



Glasgow City Council
City Administration Committee

Item 7

4th April 2019

Report by Chief Officer, Glasgow City Health and Social Care Partnership

Contact: David Williams Ext: 78853

SCOTTISH LIVING WAGE SETTLEMENT (2019)

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

Purpose of Report:

To advise City Administration Committee that the Scottish Government settlement for 2019/20 includes provision for increase in Scottish Living Wage. This report covers the proposal for 2019/20.

Recommendations:

The City Administration Committee is asked to:

- a) note the report;
- b) agree that the Council will offer a 2.3% uplift to Provider rates within Glasgow Purchased Services;
- c) agree that the Council will offer a revised Sleepover rate of £11.11 in recognition of Scottish Living Wage requirements;
- d) agree that the Council 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.

Ward No(s):

Citywide:

Local member(s) advised: Yes No consulted: Yes No

1. Purpose of Report

- 1.1 To advise City Administration Committee 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 8th 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 City Integration Joint Board'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, will be 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 its 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 Council 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. Policy and Resource Implications

Resource Implications:

Financial: 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.

Legal: 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.

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.

Personnel: None

Procurement: None

Council Strategic Plan: A Thriving Economy
(Priority numbers: 3 and 5)

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22 Yes

What are the potential equality impacts as a result of this report? No significant impact

Please highlight if the policy/proposal will help address socio economic disadvantage. Not Relevant

Sustainability Impacts:

Environmental: None

Social, including Article 19 opportunities: None

Economic: None

Privacy and Data Protection impacts: None

5. Recommendations

5.1 The City Administration Committee is asked to:

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- d) agree that the Council will apply a 2.3% uplift to Direct Payments;
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