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Item No: 15

Meeting Date: Wednesday 5th May 2021

Glasgow City Integration Joint Board

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

Contact: Sharon Wearing

Phone: 0141 287 8838

Scottish Living Wage Settlement (2021/22)

- **Provider Rate Uplifts (Glasgow Purchased Services Contracts)**
- **Direct Payment Rate Uplifts**

Purpose of Report:

To advise Glasgow City Integration Joint Board of the Scottish Living Wage Settlement for 2021/22.

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. For 2021/22 the proposed increase is 2.2%.

Recommendations:

The Integration Joint Board is asked to:

- a) note the report; and
- b) note that the report attached at Appendix 1 was approved under delegated authority in consultation with the Chair and Vice Chair agreeing:
 - the Partnership will offer a 2.2% uplift to Provider rates (including sleepover) within Glasgow Purchased Services from 29 March 2021;
 - the Partnership will apply a 2.2% uplift to Direct Payments from 29 March 2021;
 - this will be subject to Providers confirming they will pay the Scottish Living Wage;
 - to note the increase in rates to providers to maintain a sustainable marketplace.

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	<ul style="list-style-type: none">• to note that the ability to fund future rate increases will be impacted if funding for the 2021/22 uplift is not provided recurrently in the base line settlement for 2022/23 and• to direct the Council to include the Scottish Living Wage obligations in its financial planning, should the Scottish Government funding cease.
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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.

Financial:

The proposal of the 2.2% uplift will cost £3,862,000. The Scottish Government has provided £64.5 million as a contribution to continued delivery of the real Living Wage, including the National Care Home Contract. Glasgow's share is £7,376,000. This includes the recurring funding of £881,000 which was agreed nationally to fund the increased uplift applied in 2020/21. Removal of this leaves £6,495,000. After the funding of Scottish Living Wage as outlined in this paper, a balance of £2,633,000 remains to fund any

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	<p>uplift to the National Care Home Contract which will include the uplift for Scottish Living</p> <p>It should be noted that at this stage it is not confirmed 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 2022/23.</p>
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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 2021/22 is consistent with the approach taken in previous years and presents the least risk.</p>
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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	<input checked="" type="checkbox"/>
2. Glasgow City Council	<input type="checkbox"/>
3. NHS Greater Glasgow & Clyde	<input type="checkbox"/>
4. Glasgow City Council and NHS Greater Glasgow & Clyde	<input type="checkbox"/>

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1. Purpose of Report

- 1.1 To advise Glasgow City Integration Joint Board of the Scottish Living Wage Settlement for 2021/22.

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. These measures represent to date an investment of £26.55m in Scottish Living Wage and sleepover payments.

3. Proposed Increase

- 3.1 Under delegated authority in consultation with the Chair and Vice Chair it was approved that Glasgow City would offer:
- i) A 2.2% uplift to Provider rates (including sleepover) within Glasgow Purchased Services.
 - ii) An increase of 2.2% to Direct Payment rates.
- 3.2 Implementation date will be 29 March 2021. A copy of the report approved is attached at Appendix 1 for information.
- 3.3 The Scottish Living Wage settlement for the National Care Home Contract, will be the subject of a separate report to the IJB.

4. Recommendations

- 4.1 The Integration Joint Board is asked to:
- a) note the report; and
 - b) note that report attached at Appendix 1 was approved under delegated authority in consultation with the Chair and Vice Chair agreeing:
 - the Partnership will offer a 2.2% uplift to Provider rates (including sleepover) within Glasgow Purchased Services from 29 March 2021;
 - the Partnership will apply a 2.2% uplift to Direct Payments from 29 March 2021;
 - to note that this will be subject to Providers confirming they will pay the Scottish Living Wage;
 - to note the increase in rates to providers to maintain a sustainable marketplace.
 - to note that the ability to fund future rate increases will be impacted if funding for the 2021/22 uplift is not provided recurringly in the base line settlement for 2022/23 and
 - to direct the Council to include the Scottish Living Wage obligations in its financial planning, should the Scottish Government funding cease.

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Wednesday 7th April 2021

Glasgow City Integration Joint Board

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

Contact: Sharon Wearing

Phone: 0141 287 8838

Scottish Living Wage Settlement (2021/22)

- **Provider Rate Uplifts (Glasgow Purchased Services Contracts)**
- **Direct Payment Rate Uplifts**

Purpose of Report:	To advise Glasgow City Integration Joint Board of the Scottish Living Wage Settlement for 2021/22.
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. For 2021/22 the proposed increase is 2.2%.
Recommendations:	<p>The Integration Joint Board is asked to:</p> <ol style="list-style-type: none"> a) note the report; b) agree that the Partnership will offer a 2.2% uplift to Provider rates (including sleepover) within Glasgow Purchased Services from 29 March 2021; c) agree that the Partnership will apply a 2.2% uplift to Direct Payments from 29 March 2021; d) note that this will be subject to Providers confirming they will pay the Scottish Living Wage; e) note the increase in rates to providers to maintain a sustainable marketplace;

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	<p>f) note that ability to fund future rate increases will be impacted if funding for the 2021/22 uplift is not provided recurringly in the base line settlement for 2022/23 and</p> <p>g) 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.

Financial:

The proposal of the 2.2% uplift will cost £3,862,000. The Scottish Government has provided £64.5 million as a contribution to continued delivery of the real Living Wage, including the National Care Home Contract. Glasgow's share is £7,376,000. This includes the recurring funding of £881,000 which was agreed nationally to fund the increased uplift applied in 2020/21. Removal of this leaves £6,495,000. After the funding of Scottish Living Wage as outlined in this paper, a balance of £2,633,000 remains to fund any

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	<p>uplift to the National Care Home Contract which will include the uplift for Scottish Living</p> <p>It should be noted that at this stage it is not confirmed 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 2022/23.</p>
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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 2021/22 is consistent with the approach taken in previous years and presents the least risk.</p>
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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	<input type="checkbox"/>
2. Glasgow City Council	<input checked="" type="checkbox"/>
3. NHS Greater Glasgow & Clyde	<input type="checkbox"/>
4. Glasgow City Council and NHS Greater Glasgow & Clyde	<input type="checkbox"/>

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1. Purpose of Report

1.1 To advise Glasgow City Integration Joint Board of the Scottish Living Wage Settlement for 2021/22.

1.2 The proposal for Glasgow is to offer;

- i) A 2.2% uplift to Provider rates (including sleepover) within Glasgow Purchased Services.
- ii) An increase of 2.2% to Direct Payment rates.

1.3 Implementation date will be 29 March 2021.

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
- 3.3% on rates from 6 April 2020, including sleepover and Direct Payments

These measures represent to date an investment of £26.55m in Scottish Living Wage and sleepover payments.

3. Proposed Increase

3.1 The new Living Wage rate as announced by the Living Wage Foundation is £9.50 per hour. The proposed uplift of 2.2% will support the uplift in the Living Wage rate from £9.30 to £9.50.

3.2 The Scottish Living Wage settlement for the National Care Home Contract, will be the subject of a separate report to the IJB.

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- 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.
- 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 its contracting and procurement processes and will continue to encourage and incentivise providers to comply. The position at March 2021 is that the vast majority of purchased providers have confirmed that they are paying the Scottish Living Wage. There are 6 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 2.2% 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.

5. Funding

- 5.1 The proposal of the 2.2% uplift for the Scottish Living Wage will cost approximately £3,862,000. Implementation date will be 29 March 2021.
- 5.2 This funding has been included in the Scottish Government's financial settlement for 21/22.
- 5.3 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 2.2% uplift to Provider rates (including sleepover) within Glasgow Purchased Services from 29 March 2021;
- c) agree that the Partnership will apply a 2.2% uplift to Direct Payments from 29 March 2021;
- d) note that this will be subject to Providers confirming they will pay the Scottish Living Wage;
- e) note the increase in rates to providers to maintain a sustainable marketplace;
- f) note that ability to fund future rate increases will be impacted if funding for the 2021/22 uplift is not provided recurrently in the base line settlement for 2022/23; and
- g) 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	DA-070421
2	Report Title	Scottish Living Wage Settlement 2021-2022
3	Date direction issued by Integration Joint Board	7 April 2021
4	Date from which direction takes effect	7 April 2021
5	Direction to:	Glasgow City Council
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 (including Sleepover) Direct Payments.
8	Full text of direction	The Council is directed to vary Glasgow Purchased Service contracts by an additional 2.2% 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.
9	Budget allocated by Integration Joint Board to carry out direction	The proposal of the 2.2% uplift will cost £3,862,000. The Scottish Government has provided £64.5 million as a contribution to continued delivery of the real Living Wage, including the National Care Home Contract. Glasgow's share is £7,376,000. This includes the recurring funding of £881,000 which was agreed nationally to fund the increased uplift applied in 2020/21. Removal of this leaves £6,495,000. After the funding of Scottish Living Wage as outlined in this

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		paper, a balance of £2,633,000 remains to fund any uplift to the National Care Home Contract which will include the uplift for Scottish Living Wage.
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	April 2022.

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