Budget scrutiny 2025-26 – Inquiry into third sector funding principles

Carer Centre Managers Network

Friday 11 October 2024, 09.30-10.30, online meeting

Attending:

Committee Members: Collette Stevenson MSP (Convener) and Jeremy Balfour MSP

Participants: Members of the Carers Centre Managers Network (20 carers centres represented) Claire Cairns, the Coalition of Carers in Scotland and Paul Traynor, Carers Trust

Longer term funding three years or more

According to the Coalition of Carers in Scotland Carers Centres Funding Survey (August 2023) the majority of carers centres are on a one or two year funding cycle, with 42% on a one year funding cycle.

A centre manager from North Lanarkshire talked about the positive difference having a six-year contract made. It was noted that in this area the census has identified that there are 49,000 carers and that the work of the carer centre saves the public sector money, as unpaid carers engage better with carer centres than other providers.

The report Our Lives[1] set out the barriers to ethnic minority communities. The centre used the report as leverage to get an equalities worker. This meant they could provide short breaks to carers from more marginalised communities and they would like to see this replicated in other areas.

Another centre in Orkney said they were funded year on year with no assurance that funding was going to continue. They said it was very stressful, as three months before the end of the contract the centre should be sending out redundancy notices.

In Moray, the centre was funded with a 3+1+1 contract. The Centre highlighted that they have had no inflationary uplift since 2009 but were being asked to find savings. They commented that the contracts can be reviewed at any time, so on the surface it looked secure, but it isn't in reality.

Inflation based uplifts

[1] https://www.northlanarkshire.gov.uk/your-community/equalities/our-people/our-lives-research-partner-responses

Another organisation, Connecting Carers, talked about the detrimental impact that not having uplifts caused on the organisation's sustainability and staffing levels. They underlined the need for the organisations to remain competitive in order to retain experienced staff. A lack of uplifts had also impacted staff morale. When staff left this caused a gap which couldn't be filled with a like-for-like post as no one wants to be paid £5,000 less than a comparable job in the public sector.

The COCIS Funding Survey showed that 4% of carer centres could not offer a salary uplift, while 21% could only offer a 1 to 2% increase, 25% a 3-4% uplift and 42% could provide a 5-7% increase. Moreover 77% of centres had to fund salary uplifts either all or partially from reserves.

A carers centre in East Dunbartonshire referred to the fact that they had not had an inflationary uplift since 2008. As such the organisation had to subsidise the council contract. Unfortunately, they could no longer afford this and had to stop a service, make a redundancy, and end their training programme to keep going.

In East Lothian a centre explained that they were on a 2 +1+1 contract and considered it likely that they wouldn't be getting an inflationary increase. So far, they had managed to subsidise the contract by approximately £10,000-£15,000. They are now considering what options they can take as it is not sustainable. They are contemplating whether the organisation can withstand putting in a bid which is not full cost recovery, as they emphasised the tendering process it is highly competitive, however, they stated this not only has risks for the organisation but also for the continuity and quality of the service.

There was a concern that statutory providers have taken more from the 'funding pot' and that this has meant voluntary providers are left with less.

The Manager from East Ayrshire highlighted that voluntary providers were still expected to follow the local authority pay scale, but with no uplifts. This meant any pay rise would need to come from organisations reserves. They stressed that it is only fair to reward experienced staff, but that the situation was not sustainable. The centre had lost staff and described this as a "frustrating and unpalatable" experience.

In Moray they explained that there had been no increase in the tender from 2008, but that there was a higher expectation from the funder. The funding used to employ 8 members of staff to undertake Adult Carer Support Plans, now the same money employs 5 staff to do this. They have tried to push back on this but with no success.

In the Western Isles they have had no inflationary increases for 10 years and have lost staff to the public sector because of better pay and conditions.

One carers centre outlined that they had a six-year contract and had managed to ride-out the lack of an uplift due to an opportunity to share services and because energy bills were included in the centre's lease.

One of the Centre Managers from Argyll in Bute shared their experience that "bills have gone through the roof" and that the increase wasn't accommodated for in the contract. They were told to do things more effectively to make savings, but the organisation was already doing what they could. In addition, no account was taken of the increase of carers being supported.

According to the COCIS Funding Survey 83% of carers centres have seen an increase in referrals with the average increase being 41% and this directly affects organisations' capacity.

There was a general view from carers centres that the third sector is delivering better value in relation to carer services than local authorities. As such, centres questioned why there was no investment in the third sector.

In relation to transparency of funding, participants discussed the £88.4m funding for the implementation of the Carers (Scotland) Act 2016 and considered that a good proportion of that was not being spent on direct carer support. There were calls for a proportion of this money to be distributed directly to third sector carers centres by national government, rather than it being disbursed by local authorities. If the current approach continued, participants considered local authorities need to be scrutinised more to provide better transparency and accountability of funding, in the same way that carer centres are fully accountable for the funding they receive. Some commented that a massive cultural change was needed if money was going to continue to be managed by local authorities.

Impacts from how carers centres receive their funding

In East Dunbartonshire, carers have increased by 22%, while young carers have increased by 26%. Meanwhile funding has been slashed with a 12% or £68,000 cut, resulting in four redundancies. They are not aware of any impact assessment undertaken on the consequences for carers of that cut.

An example of the impact of the cut in funding on staff and service users of one centre was given. The centre has had to lose an adult carers service. Also, a member of staff who has been with the organisation for 18 years, noting that one member of staff supports 500 carers. They said the impact is huge, and that they are losing outreach work and the ability to raise awareness and identify carers, stating "there are almost 15,000 carers in the area - there are real concerns".

One participant from Edinburgh was keen to highlight the level of funding insecurity, stating that it comes down to funding relationships but there can be changes of personnel in commissioning bodies and this can cause inconsistencies, increase tension and make service users anxious as they want services they can rely on.

Another impact cited by a Manager from Dundee was the amount of work being undertaken by organisations to bring in additional funding. According to figures relating to social return on investment, carers centres provide broadly £12 return for every £1 of public money spent. Organisations said they have to work hard to maximise their funding - it has become “fiercely competitive since the pandemic”. It was noted that funding used to come from a broad base, now most funding came from local authorities and a smaller number of grant making bodies. An example of the competitive nature was given. Previously, they said, if you were successful at the stage two process you had a good chance of receiving funding, perhaps a 40% to 60% chance - now it’s a 1 in 13 chance of success. They added that there used to be 30 applications, now there are 600 applications, “it’s hard and exhausting”.

A participant from East Ayrshire said they had to report all their external funding to the local authority, for example, young carers are not funded by local authorities, but they are expected to report on that funding.

Another area of concern was that some local authorities had advised that they could only deal with critical cases. Participants said social workers are now referring all carers who do not reach the threshold to carers centres for support. Many of these carers have complex and intensive caring roles, but still do not meet the critical threshold. This means carers centres, as well as dealing with a substantial increase in referrals, are also dealing with much more complex cases and staff have had to receive additional training and support to be able to respond to this change.

In conclusion, carer centres stressed at the heart of this issue are the people they care for.

Committee Clerks
October 2024