

**Item No: 12**

**Meeting Date: Wednesday 27<sup>th</sup> March 2019**

**Glasgow City  
 Integration Joint Board**

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

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**SCOTTISH LIVING WAGE SETTLEMENT (2019)**

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

<b>Purpose of Report:</b>	To advise Glasgow City Integration Joint Board that the Scottish Government settlement for 2019/20 includes provision for increase in Scottish Living Wage. This report covers the proposal for 2019/20.
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<b>Background/Engagement:</b>	The Scottish Government's 2016/2017, 2017/2018 and 2018/19 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 2019/20, funded from additional monies from the Scottish Government.
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<b>Recommendations:</b>	<p>The Integration Joint Board is asked to:</p> <ol style="list-style-type: none"> <li>a) note the report;</li> <li>b) agree that the Council will offer a 2.3% uplift to Provider rates within Glasgow Purchased Services;</li> <li>c) agree that the Council will offer a revised Sleepover rate of £11.11 in recognition of Scottish Living Wage requirements;</li> <li>d) agree that the Council will apply a 2.3% uplift to Direct Payments;</li> <li>e) note that this will be subject to Providers confirming they will pay the Scottish Living Wage (including sleepover services) from 8 April 2019; and</li> <li>f) note the increase in rates to providers to create a sustainable marketplace.</li> </ol>
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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:

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	<b>Outcome 9.</b> Resources are used effectively and efficiently in the provision of health and social care services.
<b>Personnel:</b>	No impact on Partnership personnel.
<b>Carers:</b>	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.
<b>Provider Organisations:</b>	This settlement assists providers deliver the Scottish Living Wage and helps with their financial sustainability.
<b>Equalities:</b>	No EQIA carried out as this report does not represent a new policy, plan, service or strategy, but is about the equitable distribution of a budget allocation from the Scottish Government.
<b>Fairer Scotland Compliance:</b>	This settlement supports the delivery of a Fairer Scotland.
<b>Financial:</b>	The proposal of the 2.3% uplift will cost approximately £3,700,000. The 2019/20 costs of implementing the sleepover rate will be funded within the financial allocation provided by the Scottish Government for the Scottish Living Wage.
<b>Legal:</b>	<p>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.</p> <p>No option for delivering the Scottish Living Wage is free from the risk of legal challenge. The approach adopted for 2019/20 is consistent with the approach taken in 2017/18 and 2018/19 and presents the least risk.</p>
<b>Economic Impact:</b>	None

<b>Sustainability:</b>	None	
<b>Sustainable Procurement and Article 19:</b>	None	
<b>Risk Implications:</b>	As above for Legal.	
<b>Implications for Glasgow City Council:</b>	Risk of challenge from providers.	
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None	
<b>Direction Required to Council, Health Board or Both</b>	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 2019/20 includes provision for increase in Scottish Living Wage.

1.2 The proposal is to offer;

- i) a 2.3% uplift to Provider rates within Glasgow Purchased Services.
- ii) Providers a revised sleepover rate of £11.11 in recognition of Scottish Living Wage requirements.
- iii) an increase of 2.3% to Direct Payment rates.

1.3 Implementation date will be 8<sup>th</sup> April 2019.

## 2. Background

2.1 The Scottish Government's 2016/2017, 2017/2018 and 2018/19 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
- 2.8% on rates from 9 April 2018
- Revised sleepover rate of £10.86 from 9 April 2018

These measures represent to date an investment of £12m in Scottish Living Wage payments, and £6m for sleepover payments.

- 2.2 The Scottish Government's 2019/20 financial settlement for Glasgow City Council contained a share of an additional £108 million for investment in integration, including delivery of the Living Wage and uprating free personal care. Glasgow IJB's share of the monies for integration is £12.577m and will support the uplift in the Scottish Living Wage from £8.75 per hour to £9.00 per hour.
- 2.3 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, is the subject of a separate report to the IJB.
- 2.4 This report proposes an increase in rate of 2.3% from 8 April 2019 for Purchased Services. This increase will apply to 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 and Scotland Excel. Also excluded from this award will be services provided by the Purchased Services Framework 2019 which have had rates agreed which already reflect the living wage uplift for 2019.
- 2.5 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 2019 is that the vast majority of purchased providers have confirmed that they are paying the Scottish Living Wage. There are 9 providers who have not yet done so.
- 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 2.3% consistent with that for Purchased Services.

### **3. Sustainability**

- 3.1 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.
- 3.2 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.

### **4. Funding**

- 4.1 The proposal of the 2.3% uplift will cost approximately £3,700,000. The costs associated with the sleepover will be funded within the financial allocation provided by the Scottish Government for the Scottish Living Wage.

- 4.2 Implementation date will be 8 April 2019, 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 Council to ensure that Scottish Living Wage obligations are taken into account in its future financial planning and its allocations to the IJB should the Scottish Government cease to make new funding for further increases, available.

## **5. Recommendations**

- 5.1 The Integration Joint Board is asked to:
- a) note the report;
  - b) agree that the Partnership will offer a 2.3% uplift to Provider rates within Glasgow Purchased Services;
  - c) agree that the Partnership will offer a revised Sleepover rate of £11.11 in recognition of Scottish Living Wage requirements;
  - d) agree that the Partnership will apply a 2.3% 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 8 April 2019 and
  - f) note the increase in rates to providers to create a sustainable marketplace.



## DIRECTION FROM THE GLASGOW CITY INTEGRATION JOINT BOARD

1	Reference number	270319-12-a
2	Date direction issued by Integration Joint Board	27 March 2019
3	Date from which direction takes effect	27 March 2019
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	Glasgow Purchased Services Contracts Glasgow Purchased Services Contracts (Sleepover) Direct Payments
7	Full text of direction	Council is directed to vary Glasgow Purchased Service contracts by an additional 2.3% for those Providers who have agreed to pay the living wage, and for Direct Payment recipients. 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. Also excluded from this award will be services provided by the Purchased Services Framework 2019.
8	Budget allocated by Integration Joint Board to carry out direction	The proposal to increase rates by 2.3% will cost an additional £3,700,000. Funds have been made available within the Scottish Government settlement for 2019/20.
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 2019