Pre-budget scrutiny 2026-27: Prioritisation of the mental health budget

Social Work Scotland response to Scottish Government call for views

August 2025

Introduction

Social Work Scotland is the professional body for social work leaders, working closely with our partners to shape policy and practice, and improve the quality and experience of social services. We welcome the opportunity to provide a response to the call for views on the pre-budget scrutiny 2026-27 and the prioritisation of the mental health budget.

Background

The Scottish Parliament's Committee invited stakeholder perspectives on the current allocation of mental health funding, with a particular focus on preventative spending, investment priorities, and the decision-making processes that shape budget distribution.

In 2023–24, mental health services in Scotland received £1.5 billion in funding, approximately 9% of the total NHS budget. While this figure suggests a significant commitment, questions remain about whether this investment is appropriately targeted to meet the diverse and evolving mental health needs across the country. Indeed, it is still not at the 10% level which was proposed would be spent on mental health services by the end of parliament[1].

Public Health Scotland categorises preventative activities into three tiers: primary, secondary, and tertiary prevention. These classifications offer a framework for evaluating how spending supports early intervention and long-term wellbeing.

[1] https://www.snp.org/policies/pb-are-the-snp-investing-in-mental-health/

The Scottish Government's Mental Health and Wellbeing Strategy outlines their key priorities for investment:

- Improving access to Child and Adolescent Mental Health Services (CAMHS) and psychological therapies
- Reducing waiting time backlogs
- Expanding support for individuals in distress
- Advancing suicide prevention efforts
- Strengthening community-based mental health and wellbeing support for children, young people, and adults

Social Work Scotland and our members have prepared this response which explores the current state of mental health spending in Scotland, critically examining whether the level and distribution of funding are appropriate to meet the needs of individuals and communities. We highlight systemic issues such as the overemphasis on crisis intervention, underinvestment in preventative and community-based services, and a lack of transparency in budget allocation.

Our response advocates for a rebalancing of investment priorities, improved data and evaluation frameworks, and a more holistic, person-centred approach to mental health care that empowers local communities and values early intervention.

The call for views presented 6 questions with regards the current levels of mental health spending which are presented below, along with the responses from Social Work Scotland and our members.

Questions

1. Is the Level of Spending on Mental Health Services Appropriate?

At face value, the level of mental health spending in Scotland, estimated at approximately £1.5 billion, or 9% of total NHS expenditure, appears substantial. However, there is a strong and consistent view among stakeholders that the allocation and distribution of this funding is not appropriate to meet the diverse and growing needs of individuals and communities.

Our members highlight the current funding model is heavily weighted toward acute and crisis services, particularly within the NHS. While these services are essential, this emphasis has created a system that is reactive rather than preventative. Community-based, early intervention, and wellbeing-focused services remain underfunded, despite growing evidence that these approaches are more cost-effective and lead to better long-term outcomes. Members noted, “we’re spending on mental illness, not mental health.”

Social work professionals report that they are increasingly required to fund or deliver services that fall outside their remit, particularly in cases of mental distress where no formal diagnosis exists. This includes securing young people due to risk, where NHS mental health support is unavailable. The third sector, often responsible for innovative and community-led interventions, is similarly under-resourced and reliant on short-term funding. This shifts the burden onto services that lack the financial support to meet demand.

There is minimal evidence of sustained investment in preventative mental health strategies. While some funding has been directed toward community mental health initiatives, it is often described as “a drop in the ocean.” The short-term nature of funding cycles further undermines the ability to plan and deliver effective preventative care. Stakeholders emphasised that early intervention is not only more humane but also more economical, yet it remains deprioritised in current spending patterns.

Despite the perception of high funding levels, frontline services are overstretched and under-supported. Both NHS and social work staff described being “on their knees,” with high levels of burnout and emotional exhaustion. This reflects a disconnect between funding headlines and the reality of service delivery, where resources are not reaching the teams and individuals tasked with providing care.

There are concerns about the underfunding of peer support initiatives, which are seen as vital to long-term mental health outcomes. While peer support is widely acknowledged as one of the most effective interventions, it is often expected to operate without adequate financial backing, relying on volunteers or informal networks. This lack of investment undermines the sustainability and reach of such services, particularly in rural or semi-rural areas where therapeutic communities are at risk due to estate closures and budget constraints. Peer support should not be

treated as a low-cost alternative but as a core component of mental health strategy deserving of structured funding and evaluation.

The funding model reinforces siloed working and limits collaboration. Ring-fenced budgets and annual allocations restrict local flexibility and innovation, making it difficult to redirect resources toward more integrated and effective approaches. There is also a perception of a “postcode lottery” in service provision, with NHS boards prioritising differently and creating inconsistency across regions.

There is continued frustration over the persistent lack of integration between health and social care services. Despite longstanding policy ambitions to unify these sectors, members reported that in many areas, community mental health nursing and social work teams still operate in silos, leading to fragmented decision-making and missed opportunities for early intervention. This disjointed approach is compounded by the perceived undervaluing of the Mental Health Officer (MHO) role. MHOs carry significant statutory responsibilities, yet their contributions are often overlooked in strategic planning and funding decisions. There is a call for greater recognition of the MHO role, improved understanding of its scope, and more integrated, multidisciplinary models that reflect the complexity of mental health support.

A fundamental tension exists between the medical model, which prioritises diagnosis and treatment, and the social model, which considers the broader context of mental health, including relationships, environment, and community. Access to services is often contingent on diagnosis, excluding individuals whose distress does not meet clinical thresholds. This approach fails to recognise the complexity of mental wellbeing and the value of trauma-informed, relationship-based support.

While the headline figure of £1.5 billion suggests a significant investment in mental health, the current level of spending is not appropriate in its form or focus. The system prioritises crisis over prevention, diagnosis over wellbeing, and centralised control over community empowerment. A rebalancing of investment, toward early intervention, local flexibility, and cross-sector collaboration, is essential to ensure that mental health funding delivers meaningful, equitable, and sustainable outcomes. Social Work Scotland and our members strongly advocate for a shift in approach: one that recognises the value of preventative care, supports the workforce, and empowers communities to shape the services they need.

2. What Information Can Help Support Assessment and Evaluation of the Allocation of the Mental Health Budget?

Effective assessment and evaluation of mental health budget allocation requires more than financial accounting, it demands a transparent, outcome-focused, and system-wide approach that reflects the complexity of mental health needs and the diversity of services that support them. Insights from our members highlight several

critical areas where improved information and data could significantly enhance understanding, accountability, and ultimately, impact.

A recurring theme is the lack of visibility into how mental health funding is allocated and spent across sectors. While headline figures such as £1.5 billion suggest a substantial investment, members noted that it is often unclear:

- How this funding is distributed across NHS boards, local authorities, and third-sector organisations
- What proportion is directed toward crisis intervention versus early intervention or community-based support
- Whether funding is reaching the people and places with the greatest need

Improved transparency, through clear, accessible, and standardised reporting, would allow for more meaningful scrutiny and informed decision-making at both national and local levels.

Current evaluation frameworks tend to focus on inputs and outputs, such as waiting times, referral numbers, or service uptake. While these are important, they do not capture the quality or effectiveness of services. Members call for a shift toward outcome-based metrics, including:

- Improvements in mental health and wellbeing
- Reduction in crisis presentations and hospital admissions
- Increased access to early support
- Long-term recovery, resilience, and social inclusion

Members reported a strong sense that “we count things that are easy to count, but we don’t count what really matters”. Without meaningful outcome data, it is difficult to assess whether spending is delivering value or improving lives.

A significant portion of mental health support is provided by families, carers, volunteers, and community members, often without formal recognition or funding. These contributions are vital to the sustainability of the system, yet they remain invisible in budget assessments. Capturing this “hidden labour” would provide a more accurate picture of the true cost and value of mental health care and help inform more equitable funding decisions.

Members stress the importance of local knowledge and contextual understanding in shaping spending decisions. However, ring-fenced funding and centrally imposed priorities often prevent local authorities and partnerships from responding to the specific needs of their communities. A more flexible approach, one that empowers local areas to use their own data and intelligence, would improve both the relevance and effectiveness of spending.

Mental health outcomes, particularly those related to prevention and early intervention, take time to manifest. Annual budget cycles and short-term funding streams make it difficult to track long-term impact. Members call for longitudinal

evaluation frameworks that can assess the effectiveness of preventative strategies over time, recognising that meaningful change in mental health and wellbeing is often gradual and cumulative.

Finally, any meaningful assessment must include the voices of those who use services and those who are excluded from them. Mental health does not exist in isolation, it is shaped by relationships, environments, and communities. Involving service users, carers, and community members in evaluation processes ensures that assessments reflect real-world experiences and priorities.

To support robust and meaningful assessment of mental health budget allocation, the system must prioritise:

- Transparency in financial flows across sectors
- Outcome-focused performance indicators
- Recognition of informal and community-based contributions
- Local flexibility and contextual intelligence
- Long-term tracking of preventative impact
- Inclusion of lived experience in evaluation

Without these elements, it will remain difficult to determine whether current spending is effective, equitable, or sustainable. Social Work Scotland and its members strongly advocate for a more holistic and inclusive approach to evaluation, one that reflects the full complexity of mental health support and the diverse ways in which it is delivered and experienced.

3. **Do You Consider There to Be Evidence of Preventative Spending Activities in Relation to Mental Health (and If So, Can You Provide Examples)?**

There is limited but emerging evidence of preventative spending in mental health services across Scotland. While some promising initiatives exist, the overall picture is one of inconsistency, underinvestment, and systemic barriers that prevent preventative approaches from being embedded at scale.

Some local authorities and third-sector organisations have received modest funding to develop community-based mental health and wellbeing initiatives. These include peer-led support groups, wellbeing hubs, and targeted interventions for at-risk populations. One example shared by members involved a gym-based programme for young people experiencing distress. Within six weeks, participants showed marked improvements in self-esteem, behaviour, and emotional wellbeing, demonstrating the potential of low-cost, community-led interventions to prevent escalation into crisis.

Another example is the Bairns' Hoose[2] model, which aims to provide trauma-informed, recovery-focused support for children affected by abuse or neglect. While the model is still in early stages of implementation, it represents a shift toward early, holistic intervention. However, participants noted that services to support this model, particularly for children under 12, often need to be built from scratch, highlighting the absence of a coherent preventative infrastructure.

Despite these examples, participants were clear that preventative spending remains the exception rather than the norm. Several key challenges were identified:

- Short-Term and Ring-Fenced Funding: Preventative initiatives are often funded through short-term, project-based grants, which limit sustainability and long-term planning. Ring-fencing can also restrict local flexibility, making it difficult to tailor spending to community needs or invest in early intervention.
- Delayed Impact and Evaluation Difficulties: Preventative work often takes years to show measurable outcomes, making it difficult to demonstrate value within annual budget cycles. This is particularly problematic in a political and funding environment that favours short-term, quantifiable results.
- Systemic Focus on Crisis and Diagnosis: The current system remains heavily focused on crisis intervention and diagnosis-led access to services. This structure incentivises reactive spending and limits opportunities to invest in wellbeing, resilience, and early support.
- Lack of Coherent Strategy: There is no consistent national framework for preventative mental health spending. As a result, initiatives are often isolated, fragmented, and dependent on local leadership or third-sector innovation.

Social work, by its nature, aligns with a social model of care, which recognises the importance of environment, relationships, and community in shaping mental health. Many preventative activities, such as family support, youth engagement, and trauma-informed practice, are delivered through social work and third-sector partnerships. However, these services are often underfunded and undervalued, despite their critical role in preventing escalation and promoting long-term wellbeing.

While there are encouraging examples of preventative spending in mental health, they are currently isolated, underfunded, and not systemically embedded. A shift toward long-term, flexible investment in community-led, early intervention services is essential to realise the full potential of preventative mental health care. Without this, the system will continue to prioritise crisis response over prevention, at significant human and financial cost. Social Work Scotland and its members strongly advocate for a rebalancing of investment toward prevention, supported by evaluation frameworks that recognise the long-term and relational nature of change in mental health and wellbeing.

[2] https://www.bairnshoosescotland.com/

4. Do You Consider These to Be the Right Priorities for Mental Health Investment?

The Scottish Government's stated priorities for mental health investment, namely, improving access to Child and Adolescent Mental Health Services (CAMHS), expanding psychological therapies, addressing waiting time backlogs, supporting people in distress, implementing suicide prevention strategies, and enhancing community-based mental health and wellbeing support, are broadly recognised as important and necessary. However, while these priorities reflect real and pressing needs, the information offered by our members revealed a number of concerns about how they are framed, interpreted, and implemented in practice.

There was consensus among members that the six priority areas are relevant and essential. Improving access to CAMHS and psychological therapies is critical given the rising demand and long waiting times; suicide prevention and support for distress are vital areas of focus, especially in the context of increasing mental health challenges across age groups; and community-based support is widely seen as a key component of a sustainable and inclusive mental health system. These priorities align with the experiences of practitioners and service users and reflect areas where investment is urgently needed.

Despite this broad agreement, members expressed concern that the current priorities are overly focused on diagnosis-led and crisis-driven interventions. For example, efforts to reduce waiting times often centre on accelerating diagnosis, but little attention is paid to what happens after a diagnosis is made. This reinforces a medical model of care that:

- Delays support until a clinical threshold is met
- Prioritises measurable outputs (e.g. waiting list reductions) over meaningful, long-term outcomes
- Neglects early intervention, relational support, and holistic care

This approach risks excluding individuals who are struggling but do not meet diagnostic criteria, and it fails to address the broader social determinants of mental health.

Members identified priorities that they believe should be added to current mental health spending and service delivery frameworks. One key area is support for individuals with Alcohol-Related Brain Damage (ARBD), which members feel is significantly under-resourced. Members noted that people with ARBD often fall between service categories, facing stigma and long waits for appropriate care. They called for more specialised community support and housing options to aid rehabilitation and reduce acute hospital stays.

Another priority is family-based support for adolescents experiencing mental health crises. Current models often isolate young people from their families during treatment, which can hinder recovery. Members advocate for more integrated,

family-centred approaches that recognise the role of familial relationships in stabilising and supporting young people.

Additionally, there was a strong call from members to re-evaluate the post-diagnosis pathway for young people. Many adolescents wait months for a diagnosis, only to receive minimal follow-up support. Members emphasised the need for structured, ongoing care beyond diagnosis to ensure meaningful outcomes.

While “community-based support” is listed as a priority, members felt this area is underdeveloped and underfunded in practice. There is a strong call for:

- Greater investment in preventative, non-clinical supports
- Empowerment of communities to design and deliver local services
- A shift away from centralised, top-down models of care

Members highlight the transformative impact of small-scale, community-led initiatives, which often operate with minimal funding but deliver significant outcomes. However, these initiatives are rarely prioritised in national strategies or long-term investment plans. Members also argue that the current priorities do not sufficiently address systemic and structural barriers to effective mental health care. These include fragmentation between health, social care, and third-sector services; inflexible funding mechanisms, such as ring-fencing, which limit local innovation; and a lack of long-term planning and sustainability. Without addressing these underlying issues, even well-intentioned priorities may fail to deliver meaningful or lasting change.

Social Work Scotland and its members recognise the importance of the current priorities but urge a rebalancing of focus. Specifically, there is a need to move away from the over-medicalisation of mental health, recognise the value of resilience, problem-solving, and community connection, and invest in early intervention and prevention, not just crisis response. There also needs to be a focus on promoting community ownership and empowerment, enabling people to access support without navigating complex referral pathways or meeting rigid eligibility criteria.

The Scottish Government’s mental health priorities are broadly appropriate, but they require reframing and rebalancing to reflect a more holistic, person-centred, and community-driven approach. Without this shift, there is a risk that investment will continue to reinforce a reactive, medicalised system that struggles to meet the diverse and evolving needs of Scotland’s population.

5. To What Extent Are These Priorities Reflected in Mental Health Service Delivery?

While the Scottish Government’s mental health priorities, such as improving access to CAMHS, psychological therapies, suicide prevention, and community-based

support, are broadly supported in principle, the reality of service delivery reveals a significant and persistent disconnect between policy intentions and frontline practice.

Mental health services across Scotland remain overwhelmingly reactive, with support often only available once individuals reach a point of crisis. This is particularly evident in CAMHS, where access is frequently contingent on a formal diagnosis. This approach delays intervention and excludes those who do not meet clinical thresholds, whilst reinforcing a medicalised model of care that prioritises treatment over prevention.

Despite national priorities, access to services such as psychological therapies and community mental health support is highly variable across regions. Differences in local funding decisions, workforce capacity, and service models contribute to a postcode lottery in mental health provision. This inconsistency undermines the equity and effectiveness of care and leaves many individuals and families navigating complex and fragmented systems.

Both NHS and social work professionals report severe workforce pressures, with staff experiencing burnout, emotional exhaustion, and a lack of support. These conditions limit the system's ability to deliver on its stated priorities, particularly in areas requiring sustained engagement, such as trauma-informed care and recovery support. Social workers are going "above and beyond" their roles, but this is not sustainable. The profession is seeing high levels of early departure and a concerning decline in student enrolment in social work programmes.

These challenges are mirrored in the NHS, where staff report a loss of professional identity and increasing expectations without corresponding resources. The recent emphasis on trauma-informed practice is welcomed, but staff feel they are constantly firefighting, unable to build the relationships necessary for effective care.

Mental health service delivery is not a cohesive entity across Scotland. It is fragmented and often siloed, particularly in multidisciplinary practice. For example, information and support provided by children and families services may not be shared with substance use teams, mental health services, or learning disability services, even when they are working with the same individual or family. This lack of integration leads to duplication, inefficiency, and missed opportunities for holistic care.

Much like medicine, social work is increasingly becoming a service of specialists rather than generalists, which further impacts the ability to form and maintain meaningful relationships with service users. Relationship-based practice, central to social work, is being eroded by structural constraints and performance-driven cultures.

Although community-based support is a stated priority, it remains underfunded and underdeveloped. Many initiatives operate on short-term funding, limiting their sustainability and reach. There is also a lack of direct investment in third-sector

organisations, which are often best placed to deliver accessible, non-stigmatising support. Without long-term commitment and funding, these services struggle to meet demand or demonstrate impact.

Our members state there is a clear gap between the Scottish Government's mental health priorities and the reality of service delivery. While the priorities are well-intentioned and broadly appropriate, their implementation is constrained by:

- A crisis-oriented system
- Workforce and capacity challenges
- Structural fragmentation
- Inadequate investment in community and preventative services

Bridging this gap will require not only increased and better-targeted funding, but also systemic reform to enable integrated, person-centred, and sustainable mental health care. Social Work Scotland and its members strongly advocate for a shift toward relationship-based, trauma-informed, and community-empowered approaches that reflect the lived realities of those delivering and receiving care.

6. How Could Transparency in Relation to Decisions Around Mental Health Spending in Scotland Be Improved?

Transparency in mental health spending is essential to building public trust, ensuring accountability, and enabling effective cross-sector collaboration. While the Scottish Government has made significant commitments to mental health investment, our members highlighted that current levels of transparency, particularly within NHS structures, are insufficient. This lack of clarity obscures how decisions are made, where funding is directed, and whether resources are being used effectively. There is concern about the level of funding allocated to service redesign initiatives that are not currently improving service delivery or meeting the urgent needs of children in crisis. This creates confusion around the nature of additional investment and reinforces the need for clearer expectations from the Scottish Government regarding how funding should be prioritised and directed.

There is a strong call for publicly available, detailed breakdowns of how mental health budgets are allocated and spent across NHS Boards, local authorities, Integration Joint Boards (IJBs), and third-sector and community organisations. Members note a disparity in accountability: while local authorities are often required to account for every pound spent, similar scrutiny is not applied to NHS mental health budgets. This imbalance creates frustration among stakeholders and limits shared understanding of how resources are distributed and prioritised.

Stakeholders expressed difficulty in accessing information about:

- How much funding is allocated to specific services (e.g. CAMHS, community mental health)

- What outcomes are being achieved with that funding
- How decisions are made about resource distribution

Improved transparency in these areas would allow professionals, service users, and the public to better understand the value and impact of spending decisions, and to hold decision-makers to account.

Participants advocated for consistent transparency standards across health, social care, and third-sector services. This includes standardised reporting formats, shared performance indicators, and joint accountability mechanisms. Such alignment would support more integrated planning and delivery of mental health services, and reduce duplication or inefficiencies caused by siloed reporting systems.

There was a strong sentiment that government messaging around funding is often misleading. Headline figures, such as the widely cited £1.5 billion mental health budget, may appear impressive, but they do not reflect the complexity of how funding is distributed or the constraints faced at the local level. Participants called for more honest, nuanced communication about:

- The limitations of current funding
- The trade-offs involved in spending decisions
- The role of communities in shaping and supporting services

Without this clarity, public expectations may be misaligned with what services can realistically deliver.

Transparency should also extend to recognising the unpaid and informal contributions made by carers, families, and community members. These efforts are essential to the functioning of the mental health system but are currently invisible in financial reporting. Acknowledging this “hidden labour” would provide a more accurate picture of the true cost and value of mental health support.

To improve transparency, we must first understand how opaque the current system is. Headline figures may dominate public discourse, but without clarity on which services benefit, which lose out, and how decisions are made, it is impossible to assess whether spending is fair, effective, or aligned with need. This is particularly important given the reliance on the third sector, which often operates on short-term funding and lacks the stability to engage in long-term strategic development. The public may only become aware of these challenges when a valued service disappears, by which point it is often too late.

Improving transparency in mental health spending in Scotland therefore requires:

- Clear, consistent, and accessible financial reporting across all sectors
- Visibility of local allocations and outcomes
- Honest public communication about funding realities
- Recognition of all contributions to mental health support, including informal care

These steps are essential to support informed decision-making, foster trust, and ensure that mental health resources are used effectively and equitably. Social Work Scotland and its members strongly advocate for a more open, accountable, and collaborative approach to mental health investment.

Conclusion

Despite a seemingly substantial investment in mental health services in Scotland, the current funding model is misaligned with the needs of individuals and communities. The system remains overly focused on crisis response and clinical diagnosis, while preventative, community-based, and relational approaches are underfunded and undervalued.

There is a clear disconnect between national priorities and frontline realities, compounded by a lack of transparency, fragmented service delivery, and workforce pressures. To create a more equitable, effective, and sustainable mental health system, a fundamental shift is needed, toward early intervention, local empowerment, integrated care, and meaningful inclusion of lived experience in decision-making. Social Work Scotland and its members advocate for a rebalanced investment strategy that prioritises wellbeing, prevention, and community-led solutions.

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