

CCPS Response: Public Service Reform Pre-Budget Scrutiny 2027-28 Call for Views.

Information about your organisation:

The Coalition of Care and Support Providers in Scotland (CCPS) represents not-for-profit providers of care and support across Scotland. As a membership organisation we work strategically and collaboratively to Inspire, Influence, Involve and Inform. Our member providers work with people of all ages across all 32 of Scotland's local authority areas. They report a combined annual income of £1.2 billion to invest in care and support in Scottish communities, predominantly made up of public funds and employ a significant proportion of the social care workforce.

Questions

1. The Scottish Government aims to deliver on average £0.5 billion in savings through efficiencies per year for the next three years (2026-27 to 2028-29):

a. To what extent are these savings achievable, and how will they shape public service delivery?

Not-for-profit social care providers are fundamental to the delivery of public services across Scotland. Most social care in Scotland is delivered by commissioned, independent providers. Therefore, Scotland's not-for-profit social care sector must be recognised as a strategic partner in designing, delivering and evaluating public service reform.

We do not seek to comment on the achievability of these savings. In terms of how the proposed approaches may shape public service delivery in social care, we argue that public service reform should be led by the long-term commitment to improving health, wellbeing, independence and quality of life for the people of Scotland, rather than a focus on achieving short-term budget reductions. The proposed measures are unlikely to deliver sustainable efficiencies if they are implemented without sufficient service redesign, comprehensive workforce planning, or significant changes in allocation decisions to support investment in preventative support.

Failing to invest in preventative and community-based care and support does not remove need; rather, it can increase pressure on more intensive and costly services elsewhere in the system. Audit Scotland, for example, has estimated that over £440 million was spent on delayed discharges from hospital in 2024-25 alone, with insufficient social care provision a

primary driver¹. In our forthcoming research into reducing delays to hospital discharge, CCPS members consistently described delays in people's hospital discharge not as an isolated or individual issue, but as a structural problem which emerges at the interface of health, social care and housing.

b. What progress is being made towards achieving these efficiencies?

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c. What are the barriers to achieving greater efficiency and how can these be addressed?

The principal barriers to achieving greater efficiency in social care are systemic and structural. Addressing barriers requires funding reform, rather than simply expecting organisations to become more efficient within existing constraints.

The not-for-profit social care sector is already on the edge of viability after years of underfunding. Demand for support and rising delivery costs are outstripping any increases in funding that have been made available². Evidence from a recent CCPS member survey³ reveals the scale of the risk for commissioned providers. Over 50 responding organisations:

- Estimated that over 8,500 beneficiaries would be negatively impacted by reductions in support over 2025-26, including just under 1,000 under-18s, and
- Expected to lose nearly 830 posts in 2025-2026. Over half of actual losses at the 6-month point came from the front line
- Over half of responding organisations were using charitable reserves to reach financial balance by mid-year; a third were using more reserves than expected.

Short-term, fragmented funding arrangements in social care limit providers' ability to invest in long term planning and innovation. They also increase administrative burdens, creating significant inefficiencies for organisations delivering public services through public sector commissioning. A quote from one member in our forthcoming report on local governance and funding flows illustrates the complexity of funding systems, and the impact this can have:

"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."

Our members highlight the need for immediate investment, alongside significant reforms to funding flows, to stabilise the sector. This initial investment will provide the headroom required for providers to engage in reform, for example enabling them to invest in workforce development, service redesign or preventative approaches.

¹ Audit Scotland (2026) [Delayed discharges A symptom of the challenges facing health and social care](#)

² Fraser of Allander (2026) [Setting the scene: Scotland on the eve of the 2026 Election](#)

³ Unpublished (November 2025).

2. How should the Scottish Government best present the extent of any realised efficiencies in the annual budget publication, including providing clarity on whether these are expected to be recurring savings?

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3. The Fiscal Sustainability Delivery Plan aims to achieve an average reduction of the public sector workforce of 0.5% per year over five years.

a. To what extent is this target achievable and how will it shape public service delivery?

CCPS will not be commenting on the achievability of this target. However, we do not consider a reduction in public sector workforce evidence of successful reform and that it is likely to have a negative impact on public service delivery if done in an unmanaged and ad-hoc way.

As no-compulsory-redundancy policies apply across the NHS and other parts of the public sector, any workforce reductions in these parts of the system are likely to be delivered primarily through natural turnover and retirement rather than through strategic workforce planning. This is a blunt approach to reducing headcount, as organisations have limited control over which staff leave and where vacancies arise. As a result, staffing reductions may occur in areas where specialist skills are already scarce, creating workforce gaps and affecting service delivery. Similarly, reductions driven by retirement are more likely to result in the loss of experienced staff and institutional knowledge, increasing pressure on remaining employees and potentially leading to a deterioration in service quality.

The impact of workforce reduction measures is also unlikely to be felt evenly across public services. Sectors covered by no-compulsory-redundancy policies, such as the NHS, may be less exposed to direct reductions, while organisations without equivalent protections – such as CCPS members, may face greater pressure to reduce staffing levels to meet overall cost reduction targets.

In addition to this, our members are likely to experience higher rates of referrals, and higher rates of more complex need, when the public sector workforce is squeezed and thresholds for support are raised to compensate. When this is not met with increased resource, not-for-profit providers receive referral rates and service expectations that exceed what their services were funded and designed to provide.

b. What progress is being made towards achieving this target?

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4. What actions can the Scottish Government take to ensure these workforce reductions are delivered in a managed way which best supports effective government and public service delivery?

Any workforce reductions must be carefully planned, with a whole system view. It is also essential that all actors across the system, including not-for-profit providers and supported people are meaningfully engaged with to shape what this looks like.

5. The PSR strategy states that it will protect frontline services. To what extent is there sufficient clarity about how frontline roles are defined and how efficiencies in back-office functions can be delivered in a way that minimises impact on the delivery of public services?

CCPS argues that greater clarity is needed not only on how “frontline” services are defined, but on the overall vision for public services in Scotland. As a starting point, there should be a clear view of what support should be available and where. Only then can the most effective support structures be identified. Whilst blueprints for reform in the PSR and Service Renewal Frameworks, for example, were published in 2025, progress in design and delivery of these are not uniformly advancing at pace.

When a workforce is split into ‘frontline’ and ‘back-office’ functions, there is a temptation to reduce capacity in the latter to create short-term savings. In reality, and particularly for not-for-profit providers who already operate with only the essential support functions, further cuts would simply increase pressure on frontline staff and risk undermining service quality and workforce wellbeing. Any changes should be guided by service need, rather than headcount reduction targets.

In social care, support functions play a vital role in enabling safe and effective service delivery. The necessity of these roles is compounded by the complexity of existing structures and processes within which providers must operate. As one member explains:

“We manage complexity by having finance support, HR support, business development, quality, safeguarding...all of that is managed by...back-office functions... 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.”

When negotiating contract costs, our members overwhelmingly report that ‘back-office’ functions and overheads are significantly undervalued, in favour of ‘cost-and-volume’ frameworks that pay for direct hours of support. This means they are rarely awarded the full cost of a service, which compromises the sustainability of the social care sector. One member, in our recent research into funding flows, illustrates this:

"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."

6. Beyond the financial benefits that the Public Sector Reform (PSR) Strategy aims to achieve, what are the key outcomes that reform should be aiming for?

CCPS argues that public sector reform should aim for outcomes in social care that go beyond financial savings, including:

- A clear focus on the outcomes for people who need to engage with public services, essentially articulating a new social contract with the Scottish people focused on key rights, such as a right to independence.
- Greater prevention and earlier intervention, reducing reliance on crisis services while improving outcomes for individuals and communities.
- Reduction in inequalities, ensuring reform works for people experiencing severe and multiple disadvantage and supports more joined-up services.
- A strong and sustainable social care sector, with stable providers, long-term funding and recognition of third sector organisations as equal partners in public service delivery.
- A thriving social care workforce, with fair pay, secure employment, career development and parity of esteem with other public service professions.
- Innovation and long-term sustainability, moving the sector away from crisis management towards future-focused service development.
- Greater transparency, accountability and collaboration, including radically simpler funding and commissioning arrangements that support effective service delivery.

7. The PSR Strategy includes 18 different workstreams which aim to remove barriers to reform. One workstream focuses on “simplification”, recognising that “complexity of processes, structures and reporting requirements is a key barrier to effective and efficient service delivery”.

"Prevention" is one of three pillars providing structure to the Strategy.

a. What should the Scottish Government's priorities be under its simplification workstream and what level of savings can be achieved through this approach?

CCPS welcomes the focus on simplification – which has long been needed and believes the Scottish Government's priority should be reducing duplication, inconsistency and administrative burden across all public services, including those provided in commissioned services. Our members frequently report having to navigate different commissioning, procurement, reporting and monitoring processes across local areas despite operating within the same legislative and regulatory framework.

An upcoming CCPS report on local governance and funding flows navigated by our member-providers will provide the Committee with clear insight into its complexity and inefficiencies. One such example from the report:

"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."

For our members, simplification should not be equated with cuts. The focus should be on streamlining processes, standardising requirements where appropriate, and reducing unnecessary bureaucracy. This would free up time and resources to support service delivery and improvement.

b. What progress has been made to date with preventative budgeting?

Progress towards preventative budgeting in social care has been limited and uneven. While prevention is increasingly reflected in national policy, strategic planning and commissioning discussions, this has not yet translated into sufficient resource reallocation or procurement practice. We see this reflected in the Scottish Government's recent preventative budgeting pilot, which showed just 15% of the 2025/26 planned spending in the budget lines provided was defined as preventative, compared to 52% for acute/responsive spend⁴.

We continue to see preventative services being particularly vulnerable to budget reductions when limited resources are redirected to acute and crisis support. In a survey of CCPS members conducted in November 2025, over 40% of respondents anticipated reducing support in the second half of the year, negatively impacting an estimated 3,858 people, including 552 children. Public Health Scotland data shows that, in December 2025, 3,207 people were waiting for a care-at-home package⁵. Taken together, these findings raise concerns about the consequences of continued underinvestment in preventative and community-based support. Failure to invest in preventative services does not remove need; rather, it risks increasing unmet need, an escalation of people's needs and increase in waiting times for support. This negatively impacts outcomes and quality of life for people in need of support.

⁴ Scottish Government (2026) [Scottish Budget - piloting an approach to identifying preventative spend: pilot results](#)

⁵ Public Health Scotland (2025) [People requiring a social care assessment and care at home services](#)

c. How should the forthcoming Budget support greater progress towards preventative budgeting across the devolved public sector? Please set out any barriers and how these can be addressed.

We have worked hard, as have partners such as Fraser of Allender, to track how sums the Scottish Government claims have been invested in social care had reached services providing care and support. Because so much of this is transferred in un-ringfenced block grants to local government it has been impossible to fully account for where monies are spent. And beyond this, it is impossible to demonstrate where investment is resulting in improved outcomes, both because national measurement is still largely process focused and data is not collected. Increasing transparency in the full flow of public funds and clear measurement for success (with supportive investment into our sector to simplify and resource effective data collection) would help.

Cross-portfolio budgeting approaches would also strengthen recognition of the whole-system benefits of preventative investment.

d. What changes to the Scottish Government approach to budget setting are needed to effectively deliver public service reform?

As the majority of Scotland's social care and support services are delivered by independent and third sector providers, effective reform cannot be achieved unless funding decisions support the sustainability and development of commissioned services. Longer-term, timely funding arrangements would make it easier for providers to plan services, retain staff, invest in improvement and demonstrate longer-term outcomes.

Budgets for social care also require far greater transparency. There is no current mechanism to allow MSPs or other stakeholders to understand how public money for social care is being spent across the system. The current budget does not provide a clear picture of funding allocated to local government for social care where services are subsequently delivered by commissioned providers.

Greater transparency in this budget would not only support efforts to ensure that public money is delivering on the Scottish Government's commitments to the people of Scotland but would be a positive step towards greater integration of performance and financial data. It would also allow for the positive value of investment in not-for-profit providers of social care to be more effectively captured.

Meaningful representation of the not-for-profit social care sector on bodies making budgetary and investment decisions, for example the Investment and Value Board, would better reflect its significant contribution and expertise within the sector and ensure decisions are not being based on a limited, public sector-focused experience and evidence base. On this last point we note that there is an understandable emphasis from public sector colleagues on "evidence-based" investment, but content this does not take into account historic or current lack of resource made available to social care and support

providers providing public services outside the public sector. We urge caution in this narrative as it risks confirming a bias towards public sector approaches.

8. The Scottish Government included an upfront Invest to Save Fund of around £30 million in the 2025-26 and 2026-27 Scottish Budgets for reform projects that will deliver ongoing savings and support the delivery of the PSR strategy.

a. To what extent is the Invest to Save Fund delivering projects that achieve ongoing savings?

This fund is open only to national and local government and public bodies. To refer to our previous point, this is an example of resource and evidence bias towards the public sector. It does not reflect the reality that public services are not the preserve of the public sector alone. If invest-to-save approaches are primarily focused on public sector transformation, rather than public services, this is a missed opportunity to achieve the savings and outcomes sought in the delivery of public service reform strategy.

b. How are successful outcomes from this Fund being shared more widely across the public sector?

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