

Health and Social Care Committee

2026-27 Pre-Budget Scrutiny: Survey of integration authorities

As part of its 2026-27 pre-budget scrutiny, the Health and Social Care Committee issued a survey to Chief Finance Officers in integration authorities to gather information on current levels of spending on mental health services and how this is allocated across different interventions. The survey also aimed to explore how decisions on spending allocations on mental health budgets are made, including when faced with budget reductions. This was intended to help provide context for the Committee's pre-budget scrutiny, which is looking at the use of Programme Budget and Marginal Analysis approaches to budget planning.

There were seven questions which asked about:

- The mental health budget in 2024-25 (planned and actual) and 2025-26 (planned), giving a breakdown by service area.
- Areas of activity classified as preventative spend.
- Priorities for the mental health budget.
- Approaches to decision-making on allocation of the mental health budget.
- Responses to the reduction in mental health budgets in 2024-25.
- Processes for agreeing on how to achieve reductions in budgets.
- Use of [Scottish Government guidance](#) on prioritisation.

This paper provides a summary of the responses. A total of 24 responses were received.

Question 1: Mental health budgets

SPICe had provided a template for completion of the budget information, requesting budget and actual spend on mental health services for 2024-25 and budget information for 2025-26. IAs were asked to categorise spending under four headings, providing as much detail within these categories as possible:

- Inpatient services
- Outpatient services

- Community mental health services
- Adult social care mental health services

These were categories that the Scottish Government had advised would be meaningful for IAs. Despite this, the responses received highlighted that different interpretations had been taken within these broad categories. The variation in range of mental health services delegated to IAs also created issues with interpretation, with some IAs making clear where services were or were not delegated, and others leaving it unclear. The treatment of budgets allocated to third sector providers also seemed to vary widely. SPICe sought to clarify where possible, but many uncertainties around interpretation remain and have affected the analysis. This means that it has only been possible to report broad trends, rather than specific quantitative results.

This experience would suggest that – as with other areas of health and social care spend – there is a potential role for the Scottish Government in collating and quality assuring data on mental health spend to ensure that it is consistently reported. This is currently done for NHS services as part of the Cost Book, but does not capture social care spending, and does not provide a detailed analysis by type of service.

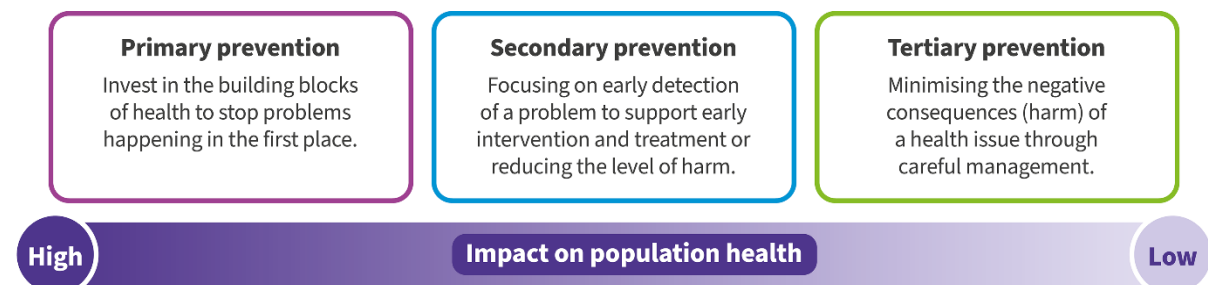
With these caveats in mind, the data collected indicates the following broad trends:

- The majority of IAs who responded to the survey reported overspend in inpatient services in 2024-25, when comparing planned with actual spend.
- Conversely, the majority reported underspend in community mental health services and outpatient services in 2024-25.
- Looking at the total mental health budget reported, the majority of IAs reported underspend relative to their 2024-25 budgets.
- The majority of IAs who responded to the survey reported an increase in their total mental health budget between 2024-25 and 2025-26.
- Inpatient services show a split between increased and decreased budgets in 2025-26. However, the majority of IAs reported increases to their budgets for outpatient services and community mental health services.

These results indicate a shift from inpatient services to a focus on outpatient and community mental health services. This is despite underspend in these services in 2024-25. As noted above, the quality of the data does not support a more detailed analysis of the information.

Question 2: Preventative spending on mental health services

Integration authorities (IAs) were asked whether they would classify any of their planned spending on mental health services in 2025-26 as preventative. IAs were asked to frame their responses using [Public Health Scotland's classification of preventative activities](#), which defines three categories of preventative spend (primary, secondary and tertiary prevention).



Source: Public Health Scotland

IAs did not give responses that allowed an analysis of spend on preventative mental health activities. Many responses did not provide very clear responses to the question. For example, East Renfrewshire simply stated: "Our approach to spending aligns with our Board Wide Mental Health Strategy and priorities" without giving any details of the types of activities that would be considered preventative.

Others provided more detail. Examples of more some detailed responses are shown in Table 1.

Table 1: Preventative mental health activities by classification

| Integration Authority | Primary | Secondary | Tertiary |
|-----------------------|---|---|--|
| Aberdeenshire | Public Health Mental health Improvement and Wellbeing Service Distress Brief Intervention | Post Diagnostic Support Crisis Intervention Service Social Worker Service Primary Care Psychological Therapy Service | Community Mental Health Teams Crisis Intervention Team Social Work and Mental Health officers Dementia Assessment Wards (Brucklay and Ashcroft) |
| North Ayrshire | Recovery College - RAMH | North Ayrshire Peer Support Service | Early Intervention in Psychosis |

| | | | |
|---------------|----------------------|---|--|
| | | Distress Brief Intervention RISE Team Neighbourhood Networks Acorn Mental Health Practitioners Self harm Service (Penumbra) | |
| East Ayrshire | Community Connectors | Counselling Mental Health Practitioners Distress Brief Interventions Independent Living Skills (UCAN & Morven) Neurodevelopmental Empowerment & Strategy Team Huntington's service | Early Intervention in Psychosis Perinatal Mental Health service NHS Ayrshire and Arran Community eating disorder service (across all three Ayrshire HSCPs) |
| | | | |

Source: Integration authority survey responses

However, even where more detailed responses were given on the services that are considered to be preventative, this was rarely accompanied by details on the spending associated with these activities, so it was not possible to determine what share of spending is being allocated to preventative activities.

Only a very small number of IJBs were able to provide an estimate of spending on preventative activities within their mental health budgets. According to the response from Glasgow, around £10 million of its 2025-26 mental health budget would be considered to be preventative spend. This represents around 6% of its total mental health budget, and includes services such as:

- Primary prevention:
 - Youth Health service and Child & Young People networking team

- Digital support delivered by third sector partners (Kooth, Togetherall)
- Secondary prevention:
 - Early detection and prompt intervention for people at a higher risk of developing mental health issues through a number of services including Compassionate Distress Response service, Trauma & Human Trafficking and ESTEEM.
 - Investment for specific communities at higher risk by running anti-stigma campaigns and investing in support groups.
- Tertiary prevention:
 - Adult stress services
 - Digital platforms like slivercloud

For Inverclyde IJB, around 4% of its mental health budget was considered to be spent on primary or secondary preventative activities:

- Primary prevention:
 - Community Link Workers
 - Advice Services
- Secondary prevention:
 - Care Home Collaborative/Liaison
 - Day Care - Older People

For Fife, many of the mental health services and activities classified as preventative involved 'Action 15' actions. Action 15 was set out in the [Mental Health Strategy 2017-2027](#):

“Increase the workforce to give access to dedicated mental health professionals to all A&Es, all GP practices, every police station custody suite, and to our prisons. Over the next five years increasing additional investment to £35 million for 800 additional mental health workers in those key settings.”

The spend considered to be preventative by Fife IJB represented 31% of their mental health budget, so a much higher proportion than the 6% estimated by Glasgow IJB, but this may well reflect different perceptions of what constitutes preventative spend. For example, Dundee IJB commented that “All community mental health and social care mental health spend are considered to be secondary or tertiary preventative spend.” Similarly, Highland classified virtually all of its mental health spend as preventative.

It is evident from the responses that IAs do not have a consistent view on what each of the three categories of preventative spend should include. The range in the proportion of spend classified as preventative is one indication of this. As another example, Aberdeenshire classified its 'Distress Brief Intervention' activities as primary prevention, while North Ayrshire, East Ayrshire, Fife and Midlothian all classified the same category of activities as secondary prevention.

Further, there appeared to some confusion or lack of awareness of the three levels of prevention set out by PHS, with some IAs providing responses to this question that referred to primary care, secondary care and tertiary care generally, rather than primary/secondary/tertiary prevention.

Question 3: Priorities for mental health budgets

IAs were asked to state their priorities for mental health budgets. Again, there was wide variation with the approach to responding to this question. Some responses were very vague, for example, Moray stated:

“Our priorities are in line with national strategy, reinforced through Health and Social Care Moray's Strategic Plan with governance via a whole system strategic group and associated delivery plans.”

Others provided a more detailed list of priorities, many referring to linkages with other strategic documents. Common themes included:

- Prioritising care in the community, with the aim of reducing inpatient care and supporting early discharge
- Prevention and early intervention
- Providing the right support in the right place and at the right time
- Promoting a recovery-based approach
- Developing pathways for those requiring specialist support
- Addressing CAMHS delays and developing appropriate services for young people
- Improving the built estate.

Question 4: Agreeing priorities for mental health budgets

IAs were asked about their approaches to agreeing priorities for mental health budgets. Most responses referred to ensuring alignment with strategic plans, both at local and national level.

Many responses referred to partnership working in agreeing priorities. For example, Dundee referred to:

“Working in partnership with third sector, communities, service users, and other relevant stakeholders (as well as partner bodies – health board, local authorities and neighbouring HSCPs) to collaborate and co-produce a common direction of travel.”

Edinburgh also made reference to consultation – in relation to the wider strategic plan – but also noted the limited resources:

“In agreeing the strategic plan, there was a great deal of engagement and consultation, including with internal and external services. Two public consultations on the full-text plan and associated Easy Read versions were undertaken. This was an extensive consultation process which involved engagement with a diverse range of service users, staff, third sector organisations, national teams, Scottish Government, the public, NHS Lothian and the City of Edinburgh Council. It should be noted that our ability to fund all priorities is limited by the level of resources available.”

East Ayrshire described a more complex governance arrangement in respect of mental health services across Ayrshire:

“The priorities are set in a dual way in East Ayrshire. As North Ayrshire Health & Social Care Partnership provide lead partnership support for Ayrshire’s shared mental health services, some mental health spending priorities are taken through the governance of the Mental Health Partnership in North Ayrshire Health & Social Care Partnership.”

Then added that “East Ayrshire’s local mental health spending priorities are agreed through the East Ayrshire Integrated Joint Board”.

Aberdeenshire noted the influence of Scottish Government targets on priorities and the influence of stakeholders:

“Our priorities are often agreed by directions given by Scottish Government for example supporting PT [psychological therapy] services as they have waiting time attached to them and report to Scottish Government, we see priorities being pushed through Mental Welfare Commission reports and the recommendations attached.”

Angus also noted the influence of Scottish Government directives. Many responses made reference to “Action 15” (cited above, relating to increasing the mental health workforce).

Question 5: Responses to reductions in mental health budgets

IAs were asked how they responded to reductions in budgets for mental health services that formed part of the [Pre-Budget Fiscal Update](#) of September 2024. The

Pre-Budget Fiscal Update introduced reductions of £18.8 million to mental health services in 2024-25. The Scottish Government described these reductions as follows:

“Saving includes mainstreaming elements of the Distress Brief Interventions programme, student mental health measures and additional Mental Health Officer funding, and reprofiling the commencement of the Changing Places Toilet fund.”

However, responses from IAs mentioned a much broader range of impacts on services than those highlighted by the Scottish Government. Common themes mentioned in the IA responses as responses to budget reductions included:

- A need to stop any short-term projects, for example, Aberdeenshire cited its Adult Autism assessment pathway project that had to cease.
- Increased waiting times for psychological treatments.
- Ending contracts for staff on temporary contracts and not recruiting to vacant posts.
- Having to pause project proposals e.g. for example:
 - Aberdeenshire – mental health triage hubs
 - East Lothian – Older Adult Stress and Distress Care Home Service
 - Highland – neurodevelopmental pathways, low secure forensic pathways, early intervention in psychosis, 7-day community mental health access and community-based preventative programmes.
- Reduced training and/or travel to meetings/training.
- Top-slicing budgets so that the impact of reductions falls evenly across all service areas.
- De-commissioning services provided by third sector partners.
- Glasgow referred to use of earmarked reserves to offset reductions.
- Inverclyde focused reduced spend on non-clinical roles in order to protect frontline services.

Orkney was the only IA to respond that there was no impact, stating:

“Spending was not reduced as no budget reduction was implemented.”

The responses indicate that IAs looked more widely across mental health services to achieve savings in 2024-25 mental health budgets. It is possible that the IA responses were reflecting more general reductions in mental health funding, rather than decisions taken specifically in response to the Pre-Budget Fiscal Update.

In terms of the approach to determining where budget reductions should fall, IAs tended to describe prioritisation and (in some cases) top-slicing. For example, Dundee City said:

“The significant cut to Enhanced Mental Health Outcome Framework in 24/25 funding has been managed collaboratively across the multitude of service areas that have benefitted from the funding over many years, by stopping / reducing areas of spend that are no longer deemed a priority, and ‘top-slicing’ the remaining areas to share the reduction equitably. “

Highland indicated decisions that affected early intervention and preventative services, with a need to focus on responding to urgent needs:

“The in-year reduction to mental health funding in 2024–25, as part of the Scottish Government’s Pre-Budget Fiscal Update, had a significant impact on NHS Highland’s planned service developments and delivery. The reduction required us to reassess our spending priorities and make difficult decisions to ensure that core services remained safe, sustainable, and responsive to the most urgent needs. Planned service development affected included neurodevelopmental pathways, low secure forensic pathways, early intervention in psychosis, 7-day community mental health access and community-based preventative programmes.”

A pan-Ayrshire response to budget reductions was described as follows:

“A short-life working group was established in 2024/25 to review the reduction in the Enhanced Mental Health Outcomes Framework budget. This working group was made up of Senior Mental Health leaders from across North, South and East Ayrshire Health and Social Care Partnerships. An additional sub-group was developed to look specifically at the Action 15 allocation due to the vast array of different services and roles funded through that budget. Options appraisals were done and recommendations were drawn up based on the impact the roles or services were having on service users and the risk associated with not delivering the service. Recommendations were written up and taken along with an Equality Impact Assessment to the North Ayrshire HSCP Integrated Joint Board as lead partnership for Mental Health Services for approval. The approved recommendations have resulted in reductions to spending on health checks for adults with a learning disability, the loss of funding for temporary projects focused on innovation, Mental Health Nurses in Police Custody settings, and vacancy losses in the Resilience in Stressful Events (RISE) team Speech and Language Therapy in forensic services.”

Question 6: Process for agreeing 2025-26 mental health budgets

IAs were asked about the processes used for determining 2025-26 budget allocations for mental health services. Many IAs seemed to work from an assumption of uplifts to existing budgets to reflect pay increases, inflation, demographic and demand pressure without more fundamental review. Responses from East Renfrewshire, Fife, Inverclyde, Midlothian, North Ayrshire and East Ayrshire indicated this type of approach.

East Lothian described a more “bottom up” approach:

“Service budgets are routinely reviewed and updated in line with service need/priorities within the EL [East Lothian] strategic plan and within available financial resource for EL MH [mental health] services.”

Edinburgh referred to an “uplift” approach taken currently, but with plans for a more fundamental review in future:

“In the main our opening budgets were based on our 2024/25 budgets, adjusted for pay uplifts, inflation and any agreed savings. For future years we would intend to take a more strategic approach as we improve the alignment between our strategic and financial planning.”

Renfrewshire’s response gave more detail on its approach to identifying savings:

“...Renfrewshire IJB in September 2024 agreed a proposed approach to identifying savings. The approach is intended to help close the projected financial gap that the IJB is facing from 2025/26 onwards, reflecting the continued challenging outlook facing public services across Scotland. Renfrewshire IJB agreed that officers should work towards identifying savings covering 10% of all influenceable spend within the IJB’s budget, applying an equitable approach to all service areas. This approach included public engagement, a public survey and a range of focus groups based around the HSCP’s current care planning group structures, with invites extended to provide a representative group of attendees.”

Aberdeenshire also noted the impact of short notice budget allocations and the challenges this creates for longer-term planning:

“We have also struggled with budget as Scottish Government budget allocation have been late to be issued, for example Enhanced Mental Health Outcome Framework allocations are already 3 months late in being allocated, which makes planning very challenging.”

Question 7: Use of Scottish Government guidance on prioritisation

Finally, IAs were asked whether they had used the [guidance issued by the Scottish Government in 2016 that recommended adopting a prioritisation approach to allocating resources.](#)

Use of the prioritisation approaches described in this guidance note would imply use of an approach similar to the Programme Budget Marginal Analysis (PBMA) approach that the Committee is exploring as part of its pre-budget scrutiny.

A number of IAs (Aberdeenshire, Orkney, North Lanarkshire and West Lothian) explicitly stated that they were not making use of this guidance.

Several IAs said they use the guidance itself, or follow the principles set out in the guidance note:

- Fife: To deliver a balanced financial plan the approaches set out in the Scottish Government's guidance on integration authorities on Prioritisation Process have been enacted. In addition to this, the Mental Health Strategy is a supporting Strategy linked to our Strategic commissioning plan and its delivery plan sets out the local priorities and outcomes we aim to achieve. We monitor this via our Strategic Planning Group and review expenditure against outcomes through IJB Governance routes.
- Edinburgh: Whilst not referring to the document itself we have adopted some of the more practical principles.
- Highland: NHS Highland did use the approaches set out in the Scottish Government's guidance to integration authorities on the prioritisation process to inform decision-making in relation to the mental health budget.
- Midlothian: While the guidance document itself has not been explicitly referenced, a number of its practical principles have been adopted to support local prioritisation and decision making processes.
- Moray: Yes, through relevant governance structures aligning to the financial value based principles and evidence of impact, ensuring the best outcome for the local population and ensuring the views of people with lived experience is integrated with decision making.
- Perth and Kinross: The principles of the Guidance are utilised, but we recognise the continuing need to do more and to evidence the actions being taking.
- Scottish Borders: Local decision making has utilised key elements of the [Scottish Government guidance].

- South Ayrshire: Yes, an options appraisal was undertaken, it looked at value for money as well as service delivery and making sure that where there was service overlap this was reduced as much as possible.

Renfrewshire said that it did follow the principles of the guidance in determining budgets, but noted challenges in doing so in the context of constrained budgets:

“Renfrewshire HSCP/IJB continue to follow the principles of the [Scottish Government guidance] but highlight the inherent conflict within the current financial climate... However, within the current financial climate of increased need and complexity against a backdrop of reduced funding and overall IJB budget pressures, the requirement to make efficiency savings has created a disconnect with this approach, leaving primary care/proactive and preventative services and approaches vulnerable which will have unintended and critical implications across system wide mental health services.”

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