



OFFICIAL REPORT
AITHISG OIFIGEIL

Public Audit Committee

Thursday 3 March 2022

Session 6



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PUBLIC AUDIT COMMITTEE

7th Meeting 2022, Session 6

CONVENER

*Richard Leonard (Central Scotland) (Lab)

DEPUTY CONVENER

*Sharon Dowey (South Scotland) (Con)

COMMITTEE MEMBERS

*Colin Beattie (Midlothian North and Musselburgh) (SNP)

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Craig Hoy (South Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyle (Auditor General for Scotland)

Antony Clark (Audit Scotland)

Shelagh Stewart (Audit Scotland)

CLERK TO THE COMMITTEE

Lynn Russell

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Public Audit Committee

Thursday 3 March 2022

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Richard Leonard): Good morning. I welcome everyone to the seventh meeting in 2022 of the Public Audit Committee. I remind members, witnesses and staff that social distancing rules are still in place. Please respect those and wear a face covering when moving around the room or entering or exiting the room. However, face coverings can be removed when you are seated at the table.

Under agenda item 1, the committee will decide whether to take agenda items 3 and 4 in private. Does the committee agree to take those items in private?

Members indicated agreement.

“Social care briefing”

09:00

The Convener: Agenda item 2 is consideration of the “Social care briefing” that the Auditor General for Scotland and the Accounts Commission published at the end of January. I welcome committee member Willie Coffey, who joins us remotely. We are joined in the committee room by Stephen Boyle—welcome, Auditor General—and remotely by his team: Antony Clark, who is interim director of performance audit and best value at Audit Scotland; and Shelagh Stewart, who is audit manager in performance audit and best value at Audit Scotland. You are both welcome.

I say to Antony, Shelagh and Willie that, if you would like to come in at any point, please put an R in the chat box function and we will endeavour to bring you in. I am quite sure that the Auditor General may well defer to Antony and Shelagh to provide some of the evidence that we will be looking for.

I invite the Auditor General to make an opening statement.

Stephen Boyle (Auditor General for Scotland): Good morning, everybody. This morning, I bring to the committee our briefing on social care, which draws on findings from our previous reporting on health and social care integration, on people’s experiences of social care services and on public sector reform. We have previously reported on the challenges in social care, including the fragility of the workforce, the tensions between cost and quality in commissioning services, the lack of progress in shifting resources to preventative approaches and the gaps in key data that is needed to inform decision making. Unfortunately, those challenges, along with others, continue to threaten the sustainability of social care services and are having a huge impact on the people who rely on them.

My joint briefing with the Accounts Commission sets out the key challenges, some recent progress and what needs to happen urgently without waiting for reform. People should be at the heart of social care services, but we know that service users and carers do not always have a say or a choice about what support works best for them. As well as describing the struggle that they go through in trying to receive appropriate services, people have described the huge impact on their ability to live independently when the system works well and they get the support that they need. It is paramount that the Scottish Government embeds the voices of people with personal experience in

all aspects of developing, planning and delivering improvements in social care. That is essential in delivering the aspiration of a preventative and human rights-based approach.

We know that the social care workforce has been under immense pressure during the pandemic; indeed, that was the case even before the pandemic. The predominantly female workforce does not feel adequately rewarded or valued. There are also major problems with recruitment and retention. The Fair Work Convention and the fair work in social care group have made recommendations. The Scottish Government now needs to take action to improve working conditions for this vitally important workforce, otherwise it will not be able to deliver its ambitions for social care.

Our briefing notes the challenges with the social care commissioning system. The fact that it tends to focus on costs rather than quality or outcomes creates wider structural problems. The current method of competitive tendering, which is based on framework agreements with unspecified hours, can pass risk on to staff and result in zero-hours or sessional contracts.

Our briefing refers to surveys that highlight that staff do not always feel that they have the necessary time to deliver person-centred care. That is another key area that the Scottish Government needs to focus on as it takes forward its plans with local government partners and those in the private and third sectors.

Pressures from increasing demand and demographic changes are growing. That has led to tighter eligibility criteria being applied for accessing care and to increasing levels of unmet need. There are also major gaps in the data, and the true picture of demand and unmet need is unclear. That needs to improve to inform decision making.

Some things cannot wait for the establishment of a national care service. Stakeholders have told us about services in near crisis, and a lack of ambition now presents serious risks to the delivery of care services for individuals. The Scottish Government needs to take a pragmatic approach and set out what can be improved now, without legislation, while taking time to determine where the national care service can add most value.

Antony Clark, Shelagh Stewart and I will, as ever, do our utmost to answer the committee's questions.

The Convener: We have questions covering the range of issues that are raised in the briefing, which is extensive and raises matters of concern. Not least of those is the fact that about £5.2 billion of public expenditure is currently invested in social care, yet we have the issues of concern that the

report highlights and draws us towards. You say that we have increasing demand and demographic changes, and that there is still a lot of unmet need.

I want to begin by looking at the sustainability of the social care system. You make it clear in the briefing that, although the Parliament in this session will legislate for the creation of a national care service, there is a degree of urgency around the action that is needed to tackle some of the unmet needs and some of the challenges that social care providers and the social care workforce face. In fact, at one point, your briefing says that the system is "near-crisis". Is the Scottish Government putting sufficient resources into social care?

Stephen Boyle: There are a variety of components. I will touch on two points and will ask Shelagh Stewart to elaborate on them. One is about the pay and rewards that the workforce receive and the conditions in which they operate. The service is, by its nature, person dependent. That is about the experience of the people who are in receipt of care, and the experience of those who deliver care services. You mentioned that, as ever, resources are significant. The resources that we are currently putting into social care services have still led us to a point at which users of the service and those who work in it are telling us about the difficult experiences that they have.

A clear component is pay and reward, along with the working conditions of the workforce. Representative groups in the sector have said that the pay and reward issues are not just about those who deliver front-line services; they are about the whole structure of pay and reward across all aspects of the social care system.

The second point, which I touched on in my introductory remarks, is about the nature of the competitive tendering structure, which focuses more on cost than on quality and the experience of people who use social care services.

Both those factors might result in additional resource being put into the sector. As we touch on in the briefing, we recognise that there are plans to significantly increase the resources that go into the sector. There are the Government's plans and then there is what might come from the additional national insurance contributions, as they come to the Scottish Government. Both will result in significant additional resources going into the system. However, given where we are currently, urgent action is needed to resolve some of the challenges.

I ask Shelagh Stewart whether she wishes to add anything.

Shelagh Stewart (Audit Scotland): The Auditor General has covered the main points that we have raised, but I will pull out some of the

detail on the systemic problems. As the Auditor General said in his introduction, and as the Fair Work Convention concluded, there is an issue about the commissioning system and how the approach of having unspecified contractual arrangements passes on risk. That risk gets moved down to staff, who are asked to work flexibly on zero-hours or low-hours contracts. That is a big and really difficult thing to grapple with. We feel that action must be taken on that now, rather than waiting for the establishment of a national care service.

The Convener: You mentioned commissioning, the workforce and reward, and we have a series of questions on those issues, which we will come to.

First, a striking thing about the briefing is that you say how important it is that service users' perspectives and voices are seen and heard. There is a suggestion that, at the moment, those are not seen or heard as much as they might be. Are you aware of work being carried out by the Scottish Government that seeks to bring in the views of service users, their families and people who receive care, so that, in turn, they can inform the strategic planning of social care in Scotland?

Stephen Boyle: Again, I will happily start, but Shelagh Stewart will want to elaborate on the steps that the Government is taking.

There have been a couple of points at which the Government has involved service users and sought the views of representative groups. It did so in its consultation on the independent review of adult social care and in its consultation on the plans for a national care service.

Consultation matters incredibly, and I draw the committee's attention to the briefing paper, in which we sought to reflect some of the views of people who work in, or are in receipt of, the service. We reflect their current perspective of how it operates, some of the challenges that they and their families find with it and, in particular, what they refer to as the bureaucracy that exists in the system as they struggle to receive adequate care packages or make progress with self-directed support. There is also the challenge of moving between one provider and another and of moving to a different area. That has all been very challenging for people.

I will pass to Shelagh Stewart to update the committee on the Government's plans and their importance.

Shelagh Stewart: We make the point that people who receive and have experience of social care support must be part of the solution and be involved. From the consultation on the NCS, we know that that involvement has been built in. Lots of forums and individual consultation events have been held, and there has been an opportunity for

people to provide written submissions. The social covenant steering group has been established—it is really heartening that that more formal mechanism has been introduced. There are fantastic organisations that represent people who are in receipt of social care, including the Health and Social Care Alliance Scotland—which held a conference on the national care service just yesterday morning—the Equality and Human Rights Commission and Enable Scotland. There are lots of partners with which the Scottish Government can work.

On next steps, we recommend in the briefing that the Scottish Government works in partnership with other stakeholders that have a lot of knowledge and intelligence in this area.

The Convener: Thanks. Antony Clark wants to come in on that point, too.

Antony Clark (Audit Scotland): I just want to add a little bit to the points that the Auditor General and Shelagh Stewart have made. They have already made the point that the Scottish Government is working hard with service user groups in the consultation on the independent review of adult social care—or the Feeley review, as you know—but it is worth drawing out a couple of points that Feeley set out in his report.

One is the importance of service users having a voice in the commissioning process and playing a much more active role by working with providers and commissioners to ensure that, when services are designed for their local area, they reflect the needs of the people who will be using them. Hitherto, one of the constraints in choice has been the lack of capacity in the system, which is partly a by-product of the pressure that social care providers—*[Inaudible.]*—local authorities—*[Inaudible.]*—choice of services in the Feeley review. I just wanted to make that point about commissioning in the future.

I have a more general point about quality. In his introduction, the Auditor General made the point that commissioning tends to focus on costs rather than quality. The Feeley report made some important points that might require changes to the regulation and inspection of social care services so that the measures of success bring people's lived experiences much more to the centre. That could be a very important development as the Scottish Government and others start to develop the national care service.

That all touches on what you asked about, convener, so I hope that it was useful.

09:15

The Convener: Yes, that is very useful. We have more questions about commissioning. There

is a debate about whether the current commissioning model is the best one. It seems to be quite top down, and I am not sure that the voice of users is heard sufficiently loudly in it. However, that will be part of the debate that we will have in Parliament about the creation of a national care service. It will also address some of the more urgent points on which you have asked us to push.

The briefing also mentions the Social Care (Self-directed Support) (Scotland) Act 2013, which provided for self-directed support. The previous Auditor General, along with the Accounts Commission, produced a report in 2017 that concluded that the vision of self-directed support had not been fully implemented. How much further on are we? How would you describe the status of implementation of self-directed support?

Stephen Boyle: You are right, convener; the briefing paper draws on our previous body of work, including the report on self-directed support. Antony Clark will say a word about the background to that report and progress on it.

Albeit that it is not an audit of self-directed support, to an extent we capture in the briefing paper the continuing frustration that the sector experiences with regard to progress on the policy. It is still too hard for people to make progress in getting packages to support their independent living. It is still too hard to recruit personal assistants and there are concerns about the sustainability of such assistance. There are also still frustrations about the extent to which what people can access by way of self-directed support is known and understood.

Real frustration comes through, from the representative bodies and individuals who have engaged in the service, that it has not progressed as was initially intended. We signal in the briefing that it is our intention to return with a programme of further work to capture the progress on self-directed support. Overall, progress has not been made, to the extent that the Government or its partners anticipated, on the findings that my predecessor and the Accounts Commission highlighted five years ago.

Antony Clark: I was involved in the 2017 report, which was a follow-up to our 2014 report, so I am relatively familiar with the audit approach and findings.

The Auditor General is right that the briefing paper confirms that things have not moved on from our findings in 2017 at the pace and scale that we had hoped for. The feedback from service users that has been captured in the briefing and was presented to the independent review of adult social care makes the point that the Auditor General just made, which is that people still find it too difficult to access the services that they really

want, and to have choice in and control over their own lives.

It is fair to say that the ambition of the 2013 act is still not being fulfilled. We definitely want to follow up on that as part of our continuing programme of social care work.

The Convener: Thank you, Antony. That was helpful.

Another piece of legislation that Parliament passed on which you also reflect in the briefing is the Carers (Scotland) Act 2016, which provides for rights for unpaid carers. In your briefing, you reflect on a survey—from 2019, admittedly—that was carried out by the Coalition of Carers in Scotland. We should, of course, bear it in mind that there are 700,000 unpaid carers, so we are talking about a huge part of the population. The survey found that of those 700,000 people—or, I presume, a sample of them—

“only 16 per cent ... knew of the Act and what rights it provides; 33 per cent had heard of it but did not know what it was about; and 51 per cent had never heard of”

the act or the rights that it bestowed. Does not that highlight an issue that clearly needs to be addressed? What, as far as you are aware, is the Government doing to address the fact that, although there is an act of Parliament that gives unpaid carers rights, many of them are ignorant of those rights?

Stephen Boyle: Some of the statistics in paragraph 9 are quite stark with regard to the rights of the estimated 700,000 or so unpaid carers in Scotland, their familiarity with the 2016 act and their associated rights. That suggests, for all the reasons that we have set out in the briefing, that there are real gaps in the support that is being offered to unpaid carers and in their understanding of how to access support.

That points to other matters that we have highlighted, including concerns about gender inequality in respect of the predominantly female workforce—and, indeed, female unpaid carers—not being adequately supported or helpfully directed to where they can access support, breaks in caring responsibilities and so forth. We have therefore drawn the conclusion—which we have touched on this morning—that there is a near crisis and a real challenge in the sector. What we have just been talking about is a key plank of that judgment.

That is not just the responsibility of the Scottish Government; local authorities, too, have a very clear responsibility to understand the role of unpaid carers in their communities. I think that that is where the solutions lie. These matters should rightly take up time in the progress towards a national care service, but we also need to think about interventions that can be made now, which

brings us back to the questions that the convener started with. There is additional funding, so can steps be taken now to address commissioning models, rates of pay and additional support being provided to unpaid carers?

I am happy to pause there and ask Shelagh Stewart to come in. She is, perhaps, best placed to respond to the question.

Shelagh Stewart: I just want to echo the Auditor General's comment that the statistics in our briefing are really stark. We are not in a position to give you an update on the Scottish Government's intentions in respect of addressing that matter, but as the Auditor General has said, there are partners that are also part of the solution.

That is all that I have to say. I hope that it was helpful.

The Convener: That is fine. Thank you very much.

We have mentioned the social care workforce a few times already. Willie Coffey, who is joining us remotely, has some questions on that.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning. Before I ask about workforce issues, Auditor General, can you say something about how the briefing complements, reflects, mirrors or does otherwise in respect of the Feeley report that was published about a year ago? How much does the briefing find itself in harmony with that report's recommendations, and what progress has been made?

Stephen Boyle: Good morning, Mr Coffey. There is a very clear read-across between the findings of the Feeley report and our briefing. That is the case with regard to, for example, the sense that reform is needed; the concerns about the sector's sustainability; and the need to incorporate a human rights-based approach for people who receive care packages. Finally, there is a read across on the need for a change in thinking to ensure that people in the sector know that we are adequately addressing recruitment and retention concerns and offering fair work, in order to move the sector on from some of the sustainability issues that are set out in the Feeley report and our briefing.

Although Feeley did not cover all the aspects that are set out in the Government's plans for the national care service, his report sufficiently tackles some of the current urgent concerns. We agree that, taken as a whole, there are parallels and some read-across between Feeley's report and our briefing.

Willie Coffey: I turn to the workforce issues that are mentioned in your briefing, which tells us about the difficult environment in which the paid

social care workforce operates. It also refers to the increasing demand for social care, which is coupled with a wide range of recruitment and retention challenges. What has the Government been doing and what is it doing to respond to that challenge and to ensure that we increase the number of people with social care skills?

Stephen Boyle: You are right to say that there are a couple of points to address. In our briefing, we set out that there are about 210,000 paid employees in the social care sector. We recognise that the Government has taken steps to bring in the living wage for people who work in the sector. In paragraph 26, we set out some of the Scottish Government's plans for additional investment. There will be a 25 per cent increase in cash terms in the sector over this session of Parliament, which is around £800 million of additional funding.

There is no doubt that there are clear plans for investment. However, the Government, in providing funding over the current session of Parliament, including for the living wage, has not addressed the specific challenges that the sector currently faces, such as the high vacancy rates and how attractive the sector is overall to people who might want to come into it. Roles in the sector carry a lot of responsibility and are demanding. There are also concerns about career progression, stress, anxiety and the burden that has been placed on people who work in the sector, particularly during the pandemic. Those people could pursue other career options.

The issue is not that the Government has not offered support. However, in reforming and rethinking the sector, the issues that I have mentioned are the challenges that need to be addressed.

The Convener: Antony Clark wants to come in on that point. I invite him to give some views before Willie Coffey asks his next question.

Antony Clark: I just want to say a couple of other things. In paragraph 14 of the briefing we have set out what has happened around the living wage. That positive development, which happened recently, is an attempt to make working in social care more attractive.

Committee members might remember that there was a relatively big advertising campaign fairly recently to attract people into the social care workforce. However, it seems as though there is a bigger challenge to meet, which is to do with the public perception of social care. It feels as though we value nursing and medical support, but do not seem to value social care support in the same way. That has been well recognised by—*[Inaudible.]*—and by people in the sector. The three Government announcements that are

mentioned in the briefing are partly about trying to make that shift.

As Mr Coffey will know, a big issue that is mentioned in the Feeley report is around career pathways—[Inaudible.]—but then think that that might be a job for life. There is quite a job of work to do around career progression and development opportunities nationally and locally. That is recognised in the proposals for the national care service.

Willie Coffey: That kind of leads into my next question. Last year, we had an evidence session on Scotland's colleges. In it, the principal of Edinburgh College set out some of the more innovative approaches that the college is taking to address the increasing demand for a social care workforce. They include enabling students who are studying social-care related disciplines to undertake a mixture of studies, skills development and work-based opportunities, and provision of dual qualifications in childcare and social care. Is such thinking being considered across Scotland? If so, is it having a positive impact?

Stephen Boyle: I am not sure that we have a definitive answer to that, Mr Coffey. I remember well the evidence from the college principal and the conviction with which they spoke about the impact that the approach is having. Having listened carefully about the progress that that made towards tackling problems in sustainability of the workforce—as Antony Clark mentioned, to move the profession on to a different setting and to give it due parity with the national health service—and about other steps that can be taken, I think that we might need to get back to the committee in writing with more detail. Otherwise, the committee might wish to explore the matter directly with colleges.

09:30

Willie Coffey: Your briefing also refers to the commitment that the Scottish Government has made to pay adult social care staff the real living wage. We are talking about wages and money now. However, that wage might still not be enough to attract people to the sector. What do you say to that?

There are also issues with career progression. People should not go in at entry level and be there for ever more; we need to think about career progression and opportunities to improve not only pay but career prospects.

Stephen Boyle: That is very much the case. It is one of the key findings from the briefing.

In contributions from representative groups and evidence that was given to the Health, Social Care and Sport Committee last week, it comes through

clearly that the living wage is, in itself, welcome and is a step forward, but in order to support the sustainability of the workforce, social care needs to be made attractive—a sector in which people will want to stay to work and to develop their careers in the long term. We hear clearly from some voices that it matters—not just at entry level, but throughout the various grades in the sector—that there be adequate training, support and supervision, and that managers oversee training and development needs. All those are factors.

However, there is also a question of parity. The concern is that the sector is somehow too often seen as being less important than the NHS, and it does not enjoy the profile that the NHS enjoys. We need to shift that thinking so that social care is considered to be a valued profession for people to work in. It is hard work, too; people should reap the right level of respect and fairness for work alongside that.

Willie Coffey: On retention, your briefing gives us a statistic that one in four staff—25 per cent—leaves within the first three months. That must be quite a worry. Will you give us more information about why that happens? Is it pandemic related or was it happening before the pandemic? What can we do to turn that around?

Stephen Boyle: You are right to ask that question, Mr Coffey. At paragraph 15 of the briefing, we set out some statistics on the challenges in the sector. As you said, one quarter of staff leave within three months. Nearly 90 per cent of social care providers say that recruitment and retention are problematic. Some representative bodies say that their members have had to reduce the volume of care that they offer as a consequence of recruitment and retention issues. For reasons that we have set out in the briefing paper, those factors existed before the pandemic but have been exacerbated by it.

Social care is hard work, as we know. Social care roles are difficult, demanding and responsible jobs. As I am sure we will discuss, one of the factors to consider is the transfer of risk to people who work in the sector. I refer to aspects such as zero-hours contracts, sessional contracts, people not being given the time that they want to spend providing care, and concerns about travelling between locations. The question is who owns the risk. Too often, in the evidence that we have gathered, the risk is transferred to the people who work in the sector.

All those factors are undoubtedly components in how we have arrived at the situation with recruitment and retention. I am sure that Shelagh Stewart will want to add to that.

Shelagh Stewart: That was a comprehensive answer. It is very difficult for us to say whether the

additional pressures of working through the pandemic have impacted on the statistics. People seem to leave the profession—or at least a place of work—within three months. There is a need to make careers attractive and people should feel valued from a monetary perspective. They should also be able to spend time building relationships and investing in the care of the people with whom they work.

Willie Coffey: I turn to issues to do with the commissioning of services. Your briefing tells us that we tend to

“focus on cost, rather than quality or outcomes”.

That is despite spending £5 billion on the overall service. Is there a case for getting in those who are involved in the commissioning process at an early stage so that the tension between cost and outcomes could, to some degree, be avoided?

Stephen Boyle: I am sure that Antony Clark will want to come in on that, but that is a fair conclusion in relation to moving towards a more collaborative approach for the commissioning of social care services, as opposed to what we have been told feels like a very competitive environment, with all the instability that that can lead to for providers, particularly small providers, and the doubt about the sustainability of their business model if they are unable to secure contracts.

In previous answers, we have touched on the transfer of risk to people who work in the sector and the sense of unsustainability of employment that exists as a consequence of that. I am sure that Antony Clark will want to say more, but a collaborative approach to commissioning seems like a more sustainable model than the one that we currently have in Scotland.

Antony Clark: I completely agree with the Auditor General. In fact, in the 2016 “Social work in Scotland” report, we made the point that there should be earlier engagement between providers and commissioners as part of the development of commissioning strategies and processes.

We see some good examples of that, in which local authorities and integration joint boards work constructively and productively with local private and third sector providers to understand the needs of the local area and develop innovative solutions and services. However, those are probably the exception rather than the rule. That is certainly the feedback that we have heard from representatives of provider bodies, such as the Scottish Social Services Council and the Health and Social Care Alliance Scotland. What Mr Coffey proposes reflects a point that we made in a previous report.

Willie Coffey: Auditor General, your briefing also reminds us that £500 million extra was

awarded to local government in 2019-20. The big question is: do you know how much of that funding was used for social care commissioning purposes—or did it find its way elsewhere?

Stephen Boyle: I am not sure that I know that. Antony Clark is probably best placed to answer that question, as he is more familiar with the work of local government.

Antony Clark: I cannot give you a clear answer to that question at the moment, Mr Coffey, but we are quite interested in it. We are currently working our way through all the annual audits of the integration joint boards, which might give us some insights, but I am afraid that I am not able to give you a clear answer to that question at the moment.

Willie Coffey: Okay. My final question was going to be about the competition issue that the Auditor General raised, but I think that he has adequately covered that. If there is a more collaborative approach and people are involved at an earlier stage, we might gain more and, rather than focusing on costs, we might focus on quality.

I will hand back to the convener and allow other members to come in.

The Convener: Thank you—that is much appreciated.

Colin Beattie has a series of questions on leadership and culture and some of the other big issues that are raised in the briefing.

Colin Beattie (Midlothian North and Musselburgh) (SNP): Auditor General, this is not the first time that we have seen adverse comments about leadership in your reports. Leadership is mentioned in paragraph 20 of the briefing. You call for “stable and collaborative leadership”. That sounds like a fairly basic thing that we would expect to be in place.

You mention that councils and integration authorities are experiencing

“high turnover of senior staff”.

In the past, you have said that the situation is the same in the NHS. Why is there such a high turnover of senior staff across the public sector? Until a few years ago, generally speaking, that was not the case, so what has triggered the change?

Stephen Boyle: I would need to check the trend on turnover, but you are right to say that we are experiencing high turnover not just in one sector, but in the NHS and local government, too. The predecessor committee took evidence on turnover of leadership in the NHS and the various factors behind that, including issues to do with the demands and attractiveness of the role and some of the accountability arrangements.

We are in a challenging set of circumstances. I will say a bit more about the NHS and then let Antony Clark comment on local government and IJBs. The turnover is not confined to chief executives but extends to some of the key leadership roles. The issue goes back to the attractiveness of the role and the alternatives that are on offer to senior officials. Stability of leadership is key to moving away from and addressing some of the challenges that we set out in the briefing, and to tackling the sustainability of the sector and the collaboration between local authorities, the NHS and third sector providers. That all has to happen to move the sector on to a more sustainable footing.

Colin Beattie: Is it about money? Are people simply job-hopping for more money?

Stephen Boyle: Although that is a factor, it is not as simple as that. We see people who move from one sector to the next and meet career progression aspirations by moving from an integration joint board to a council or an NHS board. Those things happen and it is perfectly legitimate for individuals to do that. The concern is about the volume of change and people learning new roles at a time of real challenge. Stable leadership produces better outcomes. All those factors have been noted.

However, we are talking about structural issues. Leadership is one component, but the overriding concerns are about the attractiveness of the roles at different levels across the organisation and the commissioning context. That needs to be tackled.

Colin Beattie: I have one more thing to add before Antony Clark comes in.

I can understand there being an issue with stability if there is churn in the senior staff, which can create a vacuum until the person who moves in has got up to speed and got to grips with the job. What I do not understand is the lack of collaboration. Collaboration should be fundamental and embedded, regardless of stability. Why does that collaboration not exist?

Stephen Boyle: That is a really important question. In the briefing, we refer to cultural differences. It is not the first time that we have done so—I refer members to our report on health and social care integration. The cultural differences that it has been noted exist between local government, the NHS and the Scottish Government play a part in the experience that people have. A lack of collaboration between leaders, differences of views on budgets and different systems not being integrated are all issues that have been noted.

The situation has not moved on for the best part of the 10 years since we sought to move towards a more preventative agenda for health and social

care that involved providing care closer to people's homes. Those factors have not been sufficiently addressed in order to improve the experience of people who use and rely on the provision of health and social care.

Frustratingly, we have said repeatedly for many years that some of those cultural differences need to be addressed in order to achieve that more collaborative approach, yet we are still reporting concerns that that issue continues to get in the way of better outcomes for people.

Colin Beattie: Who needs to knock heads together to make that happen?

Stephen Boyle: We all have responsibilities—the Government, local government, the NHS and its partners—to take steps and move on from what are known issues.

It is not a universal picture. Some of the additional frustration comes from the fact that, across the country, there are many examples of cultural differences being overcome and of real progress being made. Over the course of the pandemic, issues that had seemed intractable for many years were set aside and progress towards better outcomes has been delivered. Perhaps we all need to take the opportunity to reflect on the fact that, when it had to happen, progress was made, and then we can build on some of those innovations.

I can see that Antony Clark is keen to come in. It would be useful to hear from him about the role that local government is playing and some of the innovations that we have seen there.

09:45

Antony Clark: I will quickly address Mr Beattie's question about turnover in local government. As one might expect, there has always been turnover in local government at senior level, both at chief executive and executive director level. However, it is noticeable that, over the past year or so, there has been a changing of the guard—many of the chief executives who came into senior roles around the time of local government reorganisation in 1996 are leaving. The departure of that tranche has created quite a generational shift in local government leadership. That is a thing, but not necessarily a bad thing: new people are coming in with fresh ideas and there is a big change of thinking in the local government sector.

There have always been shifts in IJBs. That is often about career progression; people move from a smaller IJB to a larger one in order to move forward in their career. More recently, we have seen some IJB chief officers moving into local authority chief executive roles—I am thinking of

the chief executive of Inverclyde. In some ways, people being able to demonstrate that they can move across different parts of the public sector is a welcome development, as it supports the collaborative leadership that we want to see.

We have talked about the collaborative leadership question many times in many of our audit reports and it still feels vexed and problematic. The Auditor General is right: we have seen great joint working during the pandemic because people have had a singular and shared goal. Everyone was very clear about what they needed to focus on, which was dealing with the immediate and pressing impacts of the Covid-19 pandemic on jobs, health and communities. The danger is that, as we move from recovery to response and renewal, people might retreat back into their professional areas of health, police and fire, and local government. We need to be alert to that risk. However, I am optimistic that what we have seen during the pandemic will be sustained as we move forward.

I hope that that is helpful, Mr Beattie.

Colin Beattie: I am very conscious that, as the Auditor General mentioned, the issue of local collaboration has been raised several times in Audit Scotland reports during my 11 years on this committee, yet nothing seems to progress. You say that some places are better than others, but all places should have a level of collaboration that achieves the outcomes that the Government and everyone else is seeking. What has to happen?

It cannot go on that Audit Scotland churns out reports saying that there is a lack of collaboration locally that is impairing progress. I say that it cannot go on like that, but it has done. How do we break that?

Stephen Boyle: Towards the end of last year, Audit Scotland and the Accounts Commission reflected on the 10-year anniversary of the Christie report, and touched on many aspects of why we have not progressed with the level of collaboration that is needed to lead to better outcomes in Scotland. We identified an in-the-round implementation gap between policy ambitions and what happens next. In previous meetings, the committee has heard about some of the performance measures and incentives that we provide to support better outcomes, and the fact that those are not always sufficiently clear for the people who work in and lead the sectors to deliver. That is one aspect. We also reflected on our own roles—the audit and scrutiny roles must also be directed towards improved outcomes.

There is no single answer, Mr Beattie. At the end of our briefing, we reflect on what might come next through a national care service, and how we can learn lessons from some of the previous

aspects of public sector reform in Scotland, such as police and fire reform and some of the colleges reforms, which have not produced the intended outcomes at the pace that was originally anticipated. We also make a number of recommendations on points that we anticipate that policy makers will want to reflect on in relation to the impending scrutiny of the national care service, which the convener mentioned. In that respect, there need to be clear milestones and intended outcomes that can be measured.

However, that does not set aside the need to have effective collaboration and to make some of these changes now. An issue that I have not yet mentioned and which the committee might want to explore is that of the quality of data and metrics in different organisations. That needs to move on, too. As I am sure that the committee will know, a frustratingly recurrent theme in audit reporting is that of data not being sufficient, readable or transferable in the way that it needs to be to deliver better outcomes for people.

Colin Beattie: I will come back to the issue of data in a second, but I am going to ask you an unfair question that you might or might not be able to answer. How significant is the difference in the quality of leadership in social care in the public sector versus that in the private sector, or is there no difference at all?

Stephen Boyle: I am grateful to you for recognising that I might not be able to answer that question, Mr Beattie, because that is probably where I am at. I am not sure that we have done enough audit work—or, indeed, have the scope or remit—to make a definitive judgment in that respect.

As Antony Clark has mentioned and as we touch on in the report, we are looking to recognise that stable and collaborative leadership is a key component of better outcomes for people, no matter whether we are talking about the private or the public sector. Users of social care will undoubtedly have different experiences, depending on whether they receive care from a local authority, third sector or private sector provider. However, as you have suggested, I am not sure that we have done enough audit work to have a clear position on that.

The Convener: I see that Antony Clark wants to come in. Perhaps he will be able to answer Colin Beattie's question.

Antony Clark: I am sorry to disappoint you, convener. I am not going to answer the question, but I am going to point you in the direction of someone who might—the Care Inspectorate, which inspects and regulates all the services that Mr Beattie has an interest in—[Inaudible.]—quality that it talks about is leadership. As I recollect, it

has done some analysis in which it compares private, third sector and local authority provision. I am hesitant to offer my hazy recollection of that analysis, but I think that it did not demonstrate a clear pattern in quality of leadership across sectors and suggested that there was variability in that respect. However, that is a question for the Care Inspectorate.

Colin Beattie: Thank you for that. I am sure that we will pursue issues with regard to collaboration and so on as we move forward.

Auditor General, you have correctly highlighted the question of data. It is not a new issue for the committee; in fact, I cannot remember you ever telling us that data collection in any particular area was exemplary or particularly good.

In paragraph 23 of the briefing, you say that there is

“No individual social care record in the same way that each member of society has an NHS record.”

Obviously, there are difficulties with comparisons in that respect. Moreover, there is

“No consistent method for recording unmet need”

and

“No coordinated approach to anticipating future demand for and costs of delivering services”,

which is pretty fundamental.

Are we saying that each individual area is collecting data in one form or another with a view to meeting that data need, but that they are not doing so on a basis that is comparable with how other areas are doing it, or are we saying that they are just not bothering?

Stephen Boyle: Some of the comments in this section of the briefing are quite stark. Shelagh Stewart can say a bit more about how things operate in different parts of the country, but the overall implication of what we note is that there is an inability or an unwillingness to share health and social care data, where that is collected, across different providers.

Significant implications arise from that. As you mentioned in your question, there is no social care data record that is comparable to what exists in the NHS. We all have NHS records that follow us, throughout our lives, if we move from one area to another, but that is not the case with social care. As we touch on in the briefing, that has implications. We talk about the direct experiences of challenges that people have had in building a care package around them. Such issues can deter people from moving house and local authority.

As we say in paragraph 23,

“there is no consistent method of recording unmet need.”

There is a lack of information about the demand for services and the experiences that people are having. Although assessments are carried out of people’s social care requirements, eligibility criteria are applied and, if people do not meet the criteria, there is no consistent method of recording what alternatives might be available to them.

Ultimately, there are significant implications for the quality of social care that people receive now and what it is anticipated that the demand on social care will be in the future. All those issues need to be tackled. I come back to the theme of urgency, because this is one of the things that ought to be done now. There is a need for data to be consistent, usable, transferable and based around people’s needs, as opposed to the concerns of organisations in the sector.

You asked specifically about what is happening in different areas, so it might be useful to bring in Shelagh Stewart at this point.

Shelagh Stewart: I will start with the point that there is no system in place for individuals to take their records with them in the same way that there is in the NHS. We know that there are different systems in different integration authority areas, which is not necessarily a bad thing, because organisations have individual requirements, but what is missing is the ability to take it up a level and to be able to pull together what the data means for demand, unmet need and future demographic pressures. We need a more strategic approach to using the data.

Colin Beattie: I have a final question for the Auditor General. We are, quite correctly, considering a national care service, which, I hope, will provide a uniform standard of care across the whole of Scotland. Without the data, how successful can a national service be?

Stephen Boyle: There is a very clear answer to that. I highlight to the committee paragraph 38 in the briefing, which sets out some of the points that need to be in place to ensure that public sector reform, whether to achieve a national care service or in other public services, is successfully delivered. One such component is a clear business case of anticipated outcomes, and transferable, measurable, consistent data is a key component of that.

Colin Beattie: As part of the process of formulating a national care service and getting it in place, we really need good data behind it to ensure that it will be effective. Is that correct?

Stephen Boyle: It is absolutely correct. As I mentioned a moment or two ago, that is one of our reflections on the Christie report. For a policy to be implemented successfully, it must be subject to effective scrutiny and evaluation, the system must reflect the experiences of its users and there have

to be clear milestones, data points and consistent, high-quality data throughout.

The Convener: Sharon Dowey has a series of questions to put.

Sharon Dowey (South Scotland) (Con): The briefing clearly states that Scotland's ageing population will inevitably result in an increasing demand for social care services and resources, and paragraph 25 outlines that it is predicted that, by 2038, nearly 25 per cent of the population

"will be over the age of 65".

To what extent is the increased funding from the Scottish Government over the current parliamentary session likely to meet the needs of the growing ageing population in Scotland?

10:00

Stephen Boyle: Both those things are true. That section of the briefing sets out that, as you said, about a quarter of people will be over 65 by 2038. It expands on that to say that about

"a fifth of the population of Scotland define themselves as having a disability and disability is more prevalent"

in the older population, and that the population of wheelchair users is projected to increase by 80 per cent by 2024. All those statistics combine to show increasing demand for the service of social care.

We note that funding increases of £800 million are expected over the parliamentary session, together with whatever spending decisions the Parliament chooses to make about the funding from the increase in national insurance contributions.

This speaks to a point that Antony Clark made, which he might elaborate on. The sector's sustainability will not be tackled by funding in and of itself. As Scotland emerges from the pandemic, it is perhaps important not to rebuild a system that was already unsustainable but to use the opportunity to reform the system so that it can deliver better outcomes and a better experience for people who rely on social care and who work in the sector.

Antony Clark: On budget gaps in the medium to long term, we have not yet been able to overlay the predicted expanded funding to see whether it will address them. Irrespective of that, as the Auditor General said, we have said for some time that we need to see change and reform. Simply delivering what we have delivered hitherto will not be the right way forward.

The commitment to more community-based provision and more preventative services was framed around developing and implementing a more sustainable social care system. We have

seen progress on that but, as the briefing and the Feeley report make clear, the change has not been quick enough or widespread enough.

The challenge for the next few years, as you—*[Inaudible.]*—and the challenge for the national care service will be having sustainable models in local areas. That will require changes by health boards and councils and stronger leadership from integration joint boards.

Sharon Dowey: I think that I caught that. You mentioned national insurance contributions, the increase in which is set to provide an extra £1.1 billion to Scotland. Has any work been undertaken to establish what proportion of that funding will go towards social care?

Stephen Boyle: I will check with colleagues on the team whether we have sight of analysis of the spending plans that the Government has set out. If my memory serves me correctly, I think that the medium-term financial strategy might refer to that, but I apologise for not having the detail to hand. I will check with the team whether we have additional comments today and, if not, we will write to the committee.

Sharon Dowey: That is no problem.

I was going to ask what is required to shift the delivery of social care services to a preventative approach, but you have covered change and reform. Has anything been done on the relative cost effectiveness of investing in preventative care as opposed to paying for support only when someone is at crisis point?

Stephen Boyle: There is a significant body of work on the relative cost and better outcomes of moving to a preventative care model as opposed to the typical impact in health and social care settings of unscheduled presentations at accident and emergency and unplanned care that involves staying in hospital. The challenge of creating care packages has an impact on delayed discharges, and there is a knock-on implication throughout the social care system.

We have mentioned that such thinking is not new. More than 10 years ago, the Christie commission explored in detail what was most cost efficient, which is not necessarily the key driver, and considered the better outcomes that people receive from having a preventative approach applied to their social care and health needs. That has been well set out. Our briefing contains some references and, if it was helpful, we would be more than happy to write with additional comments and sources.

Sharon Dowey: Paragraph 28 states that "over two-thirds of Integration Authorities" were

“unable to achieve a balanced budget without additional funding from partners in 2018/19.”

Paragraph 28 also highlights that the introduction of free personal and nursing care resulted in the development of

“eligibility criteria to manage the demand for services.”

That has led to local variations in response to financial pressures across Scotland.

Can you provide some further detail on the local variations that exist with regard to the eligibility criteria for free personal and nursing care, and say to what extent you believe that there is a postcode lottery for that care?

Stephen Boyle: I invite Antony Clark to answer that question, as he is closer than I am to the working of integration joint boards.

Antony Clark: This is not a new issue; it is an issue that we commented on in the “Social work in Scotland” report in 2016, when we saw that the pressures that local authorities were encountering meant that, in many cases, they were having to revisit their eligibility criteria. Where, previously, they might have adopted more of a preventative model, with the threshold for receiving services being set at a particular level, many local authorities were moving to place a threshold on accessing—[*Inaudible.*]—quite a critical need. At that point, we were highlighting the fact that that was running very much counter to the shift towards prevention, as it really meant that people were only accessing services when their needs were quite significant.

We will be able to provide a bit more information on that—[*Inaudible.*]—as well. It is a significant issue.

The Convener: Antony Clark mentioned change and reform being on the agenda, and Craig Hoy has a final series of questions about what the future holds.

Craig Hoy (South Scotland) (Con): I do not want to get into the detail of the proposals for a national care service—I do not want to pre-empt what the Government comes forward with—but, given that your report identifies that there is an urgent need for actions in relation to the present system, particularly in adult social care, is there a risk that the difficult decisions that need to be taken now could be put on hold, particularly given the much wider scope of and remit for a national care service, which go well beyond what the Feeley review envisaged?

Stephen Boyle: We are in a position in which both those things are important. There is an urgent need to address the threats to the sustainability of the social care sector, and that cannot wait until the establishment of a national care service. We

have talked this morning about challenges around the workforce—recruitment, retention and sickness absence levels—the sharing of data and the consideration of the commissioning model. All those things can be thought about now, before the Government discusses with the Parliament issues around how the national care service will be structured.

The key message of the report that we are discussing today is that there is an urgent need to address some of the challenges that the sector is facing, and that needs to be done alongside some of the thinking that will take place about how the national care service will deliver better outcomes.

Craig Hoy: On the consultation responses from the Convention of Scottish Local Authorities and individual councils, is there a risk that there will be a period of paralysis as we go through such a huge structural reform, particularly with regard to workforce issues? How should we guard against that?

Stephen Boyle: There is undoubtedly a risk that focus could turn to governance and structural matters around how a new system—which represents a significant plank of public sector reform—will be implemented. Many people work in the sector and they will all want their voices to be heard in relation to what that looks like. That comes back to our key conclusion in today’s briefing. Although thinking will no doubt take place to develop the national care service, there is a risk that that will take up the space for considering the challenges that need to be tackled now, many years in advance of the point at which we will see a national care service and begin to feel its impact.

Craig Hoy: On page 19 of the briefing, you set out the timeline for social care reform. I note with some alarm that, even before we know the full scope of the services that might be provided by a national care service, we have management consultants coming in to put in place a programme management structure and the operating model. Is there a risk that we are putting the cart before the horse and will end up building a bureaucratic system independently of the patient or resident-centred care system that Feeley envisaged?

Stephen Boyle: It is important that the Government and its partners consult widely and that the views of service users and representative bodies in the sector are reflected alongside any expertise that the Government decides it needs to bring in to create structures. I go back to my previous answer that, although setting up significant planks of public sector reform will require investment and expertise, that does not remove the need to address the very real challenges that the sector is currently facing.

We have many years of consultation and discussion ahead of us in setting up the national care service. I refer back to my answer to Mr Beattie's question. Alongside that consultation, we must learn some of the lessons from previous public sector reform and address some of the recurring themes—particularly around data—and we must be clear about what the outcomes will be. Ultimately, the core ambition for the investment is that people who use and rely on social care services in Scotland receive a better outcome than they currently do.

Craig Hoy: The timetable on page 19 shows, in effect, the national care service becoming fully operational by 2026. Bearing in mind that we are already into the second quarter of 2022 and no legislation has come forward as yet, do you think that the timetable is reasonable and that any costings that you have seen so far are likely to be deliverable and achievable?

Stephen Boyle: There are two things to say on that. The scale of public sector reform that is proposed is the most significant that any of us will have seen in decades. That reform needs to be accompanied by a very clear timeline of deliverables in order to meet the suggested overall timeline. In the briefing, we mention that the scope of the national care service is significant in terms of adult social care, children's services, social work and drug and alcohol services, and it needs to be accompanied by detailed costings, which have not yet been produced.

All of that needs to be clear, both for the Parliament to scrutinise and for users of the services, given what we have said about the many people who work in the sector, are involved in representative groups and rely on the service. Their voices need to be heard clearly and they need to play a part in shaping what the national care service looks like.

Craig Hoy: Would you accept that we are almost talking about a fundamental structural reform of local government? I think that it was Mr Clark who referred to the need for urgent action from local authorities and IJBs in relation to the present demands and needs of the care service. However, we can see local government and IJBs being moved out of the picture, in effect—certainly, we can see a rebranding of IJBs—through the process. As we look at the structures and ownership of the system, will there be a risk that we will lose accountability at the local level and perhaps end up seeing some of the issues that you have identified in the past—for example, in relation to Police Scotland?

Stephen Boyle: It is our understanding of the consultation—although, like everyone else, we are waiting to see more detail—that there will be changes in some of the accountability

arrangements, if they are progressed in the way that the consultation suggests, with the creation of, if memory serves me, national social care boards. I may have the wrong terminology, but those would mirror the role that NHS boards play in NHS settings. Accountability will move from local authorities to the Scottish Parliament and Scottish ministers.

All of that is a process of change. If what Mr Hoy is alluding to is that there is a risk of reduced focus on quality of service and so forth during that period of change, we are keen to emphasise that that needs to be addressed. When any significant plank of public sector reform takes place, it should not be at the expense of care and the quality of service that people receive. That is a very real component of the process.

I return to the overall conclusion that we make in the briefing paper, which is that some factors have to be addressed now, rather than our waiting for the national care service, and that we must guard against the risk that the period of real structural change that we are going through will bring an additional threat to the quality of care.

Craig Hoy: In response to a question from Mr Beattie, you talked about the importance of data. The Scottish Government's consultation envisages a single national information technology system for patient and resident records. What are the risks in putting together such a huge scheme, given that public sector IT systems have not always run according to plan or budget?

Stephen Boyle: There is a combination of risks and benefits. The risks are clearly that the system will not deliver what is intended, that the timescales will not be met, that there will be cost overruns and that there will be cybersecurity threats. Those risks are known and they can be addressed and guarded against. Alongside them, we need to consider the benefits and opportunities of progressing and investing in the IT arrangements, which are also reflected in the outcomes.

We have not done any work on the subject yet. However, as we touch on in the paper and as I mentioned earlier, it is our intention to undertake more work on social care in Scotland.

There are some appropriate parallels in our work on other reforms at such a level. In recent years, we in Audit Scotland have looked to undertake audit work alongside the implementation of significant changes in policy. Two examples are police reform, on which we produced a number of reports, and more recently social security reform. We do not wait until a system is implemented to do the audit work and provide the assurance that the Parliament will want. There are opportunities to audit and

comment alongside the development and implementation of policy, and we anticipate that that is where we will be with the national care service.

Craig Hoy: Like the Feeley review, the Government's consultation continues to envisage the private sector playing a significant role in the delivery and provision of care. How should the Government go about making sure that it fully consults and engages with the private sector and keeps it informed so that it does, in the end, form part of the solution that we will see once there is a national, but not nationalised, care service?

Stephen Boyle: As you touched on in your question, we operate a mixed market in Scotland. There is currently a clear role for the private sector in the provision of social care. I am sure that the Government will want to engage widely with, consult, inform and listen to the views of both providers and recipients of care. The steps that it is planning to take to ensure that that happens is perhaps more a question for the Government.

The Convener: Thank you. Mr Hoy, I fear that you veered into an area of policy and ideology there, which is certainly not the remit of this committee.

Auditor General, this is a debate that the whole Parliament is going to engage in over the next few years, but I think that you have made the point repeatedly this morning, as well as in the briefing, that there are some urgent issues that need to be addressed alongside the Parliament's deliberations on the reform of the system.

You also mentioned your interest, which we share, about what happened to the £500 million cash injection and how much of it went into social care commissioning. If you get to the bottom of that, we would appreciate your sharing that with us, because we are anxious to track where the money has gone.

We also heard about skills development and about the innovative things that Edinburgh College shared with us in a round-table discussion that the committee held late last year. Next week, we will have the director general for education and justice giving evidence on the planning for skills agenda. We clearly have quite a lot of shared interests. What is going on in the care sector is absolutely central to what is happening in the planning for skills work that the Scottish Government is leading on.

I thank Antony Clark and Shelagh Stewart, who joined us online this morning, and, as always, I thank you, Auditor General, for producing the briefing and answering our questions on it.

10:19

Meeting continued in private until 11:34.

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