

Criminal Justice Committee
Wednesday 11 February 2026
6th Meeting, 2026 (Session 6)

Reflections on the budget proposed for 2026-27 and Scottish Spending Review

Note by the Clerk

Introduction

1. Following pre-budget oral evidence taking from the Scottish Prison Service (SPS), the Scottish Courts and Tribunal Service (SCTS) and the Crown Office in November 2025, the Committee agreed to invite all organisations back to give oral evidence on the budget resource allocation they are set to receive for 2026/27.
2. These allocations were announced in the [justice portfolio of the Scottish Budget](#) on 13 January 2026.
3. The Committee agreed to question the organisations on the impact the 2026/27 budget allocations would have for each organisation as set out in the justice portfolio.
4. The Committee also wished to consider the implications of longer-term funding provision these organisations as set out the [justice portfolio section of the Scottish Spending Review 2026](#).
5. The Spending Review sets out the Scottish Government's indicative spending plans up to financial year 2028/29 for resource spending, and up to financial year 2029/30 for capital spending.

This evidence session

6. The focus of today's session is to assess the impact the 2026/27 budget allocations will have for the levels of service, and the major issues facing the SPS, SCTS and COPFS, which they outlined in their pre-budget scrutiny.
7. The Committee also wished to hear from all three organisations as to whether they consider the longer-term provisions in the Spending Review as being adequate to properly address the maintenance, modernisation and development of each organisation to meet the service demands they will face into the next decade.
8. At this evidence session the Committee will hear from-
 - **Teresa Medhurst**, Chief Executive, and;
 - **Heather Duncan**, Interim Finance Director, Scottish Prison Service.

And then from-

- **Yvette Greener**, Chief Operating Officer, Crown Office and Procurator Fiscal Service, and;
 - **Malcolm Graham**, Chief Executive, Scottish Courts and Tribunal Service.
9. An additional written submission was provided by the SCTS in support of today's session. This is included in **Annex A**.

Scrutiny to date

10. A written pre-budget [submission](#) was received from the SPS as part of its scrutiny and the Committee took pre-budget [oral evidence](#) from the SPS on 19 November 2025.
11. Both the [SCTS](#) and [COPFS](#) also provided pre-budget written submissions. The Committee took pre-budget [oral evidence](#) from both the SCTS and COPFS on 12 November 2025.
12. As part of the Call for Views on the budget, the Committee also received written pre-budget submissions from [H.M. Inspector of Prisons for Scotland](#), the [Procurators Fiscal Section of the FDA Trade Union](#) and the [PCS Procurator Fiscal Branch](#).
13. In its report on its pre-budget scrutiny of the 2026/27 budget, the Committee considered the pre-budget evidence from the SPS ([paragraphs 123 to 149](#)), and from the SCTS and COPFS ([paragraphs 150 to 192](#)).
14. The Committee set out its conclusions and recommendations on the budget requests by the SPS, SCTS and COPFS in [paragraphs 208 to 234](#) of its pre-budget report.
15. On 14 January 2026, the Cabinet Secretary for Justice and Home Affairs made a [written response](#) to the Committee on the conclusions and recommendations in its pre-budget scrutiny report of the 2026/27 budget.

Action

16. **Members are invited to discuss the 2026/27 budget allocations and the proposed funding in the Scottish Spending Review with the witnesses at today's meeting.**

Clerks to the Committee
February 2026

Annexe A: Scottish Courts and Tribunal Service Submission to the Criminal Justice Committee - Reflections on Proposed 2026-27 Budget

SCTS would like to thank the Committee for the opportunity to provide an update on the 2026-27 position following publication of the draft budget on 13 January. This note does not repeat the analysis provided during pre-budget scrutiny – rather it provides an update based on that evidence, focusing on the impact of the proposed settlement and the steps SCTS will take to manage within the budget, whilst continuing to deliver the best possible service.

1. Budget Outcome

SCTS recognises the significant financial restraint that the Scottish Government is operating under. In order to support growing demand for our services and increasing costs, we requested an additional £41m funding in 2026/27, compared to our Budget Act allocation in 2025/26. Approximately half of that request sought to baseline “Recover Renew Transform” (RRT) funding which SCTS has been receiving as a budget supplement, whilst other justice organisations had secured baseline uplifts to reflect the pressures that had developed over the past 5 years. RRT funding has enabled us to deliver the court recovery programme – initially in response to the pandemic but more recently to help manage growing levels of business – particularly solemn business, tribunal case volumes, and the workload of the Office of the Public Guardian.

The balance of the uplift sought was required to meet costs in relation to pay, inflation and maintaining our essential built and digital estates. The level sought was that required to “keep the show on the road” – SCTS recognises that there is no scope in the budget for the public sector to grow, so no request was made to increase the size of the organisation.

Of the £41m requested SCTS secured £30m, including a baseline transfer of £20m in respect of the RRT funding. Our capital funding request of £18.7m was met in full. SCTS welcomes the fact that the settlement is above the flat cash level that had been outlined as a possibility at earlier stages in the process. However, it does leave an £11m shortfall against our assessment. The process of developing the organisation’s budget has commenced but is at an early stage. A range of challenging decisions will need to be made to match available resource to priorities. Our final budget for 2026/27 will be published as part of the SCTS Business Plan for the coming year, towards the end of March.

2. Impact of the Budget Outcome on SCTS

Whilst the final budget distribution is yet to be developed it is clear an £11m shortfall will present a number of strategic challenges. The uplift that has been provided will largely be consumed by inflationary pressures, including the cost of meeting our pay settlement. Levels of growth across solemn criminal business, the devolved tribunals and the Office of the Public Guardian continue to be in line with the projections provided in our pre-budget evidence.

The funding settlement will not allow us to grow operational capacity in order to match developing pressures. Indeed, given the projections contained in the 3-year spending review, published alongside the budget, we will need to identify any further efficiencies that can be made. We are supportive of the approach set out in the Government's Public Service Reform Strategy – which calls for digitisation and reconfiguration of services to deliver future recurring savings. Achieving such savings requires a degree of up-front investment. We may need to direct some resource away from operational delivery in the coming year, in order to prioritise any further efficiencies, we can achieve to deliver such recurring savings – while the capacity to do so still exists.

The SCTS Board will need to strike the optimal balance between maintaining critical operational services, whilst preserving a degree of investment for urgently required reform and improvement - including investment in end-of-life digital systems and work to ensure our estate continues to meet statutory health and safety requirements. We have stressed to the Scottish Government that any new policy or legislative proposals advanced during 2026-27 that have financial implications will need to be fully funded, as there is no capacity within our budget to meet the cost of new proposals or system changes required as a result of them.

The pressure on our resource funding will make it more challenging to ensure that full and effective use can be made of the capital budget that has been awarded. Whilst our digital and estates teams are experienced in managing such pressure it can lead to projects being delayed until revenue becomes available to support work on capital investment. Sometimes underspends in other areas can be used for this purpose, but these will be less likely given the settlement received.

3. Criminal Justice System – Strategic Digital Investment

As highlighted in our pre-budget evidence to the Committee SCTS believes that significant cross system investment is required in the underpinning case management systems that support the work of the criminal justice system. These systems are end of life – presenting risks to their security and maintenance and limiting the potential to deliver higher quality and more efficient services to all those using the criminal justice system.

The budget awarded to SCTS will only allow us to maintain these sub-optimal systems. We are working with partners across the justice system to develop proposals for a major overhaul – something that will be essential if the justice system is going to be able to maintain services and meet budget constraint in future years. Without such investment a dramatic reduction in both capacity and quality of service seems inevitable. Over the past 10 years Her Majesty's Courts and Tribunals Service received over £1 billion (in addition to its core funding) to support a major overhaul of its technology and case management platforms.

With more limited resourcing over a similar period, SCTS has been able to update the case management system used for civil business and – with ongoing support from the Scottish Government – progress is being made on a new system for the Office of the Public Guardian. This support is welcome – but a step change will be

required to both mitigate risk and realise benefits in the criminal justice sector. Scoping and development work in this area will take place in 2026-27, but it will require strong financial backing thereafter to make the proposals a reality and create a positive future vision for the system.

4. Post Budget Developments

We remain in dialogue with the Scottish Government in relation to the budget. A number of in-year budget revisions will be required to reflect demand-led activity (for example - in new tribunal jurisdictions). Early dialogue on new policy proposals may be required post-election and we will continue to build the case for cross-agency investment to transform the digital infrastructure supporting the criminal justice system. We await confirmation of whether the “invest to save” fund promoted by the Scottish Government in 2025-26 will be extended to 2026-27 – SCTS secured funding to develop a new system for managing jurors from the fund but – due to the later than anticipated award of funding – the project will now extend across two financial years and support will be required to bring it to completion.

A number of services that were previously provided “in kind” to SCTS by the Scottish Government are now being charged for, without a balancing uplift in budget. These include costs for using the finance system and for internal audit services. More significantly we have recently been notified by the Scottish Government that they plan to close their data centre (based at Saughton House, Edinburgh) in which over 100 core SCTS digital systems are hosted. Should the centre be closed in the course of 2026-27 our initial assessment of the costs involved to migrate and maintain the essential services hosted there is in the region of £5-6m. SCTS has not been funded to reflect this potential new pressure, which arose after the pre-budget scrutiny. SCTS does not currently regard it as a priority in view of the other pressures faced by the organisation.

I would be happy to expand on any of these points at the Committee session on the 11th.

Malcolm Graham - Chief Executive, SCTS

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