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**REPORT TO: MORAY INTEGRATION JOINT BOARD ON 30 AUGUST 2018**

**SUBJECT: SCOTTISH LIVING WAGE**

**BY: HEAD OF SERVICE – STRATEGY & COMMISSIONING**

**1. REASON FOR REPORT**

- 1.1 To update the Moray Integration Joint Board (MIJB) of the implications of the increase to the Scottish Living Wage (SLW) and the requirement for the SLW to be extended to sleepover hours over the course of 2018/19.
- 1.2 To make the Board aware that there will also be a budgetary impact from the increase from £8.51 to £8.77 (pending review) in Scottish Local Government Living Wage for Council employees. A report is being prepared for the Corporate Management Team and arrangements are being made to implement this change with effect from the 1 September 2018.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Moray Integration Joint Board;
  - i) note the uplift of 3.4% which has been applied for 2018/19 in relation to social care providers including Shared Lives carers and Direct Payments; and
  - ii) approve the uplift to the SLW sleepover nights rate and draw-down the associated funding from 1 September 2018 to ensure consistency with the Local Government application and in line with the Scottish Government requirement to implement within the 2018/19 financial year

**3. BACKGROUND**

- 3.1 The Scottish Living Wage commitment made by Scottish Government and Local Government as part of the 2016/17 settlement was made to ensure that from 1 October 2016 the SLW rate of £8.25 per hour was paid to care workers providing direct care and support to adults in Care Homes, Care at Home, and Housing Support. This covers all purchased services, including specialist

support services such as those for people with physical disabilities, learning disabilities, mental health difficulties and substance misuse issues.

- 3.2 The Scottish Government provided additional funding to assist in implementing this commitment for 2016/17 with an effective date of 1 October 2016.
- 3.3 In order to implement this commitment fairly across contracted social care providers in Moray, the finance team produced a template to be completed for all providers ensuring consistency of approach. This template required that social care providers made available their staffing and salary information to enable a calculation of cost in meeting the SLW commitment to be produced.
- 3.4 As part of the 2017/18 settlement, Scottish Government funding was received allowing for payment of the ongoing commitment to the SLW, increasing the hourly rate from £8.25 to £8.45 from 1 May 2017.
- 3.5 As part of the 2018/19 settlement the SLW commitment made by Scottish Government increased the SLW from £8.45 to £8.75 per hour from 1 May 2018.

#### **4. KEY MATTERS RELEVANT TO RECOMMENDATION**

- 4.1 Agreement has been reached between Convention of Scottish Local Authorities (COSLA), the Scottish Government and Scottish Care Home Providers for revised fee rates for nursing and residential care. The total revised fee rates are £ 689.73 per week for nursing care and £593.89 for residential care, an increase of 3.39%. The fee increase is dependent on acceptance by contracted providers of a contract variation committing them to paying all care workers the SLW.
- 4.2 An uplift of 3.4% for Social Care Providers including Shared Lives Carers and Direct Payments, in line with the National Care Home rate for 2018/19, has been applied to enable contracted providers to pay the SLW increase.
- 4.3 In October 2017 the Cabinet Secretary for Health and Sport announced that the SLW commitment was to be extended to sleepover hours and be implemented over the course of 2018/19. Funding has been provided to support the delivery of this commitment. Timescales for implementation have been left to local discretion. It is proposed to uplift the sleeping night rate for contracted social care providers to the SLW from 1 September 2018 to provide consistency with the Local Government application. The Scottish Government commitment to introduce during the 2018/19 financial year will also be met using this approach.
- 4.4 Guidance issued in July 2018 by COSLA, in a Scottish Joint Council Circular which relates to Moray Council staff, states that with effect from 1 September 2018 payments for sleepover duty will change. The sleepover allowance and related call out payments will be withdrawn and sleepover shifts will be paid at an hourly rate equivalent to the Scottish Local Government Living Wage, currently £8.51, pending review, to £8.77.

## **5. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019**

This proposal fits with Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019. In particular, it addresses:

- Make the best use of resources and the national health and wellbeing outcome in respect of ensuring people who work in health and social care services feel engaged with the work they do and are supported to continuously improve the support, care and treatment they provide.

### **(b) Policy and Legal**

Scottish Government commitment to Fair working Practices and the expectation that:

- public bodies to promote fair work practices in all relevant procurement processes
- suppliers delivering public contracts to adopt and demonstrate appropriate fair work practices, for all workers engaged on delivering public contracts

### **(c) Financial implications**

As set out in within the report:

The provision of a 3.4% uplift to social care providers has a financial value that has been built into the MIJB budget setting process as an identified pressure to be addressed. In relation to the Scottish Government commitment of extending the SLW to sleepovers with the 2018/19 financial year, consideration has been given to a range of factors in order to make recommendation of an implementation date of 1 September 2018. Should this recommendation be accepted then the full cost of the uplift will be £235k noting that funding has been provided in the Scottish Government settlement and Moray has received its share of this funding.

The cost implications of the increase to Local Government employees in respect of the SLW for sleepovers will be made available once the conditions are fully established. Funding to meet this commitment has not yet been communicated to Local Authorities.

### **(d) Risk Implications and Mitigation**

The implementation of the SLW for social care providers is a Scottish Government requirement. Failure to implement the SLW would therefore have political consequences for MIJB.

Failure to implement the SLW may impact on the ability of contracted social care providers to recruit and retain their workforce.

**(e) Staffing Implications**

For the purposes of this report the SLW funding is for contracted social care providers therefore there are no staffing implications for Health & Social Care Moray staff.

**(f) Property**

There are none arising from this report.

**(g) Equalities/Socio Economic Impact**

If SLW funding is not agreed, an impact assessment of this decision may be required to assess the negative impacts of any reduced service capacity or other consequences arising from employers being unable to pay their staff the SLW.

**(h) Consultations**

Consultation on this report has taken place with:-  
Chief Financial Officer to MIJB, Tracey Abdy,  
Senior HR Adviser, Katrina McGillivray,  
Equal Opportunities Officer, Don Toonen,  
Care at Home Manager, Jacqui Short,  
Commissioning & Performance Manager, Roddy Huggan  
Accountant, Caroline Cameron and  
Caroline Howie, Committee Services Officer, Moray Council

who are in agreement with the content of this report as regards their respective responsibilities.

**6. CONCLUSION**

- 6.1 This report presents the implications of the commitment to the Scottish Living Wage increase for 2018/19 and requests additional funding to be drawn down to assist in the implementation of this increase for existing contract holders.**

Author of Report: Alan Weaver, Senior Commissioning Officer  
Background Papers:  
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