Bob Doris MSP
Convenor
Public Service Reform Committee

By e-mail

28 September 2026

Dear Convenor,

At the conclusion of the Committee session on 17 September you invited witnesses, including PCS, to follow up with any comments in writing. I am gratefully taking you up on that offer. This is a very wide-ranging topic but I have tried to be as succinct as I can.

PCS was somewhat surprised to be the only public sector Trade Union invited to give evidence. I observe that the STUC, Unison, and GMB all submitted responses to the call for views as well. PCS is grateful for the opportunity to put our members' perspectives forward but I want to convey, on behalf of our sister Trade Unions, that workers in the areas of the public sector where PCS does not organise also deserve a voice. Local Government is of course the largest part of the public sector and one where PCS does not have a footprint.

The Programme for Government

As I said in my response to Alex Kerr, we are still formulating our overall position on the Programme for Government. It would not be appropriate for me to pre-empt the views of members in the affected employers, who are still speaking to their reps. But the very fact that we need to canvass member views after publication rather than before tells a story. We have continually emphasised to Ministers, officials, and employers the need for a "no surprises" culture; in order to engage constructively on reform we need to know what is planned, or even what is under consideration as a potential option, as early as possible before it happens. For that matter, so do public bodies themselves. That did not happen here.

I will give a sampling of feedback which reps and members have given us to date.

I spoke about the Environment merger on the 17th. PCS members in NatureScot and especially Scottish Forestry were alarmed to hear of it. They fear that even if headcount were to be maintained, it will see their jobs moved away from rural Scotland to the central belt. I can't speak for the other bodies mentioned as they are not PCS areas. Certainly there will be a wide range of payscales and contractual entitlements to work through as part of a merger, which will probably be quite expensive. I'll add that we are aware that terms and conditions in Natural Resource Wales are still very fragmented 13 years on from that merger, and the funding shortfalls experienced by that body are public and well-documented. To be very clear, TUPE applies when merging public bodies and transferring staff between them, so there can be no savings made from diminishing terms and conditions via transfer.

The PfG refers to new powers for the Scottish Funding Council, and that is a project already well underway. Last year PCS warned the Economy and Fair Work Committee that the transfer of staff from Skills Development Scotland to the Scottish Funding Council would cost millions, and Audit Scotland recently published a report vindicating our position. It is still unclear to members in SDS what benefits this transfer will unlock, since close cross-body working will be necessary either way.

Transport Scotland is already part of the main Scottish Government bargaining unit, meaning terms and conditions are very similar to the core Civil Service. Our primary concern with that merger is therefore preserving job security for individuals in posts which may be deemed surplus. It's not an area where we would expect the transfer itself to generate a huge cost, due to the aforesaid alignment.

The pairing of National Records of Scotland and Registers of Scotland appeared in the SNP manifesto as well, so although we weren't consulted, it was expected. Now as in May, members struggle to understand the logic behind this. Aside from a superficial similarity in their names, these bodies really do not have much in common, and their pay and conditions are certainly quite different to one another.

Members in Audit Scotland fear workload and jobs impact arising from the pledges in the PfG, in the immediate term an increased workload arising from a greater demand for ad-hoc audits, followed potentially by job losses as the number of bodies subject to annual audit reduces.

Plans announced for Local Government do not directly affect PCS members, but members in South of Scotland Enterprise have flagged indirect impact on their workloads, as reduced LG capacity may result in a greater share of the work of joint projects falling on SOSE staff; or in the cancellation of said projects. The announcement has already caused some ongoing work to stall pending more clarity.

We would remind the Cabinet Secretary for PSR of his own words at an event last year: that merging organisations always takes longer than you think and costs more than you think.

Engagement with the Scottish Government

As I said on the 17th, PCS does regularly engage with SG officials through established forums including the PSR Forum. Mr. McKee does not routinely attend these meetings but we have had some direct engagement with him as well. The Committee asked the Cabinet Secretary on 10 September for metrics and detail which he seemed unable to provide. For example, how are you defining back office? PCS and other Civil Service TUs have been asking for similar information for the past year. Our sense has been that either information exists but is being withheld, or – more likely in our view – SG officials do not hold the baseline data they need to properly oversee a reform programme which will improve outcomes. We have expressed to officials that we do not believe that they themselves are properly resourced for their role in this programme.

There are some issues that have arisen in relation to the transparency of the PSR Forum; we are working with officials and are hopeful these can be resolved at an upcoming meeting. Notwithstanding that, our relationship with SG officials tends to be good and they have largely responded positively to amendments proposed by TUs to embed Fair Work principles in communications and framework documents produced in aid of PSR. Mr. McKee has expressed his desire to have sight of ideas for reform from the workforce and we have taken him up on that. However, we have found that the ability to make progress on worker-led reform is limited by both SG capacity and by an insistence on quite a short savings horizon. This leads us, and our members, to suspect that in reality, cuts are more of a priority than improvement.

I made reference to Wave Energy Scotland on the 17th. I have attached a proposal put forth by the workers in that body which the Committee may find informative. Work is progressing to refine this for the benefit of officials in the PSR team, but the aforementioned short savings horizon remains a barrier.

Redeployment

Lorna Slater asked a question about redeployment, and I will expand on my answer. There is more to report on this front since I gave evidence. I believe by the time you read this, the Workforce Management Framework will have been published.

In the UK Civil Service there is a Cabinet Office level agreement which allows for public sector workers to be redeployed to vacancies across bodies as a redundancy avoidance measure. One of our main asks to Scottish Government officials, since before PSR in fact, has been for an equivalent mechanism. Officials are interested in exploring this and our hope had been that the Workforce Management Framework would include such a mechanism. Unfortunately it does not, but it does include an ambition to pilot something like this in Phase 2. This is both welcome and disappointing – it is a step in the right direction, but it comes at the same time as the weakening of the No Compulsory Redundancies guarantee as part of the same document. Workers in the devolved Scottish public sector are left without as firm job security as they once had, and also without the redeployment safety net available to their Westminster equivalents. PCS believes the Compulsory Redundancies chapter in the Framework will be used by unscrupulous employers as a roadmap for getting rid of staff.

Good redeployment would mean Scottish Government (or another agency, as suggested by Ms. Slater) having central oversight of “at risk” staff and vacancies across the public body landscape (we would suggest all bodies under SG pay policy as a starter). Jobs should be offered without interview if there is an “at risk” employee who meets the substantive nature of the role. We would be seeking pay protection for individuals, as has often been the case in similar transfers. There would need to be a grade equivalence framework so that it’s clear what “level transfer” looks like between bodies (which would also be beneficial for understanding the public body landscape more generally). In the current context, checking for “at risk” staff on a cross-body basis needs to become a necessary step before approval is given for external recruitment. Upskilling and retraining are as I said essential, but I would add that this need is not unique to staff who are redeployed. There is a real dearth of available training in the Scottish public sector, only 29% of PCS members surveyed said that there is adequate training for job roles in their employer. Training was one of the main casualties of post-2008 austerity.

Jobs impact

I won’t re-state my points about workloads and compulsory redundancies, but I neglected to address the types of jobs impacted.

The PfG points towards a centralising agenda. Statements that the Cab Sec has made about staff being “in the office with their teams” points to the same. In fact, public services are delivered by workers all across Scotland. A “team” is just a collection of people assigned to the same manager, project, or piece of work, and the days of “teams” all being based in the same geographic place ended long before 2020; in the mid-2010s the agenda was to “move work and not people”. People in rural Scotland work in the same teams as people in the Central Belt, on the same pieces of work, and they collaborate effectively using modern technology. Some managers who are not used to this kind of dispersed team have found the advent of home working difficult. We recognise this challenge, but we regard it as a training issue. The concern of rural members is that the current direction of travel is towards rural workers being forced to relocate in order to remain employed, and the end of rural job opportunities in the public sector.

Additionally, PSR has often manifested in the form of the erosion of entry-level jobs. The assumption by employers (usually not backed by evidence, but encouraged by political rhetoric) is that automation and/or AI can replace these jobs. What tends to end up happening instead is there are lots of higher-level staff frustrated at insufficient admin support, not enough admin staff who are overworked and burn out, resulting in high turnover and recruitment spend, and no long-term career prospects for Scottish school leavers in the public sector. This is not hypothetical; PCS gave the examples of Visit Scotland and Scottish Enterprise in our submission to the call for views, but this phenomenon is widespread, including in employers who have reduced headcount without restructuring. It is very easy for an employer to decide an entry-level post does not need to be backfilled, and it is unlikely that the person who makes that decision will directly see the impact. We have therefore made representations to the Scottish Government that entry level roles need to be protected.

We do believe that there can be a place for automation and we were encouraged by the Cab Sec's comments on 10 September that traditional software may be a better solution than AI, as that is our position as well. But whatever change is implemented, there must be Trade Union consultation, guarantees of job security, and respect for the Public Sector Equality Duty and Fairer Scotland Duty.

The Institute for Public Policy Research report

Joe Fagan asked me about the IPPR report ("More For Less?"), and my answer was very brief. I will just add that the report supports PCS's contention, as outlined in my answer to Murdo Fraser, that civil service headcount has expanded primarily because of new functions and responsibilities, and latterly also due to insourcing. The international comparisons contained within the report are also interesting. PCS has no specific insight into countries outside the UK but the comparison supports what members working in areas of international collaboration have told us – that partner agencies abroad tend to have more resources than they do.

The case for improvement

Because PSR to date contains so much rhetoric and so little detail, our strong suspicion, and the suspicion of members, is that the improvement agenda is in reality a smokescreen for the cuts agenda.

We would like to be wrong about that. PCS members support improvement. There are genuine opportunities for better jobs through job redesign and use of technology that could benefit both workers and the public; our reps in Social Security Scotland are currently engaged in a project to produce proposals on those exact themes. We want to see a sectoral redeployment protocol. We want to see a collective AI agreement. We want to see central oversight and enforcement of Fair Work. We want to get to the point of sectoral collective bargaining on pay and conditions. The reform agenda, if it is truly an improvement agenda, could be a route to all of those things.

But we remain sceptical. Because the only concrete goals that have been set out are finding £5 billion and cutting headcount. There are other ways to achieve the former and the latter is detrimental to our members and to the quality of public services in Scotland.

Finally, I would like to acknowledge that the SG officials working on PSR are themselves workers, many of them union members, and many of them, in all probability, the very people I described as working for free in my response to Murdo Fraser. They are doing a difficult job to the best of their ability. Where there are delays or issues, the problem is not the people, it is the resource. Reform on a shoestring budget will not succeed.

Yours sincerely,

Liam Davenport

PCS Industrial Officer

Knowledge is Power

The case for retaining Wave Energy Scotland's role and expertise in the Scottish public sector

What is Wave Energy Scotland?

Wave Energy Scotland, or WES, is a limited company which was incorporated by the Scottish Government in 2014. Although constituted as a wholly owned subsidiary of Highlands and Islands Enterprise, it is fully funded by the government and is, in effect, an arms-length public body similar to the Enterprise agencies or Creative Scotland. Its remit is to foster the development of wave energy technology in Scotland. It was recognised in 2014 that Scotland has a strategic interest in funding wave energy technology research and development.

It has been very successful in that remit. All of the 132 projects funded by WES have finished on budget, and WES has developed an international reputation as world experts in wave energy technology. WES has enabled Scotland to set international standards for this technology. The leading role of WES in European wave energy projects has kept substantial amounts of EU funding flowing to Scottish companies, despite Brexit.

Opinions appear to differ about whether WES is formally part of the Scottish public sector. Although it does not tend to appear on published lists of NDPBs, it is funded by the Scottish Government, it is subject to audit by the Auditor General for Scotland, and documents from its founding in 2014 describe it as "a new entity in the Scottish public sector". WES staff all think of themselves as public servants.

Current situation

Originally sitting under the Scottish Government's Energy and Climate Change Directorate, WES drifted over time into the Offshore Wind Directorate, which has a much more specific focus. WES's level of contact with SG officials reduced, and perhaps consequently, the level of awareness of WES within SG also reduced. In the 2026 budget, with no warning, the Scottish Government provided zero funding for WES, which would have caused them to be insolvent on 1 April. This decision appears to have been made with no understanding of the liability for outstanding contracts which would accrue to the Scottish Government.

Due to lobbying by numerous parties, including PCS members and international partner agencies, the abrupt funding cliff was deferred and WES has been funded for this year. But WES remains in a position where the Scottish Government no longer appears to understand or value its work. They have been advised to secure alternative funding for their work or begin cutting headcount with a view to winding up in 2027/8.

As of June 2026, with the search for private funding still ongoing, the WES board have announced that there will be a voluntary exit scheme aiming to reduce headcount to 3. The final terms of the scheme are at time of writing still to be determined, but it does appear that the view from leadership is that the search for private funding is futile.

There is to be a presumed headcount of 3 by 1 April 2027, to see out WES's remaining contractual obligations until 2028. The residual obligations to monitor for four years following the conclusion of EuropeWave will fall to a body still to be determined.

What is Wave Energy?

Wave energy is a green energy generation technology which relies on the motion of the waves. It is distinct from other offshore energy technologies such as tidal stream and offshore wind. Wave generates energy at a different time to offshore wind – after the wind has died down, the waves it created reach the wave devices. There is a real opportunity to co-locate with offshore wind, sharing infrastructure (e.g. cables, substations, and maintenance vessels) and providing more consistent generation, which reduces the need for battery storage or fossil fuel use in low wind periods.
Wave devices are much smaller than wind turbines. They would not, individually, generate as much power per device, but more of them can be deployed in the same footprint.

Small scale floating wave energy converters (WECs) have been proven to work, but the technology has not yet been deployed at scale anywhere in the world.

Scotland is a recognised world leader in wave technology. Research programmes designed and managed by WES have led to breakthroughs which have been adopted internationally. WES plays a key role in the European Commission's flagship EuropeWave programme that will deploy three different devices. Both the Italian and Basque energy authorities have written to Scottish Ministers emphasising the importance of WES to European wave technology development.

Wave energy technology represents a real opportunity for Scotland, both to complement our existing investment in offshore wind and to lead the world in wave energy technology manufacturing. Adding wave energy to existing offshore wind developments is an obvious force multiplier which many countries will want to pursue, and the country which leads in manufacturing will reap the economic benefits of that.

Implicitly, the Scottish Government appear to have made a decision that wave energy technology is no longer worth investing in. This is unfortunate and means that Scotland's leading role will be lost and other countries will reap the benefits of Scotland's research in this field to date. However, the expertise of WES staff still has value to the wider Scottish public sector.

<u>The Value of Expertise</u>

The Scottish Government has decreed that WES must become self-sustaining or otherwise find alternative funding to survive. This was new requirement not previously indicated to WES by Scottish Government. However, the skills and expertise possessed by WES staff is of greatest value to the public sector. Scottish public bodies themselves are currently paying private sector consultants for expertise that WES possesses.

Nowhere else in the Scottish public sector employs a multi-disciplinary team of engineers and scientists with technical and project management experience like the team in WES. Their track record in ensuring value for money in technological research and development is globally recognised as second to none. WES pioneered the use of Pre-Commercial Procurement (PCP) in energy technology R&D which has since been replicated by the European Commission.

Scottish public bodies spend millions each year paying private sector consultants for engineering and energy expertise that WES possesses in-house. This is public money going to private hands, often leaving the Scottish economy entirely. Instead, the Scottish Government could use that same money to continue funding WES and use their expertise to support energy and engineering projects all across Scotland. Community and municipal energy projects in particular would benefit from a central source of expertise.

It doesn't have to be purely wave energy. In 2019 and 2020 the Scottish Government contracted WES to manage the Saltire Tidal Energy Challenge Fund, because it recognised that WES had the engineering expertise necessary for this work. This was much cheaper to the public purse than contracting in expertise from the private sector. The Scottish Government could go further and bring WES fully in-house and make use of their expertise to assess and advise on the numerous government, community, and municipal energy projects underway in Scotland.

The offshore floating wind sector is an obvious priority area which would benefit from the use of WES's pre-procurement model (and indeed, to a degree already has; quick connection technologies which were developed through the WES programme with wave in mind are already seeing use in floating offshore wind).

Even if the required expertise is not native to the WES team there is potential benefit in using the WES skillset to develop and manage more relevant invitations to tender where external consultancy or engineering study is required.

The Scottish Government has recognised the value of this kind of centralised expertise in other areas, such as the Techscaler programme for software development (which receives far more direct SG funding annually than WES does). There is no reason to treat engineering expertise differently.

An Alternative Vision for the Future

PCS is calling on the newly elected government to reverse course and commit to continuing to fund a re-branded WES with a wider energy technology remit; and also to change WES's unusual status so that the same kind of abrupt de-funding cannot happen in the future.

The WES team consists of only ten people. They do not cost the public purse a lot of money. They do not have any expensive premises or support teams. They already rely on shared services agreements with other parts of the public sector for things like IT, finance, and HR. WES is a prime example of the kind of efficiency being promoted as part of the Public Services Reform agenda.

But its status as a limited company means that it is poorly understood and underutilised. Rather than denying that WES is part of the public sector at all – as was the tone around the 2026 budget decision – WES should be constituted as a team within either the core Scottish Civil Service or within an agency with an appropriate remit.

Possible "homes" could include:

- The Scottish Government Energy & Climate Change Directorate
- Heat and Energy Efficiency Scotland
- Crown Estate Scotland
- Highlands & Islands Enterprise
- South of Scotland Enterprise
- Scottish Enterprise

This would likely constitute a TUPE transfer of WES staff into the new body, similar to an in-sourcing exercise. With only ten staff this is unlikely to be a complicated TUPE.

Once in the new body, WES would continue its current work specific to the wave energy sector, including upholding Scotland's excellent international reputation by continuing to work with the

European Commission and other relevant bodies, while also taking on an expanded remit as the Scottish Government's in-house experts on energy and engineering, providing advice and expertise to other public bodies and in particular to local authorities. The inheriting body would require a modest funding uplift to take on ten staff, but this would be more than offset by the savings to the public purse arising from the use of WES instead of private consultants.

Quantifying the Opportunity

To assess whether there is a financial case for this kind of in-house expertise, PCS submitted FOI requests to every Local Authority in Scotland.

The returns are incomplete and a degree of subjective judgement is required, but we believe that local authorities are collectively paying **£20-30 million per year** to private companies for the type of expertise that WES could potentially provide.

We asked for:

1. The amount of spend on technical or specialist services, providing expertise or expert advice/assurance, relating to engineering, energy, or technical appraisal, for the financial year 2024/25
2. The same for financial year 2025/26

The request was phrased in this way because some Authorities, for example City of Edinburgh Council, treat external engineering advice as separate from consultancy spend. This means that FOI requests asking purely about "consultancy" will not capture the kind of advice that WES are best equipped to provide.

The responses we received total to £29,899,725.50 in 2024-25 and £26,255,600.47 in 2026-26.

Not every Local Authority met the FOI deadline; at the time of writing there are 6 still outstanding. Perth and Kinross Council declined to provide an answer on the basis of cost. Additionally, some authorities were unable to provide figures for 2025/26, or could provide only part-year figures. And some provided links to public registers without specifying which suppliers within those registers fall within the terms of the FOI. Where there is uncertainty, those public registers have simply been excluded in their entirety from the figures above. For City of Edinburgh Council we were able to isolate energy related advice only, which came to £421,166 in 2024-25 and £653,926 in 2025-26.

It is likely that not all of the spend identified by Local Authorities is for expertise of the kind that WES can provide. But it is equally likely that the Local Authorities who did not respond do have regular spend of this kind.

Additionally, we asked for the same information from the Scottish Government, focusing on the three Directorate of most relevance to WES. We received the following info:

Directorate	2024-25	2025-26
Energy & Climate Change	£2,509,000	£2,199,000
Marine	£68,000	£15,000
Offshore Wind	£0	£529,000

It appears notable that WES's former sponsoring Directorate, Energy & Climate Change, seems to have a far greater need for the type of expertise they can provide than their current home under Offshore Wind.

We are confident in our claim that if savings to the public purse are needed, there is far more to be gained by in-housing the necessary expertise than by deleting small, specialised public bodies and leaving generalist public bodies ever more reliant on the private sector for expertise.

Further Reading

The following attached files are letters sent by the Italian energy agency, ENEA, and the Basque energy agency, EVE, highlighting the impact that the loss of WES will have on European marine energy development.

PDF
20260210_ENEA_2_ScotGov_FirstMinister.p

PDF
20260211_EVE_2_WES_Board.pdf

The following attached files are letters from FloWave, a wave and tidal test facility at University of Edinburgh, and Mocean Energy, a wave technology development company which benefitted from WES support.

PDF
20260220_UoE_FloWave_2_NZ,E&T_Comm

PDF
Letter from Mocean Energy Wave Energy S

The STUC have commissioned a report on the cost to the public purse of Local Authority outsourcing: https://www.stuc.org.uk/resources/local-government-outsourcing.pdf. Their figures show that the savings which can be achieved by using a body like WES instead of private sector consultants is only a small part of what is possible if this approach is taken to other kinds of consultancy as well.