



The Scottish Budget 2026-2027 Parliamentary briefing

Scottish Women's
Budget Group

Summary and key questions

This briefing seeks to draw attention to areas of the Draft Scottish Budget 2026-27 which are crucial for women and gender equality and suggests questions in the hope that these aid 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 Scottish Government has fully re-invested the funding reserved to mitigate the two-child limit policy in anti-poverty measures.*
 - *Whether the current budget allocation for Early Learning and Childcare (ELC) is sufficient to meet the objectives of this policy.*
 - *Whether the Scottish Government could have utilised some of the savings made to implement measures such as the increase in the SCP for under 1s in the upcoming financial year, rather than deferring them to the 2027-28 budget.*
- 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 may want to ask the Scottish Government:*
 - *What the mechanism to scrutinise efficiency savings by Parliament will look like;*
 - *Whether the Scottish Government will use gender-budget analysis to deliver these efficiency savings;*
 - *Whether the budget allocation for the RLG within adult social care and childcare services 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

The final Scottish Budget of this parliamentary term is being set against a backdrop of financial constraints, economic uncertainty, and long-term structural pressures. The Scottish Women's Budget Group recognises the fiscal challenges facing this and subsequent budget cycles. However, an excessive focus on spending restraint risks disproportionately harming women. Similarly, concentrating too heavily on existing measures can divert attention from whether policies are effectively addressing inequality and achieving the intended outcomes.

In the Women's Survey 2025¹, two-thirds (66%) of respondents reported feeling worse off compared with the same time last year, while 24% said their financial circumstances had not changed and only 10% felt better off. An intersectional analysis of the data shows that the proportion of women who felt worse off was significantly higher among single parents (82%), minority ethnic women (71%), and disabled women (70%).

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 2026-27 is silent on this and the broader extent by which budget decisions can exacerbate women's inequality in Scotland².

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Eradicating Child Poverty

In last year's budget, the Scottish Government committed to ending the two-child limit policy in Scotland. After the UK Government scrapped this policy at source, the Scottish Government in its budget document states that the funding no longer needed for its implementation has been fully re-invested in anti-poverty measures.

While the Scottish Government has provided a £49m boost to the Tackling Child Poverty Fund and allocated £50m to a new Whole Family Support policy, it's difficult to determine whether these allocations fully substantiate the claim that savings from the two-child limit have been reinvested in child poverty measures. The Fraser of Allander Institute has provided further analysis and detail on these figures stating

¹ SWBG (2025) *Women's Survey. Women's Finances Briefing*, available at swbg.org.uk/content/publications/Womens-Survey-2025.-Finances-briefing.pdf

² The Scottish Women's Budget Group are currently reviewing the Strategic Integrated Impact Assessment 2026-27 published on 19th January.

that "whichever way you cut the figures, any additional spend resulting from the two-child limit savings will be less than £126m next year"³.

Additionally, analysis of the Scottish Budget Table 4 suggests that, while overall expenditure in the Social Justice portfolio has increased by 8.7% compared with the Autumn Budget Revision 2025–26 figures, significant savings have also been achieved—particularly within Social Security Policy and Delivery. This raises the question of whether the Scottish Government could have done more to meet its goal of eradicating child poverty. Other measures in the budget, such as increasing the Scottish Child Payment to £40 per week for children under one, represent a step in the right direction, with positive implications for women. However, implementation from August 2027 limits the measure's impact in the upcoming financial year.

While information and transparency around budget allocations are essential from a gender budgeting perspective, the choice of policies themselves is equally important to ensure that these are meeting need. Taking the Whole Family package into account, Table 4 documentation indicates that measures within this package "*will support parents into sustainable employment through the RISE colleges initiative; individual training accounts ; transport and direct support to the Third Sector through a Fund to deliver the Whole Family Support, holistic support that people need in their communities to get into and stay in work*". However, preliminary findings from our *Investing in Childcare* project show that the current funded Early Learning and Childcare (ELC) offer does not provide sufficient support for parents on low incomes to increase or sustain their participation in work. While employability services are important, the failure to accompany these measures with a strengthened and adequately funded childcare offer for under-fives represents a missed opportunity.

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Growing the economy

This budget continues to adopt the traditional outlook of economic growth focusing on the transition from oil and gas industries. Supporting workers in oil and gas to reskill to work in renewables is positive, but it falls short from delivering transformative change for communities in Scotland, both in terms of increasing women's representation in these sectors and widening our understanding of the economy.

³ FAI (2026) *Budget - Day 4 reaction*, available at [Budget - day 4 reaction - are the Scottish Government spending all the two-child limit savings on reducing child poverty? | SG](https://www.scottishaffairs.scot/Budget-day-4-reaction-are-the-Scottish-Government-spending-all-the-two-child-limit-savings-on-reducing-child-poverty/)

The omission of care in the budget as a key economic driver is glaring, undermining its role in supporting a well-functioning economy and forming a crucial part of the country's socio-economic infrastructure.

Investing in care is a key requirement if the Scottish Government is to grow the Scottish economy. Our modelling shows that investing specific levels in social care could create around 43,000 new direct jobs in the sector, 8,000 indirect jobs in supplier industries, and over 24,000 jobs from increased spending by newly employed workers⁴.

Childcare is a critical part of the care sector that supports both child poverty reduction and economic growth. Lack of affordable, accessible childcare (both early years and school aged) is a major barrier to women entering work or moving to better-paid, secure employment. Our childcare survey in 2023 found that for 55% of the women who responded, the challenges impacted their ability to do paid work. This figure increased to 67% for single parents and 71% for disabled women. Four percent of respondents had given up work, increasing to 10% for women from minority ethnic communities. Evidence from international research underscores the benefits of childcare investment. Peter Huber, Senior Economist at the Austrian Institute of Economic Research. Similarly, evaluation studies from Canada's Quebec province, highlighted by Professor Susan Prentice, show returns of more than \$3.50 for every \$1 spent on childcare⁵.

This evidence demonstrates that investment in the care economy is vital not only for advancing gender equality but also for driving economic growth.

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.

Tackling the climate emergency

This budget recognises, in one of its few references to women, the link between climate justice and women's equality. At a time of increased pressure on public finances, the decision to allocate £16 million to the International Development Fund, including £1 million for humanitarian crises, is a welcomed measure.

The introduction of a private jet tax is also a positive step, targeting some of the wealthiest individuals for their highly polluting journeys and reinforcing the Government's mission to addressing the climate emergency and the necessity to raise further revenue to meet its targets.

However, it is disappointing that the Draft Budget does not acknowledge the potential of care jobs in tackling the climate emergency. Research by the Women's Budget Group shows that the average job in health and care produces 26 times fewer greenhouse gas emissions than a manufacturing job, over 200 times fewer

⁴ 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>

⁵ SWBG (2024) *Beyond Scotland: What does childcare look like elsewhere*, available at [Scottish Women's Budget Group | SWBG blog | Beyond Scotland: what does childcare look like elsewhere?](https://www.swbg.org.uk/blogs/beyond-scotland-what-does-childcare-look-like-elsewhere)

⁶nearly 1,500 times fewer than a job in oil and gas. Care jobs should therefore be recognised as green jobs, with investment directed towards supporting this low-carbon part of the economy. Moreover, care jobs are essential to building healthy and resilient communities, which lies at the heart of a just transition and the hopes of the Scottish Government for this policy priority.

Delivering better public services

According to the Scottish Budget, “*public services are central to achieving our vision of a fairer, healthier and more prosperous future. Given the fiscal constraints, our investments must be efficient, effective and targeted to deliver the greatest impact where need is highest. These principles underpin our public service reform agenda and guide our 2026-27 Budget decisions.*” Public Sector Reform (PSR) is therefore at the core of the budget, with the Spending Review setting out how the efficiency and reform agenda will be delivered. The accompanying Portfolio Efficiency and Reform Plans detail how £1.5 billion of cumulative savings measures will be achieved, freeing up further funding for investment in frontline services.

These savings ambitions are exceptionally high. Both the Institute for Fiscal Studies (IFS) and the Fraser of Allander Institute (FAI) have described them as “heroic.” We have repeatedly highlighted that, for PSR to achieve its key objectives—including prevention, reducing inequalities, and promoting equality as envisioned by the Christie Commission—it is crucial that gender budget analysis is fully integrated into the decision-making process⁷. This involves linking policy objectives with budget allocations and intended outcomes, ensuring that efficiency measures do not inadvertently undermine efforts to promote equality or widen existing disparities.

MSPs may want to ask the Scottish Government:

- *What the mechanism to scrutinise efficiency savings by Parliament will look like;*
- *Whether the Scottish Government will use gender-budget analysis to deliver these efficiency savings.*

In terms of policy choices, the Health and Social Care portfolio is once again one of the main beneficiaries of the Scottish Budget. This should be welcomed, as we have repeatedly called for increased investment in social care. However, analysis by COSLA⁸ highlights that “there is no dedicated, additional funding for social care, and the £160 million allocated for paying the Real Living Wage to adult social care workers falls short of the estimated £175 million cost of this policy commitment.” The Coalition for Care and Support Providers in Scotland has also questioned how the Real Living Wage uplift figures were calculated⁹, noting the significant impact that any shortfall in funding could have on the (already fragile) sector.

⁶ 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>

⁷ SWBG (2024) *Response to FPA’s call for views*, available at [2024-Finance-and-Public-Administration-Committee-Pre-Budget-Scrutiny-Call-for-Views-on-Managing-Scotlands-Public-Finances.pdf](https://www.gov.scot/2024-Finance-and-Public-Administration-Committee-Pre-Budget-Scrutiny-Call-for-Views-on-Managing-Scotlands-Public-Finances.pdf)

⁸ COSLA (2026) available at www.cosla.gov.uk/news/2026/january/scottish-budget-delivers-cut-to-social-care-warns-cosla2

⁹ Rachel Cackett CEO at CCPS, LinkedIn post available at https://www.linkedin.com/posts/rachel-cackett-8801ba66_scottish-budget-delivers-cut-to-social-care-activity-7419393736050221057/

This analysis, alongside research led by SWBG and published in late 2025¹⁰ highlight the gap between the Scottish Government's investment commitments and the lived experience of users and workers in social care—as well as the funding challenges faced by Integration Joint Boards—will widen, potentially undermining all efforts on prevention and PSR. The lack of action to deliver on the policy commitment to end non-residential social care charging within this parliamentary term further highlights the continued gap between rhetoric and action.

MSPs may want to ask the Scottish Government whether the budget allocation for the RLG within adult social care and childcare services 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, most notably “honouring our commitments to fair pay settlements” and when Scottish Government intends to meet its commitment to ending non-residential social care charges.

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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.

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¹⁰ SWBG (on behalf of the A Scotland that Cares) *The Care Policy Scorecard for Scotland*, available at <https://ascotlandthatacares.org/wp-content/uploads/2025/12/TheCarePolicyScorecardForScotland-2.pdf>

¹¹ SWBG (on behalf of JRF) *Time to end social care charging in Scotland*, available at www.jrf.org.uk/care/time-to-end-social-care-charging-in-scotland