Finance and Public Administration Committee

Tuesday 24 February 2026

Scottish Spending Review and Infrastructure Delivery Plan

Members have agreed to take evidence on the Scottish Spending Review and the Infrastructure Delivery Plan, published alongside the Scottish Budget 2026-27. This paper gives an overview of these documents and summarises some relevant research on the approach and methodology for effective spending reviews.

Scottish Spending Review

On 13 January 2026, the Scottish Government published its first spending review since the 2022 resource spending review. With a Scottish election scheduled for May, it will be for the next government to make spending decisions throughout this spending review period. If a new government has different priorities then it is likely to make changes, however the financial realities mean that any different priorities would have to be delivered in the same challenging fiscal context. Commenting on the plans for a Scottish Spending Review, the SFC noted that:

> "The Scottish Spending Review … will determine the trajectory of public spending over the next Parliamentary term and it must provide a meaningful basis for informed debate on the public finances during and after the election.
>
> Closing the fiscal gap will require all parties in this Parliament and the next to work together to address the fiscal challenges and any debate around new spending plans, changes to social security policy or tax changes needs to consider the broader public finances."

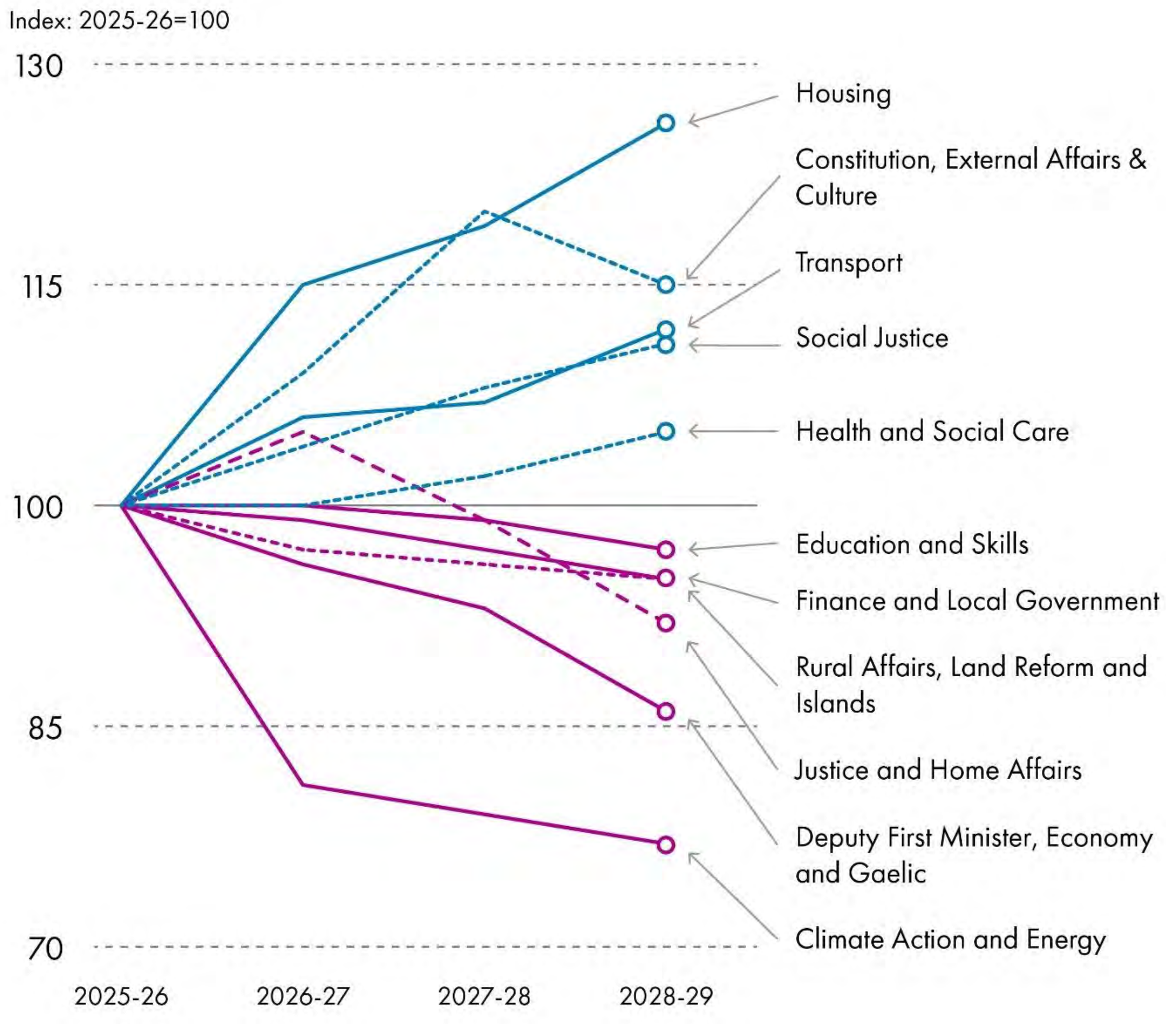
The document provides some detail on portfolio resource allocations over the next three years, and over the next four years, mirroring the period covered by the UK Government's spending review published in June 2025. The level of detail provided varies by portfolio – some are down to level 4 (including aspects of health and social care), local government plans are provided to level 3, while others only show level 2 such as Education and Transport.

So, while this provides some welcome detail, it is patchy – for example, for health, the indicative budgets for individual health boards will be welcome, but there is a notable gap in terms of the detail of other areas of the health budget that do not get directed to health boards, such as GP funding.

A longer-term profile for third sector funding will also be a welcome development for the sector, which has repeatedly highlighted the challenges that short-term funding agreements present for service delivery. Setting out a three-year budget for third sector infrastructure funding, the Scottish Government states that “this Spending Review supports our commitment to Fairer Funding for the Third Sector.”

Figure 1 below sets out the real terms growth rates for resource and capital funding for each portfolio, as set out in the spending review. The base year uses the 2025-26 Autumn Budget Revision data included in the budget document, but to make the data comparable to the spending review profile there are two changes. We have used Table A.09 from the Budget document to remove the internal transfers which would otherwise increase the ABR baseline, and we have also removed all AME and non-cash allocations from the 2025-26 baseline, apart from non-domestic rates, to match the presentation in the spending review as closely as possible.

Figure 1: Real terms changes in portfolio spending



The analysis shows that **the housing portfolio** is set to see the strongest growth, increasing by 26% over the spending review period. **Constitution, External Affairs and Culture** also grows strongly in the first two years, reflecting a number of important events being hosted in Scotland. **Transport, social justice and health and social care** also see positive real terms growth throughout the period. Other areas see real terms reductions over the period, with **Climate Action and Energy** seeing the largest fall of 23%.

The Scottish Government state that the SSR deploys resources to tackle the Government's four overarching priorities; eradicating child poverty, growing the economy, tackling the climate emergency and delivering sustainable public services. The next section of this briefing looks at these four priorities in more detail.

Eradicating child poverty

The Scottish Government states that eradicating child poverty is its top priority and highlights the progress made so far in reducing rates of relative poverty.

The 2026-27 Budget identified increased spending on measures targeted at 'tackling child poverty', growing from just under £60 million in 2025-26 to £163 million in 2026-27 to support the upcoming third plan in 2026. The spending review broadly maintains this increased level of spending.

Growing spending on social security has been a feature of recent budgets, and this is set to continue over the spending review period, rising from £6.8 billion in the 2025-26 Autumn Budget Revision to £8.1 billion by 2028-29. The spending review provides a breakdown of this planned spending to level 3, which lists spending on individual benefits. The largest contributors to the increase are expected to be the adult disability payment (increasing from £3.4 billion in 2025-26 to £4.6 billion in 2028-29), and pension age disability payment (increasing from £853 million to £1.0 billion in 2028-29). Benefits specifically targeted at children (Child Disability Payment, Child Winter Heating Payment and Scottish Child Payment) are also set to see increased levels of expenditure.

Another clear 'winner' of the proposed spending review allocations is the housing budget. The affordable housing programme aims to help reduce child poverty and contributes to significant growth in the Housing and Building Standards level 2 budget, which reaches £924 million by 2028-29. Unfortunately, the housing portfolio is one which is only shown to level 2 so we have limited granularity on the funding allocations here.

Growing the economy

While growing the economy is highlighted as a priority by the Scottish Government, the allocations to key bodies tasked with economic development do not suggest this is a particular priority.

The enterprise agencies face a particularly tight settlement, with real terms cuts in each year. The Scottish Government pledge that they will meet the promise of capitalising the Scottish National Investment Bank with £2 billion in capital funding over its first ten years, but the spending review sets out a flat cash settlement in each year.

Funding for city and regional growth deals also reduces over the period. The 12 deals were agreed at different times for 10- or 15-year periods, and so fluctuations in the spending profile are expected. Some of the earlier deals are also approaching their end, which might contribute to lower spending in the later years of the spending review.

In their report on Scotland's City and Regional Growth Deals, the Economy and Fair Work Committee highlighted the lack of transparency on the future profile of spending, stating:

> "the Committee recommends that the Scottish Government clearly sets out its expenditure on growth deals in the annual budget to allow for proper scrutiny. The Committee also asks the Scottish Government to publish a longer-term forecast of its anticipated spend profile on growth deals. Further, it would be helpful to show disaggregated Scottish Government and UK Government contributions to growth deals in the level 4 budget spreadsheet, setting out the contribution to each deal."

The Scottish Government's response noted that it was 'exploring' options for providing annual updates on funding for city and regional growth deals.

The Scottish Government states that employability funding will support 22,000 people into work. Growing the workforce and therefore the tax base is one key way that the Scottish Government can improve the performance of devolved taxes and therefore ease the pressure on public funding. However, the employability budget is flat in cash terms.

One area of growth within the **Deputy First Minister, Economy and Gaelic Portfolio** is tourism, which nearly doubles in cash terms. Funding for major events is a significant factor – in 2027 Scotland will host the Tour de France Grand Depart, and in 2028 Scotland, along with England, Wales and the Republic of Ireland, will host men's football European Championships.

Tackling the climate emergency

The spending review covers much of the first Carbon Budget period (2026-2030). According to the draft Climate Change Plan, in this period Scotland's emissions will need to be around 57% lower than 1990 levels on average, compared with the current reduction of around 51% compared to 1990. Within this, transport, residential and public buildings, and business and industrial processes all need to make significant progress in reducing emissions.

The Cabinet Secretary highlighted that over £5 billion in funding in the 2026-27 Scottish Budget would have a positive impact on the Scottish Government's climate goals. A significant part of this spending relates to the provision of public transport services. We look at this in more detail in the climate change section of the SPICe budget briefing.

The **Climate Action and Energy Portfolio** is described in the spending review as 'play[ing] a critical role' in responding to the climate emergency. However, over the spending review period the allocation to this portfolio is largely flat in cash terms.

Within this, the budget for offshore wind falls from £137 million in the Autumn Budget Revision to the 2025-26 Budget, to £61.7 million by 2028-29. This budget aims to support the development of the offshore wind supply chain, in the context of the significant developments expected through Scotwind during the spending review period. Members recently asked the Minister for Public Finance about the £102.9 million reduction to offshore wind in the Spring Budget Revision, with the Minister explaining that this was due to delays to the projects and anticipated private finance. The Scottish Government aims to grow offshore wind capacity to between 8 and 11 GW by 2030, which will require a significant increase from the 4.3 GW of installed capacity as of Q3 2025.

The energy transitions budget aims to support industrial decarbonisation, supporting the development of carbon capture and storage, and supporting the Just Transition in Grangemouth. The level 2 budget grows to £81.6 million in the final year, however this follows successive declines to just over £40 million per year in 2026-27 and 2027-28.

Sustainable public services

The Scottish Government notes that, as set out in in the public sector reform strategy, reducing the overall rates of poverty could reduce public spending by £2.9 billion. The spending review commits to piloting an approach to tracking preventative spend across the Scottish Budget in 2026.

The Spending Review also sets out some more detail on how the £1.5 billion public sector efficiencies and reforms are to be achieved. Health and social care reform will do the heavy lifting, with over £1 billion of the total planned savings to come from this sector. There is repeated reference to the intent to "protect" or "free up" investment in frontline services through the reforms.

It is worth considering that these targeted efficiencies are in the context of pressure on the public sector pay framework, with awards in the first years running ahead of the intended 9% pay envelope.

NHS Boards will have to achieve recurring annual savings equivalent to 3% of their baseline revenue resource limit. The latest Audit Scotland report, covering the 2024-25 financial year, shows that boards achieved recurring savings of 2.2%, so meeting this target will require an improvement.

The Fraser of Allander Institute notes that some of the planned efficiencies will be challenging to deliver, stating that:

> "The area that looks like it has taken the biggest clobbering though is the justice system. It does not seem credible that such large cuts can be made to this area without impacts on services."

We discuss public sector reform in more detail elsewhere in the SPICe budget briefing.

Methodology

One area that the spending review provides little detail on is the process. In the build up to the review, there was some discussion about whether this would be a 'zero based' review or not, as the recent UK Spending Review was. A 'zero based review' involves portfolios having to justify all spending, rather than taking the previous year's spending plans as a starting point. The intention is that such a robust approach of challenging all spending will identify efficiencies, and ensure resources are being focused on the Government's strategic priorities.

The final report of the Budget Process Review Group recommended that the Scottish Government carry out a Scottish spending review (SSR) linked to the equivalent UK spending review, and that the Scottish Government should publish a framework document setting out the economic and political context, the criteria which will govern the assessment of budgets, and the process and timetable for the review.

The Scottish Government published a framework for the 2026 spending review in Annex E to the Medium-Term Financial Strategy in June 2025. Not much is specified in terms of the methodology for carrying out the SSR. The framework states that it will be integrated with the work to develop the 2026-27 Scottish Budget, including the stakeholder engagement involved in this. The framework also states that:

> "We will build on the impact assessment approach that we have deployed in previous Scottish Budgets and Spending Reviews to ensure that spending plans continue to be properly considered and our legal duties continue to be met."

The timeline in the framework states that portfolio analysis, along with stakeholder engagement, will take place between June and September. Ministerial discussions on spending priorities are scheduled for October and November, before the intended publication in December 2025. After the UK Autumn Budget date was confirmed, this was delayed until 13 January 2026.

In evidence to the Finance and Public Administration Committee in September 2025, the Fraser of Allander Institute suggested that:

> "The issue is the amount of time that the Scottish Government will have for conducting that review and whether it will be enough to conduct a full zero-based review. My view, from looking at how long the Government will have to actually conduct any review, is that it is not enough."

The lack of any detail on the methodology underpinning the spending review will do little to ease these concerns.

On 27 January the Cabinet Secretary gave evidence to the Committee, and stated that:

> "Every cabinet secretary in every portfolio is challenged to set out the degree to which their spending is having an impact on the First Minister's four key priorities. That work was done through the spending review process, which was quite rigorous."

Reaction to the SSR

On 17 February the Institute for Fiscal Studies (IFS) published analysis of the Scottish Spending Review. This noted that:

- While overall funding has grown more quickly in the 2020s than in the 2010s, the Barnett squeeze has reduced the funding advantage that Scotland has over England.
- The outlook for funding is expected to be constrained for much of the next Parliament, but the IFS suggest that the funding squeeze relative to England will continue.
- The IFS estimate that real terms funding per person in Scotland is 6.0% higher in 2025-26 than 2010-11.
- Slow real terms growth in resource funding, coupled with indicative commitments to health and social care services, mean that other services face real terms cuts averaging 1.7% in 2027-28 and 2028-29.
- The block grant provides the Scottish Government with around 26% more UK government funding per resident than comparable services in England in 2024-25, with additional revenues from devolved taxes adding a further 2.8 percentage points.
- This funding advantage has reduced from 32% higher in 2019-20, and is expected to reduce further to around 23% higher by 2028-29.

As part of its initial reaction to the Scottish Budget, the Fraser of Allander Institute published a series of blogs, one of which looks at the SSR. This highlights the implied profiles for portfolio spending, noting that after accounting for internal transfers health and social care resource spending grows by 6% over three years in real terms. This is less than the 3.3% real terms growth which the MTFS suggested would be required to meet increasing demand. The local government and justice resource spending plans look challenging, falling in real terms over the three years.

On the efficiencies and reform plans contained in the SSR, FAI state that:

> "the majority of this is assumed productivity and efficiencies in the health service. Whilst around two-thirds of the health efficiency savings come from a 3% recurring saving for NHS Boards, the rest is from "other efficiencies". On the workforce side, it is the justice system that will have to demonstrate a large proportion of the workforce savings, and the largest chunk of savings from service reform. There is also a sizeable line for Local Government – "Other Efficiencies and Reform" for which there are no details."

Spending reviews – good practice

There are several recent publications which propose how effective spending reviews are carried out.

In the Autumn Budget 2024, the UK Chancellor announced the creation of the Office for Value for Money (OVfM), with a remit to improve value for money through the spending review in 2025. In November 2025, the OVfM published its report which made several recommendations related to the governance of public spending.

In relation to the management of mega projects such as HS2 and Sizewell C, the report recommended that:

- a 'Strategy and Delivery Plan' should be published and laid as a Command Paper in Parliament at key stages of development and construction, including any material changes to scope or objectives;
- streamlined decision-making processes and integrated assurance plans should be established to reflect each mega project;
- projects in development will be given staged, incremental funding as the design is developed, and uncertainty and risk is reduced;
- mega projects that move into construction will be given a fixed capital envelope for the entirety of the project, including flexibility to move money forward and back to deliver more efficiently, up to an amount approved by HM Treasury, as long as they are not undertaking a fundamental reset; and
- delivery bodies will be granted automatic freedoms to determine pay for specialist roles that require skills not typically held by civil servants.

The report also proposes reforms to the controls and accountability framework. These reforms aim to improve accountability, enable central functions to more effectively build capacity, and develop open and collaborate ways of working. The five principles guiding the reforms are:

1. decisions should be delegated to those closest to delivery, at the lowest appropriate level, with ultimate accountability to Parliament remaining with Secretaries of State and AOs;
2. the centre of government should be responsible for oversight of the biggest strategic risks and cross-cutting priorities;
3. functional expertise should be embedded in departments and their Arm's Length Bodies (ALBs) as required, with central functions focused on setting common standards and frameworks; supporting capability; dealing with issues that are best done once on behalf of the whole of government; and providing specialist support up front;
4. approval of decisions should typically be done once and done well, by those accountable for those decisions; and
5. trust, openness and collaboration should be the foundation of cross government relationships.

In August 2024, the Institute for Government published a paper setting out how the UK should run its multi-year spending reviews. This report sets out 21 recommendations to improve the process. These include:

- defining the top priorities for government with a small number of long-term measurable outcomes
- spending reviews should cover five years, with reviews every three years
- Multi year funding plans should be published at least six months before they come into effect
- Establish a regular cycle and method for spending reviews by setting out the process in the Charter for Budget Responsibility.
- Spending reviews should cover AME and tax expenditure, not only DEL.
- Avoid early settlements or the protection of individual budgets to enable a comprehensive assessment of trade offs
- Publish detailed multi year baseline spending plans for each department to articulate the challenges they face, with independent oversight
- Establish an expenditure committee in the house of commons to scrutinise the spending review process and outcomes.
- Incorporate a set of 'Dutch-style' interdepartmental reviews of thematic policy areas, including the government's missions, into the spending review to improve the efficiency and strategic alignment of spending as well as to maintain control of totals.
- Convene interministerial groups for each government mission, led by a lead secretary of state and supported by central government, to develop joint strategies and spending plans to help overcome Whitehall's natural tendency towards siloed working.
- Conduct multilateral 'star chamber' negotiations to ensure that final settlements stand the best chance of addressing cross-cutting priorities and fully use jointly developed evidence reviews and bids.
- Make allocations to each cross-cutting priority as well as to individual departments, making use of the existing rules on accounting officer responsibility.
- Aim to avoid changing spending plans to maintain the benefits of certainty, while maintaining flexibility to update them in response to major changes in circumstances that require reprioritisation.

In 2023, the OECD published a document setting out best practice for spending reviews. This guidance comprises seven steps, and covers many of the same themes as the IFG analysis:

1. Formulate clear objectives and specify the scope of spending reviews
2. Identify distinct political and public service roles in the review process
3. Set up clear governance arrangements throughout the review process
4. Ensure integration with the budget process
5. Implement recommendations in an accountable and transparent manner
6. Ensure full transparency of spending review reports and the review framework
7. Update the spending review framework periodically

In June 2025, the Tony Blair Institute for Global Change published its proposals for a new approach to UK spending reviews. This report stated that:

> “Fixing the Spending Review has to be about more than delivering efficiencies. A comprehensive redesign of the system itself is needed, putting in place an AI-powered real-time portfolio-management system. This would enable a periodic “Strategic Review” to replace the current clunky process, focusing on a refresh of government objectives and alignment of programmes to common goals.”

The report made five recommendations to improve the spending review process:

1. Pilot the new approach with a single department, quickly building a minimum-viable version of a tool that integrates financial and performance data into a shared dashboard. This would help the Treasury to understand spending on key programmes and the department to manage it.
2. Publish lessons learned from this exercise, including its impact on outcomes, and use them to inform a full-scale rollout across departments, rewarding early adopters with greater autonomy on spending.
3. Build a secure web-based collaborative bid-drafting and submission tool, and test it during upcoming fiscal events.
4. Over time, build in more advanced AI and data capabilities, including advice on bid strength, an evidence explorer and duplication detection, working closely with users to rapidly iterate and evolve the system.
5. Develop a tool for the next spending review that integrates spending and performance metrics from across government, and is available to departments as well as the Treasury, the Cabinet Office and the prime minister. This should be used in regular stocktakes and Cabinet meetings.

Infrastructure Delivery Plan

The Scottish Government published two documents alongside the Budget relating to longer term planning for capital investment: the Infrastructure Delivery Pipeline 2026 and a Consultation on the Infrastructure Strategy 2027-2037.

The Infrastructure Delivery Pipeline (IDP) sets out infrastructure plans for the next four financial years from April 2026 to March 2030. The Scottish Government outlines that:

> “It sets out specific investment plans totalling £11.1 billion, as well as our plans to develop new revenue-financed programmes of Investment. More projects will move into the Pipeline as business cases are approved over the Spending Review period.”

The IDP covers projects over £5 million and programmes over £20 million. Some of the projects listed include:

- A9 Dualling Programme
- Rail Services Improvement and Decarbonisation programme

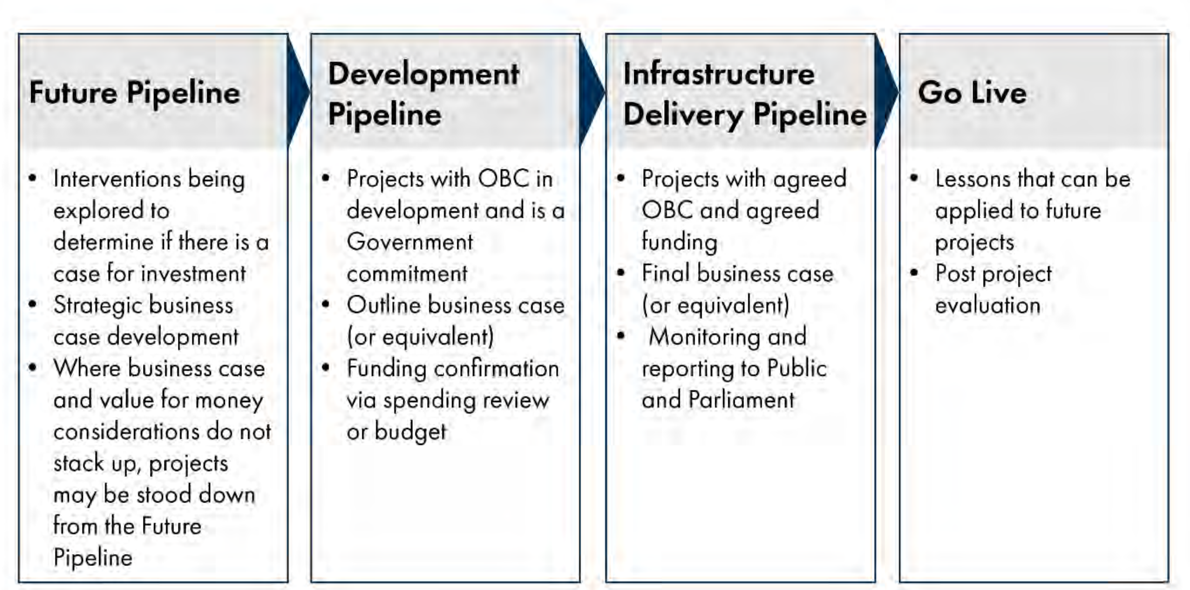
- Ambulance Replacement Programme

The IDP is a continuation of the pipeline set out in the 2021 Infrastructure Investment Plan (IIP), with some projects and programmes listed as they are near completion. However, a few projects listed in the 2021 IIP have not been listed specifically in the new Pipeline. These are in the Health Sector, where the Scottish Government is working with all Health Boards to develop a whole system infrastructure plan (WSIP).

The IDP is a live document, and the Scottish Government notes that new projects and programmes will be added to the pipeline at future updates, as investment plans are agreed.

The IDP illustrates how projects progress through the Scottish Government's decision-making stages. The figure below consolidates this information, showing the full journey of an infrastructure project.

Figure 2: Pipeline of Scottish Government's IDP decision-making process



Fraser of Allander comment that:

> "A list of projects that's in the infrastructure development pipeline rather than delivery, which sounds a bit like a euphemism for things that you might like to do if you had more money, but you know, you can't commit any funds to at the moment."

Full information about each of the projects and programmes in the Infrastructure Delivery Pipeline can be found in the Supporting Documents Section.

Capital

The 2026-27 Budget has a total of £7,568 million in capital and financial transactions funding available, which is an increase of £146 million compared to the 2025-26 ABR Budget (2% higher in cash terms, or a 0.3% decrease in real terms).

The majority of the capital budget comes from HM Treasury. The core Barnett settlement increased by £456 million to £6,712 million (89% of total capital budget).

The Scottish Fiscal Commission reports:

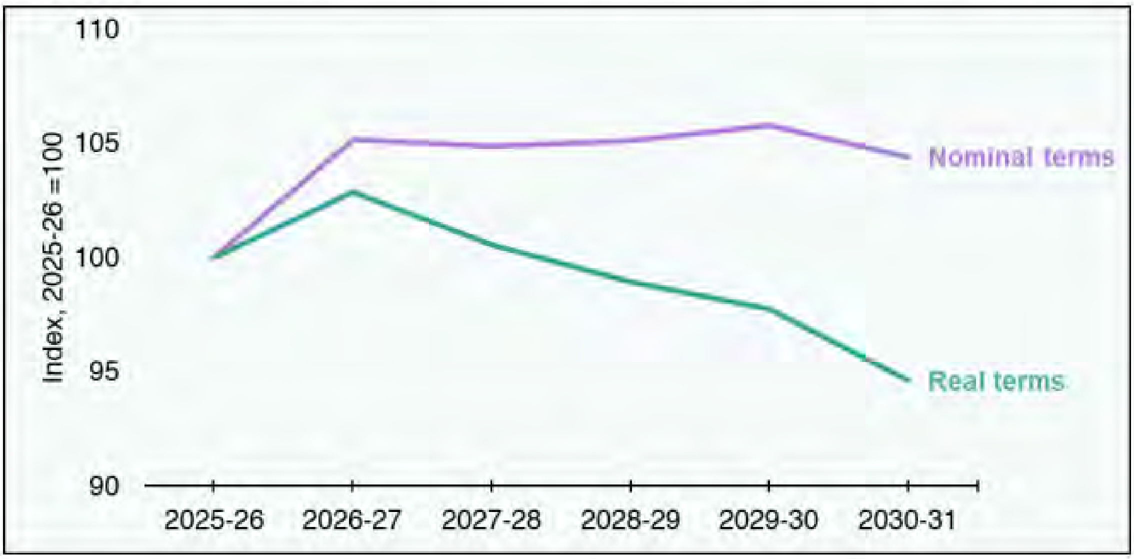
> "The Scottish Government has taken the decision to reduce capital funding in-year to minimise any underspend. This reduces capital funding by £226 million in 2025-26. Capital funding has increased by £214 million in 2026-27 compared with our June 2025 forecast. There is an average increase in capital funding of £176 million throughout the forecast period, equivalent to 2.3 per cent of the capital budget. However, in real terms, capital funding is falling by 5 per cent between 2025-26 and 2030-31."

One potential source of capital funding for the Scottish Government is income from Scotwind. The Scottish Government plans to use Scotwind revenues to bolster both capital and resources positions over the spending review period. Planned capital utilisation in 2025-26 has reduced however from £341 million to £153 million, with a further £23 million being utilised to support resource spending. A further £50 million will be used for resource spending in 2026-27, with £92 million in capital funding in 2028-29 and £99 million in 2029-30.

Capital funding makes up around 12 per cent of total funding. The SFC expect it to grow by 4.4 per cent in nominal terms between 2025-26 and 2030-31. However, after adjusting for inflation the growth is equal to minus 5 per cent as shown in SFC's figure below.

Figure 3: Capital Funding Outlook

Capital funding grows in 2026-27 but remains flat over the forecast and is falling in real terms



Description of Figure 2.5: Line chart showing capital funding trends from 2025-26 to 2030-31, in nominal and real terms, indexed so that 2025-26 levels are equal to 100. Capital funding grows in 2026-27 by 5 per cent and then remains flat over the forecast period. Adjusting for inflation sees a fall in capital funding across the forecast period.

Source: Scottish Fiscal Commission, Scottish Government.

Mutual Investment Model

The IDP confirms that the Scottish Government will continue to deploy revenue-funded models including the Mutual Investment Model (MIM):

> "Any deployment of MIM would be to deliver additional investment over and above constrained capital budgets assessed to be necessary to meet our investment ambitions."

Through MIM, the Scottish Government is expecting to deliver community health centres over the coming decade. Three initial projects to be supported (Port Glasgow, East Calder and East Livingston, Cowdenbeath and Lochgelly). A further nine projects are to be considered for inclusion in the first tranche. The Scottish Government suggests that the capital value of all twelve schemes will be above £500 million.

Given limits on direct government borrowing, the Mutal Investment Model could accelerate delivery of new facilities. However, the Scottish Futures Trust (2019) found that MIM is significantly more expensive, estimating that using private finance option to fund a new secondary school will be in the range of 2.6 to 3.3 times the construction cost over the 25 years of the asset. This compares with 1.9 to 2.6 times the construction cost if financed using public borrowing. An asset funded using capital grant and maintained to the same standard over 25 years is estimated to be 1.5 times the construction cost.

These higher costs would fall on future resource budgets, reducing funding for other priorities. The Institute for Fiscal Studies recommends that MIM is only suitable where investments generate sufficiently high returns and where borrowing limits prevent use of cheaper, direct government finance.

Consultation on the Infrastructure Strategy 2027-2037

This consultation focuses on high-level priorities, rather than detailed portfolio plans. The consultation closes for responses 5th May 2026 and we can expect the final strategy to be published later in 2026. The final strategy is set to include greater detail on public assets, sector specific investment priorities, and portfolio level strategies to guide implementation.

The Consultation identifies that:

> "Renewing current assets and dealing with existing maintenance backlogs over ten years would require around two thirds of the capital budget and leave little headroom for new developments. This means that we need to make sensible choices on how and where we deliver services better and well-informed decisions to 'right size' our asset base to be affordable in the long term."

The Infrastructure Commission for Scotland (ICfS) shaped the current Infrastructure Investment Plan (2021-2026) and continues to influence the new Infrastructure Investment Strategy. The Scottish Futures Trust (SFT), through the Scottish Government's Infrastructure Improvement Programme, has developed a system-wide Infrastructure Needs Assessment to guide future investment.

Scottish Futures Trust Infrastructure Needs Assessment

Published in January 2026, the Needs Assessment sets out the key infrastructure challenges for the next 30 years. It identifies five major trends that should guide all investment decisions and strategies; demographics, climate change, global security, economic priorities, and public service reform.

The report sets out the long-term outlook for each major infrastructure sector in Scotland, highlighting the key challenges and opportunities they face over the next 30 years based on the Needs Assessment analysis.

The table below sets out the sector summaries, providing analysis of the report's findings and distilling the long-term messages and recommendations.

Sector	**Key Message**
Transport	Scotland must prioritise maintaining and decarbonising existing networks, reducing car dependency, improving accessibility and strengthening climate resilience. Recommendations include exploring innovative funding mechanisms such as road pricing or congestion charging, integrating models, and using digital tools to improve efficiency.
Waste	The waste system needs to accelerate its shift to a circular economy through modernised recycling infrastructure and new technologies. Recommendations include implementing the UK-wide Digital Waste Tracking System, driving behaviour change, improving compliance, and addressing public resistance to energy-from-waste projects.
Energy	The energy sector must deliver a coordinated transition to renewables, hydrogen and CCUS, supported by major grid upgrades. Recommendations include unlocking private investment through policy clarity, addressing grid capacity and pricing barriers, tackling skills shortages, supporting a just transition and reducing fuel poverty.
Telecommunications and Digital	Digital networks must be more inclusive, resilient and secure, enabling modern public services and economic growth.

	Recommendations include expanding full-fibre and 5G, supporting green data centres, closing rural coverage gaps, boosting digital inclusion, and strengthening cyber security across critical systems.
Water	Scotland's water system must address ageing assts, rising demand and climate pressures. Recommendations include sustained investment in asset modernisation, significant climate adaptation measures, deploying nature-based solutions, reducing consumption, and exploring new financing mechanisms to meet long-term costs.
Health and Social Care	Demand pressures and ageing infrastructure require a shift to preventative, digital and community-based care models. Recommendations include investing in digital health platforms, improving asset flexibility, considering public-private financing, and ensuring facilities are climate-ready while addressing workforce and inequality challenges.
Housing	Scotland must tackle the housing emergency by increasing affordable supply and retrofitting the existing stock. Recommendations include repurposing vacant properties, adopting off-site construction and collaborative delivery models, supporting net-zero retrofits, reducing fuel poverty, and ensuring homes meet the needs of an ageing population.
Emergency Services	Emergency services must modernise ageing assets and adapt to rising climate and security risks. Recommendations include co-locating facilities across services, modernising estates, improving digital integration for real-term resource management, and strengthening preparedness for large-scale emergencies.
Education	The education estate must adapt to demographic change, digital learning and sustainability goals. Recommendations include greater use of shared facilities, investing in digital and technology-enabled learning, retrofitting buildings to meet net zero requirements, and ensuring resilience to climate risks and future shocks.
Justice	Scotland's justice system must modernise its ageing estate, reduce court backlogs and address prison overcrowding. Recommendations include expanding digital processes, increasing alternatives to custody, integrating justice with social services, modernising buildings for climate resilience, and strengthening cyber security.
Defence	Defence infrastructure requires modernisation to meet technological, climate and geopolitical challenges.

	Recommendations include enhancing cyber security, integrating defence activity with civil authorities, upgrading estate resilience, supporting high-tech manufacturing, and ensuring workforce skills align with future defence needs.
Natural Infrastructure	Natural capital must be strengthened to support biodiversity, climate resilience and economic value. Recommendations include scaling nature-based solutions, expanding peatland and woodland restoration, improving data and market frameworks for natural capital, and integrating nature positivity into all infrastructure planning.
Culture and Recreation	Culture and recreation assets support wellbeing, identity and tourism but face funding pressures and climate risks. Recommendations include sustainable investment models, increased community participation and philanthropy, developing digital access, and integrating culture into place-making and prevention agendas.

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