

# **Scottish Budget 2026-27**

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## Introduction

The Finance and Public Administration Committee (FPAC) is scrutinising the draft Scottish Budget 2026-27 and has requested a short submission highlighting key issues that the Committee might scrutinise.

## Possible issues for the Committee to consider:

1. Consonance of the 2026-27 Budget with the Scottish Government priorities of eradicating child poverty; growing the economy; tackling the climate emergency; ensuring high-quality, sustainable public services.
2. Managing public sector pay, given current challenges to the Multi-year Pay Policy Framework (9% pay envelope over 3 years 2025-26 to 2027-28)
3. Managing the Social Justice budget, which is growing faster than all other portfolio budgets (6.4% in real terms 2025-26 to 2026-27) and will only be surpassed by Health & Social Care and Local Government in the size of its budget in 2026-27.
4. Achieving the target of £576 million of savings in 2026-27 through the Portfolio Efficiency and Reform Plans (with broadly similar savings to be achieved in 2027-28 and 2028-29).
5. Effects of changing thresholds and rates on income tax revenues and implications for net income tax position (tax revenues *less* income tax BGA)
6. Implications of changes to non-domestic rates (NDR) including variation by rateable value and location
7. Sustainability of further and higher education, given the funding constraints that they face
8. Sustainability of social care, given the tightness of the local government settlement.