



# What you need to know: Resource Spending Review 2022

## Background

The Scottish Government has published the [Resource Spending Review](#), a public finance document which sets out high-level parameters for resource spend within future Scottish Budgets up to 2026-27 and provides a long-term plan focused on delivering the Scottish Government's outcomes.

The Review, which is not a budget, outlines how over £180 billion will be invested to deliver priorities for Scotland, with a focus on tackling child poverty, addressing the climate crisis, strengthening the public sector, and the creation of a stronger, fairer, greener economy.

It has been produced as part of a suite of Scottish Government fiscal publications, including the [2022-23 Scottish Budget](#), [2021 Medium-Term Financial Strategy](#) and the [Public Sector Pay Policy](#).

A targeted [capital spending review](#) has also been published to address a reduction in capital investment by the UK Government. As well as supporting the NHS and affordable housing, the capital spending review will invest around £18 billion up to 31 March 2026, with over half a billion of additional funding directed to net zero programmes compared to previous plans.

## Tackling child poverty

The Review sets out the following funding and actions to help tackle child poverty and support households and businesses with the cost of living:

- £22.9 billion for **social security assistance**
- Increasing the **Scottish Child Payment** from £10 to £25 and expanding eligibility by the end of this year
- Providing **universal school meals** to primary school children in P1 to P5
- Uprating **devolved benefits**

## Strengthening public services

In relation to strengthening public services, the Review sets out the following:

- Investing £73.1 billion in **health and social care**, including developing a National Care Service
- Increasing investment in **frontline health services** by 20 percent over the course of this Parliament
- Spending more on **primary and community**

**care** to ensure people get the right treatment in the right place

- Funding of £42.5 billion for **local government** for the delivery of services
- Investing £11.6 billion in the **justice system**

## Tackling the climate crisis

In relation to achieving net zero and tackling climate change, the Review sets out the following:

- Up to £75 million per year to deliver the **Heat in Building Strategy**, enabling £1.8 billion investment towards decarbonisation
- Up to £95 million towards meeting **woodland creation** targets
- £46 million to introduce the **community bus fund** and an increase in funding for **concessionary travel** schemes
- Investment of over £12 million in **peatland** restoration
- £4 million of resource spending alongside £150 million capital and financial investment for the **North East and Moray Just Transition Fund**

## Building a stronger economy

Finally, in relation to building a stronger, fairer and greener economy, the funding priorities and actions are as follows:

- **Capital investment** of £581 million to support the economy, including our enterprise agencies and the Scottish National Investment Bank
- Continuing through the **Inward Investment Plan** to attract high quality inward investment in areas such as energy transition and the space sector
- Pushing forward with the export growth plan **A Trading Nation** to scale up Scotland's international reach
- Embedding **entrepreneurship in education**, to give young people opportunities to start and grow businesses

## Impact on Housing

Housing is one of the areas that has seen a prioritisation of spend within the new framework, with projected spend set to increase from £149 million in 2022-23 to £184 million in 2026-27.

This includes increasing investment to tackle child poverty through Discretionary Housing Payments to mitigate the Benefit Cap in full, continuing investment to ensure existing homes offer everyone a warm, safe home that meets their needs, preventing and ending homelessness and delivering rented sector reform through the introduction of a new Rented Sector Strategy.

Overall, the resource investment in housing will total more than £600 million over the span of the Resource Spending Review and the budget for the Scottish Housing Regulator has also been protected.

The Local Government budget has been maintained at current levels, with an additional £100 million being added in 2026-27.

### **The CIH View**

CIH Scotland is pleased to see housing spend prioritised in the Resource Spending Review and we agree that the priorities outlined by the Scottish Government (tackling child poverty, tackling climate change, strengthening public services and building a strong economy) are important and will contribute towards improving the life chances of people across Scotland.

However, achieving each of these ambitions will require a housing system that is fit for purpose and a

human rights approach to the provision of adequate housing.



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The cost of housing has a significant impact on poverty levels with high housing costs impacting households' ability to cover the cost of other essentials and limiting choices about the type and location of housing available. There is a clear need to invest in more affordable housing to tackle child poverty.

The housing sector will also be key to meeting net-zero emissions targets as all homes will need to be energy efficient and the majority of households will need to switch to low or zero-emissions heating by 2045. Local authorities can play a significant role in co-ordinating and supporting this work through HEEPS ABS to improve homes of those at risk of fuel poverty and strategic oversight through the planning system, housing strategies and forthcoming Local Heat and Energy Efficiency Strategies (LHEES).

However, in order to fulfil this role, local government needs resources and skilled staff. We would like to have seen this acknowledged and addressed more clearly through the Resource Spending Review.