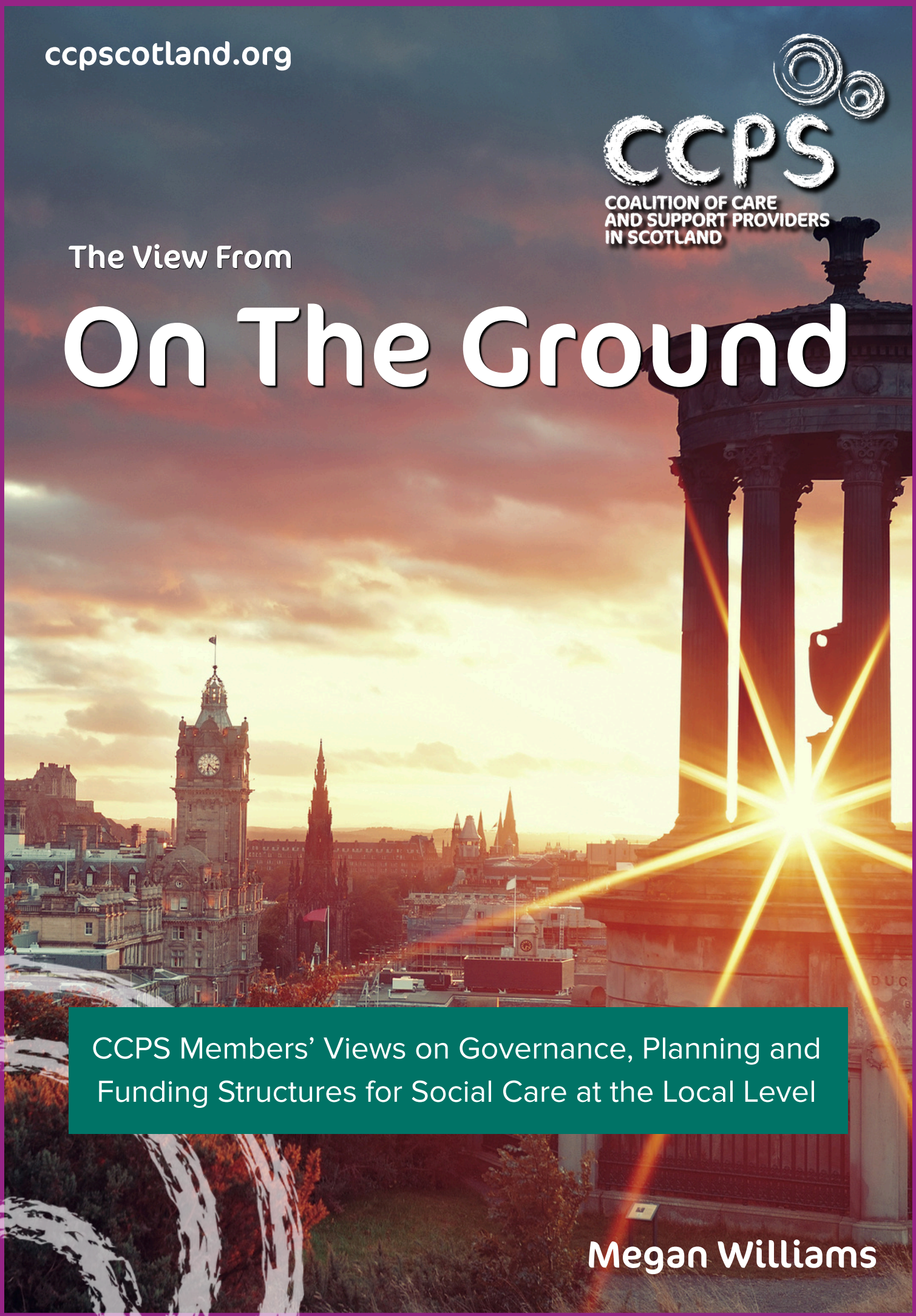
ccpscotland.org

CCPS
COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

The View From

On The Ground



CCPS Members' Views on Governance, Planning and Funding Structures for Social Care at the Local Level

Megan Williams

Contents

This report is part of a wider series on Funding.

You can read the other report A fragmented picture of integration via the QR code below or click here.

COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

CCPS is a limited company, registered in Scotland under the company number SC279913. Office of the Scottish Charity Regulator No. SC029199. The company's registered office is at Norton Park, 57 Albion Road, Edinburgh EH7 5QY

About CCPS

CCPS represents not-for-profit providers of care and support in Scotland. Our members provide support for children, families and adults. As a membership organisation we work strategically and collaboratively to Inspire, Influence, Involve and Inform.

Who We Are

CCPS represents not-for-profit providers of care and support in Scotland. Our 84 members deliver services across Scotland for adults with disabilities, older people, children and families, people impacted by addictions, homelessness and housing insecurity, poor mental health, poverty and people involved in the justice system. Collectively, they support tens of thousands of people and employ a significant proportion of Scotland's social care workforce.

Through the evidence and knowledge of our members, we provide detailed insight into how social care is working in Scotland, the challenges providers face and what needs to be done to tackle them. Our vision is a rights-based, sustainable system of social care and support that enables individuals, families and communities in Scotland to thrive.

Our key messages

- The new Scottish Government must fund social care like it matters. A combination of increasing need and delivery costs, coupled with years of underfunding, means that social care in Scotland is now facing significant pressure.
- The social care system is under real strain, putting our members and the people they support in jeopardy, but solutions exist. CCPS can provide expertise and insight to MSPs on the challenges in social care and offer evidence-based solutions.
- Social care is a vital public service and is essential to the wellbeing of people. It exists at the heart of communities across Scotland and allows people to live their lives on their own terms.
- The social care sector is a major employer in Scotland. Social care workers provide essential, skilled support to our communities. Our members need to be funded to provide the pay and conditions that reflect that.
- Social care is closely intertwined with other national policy areas of major importance, including child poverty, housing, economic prosperity and NHS waiting times.

Foreword

Following May's election, the new Scottish Government quickly signalled what would be its top priority, with Cabinet Secretary Ivan Mckee identifying "the defining task of our parliament" – public service reform.

I am in full agreement that public services – and more specifically, Scotland's social care sector – urgently needs reform. And it is crucial that this reform is guided by a long-term commitment to improving outcomes for people, rather than achieving short-term cost savings. To get this right, we need more than change within the current system, we need a fundamental redesign and a radically different operating culture. A key piece in this puzzle will be an overhaul of the planning and funding landscape, and the relationship between the public sector and commissioned providers.

This report was commissioned as a fact-finding piece of work to understand how the local strategic planning and funding landscape operates in Scotland, and how it is experienced by not-for-profit providers of social care. In doing so, it has highlighted just how deeply complex this system is, and how this complexity is having a direct impact on providers' ability to offer sustainable, person-centred care and support.

The report examines how not-for-profit social care providers experience this planning and funding landscape in practice. Visualising the funding structures of five anonymised providers, and drawing out shared themes from these funding maps, it draws attention to the huge amounts of organisational capacity which goes into navigating these complex systems, which one provider described as like "a game of Jenga". At the heart of providers' insights on the funding landscape is a real concern about how it is impacting the people they support and the quality of care they can offer.

A fuller analysis, providing a companion piece to this report, can be found here. It looks in-depth at the roles and responsibilities of the bodies involved in local strategic planning, creating an overview of how governance, planning and funding structures operate. It paints a picture of a complex and fragmented landscape, with procedures, processes, and accountability mechanisms often opaque and challenging for providers to navigate.

CCPS members are feeling immense strain from decades of underinvestment, all while demand for their services continues to rise. Policymakers cannot just focus on un-strategic cost-cutting measures within existing systems. Instead, we need fundamental reform that ensures sufficient funds are allocated to meet policy priorities and the needs of citizens, and that this investment can be directed to people who need support efficiently and effectively. Clearly, we have some way to go.

This report helps lay the groundwork for a different way forward. By understanding the huge drawbacks of the current system, I hope policymakers will feel better equipped to work with the sector to imagine a more effective and efficient system which prioritises people's outcomes.

While it was never the purpose of this report to directly offer solutions, we hope it will act as a wake-up call to policymakers that this system is not sustainable and certainly does not meet the aspirations of the Public Service Reform agenda. Change needs to happen fast. We see this report as the start of a conversation about how long-term funding reform should look, and CCPS and our members are ready to work in partnership with decisionmakers to design a better system for all.

Rachel Cackett
CEO, CCPS

Introduction

This report looks at the funding landscape from the not-for-profit provider perspective, mapping the funding of five anonymised organisations and providing a thematic analysis of their experiences of the system.

A full description of the methodology is available from page 26.

Definitions

The diagrams that follow provide a visual representation of the funding structure for five national not-for-profit care and support providers. Each diagram is from the perspective of that provider, as described in a 90-minute qualitative interview, and is therefore partial and a snapshot of a moment in time. They are intended to provide examples that give insight into the realities of the social care funding system rather than to map every piece of work being done by large, national organisations. There will inevitably be some simplification or incompleteness in reflecting a complex system (see limitations section); CCPS has published resources which provide more detailed definitions of contracting and procurement terms and frameworks (CCPS, 2022) (CCPS, 2023a). The organisations have an annual income ranging from £25-50 million per year, and support between 500-4,500 people.

Contracts

Block Contract

A block contract is a contract under which a provider agrees to deliver a defined service or amount of support; the commissioner pays for the availability of that capacity rather than for support to specific named individuals. Social workers then make the arrangements for who will be supported by that service, and the individuals may change over time without affecting the underlying contract.

Spot Contract

A spot-purchase contract is an arrangement under which a local authority procures care or support services for a specific person.

Contract

A contract under which a provider agrees to deliver care and support in line with the outcomes, pricing and terms specified. Payment is usually on a 'pay-as-used' basis (the council pays the agreed rate only for the hours, days or placements actually delivered, with no guaranteed minimum), or a 'cost-and-volume' basis (some guaranteed level of funding plus additional units paid at an agreed rate). Social workers then make the arrangements for who will be supported through the contract, and the supported individuals can change over time without the contract being affected.

Frameworks

Local Authority/ Health Board framework

Scotland Excel Framework

A framework is a pre-qualified list of approved care and support providers established through a procurement process; any provider with a compliant bid will win a place on the Framework. This creates a list of pre-qualified providers for commissioners to choose from.

Providers on a framework agree to provide care and support at certain rate (or set of rates, where there are multiple 'lots' for different types of support). The rates may be submitted by the provider, set by the local authority, or a combination (e.g. local authorities set a cap). The framework specifies the terms under which packages of support are awarded to the providers and the process for doing this, a 'pay-as-used' or 'cost-and-volume' basis. Providers are not guaranteed service referrals by being on the framework.

A framework may be run directly by a local authority or by a health board. Scotland Excel is a centralised procurement service that runs standardised frameworks for social care services among many other things. Any local authority may choose to join and procure through these Scotland Excel frameworks rather than establishing their own, but they are under no obligation to do so.

Other terms used on the visuals

Self-directed Support (SDS) is the way social care and support is arranged at an individual level to offer choice and control to the person. It includes several options:

• SDS option 1	The person's individual budget is received as a direct payment from the local authority, and they may purchase care and support services themselves.
• SDS option 2 / ISF	The person's individual budget is allocated to the provider they choose by the local authority. The provider holds the budget, but the person is engaged in how it is spent. This is sometimes called an Individual Service Fund (ISF).
• SDS option 3	The local council chooses and arranges the support. This is the least self-managed option, although the local authority should still seek to involve the person in deciding what support meets their needs.
• SDS option 4	A mixture of options 1-3 for different types of support.
Independent Living Fund (ILF)	Nationally administered by Scottish Government, Independent Living Fund grants are made to people with high support needs to support them to live in their communities. They are received as a direct payment, with which the individual may choose to purchase additional care and support alongside their self-directed support.
Housing Benefit	Housing benefit is administered by local authorities but ultimately funded by the UK Government Department of Work and Pensions (DWP), who set the amounts and eligibility criteria. It is mainly for people living in supported, sheltered or temporary accommodation (in other cases, it has been subsumed into Universal Credit).
Intensive/additional housing management charges	Intensive housing management charges are additional amounts, often included in a housing benefit claim, to cover the extra time and additional tasks that fall to landlords in supported accommodation e.g. tenancy management, maintenance, small repairs.
Sleepovers and waking nights	A 'waking night' is a night shift for a social care worker, with care and support duties through the night. If a social care worker stays overnight with the expectation that they will sleep, but be on hand to provide care and support if needed, this is called a 'sleepover'.

Sources: (CCPS, 2022), (Scotland Excel, 2026), (Rummery et al., 2012), (Scottish Government, 2021), (MRAssociates, 2026), (Procurement Journey) 'Specific Considerations & Rules for Care and Support Contracts'

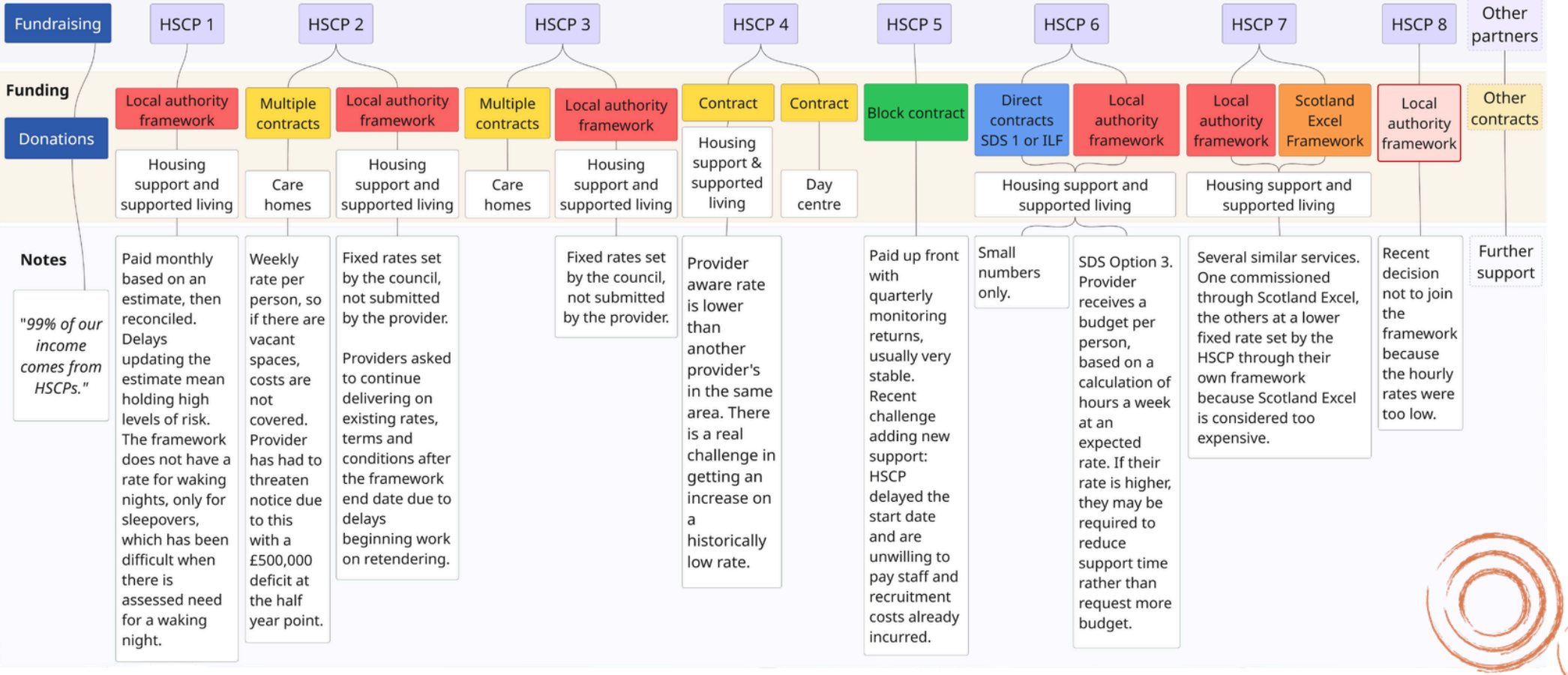
ORGANISATION A

Visual representation of approximately two thirds of the organisation's work

Involvement in strategic planning

No membership of strategic planning bodies. Involvement is through provider forums and one-off provider engagement meetings. This can sometimes feel tokenistic or may not engage with the issues in depth. Recently received an online questionnaire from one local authority consulting on where they could cut costs.

Funding partners/sources



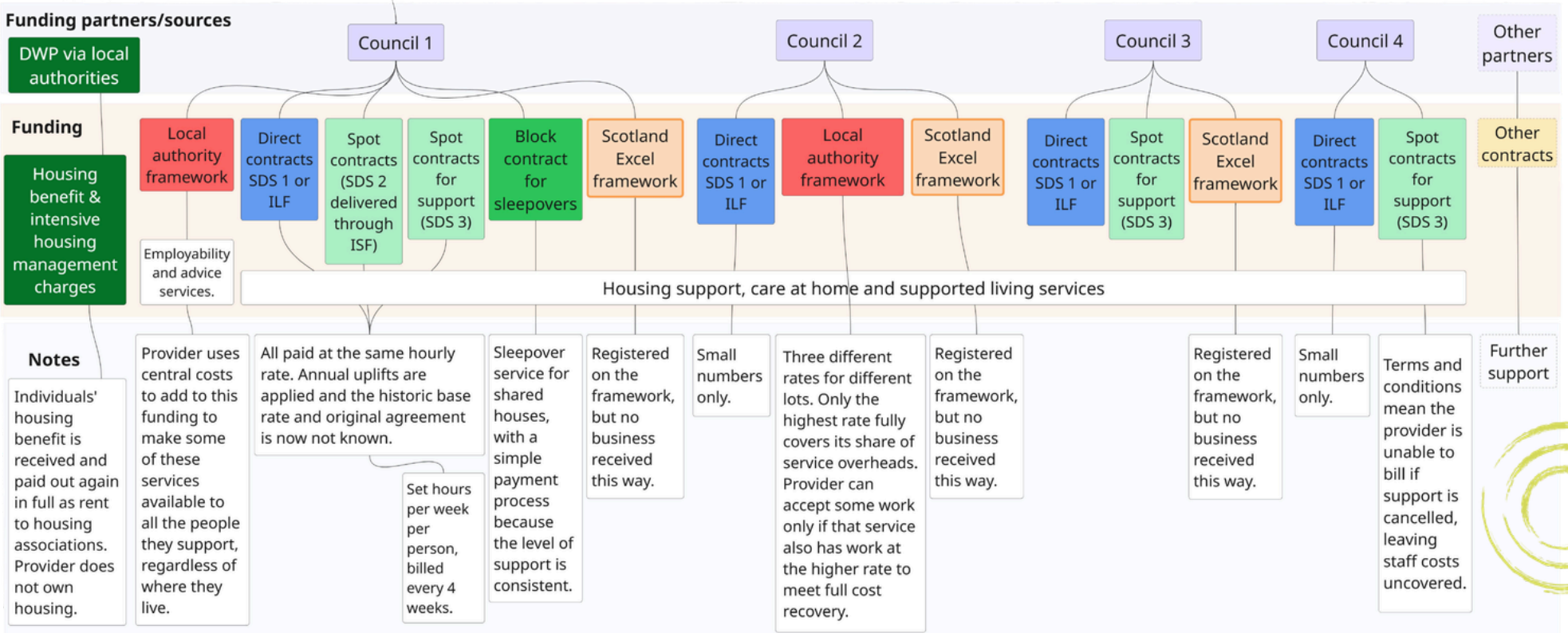
ORGANISATION B

Visual representation of approximately two thirds of the organisation's work

Involvement in strategic planning

Participated in consultation on a new framework some time ago. Timeframe has now passed with no communication. Little contract management for existing contracts. Challenge to reach people at the council when there are issues.

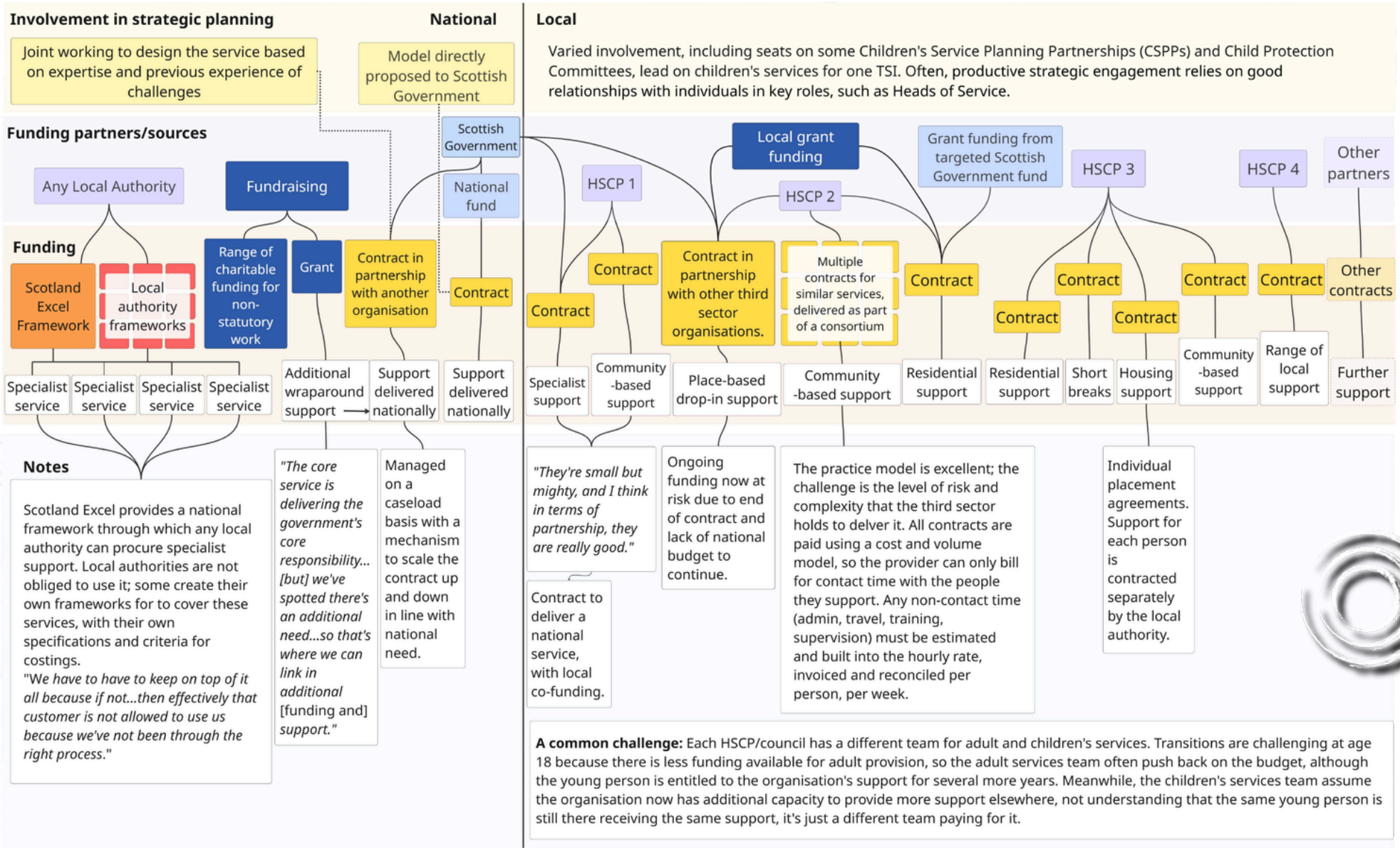
Involvement in provider forums, ad hoc engagement events and sessions when invited. Generally find it difficult to connect to the strategic leadership within councils.



A common challenge: Frontline managers need to know the funding for every person they support, so that they know how flexible it is and what terms and conditions apply. For example, on some contracts, you cannot exceed the hours of support in a 4-week billing period; others can flex support (more one month and less the next) because the funds carry over. That means frontline managers can't offer equal flexibility to everyone they support. This can be complicated because one person's support can be made up of several contracts. e.g. a spot contract for some support hours, part of a block for sleepovers, and then ISF for other things (SDS Option 4). This all has to be accounted for in staff rotas. If mistakes are made, the provider may end up out of pocket. "*It's a lot for frontline managers to deal with. When it's complex, it involves a lot of staff and takes a lot of capacity to sort out.*"

ORGANISATION C

Visual representation of approximately half of the organisation's work

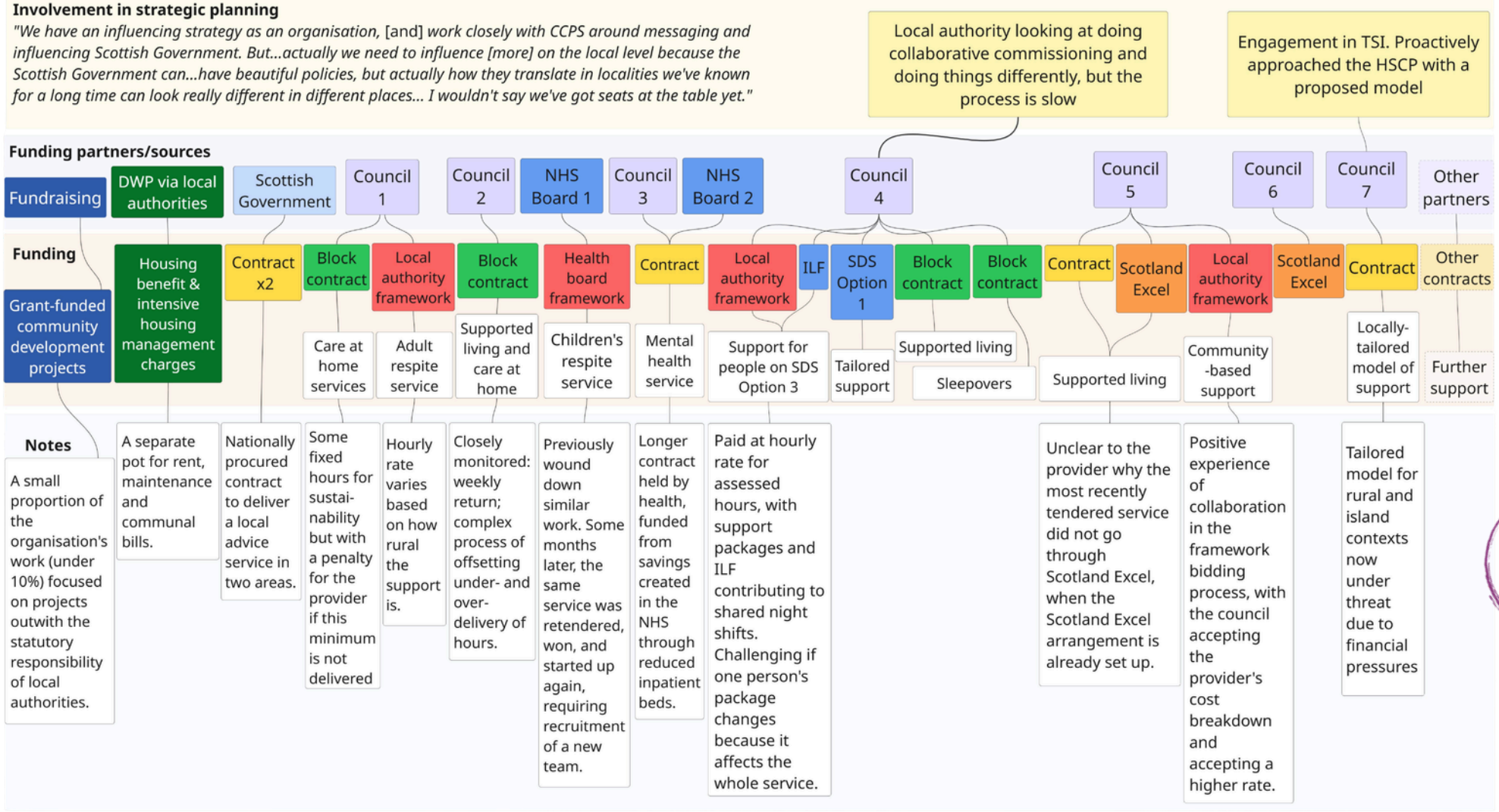


ORGANISATION D

Visual representation of approximately half of the organisation's work

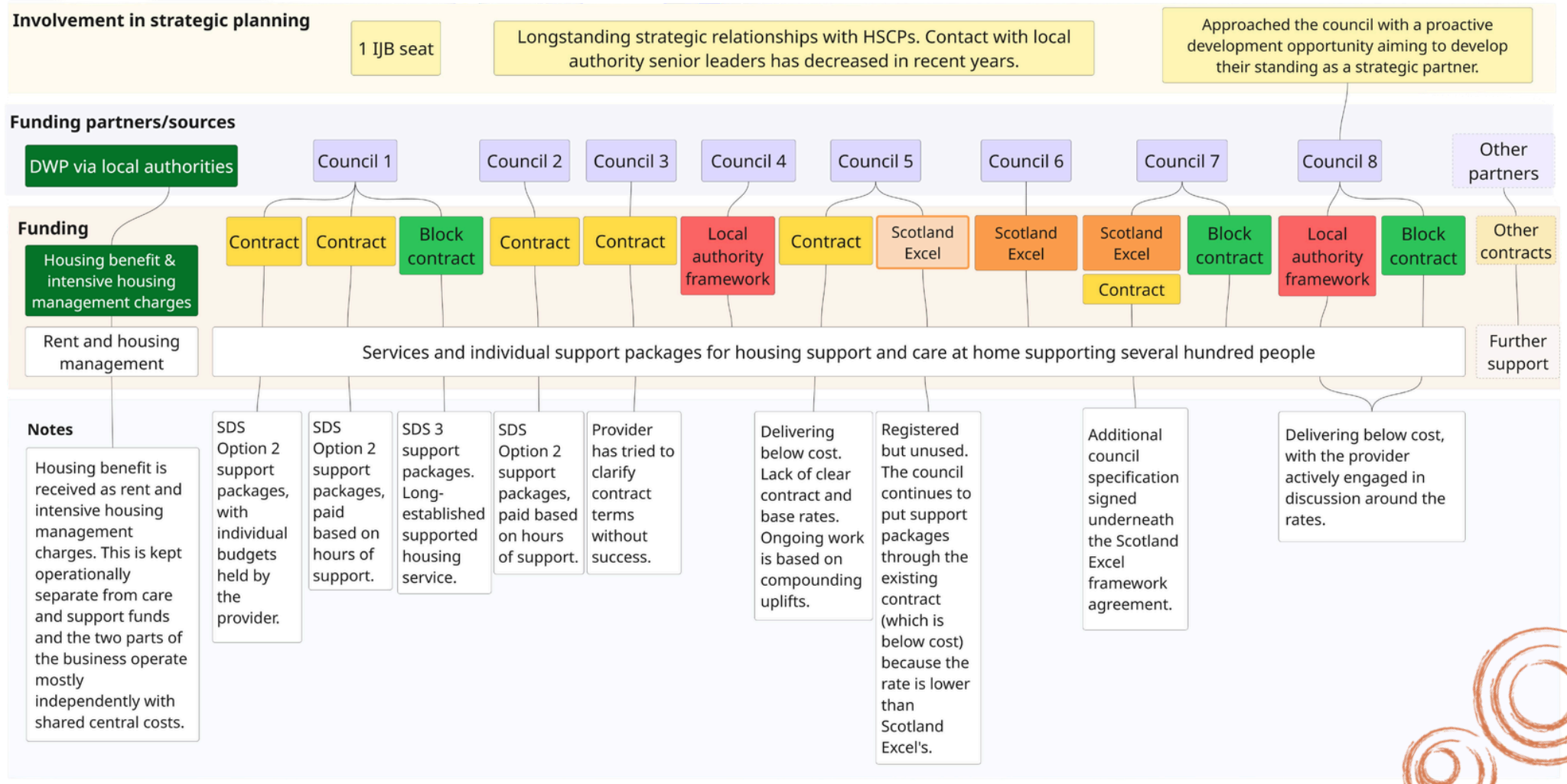
Involvement in strategic planning

"We have an influencing strategy as an organisation, [and] *work closely with CCPS around messaging and influencing Scottish Government. But...actually we need to influence [more] on the local level because the Scottish Government can...have beautiful policies, but actually how they translate in localities we've known for a long time can look really different in different places... I wouldn't say we've got seats at the table yet."*



ORGANISATION E

Visual representation of approximately two thirds of the organisation's work



Key Themes From Provider Discussions

Themes 1 & 2: Provider organisations were not systematically embedded in strategic planning structures

1: Gaps in consistent, meaningful involvement

As our accompanying report sets out, policy intentions and, in theory, structural opportunities exist for the third sector to be engaged in strategic planning through IJBs, CPPs, ADPs, CJPs and CSPPs, both as organisations and as TSI representatives. There were examples of this in the interviews, as shown on the maps. All organisations talked about influencing relationships with HSCPs and proactively engaged with service design by proposing models of care and support.

However, the interviews did not suggest systematic engagement across the strategic landscape in a way that would show embedded involvement. Senior leaders in local authorities became harder to reach as sectoral pressures increased, and where providers were engaged in service design, there were few examples of this going above HSCPs into partnership structures or strategic planning, especially outwith the children's sector.

Engagement with TSIs was not high on the radar of those interviewed, although it remains possible that the relationships with TSIs are held by others. There was little visibility of how TSIs represented them at local level, and there was some degree of concern that because TSIs are called upon to engage on so many issues, they could not always have the relevant expertise.

> **"There's a real tension between bigger organisations and the TSIs around who has the expertise...I just think sometimes all of the representation goes to the TSI and they don't necessarily have the scale or depth of delivery experience."**
>
> **"I suppose in reality, who is funding [us] to be part of some of these Third Sector Interfaces? It's our regional operations managers who can be overseeing a lot of service delivery and a lot of and staff... they don't necessarily have the space and the time to then go and be part of influencing groups."**

There was definite appetite for their organisations to be more involved in local strategic work, but the structures for doing so were not clear and capacity to do so is hard to spare. When there were opportunities to get involved, providers were not always sure of the capacity required. One provider described their first colleague joining an IJB as a third sector representative:

> **"That's only just started. So, in terms of what decisions or discussions they'll be involved in, that's still evolving...I think for us, it was very much, 'let's get in there and find out', because there may be no value to it for us whatsoever.... It's about getting the sector's voice heard at that level, so there's some potential of merit. "**

The mapping exercise did show that the providers interviewed are mostly funded for care and support through hourly rates. The risks of this were highlighted in the early days of Self-Directed Support, as the move from block funding to frameworks was foreseen (Rummery et al., 2012). In the interviews, not-for-profit providers highlighted the amount of central function that needs to be built into these hourly rates, including things that local authorities do not need to cost into their internal services. This includes the cost of strategic engagement. Public sector leaders are unlikely to have to cost their participation in partnership structures into a budget for the direct delivery of care and support. The value of this time may not be evident to[1] the procurement teams negotiating the hourly rates.

This creates a contradictory situation for not-for-profit providers. On a procurement level, the system asks them to deliver care and support like businesses. To tender, they must be a 'going concern' with a strong balance sheet and tightly managed overheads, competing on cost as well as quality and being managed as a delivery partner. Yet, at the same time, the system asks them to engage in strategic planning like public bodies, investing capacity in resource-intensive partnership work focused on long-term goals. In these settings, they may be representing the diversity of the third sector and negotiating the power dynamics of working alongside the commissioners of their operational work. The delivery-focused approach to funding is unable to support this level of strategic engagement.

2: Unclear connections from strategic plans to commissioning and procurement

It was generally not clear to providers how strategic plans from the IJB or other partnerships, which tend to be broad and high-level, translate into the specifications and support packages coming to them via procurement. Providers did not distinguish, or have clear visibility of, whether the services they were providing came from the integrated budget with HSCP/IJB governance, or from non-integrated budgets under local authority governance. This has implications for organisations' understanding of where the statutory responsibility and decision-making about their services sits, and where they should focus strategic engagement. For example, one organisation provides housing support that includes 24-hour care and support packages across several local authorities. It is likely that the extent to which this support is delegated to the IJB varies between areas, but the provider does not have visibility of this.

Interviewees described engagement mostly in terms of provider forums and ad hoc events. These were helpful more for contract management than strategic engagement, or felt tokenistic, with the impact not known. Interviewees described how provider engagement can feel destabilising if the intention is unclear. For example, being invited to engage in service design workshops without knowing if the services are new, or a redesign of what they already provide.

> **"The last meeting that I was at was there were quite a lot of providers that felt quite cynical and were also probably feeling a bit vulnerable, going, well, [what is the support we're designing?] Does this mean people I already support? Could this be a loss of business? "**

Providers wanted to be engaged in service design and strategic planning, both for service quality and development reasons. However, these can come into tension. If an organisation works with a local authority on innovative service design, sometimes over multiple years, this is usually unpaid and requires significant time investment. Yet, there remains no guarantee of any funding award following competitive tender, especially for more strategic projects that are likely to be over the procurement threshold. The Whole Family Wellbeing Fund was noted as an example of where third sector expertise had not been well engaged in implementing a strategic vision.

> **"The third sector are often at the heart of innovation and redesigning services based on the need, the data, the evidence, all of that. So, we're seen as a strategic partner in those conversations and then we will then be treated as a just a delivery partner at other times."**

Themes 3-5: Below the strategic level, providers are heavily affected by the detail of how local authorities implement local strategic plans

3: Pragmatism about complexity; frustration about process

Providers were asked about the level of complexity they are managing in contracts across all local authorities. Providers were often pragmatic about this, describing it as part of the reality of operating in the third sector.

> **"I call it a game of Jenga sometimes, when you've got a service and it's funded through all different funding pots. But the supported people should never experience it like that. That's our job as senior managers to make it all fit together, isn't it? ...It's really exhausting to do that year in year out, but that is the third sector world."**
>
> **"It does feel like that is part of the job of a national organisation and anybody working across the different areas. You need to know the personality of that health and social care partnership... There's almost a bit of, 'we want to keep things local [so we'll do things 'our way']... But playing devil's advocate, they [the local areas] are different. Different places and different stories and culture and roots to them. So, it doesn't make it easy as a provider, but being person-centred helps because you're just like, 'okay, how do I flex to accommodate your system?'"**

However, alongside this pragmatism, there was a sense that it should be possible for the process to be more consistent, while recognising the need for services to reflect local differences. Each contract or framework comes with its own set of invoicing schedules. Contract monitoring approaches vary from nothing to weekly reconciliations per hour of support per person. All of this added significantly to the capacity it takes to manage contracts and finances.

> "If I've got to deal with every local authority differently, that takes a lot of time."
> "We're all working under the same policies, legislation, health and social care standards. Surely the right answer [to a tender question] for one local authority should be the right answer for the other, but it's not. And that is a lot down to the different setups between the partnerships."
> "From a business development point of view, we think of it as one big contract...[but] each one of them is a separate service...separate paperwork, separate financial envelope [reconciled] per service, per week, per [person]."

Scotland Excel contracts were recognised as an attempt to provide something standardised, if bureaucratic. This was undermined by inconsistent use. One provider had registered on a framework for several local authorities, but it was not used at all – everything continued to come through established routes. Others had two contracts for the same service type with the same local authority, one through Scotland Excel and the other not, with no understanding of why. On balance, Scotland Excel was felt to add to rather than relieve the contract management burden among those interviewed. CCPS, with its members and Scotland Excel, are currently engaged in a programme of improvement around the operation of national frameworks (CCPS, National Frameworks: Report of the Scotland Excel and Coalition of Care and Support Providers in Scotland Short Term Joint Working Group, 2025a).

> "Something has to be standardised – different rates, different ways, different mechanisms. I am absolutely on board with the concept of Scotland Excel, I just think in practice it's not working"

There were also frustrations about challenging situations where procurement and contract management practices were not working well. This included contracts that were unclear or completely unavailable, with historic base rates "lost in the midst of time". Some local authority relationships had no contact person or contract management, or providers described being caught in the middle between council teams, leading to difficulties invoicing for their work.

This creates significant business risk. For example, all organisations experienced cash flow challenges due to late payments running to hundreds of thousands of pounds – significant percentages of their annual income. Alternatively, some payment and reconciliation systems were slow to adjust when a person's support reduced, leaving the provider holding large amounts of public money for long periods of time without being able to return it.

> **"At one point recently, we were owed half a million by one council and a similar amount by another. Our cash flow has to be able to withstand these kinds of issues."**
> **"You're already working at a compounded hourly rate that you've had no input into setting, [which is] getting further away from what you need over time [because annual uplifts are only applied to staffing costs – see note 2 at the end of this section] . And then you're also having to fight really hard to just get paid."**

4: Frameworks, flexibility and full cost recovery

The significant shift to local authorities using frameworks to commission social care was understood to increase choice and facilitate self-directed support. However, working across many frameworks on a 'cost-and-volume' basis, paid for direct hours of support, is complex. Providers emphasised the challenges of accurately calculating a single hourly rate that folds in all costs, which may vary or change. Percentage uplifts on these rates then compound over time.[2]

> **"You set your price and then have to apply annually for an uplift...you can't rebudget your service, all you can do is ask for an uplift based on your original that you submitted to the framework at the start... On a five-year framework, you could be in year four, but you're basing it on costs that were originally there multiplied by percentage uplifts over those four years."**

As a result, all the organisations interviewed reported delivering at least some work below cost. They particularly highlighted the challenge of negotiations to raise a rate if it had historically been too low. Interviewees referenced various difficulties around rates and full cost recovery. Many of these have been described by CCPS in commissioning and procurement work (CCPS 2019; 2022; 2023b; 2024a; 2024b; 2025a; 2025b), such as:

- Unfunded travel time for staff providing care and support in people's homes.
- No support for fixed costs when supported housing is not fully occupied.
- Lack of recognition of the importance of non-contact time to the quality of support.
- Questioning of management charges or central costs, alongside tender requirements that assume strong organisational infrastructure (e.g. Cyber Essentials certification).
- Assumptions that third sector organisations can access other income through grants or fundraising. Charitable funders will rarely fund statutory responsibilities, and many not-for-profit social care organisations have no income outwith commissioned contracts.
- Assumptions that reserves (in published accounts) signify the capacity to absorb costs, rather than best practice recommended by OSCR and restricted for specific purposes.

Interviewees suggested that the challenges faced by not-for-profit providers may not be fully understood by commissioners, whose experience is often running in-house social care services. As a result, they can come to perceive their internal services as the lower cost option because they are not comparing like for like.

> **"Council services are more expensive, but this is not always visible because they have shared overheads that are invisible or in other departments, so it's not actually full cost recovery"**
>
> **"When you point out, 'it will cost you more if we hand this back because you pay your staff more. Your costs are higher', they [commissioners] don't have a concept of what it costs to run a finance department, an IT department, etc, because that's not within their experience."**

There is also a cost to the significant capacity that is required to manage the complexity of the funding and contracting across multiple local authority areas working in different ways.

> "We manage that complexity by having finance support, having HR support, business development, quality, safeguarding...all of that is managed by what some local authorities would consider back-office functions. I think that sometimes that's the sting in the tail when something is commissioned and it's only going to pay for hours delivered...[T]o provide that well and to manage the complexity of the funding even within one service, let alone the complexity across many local authorities and many services, we need those support structures."
>
> "There is a lot of management complexity we are not really funded for"

Frameworks were felt to provide flexibility for the local authority but to minimise flexibility and financial certainty for providers. Most framework approaches to managing support packages give providers no guarantee of any referrals, making it difficult to manage staffing efficiently. Framework contracts may not cover start-up or transition costs, leaving providers to front the cost of recruiting and training staff for new services or supports and creating immediate pressure if there are changes or delays.

> "We spent £90,000 [recruiting and training staff for a new service] and each time the partnership said, 'actually, the people we've identified can't move yet, but we're not paying you for that because you didn't support anyone'."
>
> "Some level of block funding gives sustainability. Frameworks with zero guarantee of income build a real inflexibility into the system. Because if we are only ever going to get paid for what we actually deliver, how do we ever have staff ready for when somebody needs support?"

The system was seen to be tied to traditional approaches rather than maximising all options – for example SDS option 2. The vast majority of support coming to providers was for SDS option 3. Where they were delivering support under option 2, some were receiving budgets and managing them with the people they support, as intended. In other cases, contracts that were option 2 in name were still invoiced by the hour, with high levels of contract monitoring.

> **"[Procurement] couldn't deal with the annualised budget and the idea that they give us all of that up front...and that we could maybe not use it for staff hours [but] holidays or activities or whatever...I think in most cases that was reined in."**
>
> **"After well over a decade of talking about outcomes-based support and lots of local authorities trying to commission services based on outcomes, we are still following people's hours, in the main, for the vast majority of people. It's people's expectations, assessors' expectations. And the way that funding works is, 'I've delivered X amount of support to that individual'."**

5: Providers feel a lack of power and agency, with a limited sense of partnership

Providers understand clearly that local authorities are facing major financial challenges. There was variation in their experiences of partnership working in this context. There were examples of good relationships and communication. In other cases, relationships were strained or distant, with problem solving being pushed back towards the provider.

> **"Some local authorities are working with us on it...They're acknowledging the issue and saying, yeah, we'll take these [contracts] back....There have been a few recent discussions with local authority representatives where there's kind of an acknowledgement of the challenge and that we are not sitting at the highest rate and that they are prepared to come towards us."**
>
> **"They take a master and command viewpoint and it's almost like you're a subordinate reporting into them. I think that balance needs reset. [Compared to working in other sectors] I've never negotiated and been spoken to that way...really quite rude and aggressive and insulting, like I'm being talked down to, and that has to change."**
>
> **"You come to a negotiating point where it's almost like a [standoff] - who's going to push the button first?"**
>
> **"They will say they have to make savings...the [problem] is always put back to the provider."**

A key frustration was the lack of power providers felt they had in the system – unable to negotiate the rates for their services and unable to set their own salary scales. Their responsibilities to the people they support, plus the need to maintain the overall financial sustainability of their organisations, left them feeling equally unable to walk away from contracts.

> "One of my huge frustrations is that lack of agency...any other organisation would be like, 'right, our costs have gone up by this percentage. We therefore need to put our prices up'. And that's entirely reasonable. But we don't have that as an option."
>
> "Once your rate is set, it's just whatever the local authority chooses to give you as an uplift... [and they] expect you to pay the Scottish Living Wage. So, your salary bill is set for you by the contracting body, and your income is being set for you by the contracting body. Show me another market where that's the case."

Underpinning all of this was the concern about the fundamental risks to the people they support, the quality of care, and their frontline staff.

> "It's quite dangerous...the funding into the sector has gone down and down, but the standards of the sector, quite rightly, have gone up and up. It's just that the gap is getting bigger and bigger."
>
> "I think it's not just the level of complexity of the work, but it's reached a level of risk that the local authorities and the Scottish Government are passing on. By subcontracting that work, they are passing that risk on to third sector providers and assuming that we will then manage that."

1. Most services provided by participating organisations were clearly integrated. It may be useful to explore this further with organisations that offer support that is less consistently integrated and/or understand how integrated and non-integrated budgets are conceptualised within procurement teams.

2. Annual uplifts, which are intended to fund providers to pay the Scottish Living Wage to the adult social care workforce, are standardised at 71.8% of contract value for residential services and 86.9% of contract value for non-residential. This is intended to reflect workforce costs; however, these percentages are based on averages and do not reflect providers' actual workforce costs.

Summary

The partial maps of providers' funding structures show a complex system that has evolved over time rather than being consciously designed. As a result, funding often flows through multiple routes, with different reporting requirements, decision-makers and accountability mechanisms. For providers, navigating this complexity has become a significant task in its own right, diverting time and resources away from service delivery and illustrating the need for a more transparent, coherent and sustainable approach to funding social care.

Across the experiences and perspectives shared by providers, a recurring theme was the gap between strategic ambition and operational reality – an issue CCPS has raised before from a strategic perspective. Provider interviews described a system characterised by strong partnership ambitions but uneven partnership practice. Whilst there was an appetite to contribute to strategic planning and service design, providers did not feel systematically embedded within decision-making structures. They also reported, as organisations working across multiple local authorities, the significant variation in how local systems operate. Whilst providers work hard to navigate this complexity and variation in the interests of the people they support, doing so requires substantial organisational capacity that is often neither recognised nor funded.

Interviewees described a limited sense of agency within the system; they are expected to deliver increasingly complex and high-quality support whilst having little influence over rates, funding decisions or the distribution of risk. Concerns were raised about funding arrangements that do not consistently enable full cost recovery. In responding to financial pressures, commissioners often seek efficiencies within commissioned services, despite growing evidence that providers are already operating with limited flexibility and absorbing significant organisational and financial risk. To quote from one of the interviews:

> **"I understand local authorities are in a really difficult position...but the reality is the sector can't keep going.... social care is just not funded appropriately. And I think third sector social care organisations, we can be really inventive. We really can, because... we're doing it so that we can put investment back in."**

Taken together, these experiences point to a system that relies heavily on the expertise, adaptability and resilience of providers, while not always treating them as equal partners in shaping and delivering care and support. Given that the majority of Scotland's social care and support services are delivered by independent and third sector providers, sustainable, person-centred services cannot be realised unless funding decisions support the sustainability and development of commissioned services, not just the needs of the public sector.

Having listened to provider experiences, there is real room to improve the efficiency and effectiveness of the commissioned social care system through a Public Service Reform lens. Greater transparency, a simpler and fairer funding system, and stronger alignment between strategic planning and commissioning decisions are key priorities. There is a need to ensure that the representative role envisaged for third sector providers in policy and legislation is realised in practice, with providers meaningfully involved in planning, commissioning and decision-making processes. Alongside this, strengthening relationships, trust and collaborative cultures locally will all be key steps in responding to the current challenges.

Methods

Mapping exercise and thematic review of provider experiences

Qualitative interviews took place with senior operational leaders from five CCPS member organisations. The interview schedule was developed in line with the research brief, drawing on early insights from the desk review. It was tested and improved with feedback from a representative from a sixth CCPS member organisation who was unable to take part in the interviews.

Interviewees were recruited by the policy team at CCPS. Staff shared the research brief with CCPS members at their regular member meeting and circulated it to the CCPS Commissioning and Procurement Reference Group, seeking five participants. Five organisations expressed interest in participating, so no further selection process took place.

Participants received a participant information sheet and consent form in advance of a qualitative interview held online via Microsoft Teams. The interviews were recorded and transcribed, with verbal consent to take part confirmed at the beginning of the conversation.

The transcripts were reviewed to develop visual mind maps for each organisation using Miro. Given the richness of the interviews, the researcher also conducted a thematic review. The transcripts were coded, initial themes were developed, and these were further refined during the writing of the report.

Organisations were invited to review two drafts of the mind-maps and one draft of the thematic review, and their sign-off was sought before publishing.

To preserve the anonymity of participating organisations, they are referred to as Organisations A-E in the report. Where they refer to local public bodies, these are also de-identified.

The funding mind-maps do not seek to provide a fully comprehensive view of all the commissioned work undertaken by any organisation. The aim is to provide qualitative insight into the experience of not-for-profit social care providers working within current governance, planning and funding structures to deliver social care and support, and not to spotlight any specific organisation or local authority area.

Use of AI: Transcripts of the interviews were generated using Microsoft Teams. There was no further use of AI in the analysis of the interviews or development of the mind-maps and thematic review.

Limitations

There are several limitations of this research that should be noted in using its findings.

1. Participating organisations were self-selecting. Although they cover a range of service types and areas of support and can provide insight into the overall funding landscape that provider organisations engage with, we caution against assuming that all organisations have the same views, experiences, and needs.

2. Specifically, no providers of community justice, homelessness or education services took part in the study. This creates important gaps in what is represented, as we know that all these services are key parts of what CCPS members offer. As these services lie outside of the health and social care integrated budgets, drawing on non-delegated local authority funding, this would also have enabled discussion about engagement with a greater range of public governance, decision making and strategic planning bodies.

3. Interview time was also limited and mapping such a complex system is a challenging exercise. As much progress as possible was made in the time available; however, we could not discuss every area of each organisation's work in depth. The maps represent a portion of each organisation's total work, and this is signposted as clearly as possible.

References

CCPS. (2019) Handing Back Contracts: Exploring the rising trend in third sector provider withdrawal from the social care market. Retrieved from https://www.ccpscotland.org/wp-content/uploads/2026/08/Handing_Back_report_CCPS.pdf

CCPS. (2022). A brief 'how to' guide for procuring social care services. Retrieved from https://www.ccpscotland.org/wp-content/uploads/2022/06/CCPS_How_To_Guide.pdf

CCPS. (2023a). Model Template Framework Agreement. Retrieved from https://www.ccpscotland.org/wp-content/uploads/2022/04/Model-Template-Framework-Agreement-Terms-Conditions-30-05-23.pdf

CCPS. (2023b). "It's out of whack!" Expert voices on ethical commissioning and procurement in not-for-profit social care. Retrieved from https://www.ccpscotland.org/wp-content/uploads/2023/11/Its-Out-Of-Whack-Interviews-CCPS-_Final.pdf

CCPS. (2024a). From strategic intent to procurement of adult social care and support in Scotland - Report 1: Literature review. Retrieved from https://www.ccpscotland.org/wp-content/uploads/2024/10/V-SG2-Report-final-Lit-Review-8-Oct-2024.pdf

CCPS. (2024b). From strategic intent to procurement of adult social care and support in Scotland - Report 2: Analysis of current experience and ideas for improvement. Retrieved from https://www.ccpscotland.org/wp-content/uploads/2024/10/Report-2-final-8-Oct-2024.pdf

CCPS. (2025a). National Frameworks: Report of the Scotland Excel and Coalition of Care and Support Providers in Scotland Short Term Joint Working Group. Retrieved from Scotland Excel and CCPS Report and Appendices August 2025 | CCPS Scotland

CCPS. (2025b). The Impact of the Scottish Government's Adult Social Care Worker Uplift Policy. Retrieved from: Impact-of-ASC-Uplift-Report_October-2025.pdf

MRAssociates. (2026, March 31). Glossary. Retrieved 2026, from MRAssociates: Advisers to supported housing: https://www.mrassociates.org/knowledge-base/glossary

Procurement Journey. (2023). PCIP Overview. Retrieved March 25, 2025, from Procurement Journey: https://www.procurementjourney.scot/pcip/pcip-overview

Procurement Journey. (n.d.). Guidance on contract renewal and direct award without competition. Retrieved from https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.procurementjourney.scot%2Fsites%2Fdefault%2Ffiles%2FSpecific%2520Considerations%2520and%2520Rules%2520for%2520CSS%2520Contracts_1.docx&wdOrigin=BROWSELINK

Procurement Journey. (n.d.). Specific considerations and rules for care and support contracts. Retrieved from https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.procurementjourney.scot%2Fsites%2Fdefault%2Ffiles%2FSpecific%2520Considerations%2520and%2520Rules%2520for%2520CSS%2520Contracts_1.docx&wdOrigin=BROWSELINK

Rummery et al. (2012). Counting The Cost of Choice and Control: Evidence for the costs of self-directed support in Scotland. University of Stirling. Retrieved from https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2012/02/counting-cost-choice-control-evidence-costs-self-directed-support-scotland-2/documents/counting-cost-choice-control-evidence-costs-self-directed-support-sco

Scotland Excel. (2026). Contract directory. Retrieved March 25, 2026, from Scotland Excel: https://home.scotland-excel.org.uk/our-contracts/contract-directory/?filter_2122=2123

Scotland Excel. (2026). Our Governance. Retrieved March 25, 2026, from Scotland Excel: https://home.scotland-excel.org.uk/about-us/our-governance/

Scottish Government. (2021). Procurement of care and support services: best practice guidance. Retrieved from https://www.gov.scot/publications/procurement-care-support-services-best-practice-guidance/

CCPS would like to thank the CCPS members who contributed to this research.
This research was made possible by the grant from Scottish Government's Social Care and National Care Service Development Directorate. This report was authored by Megan Williams who acknowledges the contributions of Eilidh Shearer, CCPS Policy Officer, who provided content, analysis, and review support for selected sections of the report.

CCPS
COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

Scan the QR code to find our latest briefings, reports, updates and more!

ccpscotland.org

Inspire. Influence. Involve. Inform

COALITION OF CARE AND SUPPORT PROVIDERS IN SCOTLAND

Norton Park
57 Albion Road
Edinburgh
EH7 5QY

comms@ccpscotland.org

ccpscotland.org