



Health, Care and Sport Committee
Wednesday 28 October 2026
8th Meeting, 2026 (Session 7)

Pre-budget Scrutiny – Social Care

This meeting will allow Members to question panel members on issues relating to the budget for social care provision in Scotland as well as relevant research findings. They will not be in a position to explain Scottish Government policy but will be able to provide a broader view of the sector and research. Professor Feeley will be in a position to discuss the findings of the 2021 Independent Review of Adult Social Care and to what extent the recommendations have been realised.

Professor Martin Knapp, CBE, London School of Economics

Professor of Health and Social Care Policy. He is also a Professorial Research Fellow in the Care Policy and Evaluation Centre at the LSE. Since 2023, Martin has been Programme Director for the Research Programme for Social Care, part of the National Institute for Health Research (NIHR) in England. He is also an economist heading up the Social Care Institute for Excellence and expertise on economics of social care.

Professor Catherine Needham, University of Birmingham

Professor at the Health Services Management Centre and Professor of Public Policy and Public Management. Her research has focused on social care and new approaches to public service workforce development. Expertise on social care workforce and author of a book comparing social care in the four nations of the UK.

Professor Derek Feeley

Author of the [Independent review of adult social care in Scotland in 2021](#). He is also a Senior Fellow at the Institute for Healthcare Improvement (IHI), a Board Member at the [Institute for Research and Innovation in Social Services \(IRISS\)](#), Advisor to the Board at East London Foundation Trust and an Honorary Professor at the University of the West of Scotland.

Pre-budget Scrutiny – Social Care	1
Introduction	3
Background	3
IJB financing	4
Local government funding for social care	5

Theme 1 – Integration of health and social care – costing and rationale for reforms	7
Theme 2 – The ‘economy’ of social care	8
Social return on investment	8
Theme 3 – Outcomes from the Independent Review of Adult Social Care and Care Reform (Scotland) Act 2025	9
Actual spending on social care	10
Theme 4 – Prevention in social care	13

Introduction

Health and social care are grouped as one overall area of spending in the Scottish Budget. However, local authorities are the public bodies responsible and accountable for provision of social care and support services, so the Finance and Local Government budget is also relevant to scrutiny of the social care budget. IJB finances are also key in scrutinising spend on social care and community health services. Arguably, as Members have heard, it is in these areas of spending that most impact might be felt in primary prevention of poor health, and the promotion of healthy life expectancy (not discounting the impact of other policy areas such as housing, education, transport, economy and social security on the wider and commercial determinants of health).

As Members are already aware (7 October meeting) local authority budgets are not ring-fenced, so identifying areas of spend within the broad domain of social care and support, and prevention, can be challenging, and will be different over time and across different areas. A lack of transparency and the challenges in tracking the social care budget were repeated issues for the Session 6 Health, Social Care and Sport Committee.

Members are also aware that the Programme for Government 2026-31 introduced the Government's intention to reconsider the governance and delivery of social care. [The First Minister suggested in his statement accompanying the Programme for Government that he sees social care sitting with the NHS in future](#). In the case of NHS and local government reform, the Government has made initial proposals to inform discussions. Despite the First Minister's statement, no such proposal has been made for the reform of social care services. Instead, in its [proposal for reform of local governance](#) (21 September 2026), the Government said:

“As an existing responsibility, social care and social work must also be a part of our dialogue on reforming local government. But it also goes beyond this – how we ensure that we improve integrated support for people, and how social care interacts with primary and community health, alongside broader, related, functions such as housing and family support, not just as a standalone service. The current approach to the integration of social care services is not in all circumstances meeting the needs of people and this key question must be answered in the dialogue around reform.

Scottish Government's view is that all options for social care services and social work be considered, taking into account new organisational structures for the NHS and proposals for Regional and Community authorities.”

Background

As Members have heard, in June 2025, the Scottish Government published its [Population Health Framework](#) (PHF), which set out the “Scottish Government's and COSLA's long-term collective approach to improving Scotland's health and reducing health inequalities for the next decade”, as well as its [Service Renewal Framework](#) (SRF), which “provides a high-level guide for change, to ensure the sustainability, efficiency, quality, and accessibility of health and social care services in Scotland.”.

[Audit Scotland welcomed these publications](#), along with the [Operational Improvement Plan](#) (March 2025), but added that “some of the ambitions within these documents are long-standing and have yet to be delivered, for example, shifting the balance of care to the community”. SPICe discussed this strategic approach in more detail [in a blog earlier this year](#).

[COSLA references the PHF and SRF in its updated guidance to local authorities on charging for non-residential care](#).

IJB financing

Taken from [Key Issues for Session 7 SPICe briefing](#).

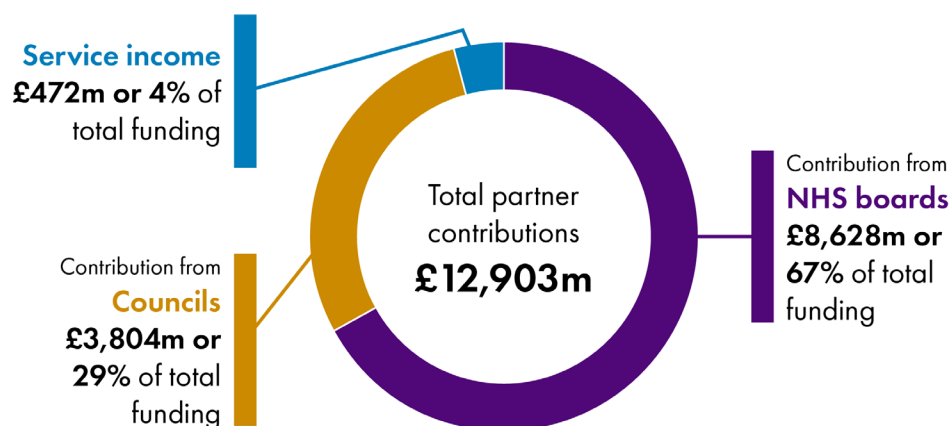
Local authorities and NHS boards must work together to plan and deliver adult community health and social care services, including services for older people. This is mainly done through integration joint boards (IJBs). These are separate legal entities responsible for commissioning a range of health and social care services across partnership areas.

Adult social care services, and in some areas children’s services, are delegated to IJBs, meaning they are responsible for commissioning appropriate services and directing the budgets allocated from local authorities and health boards.

Total IJB income in 2024-25 amounted to £12.9 billion, with 67% coming from the NHS, 29% from local government and the rest being income from chargeable services, such as meals provision and alert alarm services (4%).

The figure below shows where the funding for IJBs comes from.

Figure 1. Breakdown of funding for Integration Joint Boards (2024-25)



Source: Audit Scotland: [Integration Joint boards Finance Bulletin 2025 - 25](#)

NHS boards delegate around 47% of their revenue budgets to IJBs to fund primary and community healthcare services, i.e. those that operate between social care and NHS care.

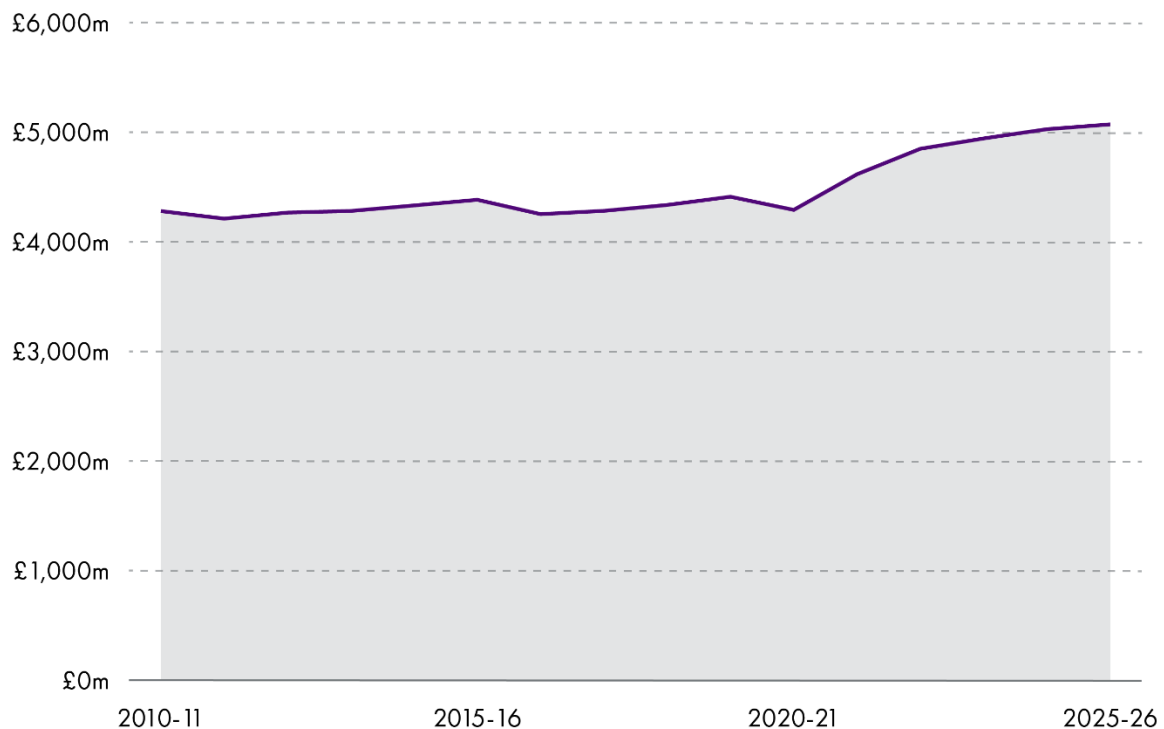
[Regular reports on financial performance and monitoring](#) were in the past published by the Scottish Government on NHS board finances and Integration Authority (IA) finances. Although these did not provide detail on where money is being spent, they were useful in providing a snapshot of the overall state of NHS/Integration Authority finances, including potential over- or underspends, planned vs achieved savings and (for IAs), use of reserves. These reports are no longer published. In the absence of consolidated reports, more recent data can be found in Audit Scotland's annual IJB finance bulletins, with the [most recent publication covering 2024-25](#).

Local government funding for social care

Taken from [Key Issues for Session 7 SPICe briefing](#)

Since the [Social Work \(Scotland\) Act 1968](#), local authorities have been required to “promote social welfare by making available advice, guidance and assistance on such a scale as to be appropriate for their area”. The Act places wide responsibilities on councils in relation to childcare, child protection, supporting families and providing social services for adults. For financial reporting purposes, spend in this area comes under the heading “social work”.

Spending on social work is Scottish local government's second highest area of spending (after education), amounting to around £5 billion in 2025-26, or 31% of the total net expenditure by local government. Around £4 billion of this goes through Integration Joint Boards. The image below shows how local government social work spending has grown in real terms over the past 16 years:

Figure 2: Local government spend on social work (2025-26 prices)

Source: Scottish Government: [Local government finance statistics](#)

Local authorities now spend £800 million more in real terms on social work than in 2010-11 (an 18% increase). Over this period, total local government net expenditure has risen by only 3%. In a [recent survey of local authority leaders, chief executives and directors of finance](#), the Local Government Information Unit found that social care is the biggest pressure on council finances.

The Cabinet Secretary sent the Committee a copy of the [year 1 progress report: Delivery of Population Health and Service Renewal Frameworks](#) ahead of October recess. This is a high-level rather than detailed report. It states that the focus is on:

- “establishing delivery and governance arrangements,
- putting in place monitoring and evaluation capability to track progress, learning, impact and accountability over the ten-year lifespan.”

The report goes on to describe and detail the actions underway.

The Committee might be interested to explore the updated [ScotPHO profiles](#) providing indicators of public health across 12 domains, such as [Population Health](#), [Climate](#), Health inequalities. The indicators should allow scrutiny across the domains on how Scottish Government policies are performing over time.

The evidence submitted by Professor Catherine Needham highlights the work of the Birmingham Centre for Care. This includes research on [how ecosystems can help in making sense of complexity in social care](#). Professor Needham’s submission

explains that the “care ecosystem is a reminder that the visible parts of social care and the NHS sit on top of an often invisible care infrastructure of unpaid care and community activities”.

Theme 1 – Integration of health and social care – costing and rationale for reforms

The predecessor committee last issued a call for views seeking detail on the financial position of Integration Joint Boards for [pre-budget scrutiny 2025-26](#). According to [the most recent reporting](#), the majority of IJBs reported operational overspends in 2024-25, and although funding increased on the previous year, Audit Scotland’s reporting suggests that this did not necessarily go beyond covering inflationary pressure and wage increases.

Given that Integration represents one of the most significant pieces of public service reform to date, the Committee may wish at some point to seek an update on the financial position of IJBs, and look at the ongoing progress against the integration agenda and barriers to fully realising the benefits of an integrated approach.

[Integration has taken a different form in England](#), with integrated care systems, integrated care boards and partnerships. UK Parliament POST published a paper in January 2025 about integration across the UK, but with a focus on its impact in England. [Integrating health and social care: a path to better services and outcomes](#).

Potential areas for discussion

- The finances of integration of health and social care – is sufficiently detailed and timely data available to support effective scrutiny?
- The potential impact of structural reform on integration of health and social care – what is the role of integration authorities in any new structure and will reforms support progress to date or replace the existing model?

Theme 2 – The ‘economy’ of social care

A number of organisations, as well as the Scottish Government and [The Independent Review of Adult Social Care in Scotland](#) (IRASC) propose that social care is regarded as an investment rather than a cost to society. The IRASC noted:

“The additional expenditure we are recommending here should not be seen in economic terms as a revenue cost but rather as an investment that encourages job creation and provides economic stimulus.”

Arguments are made about the level and value of unpaid care and support provided by family members and friends. It is a sector that employs a high number of people ([SSSC data](#)), and social care and support allows those receiving it to continue to live independently and play a full part in their communities and society.

[IRISS](#) and the [Joseph Rowntree Foundation](#) reiterated this call, to see social care as investment, shortly after the publication of the IRASC.

In 2025 the [SSSC commissioned a report from Alma Economics to analyse the sector’s economic and social value in the UK as a whole and in each of the four nations using data from 2022-23](#).

“Overall, the adult social care sector in Scotland is estimated to support 171,400 whole-time equivalent (WTE) jobs and generate £5.2 billion in value when considering direct, indirect, and induced impacts, not including informal care.”

Social return on investment

According to the [Improvement Service](#):

“[Social return on investment] SROI measures social, environmental and economic change from the perspective of those who experience or contribute to it. Through the use of financial proxies, it is possible to identify and apply a monetary value to represent each change that is measured.

Whilst an SROI analysis will provide a headline cost to benefits ratio, it will also deliver a detailed narrative that explains how change is created and evaluates its impact through the evidence that is gathered. A SROI analysis is based on clear principles and progresses through set stages. SROI is much more than just a number. It is a story about change, on which to base decisions, and that story is told through case studies, qualitative, quantitative and financial information.”

Work has also been done to estimate the social return on investment in various aspects linked to social care and support such as the [Independent living Fund](#) and Community Link Workers by the ALLIANCE. [Scottish Care also published its own short report](#), but it is not clear where they derived the data.

Potential areas for discussion

- Social care and support as an investment in society – should spending on social care be considered differently from other areas of government spending and is there any evidence of this happening in practice?
- Social return on investment in social care and support – what are the potential benefits of this approach to evaluation in relation to social care?

Theme 3 – Outcomes from the Independent Review of Adult Social Care and Care Reform (Scotland) Act 2025

[The Independent Review of Adult Social Care in Scotland](#) (also known as the Feeley review) was undertaken in the midst of the COVID-19 pandemic, and coincided with a [Social Care Inquiry by the predecessor Committee](#).

On social care funding the [Feeley report](#) made the following recommendation:

“When we add up the recommendations we have made above, the total annual additional expenditure we are suggesting is £0.66bn p.a., i.e., about 0.4% of Scottish GDP. This is a 20% increase in real terms over 2018/19 levels and twice the total real terms increase in adult social care expenditure over whole of the previous ten years (£0.3bn). Even allowing for a phased introduction, an investment on these lines will require a long-term and substantial uplift in adult social care funding.”

The additional proposed funding of £660 million per year was broken down as follows (table on next page extracted from a Fraser of Allander Institute report '[Social Care Reform in Scotland: context, costs and questions](#)')

Table 1: Estimates of the costs associated with the IRASC and FAI notes

Recommendation	£m	FAI Notes
Addressing unmet need	436	Unlikely to be a full reflection of unmet need, but does provide an indication of scale of impact of austerity measures.
Non-residential user charging	51	Does not take account of additional induced demand so likely to be an underestimate.
Free personal and nursing care for self-funders	116	The estimate assumes that the proportion of self-funders that require free nursing care is the same as the average for the whole care home population. Nevertheless, provides a reasonable estimate of possible scale.
Reopening the Independent Living Fund	32	Assumes number entitled to fund remains the same, but amounts increase.
Paying the living wage to frontline workers	15.5	Subsequent announcements on wages for care workers makes these figures obsolete. Based on allocations made in subsequent announcements, the costs the IRASC costs look like a large underestimate.
Paying the living wage to auxiliary workers	4	
Total	654.5	

The Feeley report also said:

“Based on Personal Social Services Research Unit (PSSRU) research a reasonable starting point for projections is a 3.5% p.a. real increase in social care expenditure every year to 2035 in Scotland, but more specific Scottish projections will be vital in the future. The Scottish Government’s Health and Social Care Medium Term Financial Framework includes an assumption of nominal growth rates for social care of 4% p.a. gross and 3% p.a.net of savings until 2023/24. Assuming 1.8% p.a. inflation, the growth rate in the Medium Term Financial Framework is currently 1.3% p.a. lower than the rate recommended by PSSRU. We recommend that future planning for investment in adult social care must factor in demographic change.”

Note that the Scottish Government’s Health and Social Care Medium Term Financial Framework referred to above was published in 2018 and has not been updated since.

Actual spending on social care

By far the simplest way to track spending on social care is through the Local Government Finance Statistics, given that the majority of spending on social care will be via local authorities. This also captures activity directed by the IJBs and money

transferred from the health budget for social care. It also reflects actual expenditure, rather than budgets.

Taking the £660 million figure to relate to 2020-21 (based on the Feeley report's publication date), that target would relate to £800.4 million in real terms at the end of the last Parliament (i.e., in 2025-26 prices, calculated using the [latest GDP deflator](#)).

Table 2: Social care spending, cash terms, £m

Social work expenditure	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total expenditure	3,312	3,458	3,540	3,818	4,291	4,605	4,873
Change on previous year, £m		146	81	278	473	314	269
Change on previous year, %		4%	2%	8%	12%	7%	6%

Source: [Scottish Local Government Finance Statistics](#)

These figures show that spending in 2024-25 was £1.05 billion higher than in 2021-22, so this would provide a basis for saying that the commitment made by the Session 6 Scottish Government to increase social care spending by £800 million over the Parliament was achieved. At a 28% increase on 2021-22 figures, this would also suggest that the commitment to increase social care spending by 25% over the life of the Parliament was met.

The table below shows the same figures, but adjusted for the effect of inflation.

Table 3: Social care spending, real terms (2024-25 prices), £m

Social work expenditure	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total expenditure	4,204	4,276	4,160	4,476	4,700	4,792	4,873
Change on previous year, £m		73	-116	316	224	92	81
Change on previous year, %		2%	-3%	8%	5%	2%	2%

Source: [Scottish Local Government Finance Statistics](#), adjusted using HMT GDP deflator as at 30.06.26

This shows that – over the period shown – total social work expenditure increased by £669 million, or 16% in real terms. There has been one year (2020-21) where social care expenditure fell in real terms.

As a reminder, the Scottish Government's own explanation of spending in relation to its commitments up to the end of Session 6:

- SG made a commitment in Programme for Government 2021-22 that, as a minimum, it would increase public investment in social care by 25% over the remainder of Session 6 of the Parliament – providing over £840 million more by 2026-27.
- The original £840 million investment figure was calculated using the 2019-20 LFR 03 data.
- Social care net revenue expenditure in 2019-20 per the most recent LG Finance Return at the time of the 25% commitment was £3.36 billion, 25% of this being the £840 million increased investment (note – on 28 February 2023, the published 2019-20 LFR was updated to show total social care spend as £3.46bn).
- The published budget for 2021-22 showed investment in social care of £395 million with the comparison being £827 million in 2025-26. This was an increase of £432.4 million
- On top of the £432.4 million, increased investment of £752.3 million was baselined to the Local Government portfolio in 2025-26, taking the overall increase since 2021-22 to £1,184.6 million. This exceeded the commitment to increase social care spend by 25% or £840 million by almost £350 million.

Potential areas for discussion

- The extent to which actual spending on social care has kept pace with the recommendations in the Feeley report, particularly in the context of high rates of inflation.
- Whether, as recommended, there is evidence that the Government has factored in future demographic change to future planning for investment in social care.
- The largest aspect of the spending 'gap' identified in the Feeley report related to unmet need, so Members may wish to explore whether progress has been made in addressing this – or indeed in accurately quantifying the extent of such unmet need.

Theme 4 – Prevention in social care

Prevention in a social care context partly links to social return on investment, as explored under Theme 1 of this paper, but a broader perspective would be to explore shifting the balance of care, and how this can prevent pressure on acute services. This is a theme in the 2025 [NHS Scotland operational improvement plan](#) which recognises that acute hospitals are not always the best place for a person to get treated, and sets out how NHS Scotland will support the provision of more care in a community setting, or at home.

A [Scottish Government update on Public Service Reform progress](#) from 18 July 2025 flagged several updates in relation to Pillar 1: Prevention of the Public Service Reform Strategy. As well as the NHS Operational Improvement Plan, it highlighted the [Health and Social Care Service Renewal Framework](#) and [Scotland's Population Health Framework](#). A [February 2026 SPICe blog](#) explores these three publications in more detail.

The Population Health Framework emphasises the importance of place-based and community focused care services, and collaboration between the community and voluntary sector in delivering care.

In the Health and Social Care Service Renewal Framework, the Government sets out its vision:

“In the future, more treatment and care will be available in local communities or, through better use of technology, including through supported care at home. Our acute hospitals will still play a vital role, but this means fewer people will need to go to hospital, unless it is for something that cannot be treated elsewhere, like major surgery or complex treatment and care. Thanks to new ways of working, including mobile healthcare teams and digital tools, treatments like intra-venous (IV) antibiotics can now be safely given at home or in nearby community clinics - whether you live in a town, a rural village, or an island. If someone does need to go into hospital, they will be supported to get home as soon as they are ready, with strong follow-up care and rehabilitation to help them recover well in familiar surroundings.”

[Social Work Scotland](#) responded to the publication, arguing that community care intentions are presented in a way that supports the NHS, rather than that community-based care is a preferable approach to care and prevention in its own right:

“While the ambition to improve the sustainability, efficiency, and quality of Scotland’s health and care system is welcome, the Framework overwhelmingly prioritises the NHS and continues to marginalise the essential contributions of social work and social care.”

Prevention in social care, as per the Government’s ambitions, could be described as moving from a medical model towards a social model of delivering social care. This is also described as an asset-based approach. [IMPACT \(Improving Adult Care Together\)](#) explains:

“An asset- (or strengths-) based approach is a generic term that describes a fundamental shift in the design and delivery of health and social care services. Rather than focusing on the challenges which people face and how professionals and care services can address these challenges, an asset-based approach starts with what is important to the individual and explores the personal, family and community resources available to achieve their desired outcomes.”

Research by the University of Birmingham has looked in detail at asset-based approaches. [Research concluded in 2023](#) explored the impact of providing local authorities with evidence about how to, and how not to, use different combinations of asset/strength-based approaches to provide social care in their communities. By examining how different local authorities use these combinations, the project also set out to use this evidence to help improve and develop social care policy and how it can be rolled out in the community. Findings reflected common themes across the visions of local authorities for transformation, but that “Conceptually, there were differences between place-based strategies, with a primary focus on developing community assets, and citizen-based initiatives where the starting point was engaging with citizens in ways that mobilised their strengths and those of their wider social and family networks.”.

The Social Care Institute for Excellence (SCIE) [sets out case studies and research on asset-based approaches in practice](#), including measuring success.

Potential areas for discussion

- Academic research into asset-based approaches and how shifting the balance of care can be enabled through spending decisions.
- In the context of constrained budgets and demographic pressures, how a shift to preventative spend can be achieved.
- Barriers to fully implementing asset-based approaches and what this might look like in practice.
- How service restructuring might enable a shift towards preventative and social models of care and away from medical models.

Anne Jepson and Ailsa Burn-Murdoch, Senior Researchers, Health and Social Care, SPICe

Date: 23/10/2026

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