



PUBLIC SERVICE REFORM: PRE-BUDGET SCRUTINY 2027-28

A BEFS Response to a Scottish Parliament Public Service Reform Committee Inquiry

About This Paper

On 1 July 2026, the Scottish Parliament's Public Service Reform Committee launched [a call for views](#) into the promotion of public service reform in the 2027 Scottish Government Budget.

This paper presents a response by Built Environment Forum Scotland (BEFS) to two of the key questions set by the Committee. BEFS is grateful to the Committee for the opportunity to inform its pre-budget scrutiny.

BEFS is an umbrella body for organisations working in the built environment in Scotland. Drawing on extensive expertise in a membership-led forum, BEFS informs, debates and advocates on the strategic issues, opportunities and challenges facing Scotland's historic and contemporary built environment. Further information about BEFS is available [on the BEFS website](#).

Other relevant consultation responses from BEFS can be seen below, as many issues overlap and demand associative consideration:

- [Draft Infrastructure Strategy 2027-37](#) (May 2026)
- [Pre-budget Scrutiny 2026/27: Funding for Culture](#) (Aug 2025)
- [Industrial Transition for Scotland](#) (March 2025)
- [The Fourth National Planning Framework: Two Years On](#) (March 2025)
- [Protecting Built Heritage](#) (Feb 2025)

BEFS Response to Call for Views

Q1c: The Scottish Government aims to deliver on average £0.5 billion in savings through efficiencies per year for the next three years (2026-27 to 2028-29). What are the barriers to achieving greater efficiency and how can these be addressed?

BEFS consulted with its Members and stakeholders in extensive depth to produce its [2026 Manifesto: Building Foundations for a Better Scotland](#). The Manifesto is designed to inform built environment policy and funding decision-making in the 2026-31 term of the Scottish Parliament.

A consistent message across the interconnected BEFS Manifesto themes (culture and heritage; repair, maintenance and retrofit; net zero and the climate emergency; training and skills; and planning and place-making) is the increased value for public money that can be derived from enhanced cross-portfolio policy alignment and a stronger focus on preventative spend.

BEFS Members, including professional bodies, national charities, funding agencies, community groups, heritage trusts and public bodies, state that in general, good intentions to break down silos between governmental departments and portfolios are not happening at the desired scale or pace in practice.

The reality that built heritage straddles so many policy areas, from climate change and housing to planning and tourism, presents a natural challenge to joined-up policy-making. Meeting this challenge more effectively would significantly improve the efficiency of public spending by reducing duplication and maximising impact from limited resources.

A more holistic approach would address a long-standing challenge identified in the BEFS network of heritage being underplayed and undervalued in cross-portfolio decision-making and policy prioritisation. There is rich untapped potential in Scotland's heritage assets of all types and ages to further contribute positively towards society through health and wellbeing, Net Zero targets, the traditional skills that enhance our places and enable the provision of warm homes, and to local economies and their supply of long-term, skilled, employment. Realising more of this value will alleviate longer term pressure on departmental budgets including health, housing, climate change and economic development.

The BEFS Manifesto presents 15 practical policy recommendations for the next Scottish Government to consider, that we believe will help coordinate built environment policy-making more effectively and provide better value for money by improving outcomes. BEFS is complementing its Manifesto asks with an ongoing blog series called [Joining the Dots](#), in which guest experts from different areas of the built environment sector share their views on how best to address issues and build on opportunities to improve connections within a busy and complex policy landscape.

One example of a practical opportunity to reduce duplication and improve cross-policy collaboration, is retrofitting older properties to increase residents' comfort, reduce fuel poverty, improve energy efficiency, and reduce carbon emissions. BEFS and its partners argue that siloed approaches have hindered progress to date, and have led to retrofit project activity not happening quickly enough at the quality and scale required.

In her [Joining the Dots blog for BEFS](#), Jocelyne Fleming, Senior Policy & Public Affairs Officer, Scotland at the Chartered Institute of Building (CIOB), set out the case for reform,

including the need for improved engagement between housing and non-housing departments of the Scottish Government. BEFS, the CIOB and a further 12 leading bodies in the sector have formed a Retrofit Roundtable campaign group that calls on the Scottish Government to develop and deliver a Retrofit Delivery and Resource Plan, overseen by a Ministerial Oversight Group, to remove barriers to progress.

The Retrofit Roundtable's 2024 report, [Meeting Scotland's Retrofit Challenge](#), sets out the collective's thinking behind these asks. The Retrofit Roundtable is enthusiastic about the power of holistic policy-making to overcome the multi-faceted complications of a major cross-portfolio challenge. This is just one built environment area in which silos can be broken down and barriers can be overcome to improve the impact and value of public spending in meeting national targets.

Q7c: How should the forthcoming Budget support greater progress towards preventative budgeting across the devolved public sector? Please set out any barriers and how these can be addressed.

BEFS Members are aware that previous Scottish Government administrations have committed towards prioritising preventative spend. From their perspective, progress has been slow. [A March 2026 Spotlight commentary](#) published by the Scottish Parliament Information Centre backs this view up. It concluded that while prevention has been, "the urgent topic of the last decade... there remains a lot of work to do to untangle the rhetoric around prevention and transform it into powerful, meaningful action."

Central to BEFS interest is the existing built and historic environment, which contributes vastly to the quality and character of Scotland's places and the wellbeing of its people. This is a diverse field that influences, and is influenced by, many of the public policy areas under the Scottish Government's control. With public finances under such heavy pressure, the need for preventative spend in these areas - including environment, housing, tourism, education, heritage, communities, places and more - is greater than ever.

Preventative spend and systems thinking reduces the need for more expensive and complex interventions and 'fixes' later. In BEFS Member discussions on the prospects for moving public spending 'upstream', the major barrier identified is that of taking public spending away from a direct current need. For example, noting the considerable health benefits that will result from improving the nation's built environment, it has been suggested that a small part of the Scottish Government's [£22.5 billion annual health and social care budget](#) could be redirected into built environment repair and maintenance to help address the prevalence of damp, mould and freezing winter temperatures in many Scottish homes.

The discussion highlighted that following this through from a general idea into practical implementation, comes into contact with the challenge of what area of health to stop funding. Would this involve, for example, a hospital department with rising demands having its plans to hire more nursing staff and purchase additional cancer treatment equipment stopped?

This highlights the extremely difficult challenge of allocating budgets across so many current and future challenges, and also the different types of prevention, and interpretation of what is being prevented by a particular spending choice.

The [SPICe Spotlight on prevention](#) also notes the additional challenges of prevention not fitting into the systems and procedures of public service budgeting and spending; and of a

lack of information on what proportion of existing Scottish Government portfolio allocations are intended for, or ultimately used for, prevention.

The development of a [Preventative Budgeting Tool](#) has some potential merit in breaking down some of these issues, by clarifying in a consistent way across departments the proportion of a budget allocated to a preventative measure. If nothing else, widespread adoption and publication of the Tool will provide a useful basis for analysing whether any progress is being made.

The linking of preventative spend areas to outcomes may also, as the Tool notes, “help coordinate and join up work across the public sector to more effectively tackle key outcomes.” This would be welcomed by BEFS Members. As noted in our response to Q1c, a consistent message in the 2026 BEFS Manifesto is an ask for a more holistic, cross-portfolio approach towards heritage, climate change, training and skills, repair, maintenance and retrofit, and planning and place-making.

As with many public sector reporting mechanisms, there is an open question as to whether this Tool will be used to simply generate reports on what is already happening with regard to public sector activity, or whether it will help contribute towards a genuinely different preventative approach in line with the [2026 Scottish Spending Review](#) calls for systematic change.

The lead public body for the historic environment is Historic Environment Scotland (HES), which has formal accountability to Scottish Ministers in addition to charitable status. Greater support from the Scottish Government to enable HES to properly and sustainably carry out its leadership function, working strategically, collaboratively and with an eye to the long term, will add further prevention value across the sector.

End of BEFS submission for the Public Service Reform Committee.

BEFS responses to a number of consultations in relation to the Built Environment can be found at: <https://www.befs.org.uk/resources/consultations/>

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BEFS gives consent to the Public Service Reform Committee to publish the consultation with name, to share the response internally with other Scottish Parliament representatives and with Scottish Government policy teams, and to contact BEFS in future in relation to this consultation exercise.