

# A Budget That Cares

NOVEMBER 2024



## KEY SOCIAL CARE REQUIREMENTS FOR THE SCOTTISH BUDGET 2024

### About Scottish Care

#### **A voice for providers, their workforce and people who access care and support**

Scottish Care is a membership body, thinktank and social care futures designer. We are an organisation driven by social values. We aim to ensure that social care in Scotland is not only sustainable but also exemplary, reflecting the high standards and compassionate care that our communities deserve.

We represent over 350 private, not for profit and charitable provider organisations, totalling almost 900 individual services that deliver residential care, nursing care, day care, care at home and housing support services. Our members deliver a wide range of registered services for older people and those with long term conditions, learning disabilities, physical disabilities, dementia or mental health problems.

### The Need for A Budget That Cares

Scottish Care views the UK Budget as detrimental to the social care sector, placing additional strain on care providers already struggling with tight margins. We are particularly concerned about the increase to National Insurance contributions and the lack of targeted support for social care, which could plunge the sector into further crisis or indeed extinction in some instances. Scottish Care calls on the UK Government to reconsider this decision and exempt social care services from the National Insurance increase.

Scottish Care calls on the Scottish Government to use its own forthcoming budget to mitigate these negative impacts, particularly by providing ring-fenced funding for social care.

Additionally, we urge the Scottish Government to address funding shortfalls in the sector, reform commissioning and procurement practices to make them more ethical and sustainable, and support the social care workforce.

Essentially, Scottish Care believes that the Scottish Budget presents an opportunity for the Scottish Government to demonstrate its commitment to social care and to take action to protect

vital services from collapse.

Both the UK and Scottish Governments need to provide urgent reassurance of support to manage the unintended consequences of this tax decision.

## Mitigate the Impact of UK National Insurance Increases

The UK Government recently announced an increase to National Insurance contributions that is causing great concern among social care providers in Scotland. The changes include a 1.2% increase for employers, raising the rate to 15%, and a reduction in the threshold from £9,100 to £5,000 per employee. Almost half of the care home and homecare organisations surveyed by Scottish Care indicated that they might have to close services as a result. Many providers are worried that this may be "the straw that breaks the camel's back". Scottish Care emphasizes that this will be an additional burden on social care employers that are already dealing with tight margins and who are facing rising staffing costs.

**Message:** The increase in National Insurance contributions puts additional strain on already struggling social care providers.

**Action:** Scottish Care urges the UK Government to exempt social care services from the National Insurance increase and for the Scottish Government to provide relief through the upcoming budget.

## Address Social Care Funding Shortfalls

Whilst workforce costs represent a substantial proportion of social care services' expenditure, wider increasing costs must also be recognised and supported in the budget. Inadequate funding levels to support national and local commissioning processes across care homes and homecare and a lack of long-term investment are major challenges destabilising social care in Scotland. Social care providers need funding to help them pay their staff a fair wage, comply with regulations, and provide high-quality care, as well as manage the many rising costs such as energy, food, fuel and insurance which impact on service viability. Whilst wider aspects of social care policy reform remain uncertain, the Budget needs to provide distinct and tangible resourcing to tackle the urgent sustainability challenges threatening the existence and development of the social care sector,

**Message:** Funding shortfalls are destabilizing social care, with providers unable to meet rising costs.

**Action:** The Scottish Government must allocate ring-fenced funding to support social care, ensuring services can remain viable and staff are fairly paid.

## Support the Social Care Workforce

The UK Budget included a 6.7% rise in the National Living Wage (for those aged 21 and over), but Scottish Care emphasises that this is not enough. A professional workforce requires fair wages commensurate with the professional, registered and regulated work they do, differentials in pay which support career progression, and appropriate terms and conditions which provide parity with colleagues in equivalent roles and sectors. Social care workers are often underpaid and undervalued, leading to high turnover rates and challenges in recruiting and retaining staff. True value of social care and its workforce needs to be instilled in funding allocations, which must also account for staff differentials and recognise all those working in social care as professional, skilled and valued.

**Message:** The social care workforce is undervalued and underpaid, leading to staff shortages and turnover.

**Action:** The Scottish Government must invest in fair wages, staff differentials, and improved terms and conditions to retain and attract skilled workers.

## Implement Ethical Commissioning and Procurement Practices

Scottish Care is advocating for a more ethical approach to commissioning and procuring social care services. Our new report, "[Ethical Commissioning for the Independent Sector: Rights, Respect and Redistribution](#)," calls for systemic change in the sector to make social care more sustainable, person-centred, and rights based. The report highlights the need to move away from a needs-based assessment toward a strengths-based approach that empowers individuals to make choices about their care. It emphasizes that this will require an increase in transparency and accountability, as well as the redistribution of power and resources.

**Message:** Commissioning and procurement practices need reform to ensure sustainability and fairness in social care.

**Action:** Scottish Care calls for the adoption of ethical commissioning processes that are person-centred, transparent, and supportive of care providers.

## Summary

There is a clear picture of the challenges facing the social care sector in Scotland and the need for action. The UK Budget has exacerbated some of these challenges, and Scottish Care is calling on the Scottish Government to use its budget to support social care providers, workers, and those who rely on care. We call on opposition parties to also support these calls and ensure accountability and progress against them is maintained. A sustainable, high-quality social care sector will require bipartisan collaboration on supporting significant investment, structural changes, and a renewed commitment to the value of care.



## Further resources

Scottish Care has produced a number of briefings relating to the UK Budget 2024 and the impact of planned NI increases on social care providers in Scotland:

- [Key Impacts of the 2024 Autumn Budget on Social Care in Scotland](#)
- [The Financial Toll: National Insurance Increases and Social Care Providers in Scotland](#)

## Get in contact

If you have any questions or further information requests relating to this resource, or if you would like to arrange a meeting to discuss further, please contact:

Becca Young - Policy & Research Manager, Scottish Care

[becca.young@scottishcare.org](mailto:becca.young@scottishcare.org)