

Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
By email to: FPA.committee@parliament.scot

19 September 2025

Dear Kenneth,

2026-27 SCOTTISH BUDGET – FOLLOW UP TO 2 SEPTEMBER 2025 SESSION

I welcomed the opportunity to meet with the Committee on 2 September to discuss the Scottish Government's MTFS and FSDP publications. As part of discussion with the Committee, there were several matters where I committed to follow up in writing:

1. Social Security Scotland action on fraud prevention

In relation to the media reporting that you referenced, I can reassure the committee that, in line with the Scottish Public Finance Manual (SPFM), the Scottish Government will always seek to recover any overpayments of social security wherever it is economic and reasonable to do so. Social Security Scotland has a range of options at its disposal to make recoveries. While I am aware that only a small percentage of social security overpayments arise as a result of fraud, Social Security Scotland has a zero-tolerance approach to fraud as set out in its Counter Fraud and Error Control Strategies.

The £36 million figure mentioned in the media relates to the total sum of historic devolved debts that either transferred to the Scottish Government under devolution or were accrued under the lifetime of the agency agreements. DWP has indicated it will no longer be able to recover that debt on behalf of Scottish Ministers as a result of the Scottish Government's decision to withhold consent for the UK Government's proposed powers in relation to recovery of overpayments. The Scottish Government is now examining all options for managing that debt caseload and will provide further information in due course.

2. Scottish Government's investment in Employability programmes

The Scottish Government continues to publish quarterly statistics on the success of its devolved employability services which can be found at the link below. These statistics contain breakdowns of participation, job starts and job outcomes by different demographic groups: <https://www.gov.scot/collections/scotlands-devolved-employment-services-statistics/>

Latest statistics show that 26,812 (31%) people supported under the No One Left Behind approach entered employment between April 2019 and March 2025. For those where the full time to achieve outcomes has passed, 58% of participants were found to be in employment at 13 weeks, 48% at 26 weeks and 34% at 52 weeks. These numbers are likely to be an underestimate as not all participants respond to follow-ups.

Whilst supporting people to enter and sustain employment is a key focus of our services, it is important to note that our employability policy has been set to recognise that for some people, an alternative outcome may be right for them at that time. These do not necessarily reflect an end point of a user's journey towards work from an employability services perspective but do reflect the breadth of support provided. Statistics show that over 37,000 (42%) participants achieved an alternative positive outcome, including gaining a qualification, entering further or higher education, starting work experience, volunteering, or re-engaging with school.

3. National Drugs Mission - Scottish Government's investment in programmes to reduce drug deaths

Since the National Mission was announced in January 2021, we have seen significant additional investment and progress in improving the treatment and care of people affected by drugs. We have invested an additional £250 million over the course of this Parliament, with another record budget in 2025-26 of over £160 million for drugs and alcohol. Investment in alcohol and drug partnerships has increased by 50% between the final year of the previous Parliament (2020-21) and this year (2025-26), with ADP funding rising from around £77 million to over £115 million per annum.

Over the course of the National Mission we have also invested significantly across a range of activities and providers in Scotland to drive improvements, innovation and resilience in the sector. Including support for over 300 grassroots and local projects through the £65 million Corra Foundation National Mission funds, and £38 million that we have made available for investment into residential rehabilitation capacity.

Alongside this we have made progress in driving improvements in the consistency and quality of care for people who access Medication Assisted Treatment (MAT) through the continued implementation of the MAT Standards and have worked across government to meet wider needs by developing a substance use and mental health protocol, improving prison healthcare, and implementing a whole family approach to treatment and care.

An estimated 8 in 10 of those at risk of opioid overdose have been supplied with a naloxone kit according to the latest figures – evidence of the work we have done to spearhead evidence-based harm reduction. We have also supported the opening of the UK's first official

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Safer Drug Consumption Facility, where staff have been able to respond rapidly to a number of on-site overdose incidents.

This is a complex, multifaceted issue where investment across policy areas, including those set out above as well as homelessness and actions to tackle poverty, will make a contribution. As we approach the end of the period that the National Mission covers, our commitment to reducing deaths and improving lives remains. We have begun work on a plan for the next phase covering both alcohol and drugs we intend to publish this in early 2026.

Our approach will focus on continuing support for a wide range of effective drugs and alcohol policy interventions, ensuring people across Scotland can access help when they need it. This includes embedding progress to date and strengthening systems that tailor our response, such as drug checking, surveillance, and data-driven approaches.

The Minister for Alcohol and Drug Policy confirmed in her statement to parliament last week that it is our intention that funding is maintained to support the delivery of the new Alcohol and Drugs Strategic plan, and final budget allocations will be subject to agreement of the Parliament as part of the 2026-27 budget process later this year.

4. Scottish Government position on UK defence spending

Whilst there was an increase in UK defence spending at the Spending Review, this was primarily capital spending. As set out in Spending Review documents, between 2025-26 and 2028-29 whilst the Defence CDEL budget grows by an average of 7.3% a year its RDEL budget is growing by only an average of 0.7% a year. As such, it is not the UK Government's decisions on defence spending that cause the Scottish Government's RDEL budget to grow more slowly than the average of UK departments. As we set out in Chapter 2 of the Medium Term Financial Strategy, it is instead decisions to reduce spending on departments such as Transport and the Home Office. Indeed, because the Barnett formula is applied on a departmental basis rather than a programme level at a Spending Review, decisions to reduce spending on reserved matters such as asylum flow through to our budget.

I trust this additional information is helpful to the Committee.

Yours sincerely,

SHONA ROBISON

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