

CHILDREN (CARE, CARE EXPERIENCE AND SERVICES PLANNING) (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 Children (Care, Care Experience and Services Planning) (Scotland) Bill, introduced in the Scottish Parliament on 17 June 2025.
2. The following other accompanying documents are published separately:
 - Explanatory Notes (SP Bill 74–EN);
 - a Policy Memorandum (SP Bill 74–PM);
 - a Delegated Powers Memorandum (SP Bill 74–DPM);
 - statements on legislative competence by the Presiding Officer and the Scottish Government (SP Bill 74–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.

THE BILL

4. The Children (Care, Care Experience and Services Planning) (Scotland) Bill (“the Bill”) aims to make a number of legislative changes that are required to ensure that care experienced children and young people grow up loved, safe, and respected. The measures included in this Bill include provisions relating to the:
 - **Extension of eligibility to receive aftercare support.** Introducing a right for those formerly ‘looked after’ (before their 16th birthday) to request an assessment of need for aftercare support from their 16th birthday, to aid a positive transition into adulthood.
 - **A legal right to advocacy for care experienced children, young people and adults.** This includes a requirement on Scottish Ministers to make arrangements for the provision of independent advocacy support to people with care experience.
 - **Introduction of a duty on the Scottish Ministers to publish guidance in relation to ‘care experience’.** Anybody providing services to care experienced persons will be required to have regard to the statutory guidance.

- **Legislative steps to address issues around profit from residential care.** the Bill introduces an enabling power for Scottish Ministers to introduce regulations to enhance financial transparency by requiring certain residential childcare providers to provide financial information about the operation of their services. In addition, should it be determined that excessive profits are being made, Scottish Ministers also have enabling powers through this Bill to make further regulations to limit profit being made from children’s residential care.
- **Strengthening the not-for-profit principle in relation to foster care.** The Bill introduces a requirement for Independent Fostering Agencies to register as charities before being authorised to provide foster care services. Costs may arise as a result of this change, including administrative and governance related adjustments by IFAs. While these costs are a direct consequence of the legislation, the extent and nature of them will depend on how individual providers respond to the requirement and subsequent guidance or regulatory clarification.
- **Introduction of a national register for foster carers.** This will give Ministers the power to create a register, to be developed with partners and foster carers, and for which the detail will be set out in secondary legislation.
- **Redesign of the Children’s Hearings System.** Placing in statute the necessary legislative reforms to implement change in the children’s hearing system. This follows the Scottish Government response to the Hearings System Working Group report.
- **Extend the statutory responsibility to Integration Joint Boards (IJBs) in the development of Children’s Services Plans.** This will place the same duty on IJBs as is presently conferred on local authorities and health boards, in turn creating a tripartite accountability between the three public bodies. There is no anticipated costs associated with this legislative provision as IJBs are already classified as an ‘*other service provider*’ and therefore should already be involved in local children’s services planning.

5. Further information about the policy objectives and changes being made by the Bill can be found in the Policy Memorandum. Further information about the enabling powers contained within the Bill can be found in the Delegated Powers Memorandum.

6. The total costs of the implementation of the whole Bill are outlined in table 1 below, and further detail on the costs and the proposed phasing over the period to 2030 is set out below. The subsequent costs of the measures in the Bill on the Scottish Administration, local authorities and other bodies, individuals and businesses are set out under their principal policy areas. Cost estimates have been provided as ranges as far as possible. In addition where work is to be undertaken by the Scottish Government estimated staff costs and estimates for work such as consultation exercises are included. Where any additional costs are identified through active engagement following the introduction of the Bill the Scottish Government will write to the lead Committee and the Finance and Public Administration Committee to appraise them of any further costs identified.

Table 1: Summary of costs associated with the Bill

Provision	Falling on	2026/27	2027/28	2028/29	2029/30 (reoccurring)
Extension of Aftercare	Local Authorities		£2,511,000	£4,954,000	£7,435,000
Sub-Total			£2,511,000	£4,954,000	£7,435,000
Advocacy Services for Care Experienced Persons	Scottish Administration	£50,000-£70,000	-	£5,292,000-£7,101,232	£5,381,000-£7,220,409
Sub-Total		£50,000-£70,000		£5,292,000-£7,101,232	£5,381,000 - £7,220,409
Language in Relation to Care-Experience	Scottish Administration	£95,000-£105,000			
Sub-Total		£95,000-£105,000			
Children's Residential Services: Profit Limitation	Scottish Administration	£100,000-£120,000	£70,000 - £80,000		
	Residential Care Providers		£800,000 - £3,700,000 over ten years		
Sub- Total		£100,000 - £120,000	£870,000 - £3,780,000 over ten years		
Fostering Agencies to be charities	Scottish Administration		£800,000-£1,100,000	£400,000-£700,000	£407,000-£712,000
	Local Authorities		£1,000,000-£1,500,000	£1,018,000-£1,527,000	£1,035,000-£1,552,000
	Independent Fostering Agencies		£225,000-£630,000	-	-
Sub-Total			£2,025,000-£3,230,000	£1,418,000-£2,227,000	£1,442,000-£2,264,000
Register of Foster Carers	Scottish Administration		£120,000-£400,000	£65,000-£195,000	£66,000-£198,000
Sub-Total			£120,000-£400,000	£65,000-£195,000	£66,000-£198,000
Children's Hearings	Children's Hearings Scotland		-	£6,810,000	£6,190,000
	Scottish Children's Reporter Administration		£1,100,000	£473,000-£797,000	£216,575-£505,341
Sub-total			£1,100,000	£7,283,000-£7,607,000	£6,406,575-£6,695,341
Bill Total (excluding Children's residential services, profit limitation costs falling on residential care providers)		£245,000-£295,000	£5,826,000-£7,321,000	£19,012,000 £22,084,232	£20,730,575-£23,812,750

7. Unit costs, which are used to calculate the legislative changes have been updated using the GDP deflator forecasts to 2029-30 published by HM Treasury in March 2025.¹ Costs are illustrated in 2025-26 current prices.

8. Due to the size of the costs associated with the Bill, costs associated with the publication and laying of SSIs and accompanying documents required for secondary legislation are considered marginal and therefore are not included in the calculations outlined below. It is anticipated that these include a fixed cost of publication of £200 per printed SSI (published twice), £155 plus VAT for each Policy Note, and £60 plus VAT for each Business and Regulatory Impact Assessment, however these will be dependent the length of the associated documents. These costs will be managed within existing Scottish Government budgets.

Current understanding of the care experienced population

9. It will be important to continue to review these trends as we move toward and beyond 2030 alongside the take up of the support to ensure that the budgets identified continue to appropriately match need.

10. Children's Social Work statistics, published in April 2025, report that on 31 July 2024 there were 11,844 looked after children in Scotland, equivalent to 11.8 in every thousand children. This is the lowest this rate has been since 2005, and lowest the overall figure has been since 2004.

11. The number of care experienced children and young people peaked in 2012 at 16,248. In July 2020, the point at which the Promise² was published the number of children and young people in care was 14,458. The latest National Social Work Statistics³ published in April 2025 demonstrates that this number continues to fall, down by 18.1% from 2020 to 11,844 in June 2024.

12. If this trend continues it can be anticipated that the care experienced population will reduce over time. The financial estimates included within the financial memorandum are based on the current care experienced population. As implementation of provisions within the Bill is progressed trends and data on the number of people with care experience will continue to be reviewed alongside the take up of the support to ensure that the budgets identified continue to appropriately match need.

13. Estimates for the size of the care experienced population aged 40 and under use data collected for the annual Looked After Children (LAC) official statistics⁴ publication, compiled into a longitudinal dataset. The longitudinal dataset combines records of episodes of care from annual returns between 2009 and 2024. This means that individuals whose care experience started prior to 2009 are only included in the data if they were also looked after during 2009 or later. As such, the size of the care experienced population will be increasingly underestimated for older birth cohorts born before 2009, as they will not include individuals who had an episode of care prior to 2009 and never entered care again. The output is presented in annual birth cohorts,

¹ [GDP deflators at market prices, and money GDP March 2025 \(Spring Statement & Quarterly National Accounts\) - GOV.UK](#)

² [The Promise – PDF](#)

³ [Children's Social Work Statistics 2022-23 – Looked After Children - gov.scot](#)

⁴ [Looked After Children Statistics](#)

showing the number of individuals born within a given year who have ever had an episode of care. This dataset does not include individuals experiencing informal kinship or other care arrangements.

14. In order to overcome these data limitations, a number of approaches have been considered and will be further explored.

- Who Cares? Scotland has cited research⁵ commissioned by the Trussell Trust that found that 1% (54,000) of the overall population in Scotland is care experienced. This is an underestimate given that the longitudinal looked after children data shows that over 70,000 people under 40 are care experienced.
- Scottish Government analysts used longitudinal looked after children data making assumptions around, the rates per 1,000 of current 18, 19 and 20 year olds who have experienced care, and mortality rates to estimate that there will be circa 138,000 care experienced adults over 40.
- Whilst the methodology applied using the longitudinal data is considered accurate, estimates for the eligible population are complex. There is no data on when care experience started for the 41 plus age cohort. This is therefore, likely to be an overestimate.

Table 2: Estimated care experienced population, by age category

Age Cohort	Population size
Under 16	25,017*
16-25 years	30,109
26-40 years	16,625
41+ years	138,075
Total	209,826

*This number includes all children with experience of care who are currently looked after or have previously been looked after.

15. The Human Economic Cost modelling undertaken as part of the Promise in 2020⁶, identifies that delivering the current ‘care system’ in Scotland costs around £942 million per annum. The universal services which can be associated with care experienced people cost a further £198 million per annum. It further identifies that the cost of services required by care experienced people as a result of the current ‘care system’ failures is in the region of £875 million per annum. A further £732 million per annum is lost as a result of the lower incomes care experienced people have on average.

16. It is a combination of all the work underway to keep The Promise both nationally and locally that will impact fully on this system cost. Through a focus on prevention that addresses child poverty, improves public service delivery and progresses a whole family approach to ensuring the right support is available in the right way and at the right time. The Bill has an important part to play and the investment flowing from the Bill will support delivery of better

⁵ The Trussell Trust and IPSOS, Hunger In Scotland, 2023. [2023-Hunger-in-Scotland-report-AW-web.pdf](https://www.trusselltrust.org/wp-content/uploads/2023/02/2023-Hunger-in-Scotland-report-AW-web.pdf)

⁶ <https://www.carereview.scot/wp-content/uploads/2020/02/The-Money.pdf>

outcomes for children, young people, adults and families. The consequence of the increased supports that the Bill will introduce will reduce demand pressures elsewhere in the public sector landscape, for example, by supporting children and young people to be more independent and economically active through the proposed changes to aftercare and advocacy; and improving children's experience of the justice system and the decision making that surrounds this as a result of Children's Hearing redesign.

17. The experiences and needs of children in kinship care vary, and they may be subject to a range of legal orders, or none. Some may be looked after children placed with kinship carers by the local authority or children who live with relatives as a result of a private family arrangement with no statutory involvement from external agencies. This makes it challenging to understand the true numbers in kinship care, however we will be assessing how best to utilise data in the future.

PART 1, SECTIONS 1-3: AFTERCARE AND CORPORATE PARENTING

18. Through provision in the Bill, the aim is to extend eligibility for aftercare to those previously 'looked after'⁷ before their 16th birthday, through an assessment of eligible needs from their 16th birthday⁸. The Bill amends section 29⁹ of the Children (Scotland) Act 1995 ("the 1995 Act") to expand the provision of aftercare to a wider group of children and young people with care experience by introducing a right for those who were 'looked after' but left care *before* their 16th birthday to request an assessment of need for aftercare between their 16th birthday up to age 26.

19. The Bill also amends section 30¹⁰ of the 1995 Act, conferring on local authorities the power to provide financial assistance towards education and training expenses to those who were looked after but who left care before their 16th birthday. This is a discretionary power for local authorities which supplements their duties and powers under section 29 of the 1995 Act. Furthermore, section 3 of the Bill amends the corporate parenting duties at section 57¹¹ of the Children and Young People (Scotland) Act 2014, so that those who leave care before their 16th birthday are in scope. These amendments are related to aftercare and will support the delivery of the policy objective to provide assistance to those who were previously looked after as they transition to young adulthood. The amendment to corporate parenting duties will incur no separate costs. Costs associated with the amendment to section 30 of the 1995 Act have been incorporated in the calculations below.

20. Additionally, the Bill amends section 29(7)¹² of the 1995 Act, extending aftercare to young people aged between 16 and 26 years of age, who were looked after by a local authority in Northern Ireland on or after their 16th birthday, on the same basis that those who were looked after in England and Wales on or after their 16th birthday are currently eligible for aftercare under sections

⁷ The Independent Care Review heard from children and young people that language, including terms such as "looked after" and "aftercare", can compound a sense of being different, exacerbate low self-esteem and be stigmatising. Many of Scotland's data collections use these terms to reflect legal definitions or precise statistical details. In those cases, these specific words or phrases are used to ensure clarity about what is being described, and to avoid any confusion or misinterpretation around the analysis presented.

⁸ Based on the Scottish Government's current spot-purchasing costs at a £30 hourly rate for an average of 15 hours per hearing, equating to £450 per hearing. This has been updated to 2025-26 prices.

⁹ [Children \(Scotland\) Act 1995 – section 29](#)

¹⁰ [Children \(Scotland\) Act 1995](#)

¹¹ [Children and Young People \(Scotland\) Act 2014](#)

¹² [Children \(Scotland\) Act 1995](#)

29(1) and section 29(2), by virtue of section 29(7) of the 1995 Act. There are currently no known instances of young people who were looked after by a local authority in Northern Ireland moving to Scotland and seeking aftercare support and therefore costs associated with this will be minimal.

Costs associated

21. Improving support for people with care experience as they transition to young adulthood is a vital part of keeping The Promise. The provision to extend eligibility for aftercare to those previously ‘looked after’ before their 16th birthday, through an assessment of eligible needs, would result in current estimated costs of £2,511,000 in 2027-28, rising to £7,435,000 in 2029-30 (see Table 3). These costs are based on ‘gradual eligibility’. In year 2027/28, eligible young people turning 16 years of age would be able to request an assessment of need for aftercare from their local authority. In year 2028/29, those already eligible from year 2027/28 and newly eligible young people turning age 16 would be able to request an assessment of need for aftercare support. Thereafter, the eligible group would continue to grow year-on-year until the oldest eligible young people reach age 26. More information is given in the key assumptions section.

Table 3 - Estimated additional costs associated with extending aftercare

Policy Area	2026/27	2027/28	2028/29	2029/30
‘Moving on’ – extending aftercare	-	£2,511,000	£4,954,000	£7,435,000

Costs on the Scottish Administration

22. There are no additional costs associated with extending eligibility for aftercare on the Scottish Government. The costs of extending eligibility for aftercare will fall on local authorities through an estimated increase in the number of eligible young people who will receive aftercare support.

Costs on local authorities

23. The financial implications of extending eligibility for aftercare will be borne by local authorities. This will include costs associated with Pathway assessments, and providing and coordinating support. The Scottish Government will provide funding to local authorities for the extension of aftercare through the Local Government Settlement.

24. Local authorities will be required to carry out an assessment of need for eligible young people and where satisfied that such needs exist and cannot be met through universal services, provide aftercare support.

25. Aftercare support can include (but is not limited to) advice, guidance and assistance beyond universal services to meet the ‘eligible needs’¹³ of securing accommodation, accessing education and employment opportunities, and maintaining financial wellbeing.

¹³ [The Aftercare \(Eligible Needs\) \(Scotland\) Order 2015](#)

26. Aftercare support costs (£2,881) may include travel costs, expenditure by local authorities, payments to other agencies and emergency fund costs. Support costs for aftercare have been calculated using original analytical work carried out in 2011-12 ahead of the Children and Young People (Scotland) Bill¹⁴. These have been uprated by the GDP Deflator to 2025-26 prices.¹⁵

27. Aftercare support may also include ‘set-up’ costs (£4,000), namely financial assistance to help meet costs incurred when young people move into their own accommodation. ‘Set-up’ costs may include help to purchase furniture, white goods, crockery and cutlery and other household items. These costs have been estimated following engagement with COSLA and Social Work Scotland.

28. Assessment costs associated with aftercare are assumed to be staff time to prepare for, undertake and write up assessments, as well as decision-making following an assessment. In year one, the full eligible population that come forward for an assessment is assumed to be 48% of the newly eligible population¹⁶. From year two onwards, the number coming forward for an assessment consists of the newly eligible population plus those eligible for an assessment in the previous year who did not come forward.

29. The unit cost for an assessment (£736) is calculated following engagement with stakeholders. This has been reached using the product of the cost of a Social Worker’s time for a Children’s Hearing of £32 per hour and the average time per assessment, estimated to be 15 hours plus 8 hours for a statutory review, with the associated preparation and write up.

30. The estimated cost of assessment, support and set-up costs per young person can be found at Table 4. A total cost of £7,617 per person is assumed for young people who are assessed to require support.¹⁷

Table 4 – Cost per young person (current prices 2025-26)

Assessment cost	Support cost	Set-up costs	Total Cost
£736	£2,881	£4,000	£7,617

31. Estimates for the population (see Table 5) potentially eligible for aftercare are based on the longitudinal looked after children dataset. Within this dataset, looked after children are defined as those in the care of their local authority under section 17(6) of the Children Scotland Act 1995¹⁸.

¹⁴ [Supplementary Financial Memorandum \(682KB pdf posted 31 January 2014\)](#)

¹⁵ [GDP deflators at market prices, and money GDP March 2025 \(Spring Statement & Quarterly National Accounts\) - GOV.UK](#)

¹⁶ [Supporting documents - Children’s Social Work Statistics 2023-24 – Looked After Children - gov.scot](#)

¹⁷ All costs are steady-state – i.e. do not include any recruitment, training or other costs which might be required to expand capacity to provide aftercare

¹⁸ Section 17(6) [Children \(Scotland\) Act 1995](#)

Table 5 – Estimated number of young people supported

	2027/28	2028/29	2029/30
Number getting assessment	745	1,016	1,119
Number getting support	484	1,144	1,872
Number getting ‘set-up’ support	121	165	182
Total number eligible	1,350	2,325	3,173

32. The key assumptions which underpin the costs are:

- The eligible population (number of care experienced people eligible) is based on ‘gradual eligibility’. In 2027-28, it uses data on the number of children who are currently 15 years old and have been looked after and for 2028-29 it uses data on number of children who are currently 14 years old, and so on.
- The average number of children who have been in care on their 16th birthday each year (averaged over the last ten years) are deducted as these children would already be eligible for aftercare.
- This derives the newly eligible population. The proportion of eligible population coming forward for an aftercare assessment is assumed throughout to be 48% in line with current uptake.
- Of this 48%, the proportion of those who have an assessment that are deemed to require aftercare support is set at 65% based on estimates for previous costings (in 2012 and 2016).
- All of those found to have eligible need receive ‘support costs’ and 25% are assumed to also receive a one-off payment for ‘set-up’ costs.
- The following year, a new cohort of newly eligible young people turn 16. This newly eligible population is added to the 52% of the previous year’s cohort that did not come forward for an aftercare assessment, and 48% of this whole group are assumed to come forward in the second year.
- Of those receiving an assessment in the second year, again 65% are found to have eligible need and receive aftercare support.
- Average cost per assessment (£736) (following engagement with stakeholders)
- Average cost for support (£2,881) (based on previous cost estimates used in the Children and Young People (Scotland) Bill in 2012, uprated to current prices)
- Average cost for set-up including furniture (£4,000) (estimated following engagement with stakeholders)

33. Taken together, these assumptions form the basis for the estimated costs on local authorities for extending aftercare.

Costs on other bodies, individuals and businesses

34. The financial implications of extending eligibility for aftercare will be borne by local authorities and it is not anticipated that there are any costs to be borne by other bodies, individuals and businesses.

Table 6 - Summary costs associated with Part 1, Chapter 1, Sections 1-3

Policy Area	2026/27	2027/28	2028/29	2029/30
Costs on the Scottish Administration	-	-	-	-
Costs on Local Authorities	-	£2,511,000	£4,954,000	£7,435,000
Costs on other bodies, individuals and businesses	-	-	-	-
Total	-	£2,511,000	£4,954,000	£7,435,000

PART 1, SECTION 4: ADVOCACY SERVICES FOR CARE-EXPERIENCED PERSONS

35. The Bill includes a requirement on Scottish Ministers to make arrangements for the provision of independent advocacy support to those who are or might be care experienced, the parameters for which will be further set out through regulation-making powers, which will set out the full detail of the provision. Placing a duty on Scottish Ministers to make provision for advocacy support for care experienced people by regulations will enshrine a legal right of access to advocacy services.

36. Regulations to implement advocacy support for all care experienced people will be progressed at an early stage, subject to passage of the Bill, and advocacy support will be introduced as soon as practical after laying regulations. Introducing regulation making duties will enable the development and implementation of advocacy support which is tailored to fit the needs of people with care experience and the stage they are at in their journey through care. This will also future proof the advocacy provision as the regulations can be reviewed and updated according to the developing needs of the care experienced population as work progresses to keep the Promise and into the future.

37. The development of policy to support the legislation was informed by work undertaken by The Promise Scotland in 2023. This provided a direction for how the approach to advocacy provision may be considered. but did not include any data on the potential demand on advocacy support for people with care experience, financial analysis or costings to support the recommendations made in the report. Further work has progressed through engagement with advocacy providers and key stakeholders to inform development of the provisions in the Bill and will actively continue following introduction.

38. Most local authorities provide funding for care experienced children and young people via grants or contracts to advocacy providers including Who Cares? Scotland and Barnardo's and other advocacy providers. The mapping of the full extent of this provision is currently ongoing but it is significant, with several million pounds of funding annually, providing advocacy support to several thousand children and young people with care experience for issues including: maintaining relationships; access to continuing care; child protection registration and support with care planning. Some local authorities employ Children's Rights Officers to uphold children's rights instead of commissioning independent advocacy services.

39. Who Cares? Scotland operate a helpline which supports lifelong advocacy. Between January 2021 and December 2023 the helpline supported around 600 care experienced people directly, with financial issues, education, and housing being the most common areas of support. The helpline is backed by grant funding of £116,000 per annum from the Scottish Government. Children's advocacy is provided for Children's Hearings by ten independent advocacy organisations¹⁹, selected through an Expressions of Interest Exercise for grant funding, to provide a Scotland-wide network of advocacy services for Children's Hearings. Advocacy support was provided at around 20% of hearings in the year to November 2024. The cost for advocacy in the Hearings System was approximately £2m in 2024-25. This cost is met by the Scottish Government and funded directly to advocacy providers on a demand led model.

40. Recognising the time required to develop and implement service provision, and the time required to develop and lay regulations it is anticipated that the earliest an advocacy offer could be available is in the 2028-29 financial year. This is due to the time required to progress further consultation and engagement with key stakeholders, advocacy providers and the care community, subject to passage of the Bill, which will inform policy development for the regulations which will implement advocacy support. Costs associated with consultation can be estimated to be in the region of £50,000 - £70,000. This is based on the cost of consultation work undertaken to support development of the Bill including publication of materials, engagement costs and analysis of responses.

Costs associated

41. To support the legislative proposal, economic analysis has been undertaken of costed options and scenarios for advocacy services for all people with care experience. This will continue to be developed to support decision making and implementation.

42. Identification of the preferred service model and delivery mechanism will determine whether certain costs are payable or not, such as set up, recruitment, and training costs. One example is the model used for Children's Hearings Service advocacy, which is demand led and a fee for each advocacy case is paid directly by Scottish Government to the advocacy provider. Further detail on these costs is outlined in paragraph 46 below. Advocacy for the Children's Hearings System is the model for which the most robust data is available in terms of the time taken and cost per case, and take up of the advocacy service. Other options for service models include Scottish Government providing funding to local authorities (through the General Revenue Grant

¹⁹ The ten advocacy organisations that provide a Scotland-wide network of children's advocacy services for Children's Hearings are: Advocacy Service Aberdeen, Angus Independent Advocacy, Barnardo's Scotland, Borders Independent Advocacy Service, CAPS Independent Advocacy, Independent Advocacy Perth and Kinross, Advocacy Western Isles, Partners in Advocacy, Who Cares? Scotland

as part of the core funding that the Scottish Government provides to local authorities) who would then award a grant or contract to advocacy providers locally and this would cover the overall costs for delivery. The Scottish Government will write to the committee to provide an update as work to identify a preferred service model progresses.

43. Identifying the potential demand for advocacy support for people with care experience now and into the future requires a level of assumption. The scoping work undertaken by The Promise Scotland identifies that there is an existing complex advocacy landscape and that any new provision should not complicate or confuse this further. The report highlights the importance of ensuring that this should be underpinned by core principles and that work should be done to develop a strategic approach across all advocacy provision in Scotland. The report also makes the specific recommendation to expand the Children’s Hearings Advocacy National Practice Model up to the age of 26, recognising the importance of support being available during key transition periods of a young person’s journey through care, whilst also recommending that a lifelong service must also be developed to fit the needs of the care experienced community.

44. In considering potential demand and unmet need for advocacy, consideration has been given to existing advocacy provision funded by local authorities for a broad range of rights based issues for people with care experience, and to the uptake of existing advocacy services , such as Children’s Hearings System advocacy²⁰ : and Social Security advocacy to support disabled people in applying for benefits. . There is extensive existing local authority provision for children and young people with care experience (in addition to Children’s Hearings Advocacy) which supports advocacy in areas including: support with continuing care, child protection registration, support for the care planning process, and family time with parents and wider family members. Every child with care experience attending a Children’s Hearing is offered independent advocacy and the take up rate is currently around 20%.

45. Engagement so far with existing advocacy providers has indicated that demand for advocacy services from people with care experience decreases significantly from age 26 years onwards. Provision in this Bill to extend aftercare provision could further reduce demand for advocacy from those aged between 16 and 25 years. Taking into account existing advocacy provision and the take up rate of existing advocacy services a range of estimated costs and take up rates of 5% and 10% are outlined below. Take up rates of 25% have been provided for illustrative purposes only.

46. Advocacy is about empowering people to make sure their rights are respected and that their views and wishes are fully considered and reflected in decision making which affects them and their lives. It is also important to recognise that advocacy is part of a wider support landscape. This includes methods of support such as information services, signposting and befriending. Alongside the introduction of a lifelong right to advocacy the Scottish Government will take forward work to improve the awareness to existing support and existing advocacy services. This is being developed as part of the policy considerations and will be met within existing Scottish Administration costs.

²⁰ [Final-Evaluation-Report-September-2024.pdf](#)

Costs on the Scottish Administration

47. The table below sets out a range of projected costs of implementation to 2030. These are based on take up rates of 5%, 10% and 25% by the care experienced population using the cost modelling that has been developed for cohorts of care experienced people. The estimated cost is the product of three variables:

- **Eligible population** (number of people with care experience) - **209,826**
- **Unit cost per advocacy case** (15 hours of work per case) - **£504** in 2028-29. Costs identified are based on the assumption of one case of advocacy per person who comes forward for advocacy services in a year. This model of the number of hours required per case, and the cost per hour, is based on the Children’s Hearings System advocacy service. The hourly cost have been uprated by the GDP Deflator²¹.
- **Assumption of population** in receipt of advocacy services (percentage uptake).

48. Table 7, below, shows the cost of 5% take up of advocacy services by the full care experienced population of 209,826, and a cost which combines a 10% take up rate of those 40 years and below with a 5% take up of those aged 41 and above. This is in recognition of the overestimate of the care experienced population aged 41 and above, and the assumption that demand for advocacy services may reduce as people get older as access to wider support services becomes available. This could include universal support available to adults, as well as more specialist services such as mental health advocacy. As outlined in paragraph 44 above engagement so far has indicated that demand for advocacy services from people with care experience decreases significantly from age 26 years onwards. A 5% take up rate for those age 41+ years would equate to 6,900 advocacy cases per year.

Table 7: costs of advocacy services based on percentage take up

Full Implementation	2026/27	2027/28	2028/29	2029/30
5% uptake across all age groups			£5,292,000	£5,381,000
10% uptake for those aged 40 and below, and 5% take up for those aged 41+ years.			£7,101,000	£7,220,000

49. The population profile for care experienced age cohorts is provided in Table 2.. The population size for those aged 40 and below are based on the Looked After Children data set and is an accurate reflection of the care experienced population in that age group. As outlined in paragraph 15, there is no data held on care experience for persons currently over 40 years of age. The Scottish Government has produced an estimate of the population over 40 years old with care experience based on the alternative estimate of the eligible population (using birth records, average care rates over last decade, and mortality rates). This represents the broadest range of what projected costs may be, based on present population estimates. This is considered to be an over estimation of population size and need. It will therefore be important to monitor entitlement and rates of uptake over the short to mid-term as the right to advocacy is introduced.

²¹ [https://obr.uk/efo/economic-and-fiscal-outlook-march-2025/GDP deflators at market prices, and money GDP March 2025 \(Spring Statement & Quarterly National Accounts\) - GOV.UK](https://obr.uk/efo/economic-and-fiscal-outlook-march-2025/GDP%20deflators%20at%20market%20prices,%20and%20money%20GDP%20March%202025%20(Spring%20Statement%20&%20Quarterly%20National%20Accounts)%20-%20GOV.UK)

50. The tables below show the cost of take up of advocacy services by age cohorts to assist in modelling the need and take up of advocacy at different stages of a person’s journey through care. As noted above the data for the population age 40 and below is taken from longitudinal looked after children dataset whereas the data for those age 41 and over is an estimate of the population size.

Table 8: 0-15 years population size: 25,017

0-15 years	No of cases	2026/27	2027/28	2028/29	2029/30
5% Uptake	1,251			£631,000	£642,000
10% Uptake	2,502			£1,262,000	£1,283,000
25% Uptake	6,254			£3,155,000	£3,208,000

Table 9: 16-25 years population size: 30,109

16-25 years	No of cases	2026/27	2027/28	2028/29	2029/30
5% Uptake	1,505			£759,000	£772,000
10% Uptake	3,011			£1,519,000	£1,544,000
25% Uptake	7,527			£3,797,000	£3,860,000

Table 10: 26-40 years population size: 16,625

26-40 years	No of cases	2026/27	2027/28	2028/29	2029/30
5% Uptake	831			£419,000	£426,000
10% Uptake	1,663			£839,000	£853,000
25% Uptake	4,156			£2,096,000	£2,132,000

Table 11: 41+ years population size: 138,075

41+ years	No of cases	2026/27	2027/28	2028/29	2029/30
5% Uptake	6,904			£3,482,000	£3,541,000
10% Uptake	13,807			£6,964,000	£7,081,000
25% Uptake	34,519			£17,411,000	£17,703,000

51. Whilst a 10% uptake for those aged 40 years and under, and 5% uptake for those aged 41+ years scenario has been presented in Table 11 to develop cost estimates, as described above, it is recognised that the % take up levels may vary across age groups and reduce among older age groups. Therefore a 5% take up rate has been applied to the 41+ years age group as this is considered proportionate given the population size. However, the take up rates provided in Table 7 are at this stage considered to provide the broadest range on which to draw demand estimate. .

Costs on local authorities

52. There are not any confirmed costs of the duty on Scottish Ministers to make arrangements by regulations for the provision of independent advocacy support on local authorities. As part of the development of regulations to implement advocacy support, further consultation and engagement will be undertaken with CoSLA, local authorities and wider partners to identify the preferred service model and further scope potential costs. As detailed in paragraph 42 above, the decision on a preferred service model and delivery mechanism will determine how the costs of advocacy are paid, and to whom. If advocacy services are to be funded via grant or contract award by local authorities the Scottish Government will provide funding to local authorities for additional advocacy services through the General Revenue Grant. The level of funding required will be determined and agreed as part of the implementation of the Bill.

Costs on other bodies, individuals and businesses

53. There are not any anticipated costs of the duty on Scottish Ministers to make arrangements by regulations for the provision of independent advocacy support to those who are care experienced on other bodies, individuals and businesses. As part of the development of regulations to provide advocacy support, further consultation and engagement will be undertaken to inform this. As detailed in paragraph 42 above, the decision on a preferred service model and delivery mechanism will determine how the costs of advocacy are paid, and to whom. If the delivery model is similar to the National Practice Model for Children’s Hearings Advocacy, or another delivery model where advocacy providers receive funding directly from the Scottish Government, this will be progressed through either grant or other contractual funding arrangements. The level of funding required will be determined and agreed as part of the implementation of the Bill.

Summary costs associated with Part 1, Chapter 1, Section 4

Table 12: Summary of costs associated with Part 1, Chapter 1, Section 4

	2026/27	2027/28	2028/29	2029/2030
Costs on the Scottish Administration	£50,000- £70,000-	-	£5,292,000- £7,101,232	£5,381,000- £7,220,409
Costs on Local Authorities	-	-	-	-
Costs on other bodies, individuals and businesses	-	-	-	-
Total	£50,000- £70,000	-	£5,292,000- £7,101,232	£5,381,000- £7,220,409

PART 1, CHAPTER 1, SECTION 5: LANGUAGE IN RELATION TO CARE-EXPERIENCE

54. The Promise tells us that the term ‘care experience’ has meaning for many people and that it can be helpful as an understanding of personal identity and in understanding shared experiences. As well as providing a sense of identity, there are existing supports and entitlements available to people with care experience, particularly young people with care experience. This means that eligibility for existing supports is not currently connected by a universal definition.

55. The Bill includes a requirement on Scottish Ministers to publish guidance relating to the language of care, which will include a definition of ‘care experience’, to help develop a better understanding and awareness of care experience and the care system, which in turn should help reduce stigma associated with individuals who have care experience.

56. This will place a duty on Scottish Ministers to publish guidance that will inform the provision of relevant services. This will apply to all public authorities including Scottish Ministers, local authorities and wider corporate parents, in the course of their work and interaction with the care experienced community.

57. The guidance will also set out a universal definition or description of what is meant by the term care experience, as well as wider guidance around language and terminology. It will also assist in raising awareness of social factors can lead to involvement with the care system and how we drive the change required on how people think about care experience. The guidance will be co-designed with people with care experience and organisations that have a leading role in the sector to address language and an understanding of the care system. This will enable a more flexible approach, which acknowledges a broad range of care experience, to developing a definition which can be reviewed and developed going forward to reflect future circumstances as we move towards 2030 and beyond.

58. Examples of existing supports for people with care experience where the organisations administering support determine eligibility using their own definitions include the Care Experienced Students Bursary, administered by Student Awards Agency Scotland and the Scottish Government funded early learning and childcare for eligible 2 year olds with a care experienced parent. These supports already operate using a broad understanding of care experience and it is not anticipated that a universal definition will impact on eligibility for these types of support.

59. Subsection (1) uses the term ‘care-experienced’, and it is then defined in subsection (2) and whilst identifying children looked after by a local authority in Scotland and persons who were so looked after while children, it leaves further definition to the guidance itself. It is implicit that the guidance will set out the full definition. It is intended that the guidance will inform relevant policy development and financial application. Any future costs associated with this will be for consideration as part of future policy development process.

Costs associated

60. As highlighted in the current understanding of the care experienced population, the number of care experienced children and young people in Scotland continues to decline. Whilst this snapshot figure is reducing each year, those who were looked after in periods when rates were higher will continue to age out of the care system and join the adult care-experienced population. This means it may take time for this yearly reduction to be reflected in the number of adults who are entitled to lifelong support for which the universal definition will be applied.

Costs on the Scottish Administration

61. There will be costs on the Scottish Administration associated with the publication of guidance relating to the language of care, which will include a definition of ‘care experience’. It is anticipated that development and publication of the guidance will cost approximately £5,000-

£10,000. This will be dependent on the suite of documents developed with key partners and will be led on by existing Scottish Government staff resource with an approximate cost of between £90,000 - £100,000.

Costs on local authorities

62. Development and implementation of guidance, which will include a universal definition of care experience, could incur some resource requirements on local authorities associated with updating and changing their practices and materials. As part of the development of guidance, further engagement will be undertaken to understand the impact, including engagement with CoSLA, local authorities and wider stakeholders.

Costs on other bodies, individuals and businesses

63. The provisions placing new duties on Scottish Ministers to produce guidance relating to the language of care do not place new costs on other bodies, individuals and businesses.

64. Development and implementation of the guidance, which will include a universal definition of care experience, could incur some resource requirements on other bodies, individuals and businesses associated with updating and changing their practices and materials. As part of the development of guidance, further consultation and engagement will be undertaken to understand the impact.

65. While it is not possible to know the exact costs on public authorities ahead of development of the guidance, the Bill does mandate public authorities to ‘have regard’ to the language of care guidance in the course of their work and interaction with people with experience of care. Cost implications will continue to be considered with input from public authorities as the guidance is developed.

66. Implementation of the guidance by private businesses and organisations will be undertaken on a voluntary basis, although will be strongly encouraged.

Summary costs associated with Part 1, Chapter 1, Section 5

Table 13: Summary of Costs associated with Part 1, Chapter 1, Section 5

	2026/27	2027/28	2028/29	2029/30
Costs on the Scottish Administration	£95,000-£105,000			
Costs on Local Authorities	-	-	-	-
Costs on other bodies, individuals and businesses	-	-	-	-
Total	£95,000 -£105,000			

PART 1, CHAPTER 2, SECTION 7: CHILDREN’S RESIDENTIAL SERVICES: PROFIT LIMITATION

Costs associated

67. Over the last 13 years, the number of private residential children’s houses in Scotland increased from 47 houses in 2012 to 171 in 2025. The number of voluntary sector run houses has also increased, showing a significantly slower growth rate from 47 houses in 2012 to 71 in 2025. The number of local authority run houses has remained largely the same over the time showing a small increase of 2 houses from 114 houses in 2012 to 116 houses in 2025. The proportion of private sector homes as a share of the total number of residential children’s homes between 2017 to 2025 have risen from 38% to 47%.

68. The increase in private residential childcare home numbers and increasing reliance on those is caused by a number of factors. Since around 2018, Scotland has been receiving a significant number of cross-border placements into private residential care homes. This started through petitions being made to the High Court by predominantly English local authorities to place children who were subject to deprivation of liberty orders (DOLs) in accommodation which need not be secure accommodation. This was as a consequence of a lack of secure and residential accommodation available in England. In light of that, it was concluded that legislative provision be made in Scotland to deal with these types of placements resulting in The Cross-border Placements (Effect of Deprivation of Liberty Orders) (Scotland) Regulations 2022 being made and coming into force in 2022. This has, so far, resulted in the number of cross-border placements, underpinned by DOL orders, significantly reducing – a number which can be tracked through the in-built notifications procedure.

69. However, further exploratory work undertaken by officials identified that a larger number of cross-border placements were being made into Scottish residential care homes where a different care or court order, or legal agreement, underpinned the placement. These placements are not currently legally recognised in Scots law and work is being undertaken to build a regulatory framework to protect the rights and wellbeing of children and young people placed in Scotland through these wider care/court orders and legal agreements. The UK Government is actively working to increase its residential and secure estate; therefore, we may anticipate that the number of placements being made into Scotland will reduce in future, over time. This may have the effect of reducing a market currently open to private providers and which a large number may be registering to accommodate.

70. Other factors responsible for the increased use of private homes are the consequences of reserved and devolved policy. For example, 642 unaccompanied asylum seeking (UAS) children and young people have arrived in Scotland since the establishment of the mandated National Transfer Scheme in July 2021. Additionally, there were over 500 spontaneous arrivals of UAS children and young people in Scotland between October and December 2023. In this same time period, local authorities across Scotland reported that 93 children were placed into children’s residential care homes.

71. The purpose of obtaining financial and other relevant information on the operation of services in Scotland, and assessing that information, is to inform consideration of whether Scottish Ministers should exercise powers in the Bill to impose profit limitation requirements on the

providers of children’s care homes or school accommodation services. This is similar to the scheme recently introduced by the UK Department for Education (DfE).

72. In seeking to progress the most appropriate approach for Scotland, this Bill, therefore, introduces a regulation-making duty for Scottish Ministers to enhance financial transparency by requiring certain residential childcare providers to provide information about the operation of their services and, following an assessment of that information, to consider whether to exercise regulation-making powers to impose profit limitation requirements.

Costs on the Scottish Administration

73. There will be costs associated with the collection of financial information from providers and its subsequent analysis. The exact level of these costs will depend on the methodology used for collection which will need to be agreed with providers through consultation. The analysis will be led by the team responsible for Children’s Residential Care with an approximate staff resource cost for this work of between £100,00 and £120,000 to conduct the required initial analysis of the financial information, based on related work undertaken to date.

74. This Bill provides a mechanism to legislate for many of the conclusions of Scotland’s Independent Care Review and its final report, *The Promise*, is clear that there is no place for profiting in how Scotland cares for its children and that Scotland must avoid the monetisation of the care of children and prevent the marketisation of care by 2030. In addition to *The Promise*, the Competition and Markets Authority (“the CMA”) carried out a market study in relation to children’s social care across the UK other than Northern Ireland and published its final report in March 2022 to address concerns about the functioning of the social care placement framework for children²². That report contained some separate findings in relation to Scotland.²³ The CMA found that the profitability of the children’s homes in Scotland of the providers in their dataset (with a coverage of 53% of places) was markedly less than the average across all three nations; from FY 2016 to 2020, the average operating profit per child was £28,000 in Scotland compared to an average of £44,000 across all three nations (the CMA caution, however that this was from a relatively small sample of just the largest providers). This finding is in line with stakeholders, such as local authorities expressing more limited concerns about the supply of placements in Scotland.

75. In addition, should it be determined that excessive profits are being made, Scottish Ministers also have enabling powers through this Bill to make further regulations to limit profit being made from children’s residential care.

76. Before imposing profit limitation requirements, the Scottish Ministers must consult local authorities, those representing the interests of providers and such other persons as considered appropriate. Costs associated with consultation can be estimated to be in the region of £50,000 - £70,000. This is based on the cost of consultation work undertaken to support development of the Bill including publication of materials, engagement costs and analysis of responses.

²² <https://www.gov.uk/government/publications/childrens-social-care-market-study-final-report>

²³ See the [Scotland summary \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

77. With regard to the profit limitation provisions, in light of the fact that any future profit limitation requirements will be as a result of extensive consultation and the findings of the financial oversight scheme, it would not be appropriate to attempt to estimate the financial implications of future policies as doing so could pre-empt future decisions and impact the markets.

78. At this stage it is not possible to quantify the impact of any financial penalties that may be applied to non-compliance with the legislation ahead of wider analysis and consultation. Projections at this stage may prejudice engagement and have a negative impact on the existing function of the market without further context of approach and how the policy will be applied in practice.

Costs on local authorities

79. Local Authorities should face no additional costs as a direct result of these provisions as the costs of the financial oversight scheme will fall on the Scottish Administration.

80. While it is difficult to quantify at this stage, the increased financial oversight offered by these provisions will result in Local Authorities being more aware of the financial health of their providers, allowing advanced warning of potential disorderly firm failure and market exit. Where a provider has to suddenly exit the market – whether due to financial health or any future introduction of regulations in exercise of the profit limitation power - this could result in a future practical impact to Local Government, in terms of local authorities' ability to exercise statutory duties to place children and young people into residential care placements, should the number of placements available to local authorities significantly reduce. This could in turn result in increased costs to the Scottish Government though it is not possible to predict at this time.

Costs on other bodies, individuals and businesses

81. For those residential childcare providers required to provide financial information about the operation of their services, there are likely to be costs associated with the preparation of this information. It is noted that the Care Inspectorate and Scotland Excel collect snapshot data from a small number of stakeholders on the financial situation of a service, either at the point of seeking registration approval or in order to operate through Scotland Excel's framework. However, there is no nationally consistent, detailed, method of understanding the fees charged for placements nor the final costs paid by local authorities.

82. A rough, indicative cost to business of the Increased Financial Oversight Scheme has been estimated at £0.8m to £3.7m over ten years, in 2025/26 prices. It should be stressed this is an early cost estimate, based heavily on the cost of the Financial Oversight Scheme in England, which might, ultimately, differ from the Scottish Scheme. The Scottish Government will refine the estimated cost, following the consultation.

83. The Scottish Government will seek to minimise the administrative burdens on businesses as far as possible. A full public consultation (referred to above), including seeking views from private and not-for-profit providers will be undertaken prior to the exercise of the regulation-making powers and duties under the Bill. This will ensure there is the possibility to work constructively with providers to minimise the administrative burdens arising from any exercise of profit limitation powers.

84. It is not possible to monetise the impact of any future profit limitation at this stage. This is because the impact will depend on both the level at which any future limit is set and the market conditions – including profit levels, supply and demand and diversity of provision – at the time that a limit were introduced. Including figures at this stage, prior to the necessary engagement with the market that would be required before a profit limit is set, would be unhelpful and would have the potential to adversely impact the market by driving providers to make unwarranted assumptions about the level of any future limit based on such figures. The Scottish Government will engage with providers and local authorities during Summer 2025 to confirm methods of data collection, and alongside the Care Inspectorate, Scotland Excel and SG analysts, we will use this collated information to then consider using SSI if profits are deemed excessive. As stated above, Scottish Government will ensure that the Finance and Public Administration Committee is appraised of these costs once this engagement has been carried out.

85. Alongside the consultation, the Scottish Government will engage with stakeholders to develop proposals to deliver a sustainable approach to keeping The Promise across children’s residential care. This will include assessing qualitative and quantitative data to inform these policies and developing proposals covering critical dependencies such as forecasting future needs of children and young people entering care, commissioning services, and workforce development, recruitment and retention.

Summary of costs associated with Part 1, Chapter 2, Section 7

86. The Scottish Government has estimated the cost to businesses of the Increased Financial Oversight Scheme at between £0.8M-£3.7M over ten years, in 2025/26 prices. This estimate was based on the cost of the Financial Oversight Scheme in England, which may differ from the Scottish Scheme. The estimate will be refined following the consultation on these Bill provisions.

Table 14: Summary of costs associated with Part 1, Chapter 2, Section 7

	2026/27	2027/28	2028/29	2029/30
Costs on the Scottish Administration	£100,000 - £120,000	£70,000-£80,000	-	-
Costs on Local Authorities	-	-	-	-
Costs on other bodies, individuals and businesses	-	£800,000 - £3,700,000 over ten years		
				-

PART 1, CHAPTER 2, SECTION 8: FOSTERING AGENCIES TO BE CHARITIES

87. The provisions within this Bill require all Independent Fostering Agencies (IFAs) in Scotland to operate as registered charities before being authorised to provide foster care services. This will provide the legal foundation to further strengthen the not-for-profit model of foster care by ensuring that public funds are reinvested directly into services for children, rather than extracted as private profit. The new requirement will be commenced by regulations at a future date.

Costs associated

88. The requirement for all IFAs to register as charities is expected to generate direct costs for affected providers. These include legal and governance related expenses associated with

restructuring, charity registration and compliance with charity regulation. Additional financial implications may arise as a consequence of market responses, including short-term disruption should some providers withdraw rather than adapt. Further costs may also fall to the Scottish Government and local authorities in managing transition, including actions to maintain placement stability and continuity of care.

89. Based on indicative modelling and available sectoral data, the estimated short-term financial impact ranges between £810,000 and £1.2 million. This includes anticipated transitional support for IFAs, such as the development of guidance materials, templates and transitional advice – Scottish Government lead implementation activity, and regulatory oversight by Office of the Scottish Charity Regulator (OSCR) and the Care Inspectorate. These costs are distinct from the potential £1-1.5 million in additional placement costs that may fall to local authorities if there is temporary disruption to IFA placement provision.

90. The financial modelling assumes a transition period of around a 18-24 month period, led by the Scottish Government and supported by the Office of the Scottish Charity Regulator (OSCR) and the Care Inspectorate in the development of regulatory frameworks, transitional guidance and proportionate oversight. Evidence from the Competition and Markets Authority's *Children's Social Care Market Study (2022)*²⁴ highlighted that some placements provided by IFAs were more costly than those arranged by local authorities and that profit margins in some parts of the sector were significantly higher than justified by service delivery needs. The CMA also identified concerns around placement mismatches and value for money. These findings are echoed by the Scottish think tank *Common Weal*²⁵, whose recent analysis raised specific concerns that IFAs, while legally required to operate on a not-for-profit basis in Scotland, may still transfer funds to profit-making parent companies, primarily through mechanisms such as unsecured loans.

91. In terms of potential long-term financial benefits, it is estimated that eliminating private profit from the Independent Fostering Agency (IFA) market could release between £6 - £10 million annually back into the fostering system. This estimate is based on analysis of financial data from published accounts, procurement intelligence, and relevant market studies, including the Competition and Markets Authority's *Children's Social Care Market Study (2022)*²⁶. That study identified that profit margins for private providers can range from **10% to 20%** on fostering placement fees, with additional concerns raised about indirect profit extraction via inter-company loans and management charges within corporate group structures. While the CMA's data encompasses the UK as a whole, the findings are pertinent to Scotland's context. The presence of high profit margins and complex financial arrangements among large providers suggests that similar practices exist within Scotland's IFA market.

92. The estimate assumes that up to **one third of IFA placements** in Scotland - those delivered by the nine non-charitable IFAs - are currently subject to these profit levels. According to the latest Care Inspectorate Fostering and Adoption Statistical Bulletin, approximately 1,300 to 1,400 children are placed with IFA foster carers in Scotland at any given time, representing around 34% of the total fostering population. Applying average placement costs of approximately **£50,000 per annum per child**, the total annual IFA spend across Scotland is estimated at £65-£70 million. If

²⁴ Competition and Markets Authority (2022). [Final report - GOV.UK](#).

²⁵ Common Weal (2025). [The Crisis In Foster Care In Scotland — Common Weal](#).

²⁶ CMA (2022), *Children's Social Care Market Study*

profit margins of 10–15% are currently being extracted on a third of this spend, this would equate to £6–£10 million annually in profits that could instead be reinvested in carer support, therapeutic services for children, and operational improvements.

93. The primary beneficiaries of these savings would be **local authorities**, who commission IFA placements. As profit is removed from the cost base, local authorities would benefit from more predictable and transparent pricing, as well as a clearer line of sight on reinvestment into quality improvement. There would also be **indirect benefits to the Scottish Government**, through greater market stability and the reduced likelihood of escalation to higher-cost provision, such as residential care.

94. It is acknowledged that there is a **risk that some providers may exit the market** rather than restructure as charities. This risk is most acute among IFAs embedded within large, UK-wide corporate groups, where charitable conversion may not align with business models. However, current modelling assumes that the **majority of the nine non-charitable IFAs** will transition, supported by an 18–24 month implementation period, Scottish Government engagement, and OSCR guidance. Even in the event of some market exit, continuity of care can be maintained through planned reallocation of foster carers and strengthened local authority capacity, supported by the national foster carer recruitment campaign launched in 2025. Any residual placement shortfall would be addressed through contingency planning and the use of existing commissioning mechanisms, such as Scotland Excel.

95. Overall, the shift to a fully not-for-profit fostering market is expected to support a more financially sustainable, child-centred care system in the longer term, with upfront investment offset by the redirection of recurring profits into services that benefit children, carers, and the wider public sector.

Costs on the Scottish Administration

96. The Scottish Government will incur costs in supporting implementation of the new framework requiring all Independent Fostering Agencies (IFAs) to operate as registered charities. These costs include the development of guidance, stakeholder engagement with providers and local authorities and policy support during the transitional phase, and ongoing oversight to ensure policy intent is being met.

97. Initial implementation and policy development costs are estimated at approximately £150,000–£225,000. This figure is based on experience from previous system reforms and reflects the resource requirements for a small, time-limited policy team within the Scottish Government, likely comprising 2-3 full-time equivalent (FTE) staff over an 18-24 month period, with an estimated 20–50% of their time dedicated to this area alongside other responsibilities. These are not additional posts but will be delivered within the existing resource budget. The estimate also includes limited support from legal and communications colleagues, as needed. It includes costs associated with drafting secondary legislation, stakeholder events, cross-government coordination, and development of monitoring and evaluation frameworks.

98. Ongoing annual costs for Scottish Government oversight are projected at up to £150,000–£200,000, covering the work of 1–2 FTE policy officials for policy implementation, sector liaison,

and monitoring, along with modest programme administration costs. These resources will ensure that the new framework continues to operate effectively and in alignment with the wider aims of *The Promise*.

99. Office of the Scottish Charity Regulator (OSCR) and the Care Inspectorate, who will play distinct but complementary roles in regulating charitable fostering services, will have additional operational responsibilities. These include assessing applications for charity status, reviewing charity accounts and inspecting fostering services for care compliance. Based on OSCR's experience of recent applications, the cost of processing a single application for charitable status ranges from £272 to £3,362, depending on the complexity of the case. Given a maximum of nine IFAs requiring registration, this represents a total range of £2,450 to £30,260.

100. While most IFAs are expected to transition without significant issue, it is possible that one or more applications may be refused, leading to internal reviews or legal appeals. OSCR estimates that the maximum cost associated with a single appeal could be around £43,200, drawing on previous casework involving complex appeals, legal counsel and tribunal proceedings. While such appeals are considered unlikely, if even one were to occur, the upper total cost to OSCR could rise to around £73,460.

101. These potential costs are considered proportionate and are expected to be absorbed within OSCR's existing resource envelope, subject to review if unexpected volumes or complexity arise. For the Care Inspectorate, there is not anticipated to be a material change in inspection workload, but they may incur one-off administrative costs if IFAs need to register as new services. These are also expected to be minimal and manageable within existing capacity.

102. At this stage, any associated costs are expected to be minimal and manageable within existing resources, reflecting the small number of services likely to transition and the proportionate nature of the regulatory response. While some applications from Independent Fostering Agencies (IFAs) may involve more complex corporate structures, OSCR assesses applications solely against the charity test and it is not anticipated as a significant resource burden.

103. Likewise, the Care Inspectorate's existing inspection regime will apply to fostering services regardless of their charitable status, and no material change in inspection workload is expected. There may be some changes to registration processes if IFAs are required to register as entirely new organisations, but this would apply to a maximum of nine services and is expected to be a minor, one-off administrative adjustment within existing operational capacity.

104. Some modest costs may arise for systems updates, staff familiarisation, and handling more complex cases, particularly where IFAs are embedded within larger corporate groups. These are not expected to be significant and are likely to fall within a range of £10,00 to £30,000 in total across both regulators. This reflects one-off administrative and training costs. The position may be refined further during implementation planning, if required, but current estimates suggest these costs can be absorbed within existing operational capacity.

105. These regulator costs reflect the dual requirements of charity regulation and fostering service scrutiny and are proportionate to the projected increase in regulated entities - specifically, the registration of up to nine non-charitable IFAs into regulated charities. While the majority of

IFAs are expected to transition to charitable status without issue, it is possible that some applications may be complex or refused by OSCR. In such cases, applicants have a right to request an internal review by OSCR and, if still dissatisfied, may appeal to the First-tier Tribunal for Scotland (General Regulatory Chamber), with further rights of appeal to the Upper Tribunal and potentially the Court of Session. These processes could generate additional costs for OSCR, the Scottish Government, and the Scottish Courts and Tribunals Service (SCTS).

106. SCTS has previously noted that it is difficult to estimate costs associated with such appeals. However, Office of the Scottish Charity Regulator (OSCR) has provided indicative costings from a comparable recent case, suggesting that a complex appeal involving legal counsel and multiple levels of review could cost up to £43,200. While such appeals are expected to be rare, if they occur, the total cost associated with a single complex IFA application and appeal could be up to £73,500. This includes both OSCR's casework and legal activity and potential judicial processes. No specific provision is included for this in OSCR's core budget as the likelihood of such appeals is low however they may require additional support from the Scottish Government, this cost range is reflected in the summary table for transparency.

107. Overall, these costs are considered proportionate and necessary to safeguard the integrity of the not-for-profit model, ensure public confidence in the transition process, and uphold high standards of service quality and financial accountability across the fostering sector. Most of these costs will be met within existing Scottish Government and regulator budgets.

Costs on local authorities

108. Local authorities may experience two main categories of cost associated with the implementation of this provision: short-term increased placement costs and administrative adjustments to local commissioning and procurement frameworks.

109. Short-term increased placement costs are estimated between £1 million - £1.5 million, based on the potential need to absorb a proportion of placements currently managed by Independent Fostering Agencies (IFAs). According to various sources, including local authority reports and fostering agencies, the annual cost of in-house foster placements typically cost between £20,000 and £48,000 per child per year. In contrast, placements with IFAs are often significantly more expensive, costs range from approximately £50,000 to £79,000 per child, or more depending on the child's age and the complexity of their needs. Should a small proportion of IFAs (estimated at 5–10% of current placement provision) withdraw temporarily from the market during the transition period, local authorities may need to redirect children to in-house care or, in some cases, residential placements, which can exceed £200,000 per year per child. The upper range of estimated costs reflects the potential for increased reliance on higher-cost alternatives.

110. Administrative adjustments to commissioning processes are also expected, particularly as local authorities transition toward a charity-only IFA model. These adjustments are projected to cost between £1.4 million and £2 million across Scotland's 32 local authorities. The majority (27 councils) currently use the Scotland Excel Framework for IFA placements and will therefore require only moderate internal changes, primarily focused on staff training, financial oversight, and placement systems. The remaining four local authorities commission IFAs independently and are expected to incur higher administrative costs due to the need for full procurement redesign, contract renegotiation, and legal and financial review.

111. This estimate is based on a breakdown of anticipated costs per authority, ranging from £40,000–£60,000 for those using Scotland Excel, and £75,000–£100,000 for those commissioning independently. These figures are informed by previous public sector procurement transitions and adjusted for the complexity of the foster care market. Cost drivers include procurement redesign, legal review, contract renegotiation, staff training, financial system updates, and contingency planning. All local authorities are expected to experience some level of change, regardless of existing framework participation and Scotland Excel is in the process of extending its existing National Framework in anticipation of the Bill, which will support consistency across local authorities and reduce duplication during the transition.

112. These projected local authority costs are considered proportionate to the scale and potential benefits of the reform and are likely to diminish over time as commissioning systems stabilise and foster carer recruitment increases under complementary national initiatives, like the recruitment campaign.

Costs on other bodies, individuals and businesses

113. IFAs currently operating as private businesses or within corporate group structures will be required to restructure as charities. This will incur legal, governance, and organisational costs, which are estimated at between £25,000 - £70,000 per provider. Sector-wide, this amounts to a total estimated cost of £225,000 to £630,000, based on nine IFAs currently operating without charitable status.

114. These estimates are drawn from comparable transitions undertaken by third sector organisations converting to charitable company models. They reflect typical consultancy fees for legal restructuring (£10,000–£25,000), internal governance and trustee recruitment processes (£5,000–£15,000), and administrative adjustments including charity-compliant reporting and audit preparation (£10,000–£15,000). Contingency has also been factored in to reflect variations in size, complexity, and corporate group structure among affected IFAs.

115. Additional costs for staff training, governance updates, and financial system changes are included within these totals. While these represent a short-term financial burden for affected organisations, they are proportionate to the income and operational scale of most IFAs. General guidance will be available from OSCR to support understanding of the regulatory requirements and the Scottish Government will engage with providers to support a smooth transition and promote compliance.

116. While transitional costs are anticipated, the longer-term benefits in terms of improved outcomes, financial efficiency, and alignment with public service values are significant. Continued engagement with IFAs, OSCR, and local authorities will be crucial in managing implementation and ensuring a stable fostering market throughout the transition period.

Table 15 - Summary of costs associated with Part 1, Chapter 2, Section 8

	2026/27	2027/28	2028/29	2029/30
Costs on the Scottish Administration	-	£800,000 - £1,100,000	£400,000 - £700,000	£407,000 - £712,000
Of which: OSCR & Care Inspectorate regulatory costs (inc. Possible appeal)	-	£10,000– £100,000	-	-
Costs on Local Authorities	-	£1,000,000 - £1,500,000	£1,018,000 - £1,527,000	£1,035,000 - £1,552,000
Costs on other bodies, individuals and businesses (e.g. IFAs)	-	£225,000 - £630,000	-	-
Estimated Profit Reinvested in the Fostering System*			£6,000,000 - £10,000,000	£6,000,000 - £10,000,000
Total (excluding reinvesting)	-	£2,025,000 - £3,230,000	£1,418,000 - £2,227,000	£1,442,000- 2,264,000

* While not a direct cash saving to either the Scottish Government or local authorities, the removal of private profit from the IFA market is expected to result in £6–10 million per year being retained within the fostering system from 2028/29 onwards. These funds, which would previously have been extracted as profit, will instead be reinvested in service quality, foster carer support, and children’s wellbeing. For this reason, this is shown as an estimated reinvestment figure, rather than a cashable saving attributable to a specific tier of government.

PART 1, CHAPTER 2, SECTION 9: REGISTER OF FOSTER CARERS

117. The provisions within the Bill relating to a national register of foster carers provide a legal framework for the future establishment of a register. The precise model will be developed in consultation with stakeholders and subject to secondary legislation.

Costs associated

118. As such, there are no immediate financial implications arising from these provisions. The future establishment of a register - whether in full or in a phased approach - will be subject to separate policy development, stakeholder engagement, and financial assessment, including a full business case and cost analysis. The Scottish Government will determine the most appropriate model for a national register at a later stage, ensuring that any future financial commitments are fully assessed and budgeted for before implementation. An estimated range of costs associated with a national register are below.

119. The provisions allow for Scottish Ministers to charge fees for transactions that occur in relation to the Register. The intention at present is that these charges are not applied, and for that reason there will be no additional cost to local authorities, other bodies, individuals

and businesses This power has been included to allow flexibility for the future development of the register, for example if it expands to support functions such as learning and development tracking. However, given the current shortage of foster carers and the aim to reduce barriers to recruitment, introducing fees at this stage would be counterproductive. As such, no income from fees is anticipated and no associated revenue has been factored into current financial estimates. Any future decision to charge fees would be subject to full policy development, consultation and financial assessment.

Costs on the Scottish Administration

120. While there are no immediate costs on the Scottish Administration associated with the provisions to establish and maintain a register of foster carers, the Scottish Government has set an ambition to introduce a national register by 2027/28. The period from 2027/28 to 2030 will then focus on testing, scaling, and embedding the register across Scotland, ensuring it is fully functional, widely adopted, and capable of supporting national recruitment, safeguarding, and oversight objectives aligning with delivery of The Promise. This phased approach allows time for co-design with the sector, policy development, consultation, detailed business case preparation, and secondary legislation to establish the register's structure and purpose. Costs will include officials' time to design, consult on, and prepare secondary legislation, as well as carrying out necessary impact assessments. It is anticipated that these costs will be met from within existing resources.

121. The cost to develop, build, test, and scale a national register can vary significantly based on specific requirements and complexities. Based on initial research and drawing from comparable projects and industry estimates, we estimate that total initial costs could range from £120,000 to £400,000 or more. These estimates assume the setup would be relatively comprehensive, with a focus on technology, legal compliance, staffing, and outreach. Ongoing operational costs could range from £65,000 to £195,000 annually and would include system maintenance, marketing and administrative expenses.

122. Further costs may be incurred in the future depending on the scope and functionality of the register. For example, if additional administrative capacity, governance functions, or enhanced IT infrastructure are required to support wider safeguarding, quality assurance, or learning and development features, this could involve additional expenditure. While precise figure will depend on the final design, a broad indicative range of £50,000 to £100,000 annually may be anticipated for enhanced staffing, compliance functions, or expanded digital capabilities. These figures are illustrative and will be subject to detailed financial modelling and business case development as the policy is refined.

Costs on local authorities

123. Following establishment of a register, costs may arise for local authorities depending on their level of involvement in data submission, verification, or compliance with registration requirements. These costs will vary depending on existing local systems, processes and capacity. As part of the development of regulations to implement the register, further consultation and engagement will be undertaken to continue to inform this, including ongoing engagement with COSLA and local authorities to consider potential costs. While detailed estimates will be developed as part of future regulatory impact assessments, a very preliminary indicative range of

£5,000 to £20,000 per authority annually has been included to reflect the potential for administrative and compliance related costs.

Costs on other bodies, individuals and businesses

124. There are no direct costs anticipated for Independent Fostering Agencies (IFAs), foster carers, or other organisations at this stage, associated with the establishment of a national register of foster carers. However, depending on the final design and implementation model, future costs may arise for fostering services or other stakeholders in relation to data collection, compliance, or support functions. These have been detailed below.

125. Should the register move beyond a basic database to include wider safeguarding, scrutiny, or quality assurance functions, additional costs may arise. These could include:

- **IT Development and Infrastructure:** The costs of developing, testing, and maintaining a secure database or digital system. Indicative one-off costs could range from £50,000 to £100,000, depending on functionality and integration needs.
- **Staffing and Administration:** Any additional roles required for data management, oversight, and quality assurance. Annual staffing costs could fall in the range of £30,000 to £100,000, depending on scale and delivery model.
- **Training and Guidance:** Support for local authorities, fostering agencies, and foster carers on registration requirements. This could involve estimated one-off costs of £20,000 to £50,000 for the development and dissemination of guidance and training materials.
- **Regulatory Compliance and Governance:** If additional oversight mechanisms are introduced, costs may arise in setting up and maintaining appropriate oversight systems. These would require further policy development and financial appraisal.

Table 16: Summary of costs associated with Part 1, Chapter 2, Section 9

	2026/27	2027/28	2028/29	2029/30
Costs on the Scottish Administration	-	£120,000 - £400,000	£65,000 - £195,000	£66,000 - £198,000
Costs on Local Authorities	-	-	-	-
Costs on other bodies, individuals and businesses	-	-	-	-
<i>Potential future costs on local authorities (illustrative)*</i>			£160,000 - £640,000	£162,400 - £649,600
<i>Potential future expansion costs (illustrative)**</i>			£100,000 - £300,000	£101,500 - £304,500
Total	-	£120,000 - £400,000	£65,000 - £195,000	£66,000 - £198,000

*These costs are illustrative and reflect possible administrative or compliance costs across Scotland’s 32 local authorities. Final estimates will be informed by engagement with COSLA and further impact assessment.

** These costs are indicative only and reflect potential future expansion of the register to support additional functions such as enhanced safeguarding, oversight, or quality assurance. They include illustrative estimate for IT infrastructure, staffing, training and regulatory support. Figures are subject to future consultation, business case development and budget approval.

PART 1, CHAPTER 3: CHILDREN’S HEARINGS

126. The majority of the costs associated with the redesign of the children’s hearing system comes from provisions relating to the remuneration of Chairing Members, as well as provisions to allow the National Convener, subject to conditions, to additionally remunerate Specialist panel members, over time, and for particular purposes, where appropriate. The costs outlined below have been compiled in conjunction with Children’s Hearings Scotland (CHS).

127. Costs associated with the Scottish Children’s Reporter Administration (SCRA) are included below with the principal costs associated with capital projects as a result of changing processes within the system and the need to amend IT systems.

Background

128. In 2023/24 10,971 children were referred to the Reporter.²⁷ There is a long term decline in the number of children being referred, but the hearings system remains Scotland’s largest legal tribunal.

129. In 2023/24, 21,613 Children’s Hearings were held for 9,632 children, a 3.3% decrease from 2022/23. The number of Children’s Hearings held annually since 2018 is set out in table 17. There is a long term decline in the number of children being referred, but the hearings system remains Scotland’s largest legal tribunal.

Table 17: number of Children’s Hearings held annually since 2018

Year	Children referred	Children’s Hearings held
2018/19	12,869	31,653
2019/20	12,849	30,363
2020/21	9,665	16,248
2021/22	10,494	21,909
2022/23	10,981	22,341
2023/24	10,197	21,613

²⁷ [Children referred to the Reporter](#) – p.6 SCRA Annual Statistical Analysis for 2023/24

Costs associated

130. The tribunal element of the children’s hearings system is currently based on the recruitment of volunteers as decision-makers. The system has operated this way since its inception and currently engages around 2000 volunteers appointed by the National Convener to the national children’s panel to serve on hearings. Recruitment campaigns are required each year to maintain numbers.

131. Children’s Panel members take decisions about children who may need compulsory measures of care. This can include a decision to remove a child from their family; authorise secure care accommodation; instruct movement restriction conditions or request any measure which is deemed to be in the best interests of the child.

132. The Chairing Member of a children’s hearing has additional duties over and above that expected of the ‘ordinary’ or ‘side’ panel member, including the management of hearings. These duties are increasingly complex and challenging because of the escalating acuteness of children’s needs now coming to hearings, and also because of denser, more complex legislation and policy landscape, and a general trend towards a more legalistic and litigious approach.

133. There is a ‘tipping point’ in what can fairly be asked of an unpaid lay volunteer member who may have limited time to train and be available for hearings. There is also a tension with how much quality assurance and training can fairly be demanded of a volunteer. For that reason, remuneration of the Chairing Member on a daily fee basis is appropriate.

134. Latest available modelling suggests that approximately 103 Chairing Members, based on availability of 128 days per year, plus training, would be required. This followed detailed data modelling carried out by Children’s Hearings Scotland. This is predicated on anticipated numbers of hearings, and anticipated numbers of children referred to the Principal Reporter.

135. SCRA costs largely emanate from amendments being made to the process of establishing grounds. The costs for which have been anticipated as falling into four categories: Impact on Staff Time; Training; IT requirements; and property.

136. The largest single cost to SCRA is a potential change to IT infrastructure which is anticipated to be a one-off capital investment to reflect new processes within the system.

Costs on the Scottish Administration

137. There are no costs associated with these provisions falling on the Scottish Administration. As outlined below, Scottish Children’s Reporter Administration and Children’s Hearings Scotland (CHS) have the statutory responsibility for the delivery of children’s hearings and therefore bear the brunt of costs associated with their duties.

Costs on local authorities

138. The Bill does not introduce new duties or obligations on local authorities beyond introducing some new signposting, language and concepts for local authority professionals before,

at and after referrals to the Principal Reporter and to children's hearings. It is expected that local services will work within the existing structures and resources. Any additional costs likely to fall on local authorities are forecast to be minimal.

Costs on other bodies, individuals and businesses

139. Scottish Children's Reporter Administration (SCRA) and Children's Hearings Scotland (CHS) have the statutory responsibility for the delivery of children's hearings and therefore bear the brunt of costs associated with their duties.

140. The estimated cost of remunerating Chairing Members and additional Specialist Panel Members for case work, training, holiday pay, and replacing 5% lost to attrition each year is £6.53m in the first year and £6.16m in following years, after the majority of training for new Chairs is carried out. The principal cost is the Daily Fee required for Chairing Members which is set in line with the tribunal tiers outlined within the Scottish Government pay policy. CHS have modelled this fee at £385 per day but may be subject to ongoing review on the basis of responsibilities and statutory duties of the Chairing Member.

141. Current modelling anticipates 103 Chairing Members will be required alongside a cohort of approximately 1000 volunteer Members of the Children's Panel.

142. Operational costs have been factored into the modelling. Operational costs include the design of a new Chair and assurance training programme and CPD learning, as well as the cost of running these. Some of the costs may be absorbed by CHS's current Learning budget. New training for volunteers is estimated to be within the current Learning budget too. The estimated cost is £0.28m in the first year and £0.03m in the following years.

143. CHS anticipates specialist recruitment resource will be required to identify and appoint the independent remunerated Chairs. This is budgeted for the first year only and costed as 10% of the total remuneration cost, at £0.55m. It is not known whether additional specialist resource will be required in future years and will be determined after the initial cohort of Chairing Members is recruited.

144. These calls will form the assessed need for budget grant-in-aid purposes for Children's Hearings Scotland.

145. SCRA anticipate that the additional costs associated with the provisions, in particular the amendments to the grounds processes, will be require changes to the way SCRA work across a number of roles in the organisation.

146. The proposals for a post-referral discussion rely on the professional judgement and discretion of the Reporter but with the expectation that discussions will be held where appropriate and beneficial. Based on data modelling and anticipated hearing numbers, SCRA plan for a post-referral discussion for between 25-50% of referrals, once provisions raising the age of referral (Children (Care & Justice) Act 2024 provisions) are introduced. This is based on the number of decisions taken, on average, over the past 3 years and modelled to reflect increases.

147. This leads to the number of post-referral discussions taking place between 2750 and 4050. Based on some analysis of a pilot scheme run in Dumfries, an average meeting takes around one hour, with additional time required for preparation and record keeping of the meeting outcome.

148. The range of potential impact is therefore as follows:

- Low estimate – 2750 x 2 hours = 157 weeks of Reporter time
- High estimate – 4050 x 3 hours = 347 weeks of Reporter time

149. This effectively means approximately between 3 and 7 extra Reporters, with a cost of between **£213,000** and **£497,000**.

150. SCRA have indicated that the impact of changing the process of establishing grounds is difficult to assess but are currently anticipating a cost-neutral impact due to the change in decision-making options available to the Reporter.

151. SCRA indicate that each member of staff (current FTE approx. 420) will require training in relation to the new provisions of around 2 days per staff member. Based on estimates for other legislative changes, it is estimated this will cost approximate £200,000.

152. The single biggest cost to SCRA is anticipated to be changes to the current case management system (CSAS) which is designed to follow the current grounds process. Third party vendors will likely require to be engaged and proposed changes will impact on two core system and other integrated software. The cost is estimated to be a one off capital investment of around £1.1m covering the Discovery to Go Live phases. This is estimated on the basis of previous development projects related to the CSAS platform.

153. Due to the inclusion of additional post-referral meetings and the need for tribunal members to adjourn to consider decisions in some cases, SCRA (who have the statutory responsibility to provide the estate in which hearings are held) anticipate some changes to property requirements principally in terms of capacity to hold additional meetings. This will largely be impacted by the ability to schedule appropriate space for sensitive or challenging meetings.

154. SCRA are of the view their current estate footprint is sufficient to accommodate additional meetings though some minor works may be required to maximise capacity. This is estimated as between £60-£100,000.

155. The total upper cost to SCRA is modelled to be £2m with between £216,000 - £505,000 as recurring staffing costs with the rest a one-off investment. Recurring costs are dependent on the development of working practices in relation to the new provisions.

Table 18: Summary of costs associated with Part 1, Chapter 3

	Falling on	2026/27	2027/28	2028/29	2029/30
Remunerating chair members (resourcing costs)	CHS			£6,530,000	£6,160,000 (reoccurring)
Operational costs for remunerating chair members (resourcing)	CHS			£280,000	£30,000 (reoccurring)
Extra reporters required for post-referral discussions (resourcing)	SCRA			£213,000 - £497,000	£216,575 - £505,341 (reoccurring)
Training for SCRA staff (resourcing)	SCRA			£200,000 (one-off)	
Updates to case management system (capital)	SCRA		£1,100,000 (one-off)		
Changes to SCRA estate to maximise capacity (capital)	SCRA			£60,000 - £100,000 (one-off)	
Total			£1,100,000	£7,283,000-£7,607,000	£6,406,575-£6,695,341

PART 2: CHILDREN’S SERVICES PLANNING

156. The provisions in the Bill aim to ensure that the statutory duties for Children’s Services Planning in Part 3 of the Children and Young People (Scotland) Act 2014 (“the 2014 Act”) placed upon a local authority and the relevant health board are also placed upon integration authorities (IJBs) where functions have been delegated to them in a given local authority area. The 2014 Act places lesser duties on ‘*other service providers*’ to those placed on a local authority and the relevant health board. Currently, integration joint boards (IJBs) are listed as a specified ‘*other service provider*’ in section 7(1) of the 2014 Act.

157. The need for an enhanced level of IJB accountability for the execution of children’s services planning duties arises from the IJBs responsibility for:

- Adult services key to the provision of holistic whole family support;
- The interrelationship between adult and children’s services including transitions. Particularly in relation to disabled young people where transitions to adult services may involve wide-ranging complex needs requiring continued multi-agency support across health and social care; identifying and meeting the needs of young carers and care leavers.
- The impact of services provided to a parent, carer, or other significant adult, on child wellbeing (e.g. in relation to alcohol and drug use, or mental health).

158. By strengthening the legal duty on integration joint boards (creating tri-partite accountability across the three public bodies), it will improve outcomes by enhancing collaborative

working and join up of strategic planning activities across adult and children's services, and in doing so bolster the Government's ability to deliver The Promise.

Costs associated

159. As an *'other service provider'*, integration joint boards (IJBs) are already expected to be engaged in local children's services planning. Under the current legislative framework, they must be given the opportunity to participate in or contribute to the preparation of the children's services plan (section 10), and they hold duties in relation to its implementation (section 12) and provision of assistance (section 14). The proposed provision seeks to reinforce and formalise these existing responsibilities, placing IJBs on an equal statutory footing with local authorities and health boards. This change reflects the critical role IJBs play within the broader strategic planning landscape and aims to ensure greater consistency in their involvement across the country. Evidence indicates variability in the extent of IJB participation nationally, so this may have implications for the resource demands placed on strategic planning staff who support IJB functions in some areas. However, the proposed provision does not introduce a new requirement but rather strengthens existing expectations. Given that all IJBs are already expected to be contributing to the planning process, any associated financial implications at the local level are anticipated to be minimal and manageable within existing resources. Officials continue to engage with COSLA to assess the potential impact of the proposed amendment and to understand their position.

Costs on the Scottish Administration

160. None.

Costs on local authorities

161. Given the existing statutory responsibility for children's services planning placed on local authorities, there should be no additional costs incurred as a result of this provision.

Costs on other bodies, individuals, and businesses

162. None.

Summary of costs associated with Part 2

163. As outlined in the section above, no significant costs are anticipated as a result of these provisions.

SUMMARY OF COSTS

Table 19: Summary of Costs of measures in the Bill

Provision	Falling on	2026/27	2027/28	2028/29	2029/30 (reoccurring)
Extension of Aftercare	Local Authorities		£2,511,000	£4,954,000	£7,435,000
Sub-Total			£2,511,000	£4,954,000	£7,435,000
Advocacy Services for Care Experienced Persons	Scottish Administration	£50,000-£70,000	-	£5,292,000-£7,101,232	£5,381,000-£7,220,409
Sub-Total		£50,000-£70,000		£5,292,000-£7,101,232	£5,381,000 - £7,220,409
Language in Relation to Care-Experience	Scottish Administration	£95,000-£105,000			
Sub-Total		£95,000-£105,000			
Children's Residential Services: Profit Limitation	Scottish Administration	£100,000-£120,000	£70,000 - £80,000		
	Residential Care Providers		£800,000 - £3,700,000 over ten years		
Sub- Total		£100,000 - £120,000	£870,000 - £3,780,000 over ten years		
Fostering Agencies to be charities	Scottish Administration		£800,000-£1,100,000	£400,000-£700,000	£407,000-£712,000
	Local Authorities		£1,000,000-£1,500,000	£1,018,000-£1,527,000	£1,035,000-£1,552,000
	Independent Fostering Agencies		£225,000-£630,000	-	-
Sub-Total			£2,025,000-£3,230,000	£1,418,000-£2,227,000	£1,442,000-£2,264,000
Register of Foster Carers	Scottish Administration		£120,000-£400,000	£65,000-£195,000	£66,000-£198,000
Sub-Total			£120,000-£400,000	£65,000-£195,000	£66,000-£198,000
Children's Hearings	Children's Hearings Scotland		-	£6,810,000	£6,190,000
	Scottish Children's Reporter Administration		£1,100,000	£473,000-£797,000	£216,575-£505,341
Sub-total			£1,100,000	£7,283,000-£7,607,000	£6,406,575-£6,695,341
Bill Total (excluding Children's residential services, profit limitation costs falling on residential care providers)		£245,000-£295,000	£5,826,000-£7,321,000	£19,012,000 £22,084,232	£20,730,575-£23,812,750

This document relates to the Children (Care, Care Experience and Services Planning) (Scotland) Bill (SP Bill 74) as introduced in the Scottish Parliament on 17 June 2025

CHILDREN (CARE, CARE EXPERIENCE AND SERVICES PLANNING) (SCOTLAND) BILL

FINANCIAL MEMORANDUM

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