letter from the Cabinet Secretary). It is therefore proposed that the IJB meets the costs associated with the planned 2.7% uplift. This can be funded from the balance of £2.241m available within the budget with the gap of £1.725m coming from the demographic provisional budget. It is then proposed that the remaining gap of £0.881m is requested from the Scottish Government as part of the Greater Glasgow and Clyde Health Board Mobilisation Plan.
- 5.5 It should be noted that at this stage it is not known if the additional uplift of 0.6% being funded through the Mobilisation Plans will be on a recurring basis. This will need to be reviewed once the budget settlement figures are provided for 2021/22 and could impact on the uplift which can be provided recurrently from 2021/22.
- 5.6 The Scottish Living Wage is reviewed and increased every November with implementation of the new rate usually by the following May each year. To date, the Scottish Government has provided only a contribution to meet this commitment. It would therefore be prudent for the IJB to direct the Council to include the Scottish Living Wage obligations in its future financial planning, should the Scottish Government cease to make new funding available.

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6. Recommendations

6.1 The Integration Joint Board is asked to:

- a) note the report;
- b) agree that the Partnership will offer a 3.3% uplift to overall Provider rates within Glasgow Purchased Services Framework;
- c) agree that the Partnership will offer a revised Sleepover rate of £11.48 in recognition of Scottish Living Wage requirements;
- d) agree that the Partnership will apply a 3.3% uplift to Direct Payments;
- e) note that this will be subject to Providers confirming they will pay the Scottish Living Wage from 6 April 2020;
- f) note that the rate increase will be effective from 6 April 2020;
- g) note that ability to fund future rate increases will be impacted if funding for the 2020/21 uplift is not provided recurringly in the base line settlement for 2021/22; and
- h) direct the Council to include the Scottish Living Wage obligations in its financial planning, should the Scottish Government funding cease.

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DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	DA130520-02
2	Report Title	Scottish Living Wage Settlement (2020/21)
3	Date direction issued by Integration Joint Board	13 May 2020
4	Date from which direction takes effect	6 April 2020
5	Direction to:	Glasgow City Council only
6	Does this direction supersede, revise or revoke a previous direction – if yes, include the reference number(s)	No
7	Functions covered by direction	Glasgow Purchased Services Contracts Glasgow Purchased Services Contracts (Sleepover) Direct Payments
8	Full text of direction	Council is directed to vary Glasgow Purchased Service contracts by an additional 3.3% for those Providers who have agreed to pay the living wage, and for Direct Payment recipients with effect from 6 April 2020. Excluded from this award will be those services governed by national contracts, such as the National Care Home Contract (details are included in a separate report to the IJB) and Scotland Excel (ie Residential Schools)

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9	Budget allocated by Integration Joint Board to carry out direction	The proposal to increase rates by 3.3% will cost £4,847,000. Funds have been made available within the GG&C Health Board Mobilisation Plans for Covid19, funded by the Scottish Government for 2020/21 to pay for the additional £0.881M. The IJB will fund £3.966M in line with the uplift that would have applied.
10	Performance monitoring arrangements	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
11	Date direction will be reviewed	March 2021

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gov.scot



Cabinet Secretary for Health and Sport
Jeane Freeman MSP

COSLA Health & Social Care Spokesperson
Councillor Stuart Currie

T: 0300 244 4000
E: scottish.ministers@gov.scot

T: 0131 474 9200
E: info@cosla.gov.uk

Local Authority Chief Executives
IJB Chief Officers
IJB Finance Officers

10 April 2020

Dear Colleague,

Fair Work and the Living Wage in Adult Social Care

Social care support is critical to the COVID-19 emergency response. The entire health and social care workforce are working tirelessly under pressure. The effort of key workers across the NHS, Local Government and third and independent sectors is recognised during these unprecedented times.

We understand that there has been uncertainty in relation to workforce terms and conditions for people working in the third and independent sector, particularly in relation to sick pay. It is expected that providers pay staff who are sick or self isolating. Contracted hourly rates will include provision for normal levels of sick absence. Scottish Government has agreed with COSLA that any reasonable additional costs caused by Covid 19 for staff sick pay or for those self-isolating can be met and recorded through local Health and Social Care mobilisation plans. This would be costs that are over and above those already agreed as part of hourly rates.

COSLA and Scottish Government have a joint commitment to ensure that all people providing direct adult social care support are paid the Living Wage including Personal Assistants and Sleepovers. The new Living Wage rate as announced by the Living Wage Foundation is £9.30 per hour. To ensure that our workforce receive payment for the Living Wage and to recognise their efforts in the Covid response a national uplift of 3.3% to contract hourly rates has been agreed and should be applied from April 2020. Equivalent uplifts must also be made to direct payments for personal assistants to ensure the living wage can be paid where they are paid directly by the supported person.

This national agreement has been made on the basis that additional costs in relation to applying this uplift will be met by Scottish Government. The additional costs would be where the national uplift of 3.3% is greater than the uplift that would have been applied so may not

apply in all areas. Providers should transfer this uplift directly towards wages in their workforce to meet Living Wage commitments and give contracted social care providers flexibility to increase wages across their organisations.

This national uplift does not apply to residential care where the National Care Home Contract has been agreed by Scottish Care, Scotland Excel and COSLA to agree the rates for 2020. Notification of this agreement has been sent to Local Authorities and Health and Social Care Partnerships by Scotland Excel.

Alongside the importance of social care staff, we are acutely aware of the added pressure falling on families and friends of vulnerable people at this time. Because of this, and the important role unpaid carers are playing in the response to COVID-19 we want to encourage Partnerships to prioritise expanding carer centre and young carer project capacity within your financial and resilience planning, alongside the £11.6 million uplift for Carers Act implementation in the budget for 2020-21. Additional costs associated with this should also be included in local mobilisation plans.

The practical advice and emotional support that carer centres provide will be important in supporting unpaid carers through the crisis and we would encourage you to involve them in local resilience work if you have not already done so.

The COSLA [Guidance](#) for Commissioned Services has been updated to reflect this agreement.

We recognise the impact of Covid 19 on workforce capacity in both Local Government and the third and independent sector in relation to local finance systems and commissioning processes. Maintaining continuity of payments and supporting providers where they are experiencing financial hardship due to increased costs should remain the priority. We ask that you make your best endeavour to apply these contract increases as soon as is possible. Providers should pass the totality of the contract uplift to their workforce, backdated to April 2020.

Scottish Government will publicise the commitments in this letter on Sunday 12 April.

Yours faithfully,

Jeane Freeman

Cllr Stuart Currie