



SCOTTISH EXECUTIVE

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Copy to: Chief Executives, Local Authorities
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NHS Board Chief Executives

Your ref:
Our ref: ATX/7/5

14 December 2004

Dear Colleague

LOCAL GOVERNMENT FINANCE SETTLEMENT TO 2007-08: COMMUNITY CARE

I am writing to give additional details on the Community Care elements of the settlement announced on 8 December 2004 and detailed in Finance Circular No. 8/2004. This is the outcome of the Executive's Spending Review 2004 (SR 2004).

Additional support is being provided through the settlement for community care to meet particular pressures and needs: it was allocated in full to councils on 8 December. This letter details the increased provision and explains the purpose for which it has been provided.

The overall settlement also includes an uplift for pay and inflation, partly offset by an efficiency savings assumption. For community care the uplift amounts to £8.0m in 2006-07 and £21.0m in 2007-08: **this is in addition to the increases set out below.**

NEW PROVISION FROM SPENDING REVIEW 2004

The additional amounts in this section are in addition to the pay, prices and efficiency changes mentioned above. **All increases are for the years 2006-07 and 2007-08** (2005-06 was dealt with in the January 2003 letter).

	2006-07	2007-08
Care Home Fees	37.1	57.5

The additional resources more than meet the Scottish Local Authorities Management Centre study's recommended increase in fee levels for over 34,000 publicly funded clients. It offers confidence and stability to the sector which is vital to the NHS, local authorities to older people and their families. It has gone into the Care Home Fees line in tables 2 and 3 attached.

Policy contact: Shaun Eales 0131 244 5430

	2006-07	2007-08
Increased Number of Elderly	16.3	42.0

The numbers of frail elderly (those over 85) are expected to rise by 21% between 2004 and 2009, with the number of men increasing by 36%, and women by 15%. This clearly has implications for services, and the substantial additional amounts provided reflect this. They attempt to reflect the volume effect of these additional numbers of older people in residential care and receiving care at home. The additional provision has therefore been shared between GAE lines in tables 2 and 3 for Services for Home Based Elderly, Residential Accommodation for the Elderly, and Personal and Nursing Care for Older People in care homes.

Policy contact: Fiona March 0131 244 3721

Upskilling the Workforce	17.0	27.0
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This provision is for adult Community Care services staff. Our understanding is that around 70% of the current adult services staff of 45,000 will require to achieve intermediate skill levels as the registration process unfolds. In addition turnover resulting from expansion and replacement demand may result in 8,000 new staff between now and 2008. This means that for registration criteria to be met by 2010, around 6,600 staff per year will require training. These costs are substantial, hence the substantial additional provision, which has been shared between various GAE lines in tables 2 and 3 which cover community care service provision, casework and administration.

Policy contact: Peter Stapleton 0131 244 3506

Faster Access to Home Care	12.7	15.0
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Faster access to care is a key national outcome for community care. Single Shared Assessment assesses people faster, but resource considerations mean that people do not necessarily access services faster. The additional support for **faster access to home care** will make a major contribution to achieving the policy's aims. It should provide 10,000 people with access to care services 2 weeks faster than at present. It should also contribute to the Executive's target of increasing the number of people receiving intensive home care to 30% of all people receiving long term care, by 2008.

Ministers wish to ensure that the intended outcome is achieved. We will take this forward through the annual performance reporting of time intervals in JPIAF 6 and the on-going development of local improvement targets. The additional provision is shared between the GAE lines in tables 2 and 3 for Services for Home Based Elderly and Services for People with Disabilities.

Policy Contact: David Meikle 0131 244 5453

Voluntary Sector Care Providers	10.3	13.6
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Voluntary Sector Care Providers face significant costs in meeting care standards, and for staff training and development to improve care and meet Scottish Social Services Council registration requirements.

The additional provision is to ensure that when contracting with the voluntary sector, there is provision for the increase in the quality of service and workforce required. It has therefore been shared between various GAE lines which cover community care service provision.

Policy contact: Peter Stapleton 0131 244 3506

	2006-07	2007-08
Learning Disability	4.2	5.0

This is to:

- meet additional demands for services for people with learning disability, where numbers are increasing at 1% a year, and
- to take account of the effects on local authorities of the hospital closure programme, due to be completed at the end of 2005. Those resettled from hospitals need to get an adequate range of services to meet their needs in the community.

The additional provision has gone into the GAE line in tables 2 and 3 for Services for People with Disabilities.

Policy Contact: John Storey 0131 244 3704

Direct Payments	1.8	2.0
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This is to alleviate waiting lists for direct payments and increase uptake. The expectation is that each local authority should have a dedicated worker in place whose priorities would be the development of support organisations and training personal assistants and their employers. The additional provision has gone into the GAE line in tables 2 and 3 for Services for People with Disabilities.

Policy Contact: Jean MacLellan 0131 244 2091

PRIORITIES FROM PREVIOUS YEARS

Developing Home Care Services for Older People: these continue at £48m a year, and we aim to agree Local Outcome Agreements with local authorities to sustain the desired results.

Carers: Supporting unpaid carers remains a priority for the Executive. This is reflected in the Partnership Agreement commitment to secure the significant year on year investment in services to support carers made over the last 4-5 years, in particular additional new investment in respite services. The Executive is committed to maintaining this investment in real terms – that is achieved in this settlement, with GAE provision shown in the Carers' Service and Respite Care line in tables 2 and 3.

Learning Disability Change Funds: these continue at £16m a year.

Mental Health (Care and Treatment) (Scotland) Act 2003: the final amount in the last settlement (£13m in 2005-06) continues forward in 2006-07 and 2007-08. The 2005-06 allocation was linked to spend on *packages of care; day and after care; additional MHOs; and advocacy support*. Progress has been made: however it remains for each authority to determine the level of continued investment to be made locally on these aspects or to combine with investment in other post implementation priorities.

GRANTS

Choose Life local support funds of £3.2m are in the Health and Community Care baseline within overall GAE provision for 2004-05 and 2005-06 only, as the National Programme for Improving Mental Health and Well-being Team within the Mental Health Division will evaluate the effect of the use of local funds by local Community Planning Partners before making any decision about use of the funds thereafter.

Mental Health Specific Grant continues at £14m a year, to which local authorities add their contribution of £6m to give a total of £20m a year.

SUMMARY OF CHANGES

Table 1 summarises the changes referred to above. Within the GAE settlement, community care is split into a number of service lines: these are shown in Tables 2 and 3 for those who wish to see such detail.

This letter is the equivalent of our letter of 16 January 2003 signed by Frances Wood which covered the years 2003-04 to 2005-06.

If you have any queries on the financial contents of this letter, please contact me at the above address. If you have queries on the policy areas concerned, please contact the relevant Policy Contact.

Yours sincerely



JOHN T STOREY

TABLE 1

LOCAL GOVERNMENT FINANCE SETTLEMENT TO 2007-08

COMMUNITY CARE

SUMMARY OF CHANGES IN LETTER

Community Care	Change	
	2006-07 £m	2007-08 £m
Care Home Fees	37.1	57.5
Increased Number of Elderly	16.3	42.0
Upskilling Workforce	17.0	27.0
Faster Access to Home Care	12.7	15.0
Voluntary Sector Care Providers	10.3	13.6
Learning Disability Hospital Closures	4.2	5.0
Direct Payments	1.8	2.0
Increases	99.4	162.1
less:		
Pennington	-3.1	-3.1
Fishery Products/Shellfish/Hygiene	-0.2	-0.2
Sub-total	96.1	158.8
add pay, prices and efficiency savings	8.0	21.0
Total Community Care increases	104.1	179.8



TABLE 2

Table 2 shows the £104.1m and £179.8m increases in Table 1 above, split between service lines within the Community Care GAE settlement

Community Care	2004-05 GAE baseline (£m)	2005-06 GAE baseline (£m)	2006-07 change (£m)	2007-08 change (£m)
Services for Home Based Elderly including personal and nursing care delivered at home	442.6	467.247	27.923	50.997
Residential Accommodation for the Elderly	326.6	342.691	14.838	30.338
Casework & Administration - Elderly	29.8	30.997	0.775	1.290
AIDS/HIV	1.5	1.514	0.008	0.020
Casework & Administration - AIDS/HIV	0.2	0.193	0.001	0.002
Services for People with Disabilities	290.7	302.769	17.808	26.187
Casework & Administration - People with Disabilities	16.0	16.717	0.414	0.696
Independent Living Fund	11.7	12.209	0.061	0.158
Remaining Social Work	71.8	75.209	1.848	3.051
Casework & Administration - Other Client Groups	21.2	22.086	0.550	0.915
Mental Illness Specific Grant	20.0	20.000	0.030	0.078
General Administration (H&CC Proportion)	41.7	43.439	0.217	0.561
Community Care Action Plan	10.5	10.937	0.055	0.141
Carers' Service and Respite Care	22.1	22.968	0.775	1.157
DWP Transfer (Preserved Rights)	59.1	57.348	0.287	0.741
Care Home Fees*	62.6	62.646	37.122	57.452
Personal and Nursing Care for Older People in care homes	77.7	80.935	4.394	8.436
Environmental Health	64.8	67.280	0.336	0.869
Pennington	3.0	3.114	-3.114	-3.114
Fishery Products/Shellfish Hygiene	0.2	0.217	-0.217	-0.217
Residential Allowance transfer	0.0	29.770	0.000	0.000
Total	1573.9	1670.286	104.111	179.758



TABLE 3

Table 3 shows the GAE totals in each year

Community Care	2005-06 GAE baseline (£m)	2006-07 GAE (£m)	2007-08 GAE (£m)
Services for Home Based Elderly including personal and nursing care delivered at home	467.247	495.170	518.244
Residential Accommodation for the Elderly	342.691	357.529	373.029
Casework & Administration - Elderly	30.997	31.772	32.287
AIDS/HIV	1.514	1.522	1.534
Casework & Administration - AIDS/HIV	0.193	0.194	0.195
Services for People with Disabilities	302.769	320.577	328.956
Casework & Administration - People with Disabilities	16.717	17.131	17.413
Independent Living Fund	12.209	12.270	12.367
Remaining Social Work	75.209	77.057	78.260
Casework & Administration - Other Client Groups	22.086	22.636	23.001
Mental Illness Specific Grant	20.000	20.030	20.078
General Administration (H&CC Proportion)	43.439	43.656	44.000
Community Care Action Plan	10.937	10.992	11.078
Carers' Service and Respite Care	22.968	23.743	24.125
DWP Transfer (Preserved Rights)	57.348	57.635	58.089
Care Home Fees*	62.646	99.768	120.098
Personal and Nursing Care for Older People in care homes	80.935	85.329	89.371
Environmental Health	67.280	67.616	68.149
Pennington	3.114	0.000	0.000
Fishery Products/Shellfish Hygiene	0.217	0.000	0.000
Residential Allowance transfer	29.770	29.770	29.770
Total	1670.286	1774.397	1850.044



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