



The Carers Bill and the estimated costs of waiving charges for replacement care

A response from the National Carer Organisations

In light of the letter of 26th October from the Minister to the Finance Committee, I am writing to highlight some concerns we have relating to the potential impact on the Carers Bill of the estimated £16m costs of waiving charges for replacement care. Our main concern is that government has concluded the £16m can be adequately met within the current financial envelope proposed for the Bill.

In addition, the Carers Bill Financial Memorandum does not take account of any additional need for replacement care that we believe will emerge from the increasing numbers of carers expected to be eligible to receive support. Many organisations raised concerns about the level of funding attached to the Bill even before the costs of replacement care were factored in. It is therefore difficult to understand how it can be concluded there will be sufficient flexibility in the current FM costings to absorb the costs of replacement care. The attached paper provides further detail.

We are strongly in support of the Bill and we do commend government for taking forward this important piece of legislation. However we believe there are significant risks to the Bill achieving its objectives if sufficient funding is not provided for replacement care to enable carers to take a much needed break from their caring roles.

I hope this information is helpful. Thank you very much for your time.

Kind regards

Don Williamson

(On behalf of the National Carer Organisations)

Response to the Minister's letter of 26 October 2015 to Convener of the Finance Committee regarding the Carers (Scotland) Bill

Background

Carers Waiving of Charges for Support Regulations 2014

The Scottish Government introduced Waiving of Charges Regulations 2014 and Statutory Guidance so from 1st April 2014 local authorities were required to not charge cared-for persons for replacement care provided as respite support to meet carer's needs.

"Where replacement care is provided as support under section 3 in order to meet the carer's needs, the local authority must waive charges for the cost of the replacement care."

Ref: <http://www.gov.scot/Resource/0044/00447402.pdf>

Local authorities expressed concern the Scottish Government provided no funding to compensate for their lost income from charging. Social Work Scotland stated:

"In summary our position is that we are very concerned about the delay in funding the legislation waiving charges for support to carers, which has been implemented since April 2014"

"Social Work Scotland remains concerned about the lack of funding which has led to budget pressures in some local authorities in 2014/15 and 2015/16, and, we understand, in some councils to reductions in respite care provision. Ambiguities in the Scottish Government guidance have also allowed some charges for respite to continue, creating a confusing charging landscape for carers"

"With COSLA and Social Work Scotland, we estimate full implementation costs at around £16 million per year, at 2013/14 levels of demand."

http://www.socialworkscotland.org/doc_get.aspx?DocID=931

On **26 October 2015** the Scottish Government stated (link below) that the new estimated cost of £16m for this charging is to be financed from the existing funding envelope in the Financial Memorandum for the Carers Bill, and implemented from the Bill's commencement, likely April 2017.

Ref: http://www.scottish.parliament.uk/S4_HealthandSportCommittee/Inquiries/20151027-SG_Financial-Memo.pdf

Implications for Carers

1. By 2021/22 the FM allocates £60.07m in the Bill to meet the Duty to Support function (see Paras 35, 79 and 82). The FM provides for 126,216 carers to have an annual break from caring to the average value of £300 each (see para 82), at a total cost of £37.86m. This leaves a balance of £22.21m for other essential forms of support to carers. If the £16m to waive charges now has to be found from within the FM for the Carers Bill this could reduce the available funding for other forms of carer support to just £6.21m Scotland-wide.

This is a reduction of 72% from the £22.21m previously available.

In any case, the total budget in the FM for the Carers Bill in 2017/18 is £18.7m, inclusive of funding to continue pre-existing projects. It would be impossible to fund the £16m that may be required for waiving charges from the £18.7m without impacting on the funding for other aspects of the Bill.

2. In order to fund the £16m shortfall, the SG letter of October 26 2015 states *“there is flexibility in the overall cost envelope set out in the FM given the known variation in unit costs for carers' assessments and the unknown final demand profile”*

and

“This estimate contains some uncertainty as it also includes a proportion of replacement care to meet the cared-for person's assessed needs that we have not been able to separate out from the available data. The figure of £16 million per year should therefore be regarded as a maximum estimate”

It seems unlikely there will be savings from the unit cost for undertaking carers' support plans by 2021/22 (£16m would be 78% of the £20.39m allocated in para 35, Table 2 - £18.86m + £1.53m) given expressed concerns about underfunding in the unit costs used, and the expected increase in demand, as in the Social Work Scotland link below.

Ref: http://www.socialworkscotland.org/doc_get.aspx?DocID=901

3. *“For the purposes of the Carers Bill, the estimated cost of waiving charges (£16million per year) aims to meet the cost of any additional replacement care that is put in. Overnight care is the most intensive form of replacement care. Not all carers require such intensive support and a wide range of possibilities exist. For example, a local authority may provide replacement care for a carer to attend an educational or leisure class once per week”*

Ref: SG letter 26 October 2015

The Carers Bill has no funding for any additional knock on replacement care that would be required to facilitate the Bill's new carer breaks from caring. By our calculations, the Financial Memorandum for the Carers Bill makes provision for 126,216 carers to have an annual break from caring to the average value of £300 each by 2021/22.

This lack of quantum or indeed funding for replacement care to support these 126,216 carer breaks was a concern expressed both by the Health and Sport Committee and the Finance Committee, as well as by NCO's and others in the formal consultation responses. Mr Gavin Brown MSP of the Finance Committee was particularly concerned about this omission. The idea that funding for this replacement care, and with no formula deployed to calculate a quantum, can be absorbed, or funded by underspends elsewhere in the FM, seems unsubstantiated.

- 4 In addition the £2.36m (FM Para 82) allocated annually for additional carer short breaks only allows, mistakenly we believe, for a carer break for 39,450 carers once every 5 years. Given that intense caring episodes are often significantly less than 5 years, and that £300 of carer break annually would not seem over generous, this figure would be better calculated as £11.8m annually by 2021/22. This would require an additional £9.44m in the FM. This places yet more pressure on the existing financial wrapper within the FM, and the balance of £6.21m available for other forms of carer support would now be in deficit, if the £16m also has to be found from within the existing FM funding.

Conclusion

- The objectives of the Carers Bill will be significantly weakened if £16m for Waiving Charges has to be found belatedly from within the existing financial wrapper in the FM.
- The Finance Committee had been advised there was no provision in the FM for replacement care to support carer breaks. The Finance Committee expressed concern that this omission of any funding for replacement care could be the single highest cost within the Carers Bill, or at least one of the highest costs.
(As an illustration if just 10 % of the 126,216 carers having breaks by 2021/22 required additional replacement care for the cared-for person for 1 week at £1,000 per week this would require £12.6m of additional funding in the FM)
- There are concerns about the sufficiency of current funding within the FM as outlined above.
- If waiving charges to cared-for persons and replacement care to enable carer breaks are to be funded from within the existing financial wrapper in the FM this would drastically reduce the choice and nature of support available to be offered to carers under the Duty to Support. It is likely that local authorities would severely restrict access by raising their eligibility thresholds.
- Consequently it could undermine the objectives of the Carers Bill substantially.

The National Carer Organisations, November 2015

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