

**Extract from “UK Autumn Budget 2026-27 Budget Analysis updated” – Provided to Cabinet Secretary for Finance and Local Government**

The updated Autumn Budget information indicates £45 million will be provided which has been reflected in the monitoring position set out in table 1. HM Treasury officials have stated that we may be provided with further funding at Supplementary Estimates. The consequentials are generated as follows:

**Table 2**

| <b>UK Spend Area</b>   | <b>Total as per UK Autumn Budget £'m</b> |
|--|--|
| Health (Returning NHS England and DHSC to one organisation and reducing unnecessary local bureaucracy) | 40.7                                     |
| Education (Immigration Skills Charge)  | 3.7                                      |
| Business Rates (Support Small Businesses)  | 0.3                                      |
| Food Standards Agency Streamlining Regulation  | 0.1                                      |
| <b>Total Additional Resource Consequentials</b>  | <b>44.8</b>                              |

11. No additional consequentials were set out for capital for 2025-26 as part of the UK Budget.

12. To note, there were no changes communicated for Financial Transactions.

**Extract from “2025 - UK Autumn Budget - Anticipatory Brief” – Provided to Cabinet Secretary for Finance and Local Government**

**Key Points**

No significant uplift in UK spending is expected, limiting Barnett consequentials. Any changes to spending are likely to be balanced within the resource spending envelope out to 2028-29 set out at the Spending Review in June. However, welfare reforms like lifting the two-child cap could free up Scottish Government funding, since the planned devolved payment to mitigate this out of the Scottish Budget from 2026 would no longer be required.

**The UK's Fiscal Outlook - Spending**

Given the strong signals in her pre-Budget speech that overall spending would be unlikely to increase, coupled with likely revisions and reversals to previous welfare reforms, the Chancellor is not expected to significantly change spending or reduce it to restore the fiscal headroom. Any changes to spending are likely to be balanced within the resource spending envelope out to 2028-29 and capital envelope out to 2029-30, as set out at the Spending Review earlier this year.

This will limit the potential for any Barnett consequentials. However, the two-child cap is also expected to be lifted, which would free up funding for the Scottish Government, since the planned devolved payment to mitigate this out of the Scottish Budget from 2026 would no longer be required.

In addition, the Chancellor has pre-announced a small number of policies aimed at easing cost-of-living pressures in England. For example, freezes to rail fares and NHS prescription charges have been confirmed.

**Extract from “2025 - UK Autumn Budget – Distilled Brief” – Provided to Cabinet Secretary for Finance and Local Government**

Key Points

Scottish Government funding: today’s budget generated additional resource and capital funding for the Scottish Government, with a cumulative increase of £511 million for RDEL and £310 million for CDEL over 2025-26 to 2029-30. Resource consequentials are front loaded, with efficiency savings turning consequentials negative in 2028-29. Capital consequentials are mostly in 2027-28.

Scotland’s Fiscal Outlook

The Scottish Government will receive an additional £45 million of Barnett consequentials in 2025-26, and £820 million over the Spending Review period.

Barnett consequentials:

The Spring Statement increased resource funding (RDEL) by £45 million in 2025-26, £307m in 2026-27 and £185m in 2027-28. However, funding decreases by £26 million in 2028-29, due to efficiency savings required from UK Government departments.

Capital funding consequentials total by £309m over the Spending Review period, and are mainly focussed in 2027-28, due to UK transport expenditure associated with the Lower Thames Crossing.

Table 2: Scottish Government Barnett consequentials

|                      | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | Total |
|----------------------|---------|---------|---------|---------|---------|-------|
| Resource DEL         | 45      | 307     | 185     | -26     | n/a     | 510   |
| Capital DEL          | 0       | 23      | 200     | 4       | 83      | 309   |
| <i>Of which: FTs</i> | 0       | 0       | 0       | 0       | 0       | 0     |
| Total                | 45      | 330     | 385     | -22     | 83      | 820   |

Annex – Policy Announcements in Detail

NHS capital: Additional health Capital consequentials of £28.4 million flow from £300 million NHS technology productivity investment in 2028-29, with a further £52 million flowing from £550 million investment in neighbourhood health centres in 2029-30. Plans for 250 neighbourhood health centres were announced, with 120 to be delivered by 2030.

*It is unclear on any funding for this programme and any resulting consequentials beyond 2029-30. The Budget document briefly notes plans to support the programme through combination of public investment and Public-Private Partnerships, and states that these projects will be budgeted for as if they were on the government’s balance sheet. Despite this statement is unclear whether the projects will be on balance sheet*

*for accounting purposes only or also for budgeting purposes. If also for budgeting purposes, then CDEL cover will be required, and it is not known whether that would be from existing or additional capital funding. Officials will be meeting with NISTA (UK Treasury) colleagues on Friday to seek additional detail. The Scottish Government's commitment to pass frontline consequentials to health does not extend to capital consequentials and the health capital budget is proportionally lower in Scotland than in England. Work is already underway to develop a primary care investment programme; however projects cannot be progressed until c2031 at the earliest without additional capital funding.*

**Extract from "E-Mail – 26-27 Budget to Finance Business Partners"**

- Yes there is a Block Grant improvement for 2026-27 from UK Autumn Statement as I mentioned of an additional c.£300m in resource consequentials – however a lot of that comes from the NDR changes in rest of UK – as such since Ministers have not yet made their SG NDR choices (or wider tax decisions), so we can't assume this is banked for spending yet.

**On wider UK Statement:**

- It confirmed scrapping of 2 Child Limit at a UK level – for us it doesn't lead to any consequentials, but does release the money the SG had planned to spend on mitigating the policy from March 26. FM has however been very clear he intends to reinvest that into another child poverty measure.

**Extract from "POST UK BUDGET - FMQ - 26 Nov - 2PM VERSION"**

**IMPACT ON CURRENT YEAR 2025-26**

- The UK Budget set out just £45 million in resource consequentials for 2025-26, which was already included in Scottish Government plans as part of internal planning assumptions.
- All funding is applied to the 2025-26 financial position to support overall costs.
- As per usual practice, these consequentials are provisional and will only be confirmed by HM Treasury as part of UK Supplementary estimates in early 2026.