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To: Integration Authority Chief Officers
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Local Authority Chief Executives
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COSLA
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Scottish Care
CCPS
Care Inspectorate
Unite
UNISON
GMB
STUC
Care Providers

From: Donna Bell, Director of Social Care and National Care Service Development,
Scottish Government

Date: 25 March 2022

Adult Social Care Pay Uplift

Dear colleague,

Following agreement at COSLA Leaders on 25 February 2022, I am writing to confirm the initial details of the pay uplift for adult social care workers that was announced on 9 December 2021 by the Cabinet Secretary for Finance and Economy as part of the Scottish Budget for 2022/23.

As you are aware, in the Scottish Budget for the 2022/23 financial year, £200 million was transferred to Local Government to support investment in social care, including to deliver a £10.50 minimum wage for all adult social care staff in commissioned services from 1 April 2022. This funding will be paid to Local Authorities in the weekly General Revenue Grant payments from 1 April 2022.

There has been political agreement that the uplift to £10.50 per hour will be delivered in the same manner as the uplift to £10.02 per hour for these workers; which was delivered from 1 December 2021.

Scope

The pay uplift will apply to staff providing direct care within Adult Social Care in commissioned services in the third and independent sectors. This will include Supervisors, Practitioners, Support Workers, Personal Assistants and staff providing overnight support. This funding will apply to workers in care homes, care at home, day care, housing support, adult placement services, respite services and those delivering direct support through all SDS Options.

This funding will enable pay for these workers, in these services, to be uplifted from at least £10.02 per hour to at least £10.50 per hour.

Full details of scope and eligible services can be found at Annex A.

Timing and Process

This funding will take effect from 1 April 2022.

In line with existing process and previous years approach, Local Government and Integration Joint Boards will be working through the required governance, legal and contractual arrangements to deliver this to providers.

Local indications suggest that most payments will be made across May and June, with funding back dated and provided for all hours worked from 1 April 2022. Best endeavours will be made to have all payments with providers by July 2022. However, this relies on timely return of contract variation letters by providers.

The Scottish Government and COSLA will meet with Scottish Care, Coalition of Care and support Providers Scotland (CCPS) and Trade Union representatives to discuss any concerns or questions around implementation and will work together to resolve these quickly.

Policy Implementation

The uplift to £10.50 per hour will be distributed in the same manner as the previous uplift to £10.02 per hour for the workers in scope.

This will mean a 4.79% uplift will be applied to a set percentage (national weighting) of contract values, in line with the **average full** workforce costs for residential and non-residential services. A separate agreed weighted percentage has been set for Personal Assistants who are paid directly through SDS Option 1 budgets.

The current approach provides funding for wages and on-costs and the national weightings are based on the **average full**¹ workforce costs within a contract.

¹ The term **average full** workforce cost references and means that the weightings do not only include workers on the £10.02 per hour in direct care roles - that this uplift to £10.50 is intended for - but that the calculation also provides for all workers employed directly within services and the associated on-costs. This includes workers on higher rates and in non-direct care roles as are included in the contracts.

National Insurance Contributions

On 1 April 2022, when the £10.50 per hour pay uplift will come into effect, the UK Government Health and Social Care Levy will also come into effect which will require an increase in employers National Insurance Contributions (eNICs) of 1.25%. This is a statutory requirement.

To take into consideration the increase in eNICs, COSLA Leaders have agreed to further uplift the national weightings for this policy.

The national weightings used for the £10.02 uplift are below:

- Residential care – uplift applied to 71% of full contract value
- Non-residential – uplift applied to 86% of full contract value
- Personal Assistants – uplift applied to 89% of SDS Option 1 budgets

The national weightings for the £10.50 uplift have been increased for this year to take into consideration the increase in eNICs. The revised percentages are below:

- Residential care – uplift applied to **71.8%** of full contract value
- Non-residential – uplift applied to **86.9%** of full contract value
- Personal Assistants – uplift applied to **90%** of SDS Option 1 budgets

Including the increase to eNICs, this equates to contract uplifts of 3.44%, 4.16% and 4.31% respectively. Information on how this increase has been calculated can be found in Annex B.

Due to the nature of this approach, this may result in some providers having funds remaining once the policy intent - **to uplift pay for the workforce delivering direct care to at least £10.50 per hour** - has been fully delivered.

Any additional funds that may remain must be spent on uplifting pay for the directly employed workforce working within services for the 2022/23 financial year, it is the provider's discretion of how any remaining funds are to be spent within this stipulations.

This policy is focused on increasing pay from at least £10.02ph to at least £10.50ph for direct care staff in commissioned services, and funding is being provided to cover the increase to NICs associated with this 48p increase.

Any change to existing on-costs within a contract, outwith this policy would form part of normal negotiation processes with local commissioners and finance departments.

Assurance process

For this uplift, and in line with previous practice including the £10.02 per hour uplift, providers will be required to sign and return contract variation letters. This will confirm that the funding must only be used for uplifting pay.

As per usual process, funding will then be released to providers as soon as possible after they return their signed contract variation letters.

Personal Assistants

Separate guidance will be issued for PA employers.

ILF Scotland

Separate guidance will be issued for ILF Scotland recipients.

Next steps

I hope this provides clarity on the pay uplift for 2022/23.

The Scottish Government recognises the exceptional work of the social care workforce and we thank them for the most important role that they play in our communities.

We appreciate you sharing this with your networks and working with us to get this uplift delivered to the workforce at speed.

Yours sincerely,



Donna Bell
Director of Mental Health and Social Care

Annex A

Workforce in scope (those eligible to be paid a minimum of £10.50)

Broad title	Role description
Supervisor in Care Home Services / Care at Home Services / Housing Support Services / Day Care Services / Adult Placement Services / Respite Services	<p>Worker who holds responsibilities for providing and supervising the provision of care and/or support provided directly to adults using residential care / a user within a care at home service or of a housing support service.</p> <p>This also includes workers providing overnight support²</p>
Practitioner in Care Home Services / Care at Home Services / Housing Support Services / Day Care Services / Adult Placement Services / Respite Services	<p>Worker who provides care and support to adults using residential care and who has responsibility for co-ordinating the implementation of care plans. This may include holding keyworker responsibilities.</p> <p>This also includes workers providing overnight support</p>
Support Worker in Care Home Services / Care at Home Services / Housing Support Services / Day Care Services / Adult Placement Services / Respite Services	<p>Worker employed in providing care / and or support directly to adults using residential care / a user of service within a care at home service or of a housing support service.</p> <p>This also includes workers providing overnight support</p>
Personal Assistants	Separate guidance will be provided.

² Overnight support is where a care worker sleeps, provides a waking night service or night sitting service, in the home of someone they support or in work premises, so that they are on hand in case of an emergency or any other issue during the night.

Services in scope

The uplift applies to commissioned services for adult social care in the independent and third sectors.

This does not include workers in children's, justice or homelessness services.

Type of service	Definition of services
Care homes	A service which provides accommodation, together with nursing, personal care or personal support, for persons by reason of their vulnerability or need this may include for: alcohol & drug misuse, blood borne virus, learning disabilities, mental health problems, older people, physical and sensory impairment or respite care and short breaks.
Care at home	<p>Care at home is registered by the Care Inspectorate as a support service – "Support Service – Care at home."</p> <p>A support service is defined as a personal care or personal support service provided by arrangement made by a local authority or health body to a vulnerable or person in need. This does not include a care home service or a service providing overnight accommodation.</p>
Day care	<p>Adult day care is registered as a support service – "Support service – Other than care at home."</p> <p>See definition above.</p>
Housing support	<p>A service, also defined as Supported Living, which provides support, assistance, advice or counselling to a person who has particular needs, with a view to enabling that person to occupy residential accommodation as a sole or main residence.</p> <p><u>This will include delegated and non-delegated services.</u></p> <p>The nature of the work within the contract (either residential or non-residential care) should attract the current percentage uplifts applied to the total value of the contract.</p>
Adult placement services	A service which consists of, or includes, arranging for the provision of accommodation for an adult

	(age of eighteen years or over), together with personal care or personal support or counselling, or other help, provided other than as part of a planned programme of care by reason of the person's vulnerability or need, by placing the person with a family or individual; but a service may be excepted from this definition by regulations.
All SDS Options (1, 2, 3 and 4)	All SDS Options where workers provide direct Adult Social Care support, either in a social care provider organisation or someone paying a Personal Assistant.
Respite services	Registerable under a care home and housing support as per the definitions above.
Shared Lives	<p>Shared Lives services are a form of care that supports people to live safely and comfortably in a home and community of their choosing. Care is provided by professional carers - either individuals, couples or families - in their homes and as part of their local community.</p> <p>The services in scope are</p> <ul style="list-style-type: none"> • Live-in support • Daytime support <p>The nature of the work within the contract (either residential or non-residential care) should attract the current percentage uplifts applied to the total value of the contract.</p>

Annex B - Calculation of the addition eNICs contribution

On-costs are included within the policy and funding provided from Scottish Government, to Local Government to enable commissioned service providers to pay the uplift to eligible staff.

Part of these on-costs have been employers National Insurance Contributions at 13.8%.

To calculate the increase in these weightings, and account for the additional 1.25% we have removed the old rate of eNIC's (13.8%) from the national weightings, and reapplied the new rate of eNICS (15.05%) to the national weightings.

Using the residential weighting of 71% as an example:

$$(71/113.8)*115.05 = 71.8\%$$

113.8 relates to 100% of total pay and other on-costs which are earnings for staff (e.g. holiday pay, pensions) plus the 13.8% eNICS rate up to 31st March 2022. (100 + 13.8)

115.05 relates to 100% of total pay and other on-costs which are earnings for staff (e.g. holiday pay, pensions) plus the 15.05 eNICS rate from 1st April 2022. (100 + 15.05)*

Pre 1st April 2022

National weighting: Contract uplift:

71%	3.40%
86%	4.12%
89%	4.26%

Post 1st April 2022

National weighting: Contract uplift:

71.8%	3.44%
86.9%	4.16%
90.0%	4.31%