

Email 1 - Directors Network read out 13th November

From: Catriona MacKean [REDACTED] @gov.scot

Sent: 13 November 2025, 11:48

To: Ellen Leaver [REDACTED] @gov.scot>; [REDACTED] @gov.scot

Subject: Directors Network read out 13th November

Hi all

A read out from Directors Network below. Richard McCallum in the chair this week.

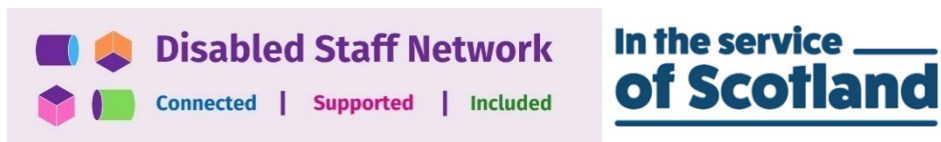
[REDACTED]

Thanks

Catriona

Catriona MacKean | Deputy Director for Local Government | DG Communities | Scottish Government

Mobile: [REDACTED] | Pronouns: She/Her



Email 2 - FW: Directors' Network Meeting - AGENDA - Thursday, 20 November 2025

From: Ellen Leaver [REDACTED] @gov.scot>;

Sent: 20 November 2025, 10:10

To: Catriona MacKean [REDACTED] @gov.scot>; Ellen Leaver [REDACTED] @gov.scot>; [REDACTED] @gov.scot>

Subject: FW: Directors' Network Meeting - AGENDA - Thursday, 20 November 2025

Agenda Items: [REDACTED]

09.25 – 09.40

1. **Workforce**

- Introduced by: Permanent Secretary
- Presented by: Nicky Richards

[REDACTED]

Ellen Leaver | Acting Director for Local Government | Scottish Government | Tel:
[REDACTED]

I work from VQ or SAH by default, please feel free to consider In Person meetings if suitable.

Email 3 - Public Sector Workforce: Delivering Sustainable Public Services :
[REDACTED] **paper follow up**

From: [REDACTED] @gov.scot>

Sent: 20 November 2025, 18:11

To: DG Exchequer Strategy and Performance [REDACTED] @gov.scot>

Cc: Richard McCallum; Cathy Sumner; [REDACTED] @gov.scot>

Good morning, Shona,

Earlier this week, we discussed with the Minister for Public Finance (having engaged with Special Advisors) next steps following [REDACTED] agreement to the Public Sector Workforce: Delivering Sustainable Public Services recommendations (set out below for ease).

[REDACTED]

I attach a short briefing note that provides more detail of exchequer points of interests in the PSR Portfolio and workforce planning call on 17 November, when this was discussed.

Many thanks, [REDACTED]

Spending and Pay Strategy Division | Scottish Government | Victoria Quay, Leith,
Edinburgh | Mob : [REDACTED] Email: [REDACTED]

My working week is Monday – Thursday

Doc 1 - Fortnightly Meeting: Officials: Workforce Planning 17 November 2025

Agenda

1. [REDACTED]: Public Sector Workforce : Delivering Sustainable Public Services
2. [REDACTED]
3. SG Core Workforce Update - October 2025
4. AOB

Attendees

Ivan McKee, Minister for Public Finance

Jonathon Curry, Deputy Director, People Strategy

[REDACTED]

Apologies

Richard McCallum, Director of Public Spending

Anna Kynaston, PPS to Permanent Secretary

Cathy Sumner, Deputy Director, Public Spending

Heather Darling, Deputy Director Finance Business Partners

[REDACTED]

Anna Kynaston, PPS to Permanent Secretary

Cathy Sumner, Deputy Director, Public Spending

[REDACTED]: Public Sector Workforce

1. [REDACTED] updated on the [REDACTED] and sought Ministerial direction on next steps. [REDACTED]

5. Trade union engagement is ongoing, with a meeting is scheduled to align on approach to workforce reduction targets.

6. The Minister reiterated that the shape of the workforce will change and emphasised the need to work collaboratively to understand how reductions will be achieved. [REDACTED]

SG Core - Workforce Update

[REDACTED]

AOB

13. No items were raised under AOB at this meeting.

Action Points

AP: [REDACTED] to draft letter for Minister to issue to Cabinet Secretaries

Doc 2 - Fortnightly Meeting: Officials: Workforce Planning 1 December 2025

Agenda

1. Collaboration with stakeholders on workforce reductions
2. Engagement with Trade Unions – SG Core workforce reductions
3. AOB

Attendees

Ivan McKee, Minister for Public Finance

Richard McCallum, Director of Public Spending

Cathy Sumner, Deputy Director, Public Spending

Jonathon Curry, Deputy Director, People Strategy

Heather Darling, Deputy Director Finance Business Partners

[REDACTED]

Anna Kynaston, PPS to Permanent Secretary

[REDACTED]

Apologies

[REDACTED]

Collaboration with stakeholders on workforce reductions

1. Richard McCallum provided an [REDACTED]
9. Richard advised [REDACTED]
11. Anna Kynaston advised that Executive Team will be considering deployment more widely in the coming weeks.

Engagement with Trade Unions – SG Core workforce reductions

12. [REDACTED]

13. The Minister agreed and asked that officials use judgement to offer these meetings as appropriate.

AOB

14. Richard raised the note sent out by the Minister this morning for discussion.
[REDACTED]

Action Points

AP: Richard [REDACTED]

AP: Richard [REDACTED]

Public sector workforce: delivering sustainable PUBLIC SERVICE REFORM

PAPER BY THE Minister for public finance

Purpose

1. [REDACTED]

[REDACTED]

Timing

2. [REDACTED]

Contribution to the Government's Four Priorities

3. Decisions on the size and shape of the public sector workforce, along with levels of public sector pay, contribute to the Government's mission of delivering efficient and effective public services.

4. Workforce reform is a core component of both the Efficient Services pillar in the 2025 Public Sector Reform Strategy and the 2025 Fiscal Sustainability Delivery Plan. It is important that our approach to the public sector workforce through the 2026-27 Budget and Spending Review process reflects the commitments made to reduce the cost of corporate functions and reduce the size of the devolved public sector. Delivering on this is essential for a sustainable future for public services and providing space for continued investment in our four priorities.

Public Sector Workforce Position and Objectives (MTFS / FSDP)

[REDACTED]

9. [REDACTED] A key element of this is the workforce reduction target of an average 0.5% reduction per annum over the next five years, while protecting frontline workers. This is forecast to generate £0.7 billion of savings by 2029-30, towards closing the forecast £2.6 billion fiscal gap set out in the FSDP.

10. The FSDP publicly recognised the importance of managing the size and shape of the devolved Scottish public sector to ensure services are sustainable into the future. Reform activities such as service re-design, automation / AI, process improvement, re-prioritisation,

mergers and shrinking corporate functions will all need to contribute if workforce plans and operating models are to change.

[REDACTED]

Public Service Reform Strategy – Transformational Change

12. The PSR Strategy sets out our ambition for a more efficient, joined up and preventative system. [REDACTED], these priorities (and the associated pillars of the strategy) are interconnected. It is vital that we achieve the ambitions for a more efficient and effective system to free up resources for front-line service delivery, meeting our ambition for person-centred services.

13. Genuine partnership with public bodies, and trade unions, will be vital to success and meeting our commitment to fair work principles. Moving from principles to practice, I hosted an operational summit on 14 October 2025 with over 140 public sector leaders to focus on our efficiency programmes: collaborative procurement, Single Scottish Estate, digital programmes, shared services, intelligent automation, workforce and commercial value for money. The emphasis of this approach is on delivering a more efficient system, not just individual bodies. This requires public bodies and Government to work together to strip out duplication, share services and reduce cost.

14. The PSR Strategy also recognises that those on the front line are best placed to identify improvements to services and that they need to be empowered to bring forward opportunities and ideas. [REDACTED]

15. As part of the PSR Strategy we have set a target to reduce spend on corporate functions (HR, legal, etc.) across Government and public bodies by £1 billion by 2029-30, representing around 20% of identified costs [REDACTED]. This is closely interlinked with the workforce reduction target, which is focused on reducing the non-frontline workforce. The efficiency programmes in the PSR Strategy, alongside the landscape review, are vital to delivering this target.

16. Workforce is a core workstream within the Efficient Services Programme that will be established as part of the overarching PSR Portfolio. A reminder of the workstreams and pillars in the PSR Strategy is set out in Annex A (Fig 1). This programme structure will ensure alignment between the workforce target and the key enablers that will drive delivery including shared services, automation and digital services (incorporating AI).

17. Together, the PSR Strategy's cross-cutting workstreams provide an enabling environment and key levers to support Cabinet Secretaries to deliver the targets. In particular, the review of the service delivery landscape (Foundation 4 of the PSR Strategy), will provide an opportunity for public bodies and core government (and relevant others) to collaborate in clusters to identify duplication and the opportunities for fundamental reform. Reaching agreement on a redesigned service delivery landscape will be challenging, but is necessary if we are to have efficient, effective, sustainable public services.

Specific Workforce enablers

18. I have been clear that those working in public services are an asset; that the PSR strategy must empower those delivering services to work across boundaries, focus on what matters, and shape services with the people they serve. Rightly, we value staff in public services and want public services to be a great place to work; consequently, we invest in those staff – having more, and better paid – workers. This demonstrates the value we place on the workforce, skills, quality and fairness. Nonetheless, as well as freeing front-line staff to focus on delivering for people we must look critically at the whole workforce. This means we must reshape what we do, working with staff and trade unions to get the right number of people in the right roles to deliver meaningful change.

19. To further enable this change, the PSR Workforce Workstream is developing key workforce enablers to help public bodies plan and implement workforce changes that release resources for frontline delivery and ensures that workforce change is managed fairly, consistently, and strategically. These include a Workforce Management Policy and governance framework (including reiterating legal obligations regarding impact assessments), good practice guidance on workforce planning, redeployment and severance [REDACTED].

20. This approach responds directly to feedback from the PSR Operational Summit and wider stakeholder engagement which highlighted the need for a unified approach across public bodies, more flexible, agile policies on redeployment, and stronger capability in workforce planning and change management.

21. [REDACTED]

[REDACTED] is asked to note the cross-cutting PSR efficiency workstreams and workforce enablers, and to agree to engage fully with these to support delivery of the workforce and corporate costs targets noting these apply from 2025-26.

Headcount Reductions and Associated Savings

[REDACTED]

Next Steps on Workforce

[REDACTED]

Risks to Delivery

[REDACTED]

Legal

35. It is noted that appropriate impact assessments have been carried out in relation to the strategy at its current stage of development (see annex D). Specific delivery plans will require to be developed in line with applicable statutory duties (including the Public Sector Equality Duty, the Fairer Scotland Duty, obligations under the United Nations Convention on the Rights of the Child and Islands legislation).

[REDACTED]

Finance

38. Financial considerations are highlighted throughout the paper.

Parliamentary Handling and Stakeholder Engagement

[REDACTED]

41. Further consideration will be given to arrangements for the SFC, parliament and media as part of the [REDACTED] on the Scottish Budget and Spending Review.

[REDACTED]

Decisions

[REDACTED]

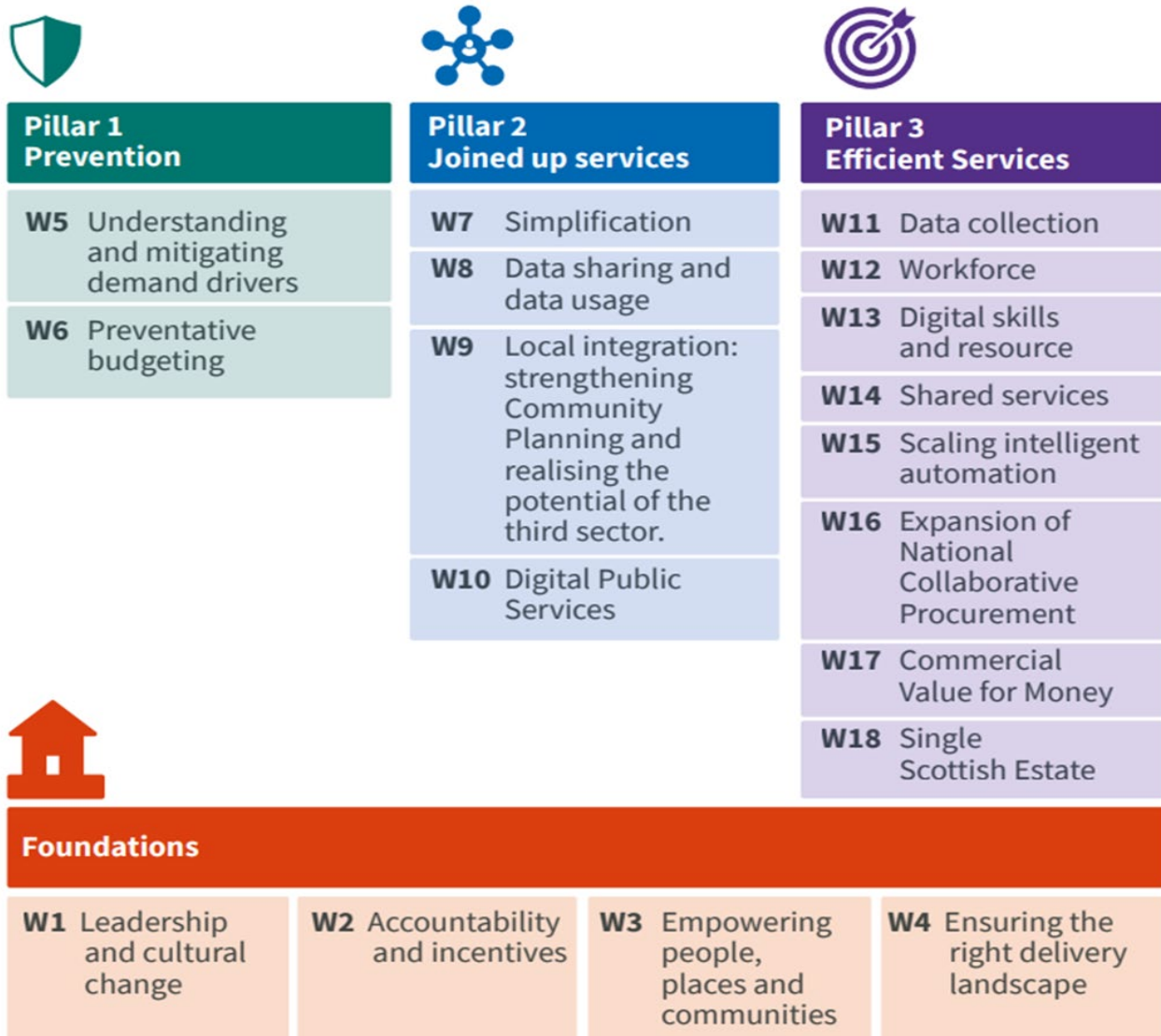
42. [REDACTED] is invited to.

[REDACTED]

IM

11 November, 2025

Annex A: Fig 1: Structure of the Public Service Reform strategy



Annex B: [REDACTED]

Doc 4 - Workstream 12: Workforce

Workstream Lead(s) [REDACTED] **Commitments set out in PSR Strategy**

We will:

- A. Develop a workforce management policy and governance framework, including the impact of projected demand for public services on workforce size and shape.
- B. Develop best practice workforce planning guidance including highlighting existing service demand, capability building and budget scenario planning, allowing for a more data-driven approach.
- C. Strengthen leadership capability on workforce planning and organisational restructuring and re-design to support delivery of our workforce plans.
- D. Promote best practice guidance for workforce change, including tools such as redeployment, severance policy, etc., including principles of using such schemes, guidance for staff and union engagement, and case studies of other organisations.
- E. Evaluate the productivity of public services and its impact on workforce as a result of business improvement activities across public services.
- F. Publish workforce data and trajectories creating greater transparency on the size and shape of the devolved public sector workforce in Scotland.
- G. Take steps to reprofile our public sector workforce; further detail will be set out in the Fiscal Sustainability Delivery Plan.

Narrative

W12: Workforce is being established to deliver upon the strategic workforce ambitions set out in the Public Service Reform Strategy and Fiscal Sustainability Delivery Plan, both published in June 2025. 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, in a way that is aligned to the strategic budget priorities to strengthen the delivery of sustainable public services balanced with funding for other Government priorities.

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. This will cover enablers such as severance, redeployment, headcount controls and recruitment. 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.

[REDACTED]

Delivery plan

Action	Key deliverable	Deadline	Partners
[REDACTED]	[REDACTED]	[REDACTED]	We are working with a range of partners, both internal and external, including: Internal – Scottish Government Public Bodies COSLA and SOLACE Trade Unions Scottish Fiscal Commission Audit Scotland
[REDACTED]	[REDACTED]	[REDACTED]	Office for National Statistics Autonomy
[REDACTED]	[REDACTED]	[REDACTED]	Office for National Statistics Public Bodies
[REDACTED]	[REDACTED]	[REDACTED]	Internal – Scottish Government Trade Unions Public Bodies – Delivery Bodies and NDPB's

Contact: [REDACTED]– Priority Projects Unit

Doc 5 - Note for Cab Sec Finance – [REDACTED] 25/11/2025

[REDACTED]

Annex A – [REDACTED]

Annex B - Interim Assurance Advice to Perm Sec – Key Messages

[REDACTED]

Doc 6 – [REDACTED]– Briefing for [REDACTED]

**Cabinet Secretary for Finance and Local Government
Public Sector Workforce: Delivering Sustainable Public Services
11 November 2025**

Introduction

[REDACTED]

Doc 7 - DGESP PSR WORKFORCEPLANNING BRIEFING 17NOV

DG Exchequer Strategy and Performance: Briefing note on PSR and Workforce Planning call 17 November.

Key points of interest (Exchequer)

PSR Portfolio Call

[REDACTED]

Workforce Planning Call

[REDACTED]

3.SG Core Workforce stats – JC ran through key points on SG core October Report.

[REDACTED]

Doc 8 - Public Sector Workforce - Letter from Minister for Public Finance to Cabinet Secretaries - Official Sensitive Nov 2025 FINAL

Cabinet Secretaries

PUBLIC SECTOR WORKFORCE: DELIVERING SUSTAINABLE PUBLIC SERVICE REFORM

[REDACTED]

Workforce reform is a core component of both the Efficient Services pillar in the 2025 Public Service Reform (PSR) Strategy and the 2025 Fiscal Sustainability Delivery Plan (FSDP).

The PSR Strategy sets out that workforce reform is critical to achieving our ambition to reform services. It commits to working with delivery partners, staff and unions to ensure we have the right number of people, in the right roles, with the right incentives and empowerment to deliver change.

The FSDP commits to a managed reduction in the devolved public sector workforce of 0.5% per annum over five years, generating £0.7 billion in savings by 2029–30. This is critical to help close the fiscal gap and free up resources for frontline delivery.

[REDACTED]

As we move from agreeing workforce reductions to delivering them, strong leadership from Ministers will be critical. My officials are developing a suite of workforce enablers to support public bodies in planning and implementing reform that releases resources for frontline delivery while ensuring change is managed fairly, consistently, and strategically.

These enablers will include:

- A Workforce Management Policy and Governance Framework
- Good practice guidance on workforce planning, redeployment, severance, [REDACTED]
- Guidance and best practice examples of the use of digital technology and intelligent automation to streamline processes
- A structured approach to the landscape review which will identify opportunities for removal of duplication within government directorates and between core SG and relevant public bodies

[REDACTED]

If any support is required with these areas prior to the guidance being issued, please contact my officials at the email address shown below.

[REDACTED]

If you have any queries about the information in this letter, please contact:
workforcepolicy@gov.scot

IM

[REDACTED]

Doc 9 – Extract from Corporate Risk Register

Proposed Risk

Risk Name	[REDACTED]	Risk Appetite	[REDACTED]
Risk ID	CRR047	Control Confidence	[REDACTED]
DGC Risk Category	Financial	Risk Owner	Shona Riach
		Risk Lead	Richard McCallum

Risk Description	Current			Target			
	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score (calculated appetite)	Date

<p>[REDACTED]</p> <p>workforces and services are not modernised impacting delivery of PfG and PSR commitments, [REDACTED]</p>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Dec 2026
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Controls in Place	Actions Planned
<p>[REDACTED]</p> <p>8. Over the next 5 years Ministers will reduce annualised Scottish Government and public body corporate costs by £1 billion by 2029-30, representing around 20% of the identified public body corporate and core government operating costs. This will make a significant contribution to the public sector workforce reducing it by 0.5% per annum until 2029-30, protecting front-line services, through budget and spending review allocative choices.</p>	<p>[REDACTED]</p> <p>2. Continue to engage (pre and post publication) with unions on Public Sector Reform Strategy and Medium Term Financial Strategy / Fiscal Sustainability Delivery Plan, through the Strategic Forum on Pay and Budget matters and new PSR Forum on workforce programme. This includes on commitments set out in the PSRS and FSDP on public sector workforce such as:</p> <ul style="list-style-type: none"> • Deliver a Pay and Workforce Policy and engage with public bodies and unions on it. • Develop re-deployment guidance and promote application of Severnace

	policy • Good practice workforce planning and assess productivity (by sector) 3. Update ET on progress in December 2025 and prepare advice for ET in April 2026 [REDACTED]
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[REDACTED]

- Oct-25 - Risk refreshed in line with feedback and discussion at ET in September. Risk now incorporates parts of CRR035 Public Sector Paybill (now closed) as well as refreshed set of actions.

Doc 10 – DG HSC Risk Register Extract

Proposed Risk

Risk Name	Workforce Reform	Risk Appetite	High / Open
Risk ID	HSC001	Control Confidence	Limited
DGC Risk Category	Strategic	Risk Owner	Gillian Russell / Anne Armstrong
		Risk Lead	Amy Wilson, Rachael Dunk, Jason Birch, [REDACTED]

Risk Description	Current			Target			
	Impact	Likelihood	Risk Score	Impact	Likelihood	Risk Score (calculated appetite)	Date
<p>IF the SG cannot create the right conditions to implement workforce reform within the health service</p> <p>THEN the size of the workforce (and associated pay bill) will remain unsustainable</p> <p>RESULTING IN significantly increased costs, an increasingly stretched workforce unable to meet service demands and the associated impact to patient care and care quality.</p>	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Controls in Place	Actions Planned
<p>We have circulated workforce planning assumptions, which set out clearly operational constraints, priorities for changing practice and the conditions that must exist to support future workforce growth;</p> <p>We have implemented controls to reduce high-cost, low volume supplementary staffing use, improved bank fill-rate performance etc, delivering close to £100m savings over the past year.</p> <p>We have established a strategic programme and priorities for the Centre for Workforce Supply and the NHS Academy to support improved workforce planning at service, health board and national levels and role diversification.</p> <p>We have enriched our analysis and insight from national workforce statistics, with progressively more detailed assessment of the likely future outlook to support where workforce reform can be most impactful and to reduce unwarranted variation.</p> <p>To improve workforce morale we are implementing actions to improve working conditions. The Nursing and Midwifery Taskforce published its report and recommended actions in February 2025. These cover tackling attracting, training, recruiting and retaining staff in nursing and midwifery. Implementation is at early stages.</p>	<p>Wider DG Family</p> <p>The wider DG family supports creating the conditions for reform in the workforce by practising collective leadership on the development of a strategic roadmap and TOMs for operational service delivery across acute, primary and preventative care. (see separate challenges note)</p> <p>Directorate Level</p> <p>On the back of our workforce strategy which provides a strategic vision and framework for shaping the workforce in line with changing service demand we now require a more explicit workforce plan which sets out the workforce assumptions/parameters/constraints, and drives investment in skills and capability in technology and AI to reduce reliance on people.</p> <p>We will look to more clearly define the conditions that need to be in place to enable workforce reform. This will inform a programme of work under development, jointly with the HRDs to put those conditions in place. Feeding into the PDB and the Reform Executive, it will seek to improve integrated workforce planning which aims to link more closely with direct operational service reform, and a change programme focused on culture and leadership within Boards to support reform activity.</p> <p>[REDACTED]</p> <p>As part of this we will consider industrial relations and partnership working aspects, alongside considerations of terms and conditions.</p> <p>Commencement of the Health and Care staffing Act will provide information on a</p>

<p>We have delivered significant expansion in last 3 years across UG and PG medicine [REDACTED]</p> <p>Recognising the link between positive staff experience and retention and wellbeing of staff, we have established the National iMatter Staff Experience Continuous Improvement Programme to measure, understand and improve staff experience across all health boards.</p> <p>We have launched Improving Wellbeing and Working Cultures (IWWC), which describes our vision and explains why activity in wellbeing, leadership and equalities is important for improving working culture and developed a national approach to talent management and succession planning for senior NHS roles. [REDACTED]</p>	<p>regular basis to inform future workforce planning policy. Review of Predictable Absence Allowance calculation and possible expansion beyond Nursing and Midwifery to support workforce planning by boards.</p> <p>Project Management approach in place to support new business deliverables and the focus on sustainability and value. Priority actions arising from the Nursing and Midwifery Taskforce (reported in February 2025). A delivery plan is in development which will continue to have Ministerial oversight.</p> <p>We will work actively to support realisation of workforce actions associated with 15-box grid (though these will be insufficient in and of themselves to achieve wider workforce sustainability) - priority actions include supporting boards to achieve sickness absence reductions, to enhance staffing capacity, and to replicate the successes of agency staffing cost reductions in nursing across medical locums.</p> <p>With support from our Strategic Board, we will continue to develop a detailed Action Plan mapping out the key deliverables of IWWC. This will consider the agreed recommendations from the Nursing and Midwifery Taskforce for leadership, culture and wellbeing, as well as the wellbeing recommendations from the Expert Working Group on Junior Doctors that we are taking forward.</p>
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[REDACTED]

Doc 11 - R2 Information Request for Jan 2026 Public Sector Pay Policy & Workforce

Request made 24 November 2025 for return by 16:00 on 1 December 2025

[REDACTED]

All information requested is provided in the attached EXCEL sheet which also contains the underlying model.

[REDACTED]

Workforce projections (per cent growth and levels), by bargaining groups and for the whole devolved public sector, for all years underpinning the portfolio allocations to be made at the Scottish Spending Review.

[REDACTED]

[REDACTED]

Details on action taken so far to reduce the workforce in 2025-26 in line with the modelled implementation of the FDSP measure and information on the progress against this measure as discussed at the Directors call on Wednesday 12 November. We also request the **evidence** behind the statement from the Minister for Public Finances at [FPAC](#) on 11 November 2025 that *'there has been a reduction in each of the last two years in the total Scottish Government workforce. This year, the reduction has continued, and we are on target to deliver another significant reduction.'*

This can be found in published workforce data available here: [Scottish Government workforce information - gov.scot](#)

The statement is based on the information below which shows a reducing total workforce in the last 3 financial years, and progress in reducing the workforce in the current financial year:

Year	Contingent workforce headcount	Change on 12 months prior	Directly employed workforce	Change on 12 months prior
Mar-22	2,031		8,846	
Mar-23	1,659	- 372	9,175	329
Mar-24	1,290	- 369	9,222	47
Mar-25	1,075	- 215	9,290	68
Jun-25	1,049		9,225	

Details on how the Scottish Government intends to deliver the workforce reductions over the Spending Review period. How will these be delivered across the core Scottish Government and other parts of the devolved public sector. *It is intended that workforce reductions will be delivered through a managed reduction approach to ensure reductions are achieved in a sustainable and responsible way. A key mechanism will be attrition alongside the enabling levers set out in the Public Service Reform Strategy. These include a strategic review of the public sector delivery landscape and guidance on the use of digital technology and intelligent automation to streamline processes. We expect to publish a Workforce Management Policy and Governance framework in March 2026 which will include*

good practice guidance on workforce planning, redeployment and severance schemes.

☒ Any updates to the [Public Sector Pay Policy](#) published in December 2024. *No decision has been taken on updates to PSPP for publication alongside the Scottish Budget.*

[REDACTED]