

Item No: 7

Meeting Date: Wednesday 9th May 2018

**Glasgow City
 Integration Joint Board**

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

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SCOTTISH LIVING WAGE SETTLEMENT (2018)

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

Purpose of Report:	To advise Glasgow City Integration Joint Board that the Scottish Government settlement for 2018/19 includes provision for increase in Scottish Living Wage. This report covers the proposal for 2018/19.
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Background/Engagement:	The Scottish Government's 2016/2017 and 2017/2018 financial settlements for Glasgow City Council contained an allocation 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. This report proposes a further uplift for 2018/19, funded from additional monies from the Scottish Government.
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Recommendations:	<p>The Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> a) note the report; b) agree that the Partnership will offer a 2.8% uplift to Provider rates within Glasgow Purchased Services; c) agree that the Partnership will offer a revised Sleepover rate of £10.86 in recognition of Scottish Living Wage requirements; d) agree that the Partnership will apply a 2.8% uplift to Direct Payments; e) note that this will be subject to Providers confirming they will pay the Scottish Living Wage (including sleepover services) from 9 April 2018; f) direct the Council to include the Scottish Living Wage obligations in its financial planning, should the Scottish Government funding cease; and
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	g) note the increase in rates to providers to create a sustainable marketplace.
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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 settlement 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
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Personnel:	No impact on Partnership personnel.
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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.
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Provider Organisations:	This settlement assist providers deliver the Scottish Living Wage and helps with their financial sustainability.
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Equalities:	No EQIA carried out as this report does not represent a new policy, plan, service or strategy, but the equitable distribution of a budget allocation from the Scottish Government.
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Financial:	The proposal of the 2.8% uplift will cost approximately £4,402,000. The full year effect of the implementation of sleepover rate was budgeted in the 2017/18 allocation and will cost £3,136,000. The 2018/19 costs will be funded within the financial allocation provided by the Scottish Government for the Scottish Living Wage.
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Legal:	No option for delivering the Scottish Living Wage is free from the risk of legal challenge. The approach adopted for 2018/19 is consistent with the approach taken in 2017/18 and presents the least risk.
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Economic Impact:	None.
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Sustainability:	None.
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Sustainable Procurement and Article 19:	None
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Risk Implications:	As above for Legal.
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Implications for Glasgow City Council:	Risk of challenge from providers.
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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 that the Scottish Government settlement for 2018/19 includes provision for increase in Scottish Living Wage.
- 1.2 The proposal is to offer;
- i) a 2.8% uplift to Provider rates within Glasgow Purchased Services.
 - ii) Providers a revised sleepover rate of £10.86 in recognition of Scottish Living Wage requirements.
 - iii) an increase of 2.8% to Direct Payment rates.
- 1.3 Implementation date to be backdated to 9th April 2018.
- 1.4 To advise Glasgow City Integration Board that the partnership is supporting sustainable rates for Framework Agreement providers by applying agreed uplifts through a programme of reviews where necessary.

2. Background

- 2.1 The Scottish Government's 2016/2017 and 2017/2018 financial settlements for Glasgow City Council contained an allocation 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

These measures represent to date an investment of £7.637m in Scottish Living Wage payments, and £1.750m for transitional sleepover payments.

- 2.2 The Scottish Government's 2018/19 financial settlement for Glasgow City Council contained an allocation of £66 million to support the uplift in the Scottish Living Wage from £8.45 per hour to £8.75 per hour, to support the nationally agreed 3.39% uplift to care home fee rates, to support improved payment terms in respect of sleepovers, and make some additional allowance for sustainability of providers.

- 2.3 On 21 March 2018 the IJB approved the report on the Scottish Living Wage settlement for the National Care Home Contract, including a Provider rate uplift in recognition of payment of the Scottish Living Wage.
- 2.4 This report proposes an increase in rates for Purchased Services. These include the Purchased Services Framework 2015, supported accommodation and supported living services. 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.
- 2.5 There will be a requirement on Providers to confirm they will implement the new Scottish Living Wage (including sleepovers) from 9 April 2018.
- 2.6 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 2.8% consistent with that for Purchased Services.

3. Sustainability

- 3.1 Sustainability of the market, and outcomes from the Proof of Concept will be a key consideration when the new Framework tender for Purchased Services is published later this year.
- 3.2 The partnership will continue to work with providers in considering alternatives to sleepover support as a sustainable alternative to supporting increased demand for services.

4. Funding

- 4.1 The proposal of the 2.8% uplift will cost approximately £4,402,000. The full year effect of the implementation of sleepover rate was budgeted in the 2017/18 allocation and will cost £3,136,000. The 2018/19 costs will be funded within the financial allocation provided by the Scottish Government for the Scottish Living Wage.
- 4.2 Implementation date to be backdated to 9 April 2018, in line with the DWP benefit increase.
- 4.3 The Scottish Living Wage is reviewed and increased every November with implementation of the new rate by the following May each year. To date, the Scottish Government has provided new funds 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.

5. Recommendations

5.1 The Integration Joint Board is asked to:

- a) note the report;
- b) agree that the Partnership will offer a 2.8% uplift to Provider rates within Glasgow Purchased Services;
- c) agree that the Partnership will offer a revised Sleepover rate of £10.86 in recognition of Scottish Living Wage requirements;
- d) agree that the Partnership will apply a 2.8% uplift to Direct Payments;
- e) note that this will be subject to Providers confirming they will pay the Scottish Living Wage (including sleepover services) from 9 April 2018;
- f) direct the Council to include the Scottish Living Wage obligations in its financial planning, should the Scottish Government funding cease; and
- g) note the increase in rates to providers to create a sustainable marketplace.



DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	090518-7-a
2	Date direction issued by Integration Joint Board	9 May 2018
3	Date from which direction takes effect	9 May 2018
4	Direction to:	Glasgow City Council only
5	Does this direction supersede, amend or cancel a previous direction – if yes, include the reference number(s)	No
6	Functions covered by direction	<i>Glasgow Purchased Services Contracts</i> <i>Glasgow Purchased Services Contracts (Sleepover)</i> <i>Direct Payments</i>
7	Full text of direction	Council is directed to vary Glasgow Purchased Service contracts by an additional 2.8% for those Providers who have agreed to pay the living wage, and for Direct Payment recipients.
8	Budget allocated by Integration Joint Board to carry out direction	The proposal to increase rates by 2.8% will cost an additional £4,402,000. Funds have been made available within the Scottish Government settlement for 2018/19.
9	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.
10	Date direction will be reviewed	October 2018