



T: 0300 244 4000
E: scottish.ministers@gov.scot

Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
EH99 1SP
By email to: FPA.committee@parliament.scot

Cc' Richard Leonard MSP
Convener, Public Audit Committee
By email: publicaudit.committee@parliament.scot

27 January 2026

UPDATE TO COMMITTEE ON PROGRESS WITH PUBLIC SERVICE REFORM

Dear Convener,

Please find enclosed an update on progress Public Service Reform (PSR) since the publication of the PSR Strategy in June 2025.

The Strategy set out a clear vision for Scotland where everyone has access to public services that are efficient, good quality and effective. The strategy commits us to deliver a more preventative, more joined up and more efficient system. Each element has a critical role to play in meeting the fiscal sustainability challenge.

The strategy sets out detail on 18 workstreams that are designed to remove barriers to change to significantly increase the scale and pace of reform. This update provides detail on progress across those 18 workstreams and provides future milestones, focussed on planned deliverables to the end of the Parliament.

Although due at the end of 2025 to follow the previous reporting rhythm, this update is provided following the Budget and Scottish Spending Review (SSR), published on 13 January, which set out our priority areas for spending through a reform lens to the whole Parliament. This is intended as a counterpart to the Budget and SSR by providing further detail on milestones in the relevant context. The work on the PSR strategy and implementation of the Portfolio Efficiency and Reform Plans (also published in the SSR) will be complementary and coordinated.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

I welcome the Committee's views on this update and look forward to the opportunity to discuss in more detail. As previously agreed I have copied this update to Richard Leonard MSP in his capacity as Convener of the Public Audit Committee.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ivan McKee". The signature is fluid and cursive, with a distinct "I" at the top and a "v" in the middle.

Ivan McKee

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

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Public Service Reform (PSR) Update to Parliament

January 2025

Following the publication of the PSR Strategy on 19 June 2025 this update serves to continue the agreed reporting rhythm on progress on PSR, established since December 2023.

In the context of the Budget and Spending Review (January 2026) as well as the election in May 2026, this update focuses on progress so far and expected milestones to the end of this Parliament in April 2026. Given our commitment to a partnership approach to reform, we have provided detailed information on the leadership of each workstream demonstrating our commitment to a shared approach with key partners. The update is structured in line with the strategy, providing updates against the workstreams organised by foundations and pillars (see below).



Figure 1: PSR Strategy - June 2025

Foundation 1: Leadership and Cultural Change

Excellent collaborative leadership creates the conditions for culture change. Public service leaders must think and act strategically; focus on the ‘bigger picture’, the long-term and improving outcomes; trust and be trusted by peers, colleagues and communities; and, rise above individual, organisational and sectoral interests to work together to deliver for people. This programme of work is about a joined up approach across public services and ensuring that the foundational work to create the conditions for collaborative leadership support and reinforce the wider commitments set out in the strategy.

Leadership: The initial work on this workstream is being co-ordinated by the Scottish Leaders Forum programme team which is supported by a [Strategic Steering Group](#) (SSG) comprising of senior leaders from national and local government, public bodies and third sector. The SSG is: Jane O'Donnell (Chief Executive, COSLA); Shona Riach (DG Exchequer, Strategy and Performance, Scottish Government); Sara Thaim (Chief Executive, Prosper); Pippa Milne (SOLACE Scotland); Anna Fowlie (Chief Executive, SCVO); DCC Bex Smith (Deputy Chief Constable – Transformation – Police Scotland); Vicky Bibby (Chief Operating Officer, Audit Scotland); Professor Karen Reid (Chief Executive, NHS Education for Scotland); Lucinda Godfrey (Chief Executive, Charity Leadership Scotland); Catherine McWilliam (Nations Director – Scotland, Institute of Directors); Caroline Hiscox (Chief Executive, NHS Lothian); and, Richard Foggo (Director of Population Health, Scottish Government).

Milestones

Action	Status	Update	Deadline
Develop a shared statement on public service leadership describing the expectations we should aspire to for ourselves and for each other and strengthening peer accountability	Progressing	<p>Work ongoing. Actions completed include: analysis and synthesis of existing evidence; early drafting and engagement with PSR Board members, Strategic Steering Group and other cross system networks.</p> <p>Future action includes: ongoing co-ordination with review of the NPF; design and delivery of implementation and guidance; publication and communications; and monitoring and evaluation. Implementation and understanding what systemic changes may be required to create the conditions</p>	<p>April 2026</p> <p>From May 2026 onwards.</p>

		for these behaviours and practices to flourish remains the most important element of this work.	
Work in partnership to develop and implement a collective approach to recruitment, promotion and performance management across public services that supports and requires shared leadership behaviours, including collaborative working	To progress	Progressing this work is contingent on the finalisation of the shared statement.	TBC
Provide and align leadership development and support focused on developing the skills, behaviours and capabilities for the leaders of today and tomorrow, driving change and continuous improvement through collaboration and partnership	Progressing	<p>There are currently two projects being taken forward under this action.</p> <ol style="list-style-type: none"> 1. A new cross-system network has been set up to bring together key areas of leadership support from across public services. In addition to Scottish Government, core membership includes local government, public bodies and third sector. <p>The network's purpose is to: focus collectively on strategic and operational alignment relating to resources and approach (once and well for Scotland); and the identification of gaps. The first meeting, October 2025, second meeting scheduled January 2026.</p> <ol style="list-style-type: none"> 2. Work to strengthen collaborative leadership skills is in train. Initially this will focus on developing a programme to support up to three key community planning partnerships. 	<p>Initial work to establish network - October 2025</p> <p>Ongoing work to sustain the network and progress agreed actions. Quarterly meetings.</p> <p>Foundational work to be completed by March 2026.</p>

Building on the Reform in Action case studies, identify and publish 'best practice' guides to support learning and continuous improvement across public bodies	Progressing	<p>This work is in hand with a new case study from Scottish Water added to the repository.</p> <p>Reform in Action – Videos</p>	Ongoing
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Foundation 2: Accountability and incentives

The reformed National Performance Framework (NPF) will articulate Scotland's long-term national outcomes, providing a shared vision for the kind of country we want to be and a framework to support collaboration and improved ways of working across government and the wider public sector. Building on that foundation, this workstream will explore how the wider performance and accountability landscape can best show the contribution of different parts of the public sector towards those outcomes, and to support decision-making aligned to outcomes.

Leadership: Work on this foundation is being led by the Directorate for Strategy and Delivery within the Scottish Government. A collaborative approach is being undertaken to ensure partners such as delivery and non-departmental public bodies, local authorities, third sector and scrutiny bodies have an active role in shaping future accountability arrangements.

Action	Status	Update	Deadline
Refresh and renew the National Performance Framework in 2025. This will ensure a clear connection between outcomes, ways of working and accountability across Scotland.	Progressing	The reform of the National Performance Framework (NPF) is underway, focussed on developing a refreshed outcomes framework for Scotland (outcomes, indicators, implementation themes and mechanisms) with further engagement planned in early 2026. A new outcomes framework will be available by June 2026	June 2026
Re-design our approach to accountability across Scotland's public sector to enable collaboration, and the investment of resources and capacity in collectively achieving priority outcomes. We will	In development	Early work is underway to shape this programme and clarify what is in and out of scope, as well as how delivery will be sequenced. The aim is to articulate how the system needs to behave and organise itself to	January - March 2026

<p>engage closely with Audit Scotland and other scrutiny partners to build on their expertise and work closely with colleagues across the system to deliver the necessary change. This will align to the work to develop a new monitoring and accountability framework with local government, as set out in the Verity House Agreement.</p>		<p>achieve the National Outcomes, including the role of Parliament and other scrutiny bodies in ensuring transparency and accountability. This will broadly cover:</p> <ul style="list-style-type: none"> • How Scottish Government organises itself – ensuring SG is on an equal footing with delivery bodies and that internal assurance mechanisms are in place to monitor progress. • What we need from delivery partners – setting clear expectations to support collective delivery. • Incentives and enabling conditions – creating the conditions that promote positive behaviours and collective accountability rooted in people and place. 	<p>Jan: early engagement with key stakeholders to ensure buy-in and agree scope. Delivery plan production.</p> <p>Feb- March: internal testing on potential approach to monitoring progress across SG. Work with representatives from Scottish Delivery Bodies Group to strengthen visibility of Delivery Body performance with Executive Team</p>
<p>Undertake a review of reporting and scrutiny requirements on Scottish Government and public bodies to improve efficiency and effectiveness and ensure a focus on outcomes that aligns with the refreshed National Performance Framework</p>	<p>Progressing</p>	<p>We are bringing together a range of interconnected activities to strengthen how accountability, performance and impact are understood and supported across the system. At the core of this work is a commitment to engage with people across sectors, build on what already exists, and ensure that improvements are practical, proportionate and genuinely helpful.</p>	<p>January – March 2025</p>

		<p>As part of this, we are undertaking a comprehensive mapping exercise of existing accountability frameworks, reporting requirements, and performance systems across sectors. This will include analysis of scrutiny load and international comparators and a series of focused engagements to:</p> <ul style="list-style-type: none"> • Take stock of previous work on accountability and incentives (e.g., Scottish Leaders Forum Accountability & Incentives Action Group). • Work in conjunction with other workstreams to ensure alignment and avoid duplication. <p>Alongside this, we are also looking at how the wider policy system supports good decision-making. Impact assessments remain an important part of the policy process; however, the system has become more complex and resource-intensive over recent years as new impact assessments have been introduced. In response, the Scottish Government has introduced a new control framework to ensure that the justification for a new impact assessment is carefully considered prior to introduction, including potential overlap with existing assessments and associated costs and benefits. This sits</p>	<p>November 2025 – complete</p> <p>January 2026</p>
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		<p>alongside ongoing work to strengthen existing impact assessments.</p> <p>To support this overall effort, we have also moved into the innovation space. The appointment of a lead company for the Accelerator Stage of the CivTech challenge for impact assessment and statutory duties will explore opportunities to automate aspects of the impact assessment process, improving efficiency and effectiveness while maintaining the human judgement at the heart of policymaking.</p>	
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Foundation 3: Empowering People, Places and Communities

Our Joint Local Governance Review (LGR) with COSLA is considering how powers, responsibilities and resources are shared across national and local spheres of government, and with communities. This foundation covers a range of work that demonstrates Scottish Government's commitment to subsidiarity – supporting decisions to be made closest to where they have effect. As well as empowering places and communities this work sets out how we will empower those who work in public services to bring forward opportunities to improve services.

Leadership: There are a range of groups involved in this work such as the [Democracy Matters Steering Group](#) (including the Development Trust Association Scotland, the Scottish Community Development Centre and the Scottish Community Alliance) [Single Authority Model stakeholder group](#) (local authority, Health Board and Integration Joint Board for each participating geography); the [National Asset Transfer Action Group](#)

Action	Status	Update	Deadline
Work with local government and public bodies to conclude the Local Governance Review. This includes Democracy Matters	Progressing	We will publish a blueprint for community decision-making, setting out high level proposals for change and a	March 2026

<p>- agreeing blueprints for innovative democratic decision-making arrangements at community level</p>		<p>road map for delivery. Proposals will be a catalyst for the sharing of power which will enable stronger partnership working with the local public sector, more community-led action and broaden meaningful participation in local democratic processes</p>	
<p>Empower local government and health partners to strengthen and streamline local decision-making through the development of Single Authority Models in three rural and island local areas, resulting in improved service delivery, better outcomes for communities and a shift towards more preventative public services. We will promote and share learning to inform local governance reform in other geographies</p>	Progressing	<p>We will publish preferred models for Single Authority Models in Argyll and Bute, Orkney and Western Isles that have been developed jointly by local government and health and enable a shift towards prevention. This will include a plan and timeline for implementation, with at least one area transitioning to shadow arrangements</p>	March 2026
<p>Take forward the findings of the review of parts of the Community Empowerment (Scotland) Act 2015, to strengthen the community asset transfer process to further empower communities and ensure that assets support wider economic, social and environmental outcomes.</p>	Progressing	<p>We refreshed the membership and remit of the National Asset Transfer Action Group in August 2025 to directly respond to the findings of the review of Part 5 (asset transfer) of the Community Empowerment (Scotland) Act 2015.</p> <p>The group is supporting the Scottish Government gather robust asset transfer data from 95 relevant authorities covering the period 2017 to 2026 and the excel spreadsheet will be issued following engagement with relevant authorities in early 2026.</p>	<p>December 2025</p> <p>March 2026</p>

		The group is also supporting work to improve understanding on the impact of asset transfer and work is currently underway to conduct a small case study of impact.	March 2026
Work with regional and local partners to identify how best to formally devolve further elements of decision-making and delivery to Regional Economic Partnerships (REPs), and present options before the end of this Parliament	Complete	Following extensive engagement with partners, a report was considered by Ministers in October 2025. The First Minister confirmed in November 2025 that we will provide enabling legislation in the next parliament for regional partnerships to seek legal status and a range of powers. Officials are working directly with stakeholders, including regional partnerships and COSLA, to identify the appropriate legislative approach, whilst continuing to look for areas in where there are opportunities for greater regional working.	April 2026. Additional work to take place during the lifetime of the next parliament.
Implement, in partnership with Trade Union colleagues, processes to enable staff to bring forward improvement opportunities and appropriately recognise staff who take up that challenge	To progress	There is ongoing engagement at Ministerial and official level with trade unions on PSR, including an official-level 'PSR Forum' with Civil Service trade unions. The Minister for Public Finance has also written to all public body Chief Executives (October 2025) to set out the need to ensure early and meaningful engagement with trade unions on reform activity .	
Identify the right support to empower staff to develop those ideas, giving them the tools they need to implement change	To progress		
Review our ways of working, and policies that support them, to ensure we can deliver services more effectively and efficiently.	To progress		

		Beyond this initial work the intention with these actions is to develop the right mechanisms for ideas to come forward from frontline staff, and – where feasible - to be progressed in order to make improvements. Trade unions have a critical role in this.	
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Foundation 4: Ensuring the Right Delivery Landscape

Scottish Government and public bodies will be collaborating on a review of the service delivery landscape to consider the interface between them and functions of both to reduce duplication and to identify and implement opportunities to simplify the landscape. As part of this work we are developing portfolio and cross-cutting ‘clusters’ which will facilitate and enable joint working to drive out efficiencies in the delivery landscape. This work will contribute to the overarching target of saving £1 billion in corporate function costs as well as supporting the broader aims of the PSR strategy, including more joined-up services for the public.

Leadership: Catherine Topley, Chief Executive, SAAS, and Clare Hicks, SG Director for Education Reform – joint SRO.

Action	Status	Update	Deadline
Identify duplication across public bodies and work with those bodies to share processes/services.	Progressing	All of these commitments are part of the overarching review of the service delivery landscape, covering 133 public bodies and 51 Scottish Government directorates.	
Expand and deepen the ‘clusters’ programme with public bodies to facilitate greater efficiency and integration. We will publish the network of clusters.	Progressing	Clusters will be established to facilitate and enable public bodies and Scottish Government directorates to work together to deliver the key objectives of identifying and removing duplication and make the delivery landscape more	Ongoing, all portfolio clusters to be established and have first meeting by end January 2026. The

		<p>efficient and effective. This will realise efficiencies in corporate functions that will contribute to the £1 billion target by 2029/30.</p> <p>Each Cabinet Secretary portfolio will establish a cluster involving both public bodies and core SG representatives. Guidance will be drafted to support clusters.</p> <p>Set out how we will work with public bodies to review the service delivery landscape, grouping relevant public bodies and parts of SG by function to see where there's scope for restructuring. This work will feed into, and be informed by, clusters.</p> <p>Portfolio clusters to submit initial plans setting out approach and objectives</p> <p>Clusters to provide draft recommendations and areas for further consideration</p>	<p>following clusters have been established:</p> <ol style="list-style-type: none"> 1. Environment & Forestry 2. Education & Skills 3. Health 4. Justice 5. Transport <p>The total number of public bodies involved is currently 52. Other portfolio clusters are in the process of being established.</p> <p>Summer 2026</p>
Consider the appropriate interface between public bodies and Government in terms of policy/delivery split and remove duplication where it exists	Progressing	This will be taken forward as part of the landscape review and clusters.	
Where necessary, identify and implement changes to the status of public bodies	Progressing	This may require legislation, but will be informed by the landscape review and clusters.	

where this prevents them delivering to best effect.			
Use the Ministerial Control Framework to continue the presumption against the creation of new public bodies by assessing and challenging any new proposals	Progressing	Framework process implemented as required.	Ongoing, beyond 2026
Support and encourage an entrepreneurial mindset within public bodies.	To progress	Guidance is being prepared for public bodies.	Summer 2026
Remove, amalgamate or change the number of public bodies where doing so will increase efficiency, remove duplication and improve service delivery.	Progressing	We are working with public bodies to review the service delivery landscape. This includes both public bodies and SG directorates. The aim is to identify where there is duplication of function or service and the scope for greater efficiency across the service delivery landscape. Where appropriate, public bodies may be merged, reintegrated into core SG and/or responsibilities move from SG into public bodies.	Ongoing, this work will be taken forward in parallel to the clusters and will help to inform those discussions. The review will aim to produce initial recommendations by Summer 2026, alongside the initial reports from clusters.

PILLAR 1: Prevention

The ambition of this pillar is to increase our investment in early intervention, to stop the establishment or escalation of problems that lead to negative outcomes for people. The evidence base is clear that prevention is effective, and that through preventing poor outcomes we can reduce the demand for expensive acute or crisis services and therefore contribute to overall fiscal sustainability. Aligned to the four foundations of the strategy, the two workstreams described here to support technical change will contribute to the necessary change.

Leadership: The Prevention Pillar is being informed by a group of experts from across the public sector and beyond including Richard Foggo (Director of Population Health, Scottish Government), Richard McCallum (Director of Public Spending Scottish

Government), Professor Linda Bauld (Chief Social Policy Adviser, Scottish Government), Carolyn Sawers (CEO, Corra Foundation), Sandy Begbie, Adam Lang (Director of Policy, Carnegie UK), Rachel Cackett (CEO, Coalition of Care and Support Providers), Dr Lynne Douglas (Winston Churchill Travel Fellow), and Dr Jennifer Champion (Director of Public Health, NHS Forth Valley).

Workstream 5: Understanding and mitigating demand drivers

As set out in the strategy we do know about major demand drivers, such as experience of child poverty, but this workstream is about improving the detail of that understanding to identify and tackle the major drivers.

Action	Status	Update	Deadline
Improve our evidence base for understanding what is driving demand for services, and identify issues that the public service system must address	Progressing	<p>The primary focus of this work to date has been on the evidence base – which will inform all subsequent actions. This work draws upon a range of evidence on drivers of demand across Scottish government portfolios, and draws from expert input, including from health boards, local authorities, Public Health Scotland, and The Promise Scotland</p> <p>Key milestones include:</p> <ul style="list-style-type: none"> • Develop a mapping of the key drivers of demand for public services in Scotland, underpinned by evidence. • Through the preventative budgeting pilot process (see Workstream 6) explore how 	<p>February 2026</p> <p>March 2026</p>

		<p>preventative spend could be mapped against drivers of demand/ outcomes.</p> <ul style="list-style-type: none"> • Develop a prioritisation matrix showing key priority drivers of demand, scored against key criteria • A toolkit setting out key resources for the public sector to enable analysis of the impact of preventative interventions • Analysis of drivers of demand to be included in the 2026/27 Budget process (as part of preventative budgeting work – see Workstream 6) 	<p>April 2026</p> <p>May 2026</p> <p>December 2026</p>
Improve our understanding of the impact on the economy of preventative approaches and use this to enhance our collaboration with businesses to deliver reform	To progress	<p>Further work to be taken forward aligned to outcomes of analytical work.</p> <p>A number of these commitments will be delivered through major programmes of activity across Government.</p>	
Build on our learning from service change and successful preventative innovations to improve our understanding of collaborative models that drive change and apply that learning to tackle other complex issues	To progress	<p>The Population Health Framework (PHF) is structured around evidence-based prevention drivers</p>	

<p>Set out costed proposals to tackle the key drivers of demand</p>	<p>To progress</p>	<p>of health and wellbeing, with an overarching driver focused on 'how' the system needs to transform to be more prevention focused. As such, the whole PHF is orientated towards mitigating overall demand for NHS services by working across sectors to address whole system drivers.</p> <p>Evaluation of the PHF will help improve the evidence base in the longer term, including around a more collaborative approach to a prevention focused system</p> <p>As part of developing the third Tackling Child Poverty Delivery Plan a new evaluation strategy is under development. Under the current delivery plan, 'Best Start, Bright Futures' a number of evaluations have been undertaken on initiatives aiming to support system change (see examples below). A system change evaluation is now underway to bring together the learning generated from these evaluations to inform future work</p> <p>Pathfinders evaluation report and summary:</p>	
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- [Supporting documents - Child poverty pathfinders in Dundee and Glasgow: phase two evaluation - gov.scot;](#)
- [Child poverty pathfinders in Dundee and Glasgow: phase two evaluation - summary report - gov.scot](#)

Clacks FWP evaluation report and summary:

- [Supporting documents - Family Wellbeing Partnership in Clackmannanshire: evaluation - gov.scot](#)
- [Family Wellbeing Partnership in Clackmannanshire: evaluation - summary report - gov.scot](#)

Pathfinders learning papers:

- [Delivering place-based interventions and system change to tackle child poverty: learning and reflections from the child poverty pathfinders' evaluation - gov.scot;](#)
- [Evaluating evolving and complex programmes: learning and reflections from the child poverty pathfinders' evaluation - gov.scot](#)

Workstream 6: Preventative budgeting

We know that current approaches to budgeting can be a barrier to shifting resources to preventative spend; this workstream is focussed on how to change our approach to budgeting to support and enable a meaningful shift across portfolio, organisation and service boundaries to improve outcomes.

Action	Status	Update	Deadline
Re-design our approach to identifying, tracking and monitoring preventative spend and set out how this will be utilised in future Budget processes	Progressing	<p>A process has been developed for the delivery of this workstream over 2026, and a commitment to taking this forward is set out in the Spending Review. This process aims to develop a system of budget tagging and tracking preventative spend across the Scottish Budget by Summer 2026, with a view to integrating this into the ongoing Budget process from Dec 2026 (for Budget 2027/28) onwards. This update focusses on the practical developments as part of that overarching process.</p> <p>The workstream has delivered a draft preventative spend process document and financial guidance. This will be refined throughout the process</p> <p>Further deliverables include:</p> <ul style="list-style-type: none">Delivery of preventative spend pilot studies across a number of Scottish Budget portfolios and public sector partners. This will test the budget tagging approach, and be used to	November 2026 March 2026

		<p>refine the guidance and provide practical examples to support wider use. Pilots are being explored or progressed with a number of Scottish Budget portfolios, Health Boards and Local Authorities. The pilot process is expected to test around 10-20% of Scottish Budget lines, with varied applications across portfolios such as health, early years, education, justice and environment.</p> <ul style="list-style-type: none"> • Building on the pilot studies, a wider process for tagging preventative spend across the full Scottish Budget will be undertaken. A publication in 2026 will set out the results from this exercise, and plans for integrating this into ongoing budgeting processes • Preventative spend included as part of data collection and reporting processes for Budget 26/27. 	<p>August 2026</p> <p>December 2026</p>
<p>Change how we budget, and any other necessary processes, to allow resources to move between portfolios, organisations and services in order to share resources and collaborate across boundaries, where required, to support upstream investment, identifying where financial support is required to support the cost of change</p>	<p>In development</p>	<p>As set out above work is in hand for future Budget process.</p>	

<p>Develop our Invest to Save Fund to support the move to preventative investment</p>	<p>In development</p>	<ul style="list-style-type: none"> Allocated £17m in 2025-26 to support a range of local authority, Scottish Government and public body bids Further funding is being made available of £30m for 2026-27 Applications for the next round will be invited by early February 2026 	
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PILLAR 2: Joined Up Services

The aim of Pillar 2 is to change our model of service delivery, particularly for people with the greatest disadvantage or facing the most complex circumstances. This is about integrating support, empowering the front line to bring together all the resources people and families need to thrive.

Workstream 7 – Simplification

Whole Family Support (WFS) is our model for integrating services with Government working with partners to enable greater local decision making and flexibility to support families at risk of poverty. We are taking a two-step approach that will see 'early adopter' local partners – in the first instance local authorities – come on board first as partners in a whole systems change. These local authority areas represent over a quarter of the population and offer the potential for significant impact whilst also limiting risk and enabling joint learning from implementation. Once established, components of this approach could be applied in other areas.

Leadership: Local partners were invited to share proposals that identified better ways of working and opportunities to use our resources and powers to support families more effectively. 7 local authority areas are now 'early adopters' of this way of working: Aberdeen City, Clackmannanshire, Dundee, Glasgow, North Ayrshire, Edinburgh and North Lanarkshire. Chief Executives from the 'early adopter' areas have met on a quarterly basis alongside SG Exec Team to provide strategic oversight of progress.

Action	Status	Update	Deadline
Rationalise our policy landscape: strengthening collaboration and integration within Government to converge and simplify the programmes and policies that aim to change services for people, particularly those who are disadvantaged, building a common approach across Scotland.	Progressing	Embed new ways of working across Government; integrate with other change programmes to facilitate the collapsing of multiple change funds into one aligned change fund; and, facilitate amalgamation of funding and reporting lines based on local requests.	Transition year FY26/27
		Set out target for the number of local authorities achieving flexibilities and numbers engaged with the process	January 2026
		Set out the long term (5-10 year) vision for Whole Family Support	April 2026

		<p>Plans for the expansion of the approach beyond geographic (e.g. other partners, other barriers)</p> <p>Develop an approach to learning and agree an approach to amalgamating existing evaluation and learning activities, and develop a control process on starting new activity.</p> <p>£50 million announced in Budget for a Whole Family Support package to support parents into sustainable employment. Final details will be confirmed in the next Tackling Child Poverty Delivery Plan. Measures that were announced as part of the Budget under the WFS package was £20 million for Third Sector partners and projected £8 million of funding to colleges to deliver new or expanded initiatives to help adult learners get the skills and qualifications needed to secure new employment opportunities.</p>	<p>March 2026</p> <p>Transition year FY26/27</p> <p>March 2026</p> <p>March 2026</p> <p>2026/27 FY</p>
Review and simplify reporting requirements on delivery of individual activities in favour of reporting against agreed priority outcomes	Progressing	We are working with 'early adopter' local authorities to establish an agreed outcomes framework to reduce reporting burden and align programmes to a core set of outcomes.	

Develop data that improves our understanding of performance against key priorities	Progressing	Alongside the outcome framework, we will put in place interim measures that reduce the reporting burden while maintaining high quality data and provide assurance.	
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Workstream 8: Data Sharing and Data Usage

Public sector data is a national asset and a key enabler of reform; every transaction in the public sector generates data and insights that can be used to develop services that are more targeted, personalised, and preventative. Making better use of public sector data is not merely a technical issue, but a strategic one, requiring cultural change and investment in skills. Efforts are already underway to enhance data sharing and management, as well as fostering data literacy in the public sector workforce to better drive innovation – especially in areas such as AI and emerging technologies.

Leadership: Activity is led by Digital Directorate within Scottish Government with a range of partners including COSLA, local authorities, agencies (particularly Social Security Scotland) and Non-departmental Public Bodies.

Action	Status	Update	Deadline
Explore new approaches to data sharing and protection across public services, helping lawfully balance risks against the benefits of sharing data.	Progressing	Via CivTech, use cases for Privacy Enhancing Technology (PETs) are being developed for appropriate data sharing across the Justice Sector and for maximising tax revenues between Revenue Scotland and local authorities.	February 2026
Work with local partners to identify and break down the data barriers that prevent the delivery of Whole Family Support approaches. This will ensure that more households can benefit from holistic support	Progressing In development	Digital Economy Act updates are underway, through secondary legislation, to allow further sharing of DWP data with service providers – e.g. provision of free school meals to families receiving benefits	March 2026

<p>and get the support they need as quickly and easily as possible.</p>		<p>Plans under development for public engagement around the acceptability of Whole Family Support data sharing for specific new outcomes, which could then enter future secondary legislation for the Digital Economy Act.</p> <p>SAVVI (Scalable Approach to Vulnerability Via Interoperability) team at the Improvement Service are working through potential use cases of data sharing and reuse to enable local areas (through CPAF and other funding) to replicate and use these data approaches to ensure families get the support they need.</p> <p>Social Security Scotland will continue to develop its data sharing capabilities. Delivery of a single data distributor (SDD) and data sharing hub (DSH) will provide a reusable technical framework to deliver timely, accurate data, internally and across the public sector.</p>	<p>May 2026</p>
<p>Build maturity of data sharing-and consuming-organisations, with common digital components that encourage Findable, Accessible, Interoperable and Reusable data. This will put evidence behind targeted services and preventative support, especially for those citizens who need it</p>	<p>In development</p>	<p>Data Exchange Outline business case being developed. The Data Exchange will provide a suite of common components to help all public delivery orgs and disparate data platforms join a combined data sharing ecosystem, including components developed by agencies like Social Security and synchronising the approaches taken by external efforts like SAVVI and the Scottish Prevention Hub. This is complemented by</p>	<p>February 2026</p>

most while avoiding disparate crisis interventions	Progressing	<p>ongoing Data Division work to support skills, culture, and lawfulness.</p> <p>Conclusion of current cohort and start of new cohort of the Data Maturity programme, helping data leaders across public sector orgs identify and highlight barriers to data sharing for their senior leadership.</p>	April 2026
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Workstream 9: Local integration - strengthening Community Planning and realising the potential of the third sector

This workstream brings together activity to strengthen community planning to support public service reform at local level including through meaningful engagement with Third Sector Interfaces and communities.

Leadership: There are a number of key stakeholders involved in shaping and progressing this workstream including the Community Planning Improvement Board (CPIB), the Scottish Community Planning Network (SCPN), the Improvement Service, public bodies with statutory duties associated with community planning (Police Scotland, NHS Boards, Scottish Fire and Rescue Service, enterprise agencies and COSLA/SOLACE) and the Third Sector Interface Network.

Action	Status	Update	Deadline
Strengthen expectations for joint working to meet the needs of communities - this means all partners are expected to share resources, blend capability and capacity, prioritise prevention and improve community and wider participation	Complete	Refreshed Shared Priorities Plan agreed with COSLA to set out actions to enhance community planning.	September 2025
	Progressing	Deep dives conducted with 3 CPPs to identify the opportunities and barriers to effective community planning including engagement by statutory partners with the TSI & community organisations.	December 2026
	Complete		December 2025

		Selection criteria for 3 CPPs agreed using data from national self-assessment exercise.	
Simplify the policy landscape to have fewer but more meaningful asks on CPPs and make it easier for CPP partners to share data to improve collaborative working	Progressing	Mapping of reporting requirements of CPPs and CP partners in relation to community planning.	April 2026
Work with regulatory and audit organisations to shift accountability mechanisms to both incentivise and require collaborative working.	Progressing	Options paper on the levers and accountability mechanisms available to ensure all NHS territorial boards meet their statutory obligations in relation to community planning.	March 2026
Work with CPPs, the Scottish Community Planning Managers Network and the Community Planning Improvement Board to build the collaborative systems leadership, culture, infrastructure and capabilities to deliver this	Progressing	<p>Endorsement of Place Director-CPP Charter from CPPs and statutory partners.</p> <p>Launch of Place Director-CPP Charter to confirm Scottish Government, COSLA and the statutory CP partners' commitment to community planning as a key vehicle to support public service reform and tackle inequalities through working with communities across Scotland.</p> <p>Collaborative leadership offer for Community Planning Partnerships (CPPs) including the local TSI covering systems thinking and data analytics, to test the best model to maximise</p>	<p>January 2026</p> <p>June 2026</p> <p>Foundational work on leadership support offer to be completed by April 2026.</p>

		collaborative working across sectors for community planning.	Further milestones in development.
Trust and listen to local organisations, building on their tacit knowledge, to understand the priorities and concerns of local people and communities	Progressing	We continue to fund a network of Third Sector Interface (TSI) organisations in each local authority area, which play an important role in the third sector landscape. They are a key point of intelligence about local third sector organisations and volunteering. They understand the local landscape and how it effects the third sector's ability to contribute to local outcomes and national strategies (such as health and social care & community empowerment). They are well positioned to identify support needs for local community groups, voluntary organisations, social enterprises and around volunteering. TSIs can identify third sector issues and perspectives that can feed into both local and national policy.	
Develop work with third sector Interfaces (TSIs) to strengthen third sector engagement with service re-design, collaborative commissioning and system leadership	Progressing	<p>Targeted self-assessment with 6 FFP/whole family support local authorities (Glasgow, North Ayrshire, Clackmannanshire, Dundee, Aberdeen, North Lanarkshire). This work is led by GCVS and Children in Scotland</p> <p>Training including e-learning delivered</p>	<p>January 2026</p> <p>March 2026</p>

		National conference to share learning	March 2026
Continue to improve the operating conditions for the third sector through Fairer Funding arrangements.	Progressing	Ongoing activity to deliver prompt notification through the Budget process.	March 2026
		Review of grant conditions.	March 2026
		Embedding the lessons from the Fairer Funding Pilot in the budget decisions and future policy development.	May 2026

Workstream 10: Digital Public Services

Digital solutions that are informed by quality data, are central to reforming public services, making services more efficient, improving the experience of people, empowering communities and supporting early intervention to improve lives. Digital innovation transforms Scotland's public services, making them smarter, faster, and fairer. We are placing efficiency, high-quality customer service, and prevention at the core, where people have the confidence that public money is spent wisely and with clarity on how well services are performing, we can transform how our nation delivers public services and achieve better outcomes for the people of Scotland.

Leadership: Activity is led by Digital Directorate within Scottish Government with a range of partners including COSLA, local authorities, agencies and Non-departmental Public Bodies.

Action	Status	Update	Deadline
Publish the refreshed Digital Strategy which will set out how we will accelerate the digitisation of Government.	Complete	Refreshed Digital Strategy published 19 November 2025. Digital strategy for Scotland: sustainable digital public services - delivery plan 2025-2028 - gov.scot	November 2025
Move more correspondence onto digital channels, The NHS Digital Front Door, using the	Progressing	First iteration of the SG Digital Mailbox service deployed to support the implementation of MyCare NHS Digital Front	Pilot launched in December 2025

Scottish Government's new secure Mailbox service, will be piloted from December of this year. By 2030 25% of all Scottish Government, agency and NDPB correspondence will be digital saving at least £100 million a year.		Door. We are working with MyCare.Scot as we jointly prepare for the national rollout of this service in April 2026.	
Alongside Mailbox extend the use of ScotAccount which has already transformed service delivery for Disclosure Scotland with more than 9,000 new secure, privacy enhancing identities created every week.	Progressing	Ambition to expand reach of this digital solution into other agencies and NDPBs.	April 2026
During this financial year, pilot a Scottish Government app as a gateway to personalised public services. The first use case is likely to be proof of age.	Progressing	Multichannel transactional and notification pilot services launch on App expected in March 2026. We have developed a prototype of the app which is being reviewed internally. The prototype will be shared with stakeholders in January 2026.	March 2026
Continue to use CivTech to drive innovation in the public sector by delivering new, better products and services quickly and cost-effectively.	Progressing	CivTech 11 is in progress, including 9 Challenges, all of which have positive impacts on PSR, some of them directly. Challenges for CivTech 12, scheduled to launch in June/July 2026, are currently in development. The cohort selected will target a PSR emphasis [though in truth all CivTech Challenges can be regarded as contributing to this].	July 2026

<p>Use geospatial data from satellites and LiDAR surveys to reduce the requirement to visually inspect the natural and built environment, reducing the cost of regulation and grant management, and improving the accuracy and timeliness of information.</p>	<p>Progressing</p>	<p>Use of geospatial data and LIDAR surveys to support inspection of the natural and built environment</p> <p>As we work to deliver this, you can expect to see:</p> <ul style="list-style-type: none"> • Nationwide EO Data Access through dissemination of the national lidar and satellite data to public sector users by 2028 • Refined Geospatial Products with at least three user-driven EO products that are actively used in public sector decision-making • Skills and Capacity Building strengthened through the provision of GIS and EO data training and awareness initiatives to Scottish Public Sector staff. 	<p>2028</p>
<p>Identify and deliver efficiencies in public service operations from using Artificial Intelligence (AI); predicting demand, monitoring outcomes for prevention, as well as targeting human interventions for maximum effectiveness</p>	<p>In development</p>	<p>AI usage across the public sector, to predict demand, monitor outcomes and target human interventions to maximise efficiencies across the public sector.</p>	<p>2027</p>

PILLAR 3: Efficient Services

No system is ever as efficient and effective as it could be. This pillar sets out our commitment to work together between Scottish Government and public bodies (and wider partners) to create a culture of transparency, improvement and constructive challenge, to deliver a more efficient system. It sets out our commitment to reducing spend on corporate function costs by Scottish Government and public bodies by £1 billion over the next 5 years. The workstreams of the strategy provide the toolkit to deliver those efficiencies.

Workstream 11: Data Collection

In 2024, Scottish Government and Cabinet Office separately undertook data collection exercises to profile the running costs and sizes corporate functions in Scottish Public Bodies. The Scottish Government data served as the basis to set the target to reduce annualised Scottish Government and public body corporate costs by £1 billion over the next five years. The strategy committed to continuing to collect data on corporate functions. We have therefore embarked on a consolidated data collection to build a picture of corporate spend over two years (2023-24 and 2024-25). This dataset will be used to benchmark running costs, understand cost drivers and duplication, and progress towards the target.

Leadership: Engagement is ongoing with public body representatives (through the SDBG and NDPB forum) to develop a screening process for data collections going forward to reduce the reporting burden and also ensure any data commissioned is shared for mutual understanding and benefit.

Action	Status	Update	Deadline
Collect and publish information on corporate function costs of Scottish Government and public bodies and use that information to drive efficiencies, in particular working with groups of public bodies to understand what is driving costs and where there is duplication.	Progressing	<p>Non-health board public bodies were commissioned for costs and sizes of six corporate functions (HR, Finance, Procurement, Communications, Digital and Data, and Property) in October 2025. The process and commission for Health Board and Scottish Government is in development, and due for issue in the new year.</p> <p>Publication of disclosure-controlled datasets summarising the costs of delivering six corporate functions in public bodies and</p>	March 2026: Initial publication

		<p>Scottish Government for publication on gov.scot.</p> <p>A password controlled interactive dashboard will be developed, allowing Scottish Government officials and public bodies to compare the relative running costs of six of their corporate functions, and potential cost drivers.</p>	<p>Summer 2026: Additional publications as required</p> <p>March 2026</p>
<p>Set financial targets, including for Scottish Government operating and staff costs, and track and monitor the delivery of these across our efficiency programmes and across portfolios.</p>	<p>To progress</p>	<p>Progress on this action will begin once the dataset and dashboard are available as it is dependent on this evidence source.</p> <p>We have published Portfolio Efficiency and Reform Plans alongside the Scottish Spending Review. In these, portfolios have set out details of roughly £1.5 billion of cumulative savings over the spending review period, against their savings targets developed from the Public Service Reform Strategy and Fiscal Sustainability Delivery Plan. A robust monitoring, reporting and governance structure is a key element of ensuring the delivery of these savings.</p>	

Workstream 12: Workforce

This workstream is being established to deliver upon the strategic workforce ambitions set out in the PSR Strategy and Fiscal Sustainability Delivery Plan. Reshaping of the workforce is necessary for our long term financial sustainability and this project will support this work through a managed reduction of the public sector workforce by 0.5% per annum until 2029-30. A platform of workforce policies will be delivered to support public bodies to re-shape their workforce, including a workforce management policy

and governance framework. The workstream will also look to build cross sector workforce planning capabilities, linked to the transformation of public services, to futureproof the shape and size of the workforce.

Leadership: *Cathy Sumner, Deputy Director Public Spending; Susan Gray, Head of Pay and Workforce Policy; Colin Lancaster, Chief Executive Scottish Legal Aid Board; Gerard Hart, Chief Executive Disclosure Scotland.*

Action	Status	Update	Deadline
Develop a workforce management policy and governance framework, including the impact of projected demand for public services on workforce size and shape.	Progressing	High level integrated pay and workforce policy published alongside the Scottish Budget on 13 January 2026.	January 2026
		A comprehensive framework will follow in Spring 2026.	Spring 2026
Develop best practice workforce planning guidance including highlighting existing service demand, capability building and budget scenario planning, allowing for a more data-driven approach.	Progressing	Work is underway to understand current application of workforce planning across the public sector and how it links to programme and budget. This will inform the development of products to support more consistent application of good practice.	Spring 2026
Strengthen leadership capability on workforce planning and organisational restructuring and re-design to support delivery of our workforce plans.	Progressing	Evidence gathering is underway to understand the capability levels across the public sector and the specific challenges faced. This will inform the development of products used to support capability building across the public sector.	Ongoing
Promote best practice guidance for workforce change, including tools such as redeployment, severance policy, etc., including principles of using such	Progressing	More detail around the application of workforce policies will be set out in the workforce management policy, to be published in Spring 2026.	Spring 2026

schemes, guidance for staff and union engagement, and case studies of other organisations.			
Evaluate the productivity of public services and its impact on workforce as a result of business improvement activities across public services.	Progressing	<p>The Office of National Statistics (ONS) published the National Statisticians Independent Review of Public Services Productivity in March 2025. The review set out a range of recommendations to improve measurement of productivity across different sectors.</p> <p>The Scottish Government are working with the ONS to look at how Scotland-specific productivity measurements through provision of the data set out in the recommendations of the report from March 2025.</p> <p>An evaluation report detailing the productivity of public services linked to lessons learned for 4 day working week (4DWW) pilot.</p>	<p>March 2025</p> <p>Future productivity publications - TBC</p> <p>August 2027</p>
Publish workforce data and trajectories creating greater transparency on the size and shape of the devolved public sector workforce in Scotland.	In development	The first pay and workforce fact sheet was published as Annex D of the Medium Term Financial Strategy in June 2025. Work is underway to determine next steps	
Take steps to reprofile our public sector workforce; further detail will be set out in the Fiscal Sustainability Delivery Plan.	Progressing	Work to reprofile our workforce continues and further detail will be set out in Portfolio Efficiency Plans that will be published alongside the Scottish Spending Review in January 2026.	January 2026

Workstream 13: Digital skills and resource

By 2028, Scottish Government will manage and control digital spending at a Government level to give visibility on total digital spend, and to help direct and leverage that spend in the most efficient way, reducing duplication or crossover, and ensuring efficient use and re-use of digital assets. The Scottish Digital Academy, acting as the public sector centre of excellence for digital capability, will further efforts through the development of an integrated service offer designed to develop the skills to deliver modern, secure, user-centred services, adopt common digital solutions, and strengthen leadership capability.

Leadership: Activity is led by Digital Directorate within Scottish Government with a range of partners including COSLA, local authorities, agencies and Non-departmental Public Bodies. Some activity is overseen by an established Digital Capability Advisory Group, who are overseeing the development of a range of resourcing to upskill our public sector workforce.

Action	Status	Update	Deadline
Manage and control digital spending at a Government level to give visibility on total digital spend and to help direct and leverage that spend in the most efficient way, reducing duplication or crossover and ensuring ensure efficient use and re-use of digital assets.	In development	An alpha proof of concept for the Digital Portfolio's pipeline management process running from January to June 2026, focusing on the appraisal of new digital projects in scope. This will include the expansion of the financial management framework and new supplementary guidance and tools to support projects with standardisation.	
Make sure that the digital projects we take forward are the most important projects that will have the biggest impact in terms of efficiency and quality of service delivery.	In development	The development of the existing Digital Portfolio Board's terms of reference to incorporate functioning in investment mode from April 2026.	April 2026
Reuse common platforms and components to reduce the cost of delivery. By increasing the use of shareable data, infrastructure and architecture	Progressing	Development of a catalogue of commonly used digital components for use across the public sector will continue.	2028

we will ensure effective public services are tailored to users and pre-empt demand.			
Work towards more central management and direction of our digital workforce to ensure that the right people are working on the right projects.	To progress	Scoping work for this commitment is planned to commence in 2026.	Commencing in 2026
Accelerate the delivery of a strong, digitally skilled workforce through our Scottish Digital Academy. This will include the development of a capability toolkit to assess the current skills of our workforce and identify any gaps.	Progressing	<p>The first iteration of a digital capability toolkit is expected in Q1 2026.</p> <p>The national Digital Capability Advisory Group is developing a new national model of professional learning for the public sector, including promotion of open education resources for digital upskilling.</p> <p>Development of a new national model of professional learning – to create common approaches to skills development and procurement.</p> <p>A collaborative month of professional learning on data and AI, delivered jointly by Scottish Government, industry and academia is in progress as a pilot for new ways of working.</p> <p>A Transformation Prospectus due for publication, providing a range of courses to support agile ways of working.</p>	April/June 2026

Develop courses on leadership and transformation to support leaders to integrate and oversee the delivery of digital products and services, equipping them with the skills to lead change, build high-performing digital teams, apply user-centred approaches, and deliver better outcomes.	In development	The national Digital Capability Advisory Group outlined above are creating a new model for professional learning for the public sector. This work will continue during 2026.	During 2026
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Workstream 14: Shared services

It is clear from the many conversations with stakeholders that there is an appetite for shared services in principle, but to succeed we must create the conditions for success. Delivery 'at scale' would mean consolidating dozens of HR, Finance and Procurement technologies and teams on shared platforms, supported by shared service centre(s). Therefore, the primary action to achieve this change, focus on the commitments in the strategy, is to build strategic alignment amongst leaders in Scotland, leading to a commitment and mandate to do things differently going forward.

Leadership: We will establish a 'Shared Services Board' with wide national public sector representation, to build alignment and support for action at a national level. The first milestone of the new Board will be to articulate the proposal to take to ET and Cabinet for approval.

Action	Status	Update	Deadline
Continue to develop and optimise the HR, Finance & Purchasing platform to drive adoption and wide operational benefits.	Progressing	Continued progression of items to optimise the platform, including: delivery in full of EPM (June 2026); extending the existing Oracle modules to existing customers (April 2026); unlocking AI and future innovation (June 2026) and improving our customer experience (April 2026)	June 2026

Identify and onboard a small number of new public sector customers to the shared HR, Finance and Purchasing platform in 2025/2026.	Progressing	We will facilitate the onboarding of two newly created customers: His Majesty's Inspectorate of Education and National Social Work Agency, and continue the discovery phase with organisations for whom this is underway, and undertake new discovery with two additional potential customers.	Spring 2026
Further develop our shared services thinking and propositions across a range of services, with a view to offering solutions that public sector organisations can take value from in the future.	Progressing	We will establish a sustainable funding model for DG Corporate. We will continue to iterate the Service Catalogue to clarify the service offerings to support the strategic development of Shared Services. To support this we will enhance our communications through SG forums in the first instance, ensuring the DG Corporate service offerings are widely understood.	Summer 2026
Work towards building shared services at greater scale, in pursuit of overall efficiency gains.	In development	We will expand our service offering to include additional products which support existing and prospective customers, including small bodies. This will be supported by the development of a rate card for all services to ensure there is transparency around the offer for the public sector.	2026/2027

Workstream 15: Scaling intelligent automation

The Intelligent Automation Centre of Excellence (CoE) was established as a national shared service, providing governance, infrastructure, delivery and technical support for automation across Scottish Government and partner agencies. Early automation projects delivered measurable efficiency gains, including capacity release and cost avoidance, highlighted during the PSR strategy

launch. The CoE supported agencies through the full automation lifecycle - discovery, design, development, deployment, and live running - with a strong emphasis on safe, ethical, and sustainable adoption.

Leadership:

An AI / Automation board, with representatives across government and within the public bodies we support, will oversee a macro strategy and delivery plan. We will work with this board to help us build broad awareness of the capabilities of automation / AI tools, and collaborate on the identification of opportunities. As capacity is limited, we will also seek to build a common understanding of priorities to aim to target those opportunities with the best ROI.

Action	Status	Update	Deadline
Expand Intelligent Automation as a shared service through a scalable hub-and-spoke model across core government and key public bodies.	Progressing	<p>The Intelligent Automation Centre of Excellence (CoE) continues to operate as a shared service, supporting agencies through the full automation lifecycle. Early projects have delivered measurable efficiency gains, including capacity release and cost avoidance. FOI redaction rollout is planned for deployment across applicable public bodies and further delivery in SPPA supporting delivery of remedy.</p> <p>Progress on expanding the hub-and-spoke model is constrained by headcount and funding.</p>	March 2026
Launch a national collaborative procurement framework to give the Scottish public and third sector, easier access to automation expertise and reusable solutions.	Progressing	Framework development is underway to enable easier access to automation expertise and reusable solutions for public and third sector partners.	September 2026
Support delivery bodies to redesign how services are	Progressing	Discoveries and identification of automation opportunities have been completed for Social	March 2026

delivered – improving productivity and tackling headcount pressures sustainably.		Security Scotland and Disclosure Scotland. Further discoveries are ongoing within SG Procurement Directorate, SPPA and SG Corporate.	
Build the workforce capability and shared infrastructure needed to scale innovation safely, ethically and effectively.	Progressing	Workforce capability building is ongoing, but further expansion is dependent on funding and workforce planning decisions.	March 2026
Identify opportunities to pilot the use of AI technology in public sector processes.	Progressing	We are continuously developing and deploying AI powered Automation tools and digital assistants (agents) that can be shared across public bodies to help with complex tasks, decision-making, and new ways of delivering services. For example, we use AI to automatically remove sensitive information from documents before they are released, to read and process forms and letters in the Scottish Public Pensions Agency, and to answer common staff questions through online helpdesks. We are also testing AI-powered systems that can gather information for statutory duties, and using technology to analyse and improve how our processes work from start to finish (process mining). In the Student Awards Agency Scotland, we use AI techniques called semantic similarity to automatically identify and match information between data points and source systems, making the process faster and more accurate. We anticipate identifying further opportunities through discoveries to identify opportunities.	Ongoing

Workstream 16: Expansion of National Collaborative Procurement

This workstream focuses on the Service Enhancement Plan published in March 2025 which set out the ambition for change and provided the blueprint for delivery for National Collaborative Procurement. Increased levels of engagement have been reflected in increase in spend and savings through national framework agreements for the financial year 2024/2025. Good progress is being made across the various workstreams, including an opportunity analysis of new national collaborative opportunities; initial development of a customer account management function; and streamlining processes and systems.

Leadership:

- The Public Procurement Group (PPG) comprising senior procurement leaders from across the public sector. Providing national leadership and governance to this workstream. Members include Nick Ford (Scottish Government), Colette Whigham (Efficio), Angus Warren (APUC), Julie Welsh (SXL), Gordon Beattie (NHSS), Nicki Archer (Scottish Government), Colette Sherry (Scottish Government), Michael Cambridge (NHS Lothian and NHS Tayside), Alison Gallacher (Angus Council), Susan Moore (East Lothian Council), Andrew Foulner (Heriot Watt University) and Allan Ferguson (Scottish Environmental Protection Agency)
- The Collaborative Leads Group (CLG). Supporting identification and delivery of new opportunities, involving the procurement centres of expertise as key delivery partners.
- The Service Enhancement User Intelligence Group (providing cross sectoral representation to shape and inform strategy).

Action	Status	Update	Deadline
Increase cost avoidance and cashable savings to up to £320 million over a two-year period by working with the public sector to increase usage of existing national collaborative agreements and to identify areas where new agreements could be developed;	In development	We are on track to deliver c£300 million of savings, and to further enhance our approach our intention is to establish a Customer Account Management Team	June 2026
Work with our suppliers to identify opportunities to harness new technologies to increase efficiency.	In development	Deliver cost avoidance savings for public sector customers by streamlining processes and ways of working, both within	March 2027

		<p>procurement team and via contract and supplier management.</p> <p>Currently engaging in Automation Pilot led by the Intelligent Automation Centre of Expertise, reviewing processes and scoping opportunities for greater use of automation to drive procurement efficiencies.</p>	March 2026
Maintain open dialogue with our customers (government and public sector bodies) to ensure that our frameworks continue to deliver the right services and products to meet the future needs of the public sector and the people of Scotland.	Progressing	<p>Review portfolio and delivery model to ensure that frameworks deliver the right services, designed with public sector to meet their current and future needs.</p> <p>Workshop to be held in January to prioritise key opportunities identified following portfolio review.</p> <p>Develop communication strategy and approach to improve messaging and increase levels of engagement. Launch animation project to reach out to potential future User Intelligence Group participants to shape future procurement strategies.</p>	<p>September 2026</p> <p>January 2026</p> <p>March / April 2026</p>

Workstream 17: Commercial Value for Money

The Commercial Value for Money (CVFM) programme provides commercial expertise across in-scope Scottish Government expenditure to secure increased value for money through the delivery of monetary efficiencies and better policy outcomes.

Leadership:

- SPPD SMT - Oversight of Commercial Value for Money Programme. Group members include Nick Ford (Director of SPPD), Nikki Archer (Deputy Director of Procurement & PPM Policy & Strategy), Colette Sherry (Deputy Director of PSD), Denis McFadden (Head of Major Programmes Implementation Procurement / Commercial Value for Money)
- Grants Improvement Group - Provide a central, coordinating function for the Scottish Government aiming to drive consistency, effectiveness, and efficiency across all grant-making teams. Group members include: Grants & Capability Assurance Team, CVfM, SGLD, Finance Business Partners, Audit, DG Exchequer, Fair Work, Fairer Funding, Counter Fraud and Subsidy Control.

Action	Status	Update	Deadline
Compile a register of grant funding programmes currently in operation across Government and public bodies, and build on our CVFM programme to make the landscape more straightforward for users and reduce delivery costs.	Complete for 24/25 Progressing for 25/26	A register of Scottish Government grant programmes has been created, capturing programme name, purpose, eligibility, and delivery mechanisms. This underpins the development of grant fund dashboards, providing a centralised view of core general grants.	February/March 2026
Where appropriate, our CVFM programme will align and consolidate spend, deliver commercial scrutiny of costs, and empower grant funders to increase competitive tension in grant spend ensuring grants go to those organisations who demonstrate they can use it to maximise impact on service level improvements.	Progressing	Supporting Directorates with CVFM and creating a process or tool to enable a holistic view of grant programmes across all DGs.	February 2026
Develop and implement performance monitoring and reporting to show the	Progressing	A pilot version of the "Find and Apply" system will be launched, incorporating improvements to the competition process.	March 2026

effectiveness of Scottish Government and Public Body spend on grant programmes			
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Workstream 18: Single Scottish Estate

The Single Scottish Estate (SSE) Programme is driving transformation of Scotland's public sector estate to ensure it remains financially and environmentally sustainable while supporting high-quality public services. Partnership working is central to its success—reflected in governance, delivery, and ongoing collaboration across the Scottish public sector.

Leadership:

The collaborative leadership mode outlined below, with senior public sector leaders in governance, has built strong support and drives SSE successes.

- SRO – Morag Angus, Chief Surveyor
- Senior Advisory Group –to provide advice and challenge to the SRO, supporting them in their decision making. Ensure join up at a strategic level between the programme and wider initiatives and acts as an escalation point for issues as required.

Membership details:

- **Co-Chairs:** Mr Ivan McKee, Minister for Public Finance; Nick Ford, Director of SPPD, Scottish Government
- **Scottish Government SSE Programme:** Morag Angus, SSE SRO/Deputy Director Property & Construction; SSE Programme Director/Head of Property Services
- **Scottish Government Members:** Lesley Fraser, DG Corporate; Belinda Oldfield, Non-Executive Director; Mary McAllan, Director of Public Service Reform; Jim Baird, Deputy Director Workplace Division
- **Stakeholder external members:** Representation from:
 - NDPB Delivery Group – Peter Reekie, Chief Executive, Scottish Futures Trust
 - NHS – Mary Morgan, Chief Executive, NHS National Services Scotland
 - SOLACE – Thomas Glen, Chief Executive, Perth & Kinross Council
 - SHOPS – Alan Paul, Head of Property Services, Fife Council
- Programme Delivery Board – Chaired by Head of Property Services with membership drawn from SG and Public Bodies – responsible for the delivery of the SSE Programme of work, and the realisation of associated benefits with oversight of programme delivery, risks, issues and timelines.

Action	Status	Update	Deadline
Continue to improve the property data held to support proposals and decisions.	Progressing	<p>Property Data Standard for InSite developed and was shared in December 2025 for use across all SPFMs bodies to improve data quality, consistency and interoperability across the Scottish public sector estate. Will enable a common approach to the collection, maintenance and validation of property data within InSite to support strategic, transparent and evidence-based decision making across organisations.</p> <p>Design of new database to hold Scottish property data for core SG.</p> <p>Data project in the next tranche of the programme will embed business change around the use of InSite and the Data Standard and continue improvements in the capture and use of end-to-end property data</p>	<p>Complete</p> <p>Initial release Sept 2025. Ongoing continuous improvement</p> <p>March 2027</p>
Progress current and planned Location Based Reviews, including Glasgow and Edinburgh.	Progressing	Delivery of LBRs for Edinburgh, Perth and Inverness to optimise properties in these areas, prioritising lease agreements and collaboration with local public sector partners. The Perth LBR is at project stage with a business case in final preparation. The Inverness LBR report is at an advanced stage, with recommendations for the way forward anticipated to Programme	June 2026

Develop a toolkit to allow any stakeholder to progress consistent with the Single Scottish Estate (SSE) approach.		<p>governance in early 2026 for agreement of next steps.</p> <p>Development of LBR toolkit is underway to empower organisations to carry out a local review of properties to develop efficiency plans. Cascades approach to realising PSR commitments.</p>	May 2026
Ensure we move towards a smaller, better estate portfolio where co-location and Net Zero remain key considerations for all property decisions	Progressing	<p>Property Controls guidance and templates published in February 2025 encourages all public bodies to consider Net Zero as a fundamental part of their property business cases. Such business cases then progress through BAU property processes overseen by the Property and Construction Division.</p> <p>Tracking of benefits accrued through property business cases.</p> <p>Delivery of SSE estate projects in localities</p>	<p>Change completed Feb 2025</p> <p>Embedding BAU processes and continuous improvement – through 2026/27</p> <p>Through to June 2028</p> <p>Through to March 2028</p>

As well as the actions within the workstreams we made three further commitments in the strategy. An update on each is provided below

Action	Status	Update	Deadline
We will implement a portfolio management approach within Government to enable this	Progressing	Portfolio structures are in place within Scottish Government and subject to further development.	March 2026

change and to drive associated cultural change.			
We are currently developing, and will publish our Theory of Change and Monitoring, Evaluation and Learning Framework to support this work, and provide the tools needed for effective evaluation and coordination.	Progressing	Theory of Change (ToC) workshops with PSR Work Stream leads have been completed. Draft ToCs have been completed for each of the pillars and foundations and are currently being commented on by workstream leads. Drawing upon these an overarching ToC for the whole PSR Strategy is being produced, which will be used to inform the Monitoring, Evaluation and Learning Framework.	March 2026
We will work closely with public bodies as key colleagues and partners in driving efficiency and as part of this commitment to working together, we will hold an operational summit in 2025 to share best practice and identify next steps	Complete	The operational summit was held on 14 October 2025 Write-ups of the workshops are available on the Scottish Government website	End 2025