



The Health and Social Care Alliance Scotland (the ALLIANCE)



Pre-budget scrutiny 2027–28: the affordability and sustainability of Scotland's tax and spending plans

14 August 2026

Introduction

The Health and Social Care Alliance Scotland (the ALLIANCE) welcomes the opportunity to respond to the Finance and Public Administration Committee's Pre-Budget Scrutiny 2027-28 call for views.¹ Our response focuses on preventative spend and public service reform.

To help inform our response to the Public Service Reform Committee's concurrent call for views, the ALLIANCE organised an engagement session for our members. This brought together a range of organisations from across the third sector, professional bodies, and individuals with lived experience to share their experiences, views and ideas on the Scottish Government's public service reform agenda at this early stage. Due to some overlap in the themes, we have used content from that event where appropriate in this response as well.

Question 5: What actions should the Scottish Government take to grow the tax base and increase labour market participation, productivity, and Scotland's economic growth?

As we do not specialise in economic policymaking around the labour market and productivity, we cannot offer an in-depth answer to this question. However, we would emphasise the need to ensure that pursuit of economic growth and increased labour market participation are compatible with the principles of a Wellbeing Economy.² This includes greater investment in essential sectors like social care, which should offer the opportunity for sustainable employment whilst meeting Scotland's human rights obligations.

The ALLIANCE is a member of Tax Justice Scotland, which has submitted a more detailed response.³ We agree with the principle that the tax system must enable significantly higher public spending on people, public services and green infrastructure; redistribute income and wealth in ways that help combat economic inequalities and poverty; and shape behaviours and the economy in socially and environmentally positive ways.



This would include long overdue reform to local taxation, which funds essential public services including social care, being open to broad-based tax rises where necessary to address the scale of the current financial pressures and addressing extreme wealth concentration.

Question 6: Are the planned efficiencies realistic and deliverable at a scale sufficient to make public services sustainable?

During our member engagement for the Public Service Reform Committee's call for views, many participants questioned whether efficiencies of the scale the Scottish Government have set out were achievable without more fundamental reform to service delivery. Some suggested that there is a risk of the public service reform programme being confined to "tinkering", and that whilst prevention, collaboration and community-based support have been policy ambitions for some time, little structural change has been made to deliver on them.

Overall, participants felt that realising meaningful, long-lasting efficiencies would require:

- Redesign of services rather than attempting to improve existing services;
- Shifting investment towards prevention and community support;
- Changing funding models and incentives;
- Demonstrating political courage in making long-term changes.

Members also expressed scepticism about a simple headcount reduction target for the workforce. Rather than asking how to reduce staff numbers, participants at our engagement event felt the government should be asking whether the current shape of the workforce was as effective and efficient as it could be.

Question 7: What are the main risks to revenues from devolved taxes?

The ALLIANCE is a member of Tax Justice Scotland, which has submitted a more detailed response to this question.⁴ We share the concerns raised about the lack of ambition on tax reform, for example the reliance on



outdated tax bases such as for council tax, and a lack of honest discussion about the fiscal and demographic challenges facing Scotland.

Question 8: Preventative spend has been a goal for several years, but the intended outcomes have not been fully achieved. Why do you think this is the case and how might a Preventative Budgeting Tool help track progress with achieving outcomes?

There is wide agreement amongst our members that there has been a consistent failure to meaningfully progress positive rhetoric on prevention. It is evidently proving challenging to shift the balance of expenditure from crisis intervention to prevention given the scale of need for the former and the current pressures on public finances.

Yet failure to make progress on prevention now will lead to significantly increased costs in the future, as demand for crisis services continues to increase. The Scottish Government must have the political courage to identify the funding and raise any additional revenues necessary to invest in prevention, on the understanding that this will result in significant savings in later years and ensure the sustainability of public services.

Participants at a recent member engagement event expressed frustration at the tendency towards limiting funding largely to pilots and new projects, often meaning that after these approaches have proven their worth, funding is abruptly withdrawn rather than allowing the approach to grow and bear fruit for years into the future. One participant described this as creating a cycle of continually reinventing successful services rather than embedding them.

For third sector organisations involved in public service delivery especially, this compounds the many issues with funding, such as those outlined in our “Stretched Beyond Limit” report.⁵ These include one-year funding, large amounts of time lost to funding applications and reporting requirements, and late notification of funding decisions. An inability to plan for the future, and in the worst cases complete closure of third sector services in the community, has a direct and deeply negative impact on otherwise effective



preventative work, and risks simply increasing the frequency and cost of crisis interventions further down the line.

The ALLIANCE are longstanding advocates of a human rights budgeting⁶ approach and have repeatedly called on the Scottish Government to adopt this approach in the annual budget. Transparency is a key component of human rights budgeting, and the Scottish Human Rights Commission note the importance of being able to “follow the money” from allocation to impact. We welcome the development of a Preventative Budgeting Tool, which we hope will improve the ability to follow the money from allocation to spending, and look forward to seeing how the upcoming budget demonstrates this approach.

About the ALLIANCE

The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector membership organisation for the health and social care sector. We bring together over 3,500 people and organisations dedicated to achieving our vision of a Scotland where everyone has a strong voice and enjoys the right to live well, with dignity and respect. Our members are essential in creating a society in which we all can thrive, and we believe that by working together, our voice is stronger.

We work to improve the wellbeing of people and communities across Scotland by supporting change in health, social care and other public services so they better meet the needs of everyone in Scotland. We do this by bringing together the expertise of people with lived experience, the third sector, and organisations across health and social care to shape better services and support positive change.

The ALLIANCE has three core aims.

We seek to:

- **Empower people with lived experience:** we ensure disabled people, people with long term conditions, and unpaid carers are



heard and that their needs remain at the heart of the services and communities.

- **Support positive change:** we work within communities to promote co-production, self management, human rights, and independent living.
- **Champion the third sector:** we work with, support and encourage co-operation between the third sector and health and social care organisations.

The ALLIANCE is committed to upholding human rights. We embed lived experience in our work and aim to ensure people are meaningfully involved at every level of decision-making.

Working together creates positive, long-lasting impact. We work in partnership with the Scottish Government, NHS Boards, universities, and other key organisations within health, social care, housing, and digital technology to manage funding and develop successful projects. Together, our voice is stronger, and we can create meaningful change.

Contact

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¹ Scottish Parliament, 'Pre-budget scrutiny 2027–28: the affordability and sustainability of Scotland's tax and spending plans' (June 2026), available at: <https://yourviews.parliament.scot/338/pre-budget-scrutiny-2027-28-the-affordability-and/>

² Wellbeing Economy Alliance, 'What is a Wellbeing Economy?', available at: <https://www.weallscotland.org/what-is-a-wellbeing-economy>



³ Tax Justice Scotland, 'Scottish Parliament Finance and Public Administration Committee Pre-budget Scrutiny Consultation' (August 2026), available at: <https://drive.google.com/file/d/1t3rF2sh7qNw384xdP-7vTnzao8Pqy1T4/view?pli=1>

⁴ Tax Justice Scotland, 'Scottish Parliament Finance and Public Administration Committee Pre-budget Scrutiny Consultation' (August 2026), available at: <https://drive.google.com/file/d/1t3rF2sh7qNw384xdP-7vTnzao8Pqy1T4/view?pli=1>

⁵ The ALLIANCE, 'Stretched Beyond Limit' (December 2025), available at: <https://www.alliance-scotland.org.uk/wp-content/uploads/2025/12/Stretched-Beyond-Limit-Report-December-2025.pdf>

⁶ Scottish Human Rights Commission, 'Human Rights Budget Work', available at: <https://www.scottishhumanrights.com/projects-and-programmes/human-rights-budget-work/>

