RCN Scotland written evidence to the Finance and Public Administration Committee

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

As part of its pre-budget scrutiny, the Scottish Parliament's Finance and Public Administration Committee issued a call for views on the affordability and sustainability of Scotland's tax and spending plans. RCN Scotland submitted the evidence below (note that we did not respond to every question the Committee asked).

What are the biggest risks to the spending plans outlined in the 2026 Scottish Spending Review?

Audit Scotland clearly states that the current healthcare model is not sustainable, and that the delivery of efficiencies and reform within the health and care system will play an important role in its medium-term financial sustainability. It also asserts that improvements in productivity and system reform are essential if health outcomes are to improve, and health inequalities are to be addressed[i].

In our view, key risks to the Scottish government spending plans outlined in the 2026 review include:

- Rising demand driven by ageing populations and increasing burden of disease
- Additional funding is needed to achieve long-held ambitions and deliver reform at a time of serious financial constraints
- A failure to undertake adequate workforce planning to meet current and future health and care needs
- The persistent implementation gap between Scottish government policy ambitions and delivery.

Rising demand and the need for additional investment

A key risk is that the system is in such a precarious position, unable to adequately meet current health and care needs, against a backdrop of an ageing population which is getting sicker. At the same time as the population ages, the burden of disease is increasing and healthy life expectancy is reducing in Scotland, increasing demands on already struggling services. It will be extremely

challenging to make the required reforms and improvements in efficiency, when those working within the health and care system report that they're constantly firefighting and dealing with increasing pressures. The Accounts Commission reported earlier this year that increasing demand, rising costs and a growing number of people with long-term complex needs are placing mounting financial pressures on Integrated Joint Boards (IJBs). It stated that boards have reached a critical point, with a significant risk they will become financially unsustainable within the next 12 to 24 months.[ii]

The 2026 Scottish Spending Review outlines the Scottish government's intention to improve the health of our population and improve access to health and social care by delivering on the principles and actions set out in the Health and Social Care Service Renewal Framework and the Population Health Framework. However, while these documents set out key principles for reform, many of these are long-standing ambitions that have not yet been delivered, despite there being widespread agreement for a number of years now on these being the correct way forward. For example, two of the principles outlined in the Renewal Framework are the Community Principle and the Prevention Principle. Providing more care in the community and focusing on early intervention and prevention have been talked about for years, and we're yet to see sufficient progress in these approaches being embedded across the system.

The reality is that driving progress will require significant additional resources. For example, given the significant pressure which hospitals are under, as illustrated by the year-round normalisation of care in inappropriate areas (i.e. corridor care), shifting the balance of care cannot be achieved by simply moving resources from the hospital sector in the short term. Capacity needs to be increased in the right places first, and this will require additional funding. It is therefore concerning that an analysis of the Scottish Budget by the Institute for Fiscal Studies, states that the Scottish Government is planning a huge relative shift in funding out of hospitals to the community over 2027–28 and 2028–29. The IFS warns that this shift may not be achievable without declines in hospital and ambulance performance as health boards will struggle with their small funding increases unless they can deliver large efficiency gains.[iii]

An unsustainable nursing workforce

Another problem with the Health and Social Care Service Renewal Framework and the Population Health Framework, is that neither document includes a comprehensive workforce plan setting out how the Scottish government intends to put in place the sustainable nursing workforce needed to meet these ambitions. A priority for the Scottish government must be the development of a long-term workforce plan, based on a robust assessment of increasing need and Scotland's ageing population.

While there has been an increase in the nursing workforce in recent years, at no point has NHS Scotland employed the number of nursing staff its own establishment figures say are needed to deliver safe and effective care. The gap between planned staffing and actual staffing remains, and there's been little adjustment to account for the continued increase in demand for services, or to prepare for the reduction in the working week within the NHS. The reduction in the working week

means more staff are needed to maintain existing levels of service and, as importantly, to ensure that staff experience the wellbeing benefits that is the aim of the reduction. However, we have seen little evidence of NHS boards over-recruiting nursing staff in preparation for the reduction in working hours.

Fulfilling the Scottish government's objective of providing more care in the community also includes social care. Evidence shows that clinical complexity among care home residents is rising sharply. As residents' complexity of clinical need increases, the skills, competencies and availability of the registered nursing workforce employed within care homes becomes ever more important. However, registered nurse numbers in care homes have fallen by around 24% over the last 10 years.[iv]

Scotland's nursing workforce is also ageing and the number of registered nurses and nursing support workers who can potentially leave nursing in the next five to 10 years continues to be of concern. 32% of nursing support workers are aged 55 and over, while a fifth (20%) of registered nurses are aged 55 and over. While this is a risk, the number of registered nurses leaving before the age of 50 is even more worrying as the proportion of early and middle career nurses leaving the profession has increased markedly. In the year to March 2025, 17% of nurse leavers in the NHS were in their twenties, 21% were in their thirties, and 17% were in their forties, compared to 14%, 15% and 14% respectively five years ago. Over 3,000 registered nurses left NHS Scotland in each of the last two years, and those leaving aged 20-49 account for more than half of all NHS nurse leavers.[v]

Meanwhile, over the last four years thousands fewer students have begun nursing degrees than were originally planned in the targets set by Scottish government. Scotland's nursing workforce is facing serious retention and recruitment challenges that pose significant risk to efforts to improve efficiency and reform health and care services. The Scottish government cannot implement the changes needed across health and care services by asking staff to continue to work short-staffed and under relentless pressure while feeling demoralised and undervalued.

In 2023 the Scottish Government recognised the pressing need to address the nursing retention and recruitment crisis and established the Nursing and Midwifery Taskforce. Key stakeholders spent over two years listening to frontline staff and developing a comprehensive set of recommendations to improve retention, culture and staff wellbeing and to attract new nurses. Yet almost two years later, implementation has barely gotten underway and the Taskforce is yet to make any meaningful difference to nursing staff. The Scottish government has a comprehensive set of well-considered solutions at its fingertips, developed following research with frontline staff. Yet it has so far failed to prioritise delivering these recommendations or to set aside dedicated funding. The Taskforce recommendations are an opportunity to make real improvements for the nursing profession but, instead, there is now a danger that this ends up being yet another report that gathers dust on a shelf in St Andrew's House without making any impact at all. To prevent this opportunity being wasted, Scottish government must identify ring-fenced funding and prioritise delivery.

Implementation gap between policy ambition and delivery – district nursing example

The persistent implementation gap between policy ambition and delivery on the ground, also identified by Audit Scotland as an ongoing problem in its NHS in 2025 report, is another key risk which must be addressed. For example, shifting the balance of care into the community has been Scottish government policy for years. We completely agree that a whole system approach is needed and that a focus on increasing capacity in the community and social care is vital for putting Scotland's health and care services on a more sustainable footing. It's not possible to tackle corridor care, delayed discharge and the overcrowding in Scotland's hospitals, without increasing capacity in community and care home settings.

District nurses are fundamental to the Scottish government's plans to shift the balance of care, caring for patients with complex health needs in their own home as well as delivering preventative care and supporting long-term conditions and palliative patients.

Our analysis of workforce data shows that while there has been growth in the overall district nursing workforce since 2010, an increasing proportion of the workforce is made up of nursing support workers. In 2025 registered nurses accounted for 77.8% of district nursing staff, compared to 93.3% in 2010.[vi]

District nurses require advanced knowledge and skills to manage increasingly complex care, high-risk situations and independent caseloads in the community. Ensuring that district nurses are supported to gain the Specialist Practitioner Qualification (SPQ) in District Nursing is vital for safely moving more care from hospital to home and for providing effective leadership within interdisciplinary teams.

Yet there has been a decline in the number of registered nurses being supported to complete the SPQ since 2020 and NHS Board data indicates that only 24% of registered nurses within district nursing teams hold the SPQ qualification designed to equip them with the additional knowledge and skills to manage complex caseloads.

This failure to invest in the skill mix of Scotland's district nursing teams is at odds with the policy ambition to provide more care in the community. Strengthening Scotland's community nursing workforce is one of the best investments the Scottish government could make. They are key to delivering expert interventions to help people live healthier lives in their communities and prevent costly hospital admissions. That's why it's so concerning to see things going in the wrong direction, with falling numbers of community nurses being supported to undertake specialist qualifications. The Scottish government needs to back their ambitions with fully funded plans to grow the registered nurse workforce for community roles and secure a pipeline of qualified nurses to work in district nursing. Investing in the learning and development of the existing district nursing workforce is also vital to improving retention as well as enabling the workforce to grow, lead and innovate to meet challenges.

A key focus for the Scottish government seems to be investing in Hospital at Home. While Hospital at Home has an important role to play in enabling some people to stay at home during a period of

acute illness, rather than being admitted to a hospital setting, our view is that much more work is needed to ensure better integration with community services. We are also concerned that an increased focus on Hospital at Home must not come at the expense of essential community health services, including district nursing, which risk being undervalued and overlooked. District nursing is a cornerstone of community health, uniquely placed to provide anticipatory, relationship-based, person-centred and integrated care that enables people to stay well at home. However, this potential is not yet fully recognised or adequately resourced by health boards.

The Scottish government is also prioritising GP walk in centres to tackle pressures in primary care. Our view is we need to see greater investment in primary care, including in the general practice nursing workforce and in advanced practice nursing. Despite increasing demand, the available general practice nursing workforce – combining the whole time equivalent (WTE) number of registered nurses and nursing support workers - reduced year on year between 2019 and 2024. In 2025 there was a marginal increase in the workforce of 12 WTE. However, general practice nursing in primary care is an area where data continues to need improvement. Audit Scotland has acknowledged this as an area requiring attention if the Scottish government is to make informed decisions on general practice planning and investment.

There has also been a failure to tackle the ongoing crisis in Scotland's social care services and last session's focus on a National Care Service did nothing to tackle the serious funding and workforce challenges facing Scotland's care home sector.

This must be the parliamentary session where we start to see meaningful progress on delivery. The RCN has raised the alarm over the corridor care crisis, demanding action and mandatory reporting. This dangerous and undignified practice is now normalised across Scotland, even in the summer, and this will remain the case until capacity is increased in community and social care.

Does the 2025 Medium-Term Financial Strategy (MTFS) recognise and clearly set out the scale of the fiscal challenges facing the Scottish budget, and are the actions identified in the Fiscal Sustainability Delivery Plan (FSDP) likely to address the forecast shortfall?

The MTFS outlines the Scottish government's public sector workforce reduction target of 0.5% per year over the next 5 years, while the latest public sector workforce figures show that overall, public sector employment continues to rise largely due to rises in NHS staff.[vii]

We are clear that there is a need to protect the NHS and social care workforce. As described above, at no point has NHS Scotland employed the number of nursing staff its own establishment figures say are needed to deliver safe and effective care. In a recent survey asking RCN Scotland members about their last shift at work, 25% said staffing levels were well below what was needed and described them as unsafe with care significantly compromised and a high risk of harm to patients.

A further 47% said they were below what was needed, with risk managed but some compromises to care and pressure on staff.[viii]

Staffing levels are below what is needed and a comprehensive workforce plan is required based on a robust assessment of increasing need and Scotland's ageing population. Too often staffing decisions are based on affordability rather than need. Yet it's a false economy to think you are saving money by having fewer nursing staff. Research shows that ensuring adequate levels of registered nurse staffing doesn't just improve patient safety; it can also reduce the length of hospital stays and the chances of hospital readmission, resulting in cost savings too. Safe staffing in community settings allows nurses to keep people well in their homes, reducing the chance of a hospital admission in the first place.

Despite being a safety critical profession, nursing continues to be undervalued with pay, terms and conditions that fail to recognise the level of knowledge, skills and autonomy asked of nursing staff every day. This is a real barrier to recruitment and retention and the Scottish government must ensure NHS nursing staff receive a cost of living increase each year and continue the inflation guarantee. A sectoral pay bargaining system must also be established swiftly to ensure nursing staff within social care receive fair pay, terms and conditions. This should be comparable to those working in the NHS; achieving parity is vital for addressing the serious recruitment and retention challenges in this sector.

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?

Improving the health and wellbeing of the people of Scotland is key to reducing inequality, driving economic growth and creating a sustainable future. However, the dial is moving in the wrong direction. Urgent action is needed to turn around the health of the nation and nursing staff play a vital role. From hospitals to homes, schools to GP practices, care homes to prisons, registered nurses and nursing support workers have unique access to promote health and deliver preventative care, in the places people spend their time.

The need to embed prevention across all health and social care services is widely recognised. It is one of the core principles of the Scottish government's Population Health Framework, which acknowledges the importance of the role of nursing. However, rather than improving, some evidence suggests that in Scotland we are getting worse at prevention. One indicator, identified by Public Health Scotland to measure the success of health and social care integration, is the percentage of adults able to look after their health well. This measure sat at 95% in 2015-16 but dropped to 91% in 2023-24.

As highlighted in our response to question 2, there is an implementation gap between Scottish government policy ambition and on the ground decision making. One key reason is that financial pressures within IJBs are resulting in short-term financial decisions being taken, which is hindering prevention. In 2024-25 IJBs had a funding gap of £457 million, with Audit Scotland concluding that

IJBs are “reacting to short-term pressures, rather than pursing longer-term transformation of services, to meet the financial pressures”, which need to include investment in prevention and early intervention. Too often funding for innovative preventative approaches is short term and opportunities to scale up and replicate best practice are not realised.

Nurse-led interventions can have a significant impact on preventing or reducing poorer health outcomes. However, a lack of investment in the nursing workforce and staffing pressures are also negatively impacting the ability of teams to carry out preventative work. We often hear that prevention and early intervention are the first things to go when scant resources must be focused on responding to acute episodes of ill health.

For example, as discussed above, RCN research on the community nursing workforce has shown a disconnect between policy ambition on community and prevention and the reality on the frontline. Our research highlighted a lack of investment in district nursing as well as health visiting and school nursing. In our response to question 2, we discussed the vital role district nurses play caring for patients with complex health needs in their own home as well as delivering preventative care and supporting long-term conditions. Health visitors and school nurses play a vital role in supporting the health and wellbeing of Scotland’s babies and children. They are crucial for delivering the ambition to identify and address health and care needs early, and to tackling health inequalities.

However, since 2020, the registered nursing workforce in health visiting teams has fallen by 7%. Despite a Scottish government commitment to maintain or annually increase numbers of registered nurses undertaking the specialist qualification in health visiting, data provided by NHS boards highlights that the numbers have been in decline since 2022. This is within the context of considerable strain on health visiting teams. The Scottish government acknowledged this in its 2025 health visiting action plan which reported that the proportion of children receiving the health visitor contacts that they are eligible for has been decreasing annually since 2020-21. Meanwhile, there has been an increase in the early identification of developmental concerns which require additional support, and the gap between the prevalence of concerns within the most and least deprived communities is widening.

We have seen a similar trend in school nursing with the numbers declining since 2022 and NHS board data showing reduced investment in supporting nurses to complete the specialist school nursing qualification.

Urgent action is needed to stabalise the health visiting workforce, including investment in education to ensure a qualified health visiting workforce across all NHS boards and to reverse the decline in numbers, which is at risk of accelerating given a quarter of the current workforce are 55 years or older. Given the key role of school nurses in supporting the health and wellbeing of school-aged children, and the rising demand for mental health care, for example, urgent investment is also required in education to ensure a skilled school nursing workforce across all NHS boards.

Investment in the community nursing workforce is an important example of concrete action that the Scottish government needs to take if its long talked about ambitions on community and prevention are to be realised.

Currently, too many staffing decisions are based on finance, rather than what's needed to run person-centered services safely. This ends up costing more in the long run, for example through poorer patient outcomes, higher staff sickness levels and increased spending on supplementary staffing. Working time lost due to sickness absence among nursing staff continues to increase in many NHS boards. At 8.3% from April to December 2025, the nursing sickness absence rate was more than double the NHS Scotland absence target, and three NHS boards reported nursing absence rates over 10%.[ix]

Meanwhile, use of agency and bank nursing and midwifery staff in 2025-26 cost £425m, an increase of £15m in a year. When bank nursing and midwifery is combined with agency use, the equivalent of 7,320 WTE were used in NHS Scotland in 2025-26.[x] Each individual health board in Scotland has less than 7,000 WTE nursing and midwifery staff in post, except for the two largest health boards. Therefore, the WTE figure for bank and agency use across Scotland is bigger than the permanent workforce in most boards; it's equivalent to the nursing workforce of an extra medium sized health board.

Preventative budgeting tool

Driving progress does require the public sector to take steps to identify, track and assess the impact of preventative spend, and so the Preventative budgeting tool is a positive step. However, as the Scottish government's guidance document notes, tagging budget lines will be a very subjective exercise and that will impact on the quality of the data. It's therefore important not to interpret the data which would emerge from the budgeting tool, as is currently stands, as providing an authoritative picture of spending decisions.

In terms of community health and social care, any assessment of the impact of spending will also be significantly limited by the lack of consistent performance information about demand, workload, quality of care and outcomes, as reported by Audit Scotland in a recent performance report.[xi] Audit Scotland recommend a series of actions to assess the current measures for monitoring performance across community health and social care and develop a comprehensive suite of indicators that support performance monitoring and decision making at a national and local level. While developing a means of assessing the level of preventative spending is a good first step, we need a consistent approach to monitoring impact, as well as recognition that many measures of positive impact will often take many years to materialise.

We are also cautious that placing too high a value on the results of any budgeting tool may have unintended consequences in terms of incentivizing public bodies to tag budget lines or indeed make financial decisions purely in order to affect the reporting, rather than due to an assessment of impact on outcomes or the need of the population.

Health in all polices approach

It's also important to recognise that as much as 80% of the factors that affect health happen outside the health and care system. That's why we're calling for a 'health in all policies' (HiAP) approach to be embedded across all Scottish government departments to ensure that health is considered and prioritised in all policy development. The World Health Organization defines HiAP as 'an approach to public policies across sectors that systematically takes into account the health implications of decisions, seeks synergies, and avoids harmful health impacts in order to improve population health and health equity'.[xii]

The Scottish government committed to adopting elements of an HiAP approach in its Population Health Framework, including developing and implementing a health lens approach to impact assessment as part of a wider HiPA approach by 2027, and improving consideration of health and health equity outcomes across existing impact assessment activity. More detail is required on how these commitments will translate into shaping policy decisions.

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[i] Audit Scotland, NHS in Scotland 2025: Finance and performance NHS in Scotland 2025: Finance and performance | Audit Scotland

[ii] Accounts Commission, Mounting financial pressures will force tough decisions on health and social care services Accounts Commission Press release

[iii] The IFS Scottish Budget Report 2026–27 | Institute for Fiscal Studies https://ifs.org.uk/publications/ifs-scottish-budget-report-2026-27

[iv] RCN Scotland, The Nursing Workforce in Scotland 2026 The Nursing Workforce in Scotland 2026 | Report | RCN Scotland | Royal College of Nursing

[v] RCN Scotland, The Nursing Workforce in Scotland 2026 The Nursing Workforce in Scotland 2026 | Report | RCN Scotland | Royal College of Nursing

[vi] RCN Scotland, The Nursing Workforce in Scotland 2026 The Nursing Workforce in Scotland 2026 | Report | RCN Scotland | Royal College of Nursing

[vii] Scottish government, Public Sector Employment in Scotland Statistics for 1st Quarter 2026 Devolved Public Sector Employment in Scotland - Public Sector Employment in Scotland Statistics for 1st Quarter 2026 - gov.scot

[viii] RCN Scotland, Last Shift Survey briefing Last Shift Survey | Briefing | RCN Scotland | Royal College of Nursing

[ix] RCN Scotland Nursing Workforce in Scotland 2026 The Nursing Workforce in Scotland 2026 | Report | RCN Scotland | Royal College of Nursing

[x] Turas NHS Scotland workforce data NHS Scotland workforce | Turas Data Intelligence

[xi] Audit Scotland Community health and social care Performance 2025 | Audit Scotland Community health and social care: Performance 2025

[xii] World Health Organisation, Promoting health in all policies and intersectoral action capacities Promoting Health in All Policies and intersectoral action capacities