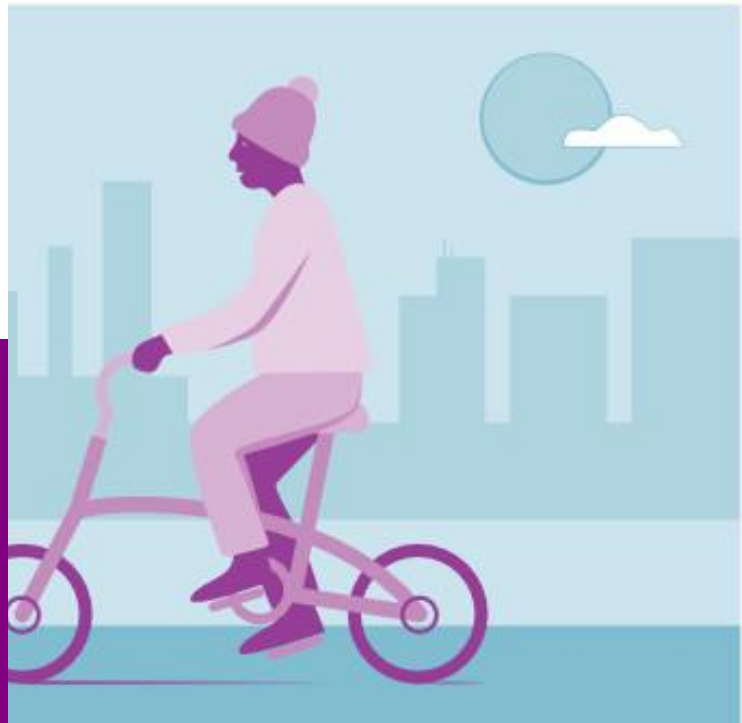




**The Health and
Social Care
Alliance
Scotland
(the ALLIANCE)**



2024-25 Scottish Budget Briefing

14 December 2023

Introduction

The Health and Social Care Alliance Scotland (the ALLIANCE) are pleased to share this briefing ahead of the Scottish Budget 2024-25. We recognise that the challenging financial circumstances of recent years have not gone away. There remains serious pressure on the Scottish Government's finances and as a result the delivery of valuable public services.

Financial pressures are not limited to public finances however, as ordinary people face an unprecedented decline in living standards. Many people, especially disabled people, people living with long term conditions, and unpaid carers continue to struggle with the ongoing cost of living crisis. The ALLIANCE is deeply concerned about the health, wellbeing and human rights impacts of the crisis, and urge the Scottish Government to use this year's budget to take meaningful action.

Ahead of this year's budget, the ALLIANCE are calling for:

- Continued prioritisation of investment in social security, including uprating payments in line with inflation, further increases to the Scottish Child Payment, and targeted cost of living payments.
- Investment in social care to be accelerated in advance of the National Care Service, including better pay for social care workers and the abolition of non-residential social care charges.
- Protecting and expanding the provision of Community Links Workers.
- Flexible, multi-year funding for the third sector, with appropriate inflationary uplifts each year.
- Longer-term reform of revenue raising, for local government in particular, in a way that is equitable and promotes greater stability for local finances.
- Careful consideration of how best to use the Scottish Parliament's revenue raising powers to maximise available resources.
- A human rights budgeting approach to be embedded throughout the process.



Investing in Services

The Cost of Living Crisis and Entrenched Poverty

In October 2022 the ALLIANCE published a report, 'Disabled People, Unpaid Carers and the Cost of Living Crisis: Impacts, Responses and Long Term Solutions'¹, which highlighted the deeply concerning impacts the crisis was already having on many people. These included being unable to afford to power or charge essential assistive technologies such as electric wheelchairs, cutting back on heating, bathing, and lighting to save on energy bills, or limiting their own food intake to ensure that someone else, for example children or a cared for person, had enough to eat.

As inflation and energy bills have remained high over the past year, we are concerned about the effects such prolonged hardship will have had. Although energy bills are seemingly down from their peak last winter, when accounting for the coming increase in January and the absence of the £400 rebate households received last year, the difference is likely to be marginal for many of the least well-off groups.

Poverty is persistent and deepening amongst disabled people and unpaid carers in particular. The Joseph Rowntree Foundation's 'Poverty in Scotland 2023' report² illustrates the structural inequalities that have entrenched poverty. They argue that not only is employment not an option for everyone, even for those who can work, jobs may not be available nor a route out of poverty. The report found that disabled people and carers were less likely to be in work, and more likely to be trapped in low pay work if they are.

Addressing both the current challenges and the entrenched, persistent root causes will require a concerted, long-term response from both the UK and Scottish Government. The Scottish Government must use the 2024-25 budget as an opportunity to invest in social security, social care, links workers and the third sector. Acting now to address these inequalities upholds individual human rights and dignity, in addition to longer-term savings by preventing people from reaching crisis point.



Investing in Social Security

Social security is one of the primary tools for combating poverty, and the Scottish Government's significant additional investment in this area since the devolution of limited powers has been very welcome. This investment must be continued in the 2024-25 budget, including through increasing devolved payments in line with inflation as a matter of course. In the longer term, a Minimum Income Guarantee should be introduced to the maximum degree possible under devolved powers to provide a secure income for all.

The Scottish Child Payment should be increased further than this, from the current £25 per week to £30 per week, as the ALLIANCE and over 150 other organisations have called for³. The payment is recognised to have lifted tens of thousands of children out of poverty in Scotland, and an additional increment will further reduce poverty rates.

Targeted additional social security payments should also be made directly to those most impacted by the current crisis. In our 2022 report, we called on the Scottish Government to make emergency payments of £400 to two groups; anyone receiving any disability payment, or anyone receiving either a carer's payment or the new Winter Heating Payment. This was costed at £372 million. As discussed later in this briefing, there are significant costs associated with the Scottish Government's proposed Council Tax freeze. Even at the lower end of the estimated cost of £183 million, the Scottish Government could instead use the same money to fund £200 payments.

Investing in Social Care

The ALLIANCE welcome that the Scottish Government have committed to maintaining investment in social care despite financial pressures, and we continue to play an active role in discussions around the proposed National Care Service (NCS). Nonetheless, improvements to social care cannot all simply wait for the implementation of the NCS, and we are concerned that service cuts continue to be brought forward in many areas, including to self-directed support budgets in Glasgow⁴.



At the same time, significant increases to care charges have been introduced. There is a pressing need to fulfil previous commitments⁵ to end non-residential social care charges, particularly in light of the other rising costs facing people receiving care at home. This should be a key priority for social care investment in this budget.

Persistent low pay in the social care workforce is also a major contributor to hardship and inequality. It makes recruitment and retention of staff difficult, negatively impacting the availability and quality of care. The ALLIANCE have joined with partners, led by the Coalition of Care and Support Providers in Scotland (CCPS), to call on the Scottish Government to value care workers and go further than the proposed £12 per hour rate of pay⁶.

Investing in the Third Sector

The cost of living crisis has further exacerbated the long-standing financial difficulties facing the third sector, which plays a vital role in supporting people across Scotland. In September the ALLIANCE published our second cost of living report, 'Stretched to the Limit: Scotland's Third Sector and the cost of living crisis'⁷. The report showed that the majority of members that responded experienced reductions in funding, increased demand for their services, difficulties filling vacancies, and higher bills.

88% of organisations contributing to our report said longer-term funding arrangements were necessary. The ALLIANCE continue to support calls by the Scottish Council for Voluntary Organisations (SCVO) for fair funding for the voluntary sector⁸, including multi-year funding arrangements, inflation-based uplifts, and proportionate approaches to reporting. The Scottish Government have repeatedly stated their commitment to working towards multi-year funding deals, but they must pick up the pace of progress.

Investing in Links Workers

Sustainable, stable funding is also vital for innovative programmes like Community Links Workers. Many of the issues people raise with their GP



are rooted in the wider social determinants of health, including low income, no or insecure employment, poor quality housing, and lack of community support. Whilst GPs can treat the medical issues that may arise from these situations, they are not capable of addressing the root cause. Links workers provide support and signposting to a range of services, including social security, food banks, third sector and community groups, through the model of “social prescribing”.

This integration between GP practices and a wider network of support and services helps enable a holistic approach to managing health and its social determinants. The ALLIANCE’s Links Worker Programme currently supports 52 links workers in Glasgow and nine in West Dunbartonshire, with other providers also commissioned.

Despite the invaluable service provided by links workers, the number of posts in Glasgow was recently threatened by funding cuts that would have reduced provision by a third. Following an incredible outpouring of support, the Scottish Government stepped in to provide funding that would protect the current provision for the next three years.

Whilst this intervention was extremely welcome and demonstrated an understanding of the value of the programme, the threat of cuts caused serious worry and anxiety for links workers, GPs, and the people they support. Preventative approaches like links workers save money in the long-term by supporting people before they hit a crisis point that may require acute interventions. The budget should therefore not just protect but further expand the provision of links workers in GP practices nationwide.

Funding Services

Local Taxation

Like many observers, the ALLIANCE were surprised when the First Minister announced a Council Tax freeze would be included in this year’s budget. Due to the regressive nature of Council Tax, the overwhelming majority of the benefit of this freeze will go to the most well-off households.



Although the First Minister has framed this as a cost of living support, previous interventions through the Council Tax system such as the £150 rebate for Bands A to D have been criticised as poorly targeted⁹.

At a time when public finances and services, especially in local government, are under serious pressure, we do not believe a Council Tax freeze is wise use of limited resources. A lower estimate from the Fraser of Allander Institute¹⁰, assuming a freeze funded to a 5% increase, is that this will cost £183 million. A freeze against an 8% increase and accounting for the scrapped proposals to increase multipliers on bands E to H meanwhile is estimated to amount to £417 million. These are significant sums of money that could be better targeted at meaningful cost of living support.

In addition, the ALLIANCE have previously highlighted Council Tax as an area of wider concern, including in both written¹¹ and oral¹² evidence to the Equalities, Human Rights and Civil Justice Committee as part of pre-budget scrutiny last year. Council Tax is highly regressive by design and has only become more regressive in the three decades since it was introduced, which is why little of the benefit of the freeze will go to poorer households.

Although the ALLIANCE do not take a set position on specific rates or forms of taxation that should apply in Scotland, we are concerned that the entrenched problems with Council Tax are impacting on the ability of local government to raise revenues for essential services in a fair and equitable manner. Particularly given the agreement that local government will continue to play a leading role in the funding and delivery of social care services under the National Care Service, it is essential that local revenues are sufficient to fund adequate provision.

A range of prospective replacements for Council Tax were investigated in depth through the Commission on Local Tax Reform in 2015¹³, which included representatives from four of the five parties currently present in the Scottish Parliament. Whilst the Medium-Term Financial Strategy stated the Scottish Government's intention to further progress local tax reform, it is important that this is taken forward at pace. Given the existence of a prior



evidence base in the Commission's report, the scale of financial pressures, and the increasingly regressive nature of Council Tax, legislating for a replacement in some form must not be delayed.

National Taxation

It is also important that the Scottish Government consider how best to maximise its own revenues. The ALLIANCE are well aware that essential public services and human rights aren't delivered by warm words and commitments, but by funding to realise them. Where this requires the Scottish Government to raise additional revenues, it should give careful consideration as to how to do so fairly and equitably.

Along with over 50 other organisations, the ALLIANCE endorsed a paper by the IPPR in September, highlighting a range of options for fair tax reform¹⁴. In addition to local tax reform, the paper called for an ambitious new rate of income tax to be set between the current Higher and Top rates, other taxes targeting wealth, and levies targeting polluters and employers not living up to fair work, social or environmental standards.

Taxation and public services should be recognised as going hand in hand as part of a wider social contract. There is widespread support and understanding for the principles of fairer taxation amongst the public. 64% of people in the 2021-22 Scottish Social Attitudes Survey¹⁵ agreed that taxes should be increased if it meant spending more on public services, whilst 68% agreed with the principle of redistribution.

Human Rights Budgeting

The ALLIANCE have long advocated for the Scottish Government to adopt a human rights budgeting approach, which is outlined in more detail by the Scottish Human Rights Commission¹⁶. The Scottish Government has the obligation to progressively realise human rights. How revenues are raised, how spending is allocated, and how they are used in practice are all essential to delivering on human rights obligations.



The principles of human rights budgeting go beyond simply the setting of the budget and can be applied to scrutiny. We have encouraged committees to apply the principles to their pre-budget scrutiny and would call on MSPs more generally to do likewise. Human rights should be recognised as a golden thread, relevant to all areas of government and parliamentary activity, and should be a focus for scrutiny every year.

Decisions on public finances should have due regard to two of the key principles of progressive realisation of human rights, those of “non-regression” and “maximum use of available resources.” Non-regression means the Scottish Government must ensure that changes in spending do not negatively impact human rights, such as the rights to independent living and equal participation in society for disabled people.

Maximum use of available resources means the government has a duty to ensure that adequate funding is available to ensure the progressive realisation of human rights. It should therefore carefully consider how to use the tax and revenue powers it has at its disposal to maximise revenues, as outlined earlier in this briefing.

About the ALLIANCE

The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector intermediary for health and social care, bringing together a diverse range of people and organisations who share our vision, which is a Scotland where everyone has a strong voice and enjoys their right to live well with dignity and respect.

We are a strategic partner of the Scottish Government and have close working relationships with many NHS Boards, academic institutions and key organisations spanning health, social care, housing and digital technology.

Our purpose is to improve the wellbeing of people and communities across Scotland. We bring together the expertise of people with lived experience,



the third sector, and organisations across health and social care to inform policy, practice and service delivery. Together our voice is stronger and we use it to make meaningful change at the local and national level.

The ALLIANCE has a strong and diverse membership of over 3,500 organisations and individuals. Our broad range of programmes and activities deliver support, research and policy development, digital innovation and knowledge sharing. We manage funding and spotlight innovative projects; working with our members and partners to ensure lived experience and third sector expertise is listened to and acted upon by informing national policy and campaigns, and putting people at the centre of designing support and services.

We aim to:

- Ensure disabled people, people with long term conditions and unpaid carers voices, expertise and rights drive policy and sit at the heart of design, delivery and improvement of support and services.
- Support transformational change that works with individual and community assets, helping people to live well, supporting human rights, self management, co-production and independent living.
- Champion and support the third sector as a vital strategic and delivery partner, and foster cross-sector understanding and partnership.

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