

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

Pre-budget scrutiny: Preparing for future challenges in the sport and leisure sector

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Introduction

During this morning's meeting, Members will have the opportunity to discuss issues affecting funding for sport and physical activity with witnesses representing the sector. Members will hear from:

- Forbes Dunlop, Chief Executive, [sportscotland](#). sportscotland is Scotland's national agency for sport, and distributes most of the funding allocated to sport by the Scottish Government.
- Gregor Muir, Acting Chief Executive, [Scottish Sports Association](#) (SSA). The SSA is an independent membership organisation representing Scotland's sports governing bodies.
- John Lunn, Chief Executive, [Scottish Swimming](#). Scottish Swimming is the national governing body for swimming, para swimming, diving, high diving, open water swimming, water polo, artistic swimming, and masters swimming in Scotland.
- Kay Morrison, Chief Executive, [Glasgow Life](#), and Board Member, [Community Leisure UK](#). Glasgow Life is the arm's-length external organisation (ALEO) responsible for delivering sport, leisure, and culture services on behalf of Glasgow City Council. Community Leisure UK is a members' association for charitable trusts delivering public leisure and culture services across the UK.

Theme 1: Funding for sport and physical activity

There are essentially three routes through which funding might be allocated in the Budget towards supporting sport and physical activity:

- As part of Grant Aided Expenditure, local authorities are allocated a certain amount of funding which is aimed towards sports services and facilities. This funding is not ringfenced, and sits within the Local Government portfolio.
- Additional funding for specific programmes is routed through Active, Healthy Lives under the Health, Social Care and Sport portfolio.
- Funding routed through sportscotland to support the development of Scottish sport and to help them deliver on the outcomes outlined in the Government's [Physical activity for health framework](#), also under the Health, Social Care and Sport portfolio.

Funding allocations for 2026-27

The 2026-27 Budget referenced a £40.1 million cash uplift for in funding for sport. This referred to the combined funding for sportscotland and for Active, Healthy Lives, which both sit within the Health and Social Care portfolio budget, and represents the change against 2025-26 Autumn Budget Revision (ABR) figures, as per the baseline used by the Scottish Government's in Budget documents.

The ABR figures differ from the budget as set out in the Scottish Budget 2025-26. This is because of in-year transfers - [SPICe explains more about this in our briefing on the Scottish Budget 2026-27](#). In some cases, in-year transfers reflect evolving priorities or new investment, in others they represent transfers which occur routinely (such as transfers from the Health portfolio to Local Government).

The table below sets out both Budget and ABR figures for 2025-26, and Budget figures for 2026-27, and the respective comparisons.

Table 1: Scottish Government level 4 allocations for sport, 2025-26 to 2026-27

☐Cash £m	2025-26 Budget	2025-26 ABR Budget	2026-27 Budget	£ change Budget to Budget	£ change ABR to Budget	% change Budget to Budget	% change ABR to Budget
sportscotland	36.4	36.6	54.6	18.2	18.0	50.0%	49.2%
Active, Healthy Lives	13.0	4.9	27.0	14.0	22.1	107.7%	451.0%
Total	49.4	41.5	81.6	32.2	40.1	65.2%	96.6%

When looking from Budget to Budget, the uplift would be £32.2 million. The difference between this and the ABR comparison is largely due to in-year transfers within the Active, Healthy Lives fund. Although the Scottish Government [sets out in-year transfers in a separate document](#), it does not clarify the reason. It is worth noting that significant in-year transfers did not occur in that fund during 2024-25, so this is not necessarily a routine transfer.

In its news release, the Scottish Government explained that the additional funding for 2026-27 would go towards:

- a £15 million “Summer of Sport” initiative offering free sporting activities for children and young people
- a universal learn-to-swim offer for every primary school child in Scotland that will continue beyond 2026, backed by initial year-one investment of £2 million
- a £2 million ‘Celebration of Football’ fund, aligned with the World Cup, using the power of Scotland’s national game to change lives through football.
- and a £1m ‘Health in the Community’ campaign targeting areas with low activity levels to become and stay active.

The Level 4 tables explain that both increases are “part of [a] commitment to increase investment in sport”. The Scottish Government says:

For sportscotland –

“This additional investment will increase the financial resilience of the Scottish Governing Bodies of sport and allow them to ensure staff and programmes are in place to prioritise both the safety and inclusion of young people and underrepresented groups. This will allow the sector to invest directly into club and community organisations to protect and provide more and better opportunities for sport and physical activity within club and community organisations for underrepresented parts of the population.”

For Active, Healthy Lives –

“This will support investment in specific inclusion programme work, including a significant package of Third Sector investment targeting sections of the population with low levels of physical activity. Also, the addition of a “Summer of Sport” programme for 2026 which will deliver sporting opportunities for young people and marginalised groups.”

SPICe sought clarification from Scottish Government officials after the Budget announcements on whether this funding will be recurring, and they confirmed that “There is a commitment to continue with the swimming proposal beyond this year however the remainder of the summer of sport package is non-recurring”.

Funding distributed by sportscotland

As Scotland’s national agency for sport, sportscotland is responsible for distributing the majority of funding allocated to sport by the Scottish Government.

Local authorities receive [approximately 90% of the funding](#) distributed by sportscotland. Local authorities also receive funding from the Scottish Government for investment in sports and leisure facilities. Many local authorities deliver sports and leisure services through [arm's-length external organisations](#) (ALEOs).

In addition to the direct and indirect investment that local authorities receive from sportscotland, the Scottish Government provides local authorities with annual funding which can be used for investment into the operations and development of sports and leisure facilities.

This funding is calculated using [grant aided expenditure](#), a needs-based methodology used to provide equitable funding to local authorities based on relative need, with consideration to factors such as population numbers, rurality and deprivation. It is [set out annually in the Green Book](#) which is a full breakdown of how the local government grant is allocated. This funding is not ringfenced, and sits within the Local Government portfolio.

In its written submission to the Committee, Glasgow Life outlined some of the challenges posed to local authorities and leisure trusts by annual funding allocations. Their submission highlighted some of the initiatives trialled by Glasgow Life to improve efficiency and reduce financial pressures. However, as the submission noted, none of these measures were able to compensate for a lack of adequate multi-year funding and capital support.

In addition to distributing funding from the Scottish Government, sportscotland distributes National Lottery funding allocated to sport in Scotland. The UK Government is currently conducting a [review of the National Lottery funding distribution process](#). sportscotland submitted [a response to the UK Government's consultation](#) detailing its approach to funding distribution, and its thoughts on the current and potential future processes.

sportscotland direct funding

As well as distributing funding allocated to sport, sportscotland receives direct funding as part of the Budget. Level 4 detail for 2026-27 explains that this is:

“to provide support for the development of sport within Scotland, and deliver against the Active Scotland Outcome framework ensuring everyone has the opportunity to be active. Investment is targeted into supporting the sport and physical activity sector and addresses inequalities in participation.”

sportscotland was [allocated £54.6 million in the 2026-27 Budget](#), an increase of 49.1% from the previous year. As noted, the Government has confirmed that the majority of funding allocated for the Summer of Sport, which falls under the Active, Healthy Lives budget line, is non-recurring. It is not clear which aspects of the additional sportscotland funding for 2026-27 are linked to the Summer of Sport, and are recurring or non-recurring.

During the Committee's [meeting on 23 September 2026](#), Join Doig OBE of Commonwealth Games Scotland called for the Summer of Sport funding to be

annualised, to facilitate the development of more opportunities for sport and physical activity.

Potential topics to explore:

- The challenges created by the largely annual allocation of funding for sport and physical activity.
- The effectiveness of the current funding model for organisations who receive funding from sportscotland, and any potential improvements that could be made.
- The impact of this year's additional £40 million funding for sport and physical activity, and thoughts on whether this additional investment is likely to be sustained.
- The proposed local government reforms and their potential impact on the delivery of community leisure facilities, and funding of ALEOs.
- The potential impact of National Lottery funding distribution review.
- How the funding spent on sports and leisure facilities by local authorities through grant aided expenditure is recorded, given that it is not ringfenced.
- Progress towards implementation of free swimming lessons for primary school children, and any current or anticipated financial issues affecting their delivery.

Theme 2: Funding for sport and leisure facilities

Although funding for facilities is included within the budget outlined in the previous section of the paper, this section focuses on the financial challenges affecting sport and leisure facilities in more detail.

Local government investment in sport, leisure, and culture in Scotland [has decreased by 20% in real terms since 2010-11](#), according to a 2024 report commissioned by Community Leisure UK, sportscotland, and Creative Scotland. Leisure facilities have been negatively impacted by increasing energy bills and staffing costs, and the cost-of-living crisis. A [November 2022 report by Community Leisure UK Scotland](#) found that 95% of Scotland's leisure facilities are at risk of closure, with 63% involved in active discussions and planning the impact of closures.

In its written submission to the Committee, Glasgow Life called for the recognition of community facilities, including leisure centres, swimming pools, sports pitches, schools and community venues, as part of the wider infrastructure supporting prevention, rehabilitation, and social connection. The submission stated that in the 2027/28 Budget, physical activity, sport, community learning and development, and

community facilities should be recognised explicitly as preventative infrastructure, and should receive longer-term funding to support a shift towards prevention.

Swimming pools have been particularly affected by closures due to high operating costs and ageing facilities. [Scottish Swimming estimates](#) that 200 of Scotland's 396 public swimming pools are at risk of closure by 2030, based on the age of the facilities alone.

In its written submission to the Committee, Scottish Swimming proposed two complementary mechanisms to help sustain swimming pools: a Swimming Pool Sustainability Fund for maintenance, refurbishment, energy efficiency and transitional support; and a Swimming Pool Development Fund for replacement and new facilities where demand, growth, capacity or geographical access justify investment.

In October 2025, sportscotland conducted an [estates review of sports facilities in Scotland](#). The review concluded that an investment of £15.5bn over the next 25 years is required to address the findings associated with the age and condition of the sport and physical activity infrastructure, position the estate to meet net zero targets, and deliver a desirable level of accessibility and inclusion.

Potential areas to explore:

- What actions could be taken to improve the longer-term sustainability of sports funding.
- The impact of increasing maintenance and operating costs on access to sporting facilities.
- How sports facilities could be supported to remain operational, and how the maintenance backlog in the sport and leisure estate could be addressed.
- Progress towards implementation of the findings of sportscotland's estates review.
- How data on spending of funding allocated to sports is recorded.

Theme 3: Investing in prevention through sport and physical activity

The Scottish Government is working to embed a preventative approach to public services [through its Prevention Unit](#). The unit [defines prevention as](#) “activity intended to stop the establishment, escalation or recurrence of problems that lead to negative outcomes for people.” Investing in sport and physical activity could

potentially support the achievement of this objective by increasing healthy life expectancy and wellbeing.

Healthy life expectancy – the number of years a person can expect to spend in good health – has decreased in Scotland in recent years. According to the [most recent National Records of Scotland data](#), in 2022-2024 healthy life expectancy at birth in Scotland was 59.4 years for females, and 59.1 years for males. Since 2014-2016, women have lost almost four years of healthy life expectancy, and men three years.

There is a significant gap in healthy life expectancy between Scotland's most and least deprived communities. Women born in Scotland's most deprived areas are expected to spend 26.7 years less in good health than those in the least deprived areas. For men, the gap in healthy life expectancy between Scotland's most and least deprived communities is 25.6 years. Meeting the recommended guidelines of 150 minutes of moderate physical activity per week has been [identified as a key factor](#) in improving healthy life expectancy.

A report published by [Public Health Scotland](#) estimated the physical and mental health burden of physical inactivity in Scotland. The report stated that 24,000 disability-adjusted life years (years lost to disability or ill health) are lost in Scotland each year due to the impact of physical inactivity. Half of these lost disability-adjusted life years are attributable to musculoskeletal conditions and mental ill health.

Public Health Scotland's [ten-year strategy from 2025-35](#) aims to increase life expectancy in Scotland by at least one year, and narrow the life expectancy gap between Scotland's poorest quintile and the national average. The strategy identified building [a prevention-focused system](#) as key to achieving its aims.

In its written submission to the Committee, sportscotland emphasised the role of sport and physical activity in pursuing a preventative approach to health and wellbeing. The submission welcomed the £40 million additional one-off investment in sport in the Scottish Government's 2026/27 Budget. However, sportscotland cautioned that preventative outcomes appear over years as opposed to months, and therefore called for sustained long-term investment in sport and physical activity, rather than short-term or one-off funding.

[Social prescribing](#) can offer a pathway into physical activity for people experiencing ill health. In Scotland, social prescribing is commonly delivered by [community link workers](#) located within GP practices. Community link workers adopt a person-centred approach to supporting people with their health and wellbeing needs, including connecting people with opportunities to participate in physical activity.

Community link workers are primarily funded through the [Primary Care Fund](#), which is allocated by the Scottish Government to integration authorities on an annual basis. £245 million was [allocated to the Primary Care Fund](#) in the 2026/27 Budget, an increase of 14.1% from the previous year. [Concerns have been raised](#) regarding the impact of this annual funding model on the longer-term financial stability of the community link worker programme.

During the Committee's [meeting on 23 September 2026](#), Members discussed issues affecting sport and physical activity with witnesses including Forbes Dunlop of sportscotland. Mr Dunlop highlighted the value of social prescribing in promoting health and wellbeing through physical activity. However, Mr Dunlop highlighted that in his professional experience, many effective social prescribing initiatives are lost due to the short-term nature of funding allocated to such projects. Mr Dunlop called for consistent, longer-term investment in social prescribing to build on examples of good practice in this field.

In its Programme for Government 2026-27, the Scottish Government included detail on how it intended to commit to early intervention and prevention throughout life. As part of this, it detailed actions which supported "investing in Scotland's sporting potential". It said that "starting now and across 2026-27" it would:

- "Roll out the phased introduction of free school swimming lessons in partnership with sportscotland, Scottish Swimming and COSLA.
- Work with stakeholders on the development of a new Sports Taster Fund, to tackle barriers to participation and encourage more children and young people to try new sports and activities.
- Expand the football Fan Bank to 2031 to support more communities to acquire a share or control of their local sports club.
- Invest £500,000 to support the development of the Club Academy Scotland (boys) and Next Gen (girls) elite youth programmes to improve pathways for our potential international football players of the future."

The commitment to free school swimming lessons had already been announced in the 2026-27 Budget, but it is unclear if the additional commitments reflect additional funding to be allocated during 2026-27 or not. This announcement does not give an indication of priorities and commitments for the 2027-28 Budget.

Potential areas to explore:

- How sport and physical activity can support the prevention agenda.
- What changes could be made to the current funding model to enable this.
- How the impact of funding on prevention could be measured.
- Investment in social prescribing and community link worker service.

Theme 4: Socioeconomic inequality and access to sport and physical activity

Access to sport and physical activity can help to improve health outcomes and increase healthy life expectancy. However, people experiencing socioeconomic deprivation can [face barriers to being physically active](#), including the cost of accessing sport and leisure opportunities, and fewer opportunities for participation. According to the most recent [Scottish Health Survey](#), 73% of adults living in Scotland's least deprived quintile met the recommended physical activity level of 150 minutes of moderate exercise or 75 minutes of vigorous exercise per week, compared to 53% in the most deprived quintile.

Socioeconomic deprivation disproportionately impacts some marginalised groups who may [face additional barriers to physical activity](#). For example, people with disabilities are [more vulnerable to experiencing poverty](#) due to the additional costs associated with living with a disability, creating a further barrier to physical activity in addition to any challenges associated with their disability.

People experiencing socioeconomic deprivation are also less likely to be able to access high-quality green spaces for physical activity. According to the [2024 Scottish Household Survey](#), 70% of people in Scotland overall live within a five-minute walk of their nearest area of green or blue space. However, for those in the most deprived quintile, this figure is 59%. Additionally, the green spaces that exist in socioeconomically deprived areas are [more likely to be of low quality](#), potentially deterring residents from using them. Public Health Scotland acknowledges that [access to good quality open spaces](#) is a public health issue, and that inequalities in access to such spaces can negatively impact on the health and wellbeing of Scotland's population.

The Scottish Government and COSLA's [Physical Activity for Health Framework](#), published in October 2024, sets out an evidence-based framework intended to increase levels of physical activity at a local and national level. The Framework included a commitment to addressing the inequalities affecting access to physical activity, listing "strengthen[ing] access to places, spaces and services that enable equitable and inclusive access and reduce inequalities" as a key action to be taken. sportscotland contributed to the development of the framework through its membership of the Active Scotland Development Group. sportscotland is also involved in many of the physical activity projects detailed in the framework, such as the Daily Mile and Active Schools initiatives.

A recent [SPICe academic fellowship project](#) explored barriers to physical activity in Scotland, and identified potential policy solutions. The [researchers recommended that](#) adequately resourcing implementation of the Physical Activity for Health framework is crucial to increasing levels of physical activity among those who face barriers to being more physically active.

Potential areas to explore:

- How people experiencing socioeconomic inequality could be supported to become more physically active.
- Examples of good practice in this area.
- Investment in community parks and open spaces to support opportunities for physical activity.
- Implementation of the Physical Activity for Health Framework, and any financial considerations affecting implementation.

Theme 5: Large-scale sporting events

In August 2026, Glasgow hosted the 2026 Commonwealth Games. The city [agreed to host the 2026 Games](#) at relatively short notice, following the Australian state of Victoria's decision to withdraw as hosts in 2023. The event was delivered with a streamlined budget under a new funding model, which did not involve direct public funding. Instead, the Games were funded partly through funding from the Commonwealth Games Federation, and partly through income generated from sponsorships and ticket sales. Glasgow also received financial compensation from Victoria following the state's withdrawal as host.

As the Committee heard from Jon Doig of Commonwealth Games Scotland in September 2026, the Games were delivered on budget. The financial responsibility of the Games was one of [four key impact drivers evaluated following the event](#), and it is hoped that the funding model can be adapted for future Commonwealth Games, supporting the financial sustainability of the event.

In its 2026/27 Budget, the Scottish Government committed to investing £9 million in preparation for large-scale sporting events including the 2026 Commonwealth Games, international golf competitions, the 2027 Tour de France Grand Depart, and the UEFA EURO 2028 men's football tournament.

Potential areas to explore:

- How large-scale sporting events impact on funding for sport and physical activity in Scotland.
- The degree to which large-scale sporting events generate more interest in, and therefore income from, community participation in sport and physical activity.
- Whether the funding model developed for the 2026 Commonwealth Games could be applied to future sporting events in Scotland.

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Date: 23/10/2026

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