



The Scottish Budget
2025-2026
Parliamentary briefing

Scottish Women's
Budget Group



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Summary and key questions

This briefing seeks to draw attention to areas of the Draft Scottish Budget 2025-26 which are crucial for women and gender equality and suggests questions in the hope that these help MSPs at the budget scrutiny stage.

- **General: delivering for Scotland.** MSPs may want to enquire about the effectiveness of the measures announced within the budget in relation to the differential impact that these will have on women and men using gender budgeting principles, that is, looking at how the Scottish budget advances equality, provides transparent information, is participative and outcome focused.
- **Eradicating Child Poverty.** MSPs may want to ask the Scottish Government:
 - Whether the current budget allocation for Early Learning and Childcare (ELC) is sufficient to meet the objectives of this policy.
 - Whether this budget continues funding to support the recruitment of childminders and/or includes further investment to address the impact of decreasing numbers of childminders across Scotland.
 - Whether the current budget includes specific funds to address gaps in women's health inequality that could explain increasing levels of economic inactivity due to ill-health amongst women.
- **Growing the economy.** Parliament may want to investigate how investment in childcare is supporting the Scottish economy via increased labour supply and tackling gender inequality.
- **Ensuring high quality and sustainable public services.**
 - MSPs should investigate if the level of spend on social care is sufficient to meet demand, including currently unmet needs, regardless of whether the Scottish Government meets one of its investment objectives as per its Programme for Government 2021.
 - MSPs may want to ask the Scottish Government whether the budget allocation for Local Government will protect front-line, preventative services at the local level and how the government will ensure that the implementation of social care support will meet the ambitions set out in the budget.

Introduction

Since Parliament kickstarted its pre-budget scrutiny process, the Scottish Women's Budget Group's (SWBG) has highlighted the need to understand how gender inequality interacts with each of the Scottish Government's four priority areas as crucial to design effective policy interventions. Evidence gathered via the SWBG Women's Survey 2024 shows the impact that the recent inflationary period has had on women's economic resilience in Scotland. The survey highlighted that:

- 69% of the 1026 women who took the survey feel financially worse off compared to the same time last year;
- 55% of the 992 women responding to questions relating to debt told us they have some type of debt, and 35% said they have no savings.

Disabled women, single mothers and women from minority ethnic communities are struggling with energy bills and food costs in greater numbers, and so are those with an annual household income of less than £20k per year (46% of which are single households without children)¹. Women's primary role as caregivers directly contributes to gender inequality, as women are more likely to make changes to their working arrangements to accommodate essential unpaid care. We believe that addressing the systemic barriers that ultimately create the conditions for women's inequality and poverty is key to successfully deliver on the Scottish Government's four priorities. However, the Draft Scottish Budget 2025-26 is silent on this. While some of the measures announced around eradicating child poverty will undoubtedly benefit women given the strong links between women and children's poverty, the failure to integrate gender analysis risks perpetuating existing inequality. This failure to acknowledge the impact of decisions on gender inequality on the Government's four priority areas is particularly salient on chapter 1 of the Scottish Budget 2025-26. For example, while the increase in social security payments is a welcomed measure, this is based on September's CPI figure of 1.7% which fails to take into account the Scottish Fiscal Commission's reports showing expected inflation rates of 2.6% in 2025-26. Women make the majority of applicants of Social Security Scotland benefit² and are more likely to be living in poverty and find it harder to escape poverty³. Therefore, action on social security could have gone further to advance equality.

Parliament may wish to enquire about the effectiveness of the measures announced within the budget in relation to the differential impact that these will have on women and men using gender budgeting principles, that is, looking at how the Scottish budget advances equality, provides transparent information, is participative and outcome-focused.

Eradicating child poverty

While the Scottish Government have acknowledged the links between child poverty and women's poverty, the lack of gender analysis in the budget becomes problematic after a more in-depth examination of the measures announced for each priority area. It is true that many announcements made in this part of the budget will benefit women, yet those related to tackling 'economic inactivity' do not go far enough to address gender inequality. They focus on investing in employability programmes, a crucial area, but overlook the impact of ill health and caring responsibilities on rising inactivity levels and the role of social infrastructure in tackling this, this point is key from a gender equality perspective.

¹ SWBG (2024) *Pre-Budget 2025-2026 briefing* available at:

<https://www.swbg.org.uk/content/publications/Pre-Budget-2025-2026-briefing-.pdf>

² Social Security Scotland (2024) *Social Security Scotland Client and Applicant Diversity and Equalities Analysis for April 2023 to March 2024*, available at

<https://www.socialsecurity.gov.scot/asset-storage/production/downloads/Social-Security-Scotland-Applicant-Diversity-and-Equalities-Statistics-to-March-2024-Publication248569.pdf>

³ The Poverty Alliance (2024) *Poverty Alliance briefing for International Women's Day: Women's experiences of Poverty in Scotland*, available at <https://www.povertyalliance.org/wp-content/uploads/2024/03/Poverty-Alliance-briefing-for-International-Womens-Day-2024.pdf>

According to the Scottish Government's latest data⁴, inactivity figures for women in Scotland have surpassed the average for the UK at various points since 2023, while women's inactivity rate in Scotland is higher at 26.4% than for men (20.8%).⁵ Analysis by SPICE indicates that a higher proportion of economic inactivity is attributed to permanent ill health or disability by men over 24 than by women in Scotland. However, this reason has trended downward for men over 24 since 2001 but increased for women of all ages in the last five years⁶. The second most frequently reported reason for inactivity was being in education for men (30%) and looking after the house/family for women (25%)⁷. In relation to this, Scotland's Gender Equality Index 2023 revealed that in 2022, 83.7% of 16–64-year-olds who were 'inactive' due to caring were women, compared to the 16.3% that were men. This demonstrates the gendered dynamics and impact of caring responsibilities on women compared to men, and the need for gender analysis to accompany budget decisions.

More data and research may be required to understand how caring responsibilities specifically affect inactivity rates in Scotland. What is clear is that economic inactivity is complex, and interventions need to be multi-faceted including investment in care services as well as investing in employability programmes.

MSPs may want to ask the Scottish Government:

- *Whether the current budget allocation for Early Learning and Childcare (ELC) is sufficient to meet the objectives of this policy.*
- *Whether this budget continues funding⁸ to support the recruitment of childminders and/or includes further investment to address the impact of decreasing numbers of childminders across Scotland⁹.*
- *Whether the current budget includes specific funds to address gaps in women's health inequality¹⁰ that could explain increasing levels of economic inactivity due to ill-health amongst women¹¹.*

⁴ Scottish Government (2024) *Labour Market Trends: November 2024* available at <https://www.gov.scot/publications/labour-market-trends-november-2024/pages/labour-market-estimates-for-women-and-men/>

⁵ *Ibid*

⁶ SPICE (2024) *Economic inactivity and ill health in Scotland* available at <https://bprcdn.parliament.scot/published/2024/7/26/e76632ef-84a0-465c-9594-9c2f07f29153/24-38.pdf>

⁷ *Ibid*

⁸ Scottish Government (2023) *Scottish Budget 2024-25* available at <https://www.gov.scot/binaries/content/documents/govscot/publications/corporate-report/2023/12/scottish-budget-2024-25/documents/scottish-budget-2024-25/govscot%3Adocument/scottish-budget-2024-25.pdf>

⁹ *Ibid*

¹⁰ Engender (2024) *Engender Parliamentary Briefing Scottish Government Debate: The Women's Health* available at <https://www.engender.org.uk/content/publications/Engender-Parliamentary-Briefing---Womens-Health-Plan-2021-24.pdf>

¹¹ SPICE (2024) *Economic inactivity and ill health in Scotland* available at <https://bprcdn.parliament.scot/published/2024/7/26/e76632ef-84a0-465c-9594-9c2f07f29153/24-38.pdf>

Growing the economy

Recognising the links between investing in infrastructure and delivering high quality public services, long-term growth and its tax benefits, or investing in low carbon, affordable housing and tackling child poverty is a welcomed change in narrative. One that hopefully translates into a more comprehensive and cooperative approach to policymaking and budget implementation. However, it is disappointing that the Budget did not acknowledge the role of care in growing the economy. Our modelling showed that investing specific levels in social care could generate about 43,000 new jobs created by the increase in care workers. In addition, 8,000 jobs would be generated through indirect jobs in industries supplying the care sector, as well as over 24,000 jobs through induced employment due to newly employed workers spending in the Scottish economy¹². Childcare is another area within care that could better contribute to growing the Scottish economy. Lack of affordable and accessible childcare is a major barrier to women being able to take on work, or to move to better paid, more secure work. Our childcare survey last year found that for 55% of the women who responded, the challenges of managing childcare were impacting their ability to do paid work. This figure increased to 67% for single parents and 71% for disabled women¹³. While the budget commits to “continue to invest around £1 billion through the Local Government settlement in continuing to deliver high quality funded early learning and childcare for 3- and 4-year-olds, and eligible 2-year-olds”¹⁴, ideally the Scottish Government would be providing additional funds to expand access to funded hours for a wider group of eligible 2-year-olds as a step towards greater entitlement in line with our calls¹⁵. Additionally, SWBG supports the call from Pregnant then Screwed Scotland for an independent review of publicly funded early learning and childcare in Scotland¹⁶.

Evaluation studies of Canada’s recent childcare developments shared by Professor Susan Prentice show returns of more than \$3.50 for every \$1 spent on childcare in Quebec¹⁷. This evidences that investment in the care economy is essential not only to achieve greater gender equality but also to grow the economy.

Considering this evidence and the lack of attention paid to the care sector in growing the economy in the Budget, Parliament may wish to investigate how investment in childcare is supporting the Scottish economy via increased labour supply and tackling gender inequality.

¹² SWBG (2022) *Towards a transformative universal adult social care service for Scotland* available at <https://www.swbg.org.uk/content/publications/Towards-a-transformative-universal-adult-social-care-support-service-for-Scotland.pdf>

¹³ SWBG (2023) *Policy Briefing: Childcare Survey 2023*, available at <https://www.swbg.org.uk/content/publications/Policy-Briefing---Childcare-Survey-2023.pdf>

¹⁴ Scottish Government (2024) *Scottish Budget 2025-26* available at <https://www.gov.scot/binaries/content/documents/govscot/publications/corporate-report/2024/12/scottish-budget-2025-2026/documents/scottish-budget-2025-26/scottish-budget-2025-26/govscot%3Adocument/scottish-budget-2025-26.pdf>

¹⁵ SWBG (2024) *Pre-Budget 2025-2026 briefing* available at: <https://www.swbg.org.uk/content/publications/Pre-Budget-2025-2026-briefing-.pdf>

¹⁶ Scottish Parliament (2024) PE2112: Conduct an independent review of childcare costs and availability in Scotland, available at <https://petitions.parliament.scot/petitions/PE2112>

¹⁷ SWBG blog (2024) *Beyond Scotland: what does childcare look like elsewhere?* available at <https://www.swbg.org.uk/news/blog/beyond-scotland-what-does-childcare-look-like-elsewhere/>

Tackling the climate emergency

As a member of Stop Climate Chaos Scotland, we ask MSPs to refer to the briefing published by the coalition¹⁸.

Notwithstanding, we want to note that it is disappointing that the Draft Budget did not allude to the potential of care jobs in tackling the climate emergency. Women's Budget Group research shows that the average job in health and care produces 26 times less greenhouse gas emissions than a manufacturing job, over 200 times less than agriculture jobs and nearly 1,500 times less than a job in oil and gas¹⁹. Care jobs need to be viewed as green jobs with investment supporting this low carbon part of the economy.

Ensuring high quality and sustainable public services

Despite the lack of gender analysis and greater recognition of the role that social infrastructure could play in delivering the Government's priorities, it is encouraging to see the draft Budget regarding Health and Social Care services as "an essential pillar of our public services". SWBG welcomes the increase spend on Social Care Support and NCS Delivery with a caveat. While this Budget delivers on the Scottish Government's objective of increasing social care spending by 25% over this Parliament, the Fraser of Allander Institute has already pointed out that this commitment was made prior to the increase in inflationary pressures. This means that current levels of spend will not deliver as much social care as originally intended²⁰. Importantly, our modelling showed that, due to the historic underinvestment in the sector, the Scottish Government's committed level of investment was already short to provide the type of transformational scenario required to meet unmet care needs and deliver fair work for the workforce. The Coalition of Care and Support Providers have also raised significant concern about the impact of rising employers National Insurance contributions across the sector and the additional level of funding required to meet this.

Additionally, it is worth noting that social care is delivered by local authorities, and while the Draft budget rightly recognises the critical role that these play in providing high quality public services, analysis by SPICE has shown that spending on Local Government has only increased by 4% in real terms²¹. COSLA has noted that there is £289.3m of additional uncommitted local government core revenue funding²².

¹⁸ SCCS (2024) *Briefing: Scottish budget 2025/26* available at <https://www.stopclimatechaos.scot/?type=briefings>

¹⁹ WBG (2022) *A Green and Caring Economy* available at <https://wbg.org.uk/wp-content/uploads/2022/11/A-Green-and-Caring-Economy-Report-FINAL.pdf>

²⁰ Fraser of Allander Institute (2024) *Weekly update: the impact of the Scottish Budget on Homelessness, Child Poverty, Social Care and more...* available at <https://fraserofallander.org/weekly-update-the-impact-of-the-scottish-budget-on-homelessness-child-poverty-social-care-and-more/>

²¹ SPICE (2024) *Scottish Budget 2025-26* available at <https://bprcdn.parliament.scot/published/2024/12/6/c32e19d8-eb1d-4665-84f3-e6ddc36f1776/SB%2024-55.pdf>

²² COSLA (2024) *Budget Reality 25-26* available at https://www.cosla.gov.uk/data/assets/pdf_file/0029/55838/24-12-04-Budget-Reality-25-26-Final.pdf

Therefore, *MSPs should investigate if this level of spend is sufficient to meet demand, including currently unmet needs, regardless of whether the Scottish Government meets one of its investment objectives as per its Programme for Government 2021.*

Finally, a key point made by the Fraser of Allander Institute is that, given the nature of social care delivery and the role of local authorities, “it is not necessarily in the Scottish Government’s control how much *exactly* is spent on social care”²³. This is crucial to understand the links between the way in which Local Authorities allocate budgets to Integrated Joint Boards and the ‘implementation gap’. Recent budgetary constraints have meant that Integrated Joint Boards have increasingly made decisions which are at odds with the Scottish Government’s understanding of Health and Social Care services as an essential pillar of public services. For example, our research with the Glasgow Disability Alliance identified the impact that the increase in repayment for non-residential social care charges from 50% to 75% from April 2023 was having on women²⁴. Likewise, Edinburgh Integrated Joint Board recently proposed to cut up to £4.5m off their Grants Programme deprioritising preventative approaches, as we highlighted in our short analysis published in October²⁵.

MSPs may want to ask the Scottish Government whether the budget allocation for Local Government will protect front-line, preventative services at the local level and how the government will ensure that the implementation of social care support will meet the ambitions set out in the budget.

For further information

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About us

The Scottish Women’s Budget Group (SWBG) is an independent analysis and campaign group that aims to promote gender analysis in public policy and public finance decisions through budgetary processes. SWBG brings together a wide range of women from across Scotland who have an interest in women’s equality and want to achieve better gender equality in our society. We have focused on encouraging active gender analysis in the Scottish Budget process since 2000.

Find out more: swbg.org.uk

²³ Fraser of Allander Institute (2024) *Weekly update: the impact of the Scottish Budget on Homelessness, Child Poverty, Social Care and more...* available at <https://fraserofallander.org/weekly-update-the-impact-of-the-scottish-budget-on-homelessness-child-poverty-social-care-and-more/>

²⁴ SWBG website. Gender Budgeting from Theory to Action project: <https://www.swbg.org.uk/gda-project/>

²⁵ SWBG blog (2024) *Edinburgh Integration Joint Board Grants Programme* available at <https://www.swbg.org.uk/news/blog/edinburgh-integration-joint-board-grants-programme-/>