Scottish Public Service Reform Committee: Pre-budget scrutiny 2027-28

1. **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):**

   a. **To what extent are these savings achievable, and how will they shape public service delivery?**

The College considers that savings are achievable where they result from genuine service redesign, reduced duplication and greater collaboration rather than across-the-board reductions. Sustained efficiencies should improve outcomes through prevention, digital innovation and integrated working while recognising that different delivery models are needed in remote, rural and island communities.

We would emphasise that investment is required in enabling functions and not just frontline services and that the overall focus should be on outcomes rather than organisational structures or headcount.

Some members of the College's Lay Advisory Committee emphasised the extent of the challenge in achieving savings when the ask on the public sector keeps increasing as well as increasing demand from an ageing population.

   b. **What progress is being made towards achieving these efficiencies?**

We consider there is evidence of increasing collaboration and shared services across parts of the public sector. However greater transparency is needed on which efficiencies have been realised through reform, which are recurring and what impact they have had on service quality and outcomes.

We welcome the work in this area of the Auditor General for Scotland which is extremely important.

   c. **What are the barriers to achieving greater efficiency and how can these be addressed?**

Key barriers include organisational silos, fragmented funding, short-term budget cycles, workforce pressures and limited capacity for transformation. Addressing these requires longer-term investment, shared accountability across organisations, better use of data and greater local flexibility.

Some members of the Lay Advisory Committee with experience of working within local government in the UK suggested that with local authority management teams already reduced and reducing, that could decrease those specific resources available to implement further change/efficiencies.

2. **How should the Scottish Government best present the extent of any realised efficiencies in the annual budget publication, including providing clarity on whether these are expected to be recurring savings?**

Annual budget reporting should distinguish between one-off and recurring savings, cashable and non-cashable efficiencies, and demonstrate how efficiencies have improved outcomes rather than simply reduced expenditure. We consider that budgets should be set on a longer-term basis so that it is possible to plan sustainable, meaningful change.

3. **The Fiscal Sustainability Delivery Plan aims to achieve an average reduction of the public sector workforce of 0.5% per year over five years.**

    a. **To what extent is this target achievable and how will it shape public service delivery?**

We believe that the target should be approached cautiously and on the basis of the most accurate understanding of current workforce strength and where it is located, and informed workforce planning. Workforce reductions should result from redesign and 'productivity' improvements rather than arbitrary reductions in staffing. This is particularly important in sectors and geographies already experiencing workforce shortages, including remote and rural areas.

    b. **What progress is being made towards achieving this target?**

Progress should be assessed alongside workforce sustainability, recruitment, retention, service quality and population outcomes rather than headline workforce numbers alone. Within health, for example, we still need to have a much more accurate picture in terms of what happens to Scotland's doctors post CCT and whether we are retaining or 'exporting' them and whether they are finding attractive, sustainable jobs with security and therefore contributing and delivering the care our people need.

4. **What actions can the Scottish Government take to ensure these workforce reductions are delivered in a managed way which best supports effective government and public service delivery?**

We strongly support ensuring we have a rolling programme of data collection on workforce- some data are snapshots; other information is non-existent. This is a case where we need a baseline as a starting point. Without knowing who we currently have and where they are, it's impossible to determine what particular reductions actually look like.

We also want to see the prioritisation of workforce planning, leadership development, digital capability, redesign of roles and investment in multidisciplinary teams. Staff should be engaged throughout the process to support successful and sustainable change.

5. **The PSR strategy states that it will protect frontline services. To what extent is there sufficient clarity about how frontline roles are defined and how efficiencies in back-office functions can be delivered in a way that minimises impact on the delivery of public services?**

We consider there needs to be greater clarity about what constitutes a frontline service. Many enabling functions including digital, improvement, analytical and admin support are essential to safe, effective frontline care and should not automatically be viewed as areas for reduction. In fact, bolstering these may improve efficiency and sustainability and enable professions to work at the 'top of their game' rather than being paid for tasks others could undertake.

6. **Beyond the financial benefits that the Public Sector Reform (PSR) Strategy aims to achieve, what are the key outcomes that reform should be aiming for?**

Public service reform should improve population outcomes, reduce inequalities, strengthen prevention, improve patient experience and outcomes, support workforce sustainability and enable more equitable access to services regardless of where people live.

7. **The PSR Strategy includes 18 different workstreams which aim to remove barriers to reform.**

One workstream focuses on "simplification", recognising that "complexity of processes, structures and reporting requirements is a key barrier to effective and efficient service delivery".

"Prevention" is one of three pillars providing structure to the Strategy.

a. **What should the Scottish Government's priorities be under its simplification workstream and what level of savings can be achieved through this approach?**

Priorities should include reducing duplication in governance, reporting and assurance; simplifying funding arrangements; improving data collection and sharing; and aligning national requirements across organisations. Savings are likely to accrue over time and should be accompanied by improvements in efficiency and staff experience.

b. **What progress has been made to date with preventative budgeting?**

There is growing recognition of prevention but investment remains constrained by annual budget cycles and competing short-term pressures. More systematic approaches to measuring long-term value are needed.

Lay Committee members highlighted that the reduction in public libraries across the UK was at odds with the preventative agenda whereas libraries could be the centre for preventative services such as health improvement information, digital skills, parenting information, mental wellbeing support etc.

c. **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.**

The Budget should provide multi-year investment in prevention, strengthen community-based services and enable local partners to redirect resources towards interventions that improve long-term outcomes. Funding arrangements should encourage collaboration rather than organisational boundaries.

d. **What changes to the Scottish Government's approach to budget-setting are needed to effectively deliver public service reform?**

Greater use of multi-year budgets, shared outcomes across portfolios, place-based budgeting and more flexibility for local systems would better support long-term reform than annual, organisation-focused allocations.

8. **The Scottish Government included an upfront Invest to Save Fund of around £30 million in the 2025-26 and 2026-27 Scottish Budgets for reform projects that will deliver ongoing savings and support the delivery of the PSR strategy.**

a. **To what extent is the Invest to Save Fund delivering projects that achieve ongoing savings?**

The Fund has the potential to support sustainable reform where investment is linked to robust evaluation, measurable outcomes and plans for scaling successful approaches. Continued transparency on benefits realised will be important.

b. **How are successful outcomes from this Fund being shared more widely across the public sector?**

Learning should be shared systematically through national improvement networks, published evaluations, communities of practice and opportunities for peer learning to support adoption across Scotland.