

Annex I

Scottish Government Operating Costs

Overview

The total operating costs for the Scottish Government comprise portfolio operating costs, which include all the core Scottish Government staff and associated operating costs incurred directly by the portfolio, and corporate running costs which are more efficient to run centrally such as digital, estates, procurement, finance, legal services, and HR. In line with public service reform, central services are also provided for over thirty public bodies outwith the core Scottish Government.

Portfolio operating costs are aligned with the portfolio budget that they support. The Scottish Government's corporate running costs budget and the Scottish Government's corporate capital projects budget form part of the Deputy First Minister and Finance Portfolio. This provides greater transparency on the operating costs of the Scottish Government.

Through the operating costs budget, we will ensure that the organisation has the capacity and capability to support the functions of government and the delivery of the priority outcomes and objectives set by Ministers. To manage these challenges, we must continue to reform the way in which this government delivers services to ensure they can deliver more efficiently, such as the use of shared services.

It also means we will have to continue to consider the size and deployment of the workforce with some areas needing to grow to respond to pressures and others reducing in line with reform opportunities and reprioritisation of work. This must be done in a way that protects public services and the Government's priority missions.

Scottish Government workforce

The growth in Scottish Government workforce numbers in prior years has reflected the changing nature of its business following the addition of new powers and responsibilities. In addition, since early 2020, the Scottish Government workforce has responded to the continuing impact of, and recovery from, COVID-19. To support our aims of an efficient and effective workforce, and in response to the changing financial context, the Scottish Government put enhanced recruitment controls in place in April 2022 to ensure the organisation continues to deploy its resources flexibly, with any required growth focused on priority areas. Within these controls the Government was able to respond to the conflict in Ukraine and the cost-of-living crisis, as well as the establishment of ScotWind within our wider Net Zero commitments, whilst reducing the size of the workforce within the 2022-23 financial year. The enhanced recruitment controls remain in place as we adjust the workforce size to operate within the operating cost budget allocated.

Workforce numbers are regularly published as part of the Scottish Government Workforce Information publication.

Scottish Government operating costs

The total operating cost budget for the Scottish Government in 2024-25 is £721.6 million. This represents 1.2 per cent of the overall Scottish Budget (as measured by Total Managed Expenditure).

Total operating costs are summarised in Table 1 below.

Portfolio	2022-23 Budget £m	2023-24 ¹ Budget £m	2024-25 Budget £m
NHS Recovery, Health and Social Care	93.8	92.0	91.2
Social Justice	64.1	65.7	57.3
Wellbeing Economy, Fair Work and Energy	34.4	57.2	66.4
Education and Skills	35.2	37.4	38.1
Justice and Home Affairs	21.3	23.4	22.3
Transport, Net Zero and Just Transition	25.7	27.4	30.1
Rural Affairs, Land Reform and Islands	130.8	139.9	139.7
Constitution, External Affairs and Culture	15.3	15.1	16.3
Deputy First Minister and Finance	57.8	53.8	59.4
Corporate Running Costs	184.2	179.1	200.8
Total Operating Costs	662.6	691.0	721.6

¹ The 2022-23 and 2023-24 operating costs budgets have been re-stated, to reflect baseline transfers and IFRS 16 adjustments.