The Scottish Parliament
Pàrlamaid na h-Alba

Finance and Public Administration Committee

Douglas Ross MSP
Convener
Education, Children and Young People Committee

30 October 2025

Dear Douglas

Children (Care, Care Experience and Services Planning) (Scotland) Bill

As you are aware, the Finance and Public Administration Committee (the Committee) is responsible for scrutinising Financial Memorandums for Bills.

As part of its scrutiny, the Committee ran a Call for Views on the Financial Memorandum (FM) for the Children (Care, Care Experience and Services Planning) (Scotland) Bill. We received 8 responses to the Call for Views and they have been published on Citizen Space.

The responses covered several main themes which are analysed below. The key message however was that the FM underestimates some of the costs necessary to implement the Bill.

Insufficient engagement with key stakeholders regarding costs

COSLA noted that they "were not engaged on the content of the […] FM despite being clear that Local Government was ready and willing to engage". COSLA's submission questioned many of the assumptions used by the FM and states that it "would welcome discussion between Scottish Government, COSLA and Local Government partners to develop a more up to date, reasonable and accurate set of assumptions and cost estimates".

Similar views were expressed by Social Work Scotland which said it was disappointed "not to have a formal route for informing or feeding back on the financial modelling which underpin policy".

Recruitment and staff capacity

Several submissions questioned the assumptions in the FM related to staff costs. COSLA explained that there is ongoing recruitment and retention crises in the sector and that some costs assumptions do not accurately reflect this.

Contact: Finance and Public Administration Committee, The Scottish Parliament, Edinburgh, EH99 1SP.
Email FPA.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

Glasgow City Health and Social Care Partnership are concerned that "current staff recruitment challenges limit the capacity within the system". The additional requirements imposed by this Bill could, it suggested, therefore result in resources being re-directed from "vulnerable children, young people and families".

Dumfries and Galloway Council also suggested that the FM "does not adequately account for the costs of recruiting and retaining additional staff to meet the increased demand for service".

Pre-existing budget pressures and service delivery

Some submissions noted that FM does not fully acknowledge that pre-existing budget pressures may result in difficulties with the provision of additional services. COSLA noted that the "pressure on core budgets is becoming increasingly visible [for local authorities]" and that "cuts to statutory services" have to be considered.

The Scottish Throughcare and Aftercare Forum highlighted that "those currently providing aftercare services are already unable to fully meet their mandated duties" and that extending eligibility for aftercare will "lead to further resource scarcity". It then goes on to say that the FM "seriously underestimates the existing costs and needs of current service provision, not merely the future costs".

Inaccurate assumptions

Most submissions suggested that the FM includes inaccurate assumptions in some areas, including—

- **Aftercare support costs**: Several submissions (COSLA, Social Work Scotland and Dumfries and Galloway Council) questioned the cost assumptions for aftercare support costs. The FM uprated inflation costs from 2011-12. The respondents noted that simply adjusting for inflation costs from more than 10 years ago is not sufficient to "reflect the current demand and need that social work, education and community supports experience".

- **Care Inspectorate costs**: The Care Inspectorate has certain responsibilities under the Bill in relation to the re-registration of fostering agencies as charities. The Care Inspectorate submission challenges the assumption in the FM that the resources required for re-registrations are expected to be "minimal and manageable within existing capacity". The submission goes on to say that this will require around 970 work hours and that this is "not minor nor manageable within existing capacity".

- **Hidden costs following the registration of Fostering Agencies as charities**: COSLA noted that the FM does not sufficiently consider the costs for local authorities in cases where Fostering Agencies decide to leave the market (albeit temporarily) following the requirement for Fostering Agencies to be registered as charities. COSLA further stated that "the suggestion that a child can be moved between foster care and residential placements, even

temporarily, under-estimates the significant impact this could have on their wellbeing".

- **Regional Impact**: Dumfries and Galloway Council highlighted that the FM fails to "account for the additional costs associated with travel, logistics, and service delivery in rural areas". The Scottish Throughcare and Aftercare Forum also noted that the costs of essential infrastructure for the provision of services in areas with a smaller population represent "complex variables that need to be taken into consideration when allocating fair funding".

- **Uncertainty regarding advocacy costs**: The COSLA submission highlighted that "FM does not provide thorough costings to deliver lifelong advocacy services for those that are care experienced" and that "there needs to be more engagement to assess reasonable [service take up assumptions]".

- **Register of Foster Carers**: Both COSLA and Social Work Scotland noted the increased administrative burden required to "keep the register up to date given daily changes". COSLA stated that the indicative cost of up to £20,000 per local authority "does not seem adequate" and that "there must be a clear benefit in gathering and reporting on information".

We invite the Education, Children and Young People Committee to consider, as part of your wider scrutiny of the Bill, the evidence received by this Committee on the FM.

Yours sincerely,

Kenneth Gibson MSP
Convener