



Councillor Ricky Bell
Resources Spokesperson

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Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
EH99 1SP

By email: FPA.committee@parliament.scot

Dear Convener,

I am writing to the Finance and Public Administration Committee on behalf of COSLA to raise significant concerns regarding the financial, and operational, implications of the Children (Care, Care Experience and Services Planning) (Scotland) Bill, particularly in light of the Stage 2 amendments recently agreed.

COSLA remains firmly committed to keeping the promise and to improving outcomes for the children and young people with care experience. At Stage 1 we raised various concerns regarding the bill, in particular that the costings in the Financial Memorandum were not accurate and that the implementation of the changes had not been sufficiently considered within the context of an ongoing workforce crisis and the significant developments already under way across the children's care sector. Many of the amendments made at Stage 2 have intensified these concerns, with the potential not only to render the bill undeliverable but also to jeopardise the stability of existing services. Ultimately, this risks undermining the work already underway to keep the promise, impacting most on the children and young people the bill seeks to help. Progressing this legislation at pace before the pre-election period limits the opportunity for thorough scrutiny and accurate costing. This introduces the risk of significant financial exposure for the Scottish Government and the public sector. The financial exposure is such that this could lead to councils being unable to set balanced budgets if these new duties are not accurately costed and funded.

Extension of aftercare

We have worked with Social Work Scotland to gather information in relation to key aspects of the bill which provide a clearer indication of the costings and implementation.

Analysis of information shared by local authorities shows that the costings in the Financial Memorandum for the extension of aftercare eligibility are not sufficient. In particular, the estimated aftercare support costs significantly underestimate the true level of support required and would not enable local authorities to deliver the relationship-based support our young people need. The figure in the Financial Memorandum for support costs (£2881 per young person per year) is based on analytical work carried out in 2011/12 and updated to 2025/26 prices. As we set out in our response to the Financial Memorandum, this is not an appropriate way to estimate up to date costings. These were predicted costs before the aftercare provisions of the 2014 Act were implemented and therefore not based on actual costs. Local Government raised concern at the time that the costs were under-estimated.

Local authorities have highlighted the challenges of providing aftercare costs as it can vary greatly depending on the specific needs of the young person. To address this, our analysis considered current examples of low, medium and high-cost support packages and the approximate proportion of young people likely to require each. COSLA officers are currently in discussion with Scottish Government officials on the information gathered but based on the costs provided, it is clear that the £2881 annual support cost per young person as set out in the Financial Memorandum is a significant under-estimation. Based on the information gathered from local authorities, for low-cost packages there is an average cost of around £745-790 per week, for medium cost packages an average cost of £1600-1800 per week and for high-cost packages an average cost of £5700-6000 per week. £2881 per year would mean a cost of around £55 per week. Based on the figures from local authorities, £2881 would only equate to around three weeks of support for a young person receiving an average low-cost support package. The support costs provided by local authorities include staffing costs as well as any wider or commissioned services. Additional staffing costs associated with increased aftercare eligibility must be fully funded and there can be no expectation that this can be absorbed within existing budgets, which are already under significant pressure.

When these costings are considered alongside the Stage 2 amendments, it is clear that the financial implications are substantial and that there are significant practical issues to address to avoid unintended consequences. For example, moving away from assessment-based aftercare will increase demand for support, and introducing the provisions without a gradual phase-in will create immediate and significant pressures on both budgets and service capacity. Within the context of significant workforce shortages, this could result in waiting lists or a form of prioritisation, alternatively, it may mean that those with the greatest need are not able to access the support they require. These increased pressures could risk compromising the quality of support, and it is essential that practitioners are able to continue delivering trauma-informed, relationship-based and rights-based support.

Housing and returning to care

The amendments relating to housing raise significant challenges in both deliverability and alignment with the core principles of Scotland's care system. Proposed changes would

bring all 18 to 21 year olds who require accommodation into the care system, regardless of whether they have had any prior involvement with care services. This represents a fundamental shift in the purpose and scope of the care system and requires careful examination to ensure it is truly in the best interests of those it seeks to support.

Bringing care experienced young people experiencing homelessness into the social work system, rather than the established homelessness pathway, also warrants further exploration to understand whether it would deliver a better experience and improved outcomes, or whether it risks creating additional barriers and tensions between housing and social work duties. Importantly, the financial implications of these changes are likely to be very significant, and at present the full cost is not known. Achieving clarity on this is essential before progressing with reforms of this scale.

These challenges sit within the wider context of a national housing crisis, where simply put, there are not enough homes available. Moving young people with care experience who are homeless into the care system does not address this fundamental issue, and prioritising this group for limited accommodation would inevitably mean that another group must be deprioritised. For example, this could result in children remaining in temporary accommodation for longer. It is vital that any new duties align with existing housing legislation and that the broader rights implications are fully understood. For example, under the proposed approach, young people aged 18 to 21 who need accommodation would be required to enter the care system and be treated as 'looked after' in order to access support. They are not currently required to do this and it raises substantial questions about autonomy, rights, and whether the care system is the appropriate mechanism for meeting such a wide range of housing needs.

This Bill will not be the only piece of legislation required to keep the promise. Given the importance of this issue, the substantial and as-yet unclear costs involved, and the complexity of how these proposals interact with other legislation and existing rights, it is essential that sufficient research and detailed analysis are undertaken before progressing further.

Wider workforce and system pressures

These proposals must be considered holistically, rather than in isolation from the wider care system and other developments already underway. Alongside the amendments already discussed, other areas, such as the expansion of kinship care, carry significant cost implications that are not currently fully understood. These pressures are unfolding against the backdrop of a longstanding workforce crisis, which requires sustained time and investment to address. Local authorities are already facing increasingly challenging and unsustainable budget pressures across all services and there can be no expectation that any additional duties can be met within existing budgets. All additional resource requirements must be fully understood and fully funded. Legislating heavily at the aftercare end of the system, in the midst of these workforce challenges and without sufficient

funding, risks drawing resources and skilled practitioners away from early intervention and prevention. This would ultimately undermine the longer-term aims of the promise.

Given the scale and significance of these issues, COSLA is keen to work constructively with the Scottish Government and the Parliament to ensure that any legislative changes are deliverable, properly costed and genuinely improve outcomes for children and young people to allow Parliament to consider the proposed legislation from an informed position. We would welcome the opportunity to continue engaging with both the Finance and Public Administration and the Education, Children and Young People Committees as the bill progresses through stage 2 and into stage 3, to ensure the final legislation is both workable in practice and aligned with the long term ambitions of the promise which we are deeply concerned is not presently the case.

Yours sincerely,

Councillor Ricky Bell
Resources Spokesperson