Published 4 November 2026
SP Paper 41
4th Report, 2026 (Session 7)

The Scottish Parliament
Pàrlamaid na h-Alba

Finance and Public Administration Committee

Subordinate legislation considered by the Finance and Public Administration Committee on 28 October 2026

Published in Scotland by the Scottish Parliamentary Corporate Body.

All documents are available on the Scottish Parliament website at:
www.parliament.scot/documents

For information on the Scottish Parliament contact Public Information on:
Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: info@parliament.scot

© Parliamentary copyright. Scottish Parliament Corporate Body
The Scottish Parliament's copyright policy can be found on the website —
www.parliament.scot

Contents

Introduction 1
The draft Budget (Scotland) Act 2026 Amendment Regulations 2026 2
Consideration by the Delegated Powers and Law Reform Committee 3
Consideration by the Finance and Public Administration Committee 4
Conclusion 5

Finance and Public Administration Committee

To consider and report on the following —
a. any report or other document containing proposals for, or budgets of, public revenue or expenditure or proposals for the making of a Scottish rate resolution, taking into account any report or recommendations concerning such documents made by any other committee with power to consider such documents or any part of them;
b. any report made by a committee setting out proposals concerning public revenue or expenditure;
c. Budget Bills;
d. any other matter relating to or affecting the revenue or expenditure of the Scottish Administration or other monies payable into or expenditure payable out of the Scottish Consolidated Fund;
e. any other matter falling within the responsibility of the Scottish Administration relating to the National Performance Framework, public inquiries, and public administration; and proposals for the formation and budgets of officeholders established by the Parliament.


FPA.committee@parliament.scot

Committee Membership



Convener
Clare Haughey
Scottish National Party



Deputy Convener
Alan Brown
Scottish National Party



Kim Schmulian
Reform UK



Liam McArthur
Scottish Liberal Democrats



Pauline Stafford
Scottish National Party



Liam Kerr
Scottish Conservative and Unionist Party



Michael Marra
Scottish Labour

Introduction

1. On 28 October 2026 [1] , the Finance and Public Administration Committee considered the draft Budget (Scotland) Act 2026 Amendment Regulations 2026.

2. The instrument is subject to the affirmative procedure, which means it is for the Committee to recommend to the Scottish Parliament whether the Regulations should be approved.

3. The Autumn Budget Revision (ABR) 2026-27 Supporting Document, which was laid alongside the Regulations, explains the changes proposed in the instrument.

4. To support the Committee's scrutiny of the Regulations, the Scottish Government also published a detailed 'Finance Update' to accompany the ABR. Section B of that document sets out the Scottish Government's budget framework and explains the budget classifications and reporting arrangements used throughout the ABR. It also explains the relationship between the Scottish Government and HM Treasury reporting, and why figures may differ between publications. The section is intended as a reference guide to support the Committee's understanding and scrutiny of the ABR.

5. The Scottish Parliament Information Centre's (SPICe) Financial Scrutiny Unit has also produced a briefing analysing the changes proposed in the ABR, as set out in Annexe B of the attached paper.

The draft Budget (Scotland) Act 2026 Amendment Regulations 2026

6. The draft Budget (Scotland) Act 2026 Amendment Regulations 2026 was laid on 18 September 2026.

7. The purpose of the instrument is to make in-year changes to the Budget (Scotland) Act 2026, which authorises the Scottish Government's spending plans for the current financial year. The instrument is known as the 'Autumn Budget Revision' (ABR).

8. The changes proposed in the ABR will increase the Scottish Government's 2026-27 Budget by £802.4 million from £67,655.2 million to £68,457.6 million. This includes additional Barnett consequentials of £632 million.

9. The main changes to the 2026-27 Scottish Budget, as set out in the supporting document, include—

    1. Funding changes to reflect deployment of available resources to portfolios (total net increase to the budget of £708.9 million).

    2. Technical adjustments (net decrease to the budget of £11.8 million).

    3. Whitehall Transfers and HM Treasury allocations to the Scottish Government (an increase of £105.2 million).

    4. The transfer of resources between Scottish Government portfolios.

10. The ABR provides additional funding across portfolios, including £566.9 million for Health and Care to address service pressures, reduce waiting times and increase capacity. Further allocations include £84.6 million for Education, Culture and Gaelic, £84.0 million for Economy, Tourism and Transport, £35 million for Justice, and £26 million for the Deputy First Minister, Finance and Local Government portfolio, supporting a range of operational pressures and policy commitments.

11. The supporting document also highlights that £85 million of capital funding has been returned by Transport Scotland due to project rephasing and alternative funding sources. Scottish Water has also returned £2.7 million as a result of additional income generated through higher interest rates. This has led to a consequential reduction to the Climate Action and Rural Affairs portfolio.

12. A Child Rights and Wellbeing Impact Assessment for the 2026-27 ABR concludes that the changes will have a neutral impact on children's rights.

Consideration by the Delegated Powers and Law Reform Committee

13. On 7 October 2026, the Delegated Powers and Law Reform (DPLR) Committee considered the instrument. The Report on Subordinate Legislation considered by the DPLR Committee on 6 October 2026 states it made no recommendations in relation to the instrument.

Consideration by the Finance and Public Administration Committee

14. On 28 October 2026, the Finance and Public Administration Committee took evidence on the instrument from the Minister for Public Finance.

15. In her opening statement, the Minister outlined the purpose of the ABR, explaining that it deploys, "almost £800 million of additional resource funding to support our public services. The net funding changes increase the budget by around £709 million" [2] . She highlighted additional allocations of £567 million for health, £85 million for education, culture and Gaelic, and £35 million for justice.

16. The Minister explained that the ABR responds to continued pressures facing the Scottish Budget, stating that public finances remain "under immense pressure" and that funding from the UK Government is "being squeezed year on year" [3] .

17. Discussing the use of additional Barnett consequentials, the Minister emphasised that all funding arising from the cancellation of special educational needs and disabilities debt in England had been allocated through the ABR. She told the Committee that if the Scottish Government does not use those consequentials in the current financial year, "we will not balance the budget" [4] , which the Government is legally required to do so.

18. The Minister also highlighted uncertainty around the financial outlook, explaining that the Scottish Government was retaining some funding as a contingency against expected negative consequentials arising from UK defence spending decisions. [5]

19. On health spending, the Minister stated that the additional funding provided through the ABR would be targeted towards reducing waiting times, increasing capacity and supporting wider reform of the healthcare system. She described health as the Government's "number 1 priority" [6] and said that funding decisions reflected continuing demand and cost pressures across the sector.

20. Providing further evidence on the management of the budget, Scott Mackay, Head of Finance Co-ordination in the Scottish Government, explained that the Government had used ScotWind revenues flexibly because "the pressures on the overall financial position have been such that there has been no option but to deploy ScotWind funds ... to support the budget as necessary" [7] .

21. The Minister also acknowledged that the use of current-year consequentials to support the 2026-27 Budget would result in a more constrained starting position for the 2027-28 Budget. [8]

22. Finally, the Minister committed to providing follow-up information on how the Scottish Government will measure and report on the outcomes and impact of the additional health funding allocated through the ABR.

Conclusion

23. Following the evidence session, the Minister for Public Finance moved motion S7M-01360–

That the Finance and Public Administration Committee recommends that the Budget (Scotland) Act 2026 Amendment Regulations 2026 [draft] be approved.

24. Motion S7M-01360 was agreed to without division.

25. **The Finance and Public Administration Committee therefore recommends that the draft Budget (Scotland) Act 2026 Amendment Regulations 2026 be approved**.

1 Michael Marra MSP was absent from this meeting.

2 Finance and Public Administration Committee. Official Report, *28 October 2026*, Col 2.

3 Finance and Public Administration Committee. Official Report, *28 October 2026*, Col 2.

4 Finance and Public Administration Committee. Official Report, *28 October 2026*, Col 6.

5 Finance and Public Administration Committee. Official Report, *28 October 2026*, Col 18.

6 Finance and Public Administration Committee. Official Report, *28 October 2026*, Col 7.

7 Finance and Public Administration Committee. Official Report, *28 October 2026*, Col 14.

8 Finance and Public Administration Committee. Official Report, *28 October 2026*, Cols 15-16.

