

Criminal Justice Committee

Pre-budget scrutiny 2025-26

Written submission by COSLA and Social Work Scotland, September 2024

COSLA is a Councillor-led, cross-party organisation, representing all 32 Councils in Scotland, which champions Councils' vital work to secure the resources and powers they need. COSLA works on Councils' behalf to focus on the challenges and opportunities they face, and to engage positively with Governments and others on policy, funding and legislation. We're here to help councils build better and more equal local communities. To do that we want to empower local decision making and enable Councils to do what works locally.

Social Work Scotland is the professional body for social work leaders, working closely with our partners to shape policy and practice, and improve the quality and experience of social services. The Justice Standing Committee has member representation across JSW services in Scotland and we work collectively to help make communities safer.

Introduction

1. We would like to thank the Committee for providing the opportunity to inform its pre- budget scrutiny of the 2024-25 Scottish Budget. This is a joint COSLA and Social Work Scotland response.
2. Justice Social Work (JSW) works in line with the Scottish Government's National Strategy for Community Justice and Delivery plan which aims to optimise the use of diversion and other interventions at the earliest possible opportunity. JSW supports the use of robust alternatives to remand and custody through the provision of person-centred community supervision and targeted interventions. The recently published Community Justice Performance Framework reflects the outcomes for individuals and communities that JSW strives to achieve, which is challenging within existing budgets.
3. This submission builds on points already highlighted to the Committee in our joint response to the Convener's letter of 6 March 2023 seeking further information from COSLA to feed into your Action Plan. Some of the points raised in that submission are of relevance to the Committee's pre-budget scrutiny of the 24-25 budget, and are therefore replicated in this paper.
4. On 30 June 2023, COSLA and the Scottish Government signed the Verity House Agreement, which sets out how Scottish and Local Government will work together to address shared policy priorities, changing the way we work together and how we engage with each other. The Agreement commits both parties to:

- a. a default position of no ring-fencing or direction of funding from this point onwards, unless there is a jointly understood rationale for such arrangements
 - b. consulting and collaborating as early as possible in all policy areas where Local Government has a key interest, as well as early budget engagement with an underlying principle of "no surprises"
 - c. through a new Fiscal Framework, establishment of clear routes to explore local revenue raising and sources of funding, and wherever possible the provision of multi-year certainty to support strategic planning and investment.
5. In the context of the Agreement, Local Government has an expectation that many of the structural issues raised in our previous submissions, both for JSW and for Local Government funding in general, will start to be worked through jointly as we approach the Scottish Budget 2024/25 and subsequent budgets. Only by working together to tackle shared priorities will Scottish and Local Government be able to achieve better outcomes for people.
6. However, as the Committee's Call for Views acknowledges and is reflected throughout this response, these aspirations are set against the context of an extremely challenging position for Scotland's public finances, as well as the cost-of-living crisis and other pressures relating to pay, inflation and rising demand for services.

Key Messages

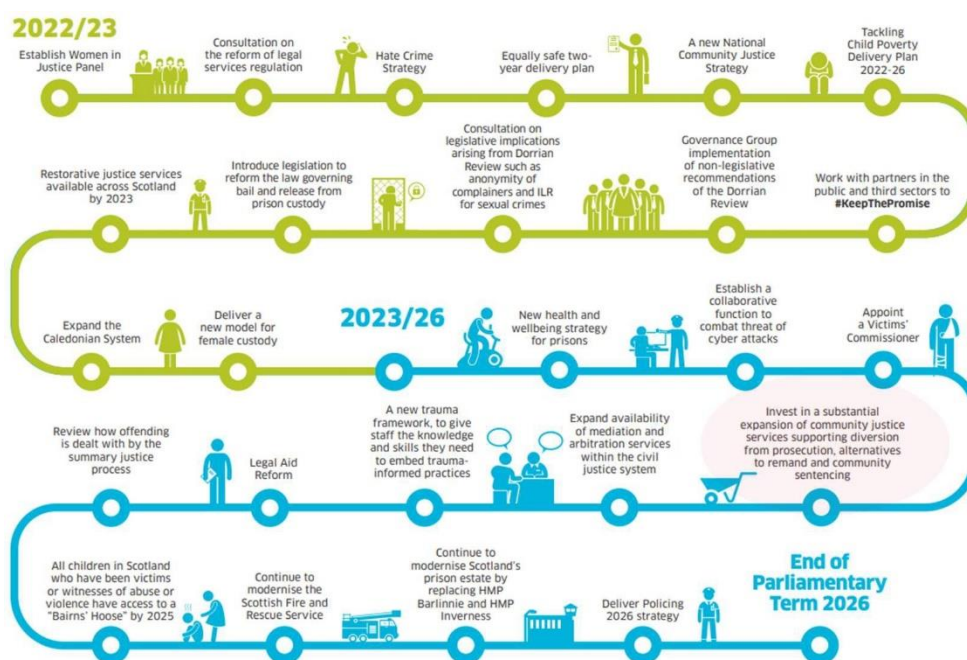
- The Scottish Government's Vision for Justice includes a commitment to a "*substantial expansion of community justice services supporting diversion from prosecution, alternatives to remand and community sentencing*" in the 2023-26 period. We are keen that upcoming budgets are aligned to this commitment and enables local authorities to begin delivering this expansion.
- A compounded problem has grown from the funding for JSW (Section 27), which has fallen short over a number of years of meeting the expenditure requirements of the service.
- The Community Justice Strategy and Delivery Plan, alongside forthcoming legislation in relation to Bail and Release from Custody (Scotland) Act, has significant implications for resourcing across JSW.
- Work demands, vacancies and increasingly complex caseloads are placing pressures on a depleted and tired workforce.

- JSW funding arrangements need to be reviewed and improved, as they are currently very fragmented. There is a need to assess the resource requirements of the service to ensure it is properly funded, including taking into account the impact of inflation. Consideration should be given to including Prison-Based Social Work Services within the Section 27 financial allocation.

Q1: Your views on the extent to which spending priorities in the criminal justice sector are being met in 23/24 and whether these continue to be the right priorities.

7. The Scottish Government’s Vision for Justice, published in February 2022, includes a visual routemap to a transformed justice system by the end of the Parliamentary term in 2026. We would like to draw the Committee’s attention to one of the commitments for the 2023-26 period:

“We will invest in a substantial expansion of community justice services supporting diversion from prosecution, alternatives to remand and community sentencing”



8. It is our view that the 23/24 spending priorities are not fully in line with the above commitment.
9. According to the Scottish Government’s Resource Spending Review framework (RSR), covering 23-24 to 26-27, we were to expect a flat cash settlement for all parts of the justice sector in 23-24. However, the 23-24 budget showed some increases for key parts of the system, except for justice social work. An overview of the key elements of the 23- 24 Scottish budget for justice is provided below:

Table 1: Overview of Key Elements of 22-23 and 23-24 Scottish Budget for Justice			
What	22-23 Budget £m	23-24 Budget £m	Change £m
Criminal Justice Social Work	86.5	86.5	No change
Total - Community Justice	48.3	49.6	+ 1.3
Scottish Prison Service	476.4	540.8	+64.4
Scottish Courts and Tribunals Service	134	147.6	+13.6
Scottish Police	1,368.3	1,449.3	+81

10. We are of the view that the substantial investment towards the expansion of safe and fair community justice interventions by 2026 that the Scottish Government has committed to in the Vision for Justice is yet to materialise.
11. We fully acknowledge the current challenge in the justice system of needing to address immediate pressures (i.e. having the second highest prison population in Western Europe, court backlogs as a result of the pandemic), while also having to focus on reducing the rate of offending and victimisation in the first place. We also recognise that both Local Government and its public sector partners (including SPS and Police Scotland) are looking for opportunities to maximise partnership working where appropriate and rethink service delivery models due to a very difficult overall budgetary landscape.
12. Nonetheless, the current spending trend in the criminal justice system will make it more difficult to achieve the Scottish Government’s ambition of a “just, safe and resilient Scotland”, where we “work together to address the underlying causes of crime and support everyone to live full and healthy lives”. We believe that a rethink of our justice spending priorities is needed over the remainder of this Spending Review period and beyond for partners across the justice and third sector to be able to fully deliver the Justice Vision.

The impact of the 23-24 Budget on local authorities’ work to reduce reoffending, promote reintegration, and address the underlying causes of crime

13. This section will focus on the overall impact of the 23/24 budget on local authorities’ community justice and public protection functions, with a specific focus on Justice Social Work (JSW).
14. The total 23-24 funding for local authorities for justice social work (JSW) in 23-24 sits at £123.6m.

15. The £123.6m includes £15m Recover, Renew, Transform (RRT) funding intended to support pandemic recovery and transformational work. The £15m was first allocated in 2022-23. Scottish Government has committed to this level of funding remaining in place for JSW, comprising the JSW baseline funding of £108m, plus the additional £15m, for the remaining part of the Spending Review Period (2023-24 to 2026-27). However, in 23-24, £1m of the RRT funding has been used to fund the bail incentivisation scheme, which has meant that the overall JSW funding in 23-24 has seen an estimated cut of approximately £1.6m compared to 22-23. A breakdown of JSW funding lines is included at Appendix A.

16. The National Outcomes & Standards for social work services in the criminal justice system (NOS) (Scottish Government 2010) sets out 3 outcomes:

- i. Community safety and public protection
- ii. The reduction of re-offending
- iii. Social inclusion to support desistance from offending

17. During July/August 2023, a survey was issued to all JSW managers across LA areas in Scotland, asking for views on the Section 27 JSW financial allocation and some other related matters. The following is a snapshot of some of the views:

- 85% noted a shortfall in the Section 27 allocation, with 81% stating that no additional financial support or subsidy was available from their LA;
- 77% noted a shortfall in the financial allocation specifically for the Caledonian System with 95% stating that the funding does not reflect the demand for domestic abuse services in their LA area (“the CS grant allocation has not increased in 15 years”);
- 50% stated that funding to the third sector would need to be reduced or not be commissioned at all due to budget pressures, and
- Almost 62% of JSW managers had little confidence that they could provide prevention services in line with Scottish Government Community Justice Strategy and Delivery plan.

18. In its [2019 submission](#) to the Criminal Justice Committee, Social Work Scotland argued that “there have been several practice developments in the last 10 – 15 years that have had a significant impact on CJSW workloads and the ability of services to work effectively with individuals and are not fully funded. Since 2019, there have been further developments in practice. An overview is provided below:

- **Structured and accredited risk assessment tools** – a range of tools have been introduced, all of which require substantive training and time to complete, including the Level of Service & Case Management Inventory (LS/CMI).
- **MAPPA** – the Multi-Agency Public Protection Arrangements require significant commitment from JSW, from joint visits and assessment with Police Scotland, attendance at meetings to comprehensive risk management plans.

- **ViSOR (to be replaced by MAPPS in 2025-26)** – this electronic Home Office sex and violent offender register requires social workers to regularly input information. There will be substantial resource implications as ViSOR is phased out and MAPPS is introduced as an internet-based system. The additional resource requirements for justice social work to input data into this system have yet to be calculated.
- **Internet Offending Programme** - eight local authorities are piloting a new framework for assessing men convicted of offences involving indecent images of children. The pilot started in June 2022 and will conclude in mid-June 2024. It is being overseen by a multi-agency group, chaired by the RMA.
- **Order of Lifelong Restriction (OLR)** – introduced to manage the risk of individuals posing the very highest risk of serious harm. Local authorities are responsible for managing individuals in the community subject to an OLR and are required to commit significant resources to manage these individuals and submit ongoing detailed risk management plans to the Risk Management Authority for approval. Whilst the numbers in the community are currently small, this will likely only increase in coming years.
- **Moving Forward: Making Changes (MF:MC)** - this sex offender programme requires significant resource both from teams delivering the group work programme, but also, and crucially JSW social worker case managers. This programme is currently being reviewed and updated and JSW is making a key contribution to the design, testing and training of the new MF2C - Moving Forward to Change.
- **Caledonian System** for men convicted of domestic abuse related offences – this accredited domestic abuse programme places significant demands on JSW social worker case managers (for example, they are responsible for delivering the lengthy pre-group programme work that is not covered by the Caledonian funding). The programme itself is an intensive approach to work with men who are perpetrators of domestic abuse as well as support services for women and children. (Case example – Appendix B)
- **Multi Agency Risk Assessment Conferences (MARAC)** – protecting victims of domestic abuse, MARAC requires significant input from JSW, including chairing and attending meetings, providing background information and contributing to action plans.
- **Multi-Agency Task & Coordination (MATAC)** – focussing on perpetrators of domestic abuse, this is a further additional commitment for JSW.
- **Extended presumption against short term sentences** to 12 months or less in 2019, unless the court considers that no other sentence is appropriate. The aim is to increase the use of more effective methods of both addressing offending and rehabilitation, such as Community Payback Orders (CPOs). JSW supervises individuals subject to a CPO.
- **Throughcare Assessment for Release on Licence (TARL)** – TARL offers a framework and structure which guides co-production and collaboration work between community and prison based Social Work staff which will strengthen risk assessment, risk management and the overall quality of the report. This work requires the skills of a qualified and experienced social worker.

Increased pressures on Justice Social Work services

19. We understand from engagement with JSW managers that teams locally are stretched and facing the consequences of tight budgets that do not meet increasing pressures on service delivery. Additional demands include:

- **Increased volume of complex cases** - the nature and complexity of the work with individuals is becoming more challenging as a result of more serious offending and dealing with enhanced levels of risk and harm. This includes individuals with significant substance problems, mental health, trauma and issues relating to gender-based violence.
- **Diversion from prosecution** – As highlighted in the [joint review of diversion from prosecution](#), there has been a 12% increase in cases from 2019-20 to 2020-21. This rise is likely linked to changes in prosecution policy in 2019. Prosecution policy now states that diversion should be considered for all people where there is an identifiable need that has contributed to their offending, and which can best be met through diversion. The Review noted that should referrals in such cases rise, justice social work will require to provide more specialist interventions, often requiring the skills of qualified social workers rather than paraprofessionals. This will also require additional resources. While some felt ready to meet this demand, many frontline justice social work staff raised concerns about their capacity to manage an increase in diversion referrals increase in the number of complex cases, requiring detailed assessment and the experience of a qualified social worker rather than a paraprofessional.
- **Structured Deferred Sentences** – development of this service across various areas with less capacity to afford Third Sector involvement.
- **Arrest Referral** – a critical early intervention/prevention service which cannot be prioritised by a number of LAs due to other statutory demands.
- **Electronic Monitoring** – can work well alongside supervision as an alternative to remand and custodial sentence but requires an experienced and well-trained workforce to deliver.
- **Intensive Support packages** – this is a public protection service, targeted towards those presenting the highest risk of serious harm in the community where there is a multi-agency view that the risks cannot be safely managed without additional support and measures in place. This often means the commissioning of an additional service to support, supervise and monitor an individual. The cost can be in excess of £200,000 for six months where there is a double staffed service. This cost is not accounted for in budget allocations and a request is usually made of the SG to assist. However, 10% of the costs must be met by the LA.

- **Pressures of under resourcing in Prison-Based Social Work** – there is currently a backlog of parole reports within the system, due to under funding and workforce issues. This service is commissioned by the SPS, but consideration should be given to consolidating this service into the section 27 budget, while taking account of the changing nature of the prison population in some areas.
 - **Workforce recruitment and retention issues** - As highlighted in [Social Work Scotland's Setting the Bar](#) report, there are increasing concerns from the profession that social worker workloads have become less manageable, that the workforce is ageing and that a quarter of entrants to the profession leave around the 6-year point. Social workers surveyed for the research provided feedback noting some workers have a sense of moral distress in working in ways that do not align with their professional values. COSLA Leaders have committed to improvements to support the social work workforce, through joint work with the Scottish Government and others. The development work around the proposed National Social Work Agency (NSWA) is now providing a focus for these discussions. NSWA Workstreams, including those on Workforce, and Education and Training, are developing workplans as of summer 2023, with a focus on recruitment and retention and enhanced training options and opportunities, with resources to support these system improvements to be quantified and identified.
 - **New policy areas and legislation:**
 - a. Bail and Release from Custody (Scotland) Act - awaiting Royal Assent – once implemented, this Act will have an enhanced role for JSW in providing information to courts in relation to bail decisions as well as additional responsibilities in relation to release of long-term prisoners on temporary licence. An increase in Home Detention Curfew (HDC) is also anticipated.
 - b. National Care Service Bill – at the time of writing this submission, Scottish Government has reached an initial agreement with Local Government and the NHS about accountability arrangements for the NCS. Overall legal accountability will be shared between Scottish Government, the NHS and local government. Staff will continue to be employed by local authorities, and councils will still be responsible for assets like buildings and the delivery of services.
 - c. Community Justice Strategy and Delivery Plan, with a focus on prevention and public protection.
 - d. Policy drivers involving young people and others in the community justice space - UNCRC, The Promise, GIRFEC, GIRFE, the Human Rights Bill.
20. The cumulative impact of these factors weighs on JSW delivery of alternatives to custody and public protection at a local level and means that a close and urgent look at resourcing for the service is required.

Q2: Your views on the spending priorities and challenges in the next financial year 2024/25 and whether the spending allocated to your organisation and/or the criminal justice sector more widely is sufficient

21. The availability of adequate funding over the short and medium term is critical to allow teams to be in the best possible position to deliver and work effectively with partners, including the third sector. Should there be no increase to funding available to Justice Social Work services in 24/25, we are concerned that the ongoing pressure on the service will likely have the following impacts:
- **Increased focus on “core” statutory functions at the expense of more targeted, preventative services** and behaviour change programmes, such as diversion from prosecution, structured deferred sentences, Caledonian System. This will have an impact on achieving Scottish Government’s national aims for community justice set out in the Community Justice Strategy.
 - **Inability to unlock the full potential of services offered by third sector partners** according to identified local need and priority, e.g. mentoring services or offending behaviour programmes. The ability to commission the services of the third sector is greatly reducing due to budget pressures and a lack of inflationary increases into the section 27 allocation.
 - **Missed opportunity to maximise ‘value for money’ in our justice system** by investing in community interventions. Scottish Government [analysis](#) published in December 2019 showed that in 2016/17 the average prisoner place cost £37,334 per year, while the most used community sentence, a community payback order, cost around £1,894. While these figures are not up-to-date, they provide a useful comparison of the cost of custody versus community interventions. Further examination by the Funding Review Group, convened by the Scottish Government, would be helpful.
 - **Lessened judicial confidence in community sentencing** – In its “judicial perspectives of community-based disposals” 2021 [paper](#), the Scottish Sentencing Council indicated that sentencers feel that the sentencing process is generally well supported by justice social workers, who they understand are often carrying out a difficult task in challenging circumstances. However, they pointed out that *“the engagement we have carried out suggests that one of the greatest challenges to judicial confidence in community-based disposals concerns limitations of resources to support their management and delivery”*.
22. In order to demonstrate the process, decision-making and challenges faced by JSW managers as a result of current funding arrangements, a brief case study is provided at Appendix C to this submission. It is a similar journey for the other 31 Local Authorities, although geography and size of local authorities will have a bearing on decisions.
23. As highlighted in our April 2023 letter to the Committee, there are a number of areas which we believe Scottish Government should consider to help improve JSW funding arrangements. These are set out

in detail for the Committee's awareness at Appendix D but the headlines are:

- i. All JSW funding, including the additional £15m Recover, Renew and Transform (RRT) funding, should be consolidated and baselined in the Local Government Settlement.
- ii. There is a need to thoroughly assess the resource requirements of the service to ensure it is properly funded.
- iii. The core JSW specific grant of £108m has not been updated for inflation for many years and this should be addressed.

24. In her response to these points, the Cabinet Secretary acknowledged that the increased use of community interventions does lead to increased demand for JSW services. The response included a commitment from Scottish Government to work in collaboration with partners to maximise the use of available resources for the delivery of the Community Justice Strategy. The Cabinet Secretary recognised the validity of the issues raised in the submission and committed to discussions with COSLA in the context of the Verity House Agreement, with critical input from Social Work Scotland and other key stakeholders, which we welcome.

Q3: Your views in particular on the adequacy of capital spending budget allocations and investment.

25. There are challenges to capital budgets across local authorities' estates and more detail can be found in the COSLA, SOLACE, Directors of Finance response to the Finance and Public Administration Committee – Pre-Budget Scrutiny 2024-25.

Q4: Any other comments you may wish to make on the budget situation in the criminal justice sector

26. While the focus of this call for views is rightly on the justice budget, we would urge the Committee to also consider the broader context in which offending takes place. As stated in the Vision for Justice, we ultimately need to *“work together to address the underlying causes of crime and support everyone to live full and healthy lives”*.

27. Given that public sector resources will inevitably continue to shrink, as predicted by the Fiscal Commission's latest forecasts, prevention and early intervention will become the most cost-effective way of delivering our criminal justice services. The alternative is an increasing burden on the public purse to police and imprison individuals who are often the most vulnerable in our communities.

28. Lack of investment in preventative approaches, both in and beyond our justice system, is also likely to compound the pressures on health

services in the future. Scottish Government-commissioned [research](#), published in 2022, looking at the health and social care needs among Scotland's prison population found a high level of health and social care needs and a high level of comorbidity (having more than one mental health, physical, social care or substance use related need).

29. While we recognise that there will always be a place for policing and prison services, these should incrementally become interventions of last resort to ensure public safety. Instead, we need to progressively shift towards holistic and sustained investment in the core services that we know can help people lead healthy, purposeful and safe lives, such as housing, employment, mental health, drug and alcohol services. Investment in Local Government as a whole will be crucial to support this. For a detailed overview of financial pressures on the Scottish Budget for 2024-25 and their impact on Local Government, Committee Members are invited to refer to the COSLA, SOLACE, Directors of Finance response to the Finance and Public Administration Committee – Pre-Budget Scrutiny 2024-25.
30. Finally, as highlighted throughout this submission, we believe that Justice Social Work funding arrangements need to be reviewed and improved as one of the critical steps required to maximise and strengthen the use of community disposals. We suggest that the areas below should be considered, and look forward to working in partnership with the Scottish Government to consider how best these can be progressed over coming months, in the context of the Verity House Agreement:
 - Further scrutiny by the SG into the provision and implications of a flat cash settlement to JSW.
 - All JSW funding, including the additional £15m Recover, Renew and Transform (RRT) funding, should be consolidated and baselined in the Local Government Settlement.
 - Annual inflationary increases should be built into the Section 27 grant in order to be effective and efficient in the delivery of services.
 - The resource requirements of the service should be assessed to ensure it is properly funded, including calculation of unit costs, to ensure professional delivery of services which result in positive outcomes for communities.
 - A financial impact analysis which addresses the impact of inflation on the specific grant of £108m is essential, taking account of wide-ranging pressures on delivery of services, outcomes, workforce and staff recruitment/retention.
 - A review of non-core, ring-fenced specialist funding in order to demonstrate that it is flexible to meet need, remains relevant and sufficient to meet the year on year demand for services (for example - Caledonian System).

- Review the implications and case for prison-based social work being included in the S27 specific grant rather than a service commissioned by SPS.

September 2023

Appendix A – Table 2: Overview of Justice Social Work Funding for LAs in 22-23 and 23-24

Table 2: Overview of Justice Social Work Funding for Local Authorities in 22-23 and 23-24					
Policy focus	2022-23	2023-24	Difference	Purpose	
Section 27 Justice Social Work (JSW) funding	£108.3m	£108.3m	No change	This is the main JSW funding distributed through a funding formula. It includes £4m of funding to support Bail Supervision, Structured Deferred Sentences and Diversion from Prosecution. Please note that £86.450m out of the £108m is included in the Local Government settlement, while £21.899m sits outwith the settlement.	
Recover, Renew, Transform (RRT) funding	Recover, Renew, Transform (RRT) funding	£11.8m	£11.8m	No change	To support and bolster recovery efforts following the pandemic and support recovery work. RRT funding is distributed using the justice social work Section 27 funding formula but sits outwith the Local Government settlement.
	RRT funding to support Bail Services	£3.2m	£2.2m	- £1m	To support bail assessment and supervision services in 23/24.
Bail Incentivisation Scheme	£1.1m	£1.00m* Estimate as this scheme is demand led	- £0.1m* Estimate as this is demand led	The Bail Incentivisation scheme to support bail supervision was introduced in April 2019 totalling £1.65 million over 3 years. It was due to end in 2021-22, but it was agreed this should continue, to mitigate the impact of the pandemic on services and this was agreed by COSLA Leaders in January 2023. In order to fund the scheme, £1m was used from the £15m RRT funding.	

Structured Deferred Sentences (SDS) Incentivisation Scheme	£0.8m	£0.3m* Estimate as this scheme is demand led	- £0.5m* Estimate as this scheme is demand led	The SDS Incentivisation scheme was introduced in April 2021 to support the use of SDS and wider rollout
Total				
2022-23	2023-24	Difference* <i>Estimated, as this includes funding for the bail incentivisation and SDS schemes, which are demand led.</i>		
£125.2m	£123.6	- £1.6m		

Appendix B – Case Study on LA Management of the Caledonian System

The following case example is provided by a medium sized Local Authority who operates the Caledonian System (CS):

- It is very difficult to assess the true cost of running CS as indirect costs such as HQ costs, buildings, recording of group work, IT set up, indirect staffing and running costs as well as management oversight are not taken into account.
- This single local authority is facing a £79k shortfall in the budget, but when the above elements are taken into account, the shortfall is much greater. When this is multiplied by the number of local authorities running the Caledonian System, it is a substantial shortfall across the country.

Caledonian and Groupwork Issues

There are continual staffing issues within the CS team. These primarily relate to team leader and QSW grade.

From a practice and programme integrity perspective, this means that groupwork needs to be suspended and concentrate on the 1-1 contact work with service users. This can result in social workers from the locality teams having to pick up some cases, who are not CS trained in order to support the statutory CPO requirements.

This has resulted in a stop/ start approach to case management and impacts on the consistency of the offence-focused work for service users. There is sufficient time to complete the orders with the programme work, initially, but should another 6 months be required then this will mean that some orders will require to be returned to court with non- completion of programmed work. This is likely to result in complaints from Sheriffs in relation to service provision and seriously impacts on the credibility of the staff and the service. This is not the approach to addressing gender-based violence outcomes which we would want to promote, but it is resource driven.

Caledonian KPIs

The data inputting to support the CS is vast, for which there is no additional funding. Recently JSW have been sent the report of missing data on the Community Justice Scotland CS reporting system and been advised key areas will be reported on regularly as a means of tracking the delivery of the system and compliance with key programme processes (e.g. completion of risk assessments and psychometric tests). Whilst the data is useful, the quality assurance work required to ensure we are complying with all data input is resource intensive and the service will not manage to complete all backdated data entry. With no additional resources provided, this diverts staff from actually delivering the programme.

Caledonian Short Term Contracts

One of the biggest areas of challenge at present relates to the year-on-year

funding provision of third sector commissioned services (women and children's support). Attempts have been made to arrange 3-year contracts however this is difficult given that Section 27 budget allocations are dispersed year on year which makes planning and staff retention very difficult. Third Sector have experienced difficulties in providing consistent staffing due to the short-term nature of the funding which creates staffing gaps and limited services to families. This is showing no sign of improvement and would be better if the SG gave dedicated funding to both these areas for 3 -5 years to allow secure contracts to be commissioned.

Appendix C – LA Case Study on JSW Budget Pressures

The purpose of the following case study is to demonstrate the process, decision-making and challenges for one JSW manager, leading a busy JSW service in Scotland. It is a similar journey for the other 31 Local Authorities, although geography and size of local authorities will have a bearing on decisions.

JSW Budget 2023/2024 – Timeline

- December 2022 – notification of indicative section 27 grant allocation received from SG Community Justice Division
- 28 February 2023 - confirmation of grant allocation following Parliamentary approval on 21 February 2023. It is a mix of permanent and temporary funding.
- A number of staff on temporary contracts have already been issued with notice due to contract end date on 31 March.
- It is a flat rate budget allocation with no inflationary uplift, as has been the case for many years, so there are compounded pressures on the budget.
- The immediate question in JSW manager's mind is how the pending pay settlement will be affordable and at what cost to the overall budget - 86% is made up of salary costs. If there is no inflationary increase, the JSW budget will overspend substantially.
- A management fee payable to the LA also needs to be factored in and top sliced from available funding. The fee covers access to corporate services such as payroll, HR service, legal advice and other necessary functions.
- A decision needs to be made about what will not be achieved and what the priorities require to be with a contracting budget.
- The section 27 funding allocation is ring-fenced, but the flat-cash settlement means that there *must* be a reduction in expenditure to afford the pending pay award.
- The real terms year on year reduction in funding had previously been met by vacancy management arrangements but the compounded impact of reduced funding calls for more robust measures, including a reduction in the number of posts and other contractual arrangements.
- Review of existing staffing establishment to assist with balancing the budget: removal of historical posts, removal of certain current vacant posts, end to some commissioned services, end of temporary contracts, re-deployment of a number of posts. This relates to Qualified Social Worker, Social Work Assistants, admin posts and others.
- Service implications of flat-cash settlement and removal of a number of posts has a significant impact on meeting statutory obligations such as court reports, community supervision (CPO) and through-care services (Parole). This situation is exacerbated due to a number of staff being absent due to sickness and maternity leave, leaving existing staff morale at an all-time low.
- Difficult decisions to be made on viability of prevention services, while

very important, are a lower priority when resources are significantly reduced.

- JSW manager requires to set priorities - public protection is paramount, cases must be allocated with a RAG status to allow for safe and manageable risk management. Reporting clinics set up for certain individuals on CPOs, pressure is on UPW service with little scope to develop personal placements, ability to meet the requirements of the Caledonian system and associated data capture is resource intensive and difficult to achieve.
- Development work in relation to GBV and domestic abuse has to be halted.
- A review of commissioned services gets underway - current third sector services are no longer affordable.
- The JSW manager is very concerned about what all these changes are doing to the experienced staff group who have not only increasing caseloads but a growing number of cases which are characterised by multiple and complex issues such as mental health, trauma and substance use.
- Entering the new financial year, the JSW manager has grave concerns, working with a reduced budget and demoralised staff group. It has become a fragile local landscape of high demand, vulnerable communities and a workforce on their knees.

Appendix D – COSLA and Social Work Scotland Suggested Areas for Improvement to JSW Funding Arrangements

- i. **All JSW funding, including the £15m RRT monies, should be consolidated and baselined in the Local Government Settlement.** Currently, it is only £86.450m that is included in the settlement for JSW. The remaining funding is all outwith the Settlement, which can be seen at p.11 of the 23-24 [Local government finance circular](#). Feedback from LAs on the additional RRT Covid-19 funding has been overwhelmingly positive. As the Scottish Government has confirmed its intention to maintain this level of JSW funding for the remaining part of the Spending Review Period, it would only be sensible for all JSW funding to be consolidated under one heading in the Settlement. We strongly believe that **JSW funding is currently overly complex and fragmented**, as shown in the table at Appendix A. With separate funding streams come separate spending directions and reporting requirements, which further limit local authorities' ability to deliver and allocate resources as needed, depending on local demand.

We urgently need a more coherent and less cluttered funding landscape for JSW, and therefore a helpful first step in that direction could be to bring all of the JSW funding together into one funding stream. The ability to use funding flexibly, in a way that is proportional to demand and needs in local communities would be welcome.

- ii. While we very much welcome the additional funding that has come forward as a result of the pandemic, we believe that **there is a need to thoroughly assess the resource requirements of the service to ensure it is properly funded.**

Indeed, the most recent local authority financial returns (LFR03) show that councils have a net revenue expenditure on justice social work services, as shown in the table below.

	2021-22
	£thousands
Gross Expenditure adjusted for LFR Purposes	149,411
Gross Income adjusted for LFR Purposes	-137,828
Net Revenue Expenditure on a funding basis	11,583

This in turn suggests that there is a potential funding pressure within the system and that councils are having to meet an element of the costs of providing JSW services locally. This strengthens the argument for work to be undertaken to assess the cost pressures facing JSW and the extent of the current 'funding gap'.

Social Work Scotland articulated this issue very clearly in their [Stage](#)

[1 Submission on the Bail and Release from Custody Bill](#), stating that:

“The true cost of delivering the full suite of justice social work services is essentially unknown. Where unit costs are used as part of the current funding formula (50% of which is made up of workloads to determine the allocations to local authorities from the approximate £108m for JSW annually) these are predicated on historical calculations dating from 2016/17 and are calculated by dividing total recorded expenditure on, for example, bail supervision across the 8 now defunct Community Justice Authorities by the volume of those disposals. Because many aspects of JSW that currently have no unit cost; this has led to additional targeted funding to support the development and expansion, for example, of bail- related services and alternatives to remand e.g. electronic monitoring assessments for bail. But this is no substitute for properly costing out what is required to deliver aspects of the Bill and then funding that in its entirety, including the cost of delivering justice social work services more widely – this is what is required if Scottish Government wish to establish consistency of service provision and the associated quality, performance and outcomes.”

- iii. Lastly, **the core JSW specific grant of £108m has not been updated for inflation for many years.** The spending power of this funding will be significantly affected by inflation, and we believe this is not being recognised in the current allocation. As stated by Social Work Scotland in their [submission to this Committee’s 23-24 pre-budget scrutiny call for views](#):

“Unfunded high inflation is a problem for services in the current financial year and subsequent years, making it difficult to achieve the key policy objectives outlined in the National Strategy for Community Justice and the Scottish Government’s Vision for Justice in Scotland. It will inevitably affect JSW capacity to deliver services to courts, individuals and their families. JSW services are already struggling to run mainstream, statutory services with a depleted budget”.