

Finance and Public Administration Committee
18th Meeting, 2025, Session 6
Tuesday 27 May 2025

Care Reform (Scotland) Bill - Financial Summary

Purpose

1. The Committee is invited to take evidence on the estimated costs in relation to the Care Reform (Scotland) Bill from the Minister for Social Care, Mental Wellbeing and Sport, Maree Todd MSP, and the following Scottish Government officials—
 - John Paul Liddle – Deputy Director for the National Care Service,
 - Ryan Anderson - Head of Digital Health and Care Policy and Strategy Unit, and
 - Lee Flannigan – Head of National Care Service Finance
2. The purpose of this session is to examine the most recent estimated costs for the Care Reform (Scotland) Bill, including the supplementary FM published following amendments at Stage 2.
3. This paper provides background information on the Committee's scrutiny of the Bill's FM to date, an overview of changes introduced at Stage 2 and revised cost estimates, as well as the most recent financial summary provided by the Scottish Government, at the Committee's request.

Background

4. The [Care Reform \(Scotland\) Bill](#) was originally introduced on 20 June 2022 as the National Care Service (Scotland) Bill (NCS Bill) and was designed as a 'framework bill', allowing Scottish Ministers to transfer social care responsibility from local authorities to a new, national service.
5. The Health, Social Care and Sport Committee (HSCS Committee) was designated as lead committee in relation to scrutiny of the Bill, although other committees were also involved in examining particular elements of the Bill at Stage 1. An overview of work completed by other committees and their reports to the HSCS Committee is available on the [Bill's webpage](#). The original Stage 1 deadline for consideration of the Bill was 17 March 2023 and this was extended several times.
6. In its Stage 1 report on the Bill, the HSCS Committee recommended that the general principles of the Bill be agreed to, subject to the Scottish Government addressing a number of concerns set out in the report and agreeing to facilitate further scrutiny of the Bill at Stage 2. The Parliament agreed to the general principles of the Bill on 29 February 2024.

7. The Scottish Government provided draft Stage 2 amendments in June 2024, and the HSCS Committee took further written and oral evidence in advance of formal Stage 2 proceedings, initially scheduled for November 2024. Following the withdrawal of support from key partners, including COSLA and trade unions, Stage 2 consideration of the Bill was delayed and the Minister announced, on [23 January 2025](#), that the Scottish Government would remove Part 1 of the Bill, containing the substantive sections on structural reform and accountability.
8. The HSCS Committee concluded Stage 2 proceedings and an [amended version of the Bill](#) was published on 4 March 2025.
9. The Bill is currently at Stage 3. A deadline for the Stage 3 proceedings on the Bill is yet to be agreed by Parliament.

Scrutiny of the Financial Memorandum

10. The Committee took evidence on the [original FM](#) during meetings in late 2022 (on [25 October](#), [1 November](#) and [8 November](#)) and published its report on the original FM on 1 December 2022. In this report, the Committee expressed “significant concerns” regarding the lack of detail in the FM and requested that the Scottish Government provide an updated FM including—

“full details of the underlying assumptions, updated estimates for the gaps identified in this report, as well as updates to the existing cost estimates set out in the FM ... at least two weeks before completion of Stage 1 to inform Members’ approach to the debate on the general principles of the bill and consideration of the Financial Resolution”.

11. A detailed historical overview of the Committee’s scrutiny of the FM at Stage 1 and related correspondence is available in the annexe to this paper.

Supplementary FM at Stage 2

12. Following amendments at Stage 2, Part 1 of the Bill, referring to the National Care Service, has been removed, therefore many of the original concerns highlighted by the Committee in its report on the original FM in December 2022 are no longer relevant.
13. The amended Bill maintains the right to breaks for carers and visits to or by care home residents, included in the Bill as introduced, and includes additional provisions in relation to—
 - information standards
 - duty to prepare adult carer support plan
 - duty to prepare young carer statement
 - code of practice on care home residents’ rights to visits

- power to change thresholds for specified contracts
- provision of information by and to health care services
- independent information, advice and advocacy.

14. Under Rule 9.7.8B of the Parliament's [Standing Orders](#),

“If a Bill is amended at Stage 2 so as to substantially alter any of the costs, savings, and changes to revenues set out in the Financial Memorandum that accompanied the Bill on introduction, the member in charge shall lodge with the Clerk, not later than whichever is the earlier of—

- the tenth sitting day after the day on which Stage 2 ends;
- the end of the second week before the week on which Stage 3 is due to start,

a revised or supplementary Financial Memorandum. The revised Financial Memorandum (or supplementary Financial Memorandum, when read in conjunction with the original Financial Memorandum) shall set out, in relation to the amended Bill, the information required under Rule 9.3.2 in relation to the Bill on introduction”.

15. A [supplementary FM](#) for the Care Reform (Scotland) Bill as amended at Stage 2 was published on 25 March 2025. It sets out the expected costs associated with the new and amended provisions included in the Bill following the amendments made at Stage 2, where the Scottish Government considers these to have anticipated or potential cost implications. The supplementary FM notes that “amendments to provisions of the Bill as introduced that were agreed at Stage 2 which are not covered in this supplementary financial memorandum are considered not to significantly alter or materially affect the assumptions about the costs of those provisions set out in the financial memorandum for the Bill as introduced”. Therefore, the new document should be read in conjunction with the original FM published in June 2022 and the updated FM published in December 2023.

16. Table 2 of the supplementary FM, reproduced below, sets out the total costs relating to the Stage 2 amendments:

Year	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Costs (£m)	0.5 - 0.6	0.8 - 1	1.9 - 2.7	3.1 - 4.4	4.3 - 6.2	5.4 - 7.9	6.6 - 9.7

Removal of Part 1 of the Bill

17. With the exception of Section 13 (Independent Advocacy), which was amended and moved into Part 3 of the Bill at Stage 2, part 1 of the Bill has been removed, therefore any related costs, savings and changes to revenue are no longer expected to arise from the Bill.

18. Table 1 in the supplementary FM displays these costs, for the establishment and running of the NCS national organisation and for the establishment and running of Care boards, as estimated in the original FM, between £621 million and £1,222 million over 5 years. Total costs for the Bill in the original FM were estimated at £644 million to £1,261 million over a five-year period.
19. The December 2023 updated FM estimated total costs of between £880 million and £2,192 million over a ten-year period. Of these, costs for establishing and running the NCS national organisation and Care boards were estimated to range from £486 million to £1,620 million over the period 2022-23 to 2031-32.

New Sections 37a – 37e (Information standards)

20. Section 37 of the Bill as introduced, which provided for information standards, was replaced at Stage 2 with new sections 37A to 37E. The supplementary FM explains that “Section 37 of the Bill as introduced would have made information standards binding on a range of public bodies, with a duty on them to require compliance with the standards through their contracts with others. New sections 37A to 37E allow for information standards to be made directly binding on private-sector bodies”.
21. It further states that these changes “do not significantly alter what was said in relation to costs associated with Part 2 in the financial memorandum for the Bill as introduced” (paragraphs 58-59 of the original FM), adding that “costs do not arise from the primary legislation, they will arise from the information standards created under it”, and that “the creation of information standards will be subject to full design and discovery work”. The supplementary FM goes on to say that “at this stage it is not possible to provide a position on the total cost or how the costs will be phased.”.

Amended Section 40 (Visits to or by care home residents)

22. Section 40 will impose a duty on the Scottish Ministers to exercise an existing regulation-making power to require the providers of care-home services for adults to facilitate visits (Anne’s Law). The amended Bill requires the detail of the measures to be put into regulations, rather than directions, and imposes a duty on the Scottish Ministers to produce a code of practice. The additional costs are related to the production of the code of practice and are estimated to range between £5,000 and £10,000 every 5 years.

New Section 41b (SSSC power to require information)

23. The new Section 41B will enable the Scottish Social Services Council to require any person to provide it with information that it requires for the purposes of one of its investigations. This is expected to result in savings for the Council, however, due to the variability in application cost and the very low number of applications made each year, “a definitive value of savings has not been presented so as not to overstate it”.

New Section 43a (Protection of adults at risk of harm)

24. Section 43A clarifies the legal gateway for information to be disclosed to and by the providers of certain independent health care services that are not themselves public bodies (for example, general practitioners, dentists and opticians) where there are concerns about an adult at risk of harm. The supplementary FM identifies a one-off minimal cost of no more than £5,000 associated with amending and reprinting Scottish Government guidance the code of practice.

New Section 43b (National Chief Social Work Adviser and agency)

25. Section 43B requires the Scottish Ministers to designate a member of their staff as the National Chief Social Work Adviser (“NSWA”) and to organise other civil servants into an agency to support the Adviser’s work. The anticipated costs of establishing and running the agency are displayed in Table 3 of the supplementary FM and summarised below:

Year	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
NSWA costs (£000)	500 - 612	781 - 955	775 - 947	795 - 972	816 - 998	838 - 1024	860 - 1051

26. The supplementary FM notes that these costs “will be met by repurposing the existing budget allocated to the Office of the Chief Social Work Adviser, a division within the Scottish Government, in order to minimise any additional cost to the public purse”.

Amended Section 13 (Independent information, advice and advocacy)

27. Section 13 in the Bill as introduced was a regulation-making power for the Scottish Ministers to make provision about independent advocacy in relation to social care. The supplementary FM states that, as amended, this section “has become a power to also make provision by regulations about independent information and independent advice. The amended section does not specify the sort of provision that regulations are to make about independent information, advice and advocacy in relation to social care and therefore the potential cost implications of those regulations are wide.”
28. The supplementary FM explains that funding of such services is currently undertaken through powers provided by the Social Work (Scotland) Act 1968, “through the Support in the Right Direction Fund, at an annual rate of £3.3 million per year, with the current contract set to expire in 2027. Future annual costs are estimated to continue in broadly the same vein, dependent on available budget at the time”. Table 4 in the supplementary FM shows illustrative costs based on an increase in funding over time, in addition to the £3.3 million per year current spend, ranging from £1.2 million – £1.7million in 2027-28, to £5.8 million - £8.6 million in 2031-32.

Financial Summary

29. The Committee considered the supplementary FM at its meeting on 22 April and agreed to write to the Scottish Government requesting an update consolidating all the changes into one document and setting out the full estimated costs and savings associated with the Bill in its current form (given the supplementary FM sets out estimated costs relating solely to amendments made at Stage 2, as required under Standing Orders).
30. The Minister responded to the [Committee's letter](#) on 20 May. The Minister's letter, attached in the annexe to this paper, includes a Financial Summary with updated estimated costs for the Bill following amendments made at Stage 2.
31. Table 1 of the Financial Summary, reproduced below, displays the total estimated costs of the Bill.

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)
Anne's Law	90 - 99	0 - 0	0 - 0	0 - 0	6 - 11	0 - 0	0 - 0
Protection of Adults	0 - 5	0	0	0	0	0	0
NSWA	500 - 612	781 - 955	775 - 947	795 - 972	816 - 998	838 - 1024	860 - 1051

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Information, advice and advocacy	0 - 0	0 - 0	1.2 - 1.7	2.3 - 3.5	3.5 - 5.2	4.6 - 6.9	5.8 - 8.6
Carers breaks	13.7 - 22.8	27.8 - 46.6	42.6 - 71.3	57.9 - 96.9	73.8 - 123.5	90.4 - 151.2	107.5 - 179.9

Total costs	14.3 - 23.5	28.6 - 47.6	44.6 - 73.9	61 - 101.4	78.1 - 129.7	95.8 - 159.1	114.2 - 189.6
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(The top table is shown in thousands due to the smaller numbers involved, whereas the second and third tables reflect millions due to the higher cost as a result of carer's breaks.)

32. The Financial Summary provides additional background information on the Bill in its current form. The financial implications of changes introduced at Stage 2 are considered under the "Supplementary FM at Stage 2" heading above.
33. In addition, the Financial Summary provides an update on estimated costs of right to breaks for carers, while noting that uncertainty remains around a number of areas where information is incomplete or missing, and "assumptions have had to be made, in particular:

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

34. Table 4 in the summary provides an overview of assumptions used in calculating costs of breaks from caring. The summary explains that “based on Carers Census and Health And Care Experience (HACE) 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 19,000 plans and 1,300 statements per year from 2026/27 to 2035/36”.

35. The summary also provides, in table 7, estimated costs of easy access breaks “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). The summary further notes that—

“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 has been reviewed and work is ongoing to support local areas to improve the collection.”

36. The latest estimates assume no cost saving as a result of rights to breaks “but a potential system wide saving is noted which if realised would work to offset any additional cost”.

Next steps

37. The Committee will consider and agree any next steps in relation to its scrutiny of the estimated costs of the Bill.

Committee Clerking Team
May 2025

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20 May 2025

I am writing in response to the Committee's request of 29 April 2025 regarding the Committee's scrutiny of the supplementary Financial Memorandum (FM) for the Care Reform (Scotland) Bill, published on 25 March. I will be giving evidence to the Committee on the supplementary FM on Tuesday 27 May.

To support this evidence session, the Committee has asked that the Scottish Government provides, prior to the session, a document setting out the overall estimated costs and savings associated with the Bill in its current form (the supplementary FM sets out estimated costs relating solely to amendments made at Stage 2). This is attached as an Annex.

I hope the Committee finds this information helpful.

MAREE TODD MSP

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

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Care Reform Bill – Financial Summary

Introduction

1. The following paper sets out the costs associated with the Care Reform (Scotland) Bill following the amendments made at Stage 2.
2. This paper has been prepared by the Scottish Government to provide updated estimated costs for the Bill, following the supplementary Financial Memorandum provided at Stage 2 which covered solely the costs associated with the Stage 2 amendments. This is in response to the Finance and Public Administration Committee's request to the Scottish Government to provide, prior to the Committee session on 27 May 2025, a document setting out "the overall estimated costs and savings associated with the Bill in its current form (given the supplementary FM sets out estimated costs relating solely to amendments made at Stage 2)". With regard to the removal of Stage 1 costs, it should be noted that these represent the removal of costs rather than savings to the public purse.
3. The summary is structured as follows.

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Part 3, sections 38, 38 A and B, 39 and 39A – Carers (Rights to Breaks for Carers)	19
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Part 3 – section 43A - Protection of adults at risk of harm	53
Part 3 – section 43B – Government social work advice (National Chief Social Work Adviser and National Social Work Agency)	55
Part 3 – section 13 - Independent Advocacy	60

4. Following the removal of Part 1 of the original Bill as introduced, there is no longer the requirement for large structural change relating to the creation of Care Boards and their associated costs. Each of the sections noted above will be assessed and will set out where applicable.
 - The best estimate of any administrative, compliance and other costs to which the provisions of the Bill will give rise;
 - The best estimate of the timescales over which the costs associated with the Bil will arise;
 - An indication of the relative margin of uncertainty associated with the estimates.
5. The figures presented here are the Scottish Government's best estimates of the costs of the activities provided for in the Bill as amended at Stage 2. 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

Background to the Bill

6. The purpose of the original National Care Service (Scotland) Bill was to improve the quality and consistency of social services in Scotland. Part 1 gave the Scottish Ministers a duty to promote a comprehensive and integrated care service, and was to give them the powers they needed 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, also gave the Scottish Ministers powers to transfer relevant functions from local authorities or from health boards.

7. Following extensive consultation with a range of organisations and individuals and, scrutiny of the Bill in Parliament, it was determined that at the current time the best way to achieve the objectives relating to improved quality and consistency of social care services was to remove Part 1 of the Bill. This was agreed to at Stage 2 and the Bill has been amended, and retitled to be the Care Reform (Scotland) Bill. Parts 2 and 3 of the original NCS Bill remain.
8. Part 2 of the Bill creates provisions to improve the flow of health and social care information. The principal policy driver behind the information sharing provision has been to create a scheme that allows for the direction of what information should be shared for what purpose, removing the uncertainty that persists within some organisations as to whether they are allowed to share certain information or not. Further to this, information standards are essential in ensuring that information is collected and shared in a way that improves technology interoperability and overcomes technological barriers to sharing and collating data.

Part 3 makes additional reforms to the delivery and regulation of care. Amongst other things it introduces a right to breaks from unpaid caring, and Anne's Law, to support people living in care homes to maintain contact with family and friends even in outbreak situations. 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. Some of them, such as those relating to independent advocacy, take the framework approach to allow for further engagement and flexibility; others are more detailed where they address specific points in existing legislation.

Sectoral background to the Bill

9. In 2023, social services directly employed 212,780 people, approximately 8% of the Scottish workforce, with a whole time equivalent (WTE) of 161,750¹. 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:

¹ [Scottish Social Service Sector: Report on 2023 Workforce Data.](#)

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.>)

- The direct economic value of social care activity is estimated at £2.3 billion - £2.6 billion (dependent on the measurement 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 indirect 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).

10. 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 such as directing spend 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.

11. 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 value³. Both for people who use social care support, and equally importantly for unpaid carers, the 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.

12. 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 32-35.

Summary of the total costs of the Bill

Table 1: Total estimated costs of Bill provisions

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)
Anne's Law	90 - 99	0 - 0	0 - 0	0 - 0	6 - 11	0 - 0	0 - 0
Protection of Adults	0-5	0	0	0	0	0	0
NSWA	500 - 612	781 - 955	775 - 947	795 - 972	816 - 998	838 - 1024	860 - 1051

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Information, advice and advocacy	0 - 0	0 - 0	1.2 - 1.7	2.3 - 3.5	3.5 - 5.2	4.6 - 6.9	5.8 - 8.6
Carers Breaks	13.7-22.8	27.8-46.6	42.6-71.3	57.9-96.9	73.8-123.5	90.4-151.2	107.5-179.9

Total Costs	14.3 - 23.5	28.6 - 47.6	44.6 - 73.9	61 - 101.4	78.1 - 129.7	95.8 - 159.1	114.2 - 189.6
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* Note – The top table is shown in thousands due to the smaller numbers involved, whereas the second and third tables reflect millions due to the higher cost as a result of carer's breaks.

Reduction in anticipated costs following the Removal of Part 1

13. Part 1 of the Bill, which provided for the establishment of a national care service, was removed from the Bill by Stage 2 amendments. As a result, the costs, savings and changes to revenue expected to arise from Part 1 as set out in the Financial Memorandum that accompanied the Bill on introduction no longer exist.

Table 2: Original estimate of Part 1 costs

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
Establishment and running of NCS (Scottish Administration)	24-36	60-90	72-108	92-138	83-124
Establishment and running of Care Boards	0	4-6	12-18	132-326	142-376
Total estimated costs of Bill provisions Part 1	24-36	64-96	84-126	224-464	225-500

Inflation

14. The rate inflation utilised in calculations is based on the GDP deflator. This is calculated by the Office for Budget Responsibility and referenced by the Scottish Fiscal Commission.

Table 3 – Inflationary Forecast

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
2.39%	1.97%	1.96%	1.97%	1.97%	2.00%	2.00%

Part 2

Health & Social Care Information

15. Part 2 of the Bill contains two provisions on health and social care information, section 36 (Care Records) and section 37 (Information Standards). These provisions give 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, and to produce information standards

to ensure information is processed in a consistent way. This will enable better sharing of information across the health and social care sector, to the benefit of people and professionals.

16. There is an associated ‘integrated health and social care record’ technical development which will benefit from this provision by making it easier to specify what information should be fed into the ‘record’ by what organisation. However, the Scottish Government considers the scope of the information sharing and information standards provision to be broader than this. For the avoidance of doubt Section 36, as drafted, will not in itself legislate for the creation of an ‘integrated health and social care record’, and the provisions will have far wider utility than the Integrated Social Care and Health Record. This provision is about information sharing to improve the delivery of care in its broadest sense, not about the creation of any particular technology or product (e.g. an integrated record). While the sharing of information for the purposes of creating an Integrated Social Care and Health Record may be one example, there may be others such as the sharing of ‘management’ information, which may come about from this process, and the sharing of information within services (e.g. GP data with hospitals). The creation of these provisions will have no immediate financial implications for Social Care, NHS or Scottish Government.
17. These provisions are a crucial part of addressing the need for individuals to continue to ‘re-tell’ their story, and ensuring that the right professionals have access to the right data at the right time. They will be a key enabler in the programme to reform health and social care and deliver a stronger digital first approach to all health and social care services.

Part 3

Reforms Connected to the Delivery and Regulation of Care

Right to breaks for carers

18. 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. These duties will lead to additional costs in providing breaks for carers.

19. The Scottish Government also intends to maintain a national short breaks fund, using existing powers⁴, to enable easy-access support for people in less intensive caring roles. This will build on existing non-statutory voluntary sector short breaks funding. This includes 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.

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

- Number of carers by intensity of caring⁵ using the latest carer data ¹⁰
- Balance of replacement care between residential and home based
- Unit costs for replacement care, carer breaks and easy access support at 2025/26 prices.
- Cost and Whole Time Equivalent for young carer support workers at 2025/26 prices.
- Estimate of the increase in number of carers due to demographic change over the growth period

21. There are a 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 level of replacement care required for personalised support
- The balance of breaks between personalised support and easy access support
- 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

⁴ Social Work (Scotland) Act 1968, section 10

⁵ Intensity of caring based on the bands of number of hours per week, as per table 3.

22. 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 4 and the costs of breaks⁶ identified above and netted against estimates of existing expenditure to estimate the total net cost of implementing breaks for carers.

23. Table 4 shows how a selection of the assumptions vary for different intensity groups.

Table 4: 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%

⁶ Care home respite at weighted average of cost of £1,226 per week and homecare at £26.30 per hour. Carer breaks costed at £395 per break. All at 2025/26 prices.

Proportion of young carers with YCS that receive replacement care	0	100%	100%	100%
Easy access payment (£/carer)	350.0			
Uptake of easy access support by adult carers	10%	40%	40%	40%
Uptake of easy access support by young carers	10%	40%	40%	40%

24. 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) Bill⁷, specifically 34% of adult carers and 64% of young carers (see table 5, 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.

25. Table 5 shows the number of carers (updated using the latest published carer population data⁸) 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 5: 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	451,615	62,531	41,688	111,167	667,000
Number of carers with ACSP	87,822	25,013	25,013	88,933	226,780

⁷ [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)

⁸ Scotland's Carers update release [Scotland's Carers - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scotland-s-carers/update-releases/pages/12.aspx)

Proportion of carers with ASCP	19%	40%	60%	80%	34%
Number of young carers	25,579	568	284	568	27,000
Number of carers with YCS	16,243	369	213	455	17,280
Proportion of carers with YCS	64%	65%	75%	80%	64%

26. Based on Carers Census⁹ and Health And Care Experience (HACE)¹⁰ 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 19,000 plans and 1,300 statements per year from 2026/27 to 2035/36. This assumes the right to personalised short breaks support under the Carers Act, established by the Bill, is implemented from April 2026, although the implementation date is yet to be decided. Table 6 shows estimated additional costs of the Carers Act personalised breaks element of the proposed right to breaks established by the Bill.

Table 6: Costs of Carers Act Breaks

Carers Act Breaks	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Upper Estimate	0	22,848	46,592	71,264	96,891	123,536	151,208	179,937	209,755	240,694	272,787
Central Estimate	0	18,094	36,897	56,436	76,730	97,831	119,745	142,496	166,110	190,611	216,026
Lower Estimate	0	13,653	27,841	42,585	57,898	73,820	90,356	107,524	125,342	143,830	163,007

- Note - Tables 6-8 project costs out to 2035/36 to cover the full anticipated implementation timeline

27. Table 7 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 7 includes estimated costs from 2025-26, including the additional £5m in the 2025-26 budget as this support does not require new legislation and already building on existing support. The model assumes this support builds over time allowing the sector to expand its staffing and provision

⁹ [Carers Census - gov.scot](https://gov.scot/carerascensus)

¹⁰ [Health and Care Experience Survey - gov.scot](https://gov.scot/healthandcareexperience)

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 7: Costs of Easy Access Breaks

Easy access breaks	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Upper Estimate	5,000	10,197	15,595	21,203	27,026	33,080	39,365	40,153	40,956	41,775	42,610
Central Estimate	5,000	10,197	15,595	21,203	27,026	33,080	34,867	35,564	36,275	37,001	37,741
Lower Estimate	5,000	10,197	15,595	21,203	27,026	29,772	30,368	30,975	31,595	32,226	32,871

28. 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 £196m and £315m by 2035/36, with the central estimate being a cost of £254m. at 2035/36 prices.

Table 8: Total additional costs of rights to breaks

Total Carers Act & Easy access breaks	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Upper Estimate	5,000	33,045	62,187	92,468	123,917	156,616	190,573	220,090	250,711	282,469	315,397
Central Estimate	5,000	28,291	52,492	77,639	103,756	130,911	154,611	178,060	202,385	227,612	253,767
Lower Estimate	5,000	23,850	43,437	63,788	84,925	103,593	120,724	138,499	156,937	176,057	195,878

29. 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 has been reviewed and work is ongoing to support local areas to improve the collection.

30. Sections 38A and 38B added by amendment at Stage 2 of the Bill make further changes to the Carers Act, requiring the Scottish Ministers to make regulations setting timescales for the preparation of ACSPs and YCSs for all carers who want one. (This replaces a similar requirement to set timescales for carers of people with a terminal illness.) The duties to prepare such plans already exist and statutory guidance states that they should be prepared “within reasonable timescales taking into account the urgency of needs for support”. Therefore, while all implications would need to be considered in engagement to develop such timescales, the new requirement to make regulations would be unlikely to lead to additional costs. The following paragraphs look at the potential benefits realised by the introduction of rights to breaks. Currently there has been no assumed cost saving as a result of rights to breaks but a potential system wide saving is noted which if realised would work to offset any additional cost but further exploration of this is required before stating categorically.

Savings due to rights to breaks

31. The Scottish Government estimates unpaid care is currently saving Scotland £13.9 billion per year in social care costs, plus £386 million in health care costs – a total saving of £14.3 billion per year¹¹.
32. 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, through unplanned hospital admissions, delayed hospital discharge and additional residential care when caring relationships break down. There are around 152,000 people in Scotland providing 35 hours of unpaid care or more per week¹². If the right to breaks helps prevent 1% of these intensive caring relationships breaking down, that will save £77 million per year in health and social care costs. If the right protects 5% of these intensive caring relationships, the saving will be £386million per year¹³.
33. Research suggests that unpaid carers have on average 11¹⁴ fewer days of full health per year compared with non-carers. For Scotland’s unpaid carers this is 7.6 million days per year. If these measures reduce carer ill health by 1%, that will avoid

¹¹ Scottish government calculation of replacement care and hospital days avoided (April 2022 updated March 2025) 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.

¹² The number of and profile of adult carers is based on the Scottish Health Survey (SHeS) 2019-23 (published at: Scotland’s Carers update release [Scotland's Carers - gov.scot \(www.gov.scot\)](https://www.gov.scot/scotland's-carers))

¹³ Scottish government analysis of replacement care and hospitalisation (April 2022 updated March 2025)

¹⁴ 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

76,300 days of ill health valued £15 million per year. If they reduce days of carer ill health by 5%, that will result in 382,000 fewer days of ill health, valued at £73 million per year¹⁵.

34. There are around 352,000 people in Scotland balancing paid work with an unpaid caring role¹⁶. Women make up 61% of unpaid carers of working age¹⁷. 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 £107 million¹⁸. If it means an extra 5% are working, the benefit would be £536 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” – Rights to visits to or by care homes residents and the identification of an Essential Care Supporter

35. Section 40 makes provision for “Anne’s Law”, which will ensure that people living in adult care homes are able to connect with those who are important to them even in infectious outbreak situations through in-person visits and visits out of the home, unless there is a serious risk to life, health or wellbeing. Amendments made at Stage 2 will also ensure that people living in adult care homes can identify at least one person as an Essential Care Supporter that will provide vital care support and companionship, if that is their wish. 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 Anne’s Law
36. Since 2021, guidance on managing outbreaks in care homes recommends that residents are supported to nominate “named visitors” to see them even in outbreak situations. The guidance promotes and encourages care homes to maximise opportunities for meaningful contact both in and away from the home.
37. 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

¹⁵ Scottish government calculation of unpaid carer days of ill health (April 2022 updated March 2025)

¹⁶ ([Scotland's Census 2022](#))

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

¹⁸ Scottish government calculation using data from Annual Analysis of Hours and Earnings (ASHE) 2024, ONS

Social Care Standards set out what people should expect when experiencing health, social care or social work services in Scotland. They are taken into account by the Care Inspectorate in relation to inspections, and registration, of social care services. These standards support people to nominate relatives/friends (and substitutes) to visit at times where there is a need to restrict visiting to prevent infection. It also supports people to nominate relatives/friends (and substitutes), who will be supported by the care home to be directly involved in providing their day-to-day care and support if that is what they want.

38. Section 40 of the Bill inserts new provisions into the Public Services Reform (Scotland) Act 2010 which make it a requirement for the Scottish Ministers to exercise the power under section 78(2) of the Public Services Reform (Scotland) Act 2010 to make regulations which impose a duty on providers to facilitate visits to and by residents. These regulations will also specify that providers of adult care home services are under a duty to use their best endeavours to identify at least one Essential Care Supporter for every resident, if that is their wish. It will also require Ministers to issue statutory guidance (a 'Code of Practice') about the importance to residents of visiting, and provides for consultation and publishing requirements in respect of the 'Code of Practice'. 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.

Costs to care home providers and others

39. It is expected that there will be some costs for care home providers and those supporting care homes, to promote and champion Anne's Law through staff and provider awareness sessions, formal training, updating visiting policies including the identification of the Essential Care Supporter and for printing leaflets and other administration. However, much of this is already in place as given that care homes have adopted the new visiting Health and Social Care standards and no specific costs have been highlighted by care home providers. Accordingly, it is anticipated that the new requirements will be absorbed within the usual costs of following current guidance around named visitor policy, updating care plans, training and other materials. There is potentially a time burden associated with any proposed local oversight and assurance arrangements for Anne's Law involving professional leads from Local Authorities and NHS Boards. However, this could be facilitated through existing local mechanisms for care home support and is not expected to result in additional staff costs.
40. 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.

Costs to the Care Inspectorate

41. 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). 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 Scottish Public Services Ombudsman.
42. The Scottish Government estimates that there will be heightened public interest in the new legislation, which may result in, people exercising their right to complain. Therefore, complaints to the Care Inspectorate may increase in the short term, although current arrangements for adopting the new Health and Social Care Standards and supporting visiting during outbreaks are already well adopted within the sector. Any increase in complaints via other routes is not expected to be significant.
43. We identified that the Care Inspectorate would incur costs in the lead up to the introduction of Anne's Law, as there was a need to promote the guidance, the new Standards and prepare the sector for Anne's Law.
44. The Scottish Government have worked with the Care Inspectorate to determine the work over and above their core responsibilities. The Scottish Government have agreed a package of additional measures, materials and resources to support preparation for Anne's Law 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.
45. From 2022/23 through to 2025/26, the total Care Inspectorate costs to support the introduction of Anne's Law is estimated to be £364,000. Thereafter, improvements to visiting will become embedded in the sector and we estimate that costs will fall away from year 2026/27 onwards. Presuming the Bill is enacted work will be undertaken after enactment on both laying the Regulations and the Statutory Code of Practice, however we are not anticipating any further costs as a result.

Benefits

46. 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.
47. During the Scottish Government's consultation on Anne's Law in September 2021 there was widespread 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 caused.
48. Reference to the potential individual and wider system benefits because of improved health and wellbeing was highlighted during the consultation 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"
49. Respondents to the Scottish Parliament's consultation on the National Care Service Bill in September 2022 offered near universal support for Anne's Law.

SSSC Power to Require Information

50. Section 41B was added to the Bill by amendment at Stage 2. It will insert a new section into the Regulation of Care (Scotland) Act 2001 which will enable the Scottish Social Services Council to require any person to provide it with information that it requires which is relevant for the exercise of its functions. Currently, the Council only has the power to require information in that way from the employer of a social service worker. Where the Council requires information from any other person for the purposes of an investigation it must incur costs by making a summary application to a sheriff. It is therefore anticipated that section 41B will result in savings for the Council.
51. The cost of a summary application to a sheriff varies from case to case within a range of £2,000 to £20,000 per application based on information from the Council. Due to the variability in application cost and the number of applications made each year, with these being in the low single digits, a definitive value of savings has not been presented so as not to overstate it.

The purpose of the amendment is to close a legislative gap and mitigate risk versus obtaining a cost saving. It is nevertheless expected there will be a small financial benefit to the public purse.

Protection of Adults at Risk of Harm

52. Section 43A was added to the Bill by amendment at Stage 2. Amongst other things, it clarifies the legal gateway for information to be disclosed to and by the providers of certain independent health care services that are not themselves public bodies (for example, general practitioners, dentists and opticians) where there are concerns about an adult at risk of harm.
53. There may be a small cost to amend and reprint current Scottish Government guidance that was originally produced specifically for public bodies and also a need to amend and reprint the code of practice. However, as the amendment to the Adult Support and Protection (Scotland) Act 2007 is in line with existing guidance and best practice, this may not be required, to avoid duplicating guidance where this already exists. If any updating and reprinting is required, it is estimated to be a one-off minimal cost of less than £5,000.

National Social Work Adviser and Agency

54. Section 43B was added to the Bill by amendment at Stage 2. It inserts a new provision into the Social Work (Scotland) Act 1968 which requires the Scottish Ministers to designate a member of their staff as the National Chief Social Work Adviser (“NSWA”) and to organise other civil servants into an agency to support the Adviser’s work.
55. Table 9 below sets out the anticipated costs of establishing and running the agency through to 2031/32. Further work will be undertaken during the preparation of an agency business case to ensure the budget aligns with the Scottish Government’s strategic objectives, and is deliverable, affordable and provides sufficient value for money. The costs will be met by repurposing the existing budget allocated to the Office of the Chief Social Work Adviser, a division within the Scottish Government, in order to minimise any additional cost to the public purse.

Table 9 – NSWA Costs

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Set Up	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)
Staff	44 - 54	23 - 28	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0
Staff Related	2 - 2	1 - 1	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0
Non Staff	348 - 426	3 - 3	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0
Total Set Up	395 - 482	26 - 32	0 - 0	0 - 0	0 - 0	0 - 0	0 - 0
Running							
Staff	48 - 59	591 - 722	607 - 742	624 - 763	641 - 784	659 - 805	677 - 827
Staff Related	2 - 3	29 - 35	30 - 36	30 - 37	31 - 38	31 - 38	32 - 39
Non Staff	55 - 68	81 - 99	83 - 101	85 - 103	86 - 105	88 - 107	90 - 110
Total Running	106 - 129	701 - 857	720 - 880	739 - 903	758 - 926	778 - 951	799 - 976
Executive Board	0 - 0	54 - 66	55 - 67	57 - 69	58 - 71	60 - 73	61 - 75
Overall	500 - 612	781 - 955	775 - 947	795 - 972	816 - 998	838 - 1024	860 - 1051

56. The staff costs for set up are based on the provision of 1 extra short term HR post during the set up phase to help manage the work associated with the transfer of existing staff to the new agency along with support for the recruitment of an additional 8 staff cutting across various grades that will be required to support the operational functions of the new agency once it is up and running. These include a dedicated HR, finance and business management function that would previously have been utilised from within core Scottish Government. The basis of these numbers came from discussion with other public bodies about their operational requirements. The staff related costs cover the provision of shared services per user for system access, premises and related staff expenses. These are based on internal Scottish Government recharge figures for those accessing shared services. At 2024/25 prices the costs per person are approximately £1,030 for premises, £1,610 for systems and £1,010 for general staff related expenses.

57. In terms of non-staff costs, within the set-up phase there is the provision for new IT equipment for both new staff and also existing staff as their current equipment cannot transfer with them. This is approximately £2,520 per person and covers the hardware, software and set up costs. There has also been included a £50,000 provision for a new website for the new agency. This is based on taking an averaged cost derived from previous Bills which showed a range of between £10k and

£100k. There has been funding allocated to co-design work to ensure that the agency reflects the needs of those using and accessing the services with the circa £25,000 based on current levels of provision used within the Programme. There is a small provision for costs related to recruitment out with the HR post referenced above of £13,000 to cover the appointment of the chair, vice chair and other staff and finally there is circa £50,000 set aside for other costs to ensure there is coverage for any unidentified issues or cost overruns.

58. As regards the running costs, there will be the requirement for an annual audit £34,000, provision of legal services as the Scottish Government can no longer provide this (£38,000), and provision has been made for ongoing engagement with external stakeholders to ensure the agency is cognisant of the needs of those with lived experience £25,000. There have also been costs allocated to administrative expenses £5,000 and other miscellaneous costs £18,000. These costs have been derived from discussion with other public bodies regarding their key areas of expenditure, from analysis of annual account data and with insight from the current Office of the Chief Social Work Adviser on the migration of roles. Options for shared services with other organisations will be pursued as noted above to ensure value for money and keep costs within the parameters of existing budgets.

59. Finally, the executive board costs have been taken from analysis done on member costs from various sets of annual accounts, allocating circa £37,000 to cover the chair and vice chair and also provision for lived experience members to participate circa £10,000. Core members are assumed to be present due to their substantive roles and will therefore not incur any additional expenditure

Independent Information, Advice and Advocacy

60. Section 13 was amended at Stage 2 so that, whereas when the Bill was introduced, it was a regulation-making power for the Scottish Ministers to make provision about independent advocacy in relation to social care, it has become a duty to make provision by regulations not only about independent advocacy but also about independent information and independent advice in relation to social care. The amended section does not specify the sort of provision that regulations are to make about independent information, advice and advocacy and therefore the potential cost implications of those regulations are wide.

61. Funding of such services is currently undertaken through powers provided by the Social Work (Scotland) Act 1968. The Government intends to use the new power to provide a basis for its continued funding of such services, bringing them under the umbrella of the Care Reform Bill.

62. Current funding for such services are provided through the Support in the Right Direction Fund, at an annual rate of £3.3 million per year, with the current contract set to expire in 2027. Future annual costs are estimated to continue in broadly the same vein, dependent on available budget at the time. For the sake of prudence, table 10 below shows costs on the basis of allowing for an increase in funding over time, to reach £10.5 million by 2031/32 as a potential illustrative expansion of these services. The costs in the table assume the £3.3 million fund continues and so the figures presented are the additional cost on top of the £3.3 million current spend.

Table 10 - Independent Advocacy, Advice and Information Estimate of Expanded Support

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)
Independent Advocacy, Advice and Information	0	0	1.2 - 1.7	2.3 - 3.5	3.5 - 5.2	4.6 - 6.9	5.8 - 8.6

63. As referenced previously, the precise details of the regulations are still to be worked through. The financial implications of any regulations brought forward under section 13 will be set out for the Parliament in the usual way when the regulations are brought forward. Table 10 is therefore intended as illustrative only.

Full historical overview of Committee scrutiny of the Financial Memorandum to date

1. The following section provides a detailed historical overview of the Finance and Public Administration Committee's scrutiny of the Financial Memorandum (FM), from introduction to Stage 2.
2. The Committee took evidence on the [original FM](#) during meetings in late 2022 (on [25 October](#), [1 November](#) and [8 November](#)) and published its report on the original FM on 1 December 2022. In this report, the Committee expressed "significant concerns" regarding the lack of detail in the FM and requested that the Scottish Government provide an updated FM including—

"full details of the underlying assumptions, updated estimates for the gaps identified in this report, as well as updates to the existing cost estimates set out in the FM ... at least two weeks before completion of Stage 1 to inform Members' approach to the debate on the general principles of the bill and consideration of the Financial Resolution".
3. The report particularly highlighted the potential financial impact of inflation, IT projects, the transfer of local government staff and assets and liabilities, procurement, double running and VAT liability.
4. On 3 February 2023, the then Deputy First Minister, in [response to the Committee's report on the Scottish Budget 2023-24](#), confirmed that an updated FM "is being prepared in response to the Committee's report [on the NCS Bill FM] of 1 December, which will provide more detail on expected spend in 2023-24 and beyond". He went on to say that "we continue to work to refine the business case and ensure that appropriate governance processes are in place to monitor and report on spending".
5. The then Minister for Mental Wellbeing and Social Care, Kevin Stewart MSP, wrote to the Committee on [28 February 2023](#) advising that: "I propose to wait until all the Committee reports on the Bill have been completed and I have had time to consider the full weight of the evidence before I respond". On 8 March 2023, the Parliament agreed to extend the Stage 1 deadline to 30 June 2023.
6. The Committee again wrote to the then Minister on [9 March 2023](#) seeking clarification on a number of issues, including the potential implications of this delay, and a response was received on [23 March 2023](#).
7. The newly appointed Minister for Social Care, Mental Wellbeing and Sport, Maree Todd MSP, wrote to the HSCS Committee on [17 April 2023](#) indicating that the Scottish Government intended to seek Parliament's approval for a further

extension to the Bill's Stage 1 deadline beyond June 2023. The letter explained the justification for seeking a further extension to the Stage 1 deadline as being "to use the time ahead of the Stage 1 debate to find compromise and reach consensus with those who have raised concerns during the Stage 1 scrutiny undertaken so far".

8. The FPA Committee wrote again to the Minister on [24 April 2023](#), stating that the Committee was "becoming increasingly concerned at the lack of information available on the financial implications of the Bill and frustrated that we have still not received the updated FM we requested back in December last year". The Committee repeated its call for an updated FM to be provided "at the earliest opportunity, and no later than Friday 12 May", along with a detailed breakdown of spend to date on the NCS and clarification of the new timetable for completion of Stage 1.
9. In her response of [9 May 2023](#), the Minister said she considered that it would be more helpful to wait until the conclusion of her discussions with key partners and stakeholders, due to take place during the summer, before she provided a single update to the FM and committed to "providing a response to the ... Committee's report at least four weeks before the revised date for the Stage 1 debate". The Minister's letter included a breakdown of spend to date on the NCS, amounting to £1,641,323 in 2021-22 and £12,312,269 in 2022-23. The Minister however noted it was not possible to separate costs relating to the provisions of the Bill and those which result from the wider NCS programme."
10. The Committee responded to the Minister's letter on [30 May 2023](#), expressing concern and seeking an explanation of why, at that early stage, the costs of the NCS Bill could not be separated from the wider NCS programme. It also asked what steps the Scottish Government would put in place to enable this separation of costs to be made going forward. Shortly thereafter, on 7 June 2023, the Parliament agreed to extend the Stage 1 deadline to 31 January 2024.
11. The Minister responded to the Committee on [16 June 2023](#), providing an update on the figures from 9 May, following the completion of year-end adjustments and a review of cost allocations. According to the figures provided on 16 June, spending on the NCS amounted to £1.785 million in 2021-22 and £12.643 million in 2022- 23. Following this exchange of correspondence, the Committee took evidence from the Minister on expenditure to date on the Bill and the wider programme on [26 September 2023](#).
12. Further information on expenditure to date on the programme was supplied to the Committee in the Minister's letter of [26 October 2023](#). The annexe to the letter provides a breakdown of costs incurred during months 1-6 of 2023-24 (April to September 2023), amounting to £5.066 million.

13. The Minister formally responded to the Committee's 2022 report on the FM on [11 December 2023](#). The response was accompanied by an update to the FM for the Bill as introduced, setting out how cost estimates had changed since the Bill's introduction in June 2022. The updated FM re-phased costs across a ten-year period from 2022-23 to 2031-32. Over the ten-year period, total costs in the updated FM were estimated at between £880 million and £2,192 million, compared with between £644 million and £1,261 million over a five year period in the original FM.
14. A number of [changes to the Bill](#) were proposed at the time, following agreement with COSLA on shared legal accountability, including
- that local authorities retain responsibility for all current functions and the delivery of social work and social care services and there would be no transfer of staff or assets;
 - reforming Integration Authorities (IAs) rather than creating new local Care Boards, and;
 - the establishment of a National Care Service Board.
15. The Minister's letter of 11 December was therefore also accompanied by a note of the financial implications of changes to the Bill that the Scottish Government proposed to bring forward at Stage 2. Over the ten-year period, total costs under these revised proposals would amount to between £631 million and £916 million.
16. Assumptions around inflation and estimates relating to Rights to Breaks from Caring were particularly relevant for ongoing scrutiny of the FM as these impacted on costs under both original and revised proposals. Inflation projections were set out in the updated FM for the full ten-year period, using Office for Budget Responsibility and Scottish Fiscal Commission forecasts at the time and assuming a 2% rate of inflation beyond that (equivalent to the Bank of England's target rate for inflation). Although not explicitly stated, the inflation series reflected consumer price inflation (CPI) measures.
17. In relation to rights to breaks from caring, the FMs (both original and updated), assumed that costs would build over a ten-year period, reaching "steady state" in 2034-35. The combined effect of the revisions meant that the "steady state" annual costs for Carers Act breaks were estimated at between £155 million and £225 million. This compares with a steady stage range of annual costs of between £82 million and £133 million in the original FM. The revised costings therefore represented an increase of £73-92 million per year compared to the original costings. According to the Scottish Government's response to the Committee, around half of the increase in the cost estimates was due to the revisions to 2023-24 unit cost prices and around half was due to inflation to nominal prices.

18. In its report on the FM, the Committee stated that it found itself “unable to assess the affordability of the Bill” and raised significant concerns regarding the use of a “framework bill” and secondary legislation. It emphasised that “the Scottish Government should not bring forward primary legislation unless it is based on a full and proper business case to allow stakeholders and the Parliament to scrutinise and take a view on the full cost estimates, ranges of costs, and margins of uncertainty.” It further raised concerns regarding the use of secondary legislation, “which limits scrutiny and does not provide the greatest opportunity to propose changes and shape its provisions”.
19. In her response to the report, the Minister states that she “note[d] the Committee’s general views on the use of a framework approach to the Bill and implementation of the detail through secondary legislation”, however, reiterated her commitment to co-design of the National Care Service system, “so that the new structures and approaches work to reduce the historic gap between legislative intent and delivery.”
20. In response to the Committee’s request that costs are monitored and reported on twice a year, the Minister committed to providing financial and regulatory impact assessments for upcoming secondary legislation and regular updates as the co-design process progressed.
21. Following further evidence sessions with Scottish Government officials followed by the Minister in late January 2024, the Committee wrote to the Scottish Government on [8 February](#) requesting further information on—
- the range of costs associated with the Bill as introduced and revised costs reflecting proposed changes, using the GDP deflator as measure of inflation,
 - a detailed calculation behind the revised costs for rights to breaks from caring
 - a breakdown of current Scottish Government staff costs associated with the development of the national care service, including the number of staff, salaries and grades,
 - an assumed breakdown of staffing for the proposed National Care Board,
 - a breakdown of the assumptions on the numbers of staff required to deliver the bill, including social care staff, people who are directly related to the delivery of the national care service and local support, and
 - details of the real-terms equivalent for the £840 million allocated to social care staff.
22. The Minister responded, providing this additional information, on [21 February 2024](#). Further correspondence was sent from the Committee to the Minister on [12 March 2024](#). In this letter, the Committee stated that it “will continue to monitor the costs of the National Care Service Bill and programme. We look forward to receiving regular updates on associated costs, where possible, in a similar format to the FM”. The letter also invited the Minister “to return to the Committee to

discuss the financial aspects of the Bill once amendments have been agreed at Stage 2”.

23. The Minister’s wrote back to the Committee on [20 March 2024](#), agreeing to “returning to the Committee to discuss the financial aspects of the Bill once timings have been agreed for Stage 2.”