

National Care Service (Scotland) Bill

Financial Memorandum

Introduction

1. As required under Rule 9.3.2 of the Parliament’s Standing Orders, this Financial Memorandum is published to accompany the National Care Service (Scotland) Bill, introduced in the Scottish Parliament on 20 June 2022.

2. The following other accompanying documents are published separately:

- Explanatory Notes (SP Bill 17-EN);
- a Policy Memorandum (SP Bill 17-PM);
- a Delegated Powers Memorandum (SP Bill 17-DPM);
- statements on legislative competence by the Presiding Officer and the Scottish Government (SP Bill 17-LC).

3. This Financial Memorandum has been prepared by the Scottish Government to set out the costs associated with the measures introduced by the Bill. It does not form part of the Bill and has not been endorsed by the Parliament.

4. The Policy Memorandum explains in detail the background to the Bill and the policy intention behind the Bill. It also sets out the current system for the delivery of integrated health and social care services. This Financial Memorandum should be read in conjunction with the Bill and the other accompanying documents.

5. This Financial Memorandum is structured as follows:

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6. Each part will examine the estimated costs and savings for the different sectors involved, including, as appropriate, the Scottish Administration, Local Authorities, Health

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Boards, other public bodies, businesses and third sector organisations, and individuals. Each part will set out:

- the best estimates of the administrative, compliance and other costs to which the provisions of the Bill will give rise, as well as likely efficiency savings
- the best estimates of the timescales over which the costs and savings are expected to arise, and
- an indication of the margins of uncertainty in these estimates.

7. The figures set out in this Financial Memorandum represent the Scottish Government's best estimates of the costs of the activities affected by the provisions of the Bill. These figures are not spending commitments and should not be used as a tool for future budgeting, as costs may be affected by other factors in addition to the changes made by the Bill. Funding for the organisations involved will be negotiated in the usual way taking into account the projected costs of their functions at the time.

Background

8. The purpose of the National Care Service (Scotland) Bill is to improve the quality and consistency of social services in Scotland. Part 1 gives the Scottish Ministers a duty to promote a comprehensive and integrated care service, and gives them the powers they need to achieve that, including making provision for the establishment of care boards to carry out Ministers' functions in relation to social care and community health. Part 1, Chapter 6 gives the Scottish Ministers powers to transfer relevant functions from local authorities or from health boards. "The National Care Service" (NCS) means the Scottish Ministers and care boards working together to deliver those functions.

9. Part 2 of the Bill allows for information sharing and information standards and is intended to underpin the creation of the nationally-consistent, integrated and accessible electronic social care and health record. This will help professionals to support individuals in a more co-ordinated way, and support national and local planning and commissioning.

10. Part 3 makes additional reforms to the delivery and regulation of care. It introduces a right to breaks from unpaid caring, and Anne's Law, to give people living in care homes a right to maintain contact with family and friends. It makes changes to the powers of the Care Inspectorate, and Health Improvement Scotland. These are all changes that can be implemented to improve the lives of people who access social care support and their carers before the NCS is established. Some of them take the framework approach to allow for further engagement and flexibility; others are more detailed where they address specific points in existing legislation.

Framework and co-design approach

11. It is essential that reforms to social care support must be developed with the people who access that support, including unpaid carers, and with those who provide it.

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The Scottish Government is committed to engaging with people with experience to co-design the detail of the new system, to finalise new structures and approaches to minimise the historic gap between legislative intent and delivery. For that reason the bill creates a framework for the NCS, but leaves space for more decisions to be made at later stages through co-design with those who have lived experience of the social care system, and flexibility for the service to develop and evolve over time. Some of those future decisions will be implemented through secondary legislation, others will be for policy and practice.

12. As a result of this framework and co-design approach, there are increased uncertainties surrounding the cost estimates, and the timing of those costs. Estimates for a range of possible options have been included in this Financial Memorandum where possible and the costs have been timed to deliver an operational NCS and reform of local delivery by the end of this Parliament. Future decisions about the implementation and phasing of the NCS will take into account rigorous, evidence-based options appraisals, value for money, where benefits and quality are paramount, and the resources available to ensure affordability. Where those decisions are implemented through secondary legislation (under this Bill or through pre-existing powers), financial and regulatory impact assessments will be provided. The Parliament will, therefore, have further opportunities to examine the cost implications of the Scottish Government's proposed reforms to the social care system.

Other planned reforms

13. The costs set out in this Financial Memorandum reflect community health and social care services as they are currently delivered, and estimates the changes to those costs that will result from the provisions of this Bill. However, the creation of the NCS and other changes made by the Bill are only part of a wider programme of social care reform. Other elements of those reforms, that do not require primary legislation and could go forward irrespective of the Bill, are likely to have an impact on the overall cost and expenditure on community health and social care support during the time period covered by this Financial Memorandum. In order to focus only on the impact of the Bill, the estimates provided here do not include the effect on the NCS of the following Scottish Government commitments:

- To increase pay and improve terms and conditions for adult social care staff in commissioned services, including establishing appropriate channels for workforce and trade union representation
- To bring Free Personal Nursing Care rates in line with National Care Home Contract rates
- To remove charging for non-residential care
- To increase investment in social work services
- To increase provision of services focusing on early intervention and prevention
- To invest in data and digital solutions to improve social care support.

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14. Overall the Government has committed to increase public investment in social care by 25% over this Parliamentary session (2021-26).

15. Creation of the NCS will support many of these reforms; for example, it is intended that it will support greater consistency in the provision of services focusing on early intervention and prevention, and in ethical commissioning which will promote Fair Work standards for staff. However, these are policy decisions to be made or sustained under the new framework, not necessary consequences of the Bill provisions.

Economic benefits of establishing the NCS

16. The purpose of creating the NCS is to improve the delivery of community health and social services. Social services have a significant economic impact, and therefore investments in improving their quality and consistency can have a positive effect on the economy.

17. Making Scottish Ministers responsible for social care with local care boards commissioning community health and social care together enables:

- the development of a system based on and driven by shared principles which enshrine human rights and person-centred care with opportunities for the voice of lived experience to be embedded in all levels of decision making
- opportunities to build on health and social care integration and to bring together different services with a focus on outcomes and to help smooth transitions for people - noting that there needs to be further evidence gathering to see if children's services and justice social work should be brought in scope of the NCS
- strengthening of ethical commissioning of care
- the development of clear and consistent standards and to support the delivery of high quality and improve consistency
- market oversight to promote the financial sustainability of social care providers and, where necessary inform service design and market shaping to help ensure the market for social care as a whole remains vibrant and stable which will ensure continuity of quality social care provision.

18. This in turn, is expected to lead to the benefits for people and for Scotland's wider society and economy through improved community health and social care support for people who need it and their families, with people being able to access services when they are needed. It is also expected to lead to improved experiences for those who work in social services through strengthening fair work in the sector and improved support and recognition for social work and social care. This will help with workforce retention and recruitment.

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19. In 2020 social services directly employed 209,690 people, approximately 8% of the workforce, with a whole time equivalent (WTE) of 159,260¹. A 2018 report commissioned by the Scottish Social Services Council (SSSC)² quantified the direct, indirect and induced contributions that the adult social care sector makes to the Scottish economy:

- The direct economic value of social care activity is estimated at £2.3 billion - £2.6 billion (dependent on measurement method used).
- The indirect economic value of goods and services in the sector's supply chain is estimated at £0.5 billion - £0.6 billion.
- The induced impact associated with goods and services bought by those directly or indirectly employed by the sector are estimated at £0.7 billion.
- The indirect and induced impacts resulted in an additional 50,800 jobs.
- The total estimated economic value of the sector is therefore in the range £3.5 billion - £3.9 billion (excluding harder to quantify catalytic effects).

20. A report by the Women's Budget Group (WBG) of the International Trade Union Congress (ITUC) identified that for every £1 spent on social care, more than £2 is generated in other sectors³. The same group⁴ estimates that the majority of new jobs created by investment in social care will be taken by women. Investment in social care can therefore help to reduce the gender pay gap. The large reach of the sector also has an important contribution to make to tackling inequalities, including child poverty, and meeting Scotland's climate change and sustainability goals through more efficient use of estates, travel, and waste.

21. The social care sector has an important role in supporting local economies across the country. Social care employment and investment is present in every area of Scotland; in areas of economic disadvantage the sector can be a critical employer, particularly in areas with high youth unemployment. The sector is also an important procurer and purchaser of goods and services and this can have important local benefits. The sector can direct spending towards local small businesses, voluntary, and community organisations rather than national corporations, and can also lead through setting importance on quality non-financial standards in procurement processes.

22. Investment in social care support generates social value in terms of people's emotional wellbeing and better health. A study of the Independent Living Fund in Northern Ireland estimates that every £1 spent generates £11 of social value⁵. Both for people who use social care support, and equally importantly for unpaid carers, the

¹ [Scottish Social Service Sector: Report on 2020 Workforce Data | Scottish Social Services Workforce Data \(sssc.uk.com\)](https://www.sssc.uk.com/data-news/15-announcements/175-the-economic-value-of-adult-social-care#:~:text=The%20adult%20social%20care%20sector,and%20Wales%20published%20similar%20reports.)

² The Economic Value of Adult Social Care (<https://data.sssc.uk.com/data-news/15-announcements/175-the-economic-value-of-adult-social-care#:~:text=The%20adult%20social%20care%20sector,and%20Wales%20published%20similar%20reports.>)

³ [Investing in the Care Economy - Womens Budget Group \(wbg.org.uk\)](https://www.wbg.org.uk/investing-in-the-care-economy/)

⁴ [Investing in the Care Economy - Womens Budget Group \(wbg.org.uk\)](https://www.wbg.org.uk/investing-in-the-care-economy/)

⁵ [44188-ILF-NI-Impact-Evaluation-Report.pdf](https://www.independentlivingfund.org.uk/wp-content/uploads/2018/04/44188-ILF-NI-Impact-Evaluation-Report.pdf)

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availability of high quality adult social care support can help people to engage in and remain in education and also to enter and remain in work.

23. Improving social care support, particularly increasing early intervention and prevention and supporting unpaid carers to protect their health and wellbeing, also reduces costs which would otherwise fall on other parts of the public sector. This can include unplanned hospital admissions, additional residential care needs, and family breakdown. It is difficult to estimate the size of these wider savings and benefits in total but the Scottish Government expects these to be considerable. Some estimates relating to the benefits of improving support for unpaid carers are provided in paragraphs 72-75.

Summary of estimated costs of the Bill

Table 1: Total estimated costs of Bill provisions

Note: in all tables, there may be small discrepancies in totals due to rounding

Sector	2022-23	2023-24	2024-25	2025-26	2026-27
	£ millions	£ millions	£ millions	£ millions	£ millions
Total estimated costs of Bill provisions	24-36	63-95	84-126	232-477	241-527
Establishment and running of NCS national organisation – table 6					
Scottish Administration	24-36	60-90	72-108	92-138	83-124
Establishment and running of care boards – table 7					
Scottish Administration	0	4-6	12-18		
Care boards				132 -326	142-376
Total NCS costs	24-36	63-95	84-126	216-452	216-488
Right to breaks from caring* - table 11					
Care boards	-	-	-	8-13	16-27
Anne’s Law – table 14					
Care Inspectorate	0.186	0.09	0	0	0

*Note that tables 10-14 show costs to 2034-35

Establishment of a National Care Service and care boards

Current costs of social care support and community health

24. Part 1, Chapter 6 of the Bill provides powers to allow for the transfer of social services functions from local authorities to the Scottish Ministers or to care boards. The functions covered by these powers include adult social care and social work, children's social work and social care, and justice social work. In relation to services for children and justice, further work will be undertaken with stakeholders to consider the risks and opportunities, and to rigorously assess the costs and benefits, before decisions are made about implementing the transfer and how it might be phased. Section 30 makes provision requiring the Scottish Ministers to consult publicly about any proposed transfer relating to children's or justice services before regulations are brought forward. A summary of the process and responses received to the consultation must be laid before Parliament at the same time as the draft regulations. Ministers will also have powers to transfer functions from health boards to the new care boards, and to delegate their own health functions as NCS functions, in order to maintain the integration of community health and social care functions.

25. The figures for the costs of delivering services which may transfer, set out in table 2, provide a range of estimates in which the lower figure would cover only the transfer of adult social care, and the upper figure would include the transfer of all the services mentioned in paragraph 24 above. These are not additional costs to the system therefore have not been included in table 1.

26. Care boards will have the statutory duty to carry out the transferred functions in their local area, and will hold the funding for them. Care boards will plan and commission local services. Social work and social care support will continue to be delivered by a range of public, private and third sector partners. For services currently provided in-house by local authorities, that may continue under a procurement arrangement with the care board, or the care board may take over direct delivery, with staff transferring to the care board. These will be decisions to be taken locally as the care boards are established, following careful options appraisals. It is expected that health services will continue to be delivered by the NHS, as commissioned by the care board.

27. It is anticipated that the Scottish Ministers may transfer some functions, at least in part, to themselves, and the NCS at national level may plan, commission and procure social care services for people with complex and specialist needs across Scotland. Further decisions will need to be taken, in discussion with those accessing and providing such services, about which services may be treated in this way, before any estimate can be made of what proportion of costs they will represent.

28. Table 2 sets out the approximate current and projected costs of the services that could be transferred to care boards and to the Scottish Ministers. In terms of the total costs to the public purse, it is assumed the transfer of services itself has no effect: the costs of providing these services will simply transfer from local authorities and health

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boards to the NCS. Any policy decisions between now and the date of transfer would be taken into account in rebasing the transfer value. Subsequent sections of this Financial Memorandum set out the additional costs relating to setting up the new bodies, and to issues such as aligning terms and conditions for staff transferring from different organisations.

29. The transfer of functions may take place immediately on establishment of care boards in 2025-26, or may be phased with different functions transferring gradually over a number of years. A phased approach may result in a period of double running costs or transfer costs in addition to the costs set out below. Decisions on the timing of transfers will be subject to rigorous readiness and financial assessment to ensure value for money and affordability, as well as ensuring there is no disruption to the provision of support to people.

30. The costs set out in table 2 are based on a range of caveats and assumptions as follows:

- Figures are based on 2019-20 actual costs from publicly available data:
 - [Local government finance statistics - gov.scot \(www.gov.scot\)](http://www.gov.scot) based on Local Financial Return on Social Work (LFR03)
 - [Scottish health service costs - CostsBook 2020 \(April 2019 to March 2020\) – Public Health Scotland.](#)
- They do not account for any impact of Covid on services, to avoid extrapolating forward any non-recurring expenditure.
- Figures given here are illustrative to show a scale of the services in scope. Figures represent the Scotland-wide costs of functions which are expected to be transferred to care boards. Currently, the range of functions delegated to Integration Authorities is different in each area, therefore the costs of future NCS functions cannot be extracted from integration budgets.
- The LFR03 captures actual total expenditure by local authorities on Social Work services as reported in their published annual accounts and is therefore the most accurate data on costs available at this time. This will not necessarily agree with specific funding allocations, such as for justice social work services, as local authorities will utilise additional resources to meet expenditure commitments (Block grant, Council Tax and Non-Domestic Rates).
- The exact list of health functions that may be transferred to care boards is yet to be determined, therefore the costs of health functions are indicative at this stage.

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- These figures have been projected forward using inflation (see table below) plus a standard 3% increase on all years and services to show growth in activity and any pressures above inflation e.g. pay, prescribing and energy prices. This is net of any savings made. Inflation figures have been obtained from the Office of National Statistics.

2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
2.3%	2.5%	6.2%	6.2%	2.0%	2.0%	2.0%

31. Work will continue through the period of developing the NCS to understand demand and activity trends, as well as the exact services to be transferred, to provide robust cost forecasts for the NCS and inform future budget and funding negotiations. Figures given here are illustrative to show a scale of the services in scope.

Table 2: Costs of providing services that could be transferred to care boards

Cost Category	2019-20	2020-20	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m	£m	£m	£m
Social Care services								
Adult social care	3,517	3,659	3,844	4,205	4,600	4,833	5,077	5,334
Children's and families	992	1032	1084	1186	1298	1363	1432	1505
Justice social work	137	143	150	164	180	189	198	208
Service Strategy	52	54	57	63	68	72	76	79
Total	4,699	4,889	5,136	5,618	6,146	6,457	6,783	7,127
Community Health services								
Primary care	2,690	2,799	2,941	3,217	3,518	3,696	3,884	4,080
Community Health	3,135	3,261	3,427	3,748	4,100	4,307	4,525	4,754
Mental health services (apart from inpatient and state hospital)	70	73	76	84	92	96	101	106
Total	5,895	6,133	6,444	7,048	7,710	8,100	8,510	8,940

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Establishment of the National Care Service

32. Section 35 of the Bill sets out that “the National Care Service” means local care boards and the Scottish Ministers exercising their functions in relation to social services. At national level there will not be a new body; the Scottish Ministers’ new responsibilities for social work and social care support will be managed and overseen by civil servants directly accountable to Scottish Ministers, in the same way that the National Health Service is managed by the Health Directorates of the Scottish Government. This will include the proposed National Social Work Agency, which will be established as a unit within the NCS to provide national leadership and support for the social work profession.

33. Staff currently engaged in policy development and oversight of public bodies relating to social services will transition to become part of the NCS structure. However the increased responsibilities will require additional staff to be recruited, with associated costs such as premises, equipment and IT. Those increased responsibilities include:

- providing leadership, oversight, and accountability for community health, social work and social care support, including by providing strategic direction and planning at the national and regional levels
- creating, managing and promoting national community health and social services policies, setting national standards and developing practice standards, models and guidance to improve access to care
- creating and overseeing a framework for ethical commissioning, including Fair Work requirements, and carry out workforce planning
- developing and maintaining a national complaints system
- design and delivery of the integrated social care and health record and NCS digital services.

National costs – establishment phase

34. The Scottish Government is committed to establishing the NCS by the end of this Parliamentary term, i.e., in financial year 2025-26. Costs for an additional year have been provided to allow for the transition to steady operating costs. Work is already underway to begin preparatory work for the NCS. This includes policy development and co-design, Programme and Project Management (PPM), recruitment costs, financial forecasting, data and digital discovery work and workforce planning. Costs include staff and non-staff costs with a transition into running costs once a NCS is fully established in 2025-26. These costs cannot therefore be thought of as ‘one off’ set up costs, they are the foundation of an NCS, with the staff and skills transferring into the running of the organisation. This allows investment into public sector staff, to upskill on data and digital capabilities, PPM methodologies and financial qualifications.

35. The staff set up costs shown in table 3 are based on a headcount profile currently assumed for the length of the establishment phase, as above these staff would then in the main move to the running cost of the NCS, hence this drops to 0 in 2026-27. It is

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expected a significant amount of staff costs will be in the data and digital space, some of which will be shorter term contractors with specific skills for set periods of time. This causes a spike in the latter part of 2023-24 based on current phasing of programmes.

36. Current assumptions of staff headcount and costs have been based on management estimates of resource need for the various elements of the programme. As the scope, scale and timeline for the NCS is still to be fully developed through co-design and evidence-based options appraisal, this headcount profile is likely to change significantly as more detail is known.

Table 3: NCS National establishment phase headcount and staff costs

	2022-23	2023-24	2024-25	2025-26	2026-27
Headcount	200-300	440-660	440-660	60-90	0
Staff costs (£m)	18-27	47-71	48-72	5-7	0

37. Non-staff costs relate to areas such as IT systems, consultancy costs and training and premises costs. This is estimated in table 4.

Table 4: NCS National establishment phase non-staff costs

	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
Systems and IT	0	0-1	9-13	2-4	0
Training and other staff costs	0	2	2	0	0
Premises costs	0	1	2-4	2	0
Third part advice (legal / consulting)	6-9	10-14	10-14	2	0
Total	6-9	13-19	22-34	6-8	0

National ongoing running costs

38. The Bill provides for the Scottish Ministers to become responsible for social work and social care support for adults, for children, and relating to the justice system. As set out in the policy memorandum, further work is required to consider the risks and opportunities, costs and benefits of the transfer of services for children and justice, and the transfer may be phased over a longer period. However, since no decisions have yet been taken on such phasing, the figures in tables 5 and 6 assume that the NCS will take on the full range of services from the start. As the Scottish Ministers already have responsibility for primary care and community health, and teams in the Scottish Government managing those areas, it is assumed there will be no change in costs relating to that work.

39. Running costs for the NCS have been estimated based on this full range of functions. This includes staff costs across various different teams, the majority being the existing staff from the establishment phase. Total headcount is expected to grow to the

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region of 500 – 700 people, which is in line with other large areas within government, such as social security. These are not all additional posts compared to current headcount profile, and as per the headcount profile for the establishment phase, the staff base for the NCS will be built over the next 3-4 years.

40. The estimated set up and running costs have been established by comparison to the existing costs of national management of the National Health Service and other large scale transformation programmes in the public sector, such as the creation of Social Security Scotland.

41. The range of functions has been considered that would need to be developed to support the NCS – quality improvement, performance and delivery, workforce planning, policy development, finance (for example) and how these might be delivered most efficiently. The costs of national management of the NHS have been referenced while considering the drive for public sector reform and increased efficiency.

42. Non-staff costs are set out in table 5 below. As above, these are high level ranges based on current estimates, and further work is required to refine these estimates.

Table 5: NCS National running costs - non-staff costs

	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
Systems and IT	0	0	2	11-16	10-16
Training and other staff costs	0	0	0	3-5	3-5
Premises costs	0	0	0	5-7	5-7
Third part advice (legal / consulting)	0	0	0	4-6	4-6
Total			2	23-34	22-34

43. Social Security Scotland set out in their Outline Business Case [Social security agency in Scotland: outline business case - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/outline-business-case-2022-23/pages/100-109-social-security-scotland.aspx) potential running costs of £150m per annum. Whilst this is for the delivery agency, therefore not directly comparable to the NCS, it is included to give a sense of scale of other large transformation areas.

44. All the costs of the national management of the NCS will fall to the Scottish Administration.

National Social Work Agency

45. The Scottish Government is committed to establishing a National Social Work Agency, to support and provide national leadership to the social work profession. This would be part of the NCS national management. It is currently estimated that this will contribute costs of £8-12 million annually, which are included in the figures in table 6.

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The NSWA will support and invest in the social work profession, enabling social workers to work with people to transform their lives and implement rights-based practice as part of the overall objectives on the NCS.

Table 6: Costs for NCS National (Costs on the Scottish Administration)

Cost Category	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m
Establishment phase					
Staff costs	18-27	47-71	48-72	5-7	0
Non-staff costs	6-9	13-19	22-34	6-8	0
Totals	24-36	60-90	70-106	10-16	0
Ongoing running costs					
Staff costs	0	0	0	59-88	60-91
Non-staff costs	0	0	2	23-34	22-34
Totals	0	0	2	82-122	83-124
Overall Total	24-36	60-90	72-108	92-138	83-124

Care Boards

46. The Bill gives the Scottish Ministers powers to establish care boards, which are expected to carry out the delivery functions of the NCS and replace the current Integrated Joint Boards (creating an additional body in Highland). Care boards will be accountable to the Scottish Ministers and directly funded by them, and they will employ their own staff. Summary costs for these boards are set out in table 7.

Table 7: Summary costs of establishment and running costs of care boards

Sector	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m
Scottish Administration	-	4-6	12-18	0	0
Care Boards	-	-	-	132-326	142-376

47. Section 4 gives the Scottish Ministers power to determine the number of local care boards and the areas they will cover. Decisions on the number of care boards will require rigorous assessment to ensure value for money, while also considering the best approach to ensure services are designed to meet local needs and circumstances. While the number of local care boards has yet to be decided, the figures in table 7 assume at the top end of the range there will be 32, one for each local authority area.

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48. The Scottish Ministers will also have powers to create special care boards, which could provide central functions in a similar way to the Special Health Boards. Any decisions to create such special care boards would take account of the costs of setting up a new board balanced against the benefits and any savings to be gained from providing central services. The cost of creating any special boards, should they be formed, will be calculated based on the function and size of the board. Of the current eight Special Health Boards, in 2019/20 budgets ranged from £18 million - £425 million.

49. Set up costs such as recruiting board members and acquiring premises prior to establishment of the boards will fall to the Scottish Administration, while ongoing running costs will be allocated to the boards themselves as public bodies. The figures in table 7 include an assumed impact from existing supporting services across the health boards and local authorities, and from the abolition of Integration Joint Boards, which is set against the additional costs of the new boards. The range of costs which have been offset as assumed to already exist are between £25 - £40 million per year.

50. The timing and phasing of establishing care boards and transferring functions to them will be subject to further discussion through the co-design process and the production of business cases. These will need to consider local tests of change, implementation plans tailored to individual areas and a delivery readiness assessment to ensure no detriment to services while change takes place. The top end of the range of costs in table 7 is based on all care boards having their first year of operation in 2025-26, and assuming that all social workers and care workers will transfer to the NCS. The lower end reflects the possibility that decisions may be taken to start the transfer in a small number of areas, building up over time, to allow appropriate planning, consultation and impact assessment.

51. The core management costs of care boards shown in table 8 will include the following. As noted above, these are all high-level estimates which will be refined as proposals are further developed through the co-design and options appraisal process.

- Governance and Executive Team – the Bill gives the Scottish Ministers powers to determine in secondary legislation how many members each care board must have and how they provide representation for people with experience of accessing support, workforce and service providers, carers, and partner organisations.
- Premises and digital set up – high level assumptions are included on costs for digital and premises set up, assuming staff would need digital devices, software licences and access to systems, existing and potentially new. As Integration Joint Boards currently use premises from either the local authority or the health board, it is assumed there will be some need for additional office space, although the current premises will then be freed up for alternative use. Further work will be required to refine this, as the number and size of care boards becomes clearer.
- Support functions – it is assumed that a number of support functions will be required to assist care boards, such as finance, HR, analytics, business support etc. The Scottish Government is considering the opportunity for

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shared services and what functions the National NCS structure could provide and which need to be held by care boards at the local level.

- Communications and administration costs of establishment and running – the set up and communications to staff and service users will require staff time to carry out these tasks.
- Pay and terms and conditions – this currently assumes a phased approach to the movement of local authority staff into care boards. As this will depend on future discussions between the Scottish Government and local authorities, costs are estimated here to show the quantum of the potential impact. Costs rise from 2025/26 to 2026/27 at the top end of the estimate as it is assumed a varying percentage of staff would transfer each year. The lower end of the estimate assumes that no staff would transfer. These costs have been baselined against current pay and terms and conditions costs as far as is possible with existing data, compared to the future direction of travel of public sector terms and conditions. Much of the overall costs of care boards reported here are therefore for front line delivery services.

52. It is expected professional expert support will be required to identify costs further in a number of areas including VAT, assets and pensions.

- For pensions, a number of options for the provision and ongoing management of pensions have been initially considered for staff who may be affected by any changes. More work and engagement will be required to determine the most suitable and affordable design, as decisions are made on the scope of the NCS. A standard pension contribution rate of 20.9% is currently assumed in the care board costs, based on expected future direction of travel of public sector terms and conditions.
- Currently Integration Joint Boards are established in a similar way to a local authority body, and can therefore reclaim VAT on services. If care boards are not able to reclaim VAT in a similar way, there could be a significant financial impact. This could reduce the overall funds available to spend directly on social care support. Work is underway to understand this potential cost and how it might be mitigated to ensure maximum support for front line services. VAT costs are not assumed in table 7 or 8 at present.
- Assets directly linked to care delivery will also have to be considered, as to whether ownership or leases will be transferred to new care boards. Data does not currently exist in one place on market value of social care properties, backlog maintenance or other associated costs. This will be further investigated. No capital costs of any asset transfer, or revenue costs of any asset maintenance, are assumed in table 7 or 8.

Transfer of functions

53. Where local authorities deliver social care services directly, that delivery may in future transfer to care boards, together with the staff who provide those services. This could involve up to 75,000 employees across social work and social care. Costing of this is difficult as all local authorities may have different pay rates and terms and

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conditions for their staff, which will need to be rationalised within a single service. The figures for pay and terms and conditions set out in table 8 have been baselined against current assumptions on Fair Work. Decisions will require further assessment and engagement with local authorities and with the workforce, to determine how many staff are likely to transfer and on what conditions. “Pay” represents the additional cost of increased basic pay rates, while “terms and conditions” represents the cost of other issues, for example increased sick pay or covering increased holiday entitlements.

Table 8: Additional costs for Care Boards

Cost Category	Costs to Scottish Administration			Costs to care boards	
	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m
Governance and Board costs	0	0	0	22-33	23-34
Premises and digital	0	2-4	10-15	63-94	69-103
Support services	0	0	0	45-67	46-69
Administration and communications	0	1-2	2	2-4	4-6
Pay	0	0	0	0-43	0-43
Terms and Conditions	0	0	0	0-84	0-120
Totals	0	4-6	12-18	132- 326	142-376

Costs to local authorities and health boards

54. The transfer of functions from local authorities in particular may have additional financial implications. These may include, for example, costs for the transition process, but there may also be potential savings on central services such as finance, digital systems and premises, if a significant number of staff move to the NCS. These costs and savings will depend on what services are to be included in the NCS, when the transfer is to take place and how the transition process will be staged. The Scottish Government will carry out thorough options appraisal, working with COSLA, to identify these financial implications at the appropriate time and inform the approach taken. Further information will be provided to the Scottish Parliament when the relevant secondary legislation is brought forward.

55. The financial implications for health boards are expected to be less significant, because of the expectation that they will continue to deliver services commissioned by the NCS. As with local authorities, those implications will be considered when more detail of the arrangements is known.

Costs on other bodies, businesses or individuals

56. It is not anticipated that the establishment of the NCS and care boards, and the transfer of functions to those bodies, will have any financial implications for any other public bodies, businesses or third sector organisations, or for individuals.

57. When social care functions are transferred from local authorities to care boards, it is assumed that in the first instance, all contracts and arrangements with external organisations for the provision of social care support services will also transfer. Over time, changes to policies on ethical procurement and Fair Work may lead to changes in the requirements on potential providers. While the Bill will enable the Scottish Ministers to promote such policies more effectively, the detail is not set out in the Bill and will be subject to separate financial and regulatory impact assessment.

Health and social care information

58. Part 2 of the Bill gives the Scottish Ministers the power to set up a statutory scheme through Regulations to permit data sharing for the efficient and effective provision of services by, or on behalf of, the NCS and NHS, and to produce information standards to ensure information is processed in a consistent way. This will enable the creation of the nationally-consistent, integrated and accessible electronic social care and health record. The NCS consultation noted that improvements to data and digital would require additional investment in data and digital systems locally and nationally. This is expected to cover infrastructure, staffing, training and development costs. The Scottish Government will work closely with people who access support, carers, providers and front line staff to develop the social care and health record.

59. The development of the electronic social care and health record will require a full process of discovery and design, which includes co-design with those stakeholders. Work has been initiated on discovery and alpha phases of the electronic social care and health record to develop detailed requirements which will inform the development work ahead. At this early stage it is not possible to provide an exact position on the total cost of investment or how the costs will be phased. Through this co-design process and wider work to develop the evidence base it will be possible to robustly estimate costs. Supporting business cases and appropriate assurance will be created where significant investment will be required. The final costs will depend on user engagement to finalise scope and specification, and the outcomes of any future competitive tender processes to deliver those requirements to ensure optimal public value. There will also be work to develop digital services to underpin and enable the NCS as well as investment in people to make sure they have the right skills to use digital platforms and analyse data. Again, more investigation and co-design is required to define this. All options will be subject to rigorous assessment to ensure value for money and affordability.

Reforms connected to delivery and regulation of care

Right to Breaks from Caring

60. Section 38 of the Bill makes changes to the Carers (Scotland) Act 2016 (“the Carers Act”) to establish a right to personalised short breaks support for carers who have an identified need for that support, through an adult carer support plan (ACSP) or young carer statement (YCS). These changes will adjust and extend the duties of Local Authorities and Integration Authorities, which are expected to pass to care boards when the NCS is established. These duties will lead to additional costs in providing breaks from caring.

61. The Scottish Government also intends to maintain a national short breaks fund, using existing powers⁶, to enable easy-access support for people in less intensive caring roles. This will build on existing non-statutory voluntary sector short breaks funding. These schemes provide micro grants schemes for unpaid carers to help them take short breaks that meet their needs. Individual grants can be used flexibly, e.g. for a weekend away, entertainment subscription or sporting or hobby equipment. [Time To Live](#) grants are delivered locally, usually by local carer centres. [Take a Break Scotland](#) grants for carers of disabled children and young people and their families are delivered nationally by the Family Fund. The Scottish Government is committed to increasing this funding to provide easy access to breaks for carers without the need for a support plan or statement. While this fund does not require new legislation, it will have an impact on the costs of providing the personalised support required by the provisions of the Bill, depending on the balance of whether carers access personalised support or easy access breaks.

62. The cost of these measures has been estimated using data on the following:

- Number of carers by intensity of caring⁷
- Balance of replacement care between residential and home based
- Unit costs for replacement care, carer breaks and easy access support
- Cost and Whole Time Equivalent for young carer support workers.

63. There are number of areas of uncertainty, for which information is incomplete or missing, where assumptions have had to be made, in particular:

- the number of carers who will seek to exercise their right to breaks
- the average amount of replacement care required for personalised support
- the balance of breaks between personalised support and easy access support

⁶ Social Work (Scotland) Act 1968, section 10

⁷ Intensity of caring based on the bands of number of hours per week, as per table 9.

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- current levels of local authority and Integration Authority expenditure on breaks and replacement care, for which local authority systems do not generally differentiate short breaks support from other services, and
- the rate at which demand and available provision will build over time.

64. The full set of assumptions for all groups is extensive, the following example is provided for illustration: For adult carers providing over 50 hours of care per week, it is assumed that 50% of those with an ACSP will take up replacement care, and that this will average 4 weeks per carer per year, of which 65% is assumed to be residential care and the remainder intensive homecare at 22 hours per week. Additionally, it is assumed that 60% of this group will take up a carer break (additional support to help them recharge during their time away from caring), averaging 3 breaks per year. These figures can then be combined with the numbers of carers set out in table 10 and the costs of breaks⁸ identified above and netted against estimates of existing expenditure to estimate the total net cost of implementing breaks for carers.

65. Table 9 shows how a selection of the assumptions vary for different intensity groups.

Table 9: Assumptions used in calculating costs of breaks from caring

	<20 hours a week	20 - 34 hours a week	35 - 49 hours a week	50 or more hours
Proportion of adult carers with ACSP that receive replacement care (%)	5%	10%	20%	50%
Number of weeks replacement care per carer (Adult carers)	1	2	3	4
Proportion of adult carers with ACSP that receive carer break (%)	10%	20%	40%	60%
Number of carer breaks per adult carer	1.0	2.0	2.0	3.0
Proportion of young carers with YCS with activity enabling break	100%	100%	100%	100%
Easy access payment (per carer) ⁹	£300.00			
Uptake of easy access support by adult carers who do not receive personalised support	10%	40%	40%	40%
Uptake of easy access support by young carers	10%	40%	40%	40%

66. The calculations produce estimates for a future steady state of support in which the proportion of carers with an ACSP and or a YCS has reached the same proportions as those assumed in the Financial Memorandum for the Carers (Scotland) Bill¹⁰,

⁸ Care home respite at weighted average of cost of £981 per week and homecare at £21 per hour. Carer breaks costed at £300 per break. All at 2022/23 prices.

⁹ Estimate based on feedback from providers of Time to Live and Take a Break Scotland grants.

¹⁰ [https://archive2021.parliament.scot/S4/Bills/Carers%20\(Scotland\)%20Bill/b61s4-introd-en.pdf](https://archive2021.parliament.scot/S4/Bills/Carers%20(Scotland)%20Bill/b61s4-introd-en.pdf)

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specifically 34% of adult carers and 64% of young carers (see table 10, rows 2 and 5 for steady state number of carers with ACSP and YCS respectively). The estimates for personalised support are based on the number of carers with plans and statements, and those for easy access support are based on the balance of carers who do not have plans/statements.

67. Table 10 shows the number of carers by intensity of caring and our estimate for how many will have ACSP/YCS in the steady state. The distributions assume that 80% of carers in the 50+ hours per week band will have plans/statements, with reducing proportions for less intensive bands and with the balance in the <20 hours per week band to give total proportions of 34% and 64%.

Table 10: Number of carers and proportion expected to have ACSP / YCS in steady state

	<20 hours per week	20 - 34 hours per week	35 - 49 hours per week	50+ hours per week	Total
Number of adult carers	624,864	59,280	29,640	125,215	839,000
Number of carers with ACSP	143,592	23,712	17,784	100,172	285,260
Proportion of carers with ACSP	23%	40%	60%	80%	34%
Number of young carers	27,900	900	300	900	30,000
Number of carers with YCS	17,670	585	225	720	19,200
Proportion of carers with YCS	63%	65%	75%	80%	64%

68. Based on Carers Census¹¹ data on the numbers of such plans and statements, the Scottish Government estimates that it will take approximately ten years to reach the steady state number of carers with plans and statements, increasing on average by approximately 27,000 plans and 1,600 statements per year from 2025/26 to 2034/35. This assumes the right to personalised short breaks support under the Carers Act, established by the Bill, is implemented from April 2025, although the implementation date is yet to be decided. Table 11 shows estimated additional costs of the Carers Act personalised breaks element of the proposed right to breaks established by the Bill. (Note that the summary table (Table 1) only shows costs to 2026-27).

¹¹ [Carers Census, Scotland, 2019-20 and 2020-21 - gov.scot \(www.gov.scot\)](http://www.gov.scot)

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Table 11: Costs of Carers Act breaks (£m) – costs to local authorities / Integration Authorities, transferring to Care Boards

	2023-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Upper Estimate	0	0	13	27	40	53	66	80	93	106	120	133
Lower Estimate	0	0	8	16	25	33	41	49	58	66	74	82

69. Table 12 on the costs of easy access breaks is included to show the balance of funding, although this is not a consequence of the Bill (and is not included in the total costs of the Bill in Table 1). Table 12 includes estimated costs from 2023-24 as this support does not require new legislation and can therefore be implemented immediately. The model assumes this support builds over time allowing the sector to expand its staffing and provision while growing the numbers of unpaid carers being supported. These figures are predicted to reach a steady state towards the middle of the period as higher numbers of carers are expected to be receiving personalised breaks under the Carers Act.

Table 12: Costs of easy access breaks (£m) – costs to the Scottish Administration

	2023-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Upper Estimate	10	15	20	25	30	35	37	37	37	37	37	37
Lower Estimate	10	15	20	25	30	34	34	34	34	34	34	34

70. Combining the estimates for personalised breaks under the Carers Act (as a consequence of the Bill) and easy access breaks, the cost of the steady state is estimated to be between £116m and £170m by 2034/35, with the central estimate being a cost of £143m.

Table 13: Total additional cost of rights to breaks (£m)

	2023-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Upper Estimate	10	15	33	52	70	88	103	117	130	143	157	170
Lower Estimate	10	15	28	41	55	67	75	83	92	100	108	116
Central Estimate	10	15	31	47	62	78	90	101	111	122	133	143

71. Recognising the considerable uncertainty inherent in these estimates, it will be important to continue to monitor the rate of growth in provision of breaks from caring as implementation progresses and refine estimates accordingly. Decisions on funding will also be dependent on future government spending reviews. The Carers Census already aims to collect information about breaks provided under the existing Carers Act. However, this information has proven challenging for organisations to return and so the data available is largely incomplete. The Carers Census is currently being reviewed and work is ongoing to support local areas to improve the collection.

Savings due to rights to breaks

72. The Scottish Government estimates unpaid care is currently saving Scotland £12.8 billion per year in social care costs, plus £320 million in health care costs – a total saving of £13.1 billion per year¹².

73. The measures in the Bill are designed to protect carers' health and wellbeing, helping sustain caring relationships. This will reduce costs which would otherwise arise for the NHS, Local Authorities and Integration Authorities, and subsequently the NCS, through unplanned hospital admissions, failed hospital discharge and additional residential care when caring relationships break down. There are around 156,000 people in Scotland providing 35 hours of unpaid care or more per week¹³. If the right to breaks helps prevent 1% of these intensive caring relationships breaking down, that will

¹² Scottish government calculation of replacement care and hospital days avoided (April 2022) using results in Weaver et al: Does availability of informal care within the household impact hospitalisation? Health Econ Policy Law. 2014 Jan; 9(1):71-93.

¹³ The number of adult carers is based on the Scottish Health Survey (SHeS) 2020 (published at: Scotland's carers: update release - gov.scot (www.gov.scot), Scottish Government 2021) and the profile is based on Scottish Surveys Core Questions (SSQC) data (2016-19).

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save £68 million per year in health and social care costs. If the right protects 5% of these intensive caring relationships, the saving will be £318 million per year¹⁴.

74. Research suggests that unpaid carers have on average 11¹⁵ fewer days of full health per year compared with non-carers. For Scotland's unpaid carers this is 9.6 million days per year. If these measures reduce carer ill health by 1%, that will avoid 96,000 days of ill health valued £8 million per year. If they reduce days of carer ill health by 5%, that will result in 478,000 fewer days of ill health, valued at £39 million per year¹⁶.

75. There are around 268,000 people in Scotland balancing paid work with an unpaid caring role¹⁷. Women make up 61% of unpaid carers of working age¹⁸. Protecting carer health and wellbeing should also lead to wider benefits to the Scottish economy by enabling more carers to remain economically active, reducing the gender pay gap and social security costs. It is not possible to precisely estimate the size of these wider savings and benefits but they are expected to be considerable. Additional breaks can make the difference to help people remain in work or return to work. If the right to breaks helps 1% more carers to remain in work, the benefit to them and to Scotland's economy would be worth £71 million¹⁹. If it means an extra 5% are working, the benefit would be £353 million per year. This would also reduce the current £340 million per year expenditure on Carer's Allowance (DWP) and on Carer's Allowance Supplement (Social Security Scotland).

“Anne's Law” – Visits to or by care home residents

76. Section 39 makes provision for “Anne's Law”, which gives rights to people living in adult care homes to see the people important to them even during outbreaks of infectious disease. The financial cost of these measures should be viewed in the context of the progress made since 2021 in maximising meaningful social connections and visiting in adult care homes, effectively readying the care home sector for the implementation of the statutory requirements provided for in the Bill.

77. In September 2021, the Scottish Government in collaboration with Public Health Scotland, the Adult Social Care Clinical and Professional Advisory Group and groups representing families and care home provider published updated “Open with Care” visiting guidance. This allowed for people living in care homes being able to nominate “named visitors” to see them - even in a COVID-19 outbreak situation. The guidance

¹⁴ Scottish government analysis of replacement care and hospitalisation (April 2022)

¹⁵ Informal carers' health-related quality of life and patient experience in primary care: evidence from 195,364 carers in England responding to a national survey. Thomas et al. BMC Family Practice (2015) 16:62

¹⁶ Scottish government calculation of unpaid carer days of ill health (April 2022)

¹⁷ Scotland's Carers report, Scottish Government, 2015: www.gov.scot/publications/scotlands-carers based on Scotland's Census 2011.

¹⁸ Scotland's Carers report, Scottish Government, 2015: www.gov.scot/publications/scotlands-carers

¹⁹ Scottish government calculation using data from Annual Analysis of Hours and Earnings (ASHE) 2021, ONS

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promotes and encourages care homes to maximise opportunities for meaningful contact both in and away from the home. It has been adopted in the most part and serves to practicably and financially prepare the sector for Anne's Law.

78. On 31 March 2022, the Scottish Government utilised powers conferred by section 50 of the Public Services Reform (Scotland) Act 2010 and introduced two new statutory Health and Social Care Standards relating to visiting. The Health and Social Care Standards set out what people should expect when experiencing health, social care or social work services in Scotland. As with the current "Open with Care" guidance, the Care Inspectorate is required, by law to consider how care service providers are upholding the Standards both in relation to registering and inspecting care services.

79. The Bill will enable the Scottish Ministers to exercise a new power under subsection 2 of the Public Services Reform (Scotland) Act 2010 to require care home service providers to comply with any direction issued by the Ministers about visits to residents, and visits by residents, of accommodation provided by a care home service ("a visiting direction"). The use of Directions will allow the Scottish Ministers to respond quickly to what may be a rapidly developing situation and impose requirements on care homes to remove any barriers to full and normalised visits that may have emerged. This will build further on the principles established through the guidance and Health and Social Care Standards and ensure that Anne's Law is enshrined in legislation.

80. As a result of this incremental approach, the costs of implementing visiting rights in care homes fall to both the introduction of the new Standards and to the Bill, and it is not possible to precisely separate them.

Costs to other bodies and businesses

81. Representatives from care home service providers, local care home oversight teams, Care Inspectorate and Public Health form part of the Scottish Government's expert reference groups, along with families of care home residents, and help shape and promote the guidance. It is expected that there will be some costs to these groups to promote and champion Anne's Law in their awareness sessions, formal training, updating visiting policies and for printing leaflets and other administration. However, no specific costs have been highlighted, and it is anticipated that the new requirements will be absorbed within the usual costs of updating training and other materials.

82. The Scottish Government will continue to consult widely on the anticipated practical application of Anne's Law within the expected provisions of the legislation and make note in any divergence from current guidance and potential costs. While this process is ongoing, it has not highlighted additional costs to the sector.

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Costs to the Care Inspectorate

83. Currently, complaints regarding visiting can be made to registered services, or directly to the Care Inspectorate and for individual staff via the Scottish Social Services Council (SSSC). Less commonly complaints can also go via the local authority, the Health and Social Care Partnership (HSCP), or the individual NHS health board. If individuals are not happy with the decision relating to their complaint, from any of these bodies, they can approach the Public Sector Ombudsman for Scotland.

84. The Scottish Government estimates that there will be heightened public interest in the new legislation, and this may result in adults living in care homes, or their friends and families, exercising their right to complain. Complaints to the Care Inspectorate are expected to increase in the short term, while improvements to visiting become embedded in the sector, but to fall away within 2 years. This is reflected in part in the additional costs below. Any increase in complaints via other routes is not expected to be significant.

Additional costs

85. The Care Inspectorate will also incur costs in the lead up to and following the introduction of Anne’s Law, as there is a need to promote the guidance, the new Standards and prepare the sector for Anne’s Law with the aim of building capacity and capability within the sector for improvement.

86. We have worked with the Care Inspectorate to determine the work over and above their core responsibilities. We have agreed a package of additional measures, materials and resources to support “Open with Care” guidance including support for care homes to develop new policies reflecting the Health and Social Care Standards; staff induction and internal and external training; self-evaluation improvement support for services; and developing capacity to enable the immediate resolution of complaints through direct engagement with providers and services.

87. In the year 2022/23, total Care Inspectorate costs to support the introduction of Anne’s Law are estimated to be £186,000, and £90,000 in 2023-24, as shown in table 14. Thereafter, improvements to visiting will become embedded in the sector and we estimate that costs will fall away from year 2024/25 onwards.

Table 14: Costs to the Care Inspectorate of implementing Anne’s Law

Cost Category	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m
Other public bodies (Care Inspectorate)	£0.186	£0.090	0	0	0

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Benefits

88. The financial cost of Anne's Law should also be viewed in the context of the benefits to the health and wellbeing of adult care home residents and their friends and families, with a case to be made that that there will be savings realised in other aspects of the Health and Social Care system.

89. A consultation was launched on 24 September 2021 to seek views on the Scottish Government's proposals for delivering Anne's Law in primary legislation. Analysis of the consultation showed that there is considerable support for the approach of introducing Anne's Law. Many respondents commented on their own experiences of family members being isolated in care homes over the course of the pandemic and the lasting harm this has caused.

90. Reference to the potential individual and wider system benefits because of improved health and wellbeing was highlighted by NHS Greater Glasgow and Clyde:

"There is a wide range of evidence internationally that social connectedness is required for good health. Anne's Law would reduce social isolation, poor mental health and associated effects on physical health. This creates a more efficient and effective service as there are less care needs for staff to manage and residents, carers and staff are happier"

Changes to powers and functions of the Care Inspectorate

91. A number of proposals have been made in recent years to enhance and strengthen the powers currently available to the Care Inspectorate, as the independent regulator and scrutiny body for social care services under the Public Services Reform (Scotland) Act 2010 ("the 2010 Act"). These proposals would enable the regulator to speedily take action with poor performing services, better protect social care users, and drive up the consistency and quality of care expected across all social care services in Scotland. The Bill makes provision for two changes which require primary legislation.

Enhanced enforcement powers

92. Section 42 of the Bill amends the 2010 Act to give the Scottish Ministers power to set out circumstances in which the Care Inspectorate can move directly to proposing to cancel a care service's registration without first issuing an improvement notice, including on the basis of previous enforcement action.

93. It is not anticipated that the enhanced criteria to propose to cancel a service's registration would impose any additional costs or resource requirements on the Care Inspectorate, care providers or any other organisation. The change is not expected to lead to any increase in enforcement cases, but it will enable the Care Inspectorate to cancel a service's registration more quickly, therefore better protecting social care users.

Additional joint inspection powers

94. Section 43 enables the Healthcare Improvement Scotland (HIS) to assist the Care Inspectorate to carry out inspections and the option to charge the Care Inspectorate a reasonable fee determined by HIS for any assistance provided by it. HIS could be asked to provide additional expertise to contribute to an inspection led by the Care Inspectorate, for example, advice on infection prevention and control in care homes. Any request for assistance from HIS is expected to be in exceptional circumstances only, such as during a pandemic. Should the request be for short-term assistance with a small number of inspections then this may be delivered within HIS' existing resources. In the unlikely scenario that HIS assistance is requested for a larger number of inspections or over a longer time period HIS may request payment to cover additional staff costs they incur. Experience during the Covid pandemic suggests that costs might be between £1000 and £1500 per inspection, if required. No costs for this provision have been included in table 1 because it is not possible to predict when, or whether, such exceptional circumstances might arise.

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National Care Service (Scotland) Bill

Financial Memorandum

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