

**Health, Care and Sport Committee**  
**4 November 2026**  
**9th Meeting, 2026 (Session 7)**

## **Pre-budget scrutiny: Cabinet Secretary evidence**

At this final evidence session on pre-budget scrutiny 2027-28, the Committee will have an opportunity to take evidence from the Cabinet Secretary for Health and Care on the themes arising in pre-budget scrutiny.

This paper summarises key themes from evidence to date that relate specifically to the budget, and suggests potential themes to explore.

### **Overarching themes**

#### **Theme 1: Funding for health, care and sport**

##### **Financial sustainability**

As a reminder, an initial SPICe briefing on the Health, Social Care and Sport budget set out a context of rising demand for services resulting from demographic change, and a subsequent forecast that shows that Health and social care spending is projected to grow as a share of the budget. Based on current trends, health and social care spending is projected to rise from around 40 per cent of Scottish devolved public spending in 2029-30 to almost 55 per cent in 2074-75.

Although funding has increased steadily in recent years and is set to continue to increase over the current Parliamentary term, an increasing number of health boards are at Stage 3 or 4 of the Scottish Government's [performance escalation framework](#), indicating that there are considered to be significant risks to delivery, quality, financial performance or safety and a need for senior level external support.

There had previously been an expectation that longer term plans for health and social care expenditure would be set out in an update to the 2018 [Medium Term Health and Social Care Financial Framework](#). The 2018 Framework considered future health and social care funding requirements in the context of factors such as demographic pressures (an ageing population) and rising costs of treatment (driven by higher expectations and more costly drugs and procedures). In June 2025, the Government confirmed that it was working towards a publication date of late-2025-26, but there have been no updates since this timeframe passed.

The Scottish Government does, however, provide updated long term spending plans as part of its Scottish Spending Review (most recently in January 2026), and its Medium-Term Financial Strategy (most recently in June 2025, with an update not expected until spring 2027). [The Scottish Spending Review 2026](#) suggested that

Health and Social Care spending is anticipated to rise to around £23.9 billion by 2028-29.

In written evidence, Audit Scotland noted that, despite more money and more staff, NHS Scotland's performance has not improved. It is also slightly larger and better paid compared to the rest of the UK. Nevertheless, the NHS in Scotland is struggling to provide healthcare in a timely way, as long waiting times are showing.

In evidence to the Committee on 7 October, Richard Robinson from Audit Scotland referred back to recommendations made in NHS in Scotland 2025—Finance and Performance, in which Audit Scotland recommended that the Scottish Government aim to get a better understanding of the drivers behind performance and financial challenges across health boards, and how this impacts on spending. His evidence suggested that although a clear strategic direction was emerging from the Government, there was little clarity yet on what this meant for the sustainability of the NHS in Scotland over the medium-term.

### **Spending review commitments**

The Spending Review set out portfolio efficiency and reform plans, which included a requirement that all NHS Boards must deliver at least 3% recurring savings against baseline funding each year to support long-term fiscal sustainability.

Most of the written evidence received by the Committee suggests that proposed efficiency savings targets will be challenging to achieve and will not necessarily make health and social care any more sustainable.

COSLA raised questions around the transparency of the spending review. Audit Scotland said:

“The Scottish Government has not produced a medium-term financial strategy or a fiscal statement in 2026, meaning the current extent of the fiscal gap over the medium term is unclear. There is currently limited information on how the planned reforms and efficiencies in health and social care will impact the medium-term position, meaning it is less evidence how the Scottish budget for a single year matches across to its plans for medium term balance”.

### **Multi-year funding**

As part of the [Programme for Government 2025-26](#), Scottish Government launched a Fairer Funding Pilot that provides multi-year funding to third sector organisations, prioritising those that deliver frontline services and tackle child poverty. The Pilot commenced in April 2025 and consists of 51 separate grants, totalling over £130m over 2025-26 and 2026-27. This supports projects in areas including health, education, justice, poverty and culture.

Almost all submissions noted the importance of multi-year funding settlements as opposed to one-off or single-year allocations, which are significantly impacting long-term planning, resilience and stability in the health, care and sport sectors. Organisations, especially in sport, noted the difference that funding uplifts have

made, but also that these are often temporary and are in danger of being absorbed by cost-of-living pressures.

Multi-year funding was also a key theme throughout oral evidence, with witnesses emphasising the way in which this can support both public bodies and delivery partners to take a more strategic, long-term approach to designing and delivering services, recruiting and retaining staff, giving certainty over contracts, and considering options for investment in facilities. Witnesses on the sport panel also noted the bureaucratic impact on organisations and groups of having to apply annually for funding, and the challenges that could arise from funding not being delivered until part way through the year.

### **Impact of investment**

Evidence relating to the Government's additional investment in sport during 2026-27 were welcoming of this, however submissions noted that one-off investment was in danger of being absorbed by cost-of-living pressures, and of raising expectations about sporting opportunities.

### **Potential areas to explore around funding for health, care and sport:**

- 1. Why, despite sustained increases in funding and staffing levels within in NHS Scotland, performance levels within health services have not improved.**
- 2. What the Government is doing to better understand the drivers behind funding and performance challenges in health services.**
- 3. Whether there is an update on potential publication of the Medium-Term Health and Social Care Financial Framework.**
- 4. Concerns raised about the impact of the Government's Spending Review targets for spending and workforce reductions on the delivery of health and social care services, particularly those which are not protected under commitments to preserve front line services.**
- 5. What has been done to understand the impact of the Government's Fairer Funding Pilot on service delivery in the health, social care and sport sectors, and what the Government is doing to expand this approach.**
- 6. Whether longer term investment planning based on indicative budgets can be used more widely to give public services and their delivery partners more ability to take a longer-term strategic approach to service planning and delivery, including workforce planning and contract awards.**

## Theme 2: Public service reform

### Structural reform

As suggested in the recently published Government document, Health and care reform: staff information, the Government's proposals for NHS reform, including the anticipated reduction in the number of mainland territorial health boards from 11 to two, aims to build on the successes of subnational planning by dismantling "the bureaucratic and geographic obstacles that remain". Richard Robinson (Audit Scotland) said:

"The purpose of the subnational arrangements is, in effect, to allow the better flow of treatment and patients between areas of Scotland to alleviate pressures in some parts of the country. It is reasonable to ask the Scottish Government what success has flowed from that arrangement to date, and how that will be reflected in future budgets."

On 28 October, Professor Derek Feely noted that a lot of the recommendations in the [Independent Review of Adult Social Care in Scotland](#) did not require structural change, such as ethical and collaborative commissioning. He suggested that rather than looking at structural changes as a first step in reform of services, the Government should be looking at outcomes it wants to achieve for people that use health and social care services, and work back from there. He said that the most important thing, regardless of whatever model arises from reform, is that the Government invests properly in social care services.

Witnesses on social care services noted concerns raised by service users about the potential medicalisation of social care should it move to sitting within NHS services. Professor Catherine Needham said that it was hard to see a convincing case for sitting social care within the NHS, citing Northern Ireland as an example which did not demonstrate better outcomes for service users. She also noted instances in England where integration approaches had disintegrated. Professor Martin Knapp spoke about the wider needs of social care service users and the risk of looking a connection to needs based around other services offered by local authorities (such as education, housing and transport).

Richard Robinson suggested that the Committee should, when exploring structural reform, seek to understand "what will make it a success this time and enable the Government to deliver what was wanted in the past?"

### Outcomes-driven approaches

Many pieces of WE noted that many decisions and allocations are based on organisational boundaries rather than people's needs or focusing on health and care outcomes. Written evidence suggests that budgetary decisions are not taken in the round and acknowledge the interconnections across different portfolios. In oral evidence, the role of the National Performance Framework in driving and evidencing decision-making and informing budget decisions was discussed. Richard Robindon said:

“if there are issues with how you balance, explain and scrutinise what you are spending on immediate issues and what you are spending on preventing issues that might arise, having an NPF front and centre that sets out how you are making decisions about how to spend money and how to balance the levels of funding that go to the NHS, local government or whomever helps the cause by ensuring a greater degree of ownership and visibility.”

As a reminder, the revised Nation Performance Framework is yet to be published. Informal communication between SPICe and Government officials suggests that it is anticipated before the end of 2026.

### **Service delivery and partnership**

Written evidence suggests that funding is not directed sufficiently at community services and supporting community health. Several organisations identified different ways to strengthen greater community-led delivery, especially in relation to physical activity.

In oral evidence, Alison Payne (Enlighten) highlighted the role that third sector organisations such as Chest Heart & Stroke Scotland and the Scottish Huntington’s Association have in delivering services, ranging from preventative interventions and education, through to specialist and financial support for people after diagnosis. She noted that many of these organisations are delivering cross-sectoral support which public services could learn from. As noted in other evidence, however, delivery through third sector organisations is heavily impacted by the uncertainty arising from single year funding settlements.

The role of GPs and multidisciplinary teams was also discussed, and Richard Robinson, referring back to the Auditor General’s report on general practice, suggested that more data was needed for the Government to understand issues around demand, workload, the workforce and the quality of care.

Professor Feeley, referring back to the Independent Review of Adult Social Care in Scotland, explained that one concern raised was a lack of transparency about funding flowing from the public to the private sector as part of the commissioning of services. Professor Needham suggested that more could be done to explore the landscape in which care providers were being asked to deliver services, and whether more could be done to support the not-for-profit providers in this space who were evidenced to provide higher quality of service, but struggled to compete with larger, for-profit providers.

### **Potential areas to explore around public service reform**

- 7. What evaluation the Scottish Government had done on the impact of subnational planning, and how this has fed into proposals for NHS reform.**
- 8. Whether there has been any work done to quantify the financial impact of subnational planning, and how this has impacted on the fiscal assumptions surrounding the proposals for restructuring NHS boards.**

- 9. The lessons that might be learned from subnational arrangements on accountability, decision making and managing services on a regional rather than a board basis.**
- 10. The Cabinet Secretary's response to the suggestion that NHS reform should be driven by an understanding of the outcomes the Government wants to achieve for people, rather than proposals for restructuring.**
- 11. Whether the revised NPF is anticipated in advance of the Budget, and whether it will be used to inform budget decisions.**
- 12. What the Government is doing to improve data around service needs, delivery and outcomes outside of acute settings, including in services delivered in partnership with the third sector, and within general practice.**
- 13. How the Budget will support ethical and collaborative commissioning of services, support third sector service providers, and raise expectations around transparency when it comes to service delivery by for-profit partners.**

### **Theme 3: Prevention**

Between December 2025 and May 2026, the Scottish Government undertook work on a budget-tagging pilot to better understand its investment in prevention, and [reported on its findings in June 2026](#). The Government has committed to extending the tagging approach to the entirety of the Budget. The expectation is that, for the 2027-28 Budget, this data will support a baseline understanding of the extent and spread of preventative spending in the budget. Going forward, the Government has signalled that it will combine this with data from the Population Health Framework and upcoming work on drivers of demand to help to inform future budget-setting decisions. In the Programme for Government, the Government also committed to the development of a Scottish Prevention Investment Framework.

Professor Linda Bauld suggested on 7 October that a twin-track approach to prevention was needed, saying “we need to focus on older people and their quality of care, but Scotland needs to focus a lot of its attention on the early years plus preventative interventions in the working-age and midlife population. You see a lot of that in the commitments that the Government has made, but I am sure that more could be done”.

Professor Bauld also suggested that the Committee might wish to explore with the Cabinet Secretary how the Government is using the Population Health Framework to support a direction of spend towards prevention and early years intervention. She also noted that evidence pointed to there being whole family benefits to interventions such as the expansion of free childcare and early years support, rather than simply health and wellbeing benefits to infants.

Alison Payne (Enlighten) emphasised that not every preventative intervention requires additional investment, and that there it should be possible to prevent health problems before they arise through interventions such as public education

programmes. Professor Bauld said that vaping was one area where a lot of preventative action was taking place, however Alison Payne challenged that, suggesting that, given that there is political agreement on the need to address the issue, more could be done on research and regulation around the use and sale of vapes.

Witnesses did not give strong views on budget tagging of preventative spend, though several noted the subjective nature of tagging spend as preventative, and witnesses on social care highlighted how much more challenging it could be to identify preventative activity in a social care setting compared to a health one. Professor Bauld noted that the budget tagging pilot was focused on the Scottish Government budget, but that pilots had been carried out within NHS boards and local government.

Several organisations giving written evidence noted that sport and physical activity need to be embedded more directly as part of preventative measures and interventions in the budget. Sportscotland and the Scottish Football Association also noted that meaningful prevention cannot be achieved with only short-term or one-off funding streams, but needs sustained investment.

#### **Potential areas to explore around prevention**

- 14. How the Government is addressing data gaps around unmet need and the impact of preventative interventions, particularly in a social care context.**
- 15. How the Government is using the population Health Framework to support a shift towards greater investment in prevention.**
- 16. How the Government's preventative spend budget tagging work might be expended through to NHS and local government budgets, and whether there might be expectations in the future that public body accounting reflects preventative spending.**
- 17. How the Government's approach to quantifying preventative spending reflects concerns around the subjective nature of defining preventative spend, and the challenges of quantifying the impact of investment in prevention, both over time and across portfolios.**
- 18. How the Scottish Government will be using its work on budget tagging to inform spending decisions in the upcoming budget.**
- 19. Anticipated timelines and an indicative process for the development of the Scottish Prevention Investment Framework.**
- 20. How the Government might support investment in prevention by shifting the narrative focus away from acute services.**

#### **Theme 4: Capital investment**

In February 2024, the Scottish Government [announced that all new NHS capital projects would be put on hold](#). The Government released a new [Infrastructure](#)

[Delivery Pipeline](#) in January 2026, which noted that a number of projects listed in its 2021 Infrastructure Investment Plan had not been carried forward to the new plan, including projects which had begun the business case process but then been paused such as the remaining National Treatment Centres and the Gilbert Bain Hospital. The Government explained that it was working with all health boards to develop a whole system infrastructure plan, which would in turn identify investment priorities across NHS Scotland.

Audit Scotland's submission explained that capital expenditure in health has fallen by 22% since 2021-22, and that capital spend is not keeping up with maintenance requirements. The Scottish Government, says Audit Scotland, needs to be transparent about how much of its capital budget is meeting ongoing maintenance and other obligations, how much is allocated to ongoing projects, and what is available for new initiatives.

Scottish Swimming, in its written submission, said that sporting and community infrastructure (such as swimming facilities and aquatic activity) should be recognised as essential preventative health infrastructure. However, sport and leisure facilities were an area which received a lot of focus in evidence in the context of maintenance and capital investment. Examples included:

- Swimming Scotland identified that 122 of 195 public pools are over 38 years old (the average life span of a pool). By 2040, Scotland could have a net loss of 150 pools. An annual investment of £40.5m is required to build four pools per year to maintain current provision.
- Meanwhile, sportscotland found that 40% of built facilities are beyond their typical design life. Funding pressures on local authorities are preventing regular maintenance of services.
- The Scottish Football Association called on the Scottish Government to co-invest in 'Pitching In' alongside football stakeholders to match-fund. This would considerably grow funds for the sport.

In oral evidence, organisations highlighted the impact of infrastructure provision and maintenance on access to sport, particularly when it came to accessible buildings and access to facilities beyond school years. Sportscotland noted that none of its capital investment funding comes from the Scottish Government, rather it comes through National Lottery funding. Scottish Swimming called for two additional funding streams:

- A Swimming Pool Sustainability Fund to protect strategically important existing pools.
- A Swimming Pool Development Fund to support replacement and new pools in areas where there is unmet demand.

In oral evidence, witnesses highlighted the value of linking major events to capital investment and community sports provision.

**Potential areas to explore around capital investment**

- 21. Concerns around falls in capital expenditure in health, and this meaning that expenditure is not keeping pace with maintenance requirements.**
- 22. How the Government can more transparently present how much of its capital budget is meeting ongoing maintenance and other obligations, how much is allocated to ongoing projects, and what is available for new initiatives.**
- 23. Whether capital spend is likely to be covered by preventative budget tagging for the 2027-28 budget.**
- 24. How the Scottish Government will enable healthy living through capital support for the maintenance and upgrading of sports and leisure facilities.**
- 25. How the Government will leverage upcoming large scale sporting events to support investment in sports and leisure facilities.**

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