



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Finance and Public Administration Committee

**Thursday 25 January 2024**

**Session 6**



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**FINANCE AND PUBLIC ADMINISTRATION COMMITTEE  
5<sup>th</sup> Meeting 2024, Session 6**

**CONVENER**

\*Kenneth Gibson (Cunninghame North) (SNP)

**DEPUTY CONVENER**

\*Michael Marra (North East Scotland) (Lab)

**COMMITTEE MEMBERS**

- \*Ross Greer (West Scotland) (Green)
- \*Jamie Halcro Johnston (Highlands and Islands) (Con)
- \*John Mason (Glasgow Shettleston) (SNP)
- \*Liz Smith (Mid Scotland and Fife) (Con)
- \*Michelle Thomson (Falkirk East) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

- Donna Bell (Scottish Government)
- Lee Flannigan (Scottish Government)
- Richard McCallum (Scottish Government)
- Maree Todd (Minister for Social Care, Mental Wellbeing and Sport)

**CLERK TO THE COMMITTEE**

Joanne McNaughton

**LOCATION**

The Alexander Fleming Room (CR3)



# Scottish Parliament

## Finance and Public Administration Committee

Thursday 25 January 2024

*[The Convener opened the meeting at 09:30]*

### National Care Service (Scotland) Bill: Financial Memorandum

**The Convener (Kenneth Gibson):** Good morning, and welcome to the fifth meeting in 2024 of the Finance and Public Administration Committee. The only item on our public agenda today is an evidence session with the Minister for Social Care, Mental Wellbeing and Sport, on the National Care Service (Scotland) Bill's financial memorandum. The minister is joined today by Scottish Government officials Donna Bell, who is the director of social care and national care service development; Lee Flannigan, who is national care service senior finance manager; and Richard McCallum, who is the director of health and social care finance, digital and governance.

I welcome our witnesses to the meeting and invite the minister to make a short opening statement. Good morning, minister.

**The Minister for Social Care, Mental Wellbeing and Sport (Maree Todd):** Good morning, and thank you for inviting me to speak today on the financial information that I provided to the committee on 11 December 2023 in response to the committee's stage 1 report on the National Care Service (Scotland) Bill. My officials updated you on Tuesday on the details of the finances and our thinking behind them, so I want to take the opportunity to update you on the work that we have been doing since I gave evidence to the committee in September last year.

Since summer 2023, we have worked with the Convention of Scottish Local Authorities and the national health service to agree on a statement of shared accountability. There has been weekly engagement between the Scottish Government, COSLA and the NHS. Those weekly talks have built on the shared accountability consensus that was reached on 30 June 2023, and have created a revised version of the national care service. I will set out the impact of that agreement on our plans for the bill in a moment. We have also been working hard in discussion with stakeholders, through numerous regional events and meetings during the second half of 2023.

I believe that the proposals for reform to the existing system are highly reasonable and

balanced, and they accommodate as far as possible COSLA's position, while ensuring that we can still effect the real change and improvements that people who are using the services today require and deserve. The proposals will also cost far less to implement than the initial plan. Indeed, our forecast over a 10-year period is for a drop in costs of between £249 million and £1.276 billion.

I note that, on Tuesday, my officials provided some comparative costs to clarify the scale of the changes for the bill as introduced, as well as for the proposed amendments at stage 2. Those have, unfortunately, been misreported to the media. The revised financial memorandum now contains the anticipated costs of the bill as introduced, and they are substantially less than the figures that were misquoted.

The case for change has been made unequivocally through the independent review of adult social care, through our on-going co-design discussions with people with lived experience, and through almost every exchange that I have had with people who work in and receive services from the social work and social care sector. We already spend more than £5.2 billion per year on social care, as per the 2021-22 local finance returns data, but that spend is not transparent and it is not clear to people who need social care who is accountable for the service that they receive.

We cannot just think about the financial costs in isolation. The establishment of the national care service will deliver many plausible benefits. For example, improving care and support services could help to reduce barriers to an individual's ability or opportunity to work, to increase their working hours or even to take up a new job, thus enabling more people to contribute to the economy.

Looking ahead from the shared accountability discussions, the three main changes that we want to make to the NCS bill are that local authorities will retain responsibility for all current functions and delivery of social work and social care services, with no transfer of staff or assets; reform of integration authorities, rather than the creation of new care boards; and the establishment of a national care service board to oversee delivery across Scotland.

Subject to the will of the Scottish Parliament, the Scottish Government proposes to make amendments to the bill at stage 2 in response to evidence that was taken at stage 1 and on-going feedback from stakeholders. Although those are the main changes that I intend to make at stage 2, they and any others will, of course, be influenced by the consideration of this and other committees at stage 1.

My letter of 11 December 2023 set out the changes that will reduce the cost of the bill substantially by removing the need to set up care boards and to transfer staff and assets. It is a £249 million to £1.276 billion saving. There will be some new costs associated with reforming integration authorities and establishing a national board, but the overall costs are greatly reduced. Costs are also reduced because the new proposal phases in reforms over a much longer timeframe than was originally intended.

However, over the next 10 years, we must spend a certain amount on setting up the national care service in order to save in the long-term future. If we get the national care service right, we will, potentially, save a great deal by empowering people to live their best life, and to remain active in society and the economy. That is perhaps the best saving that any of us in Government can make, because it means having an economy of greater wellbeing as well as one of greater resources.

We have worked enormously hard to reach a consensus with stakeholders, and I am confident that we have reached the best position from which to go forward. We continue to discuss and co-design the NCS with stakeholders. In some ways, that process, in one form or other, will never stop, because the NCS will inevitably evolve to meet the needs of people who need it, and we will continue to involve the voice of lived experience in that evolution. Financially speaking, our revised proposals reflect the challenges of a new fiscal environment in which we must demonstrate value for money.

I hope that I have given you an overview of where we are with the NCS now, and I am very happy to take any questions that you might have.

**The Convener:** Thank you for that very helpful and informative introduction.

I had intended to start where we left off on Tuesday. I still intend to do that in a couple of minutes, but I notice that you said that there was some misreporting of the finances in relation to our deliberations on Tuesday. Could you provide some clarification of that and put the position correctly on the record?

**Maree Todd:** Yes. I was asked by *The Times* to provide a comment, on the back of some reporting of the committee's meeting on Tuesday, on the figure of £3.9 billion. I quickly reiterated that that is not the cost that we anticipate of the bill for the national care service. That was a comparative figure that was an extrapolation over 10 years, on the original basis. We now have a significantly better understanding of costs. We produced that figure in order to aid the committee in its scrutiny of the bill but, of course, that is not the cost of the

national care service in the form in which we intend to proceed with it.

**The Convener:** I did not think for a minute that it was. I think that Mr Flannigan made that quite clear on Tuesday. It has obviously been picked up incorrectly.

Let us start where we finished last time. On Tuesday, I asked Donna Bell about the fact that the bill is much less complex than the one that we started off with, in that we will not need to transfer assets and staff or to think about the Transfer of Undertakings (Protection of Employment) Regulations or about having 31 or 32 potential care boards, et cetera. The variance in the costs is much reduced. Previously, the variance between the minimum and the maximum cost was up to 150 per cent. It is now about 45 per cent, so the parameters have reduced.

However, the delay in the legislation's being implemented has almost doubled. Instead of waiting a couple of years for implementation, the process will now take in the order of four years. I recognise that Donna Bell said that you were looking at things pessimistically, but you have emphasised how important it is that the bill works for the people who will benefit from it. Surely that is an inordinate delay.

I did not feel that the responses that I got on Tuesday were great. Basically, the officials said that it will potentially still be quite a complex process and that, if the Government could do the work more quickly, it would be happy to do so. If it is a resource issue, is it not best to say, "The reality is that we don't have the resources to implement what we want to do in the time period that we envisaged"? Is that, in fact, the case?

**Maree Todd:** A number of factors have come into the revised timeline, one of which is resource. Everybody is aware that we are in a different financial situation from the one that we were in when we introduced the idea of a national care service, and that we must work within our means. Therefore, our ambition has not dimmed, but the fact that we are slowing the pace of change means that the cost will be spread out over a number of years.

There are other issues. It is helpful that you highlighted the situation of the people who depend on social care and who expect to benefit from the bill.

Social care in Scotland is a really complex system and we need to manage carefully the changeover from where we are to where we are going in order to ensure that we maintain services at all times, and that there is no system failure. We have to be much clearer about the steps that are required to navigate that changeover safely, both from a financial perspective and in relation to

service delivery failure for people who access care.

Of course, we are not going to delay absolutely everything. As with any law, some parts of the legislation will commence sooner than others. For example, we have done a great deal of work on Anne's law and I meet regularly with Care Home Relatives Scotland. We have, largely, put in a place a solution to the problem as framed by Anne's law; the legislation in the National Care Service (Scotland) Bill will catch up with that and make it law. That will be implemented as soon as possible, once the bill is passed. We will not be waiting years for everything to happen.

**The Convener:** What about carers' breaks? What is the position there, in comparison to where it would have been under the previous iteration of the bill?

**Maree Todd:** We are still working hard to establish the costs of carers' breaks. As you will see in the revised financial information, there remains quite a level of variance on that. We are seeing improvements in carers' rights to have a break: we are putting funding into that, without the legislation having to make that change. We will consider very carefully the costs and how quickly we can implement carers' breaks after the bill is passed.

**The Convener:** In your opening statement, you talked about the economy of greater wellbeing. Earlier this week, Donna Bell said:

"The Scottish Government remains committed to responding to the need for reform, with significant changes being needed at local level to realise the intended quality and consistency that will be required. By providing timely support when it is needed, we can reduce overall service costs in the long term and empower people to maintain their physical and mental health, which will, in turn, create a healthier overall economy."—[*Official Report, Finance and Public Administration Committee, 23 January 2024; c 3.*]

You have reiterated that. Do you have any examples of what that would mean financially? It is a bold statement and it sounds logical, but in the financial memorandum we see only the implementation costs and not the economic benefits or, indeed, anything on the implications and how it will reduce costs in other parts of the Scottish budget, such as in the NHS.

**Maree Todd:** We are working really hard on quantifying the costs and the economic benefits. For example, if we consider the impact on delayed discharges, we know that the conservative estimate of delayed discharge per year is about—

**Richard McCallum (Scottish Government):** It is £134 million.

**Maree Todd:** The cost is £134 million, but it could be significantly higher. If we could reduce

delayed discharges, there would obviously be a benefit.

Young carers tell us that their ability to attend school—never mind to concentrate at school and achieve their potential—is impacted by their caring responsibilities. If the care system works and we can remove some of the burden from young carers, I expect a huge impact, not just on the lives of those young carers now, but on their future prospects, because they will be able to achieve more at school. It is really hard to quantify that.

In Scotland, one in four people is economically inactive. That is due in part to inability to access social care and to the amount of unpaid carers. We hear directly that caring for people in the community is largely invisible and unquantified women's work. If we had an impact on that, the people who are being cared for could contribute to the economy, as could people who are having to cut their working hours to provide care. We have heard very clearly from unpaid carers that they have had to cut their hours or stop working in order to fulfil caring duties. There will undoubtedly be economic benefits and impacts from the investment; we are working hard to quantify them.

As you would expect, I passionately believe in the national care service. I am absolutely certain that it is morally and ethically the right thing to do. I recognise that there is unmet need out there. Feeley spoke in his independent review about the fact that there is unmet need and that we have to increase our investment in social care.

We are currently increasing our investment in social care. We have committed to increasing our investment by a quarter in this session of Parliament and we are ahead of trajectory on that. I am certain that it is economically the right thing to do and that there will be economic returns from the investment, as well as it being the right thing to do. I will work hard to ensure that I can provide the committee with back-up information on that.

09:45

**The Convener:** Again, that makes one wonder why there is almost a go-slow in delivery of the legislation. The legislation will be enacted four years after stage 1. If the legislation is going to deliver such savings and such improvements to people's lives—which I think everyone wants—it is worrying that it will not be implemented next year or the year after, but in 2028 or 2029.

We have all had a letter from Social Work Scotland, which has been trailed in the media, that questions the 25 per cent that you talked about and whether it is in real terms, cash terms or somewhere in between.

**Maree Todd:** Richard McCallum or Lee Flannigan might want to come in on that. It is in cash terms.

**The Convener:** It is in cash terms. In real terms, what will that mean, using, if possible, the gross domestic product deflator, given that that is what we will have to work with?

**Maree Todd:** Do the officials want to do the sums away from committee and come back on that? *[Laughter.]*

**The Convener:** Social Work Scotland says in its letter:

“Through correspondence with Scottish Government officials we have also received some helpful supplementary information. However, overall the information provided still lacks the transparency and sufficient detail needed to provide legitimate challenge from parliamentarians, stakeholders, other interested parties, users of services or the public.”

There are still concerns about the cost of the bill.

Social Work Scotland goes on to quote your letter of 11 December and raises one or two other issues, for example

“the numbers, costs and roles of the civil servants”.

Colleagues might go into that in greater depth. Have you had sight of that letter from Social Work Scotland?

**Maree Todd:** I have not.

**The Convener:** Do you have any general comments about the letter?

**Maree Todd:** I would need to read the letter and get back to Social Work Scotland on the detail of it. Unfortunately, I have not seen the letter. Lee Flannigan saw it last night, but it was not addressed to us.

**The Convener:** I will move on, because there are plenty of other things to talk about, in the meantime.

There has been a huge reduction in the costs over 10 years, but if the legislation will not be implemented for three or four years, we will automatically see a reduction in costs. If we look year by year from implementation, what is the differential? The legislation will be implemented three years later than was expected, so no one would expect the costs, annualised from 2025 to 2028, to be the same, if it is three years late. We are not really comparing like with like, if you know what I mean, because we are not actually comparing what would be delivered in those years under the previous timetable and what is now being considered, because of the three-year slippage.

**Maree Todd:** I am not sure that I quite understand your point. I think that you are asking about the value and the proportion—

**The Convener:** No—I am not asking about value. On this occasion I am asking about actual numbers. You are phasing the legislation in over 10 years, so you are looking at costs over 10 years. However, if you shift implementation forward three years, you are looking not at 13 years but at three dead years, effectively, plus seven years. You are making a comparison with 10 years under the old financial memorandum. A few million pounds is a lot of money, but when we consider what it would have been in that three years, plus the first seven years of implementation, we are not comparing like with like.

**Maree Todd:** Donna Bell wants to come in on that. I suppose that the thing to emphasise is the cost of the national care service relative to the cost of social care spend. The cost of the national care service, from 2031-32, would represent between 0.54 and 0.82 per cent—less than 1 per cent—of spend on social care. It represents between 0.2 and 0.31 per cent of the entire spend on health and social care, so the cost of the bill is relatively small compared with the enormous amount that is being spent on social care. It is important that everyone understands that.

**Donna Bell (Scottish Government):** I understand what you are saying, convener. The first thing to say is that we are not comparing like with like when we get into the realms of shared accountability, which is one reason why we have given you a 10-year projection. You might want to go into this a bit more but, in essence, year 3 could be year 1, if you see what I mean. We have given you that 10-year span so that there is more opportunity to compare.

**The Convener:** I am saying that the implementation delay of three years impacts on the full delivery of the bill and that the costs will hit further on than we are seeing now. In the new financial memorandum, there are only seven years of costs instead of 10 years, so it is hard to compare a given year. Under the new financial memorandum, the costs for 2027-28 look totally different than they did under the old one, simply because a lot less will be happening then as a result of the three-year delay.

**Maree Todd:** There will be some costs earlier than the first three years. The three years is to do with setting up the local care boards. We will begin to set up the national care board as soon as possible after the bill is passed. We are working to deliver things such as the national social work agency now, so some of those things will start sooner.



The implementation costs of Anne's law are likely to be small. Much of that work has been done, but there will be an education piece that is associated with that. Some costs will start from day 1, and some will come a little further down the line compared with the bill as introduced.

**Lee Flannigan (Scottish Government):** Due to the extended timeline, it is hard to get a like-for-like comparison. One of the better indicators is to take the 2031-32 recurrent position because, under both instances, that shows things fully up and running. The recurrent element gives us a better indicator of the changes that have been made to the original FM, with the revised one giving us a better understanding of the potential costs. If we compare that against the costs of shared accountability to show the changes that we would propose at stage 2, we can then look at the recurrent element to get a better gauge of exactly where we are.

However, your point is valid, convener. It is hard to get a distinct like-for-like comparison, because we have moved the timeline. We could try to model that, but it would still be different, because, in essence, there would be a different timeline to the one that we are expected to deliver to.

To scrutinise the costs, we should focus on the revised costs over the 10-year period, compare that with the revised costs under shared accountability and focus on the recurrent element in order to see the benefits.

**The Convener:** Instead of my sitting here and wading through all the numbers that I have piled up in front of me, will you tell us what the differential would be in those years?

**Lee Flannigan:** Let us look at the recurrent position in the revised financial memorandum. I have consumer prices index and GDP deflator figures, as you previously asked about that. Using the GDP deflator, the recurrent position for the revised financial memorandum is £125 million to £458 million and, for shared accountability, it is around £33 million to £50 million.

**The Convener:** There will still be a significant saving then.

**Lee Flannigan:** Yes, there will still be a significant saving.

**The Convener:** That is a considerable saving—that is interesting.

All colleagues will probably ask about co-design—it is a major part of the bill and is an issue of concern to the committee because of its implications, not least for the committee's scrutiny function. Donna Bell gave detailed replies on that on Tuesday, when she talked about five themes: keeping care support local; information sharing; making sure that people's voices are heard;

realising rights and responsibilities; and valuing the workforce. You said that those themes are important and that

“the co-design work for the primary legislation has, in effect, been concluded and that we will move on to the development of further work on areas such as the charter, complaints and advocacy.”

You also said:

“we already have a good understanding of what is required for the secondary legislation.”—[*Official Report, Finance and Public Administration Committee, 23 January 2024; c 10-11.*]

If that is the situation, is there any possibility of including more on co-design in the bill at stage 2, or perhaps at stage 3, so that there is more of it in the primary legislation?

**Maree Todd:** I am very thoughtful about that, as I want Parliament to be able to scrutinise the bill effectively. I want your help to ensure that it is the best bill that we can possibly develop, so I am very mindful of how we can introduce a way in which you can better scrutinise the secondary legislation.

I suppose the issue is that this is a framework bill. We think that we have sufficient information. We have spoken to more than 1,000 people, and we have had a long process of co-design. We know, largely, what the primary legislation needs to change, but I do not think that there is any way round having the co-design process continue through secondary legislation, where we will collectively put a lot more meat on the bones.

I am thoughtful about how we can improve, or ensure that Parliament is comfortable with, the level of scrutiny that happens on the secondary legislation. I am very open to working with all the committees in the Parliament. Obviously, the lead committee will want to be involved as well, but I am very comfortable with ensuring that Parliament is able to scrutinise what is happening in secondary legislation.

When I talk about co-design, it is not a completely blank sheet. We have costed for what people are telling us is needed at every stage. If I take the example of information sharing, the financial memorandum shows how we think that that will be achieved and what we think that might cost. However, there definitely needs to be a stage of sitting down with people who access social care and working out exactly what information they are comfortable with sharing and how they want to give people access to it—that kind of level of detail. That does not need to be in the bill; it is better sitting in secondary legislation.

I recognise your concern and, again, I am keen to work with you.

**The Convener:** There may be some moves to put things in the bill, but the reason why the

committee is so concerned about having more in primary legislation is so that we can scrutinise the costings and so on. There are very challenging financial circumstances across the Scottish Government and we all worry that a bill of this magnitude and quality, if it is delivered as it should be, might not end up doing what it says on the tin because of resources. It is about knowing what the resources are. I have a feeling that the more co-design that is done before primary legislation is enacted, the better. That is the view of most people on the committee, if not all of us.

We previously asked a lot of questions about the GDP deflator and so on. On five separate occasions, I think, Donna Bell has said that she would get that information to us. When will that information—for example, costings based on the GDP deflator—be given to us?

**Donna Bell:** I think that Lee Flannigan has it, so we will get it to you later.

**The Convener:** I am just wondering when we will get that, because that will enable us to compare the spend with other budget lines in the Scottish budget, which is of fundamental importance.

**Lee Flannigan:** I can give you the high-level differentials now, if you want, but we can send on a more detailed breakdown as well.

**The Convener:** I want both.

**Lee Flannigan:** Under the revised financial memorandum, if we use CPI, the 10-year cost is £487 million to £1,621 million; with the GDP deflator, it is £480 million to £1,610 million. That is a differential of between £7 million and £11 million.

The recurrent position for the costs in 2031-32, is £127 million to £461 million using CPI, against £125 million to £458 million using the GDP deflator. That is a £2 million to £3 million recurrent differential.

Under the shared accountability line, there is no material difference in the costs.

**The Convener:** Basically, the GDP deflator is about 1.7 per cent and you are using an inflation rate of 2 per cent. Is that right?

**Lee Flannigan:** Yes. Under both instances, we use CPI and the GDP deflator. Once we get to the end of the Scottish Fiscal Commission forecast, I have defaulted to the Bank of England 2 per cent.

The reason why we have a reasonable change in the costs in the revised financial memorandum and almost no change in the costs in shared accountability comes down to how we have done the modelling. There are a couple of main points to make in relation to that. To work out the costs for the care boards, the national board and the integration authorities, we looked at the sets of

annual accounts from other bodies. They were based on the 2021-22 data and then inflated forward. Under CPI, the figures for 2022-23 and 2023-24 were substantially higher than those under the GDP deflator. The impact was that CPI inflated those specific lines significantly more than the GDP deflator did. That is why we see that increase in those figures.

10:00

The offset to that, and the reason why the shared accountability shows no change is that, for the Scottish Administration—the core Scottish Government part—the non-staffing costs were not based on 2022 figures. Those were based on our current spend and our projected spend, based on the policy initiatives and the work of those teams.

At that point, the GDP deflator figure between 2024-25 and 2026-27 is marginally higher, which partially offsets that. When we look at shared accountability, because the base is significantly lower, those figures effectively net off. However, given that the figures for the care boards are significantly bigger, the differential for using the 2021-22 figures inflated with CPI kicks those up. That is where the main difference occurs between those figures.

**The Convener:** That is very helpful.

On Tuesday, I made a point about the assumption in the financial memorandum that, in the first eight years, expenditure will rise by 41.5 per cent across all areas of social care services—adult social care, children, families, justice social work and the service strategy. That includes the 2 per cent that you have allowed for inflation plus 3 per cent real-terms growth. That means growth of about 25 per cent to 2031-32. However, minister, you have already said that the extra £840 million that will be allocated to social care staff is a cash-terms figure.

How will that expenditure be protected in real terms if, at the end of the day, over this session of Parliament, you are talking about a 25 per cent increase only in cash terms? It looks as though separate measures are being used and that one of them is not being increased by inflation plus 3 per cent.

**Maree Todd:** Do you want to respond to that, Richard?

**Richard McCallum:** In the first three years of this session of Parliament, we have already seen an increase of more than £1 billion in cash terms, against that figure of £840 million. We can translate that into real terms, but that probably shows that, in cash terms, we are well above the increase of £840 million that we had projected. That reflects the investment that has been made in

social care staff—the increases to pay in the past couple of years and the forthcoming increase in hourly pay from £10.90 to £12 in 2024-25. Therefore, in cash terms, we are running well ahead of the figure of £840 million, but we can translate that into real terms and give you that information alongside the cash-terms figure.

**The Convener:** I am asking about that for consistency, because it is very difficult to scrutinise when you are looking at one figure that is increasing in cash terms and one that is increasing by inflation plus 3 per cent. It seems that we are almost looking at two separate measurements, which will inevitably have different figures.

Social Work Scotland said that it has concerns that that target will not be met. You are saying that it has been met in cash terms, but it thought that the figure was meant to be in real terms, so some clarification is required.

**Richard McCallum:** We can absolutely provide that. We will follow up that point.

**The Convener:** Thanks very much. I will now open the session to colleagues around the table. Liz Smith is first.

**Liz Smith (Mid Scotland and Fife) (Con):** Good morning. Minister, Donna Bell explained to us on Tuesday that the substantial changes that you made to the bill last year arose from the feedback that you had had from your co-design partners about issues with relationships, deliverability, likely disruption and costs. I want to ask about the relationships aspect. What were the co-design partners telling you about problems in respect of relationships?

**Maree Todd:** I cannot speak for Donna Bell and it might be easier for her to answer that. However, when I came into this role as minister, it seemed that many of our partners—with whom we are working very healthily now—were quite opposed to the bill. That would include—

**Liz Smith:** Was the feedback about relationships between you and co-design partners or did it relate to how the bill would work with regard to the different stakeholders?

**Donna Bell:** Do you mind if I give a bit of context?

**Liz Smith:** No, not at all.

**Donna Bell:** On Tuesday, I was referring to feedback about the operation of integration authorities, including integration joint boards. Audit Scotland's 2018 progress report on integration authorities picked up on the issue of relationships; it has also come out of the co-design process. The issue is not about our relationships; it is about the

relationships that exist at a local level that aid collaboration and delivery.

**Liz Smith:** This question is for the minister. On the issues that were flagged up during the time that you were reconsidering the bill, are you confident that you have solved the concerns of those who are advising you on co-design?

**Maree Todd:** Yes. I am confident that the compromises that we have come up with are absolutely the right way forward.

**Liz Smith:** In an answer to the convener, you said that you are absolutely certain that the economic benefits resulting from the bill will be far reaching, and that that will be important for delivering the care that you want to deliver in that better social care will improve people's wellbeing, among other things. Did the Scottish Government measure what you considered the likely economic benefits would be in the previous iteration of the bill's financial memorandum? Have you measured what you think those benefits will be from the planned changes to the bill?

**Maree Todd:** No. As I said, we are still working on the detail of the economic benefits. Those benefits will come from having a social care system that delivers for people and from having a workforce that has better pay. Those would result if we are able to successfully introduce a social care system that works well for the people who are working in it as well as for the people who are accessing care.

**Liz Smith:** I understand why those economic benefits are so important, which is why I am asking the question. If the bill is to be successful, it is essential that those who are scrutinising it can see what those economic benefits are projected to be. You seem to be suggesting that, even at the initial stages of the bill, there was no calculation of what you think its economic benefit would be to society. It seems as though you are still working on those costs.

My point is twofold. First, appreciating what the benefits will be will help us to understand how those might allay some of our concerns about potential costs. Secondly, if co-design is ongoing—as your officials and you have said that it is—it is quite difficult for us to understand what the potential costs of that will be in the future, never mind just now. You have said that there are a number of things that you are still working on, such as costs related to carers. Do you accept that it is very difficult for us to scrutinise the longer-term costs of the bill in relation to your projected economic benefits? The data for both those things does not seem to be particularly complete.

**Maree Todd:** As I said, we are working on providing robust economic information. Some things are easily quantifiable, such as the cost of

delayed discharge. I will attempt to put a figure on that, and we can put robust detail around it, such as figures on how much we expect that to improve and how much it would save the public purse. The general principles of the bill have not changed since we introduced it, but the delivery has changed and the costs of delivery have reduced substantially. The benefits of the bill and what we are hoping to achieve with it—its ambitions—have not changed at all.

**Liz Smith:** I understand that the principles are the same and that you have changed the mechanism for the delivery of those principles. My point, and what the committee is interested to know, is: if we want to scrutinise the new financial memorandum and the related costs of the bill, it is essential for us to understand what the costs will be—costs in a financial memorandum cannot be exact, but they can be well estimated—and the economic benefits that will be forthcoming from the bill. At the moment, it seems that we do not have any certainty about that at all, so it is very difficult for the committee.

**Maree Todd:** You have the business case, which is a dynamic document and is regularly updated. We supplied that to you, along with the paperwork, on 11 December, and I am absolutely content to continue furnishing the committee with the updated business case as we go along. We are working on what the economic case is likely to be—as opposed to the budgetary cost—in the business case. That is where the detail is laid out.

**Liz Smith:** I understand that, minister, but the end of stage 1 is approaching pretty fast and all parliamentarians—not just those who are on the committees that are addressing concerns about the bill—need a bit more detail, as the convener has suggested, about the likely costs over a 10-year period and about how those relate to the initial costings. We also need to know what the benefits are likely to be.

That is the issue for us. Never mind party politics: this is about scrutiny of what the convener has described as one of the Scottish Government's flagship policies and of how workable that policy is. Do you agree?

**Maree Todd:** I think that we have already given full information. Not every bill that comes through this Parliament has an accompanying business case. Members do not get that level of detail about economic impact or the value of the investment with every bill that comes through Parliament.

I am happy to furnish the committee with more detail. I want to have robust, quantifiable figures, but the reality is that much care work is female work and is unseen and unaccounted for in our society. That is one of the challenges that we are facing and one of the reasons why we are

determined to improve the delivery of social care. There are no accurate numbers about how many unpaid carers are out there. From looking at that population, we have some idea of how many there are and we know that care is a gender issue and that far more women than men are impacted by unpaid care. We also know that, for working age carers, that impacts their ability to work. Unfortunately, we live in a society in which women's work is unaccounted for and invisible, so it is tricky to get robust evidence. I am determined to work to improve the quality of the evidence that you have.

**Liz Smith:** I have one final question. Where are we with the format for the national care board?

**Maree Todd:** The detail of the format will be worked out in co-design and in secondary legislation; it does not need to be in the primary legislation.

I have ideas about who I think should sit on that board. I am fairly certain that, as well as the shared accountability partners—the NHS, local authority and ministerial representatives—there should also be lived experience, which might mean people who are accessing care as well as unpaid carers. There is a lot of interest in ensuring that the sector itself is represented on the board.

**Liz Smith:** The national care board is an essential part of the administration and workability of the whole bill.

**Maree Todd:** The powers of the national care board are clear. We have agreed what the board will do, but the detail about its composition, and about who will sit on it and will have voting rights is still being negotiated and designed.

**Liz Smith:** That does not give me much confidence that we know what the national care board will be like. Accountability is essential. We absolutely need to know the make-up of the national care board and where accountability will lie. As I understand it, one of the big changes between the first and second iterations of your thinking about the bill is the change from having 32 different boards to having one national care board.

I will leave it there.

**SFJohn Mason (Glasgow Shettleston) (SNP):** While we are on the subject of the national care board, has there been a decision about whether that will be a legal entity, a public board on its own or some other type of body?

**Maree Todd:** We are still working through the detail of that.

**John Mason:** I understand that the Government has an assumption against the creation of new bodies unless there is a very good reason for it.

**Maree Todd:** If there is a very good reason for it, that is what we will do.

**John Mason:** Right, so you have not decided that—that is fine.

On Tuesday, as your colleagues will remember, I asked about integration authorities and will touch on that again. I asked about the relationship between integration authorities and what sits around them: councils, the NHS and the new national care board. My feeling is that, in the past, because councils and the NHS viewed budgets in slightly different ways, that caused a bit of a challenge for the integration authorities, and I wonder whether that will become more complex once we have the national care board as well.

10:15

**Maree Todd:** I hope not. The intention is for those things to be simpler and more transparent. We think that the integration authorities will fulfil the purpose of the care board as in the bill as introduced. On the link with the national care board, the integration authorities will produce their local delivery plans, and the national board will look at those and will hold the authorities to account on delivery. I think that, if anything, that will improve the situation by ensuring that adequate funding is put against aspirations to ensure that delivery occurs. That is the relationship between the local integration authorities and the national care board.

**John Mason:** Do you expect the NHS and the local council to hand over a sum of money to the local integration authority, such that the authority then has complete freedom over what it does with it, or are we expecting both the council and the NHS to take a hands-on approach, especially as to how money is spent but on other things, too? Would the national care board have any involvement in spending and so on?

**Maree Todd:** The national care board will be interested in service delivery, and it will certainly have powers to intervene, particularly where there is service delivery failure. That is somewhat similar to what happens in the NHS at the moment, where there is an escalation framework of support to ensure that local NHS boards are helped to deliver as required. On the ability to direct budgeting and so on, I think that the system that we are introducing will enable far better financial scrutiny. Local authorities and the NHS are signed up to that. They are inviting that level of scrutiny and shared accountability so that we can do a better job together.

**John Mason:** So there will still be room for a bit of variation around the 31 integration authorities. Presumably, the way that Shetland does things

and the way that Glasgow does things will always be slightly different.

**Maree Todd:** There would definitely be room for variation on operational delivery. There has to be. As I have said time and again, I live in the rural west Highlands, and the way that care is delivered in the village where I live is very different from the way that care is delivered in Inverness, which is within the same local authority and NHS board. Necessary variation is not what we are worried about.

**John Mason:** There is something that I noticed in the programme business case that I do not think we got round to discussing on Tuesday. It says:

“Another key area of benefits resulting from the NCS is the possibility of efficiency savings.”

What kind of efficiency savings would there be? Does that involve the third sector and the private sector, too?

**Maree Todd:** On efficiency savings, I meet people day in, day out, and I am told, anecdotally, just how difficult it is to navigate the social care system. Every MSP round the table will have experience of hearing from people who are bounced around from pillar to post to access care. There is duplication of effort and there is inefficient and ineffective sharing of information. Sometimes that is costly. We can all see it in our mailboxes, day in, day out. If the system works better, there will undoubtedly be efficiency savings.

I think that there is a level of unmet need—I agree with the Feeley review on that. I think that there is a level of need that we have not identified among people who are not successfully navigating the system and getting the care that they need, so there will be some increased cost as well, if we do this right. We will have to meet the unmet need, as well as making efficiency savings.

**John Mason:** Is that unmet need that we have to meet included in the budget, or will that be additional, further down the line?

**Maree Todd:** We recognise that it is there. It is hard to quantify, because it is not properly counted at the moment—that goes back to better data, better financial scrutiny and better understanding. We will have a better idea, as we go along, of the costs that are involved. We have an ambition to increase spending. We recognise that unmet need is there.

**John Mason:** One of the answers that we had on Tuesday was that we would better understand unmet need, and I think that you are confirming that. I am a little surprised that we do not know what that need is. For example, I guess that some people who are at home need to be in a care home but that there is no budget or space for that.

**Maree Todd:** We have a good understanding of the spend in the social care system for each individual once they have successfully navigated the system and got their package; we have a good understanding of delayed discharges; we have a good understanding of the people who have been referred for a package but have not yet been seen; and we have a good understanding of the people who have been referred and assessed for a package but do not yet have it in place. What I am saying is that I am reasonably confident that—as I think would be confirmed by the independent review of adult social care and by the mailboxes of every individual round this table—some people are not in the system at all, and it is very difficult for us to quantify that.

**John Mason:** Okay, so there are two different kinds of unmet need, in a sense: the one that we know about and the one that we do not know about.

**Maree Todd:** Exactly.

**John Mason:** How quickly would even the one that we know about be met? I should probably say that I used to work in the care sector. However, to take a personal example, my mother was falling regularly and we as a family decided that she needed to be in a care home. It took quite some time for the local authority to confirm that she needed to be in a care home, although it eventually did. During that gap period, my mother was able to afford the fees. The council made its contribution eventually. Will that change at all?

**Maree Todd:** Yes. I would expect the system to work more efficiently. Public Health Scotland already publishes data on that type of issue. That is the kind of unmet need that we know about at the moment. We can probably furnish you with that published information from Public Health Scotland, to make sure that you are aware of it.

I would expect the system to work more efficiently. At the moment, it is strained and reactive. We have come through a pandemic. The health and social care system in its entirety faces the most challenging times that it has ever faced, but our plans are designed to improve the situation, speed up those decisions and, at heart, ensure that people receive a quality service and are treated with dignity and respect.

**John Mason:** So the bill will make the system better, but it will not produce more money. One reason why South Lanarkshire Council could not put my mother in a care home was that it did not have enough money. The bill will not put more money into the number of people in care.

**Maree Todd:** We have a commitment to increase the spend on social care. We are increasing the amount of money—the quantum—

anyway, and there will be efficiency savings if we do things correctly.

There is a simple calculation. Anecdotally, if a frail elderly person spends 10 days in hospital, that costs them 10 years' worth of lost muscle mass. If, before they reach crisis point, we can help and support them to live independently in their own home, with a good care-at-home package, we will be able to help twice as many people—they will need half as much care as they would if they reached crisis point and required care on exit from hospital.

That is the type of efficiency saving that there will be if the system works better—if we can genuinely shift the spend to early intervention and prevention. Those efficiency savings will mean that we can help more people. Literally, through that change alone, we will be able help twice as many people before a crisis than we could after a crisis.

**John Mason:** That sounds positive. I hope that that is the case.

When it comes to the word “efficiency”, one of my thoughts is that, certainly when I was in the care sector, there was a move from smaller to larger care homes. Certainly, some third sector care homes and others are quite small. One means of efficiency is to close the smaller care homes and have much bigger ones. Glasgow has tended to go down that route. Is that part of your thinking as well, or is that separate?

**Maree Todd:** No, that is certainly not part of my thinking. As a Highland MSP, I say that that kind of market efficiency will not work for us in the Highlands. I am always mindful that, if I can get the social care system to work in the Highlands, I can get it to work anywhere.

**John Mason:** Are the third sector and the private sector involved in that discussion?

**Maree Todd:** Yes. I regularly meet them.

**John Mason:** Are they happy with where we are going?

**Maree Todd:** Yes. However, there is uncertainty. People do not like change and uncertainty. There are many excellent groups that operate out there in our mixed market economy for accessing social care, and they have nothing to fear from the change. We are going to improve quality right across the board and improve the pay and conditions of people who work in social care. The change is to be welcomed, but I absolutely acknowledge that there is uncertainty and concern about how it will impact on individual businesses and individual charities.

As I have said, I regularly hear from and meet stakeholders to reassure them about the changes

that are coming. Everybody agrees with the general principles of the bill—I have not yet met anyone who disagrees with them. We all want to move to a more effective, person-centred, human rights-based and high-quality social care system—nobody is arguing against that. However, there is undoubtedly a big and complex system at the moment with lots of touch points with other systems. It is a mixed market economy. I am working really hard at giving people reassurance during this period of change.

**Michael Marra (North East Scotland) (Lab):** I want to ask a little more about the core of the reform agenda. You have already touched on the problems of relationships in IJBs. We asked your officials about that earlier in the week. There is real dysfunction at the core of how money flows between the NHS and local authorities, and there is a lack of strategic ability to address that. How will the reforms that you have put in front of us address that core problem?

**Maree Todd:** The local delivery plan being overseen and scrutinised by the national care board will help to ensure that the outcomes that are outlined in the local delivery plan are achieved. At the moment, there is not that level of external scrutiny of whether what local areas say will happen happens, or that strategic thinking about commissioning—it works well in some areas and less well in other areas. The oversight from the national care board and its ability to step in and support if there is service delivery failure will improve the situation.

You asked about the money getting to where it should be. Everybody agrees with this: the local authorities and the NHS have agreed to share accountability, much of which is, at the moment, entirely in local authorities' hands. They have agreed to shared accountability in order to improve the situation and that will go some way towards doing so.

**Michael Marra:** I will come back to oversight. What will that shared accountability do to deal with the core problem that two different sets of budgets go into one pot, that there are votes from the NHS and local authorities, and that they cannot decide strategically about what needs to be invested in?

**Maree Todd:** I do not know whether Donna Bell wants to try to explain better how the shared accountability is different from what happens in the current situation. There is a recognition that the way that things are is not delivering and there is a willingness to change.

**Donna Bell:** Yes. Very few fail to agree on the strategic plan. We understand that there are votes occasionally, but that is not a feature. Most integration authorities have good relationships.

On Tuesday, I made a point about having a strategic plan. Most IJBs currently have good strategic plans, but they are not always aligned with delivery plans or the financial support for that delivery. A lot of points that have been made by Audit Scotland and Derek Feeley in the independent review and through the co-design are about getting transparency on the flow in relation to the strategic plan, the delivery plan and the finance, ensuring that all of those are lined up, and being very honest and transparent about that. That is what the national board will oversee in the future, and it will, as Ms Todd said, enable scrutiny to an extent and provide support where local areas are not quite in balance when it comes to the strategic delivery or financial elements.

10:30

**Michael Marra:** I will come back to the national scrutiny issue shortly. We still do not know what the changes will look like at local level or how the relationships will change. You have already said this morning that you have identified problems in those relationships, but you cannot tell us how voting rights and so on will shift at local level.

**Maree Todd:** That level of detail will be worked out in secondary legislation.

**Michael Marra:** But the bill identifies that what is delivered locally is the core problem and at the heart of this. To be fair, you said that local people—or local authorities and the NHS—recognise that change is needed. That is why we had IJBs and, before that, change funds. Those issues were recognised by the institutions, yet we are still in the position in which, if you have two competing sets of priorities with voting rights on one board, the money cannot flow to the strategic objective. You are not proposing anything in the bill to solve that.

**Maree Todd:** If you mean the voting rights on the local board, we have not decided that; that will be discussed in secondary legislation, including how the local board will be constituted, whether there will be an independent chair—that would be helpful, I think—and whether everyone will have equal voting rights or the chair will have a casting vote. All those things need to be worked out in secondary legislation, but I agree that it is a really important area in which to ensure that we deliver change.

**Michael Marra:** On the national care board, you have already mentioned oversight issues. Under current ministerial powers, ministers already have the power to intervene when they see substandard care issues, do they not?

**Maree Todd:** Yes, but it has proved challenging to use them. Ministers have very little locus to intervene. Many of the statutory powers lie with

local authorities, which are democratically accountable. You will have heard me say that in the chamber many times. The powers are certainly not the same powers of intervention and oversight that we have with the NHS and it has proved challenging to use them in the past. We think that this collective and shared agreement is an appropriate way forward. If the national board should decide collectively that intervention is required, it will be a much more straightforward process to put escalating support in place.

**Michael Marra:** We were told on Tuesday that the board could do things such as workforce planning. Why can civil servants not help ministers to do workforce planning at the moment?

**Maree Todd:** Workforce planning really needs to be done nationally. Our 32 local authorities each need a local pipeline, but asking Shetland Islands Council, for example, to sort out the supply chain of the social work profession would be a big ask. There are certain things that absolutely everyone agrees on, and the idea of national workforce planning is completely uncontroversial.

**Michael Marra:** You and I probably agree on that. What I am asking is why civil servants cannot help you, as the minister, to do that right now, rather than a national care board having to deliver it at the cost of £30 million a year. It is my understanding that you have 170 civil servants working on the National Care Service (Scotland) Bill. Is that correct?

**Maree Todd:** Yes.

**Michael Marra:** That is at a cost to the taxpayer of £1 million a month. Is that correct?

**Maree Todd:** Yes.

**Michael Marra:** That is a significant workforce, which could be addressing these concerns and helping you to deal with issues.

**Maree Todd:** Yes, but do you want that civil service workforce to continue to work on those issues or do you want to build a system in which they are dealt with better in the future?

The wider workforce is not directly employed by the Government—that is one of the challenges. For social work, for example, I think that the national social work agency is a jewel in the crown of the national care service. I agree that, for social work, work would need to be done to improve its status and the support that it gets in the national planning for that profession, regardless of the national care service. However, we need the primary legislation in order to bring the national social work agency into being and to fit it into the national care board so that it can have oversight of the system.

The national social work agency will deliver better support and mentorship for newly qualified social workers and better support and straightforward pathways for advanced practice. I just do not think that it is possible for individual local authorities, which employ social workers, to do that.

**Michael Marra:** Would the national care board replace those 170 civil servants? You have civil servants sitting next to you, so I am not asking you to chuck people out the door, but you suggest that that is where that money will come from.

**Maree Todd:** Once the system is built, there will be far fewer civil servants working on it. This is a change programme.

**Donna Bell:** We have made assumptions in the financial memorandum, so some civil servants will have to continue with the business of government, including developing policy and supporting ministers. At the moment, we are working through what the staffing requirement will be. As I say, we have made some assumptions for the national board, but there will be a business case for that, which we will be very happy to share with the committee when it is available.

**Michael Marra:** You said earlier that the change in the delivery timetable, which the convener questioned you about, was to reflect the challenges of a fiscal environment in which we must demonstrate value for money. When did it become apparent to you that we were in a situation in which there are fiscal challenges?

**Maree Todd:** It is very clear that, over the past couple of years, we have faced extreme fiscal challenges. We set our budget in 2022 and within three months it was worth one fifth less because of the impact of inflation. In the past couple of years, things have been significantly more fiscally challenging than at any other time since devolution. I think that everyone is agreed on that. We talk about next year's budget being the toughest situation that we have ever faced.

**Michael Marra:** Over the past couple of years, we have still had ministers in front of this and other committees defending the proposals in the original bill and suggesting that they should be backed by the Parliament. When did it become apparent to you that the country did not have the money to pay for the legislation that you introduced to the Parliament?

**Maree Todd:** I do not think that that is what happened at all. A number of factors have fed in and resulted in a change, not to our ambition, but to the pace of implementation of that ambition.

It is partly about the fiscal environment that we are currently operating in; it is partly about safe management of the change from where we are



now to where we need to be. A number of factors have fed into it. Part of the reason for change was, frankly, the level of resistance among our partners in delivery, including COSLA and unions. I could not ignore that.

I came into this role less than a year ago. Since I have been the minister leading on the bill, I have paid a lot of attention to the evidence that has been taken at committee level across the Parliament and to the views of stakeholders who deliver social care. I have continued the co-design process with people with lived experience. I meet them regularly to try to navigate to a consensus and find a way forward, which I think that I have done.

**Michael Marra:** The committee was told earlier this week that the legislation in front of the Parliament, in unamended form, could expose the public to a bill of £3.9 billion. Is that correct?

**Maree Todd:** No.

**Michael Marra:** Will you explain that, then? It is a little bit confusing, given the evidence that we received on Tuesday. The figure of £3.9 billion, frankly, came as a great surprise to the whole committee.

**Maree Todd:** I absolutely understand that you have found that confusing. I will ask Lee Flannigan to explain it to you again.

**Lee Flannigan:** We have taken the initial five-year timeframe, extrapolated it over 10 years and built in inflation and a couple of other factors. Again, that was based on the bill as introduced, but under the initial assessment of cost. Now—although it is still based on the bill as introduced—we have a greater understanding of a number of variables and assumptions. We have therefore been able to refine those estimates a bit to bring the cost at the top end from the £3.9 billion that would have been the comparator, down to £2.2 billion. I hope that that helps.

**Michael Marra:** Perhaps it helps. The issue is that, on Tuesday, you just introduced that figure into the public debate by saying that it was one that you had previously had but then rejected.

**Lee Flannigan:** It was not a figure that we had previously had, because the timeframe before was just over the five years. We never had the 10-year timeframe figure; that came from me just doing a calculation that, if we had kept the same basis for a recurrent cost element, under the cost assumptions in the original financial memorandum, we could have got up to a top end of £3.9 billion. What we have now—again, still under the bill as introduced—is a better understanding of the assumptions in the cost base, which has allowed us to refine the estimates to bring down the top end to £2.2 billion. However,

I take the point that the approach is slightly different because we have extended the timeframe and have moved the care boards a bit.

**Michael Marra:** Mr Flannigan, on Tuesday I asked you:

“Do you mean that, if the committee had signed off the original FM, we would potentially have been looking at a bill of £3.9 billion?”—[*Official Report, Finance and Public Administration Committee*, 23 January 2024; c 25.]

Your response was yes.

**Lee Flannigan:** That might have been a misstatement. It would have been based on the comparative point. We would still have been through the co-design process and worked on refining the estimates, so we would still have ended up at SF this position. The cost would not have actually got to that point; it was just an extrapolation, based on an understanding at the time, that took us to that figure. We would still have ended up here because we would still have done the work that we have done and that has arrived at the top end of £2.2 billion.

**Michael Marra:** You would understand, minister, that none of this is ideal. We are talking about variances between £3.9 billion and £2 billion and trying to shave away an understanding of what some of the cost base might be. For a finance committee to be brought such evidence within the space of three days is deeply worrying, is it not?

**Maree Todd:** We were attempting to be helpful. We were trying hard to provide the committee with information on both scenarios so that it could compare apples with apples, and not apples with pears. Undoubtedly, though, members have found that situation confusing. We will take that on board and we will reflect carefully on how we inform the committee about the various costings and scenarios in the future. I absolutely take on board that the previous approach has not helped.

**Michael Marra:** Would you not consider that the core cause is the chaotic way in which the legislation has been pursued? You have introduced one model, which you have completely changed during the process, and you have recognised some of the reasons for that.

You are talking about completely different delivery mechanisms. In your evidence today you have been unable to express what the shape of the national care service board will be or how integration authorities will operate. You have also given us a cost variance that jumps between £1.8 billion and £2 billion and then to £3.9 billion. You are not able to express any of the co-design models that will be conducted after this point, which might add to or increase costs, and which committee members have been greatly concerned about. Is the core issue not the way in which you

are handling the legislation, and in how it has been handled for years?

**Maree Todd:** I recognise that this committee, and others, have expressed concern about the framework nature of the bill and the fact that, because it is enabling legislation, much of the detail is pinned down in secondary regulation. I absolutely understand that concern; I hear you loud and clear. To improve that situation, I am mindful of how we could increase the level of scrutiny from this committee, and others, at the stage of considering secondary regulation.

**Michael Marra:** Why did you not have an expert advisory group on the development of this work?

**Maree Todd:** We have a great deal of engagement with the sector. Just last week, in the chamber, I made that point to your colleague Jackie Baillie. I do not know whether Donna Bell might want to add to that.

10:45

**Donna Bell:** The Health, Social Care and Sport Committee asked about the range of engagement that we have. We have the social covenant steering group, a stakeholder group and multiple other groups that provide advice on specific aspects of the bill. We also have the co-design work that has been outlined to you already. A significant amount of engagement is therefore going on, all of which is informing the bill.

We were keen to get a breadth of views, so we concluded that having one group that advises on the legislation would be too narrow. Ms Todd has already referred to Care Home Relatives Scotland and multiple other groups have a significant interest in the bill.

**Michael Marra:** There is an expert advisory group on ending conversion practices, an advisory group on the Patient Safety Commissioner for Scotland Bill, an advisory group on the age of criminal responsibility and an expert advisory group on heat pumps, but you did not think that an expert advisory group was required on this bill. Given what we have just described, could I suggest that perhaps it was?

**Maree Todd:** As I say, I am assured that the level of engagement that we have with everyone with an interest in particular aspects of the bill is sound and that we are hearing from experts, including lived experience experts, on what they need the bill to deliver and how it needs to go. I think that we have come to an absolutely reasonable position. We have achieved consensus and we are moving forward.

**Michael Marra:** We will wait and see.

**Jamie Halcro Johnston (Highlands and Islands) (Con):** I want to look at some of the costs and then I will ask my main question. Who pays for the carer breaks, how will that be done and can you give me an estimate of the cost?

**Richard McCallum:** The rights to breaks from caring, which you will see in the financial memorandum and the shared accountability framework, have built up for the period through to 2031-32 to be £102 million to £148 million. As with any aspect of spend, including in relation to all parts of the national care service, that will form part of the budget scrutiny that we will undertake and the work that we will do as we work up the budget that is introduced each year to Parliament. At the moment, we are factoring in those costs based on the revised figures in the shared accountability framework. As we take forward the plans for the NCS as it is set out, we will build those costs into our budget assumptions as we move forward. That is how we will approach that and work it out.

**Jamie Halcro Johnston:** The cost of carer breaks will be paid to councils by the Scottish Government. Will that be guaranteed every year?

**Richard McCallum:** Yes. The funding figures that are laid out in the updated shared accountability framework are our assumed costs. The mechanisms for allocating that funding and the approach that will be taken are under consideration. As you will be aware, there is an annual discussion with local authorities on the financial settlement, but our expectation is that it will form part of the settlement each year.

**Jamie Halcro Johnston:** How would that take other factors into account? For example, I imagine that you hope that the bill will increase awareness of carers, their responsibilities and support for them. How does it take into account the possibility of more people coming forward as unpaid carers and saying that they need and should be entitled to the payment?

**Richard McCallum:** I know that there has been a lot of work—

**Maree Todd:** Yes, that is one of the reasons for the level of variance that is set out. I am sorry, Richard; I interrupted you.

**Richard McCallum:** We have factored that in. Again, it is about the details in the financial memorandum, but there is a detailed calculation of workings to assess the level of people that would be in that category. As the minister just said, there is still a bit of a range when it comes to understanding fully the possible impact, but what we have is based on a detailed model that we have worked through.

**Jamie Halcro Johnston:** Could the cost exceed the estimates?

**Richard McCallum:** No. The high-level estimate of £148 million for what the cost could rise to in 2031-32 is, we think, at the top end of what it could be.

**Jamie Halcro Johnston:** Obviously, a lot of people who are entitled to care do not receive their full allowance of care. Do you expect there to be greater uptake of care because of the bill?

**Maree Todd:** As I said to your colleague Mr Mason, we recognise that there is a level of unmet need for social care out there that has not been quantified. We think that there probably are people who should be able to access social care who currently are not doing so. However, we think that we have a good understanding of the people who are in the system being assessed, waiting to be assessed for care or having been assessed for care and waiting for packages; we have a good understanding of those unmet needs.

**Jamie Halcro Johnston:** There are a lot of people who simply do not apply for the care that they should be entitled to, so the focus on the bill and awareness around care and people's rights might have an impact. Do you think that the current funding support that is available for that will meet any increases there?

**Maree Todd:** We have said that we are on a trajectory of increasing funding for social care. I have been clear that I agree with Feeley that, if we do this right, there will undoubtedly be efficiency savings. The obvious example is that early intervention and prevention is not only significantly better for the individual but saves a great deal of money and means that we can help more people.

We absolutely recognise that there is unmet need out there and that, if we make the system easier to access and navigate and we take a rights-based approach, there will be an increase in access.

**Jamie Halcro Johnston:** On Tuesday, I asked Donna Bell whether from a rural perspective the Government envisaged there being any additional cost to councils because of the bill. Her response was:

"No. We have not included any additional costs to councils."—[*Official Report, Finance and Public Administration Committee*, 24 January 2024; c 30.]

Do you think that that was a fair comment? Do you envisage any additional costs to councils because of the bill?

**Maree Todd:** I do not envisage any additional unfunded costs. We are working hard to establish the costs, just as we do with the introduction of any new system. As Richard McCallum said, there

is a budget process every year and, as part of that process, we sit down with our local authority partners and look at what requires to go into the funding.

**Jamie Halcro Johnston:** Councils may have an opinion on their need that is different from yours, as we see in the budget discussions at the moment and the talk around the council tax freeze. For example, a council could say that it needs a certain amount of additional support because of increased cost, increased uptake and direction from the national care board. It would then be for the Scottish Government to agree additional funding with that council. Potentially, therefore, councils could be left short because there has not been agreement on the levels of funding that is required.

**Maree Todd:** What happens every year is that we do our costings, they do their costings, we come together and there is a negotiation.

**Jamie Halcro Johnston:** They do not always agree with you on the results of the negotiations.

**Maree Todd:** There is potential for disagreement in future. As I said, we are working hard to ensure that our costings are accurate and that the service will be fully funded, just as we have done in relation to other commitments. For example, the increase in wages was fully funded by the Scottish Government—although that was not always passed on by local authorities to IJBs. We are determined to improve the situation and we are increasing our level of spending.

Richard, do you want to say more on that?

**Richard McCallum:** To come back to Mr Mason's point from earlier, one of the challenges with the current system is that boards are directly accountable to the Scottish Government and local authorities have their own mechanisms for assessing spend. Potentially there is that lack of transparency in relation to the integration authorities that are currently in place. On the point about efficiencies, the opportunities that there might be for integration authorities to deliver efficiencies are not always as clear as they could be, accepting that there will be warranted variation across the country. This approach will allow us to get greater clarity.

I absolutely accept that there will be times where there will be those challenging conversations and that there might be different viewpoints, just as there are now. The national care board will be able to assess and work through some of that. It will also give us greater transparency about where we are and how that spend is operating, which at the moment is not as clear as it as it could be.

**Jamie Halcro Johnston:** I want to stay on that point. You have talked about the fact that there was previously resistance from some stakeholders. Are councils still raising issues around funding? I do not necessarily mean COSLA, although I recognise that COSLA represents councils across Scotland. Are individual councils still raising concerns about costs and potential costs?

**Maree Todd:** In general, they are not raising such issues with me. We have moved on to the detail of how, collaboratively, we can improve the situation.

**Jamie Halcro Johnston:** Are you comfortable that most councils, or all councils, are on board with your plans, or that they are content enough to let COSLA negotiate on their behalf?

**Maree Todd:** In general, councils let COSLA negotiate on their behalf. That is the mechanism that is in place for us to interact with councils. However, in the course of my work and my efforts on the bill, I meet individual councils, which sometimes raise concerns with me.

**Jamie Halcro Johnston:** What kind of concerns do they raise? Are they concerned about the fiscal aspect, in particular?

**Maree Todd:** As I said, that is not the main concern that people come to me with.

**Jamie Halcro Johnston:** I turn to the national care board, on the detail of which Liz Smith raised issues. Given that you are a rural MSP, as I am, you will know that delivering services in a rural or island area is very different from delivering them in another part of Scotland. How will you ensure that those rural and island voices are included? You have said that you do not know exactly what the make-up will be. You have mentioned that lots of different organisations, including COSLA, will be involved, but delivering services in a place such as Shetland is very different from delivering them elsewhere. How will you ensure that those rural and island voices are included?

**Maree Todd:** I think that that can be worked out in co-design. Undoubtedly, local delivery will still be down to Shetland Islands Council and the local NHS.

**Jamie Halcro Johnston:** The national care board is now a vital component of the bill—it will be extremely important from the point of view of strategy and oversight—so it is surely very important that a rural or island perspective is taken on board as part of the oversight process.

**Maree Todd:** We want the bill to work everywhere in Scotland. The national board is more about scrutiny and oversight, support for individual local integration authorities that are struggling to deliver, and picking up on good work.

We have talked about Shetland. The way in which Shetland Islands Council has integrated its health and social care services and operates those services is outstanding. I would love it if everybody worked in the way that Shetland does.

The national board will be able to look at what is happening in local areas, to identify quickly and easily where things are working well and to ensure that those aspects of good practice are shared nationally. I do not know whether your concern is that COSLA is unable to adequately represent rural and island authorities.

**Jamie Halcro Johnston:** Although whoever happens to be in the room will be representing all areas, their experience might be of a large urban council rather than a small island council. There is a need to ensure that those areas where it is perhaps more difficult to deliver, because of the particular challenges that are faced there, are represented when it comes to strategy.

**Maree Todd:** I think that local planning and delivery are key. With regard to national representation, COSLA has its own democratic functions and structures. I interact with Paul Kelly—given how regularly we meet these days, we are tired of seeing each other. We are the poster girl and boy for the Verity house agreement. He is a North Lanarkshire councillor, but his work is very closely linked to that of the COSLA leaders, who represent every part of Scotland.

Therefore, I have no concern that COSLA is unable to represent rural and island views. I think that there are sufficient democratic structures in COSLA to ensure that the voice and the concerns of rural and island council areas can be heard and represented.

11:00

**Michelle Thomson (Falkirk East) (SNP):** Good morning, minister, and hello again to the panel.

I want to ask about two areas. As it stands, because this is a framework bill, we do not know what the final running costs will be, we do not know what the economic benefits will be and, critically, we do not know whether we can afford to run the service itself.

My first question is on the economic benefits. I appreciate what you said about having a business case for this, but I would argue that the business case relates not only to the costs, which we have talked about a great deal, but also to the economic benefits, which are primarily what we as the finance committee are interested in. Are you concerned that evaluating the potential economic benefits will bring out an even clearer understanding of further costs? You have made

some very good points, and I completely agree with you about the hidden work that women, in particular, do, but there is a cost associated with evaluating the economic benefit of getting those women back into the workplace.

There is a very good comment in the letter from Social Work Scotland that the convener talked about earlier. It says that it is very difficult to get staff, even when offering £12 an hour, and that there are significant challenges with recruitment and retention. That leads me on to my question: can we afford to run the national care service, if we get to that point? I would like to hear your reflections on that.

**Maree Todd:** We are reasonably clear on the costs. We have a range for each of the costs associated with the bill, and I am confident that we have done robust calculations on those ranges and that, as we narrow it all down, the final costs will come within them. We have a good understanding of what the final costs will be.

The thing to understand is that we are currently running a social care system that is costing the nation a substantial sum of money. I recognise the uncertainty of moving from the way in which we do things now to the way in which we will do them in future, but I am reasonably confident that we will have a far better system. The system will deliver better for the individuals who are accessing care and for the people who work in care, and the costs will be outweighed by the economic benefits.

**Michelle Thomson:** If you have not done any economic modelling, how do you know that that statement is true?

**Maree Todd:** We have done a great deal of economic modelling, but I have pointed to the areas where there is still uncertainty and where more robust modelling is required. There is still some uncertainty in quantifying the unmet need that the system currently does not capture.

**Michelle Thomson:** The point that I am trying to make is that—

**Maree Todd:** If I could finish—

**Michelle Thomson:** Well, this is a fundamental issue.

The committee has spent a lot of time evaluating costs. I have conceded to your staff that I recognise the work that has been done on costs, and I concede that point to you, too. The nature of a framework bill means that such work is needed—and we have had lots of discussions about that—but I am probing the economic benefit. If you have done lots and lots of work, why have we not seen lots and lots of work? The committee's confidence is underpinned by this, so given that you have said that lots and lots of work has been done on the economic benefit, I think

that seeing that work might have given us further confidence.

**Maree Todd:** Perhaps I have pointed to the areas where we do not have robust evidence. Undoubtedly, there is a level of unmet need that we have not adequately quantified yet, because it is not in the system.

**Michelle Thomson:** And that is a cost.

**Maree Todd:** Absolutely. I have been very clear that we can quantify a good amount of the unmet need. Public Health Scotland already produces tables showing those who have been referred into the system and who are awaiting an assessment and those who have been assessed but who do not yet have their package, so we are absolutely certain about much of the unmet need. We have robust evidence on that. There is a very small proportion of the unmet need that I do not have robust evidence on yet, and perhaps I should not have focused on that.

Again, on the economic benefits, I have said that there are areas where this work is difficult. It is, for example, difficult to know how many unpaid carers are out there. In the business case, however, we have detailed the stuff for which we have a robust economic case. We have put in it that, in 2021-22, 236,000 people in Scotland were reportedly receiving social care support or services. We have made an assumption and said that if just 10 per cent of that group—that is, 23,600 people—experience a 0.1 point improvement in wellbeing because of the establishment of the NCS, for the reasons discussed in the business case, that could lead to a potential annual benefit of around £34 million at 2021 prices.

The business case also details that around 130,000 people were employed in the adult social care sector. If it is assumed that just 10 per cent of those people—13,000 carers—experience a 0.1 point improvement in their wellbeing on the life satisfaction scale from the establishment of the NCS, it might lead to a potential annual benefit of around £19 million at 2021 prices.

Therefore, I do not think that it is fair to say that we have not provided any economic detail; indeed, I think that we have provided really solid economic detail in the business case. However, I accept that we cannot be absolutely certain. Those are estimates; we have used calculations and formulas and have made a best guess at what we think that it will deliver, but I accept that there is uncertainty around that.

What I would state time and time again is that I am absolutely certain that this is the right thing to do. I am also certain that it will deliver economic benefits.

**Michelle Thomson:** Thank you for pointing out that detail in the business case, but the obvious point is that any normal assessment would look at the extent to which economic benefit outweighs the cost. Given the numbers in the business case, I accept the rationale and the caution that you have applied—and I agree with that; I think that it is the right approach—but, even from just talking through those numbers, I think that it is abundantly clear that the margin between cost and benefit is significant.

**Maree Todd:** I go back to the point that I made to the convener: what the committee is scrutinising today is the cost of the National Care Service (Scotland) Bill. The cost of the bill is likely to be less than 1 per cent of the current cost of social care, and it is likely to be less than half a per cent of the total cost of health and social care spend in Scotland.

**Michelle Thomson:** That leads me on to the second question that I mentioned in my opening remarks, which is whether we can afford the running costs of a national care service. I have already highlighted the example of staff availability and, arguably, skills availability in the staff to run it. I would like to hear your reflections on that.

The other point that that raises relates to the prevention strategy. It would be interesting to work out how you arrived at your 1 per cent basis and what that will mean in terms of savings. I am still quite uncertain about that, because you are going to have to make efficiencies over what we are currently delivering. That is the whole point of this—I get that—but can you help me to understand the prevention strategy a bit more and how it pertains to costs and benefits?

**Maree Todd:** The evidence for early intervention and prevention is relatively strong. More than 10 years ago, the Christie commission made a strong case for early spend—in other words, for preventing people from falling into the river rather than having to pick them out of the river.

There is robust detail about the economic benefit of early intervention and prevention—we have fairly robust calculations on that. I am not sure where the 1 per cent assumption that you have talked about came from, but the fact is that we are running a very costly system. Social care costs Scotland enormous sums of money every year, and everyone accepts that what we are delivering is not of the standard that we want.

The national care service provides an opportunity for us to improve social care delivery. I absolutely agree that there might well be costs. Feeley calculated that, as the business case says, social care would be beneficial for 36,000 people in Scotland who do not currently have access to it.

I agree that there might be costs that we are uncertain about, but I am certain that, if we can deliver better care—which we will do through the national care service—we will save money and bring money back into the public purse.

We can calculate the wellbeing impact on the 36,000 people. If just 10 per cent of them—3,600 people—experienced a 0.1 point improvement in their wellbeing on the life satisfaction scale, the annual benefit could be worth about £5 million.

**Michelle Thomson:** I think that you have made my point for me. I suspect that the committee will continue to be interested in the relationship between cost and economic benefit. The wider macroeconomy frames whether we can afford this, so the economic benefit is utterly vital. Because of how the process operates, it is somewhat removed from the committee, which is an issue that has been brought up before. Notwithstanding the moral benefit, which you make a good case for, I am on the basis of the figures—which I thank you for reminding me of—less convinced that the economic benefit will be sufficient, given all the cost uncertainties. That said, you have done a lot of good work on that.

**The Convener:** I have a few points to finish off. We have discussed the £3.9 billion, which I again make clear relates to what the bill previously included. Will you confirm that, under the revised financial memorandum, we are looking at a variance of between £631 million and £916 million over the 10-year period?

**Lee Flannigan:** Is that as against the original memorandum?

**The Convener:** No—forget the original memorandum. I am looking at where we are now. What are the margins under the financial memorandum now?

**Lee Flannigan:** In the revised financial memorandum, if we include carer breaks, the cost under the 10-year timeframe is from £880 million to £2.192 billion. If we look at shared accountability and include carer breaks, we have costs from £631 million up to £916 million over a 10-year period.

**The Convener:** Those are the figures that I just gave—that is fine.

On Tuesday, Donna Bell said:

“you would expect us to build in a range of costs because of future potential uncertainty”.—[*Official Report, Finance and Public Administration Committee*, 23 January 2024; c 4.]

Where does the greatest uncertainty lie in the variables? Not all the figures vary by 45 per cent. What is being done to address the greatest variables?

**Lee Flannigan:** On shared accountability, some of the main areas—

**The Convener:** Sorry—where is the greatest variability within the overall package of £631 million to £916 million?

11:15

**Lee Flannigan:** On the question of exactly what the operating mechanism and staffing complements will be for the integration authorities, we have built in money for additional locality support. It is a matter of firming up the numbers around that. For the national board, that is broadly comparable with Community Justice Scotland. We are about to start working through the business case to firm that up, and there will be underlying assumptions for that. We are assuming that they are broadly comparable, although we still need to pin that down.

On the NCS development point, the two areas in which there are, for me, probably the most uncertainty are within the Scottish Government administration part and the on-going non-staffing element. I am reasonably comfortable with the staffing element, which is the biggest part. On the non-staffing element, the money that we are putting into that includes money going towards co-design and some engagement work. The scale of that is not massive in the context of staffing, but the variability in the shared accountability—we are looking at between £33 million and £50 million at the top end—is significantly reduced compared with what is in the original financial memorandum. Basically, that is because we do not have 31 brand-new care boards—that has taken away a lot of it. In addition, not transferring the staff or assets takes away a significant amount of uncertainty.

**The Convener:** Sure.

**Lee Flannigan:** There are still uncertainties, which is why we have the range. However, I am a lot more comfortable with the shared accountability assumptions, partly because the amounts are less, obviously.

**The Convener:** We will always have those variabilities—

**Lee Flannigan:** Yes.

**The Convener:** —but will they be reduced by the time we get to the stage 1 debate, or will we still be looking at those figures?

**Lee Flannigan:** I hope that we will firm up the costs. I am not anticipating a massive change in what we are looking at for the national board. We might have a wee bit of variability in respect of the integration authorities as we work through things with COSLA and the NHS, but I do not anticipate a massive swing.

**The Convener:** Incidentally, I have a wee query. Why are carer breaks classed as “Service Strategy” in the financial memorandum? I would have thought that “Carer breaks” would have been a much easier way to explain that, so that anyone looking at it—a layperson—would understand a wee bit more about what that money was being spent on.

**Donna Bell:** I think that that was just down to our lawyers’ drafting.

**The Convener:** Okay.

On digital, the business case says:

“New technology will be required to deliver the integrated social care and health and social care record.”

It mentions the

“need to invest in the sector”,

and it says:

“There is significant work already underway to ensure the NHS has the capability and capacity to support the introduction of the record.”

The word “significant” can mean anything, of course. What are we looking at by way of costs for that? When will that work conclude?

**Maree Todd:** I ask Richard McCallum to come in on that, as that is his area of expertise.

**Richard McCallum:** We are working through the care record, and we view that in the context of the wider digital strategy across health and care. We expect the work to be taken forward over the course of 2024. We are working through the detail of the care record, and we are building up a business case. When that is developed, we will be very happy to share it with the committee so that you have that detail.

**The Convener:** Thanks. I will make one final point.

Minister, you have spoken about the 36,000 people in relation to unmet need. You have also talked about the many excellent people who work in the sector and about the need to improve quality, pay, conditions and so on. How many additional people will be needed to deliver the service on the ground? If we are improving the care that people receive and the quality of that care, that takes time and people. There are chronic recruitment challenges. Jamie Halcro Johnston has mentioned the islands. I have two islands in my constituency, with more than 6,000 people living on them. Trying to get care staff there is a nightmare. Even if hourly wages could be increased to £15, £16 or £17 an hour, we would really struggle to get people, as the demand is high. We have a demographic challenge.

We are looking at a financial memorandum with 2 per cent inflation and a 3 per cent real-terms

increase, but some of that 3 per cent real-terms increase will be absorbed by the increasing number of people receiving care. How many additional staff will we need, and where will we get them from? What kind of recruitment and training programmes will be introduced in order to find those people?

**Maree Todd:** I represent a rural area, and I absolutely recognise that, in my part of the country, it is not about money; it is about a lack of people. The ageing demographic in some parts of rural Scotland means that it is very hard to find young people of working age to take on those roles. I do not have a quantification of that, but I point to the on-going work across the board. It is not just about improving pay; it is also about improving terms and conditions as well as ethical commissioning.

There is work on fair work outside the bill, and there is very close working with the sector on improving recruitment, advertising, marketing, firming up pipelines, and making sure that it is simple for people to get qualifications and registration when they come into the sector, that they are supported when they come into it, and that there are pathways to qualification for professions for people who work in the sector who might like to study for the regulated professions that require degree-level education, such as nursing and social work. We recognise that there is a lot to be done to support the workforce. Much of that work is happening outside the National Care Service (Scotland) Bill.

On what the bill will deliver for the workforce, ethical commissioning is a real step forward. From that ethical commissioning, we will deliver better pay and conditions for the workforce, and there will undoubtedly be an increase in status for the workforce.

We are very fixated on the costs and economic benefits. The question that I put back to the committee is whether we can afford not to do it. We are spending a great—

**The Convener:** I am sorry, minister—I do not like to interrupt, but time is against us. General questions in the chamber start in less than 20 minutes. You have kind of body-swerved the question. Costs are built into the bill, and we are now pinning them down. There is the new, revised bill—never mind whatever was proposed over a year ago—and there is the range between £631 million and £916 million. An element of that costing must be for the additional staff component that is required to deliver the bill on the ground, taking into account the improvements in conditions and status that you have mentioned.

I am asking a straightforward question: how many additional people will be needed? I

appreciate that we talked about its being four years before implementation, but how many additional people will be needed in a rapidly ageing workforce? I do not know what we will do when women over 45 get to retirement age in 15 or 20 years, because I am not seeing young people coming in in the numbers that we require. How many additional people will be needed to deliver the bill as envisaged? It is one thing to develop a wonderful bill, but you need to have the folk to deliver it. How will they be recruited and trained?

**Maree Todd:** The first thing to say is that those are not direct costs from the bill. That is not our workforce, and those people will not be employed by us.

**The Convener:** Most of those costs must be for staff. The money that the bill costs must go on people's wages. For example, we have mentioned the £10 million spent on 170 civil servants. A colossal proportion of the £631 million to £916 million must surely be for staff. That clearly tells us that wages will improve, but numbers must improve if there are 36,000 people with unmet need. That is why I ask about how many people we will need to deliver the bill. They might not be recruited by the Scottish Government, but the Scottish Government is putting money into the bill to ensure that it is delivered, and that must filter down to staff.

**Donna Bell:** We can give you a breakdown of the assumptions on the numbers of staff. We need to recognise that there will be different roles for the people who are directly related to the delivery of the national care service, the national board and local support. The current issues with the workforce for front-line social care delivery have been referred to more broadly and by Ms Todd. Those are two slightly separate things. However, we are very happy to give you the breakdown of the assumed numbers of staff for the delivery of the bill.

**The Convener:** You said on at least two occasions on Tuesday, Donna, that you have pessimistic assumptions. I am trying to be realistic—I am not looking for a pessimistic assumption—about how the bill can be delivered on the ground, given the workforce challenges that we currently face.

**Maree Todd:** We will see whether we can bring you back a little bit more detail on the workforce that is out there, the number of people who are employed in social care at the moment, and how we expect that to change should we have a fully functioning social care system. I think that that is what you are asking for.

At the moment, there are clear areas in which agency spend, for example, is really high because



of the lack of workforce. With the improvement that we intend to bring to the system with a functioning social care system, having the workforce in place need not cost more in every case—it may actually cost less to deliver if we have an appropriate workforce and we are not spending phenomenal sums of money on agency staff. I will see whether I can get the committee more detail on that.

**The Convener:** There is also prevention, of course, if the system is implemented. John Mason and I have been on this committee for a long time, and we discussed exactly the same thing in 2011 and 2012. Unfortunately, the delivery of prevention seems to be a different ball game from talking about it, because the delivery is just not happening to the degree that we want it to.

**Maree Todd:** That is a clear economic saving. As I said, we can literally support twice as many people if we provide an early intervention and prevention package, rather than providing a full package of care after a crisis has been reached. That means that we can support twice as many people with half as many staff.

**The Convener:** Indeed. However, we have found that it is difficult for people to disengage from existing programmes at a time of financial challenge, and to say that, if they stop doing X, we will be able to spend more money on Y in prevention. Unfortunately, that is not being seen. With the best will in the world, that is difficult to achieve.

**Jamie Halcro Johnston:** On the convener's point, you have said that you will come back to us with figures. Do you expect councils to have to take on more staff? Are those costs for additional staff included in the estimates?

**Donna Bell:** I will offer some context. Part of the issue—Ms Todd has already reflected on this—is that there are some unknowns about unmet need. We also do not necessarily have a real-time understanding of the numbers of staff and where those staff are working.

**Jamie Halcro Johnston:** So councils could be asked to bring on more staff. Are those costs included in the estimates?

**Donna Bell:** The provisions in the bill do not require local government to take on any more staff. When I was at the committee meeting on Tuesday, I focused very specifically on the provisions in the bill and the provisions in the financial memorandum. There is no additional cost to local government from the bill. Separately, as part of the deliberations of the national board, conclusions may be reached that additional staff are needed to meet the as-yet-unknown unmet need. A discussion on that will take place at that point.

There are always choices for councils about what they do. That is the purpose of the shared accountability arrangement. Such additional costs are not included in the bill because they would not be a direct result of the bill.

**Jamie Halcro Johnston:** Would you expect councils to take on additional staff?

**Donna Bell:** I think that councils are already doing that.

**Jamie Halcro Johnston:** Right. But that cost will not be met from the bill.

**Donna Bell:** No, it will not because it is not directly, or even indirectly, related to the provisions.

**Maree Todd:** There are some councils—certainly the local authority in the area that I represent—that have large underspends in that area because they cannot recruit the workforce. They have the money, but they cannot spend it.

**The Convener:** We will have a final question from Michael Marra after which we will wind up this evidence session.

**Michael Marra:** The core of what we are talking about is that the hundreds of millions of pounds that you are asking the taxpayers to pay is for bureaucracy rather than for care workers, is it not?

**Maree Todd:** At the core of what we are talking about is what the bill is going to deliver. We have discussed in great detail some aspects of the bill. One aspect is ethical commissioning. Bringing in ethical commissioning and procurement will undoubtedly improve pay, and it will improve terms and conditions. That will make a difference to people working on the ground.

The national board, which we have discussed in great detail, will provide better oversight and governance, as well as a system of escalating support that will be welcome to the many people I meet day in, day out who work in the system and who are distressed by the situations that they are exposed to in which the system is failing to function at the moment, because they really care.

We have the national and regional work on complex care. The national social work agency will undoubtedly improve things for the social work profession—I have absolutely no doubt about that. At the moment, social workers are employed under 32 different sets of pay and conditions around the country, and there is very little in the way of workforce planning and support for newly qualified practitioners and for practitioners who are following an advanced pathway, which is also patchy. The national social work agency will undoubtedly improve that.

Do I believe that the bill will improve things for workers collectively? Yes, I do. Alongside the bill,

the Scottish Government is committed to improving workers' pay. We have demonstrated that by increasing the pay of social care workers in Scotland to £12 an hour from next April. That is a 14.9 per cent increase over the past two years. Although I agree that we need to go further, that means that social care workers in Scotland are the best paid in the United Kingdom and are paid substantially more than their equivalents in England and Wales.

**The Convener:** We will call a halt there. I thank the minister and her officials for their evidence this morning.

The next item on our agenda, which we will take in private, is consideration of our work programme.

11:31

*Meeting continued in private until 11:34.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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