Scotland's Public Service Reform Strategy

Impact Assessments

July 2025

Scottish Government
Riaghaltas na h-Alba

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Equality Impact Assessment

1.1 Summary of aims and desired outcomes of Policy:

The vision for the PSR Strategy is:

A Scotland where everyone has access to services that are efficient, good quality and effective.

For most people, this will mean you can access the everyday services you need, with the confidence that public money is spent wisely and with clarity on how well services are performing.

For people who need more support, particularly those experiencing disadvantage, public services will come to you. These services will be person-centred, accessible and you will not be required or expected to navigate different organisations or complex systems.

For communities, this will mean shaping local places, with public services organisations sharing power and resources with you to deliver what is needed for individual communities.

For public service staff, you will be empowered to provide tailored support, and be trusted to work with people to deliver beyond organisational boundaries to best support the person or family in front of you.

For public service leaders, this will mean you lead as part of a collective, shaping a system that puts people, communities and places at its heart to meet their needs and maximise public value and ensure fiscal sustainability. Beyond leading your own organisation and sector, you will work collaboratively, forging partnerships that drive lasting change, address root causes and provide support early to avoid long-term, complex and expensive interventions later, rising above individual, organisational and sectoral interests.

We will achieve this through a focus on three pillars: preventative services, joined up services, and efficient services.

1.2 Executive summary

The PSR strategy focusses on tackling system-wide issues that must be addressed, and barriers that must be removed, to enable our vision (outlined above) to be achieved. This means creating a system that is collaborative and integrated by default.

We have set out that the system should be preventative, joined up and efficient in order to improve lives, reduce inequality and ensure fiscal sustainability. This forms the three pillars of the strategy: preventative services, joined up services, and efficient services.

The evidence below demonstrates that inequality is often experienced as poverty and that numerous protected characteristics are over-represented in facing disadvantage.

In particular the following are key features in the relationship between poverty and inequality:

- Research reveals evidence of **poverty persistence**, poverty traps, and recurrent episodes of poverty[1]. This indicates that individuals who fall into poverty are likely to remain there for extended periods or experience repeated stretches of poverty.
- Public services can shape the relationship between economic inequality and poverty[2]. The **quantity and quality of available resources and services** available to tackle poverty are crucial in mitigating the effects of inequality.
- Inequality can lead to **social exclusion**, where marginalized groups have limited access to essential services and opportunities, further embedding poverty.[2]
- Through life, individuals can accumulate advantages or disadvantages based on their socioeconomic status, which can increase inequality and poverty.

PSR is about reducing inequalities of outcome, in all experiences of services including transactional and intensive, and this is clear in each pillar:

1. Changing our system to intervene early to prevent poor outcomes at population level. The root cause of that *preventable* demand is often poverty and inequality
2. Improving services, particularly for those facing most disadvantage
3. Protecting existing services through improving efficiency of the public services system. Those experiencing inequality are more likely to be more reliant on public services.

While this initial assessment sets out the overarching implications of the strategy, subsequent impact assessments will be undertaken, as necessary, for individual workstreams throughout implementation. This iterative and responsive process will ensure that the execution of the strategy considers the distinct requirements and challenges encountered by protected groups.

1.3 Background

The strategy identifies the following indicators of the need for reform:

[1] casepaper217.pdf
[2] CASEpaper211.pdf

- Despite increased investment[3], people's satisfaction with public services is declining[4]
- Services can be confusing, help can be hard to access, and basic provision can feel stretched
- There is unnecessary and unhelpful duplication in the system, including multiple providers of similar services and service users repeatedly having to provide the same information to different public sector bodies.

Colleagues across public services have told us:

- Those working on the front line can feel constrained in their ability to act to support people
- As organisations, we have the capability but not always the will to act differently and remove duplication and complexity
- Despite the importance of prevention, we have not moved the dial sufficiently to prevent damaging experiences and reduce the risk of future need that leads to expensive demand for public services

The strategy focusses on tackling system-wide issues that must be addressed, and barriers that must be removed, to enable our vision to be achieved. This means creating a system that is collaborative and integrated by default.

We will deliver a system that improves lives, reduces inequality and is fiscally sustainable. That means the public services system will:

- Be **efficient** and effective with the right-size delivery landscape
- Better **join up** services and focus on helping people
- Prioritise **prevention**
- **Empower** people and communities to shape the services that matter to them
- Be fiscally **sustainable**

The strategy sets out a framework across foundations and three pillars for how this will be achieved, including workstreams and existing programmes.

Foundations

The strategy also sets out workstreams that form the foundations - or core enabling elements and actions - that must be in place for reform to take place.
Workstreams include:

- Leadership and culture
- Empowering places and communities
- Accountability and incentives
- Ensuring the right delivery landscape

Pillar 1: Prevention

Prevention is about intervening early to make long-term change to improve lives – this means stopping the establishment (or escalation) of problems that lead to negative outcomes for people. This pillar is focussed on changing how the system operates to invest in the most impactful preventative approaches. Across both the

[3] Government Expenditure and Revenue Scotland (GERS) 2023-24 - gov.scot
[4] Scottish Household Survey results - gov.scot

‘foundations’ commitments and the workstreams under this pillar we will address the barriers to creating a truly preventative system.
Workstreams under this pillar:

- Understanding and mitigating demand drivers
- Preventative Budgeting

Pillar 2: Joined up Services
Much of the activity to improve services must be delivered within service areas (but across organisations). This means focussing on improving access, speeding up flow through the system and improving the experience for those services on which we all rely. This pillar particularly focusses on changing our model of service delivery, particularly for people with the greatest disadvantage or facing the most complex circumstances, to provide person-centred services.
Workstreams under this pillar:

- Simplification
- Local integration: strengthening Community Planning and realising the potential of the third sector
- Data sharing and data usage
- Digital public services

Pillar 3: Efficient Services
There is a wide range of activity within Scottish Government to drive efficiencies within Government and across the public sector. Together these support the drive to continuously improve and bring down the cost of delivery. However, we want to go further in bringing these individual workstreams together into a comprehensive programme and to focus on system efficiency (rather than individual organisation efficiency). That means initiating new workstreams and working more closely with public bodies as key colleagues and partners in driving efficiency.
Workstreams under this pillar:

- Data collection
- Workforce
- Digital skills and resource
- Shared services
- Scaling Intelligent Automation
- Expansion of National Collaborative procurement
- Commercial value for money
- Scottish Single Estate

As part of the efficiency pillar, the strategy sets a target to reduce annualised Scottish Government and public body corporate costs by £1 billion over 5 years. This will be achieved through all the workstreams of the pillar, including changes to workforce.

1.4 The Scope of the EQIA

The PSR Strategy focusses on fiscal sustainability and improving outcomes for all users of services through a series of workstreams. It has been set out at a population level with broad principles and priorities, however, certain communities and groups may experience the effect of the strategy differently. We are committed

to ensuring the PSR is targeted to achieve the greatest impact whilst mitigating any potential adverse impacts. As an overarching strategy, we are committed to further impact assessments across all workstreams and programmes as and when appropriate to ensure reform continues to address inequalities.

Tackling demand for certain services is at the core of the strategy. At this initial stage, this document therefore focuses on the experience of inequality through poverty, as those currently experiencing poor outcomes and disadvantage centres around poverty which is a driver for demand of services through the following aspects:

- Healthcare Costs: Poverty is associated with poorer health outcomes, leading to higher healthcare costs. Individuals in poverty are more likely to suffer from chronic conditions and mental health issues, which require frequent medical attention.[5]
- Social Services: The demand for social services such as housing support, unemployment benefits, and food assistance programs is higher among those living in poverty. These services require significant funding from the state.[3]
- Education and Employment: Children from disadvantaged backgrounds often face educational difficulties, leading to lower educational attainment and reduced employment opportunities. This results in higher costs for remedial education and job training programs.[6]
- Crime and Justice: Poverty is linked to higher crime rates, which can increase costs related to policing, legal proceedings, and incarceration.[3]
- Economic Productivity: Poverty can reduce overall economic productivity. Individuals in poverty may contribute less to the economy due to lower employment rates and reduced consumer spending.[4]
- Long-term Effects: The cost of living crisis has left a legacy of higher household debt, public and third sector services under significant strain, increased inequality, and poorer mental and physical health.[7]

The document sets out, on the basis of evidence, key ways in which inequalities could be impacted by the PSR Strategy. Workstreams within the Strategy will be subject individually to the Public Sector Equality Duty and dedicated assessments of their particular impacts on inequalities for groups with protected characteristics will be carried out as those policies are developed.

We will also review this overarching impact assessment annually to ensure it remains up to date and an accurate reflection of reform as it progresses. This will include a review of the cumulative impact of each pillar of the strategy, in particular, reviewing the impact of the £1bn target in the efficiency pillar. We recognise that individual workstreams which will contribute to this pillar have the potential for negative equalities impacts in some cases, and we will we ensure that these are assessed both individually and cumulatively.

[5] 7. Conclusion - Understanding the Cost of Living Crisis in Scotland - gov.scot
[6] Poverty and Income Inequality in Scotland 2021-24
[7] 7. Conclusion - Understanding the Cost of Living Crisis in Scotland - gov.scot

1.5 Key Findings

Initial scoping of inequalities resulting from poverty facing each demographic group has been carried out.

Age

Approximately 24% of children in Scotland are currently living in poverty (2020-2023) and around 21% of working-age adults are living in poverty (2020-2023).[8] Households with children are particularly affected by poverty - in these households, 60% of working-age adults in poverty and 70% of children in poverty are living in a household where someone is in paid work (2020-2023).[9]

Older adults make up a large proportion of social care recipients. Currently, around 77% of people receiving social care support are aged 65 and over (2020/21). [10]However, there has been a downward trend in the number of older adults receiving social care packages. There has been a 4.1% decrease in the number of individuals aged 65 and over receiving social care compared to pre-pandemic levels (2022/23).[11]

Disability

Disabled people are more likely to live in poverty compared to non-disabled people. In Scotland, around 28% of disabled people were living in poverty after housing costs (2021-2024).[12] Disabled individuals face higher living costs, which can exacerbate poverty. On average, disabled adults face additional costs of over £1,000 per month.

Disabled people are less likely to be employed, and those who are employed often earn less. On average, a disabled worker earns nearly £4,000 less per year than a non-disabled worker. [13]Many disabled people rely on social security benefits, which can be inadequate to cover their additional costs. Two-thirds of people who use foodbanks have issues with their benefits, and many of these households include a disabled person.

Sex

Women in Scotland are more likely to live in poverty compared to men.[14] In 2021-24, 23% of children and 20% of working-age adults were living in relative poverty after housing costs.[15] Single working-age women face higher poverty rates compared to their male counterparts. Women pensioners also experience higher rates of poverty

[8] Poverty in Scotland - Poverty & Inequality Commission
[9] Poverty and Income Inequality in Scotland 2021-24
[10] People who access social care an unpaid carers Carers in Scotland
[11] Age Scotland identifies concerning drop in social care packages
[12] Inclusion Scotland – Disabled People, Poverty and the Cost of Living Crisis (PDF) | inclusionscotland.org
[13] Poverty and Income Inequality in Scotland 2021-24
[14] Women and Girls and Poverty - NACWG
[15] Poverty and Income Inequality in Scotland 2021-24

compared to men. Households headed by women, especially single mothers, are more likely to be living in poverty.

Pregnancy and maternity

Children from households with a mother aged under 25 have particularly high relative and absolute poverty rates.[16] This is often due to factors such as less labour market experience and interruptions to education, which can limit their earning potential and financial stability.

Single-parent households, particularly those headed by women, are more likely to experience poverty. In Scotland, single mothers face significant financial challenges, contributing to higher poverty rates. The economic pressures on single mothers are often compounded by the need to balance childcare responsibilities with work. The poverty rate for children in households with young mothers is higher than the national average.

Gender reassignment

Transgender individuals often face significant economic challenges. Discrimination in employment can lead to higher unemployment rates and lower incomes, making it difficult for transgender individuals to achieve financial stability. Transgender individuals may have higher needs for mental health and social services, which can be costly and contribute to financial strain.[17] Transgender people are at higher risk of homelessness and housing instability, which is closely linked to poverty.[18]

Sexual orientation

In 2021-24, around 28% of adults identifying as lesbian, gay, bisexual, or other (LGB+) were living in poverty, compared to 19% of heterosexual adults.[19]

Nearly 1 in 4 (23%) respondents who identified as gay, lesbian, or bisexual reported experiencing discrimination.[20] Discrimination and harassment can have significant impacts on the economic well-being of individuals, leading to challenges in maintaining stable employment and financial security. LGB+ individuals often face higher rates of unemployment and underemployment, which can lead to increased poverty rates.[21] Employment challenges, including discrimination in hiring and workplace environments, contribute to the economic difficulties experienced by the LGB+ community.

Race

[16] Statistics - Pregnancy and parenthood in young people: second progress report - gov.scot
[17] Scotland's Gender Equality Index 2023
[18] Poverty and Income Inequality in Scotland 2021-24
[19] Sexual orientation in Scotland 2017: summary of evidence base - gov.scot
[20] Equality breakdowns by sex, age, disability, ethnicity, religion, and sexual orientation - Discrimination and Harassment in Scotland, results from the 2023 Scottish Household Survey - gov.scot
[21] Poverty and Income Inequality in Scotland 2021-24

People from non-white minority ethnic groups are more likely to be in relative poverty after housing costs compared to those from white ethnic groups. Currently, around 38% of people from non-white minority ethnic groups are living in poverty, compared to 18% of people from white ethnic groups (2018-2023).[22] Ethnic minorities face higher unemployment rates and are more likely to be in low-paid jobs, which contributes to higher poverty rates. Ethnic minorities are more likely to live in overcrowded housing and face higher housing costs, which can exacerbate poverty.

Religion or belief

Muslim adults are more likely to be in relative poverty compared to the overall adult population. Currently, 41% of Muslim adults are living in poverty after housing costs are taken into account (2013-2018), compared to 18% of the overall adult population.[23] Adults belonging to various Christian denominations also experience varying poverty rates. Those belonging to the Church of Scotland have a slightly lower poverty rate of 14% compared to the overall population. Roman Catholic adults have a poverty rate of 20%, while adults of other Christian denominations have a poverty rate of 18%.[24]

The age profile of these groups impacts poverty rates. The median age of adults belonging to the Church of Scotland is 60, while the median age for Muslim adults is 33.[25] Older age groups generally have lower poverty rates, which partly explains the lower poverty rate for the Church of Scotland.

Marriage and civil partnership

Married couples generally have lower poverty rates compared to single-parent households. Currently, households headed by married couples have a lower incidence of poverty compared to those headed by single parents (2021-2024).[26] Married couples often benefit from dual incomes, which can provide greater economic stability and reduce the likelihood of poverty.

1.6 Recommendations and Conclusion

The PSR Strategy is built on strong evidence about health, poverty, and inequality in Scotland. It recognises the real challenges people face—especially those from communities who experience disadvantage due to race, disability, gender, and other protected characteristics.

This Strategy sets out a bold, long-term vision: to improve public services by focusing on prevention, early support, and addressing the wider needs of our

[22] Poverty in Scotland - Poverty & Inequality Commission
[23] Religion and poverty - Poverty and Income Inequality in Scotland 2015-18 - gov.scot
[24] Religion and poverty - Poverty and Income Inequality in Scotland 2015-18 - gov.scot
[25] Religion and poverty - Poverty and Income Inequality in Scotland 2015-18 - gov.scot
[26] Poverty and Income Inequality in Scotland 2021-24

communities. By doing so, we aim to reduce pressure on the system and deliver better outcomes for everyone.

The Strategy sets broad, system-wide goals and reflects both work in train (particularly Pillar 3) and a range of new and early stage commitments. Consequently components of the strategy set strategic intent and detailed actions are not provided at this stage, however, its focus on fairness, equity, and system-wide change is a clear step toward tackling deep-rooted inequalities.

Tackling poverty is emphasised in pillar 1, reflecting the inequalities outlined by the evidence impacting those with protected characteristics experiencing disadvantage.

Pillar 2 of the strategy aims to address issues those who use more public services face in accessing them, particularly around duplication and confusing systems. A place based and person-centred approach will have most benefit in improving outcomes for these people.

Pillar 3 aims to ensure services are sustainable into the future, protecting the support those with protected characteristics receive.

As we move from planning to action, we'll carry out detailed Equality Impact Assessments for each workstream as required. We will review this assessment annually, including reviewing the cumulative impact of the pillars and strategy, and will also build equalities into our monitoring approach to ensure we know we are reducing inequality of outcome. Equality will remain at the heart of everything we do, supported by ongoing monitoring and meaningful engagement with communities.

Scotland is changing—and so must our approach. The Strategy will evolve as new evidence emerges, always aiming to reduce inequality and ensure that improved services benefit every community, fairly and fully.

Fairer Scotland Duty Summary

1.7 Summary of aims and expected outcomes of strategy, proposal, programme or policy

The vision for the PSR Strategy is:

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For most people, this will mean you can access the everyday services you need, with the confidence that public money is spent wisely and with clarity on how well services are performing.

For people who need more support, particularly those experiencing disadvantage, public services will come to you. These services will be person-centred, accessible and you will not be required or expected to navigate different organisations or complex systems.

For communities, this will mean shaping local places, with public services organisations sharing power and resources with you to deliver what is needed for individual communities.

For public service staff, you will be empowered to provide tailored support, and be trusted to work with people to deliver beyond organisational boundaries to best support the person or family in front of you.

For public service leaders, this will mean you lead as part of a collective, shaping a system that puts people, communities and places at its heart to meet their needs and maximise public value and ensure fiscal sustainability. Beyond leading your own organisation and sector, you will work collaboratively, forging partnerships that drive lasting change, address root causes and provide support early to avoid long-term, complex and expensive interventions later, rising above individual, organisational and sectoral interests.

We will achieve this through a focus on three pillars: prevention, joined up services, and efficient services.

The PSR strategy focusses on tackling system-wide issues that must be addressed, and barriers that must be removed, to enable our vision (outlined above) to be achieved. This means creating a system that is collaborative and integrated by default.

We have set out that the system should be efficient, empowering and preventative in order to improve lives, reduce inequality and ensure fiscal sustainability. This forms the three pillars of the strategy: prevention, joined-up services, and efficient services.

The evidence below demonstrates that inequality is often experienced as poverty and that numerous protected characteristics are over-represented in those facing disadvantage.

In particular the following are key features in the relationship between poverty and inequality:

- Research reveals evidence of **poverty persistence**, poverty traps, and recurrent episodes of poverty[27]. This indicates that individuals who fall into poverty are likely to remain there for extended periods or experience repeated bouts of poverty.
- Public services can shape the relationship between economic inequality and poverty[28]. The **quantity and quality of available resources and services** available to tackle poverty are crucial in mitigating the effects of inequality.
- Inequality can lead to **social exclusion**, where marginalized groups have limited access to essential services and opportunities, further embedding poverty[2].
- Through life, individuals can accumulate advantages or disadvantages based on their socioeconomic status, which can increase inequality and poverty.

PSR is about reducing inequalities of outcome, in all experiences of services including transactional and intensive, and this is clear in each pillar:

1. Changing our system to intervene early to prevent poor outcomes at population level. The root cause of that *preventable* demand is often poverty and inequality
2. Improving services, particularly for those facing most disadvantage
3. Protecting existing services through improving efficiency of the public services system. Those experiencing inequality are more likely to be more reliant on public services.

1.8 Summary of evidence

The PSR Strategy focusses on fiscal sustainability and improving outcomes for all users of services through a series of workstreams. We are committed to ensuring the PSR strategy is targeted to achieve the greatest impact without adverse impacts.

In particular, this document therefore focuses on the experience of inequality through poverty, as those currently experiencing poor outcomes and disadvantage centres around poverty which is a driver for demand of services through the following aspects:

- Healthcare Costs: Poverty is associated with poorer health outcomes, leading to higher healthcare costs. Individuals in poverty are more likely to suffer from

[27] Duque, Magali & Mcknight, Abigail. (2019). Understanding the relationship between inequalities and poverty: a review of dynamic mechanisms - lse.ac.uk

[28] Yang, Lin (2018) The relationship between poverty and inequality: resource constraint mechanisms - lse.ac.uk

chronic conditions and mental health issues, which require frequent medical attention.[29]

- Social Services: The demand for social services such as housing support, unemployment benefits, and food assistance programs is higher among those living in poverty. These services require significant funding from the state.[3]
- Education and Employment: Children from impoverished backgrounds often face educational disadvantages, leading to lower educational attainment and reduced employment opportunities. This results in higher costs for remedial education and job training programs.[30]
- Crime and Justice: Poverty is linked to higher crime rates, which can increase costs related to policing, legal proceedings, and incarceration.[3]
- Economic Productivity: Poverty can reduce overall economic productivity. Individuals in poverty may contribute less to the economy due to lower employment rates and reduced consumer spending.[4]
- Long-term Effects: The cost of living crisis has left a legacy of higher household debt, public and third sector services under significant strain, increased inequality, and poorer mental and physical health.[31]

Over the last decade, socio-economic inequalities in Scotland have remained a significant issue, affecting various aspects of life, including poverty, health, education, and access to public services. Despite efforts to address these disparities, many challenges persist.

Poverty and Income Inequality
Child poverty in Scotland has remained stable, with 23% of children living in relative poverty after housing costs from 2021 to 2024. Similarly, 20% of working-age adults and 15% of pensioners were living in relative poverty during the same period. Persistent poverty, defined as being in relative poverty for at least three out of the last four years, continues to be a significant issue.[32]

Ethnicity and Socio-economic Deprivation
Ethnic minorities in Scotland are disproportionately affected by socio-economic deprivation compared to their white Scottish/British counterparts. This inequality has worsened over time, highlighting the persistent and growing challenges faced by these communities.[33]

Health Inequalities
Health disparities are stark, with people in Scotland's poorest areas dying more than ten years earlier than those in the wealthiest areas. Factors such as poor-quality housing, low-paid work, unhealthy environments, and unstable jobs contribute to poor access to health services and overall health disparities. [34]

Education and Social Care

[29] 7. Conclusion - Understanding the Cost of Living Crisis in Scotland - gov.scot
[30] Poverty and Income Inequality in Scotland 2021-24
[31] 7. Conclusion - Understanding the Cost of Living Crisis in Scotland - gov.scot
[32] Poverty and Income Inequality in Scotland 2021-24
[33] 2024 Inequality Landscape - Scottish Health Equity Research Unit
[34] Scotland's Census: Understanding changes in health and socioeconomic inequality since 2011

Educational attainment gaps between students in deprived and non-deprived areas remain significant. Access to high-quality social care services is also uneven, with those in poorer areas facing more substantial barriers.[35] These disparities underscore the need for targeted interventions to ensure equitable access to education and social care.

Public Services
Public perception of public services in Scotland has declined, with 74% of Scots believing that public services in their local area have deteriorated over the last five years. Many attribute this decline to the Scottish Government and the previous Conservative UK government. Economic challenges, including rising prices and tightening public sector budgets, exacerbate inequalities in access to public services.[36]

Trends Over the Last Decade
Life expectancy disparities between the wealthiest and poorest parts of Scotland have remained largely unchanged. Average household incomes grew by only 4% in real terms over the decade, indicating stagnation. Population growth, driven by immigration, has slowed compared to the previous decade.[37] More people in Scotland are in relative poverty now than in the pre-pandemic period, and average living standards, measured by household incomes, have fallen since 2019, not returning to pre-2010 levels of growth. Educational inequality remains high, with the pandemic leading to temporary changes in attainment inequality, but the gap has now broadly returned to pre-pandemic levels.[38]

The above evidence highlights the relationship between socio-economic disadvantage and demand on public services in Scotland.

1.9 Summary of assessment findings

The PSR Strategy has been informed by evidence highlighting the unequal effects of poverty and experience of public services across the country. The strategy stems from the Christie Commission[39], the Covid Recovery Strategy[40] and the programme for PSR set out to parliament in December 2023[41]. Tackling inequalities was central to each of these as a core objective and therefore has been at the forefront of the strategy since its initial development.

The strategy's focus on prevention (pillar 1) will have a positive impact on inequalities as it aims to improve the approach to long-term interventions to break cycles of disadvantage. Tackling inequalities is the key to this pillar as the associate workstreams focus on how the cumulative impact of disadvantage can be stopped

[35] 2024 Inequality Landscape - Scottish Health Equity Research Unit
[36] Scotland - Public Services 2025
[37] Scotland's Census: Understanding changes in health and socioeconomic inequality since 2011
[38] 2024 Inequality Landscape - Scottish Health Equity Research Unit
[39] Christie Commission on the future delivery of public services - gov.scot
[40] Covid Recovery Strategy: for a fairer future - gov.scot
[41] PreBudget Scrutiny 202425 Scottish Government response to Committee report | Scottish Parliament Website

through better understanding of the drivers of demand and how to effectively budget for prevention.

The approach to joined up services (pillar 2) will change our model of service delivery, particularly for people with the greatest disadvantage or most complex circumstances, to integrate support, and empower the front line to bring together all the resources people and families need to thrive. Inequalities is also therefore at the core of this pillar.

Although likely to have a less direct impact, the commitment to ensure services are more efficient (pillar 3) will therefore ensure they are fiscally sustainable long-term and therefore mean services are able to support those who need them effectively for as long as they are required.

As improving outcomes and reducing inequalities is a key objective of the strategy, we are committed to continuing to assess our impact and to measure our success against this aim. This will be a core element of the monitoring and evaluation framework for the strategy.

Overall, the strategy aims to transform public services to better support individuals and families facing socio-economic disadvantage. It reaffirms a commitment to a person-centred, whole-system approach to reform. This involves enabling more effective collaboration across government, public, private, and third sectors, and designing services based on lived experience.

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Job Title: Deputy Director, Place Based Service and Reform
Date: 27 June 2025

Child Rights and Wellbeing Impact Assessment

1.10 Disclaimer

This document is a point in time assessment of the likely effects of the above-named proposal on the rights and wellbeing of children and young people. This impact assessment should be read in conjunction with other impact assessments prepared for this proposal.

Scottish Government acknowledge the importance of monitoring and evaluating the impact of strategic decisions and legislation on children's rights and wellbeing. Any information gathered during implementation of the legislation or strategic decision to which the impact assessment relates, will be used to inform future determinations of impact. Any new strategic decision or new legislation (including amending legislation) would be subject to a new CRWIA in line with the legislative requirements.

1.11 Brief Summary

Type of proposal :

- Decision of a strategic nature relating to the rights and wellbeing of children

Name the proposal, and describe its overall aims and intended purpose.

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For public service staff, you will be empowered to provide tailored support, and be trusted to work with people to deliver beyond organisational boundaries to best support the person or family in front of you.

For public service leaders, this will mean you lead as part of a collective, shaping a system that puts people, communities and places at its heart to meet their needs and maximise public value and ensure fiscal sustainability. Beyond leading your own organisation and sector, you will work collaboratively, forging partnerships that drive lasting change, address root causes and provide support early to avoid long-term, complex and expensive interventions later, rising above individual, organisational and sectoral interests.

We will achieve this through a focus on three pillars: prevention, joined up services, and efficient services.

The strategy identifies the following indicators of the need for reform:

- Despite increased investment, people's satisfaction with public services is declining[42]
- Services can be confusing, help can be hard to access, and basic provision can feel stretched

[42] Scottish Household Survey results - gov.scot

- There is unnecessary and unhelpful duplication in the system, including multiple providers of similar services and service users repeatedly having to provide the same information to different public sector bodies.

Colleagues across public services have told us:

- Those working on the front line can feel constrained in their ability to act to support people
- As organisations, we have the capability but not always the will to act differently and remove duplication and complexity
- Despite the importance of prevention, we have not moved the dial sufficiently to prevent damaging experiences and reduce the risk of future need that leads to expensive demand for public services

The strategy focusses on tackling system-wide issues that must be addressed, and barriers that must be removed, to enable our vision to be achieved. This means creating a system that is collaborative and integrated by default.

We will deliver a system that improves lives, reduces inequality and is fiscally sustainable. That means the public services system will:

- Be **efficient** and effective with the right-size delivery landscape
- Better **join up** services and focus on helping people
- Prioritise **prevention**
- **Empower** people and communities to shape the services that matter to them
- Be fiscally **sustainable**

The strategy sets the overarching vision for PSR and sets out 18 workstreams that will contribute to removing barriers and enabling progress on reform. The workstreams are at different stages of development, with some requiring scoping and initiation while others are already underway. While the below assessment offers a broad overview of the overall strategy's impact, more detailed analysis will be undertaken when specific workstreams are developed that require a CRWIA

Start date of proposal's development: January 2025
Start date of CRWIA process: June 2025

1.12 With reference given to the requirements of the UNCRC (Incorporation) (Scotland) Act 2024 (Annex 1), which aspects of the proposal are relevant to/impact upon children's rights?

By taking a preventative, joined-up, cross-government approach aimed at improving outcomes for everyone in Scotland, it is expected that the strategy would align and support the implementation of several key Articles of the United Nations Convention on the Rights of the Child (UNCRC). These include:

Article 2: Non-Discrimination – The strategy is intentionally structured to address entrenched inequalities by enhancing the integration and coordination of services, with a sustained focus on preventative approaches. It directs resources and interventions to areas of highest need, while explicitly recognising that certain groups of children—particularly those in socioeconomically disadvantaged communities—face persistent and systemic barriers. In doing so, it reaffirms the commitment to upholding children's rights equitably and without discrimination.

Article 12: Right to be Heard – The strategy acknowledges the critical role of communities in shaping the design and delivery of local services, including the meaningful participation of children and young people. By embedding community engagement at the core of place-based improvements, it ensures that local perspectives are actively incorporated into decision-making processes, thereby strengthening accountability and responsiveness to community needs.

Article 24: Right to the Highest Attainable Standard of Health and **Article 27: Right to an Adequate Standard of Living** –The strategy acknowledges the need to address structural barriers that limit access to resources and economic conditions that allow a high standard of health and living by targeting action to those most in need – for example children in poverty.

1.13 Please provide a summary of the evidence gathered which will be used to inform your decision-making and the content of the proposal

Evidence from:

- **existing research/reports/policy expertise**

One of the clearest indicators of inequality for children and young people in Scotland is child poverty.

Child poverty remains a significant issue in Scotland, with more than one in five children living in relative poverty after housing costs. While this rate is lower than the UK average of 31%, it still represents a substantial portion of the population. The Scottish Government monitors child poverty using data from the Family Resources Survey, aiming to meet ambitious targets set out in the Child Poverty (Scotland) Act 2017.[43]

This legislation outlines statutory goals to reduce child poverty by 2030, with interim targets set for 2023. Although these interim goals have not been fully achieved, progress has been made through various support measures. The government has focused on six priority family types that are at higher risk of poverty: lone parent families, families with a disabled adult or child, larger families with three or more

[43] Eradicating child poverty - gov.scot

children, minority ethnic families, families with a child under one year old, and mothers under the age of 25.[44]

To address these challenges, Scotland has implemented several targeted policies. The Scottish Child Payment, which provides £25 per week per eligible child, is a cornerstone of these efforts. Additional supports include Best Start Grants, free school meals, and expanded access to early learning and childcare. These measures have helped slow the rise of child poverty in Scotland compared to other parts of the UK.[45]

However, significant challenges remain. The ongoing cost of living crisis and UK-wide welfare policies, such as the two-child limit on benefits, continue to place pressure on low-income families.

- **consultation/feedback from stakeholders**

Consultation and feedback from stakeholders primarily took place through the PSR Summit in February 2025 and then through ongoing engagements since during the development of the strategy. This includes public bodies whose role relates directly to children and young people.

- **consultation/feedback directly from children and young people**

The development of the strategy involved a broad range of stakeholders, however no direct consultation with children and young people at this time. The strategy recognises that the approach of the Christie Commission is still valid, and therefore analyses key barriers to why we have not reformed our system. As the strategy is focussed on what needs to change within the system, engagement has focussed predominantly on organisations working within the system.

Going forward, it is expected that engagement with stakeholders and engagement directly with children and young people will become an integral part of policy development as more of the workstreams of the strategy progress.

1.14 Further to the evidence described at '3' have you identified any 'gaps' in evidence which may prevent determination of impact? If yes, please provide an explanation of how they will be addressed

The workstreams included in the strategy are at different stages of development and therefore further impact may become clear. While the above assessment offers a broad overview of the strategy's impact, more detailed analysis will be undertaken as specific workstreams are developed that require a CRWIA. At that stage, the potential effects on children and young people—as well as any gaps in evidence—

[44] Growth alone won't cut child poverty, as gap between UK countries set to widen | Joseph Rowntree Foundation
[45] Child_poverty_statistics_2025.pdf

will be further explored, both for individual workstreams/policies and the cumulative impact of the strategy.

Analysis of Evidence

The evidence demonstrates significant variation in the wellbeing of children and young people across the population, with those in deprived areas facing clear disadvantages from the earliest stages of life.

Tackling these inequalities requires a preventative, system-wide approach integrated across government and public services. The strategy supports this by encouraging early intervention on the root causes of demand for public services and by ensuring that children and young people are central to policy development.

The policy is expected to have a positive impact on reducing child poverty and inequalities highlighted by the evidence, in particular through the focus on prevention (pillar 1) and joined-up services (pillar 2) This will have a positive impact on Article 24: Right to the Highest Attainable Standard of Health and Article 27: Right to an Adequate Standard of Living. Through the focus on increasing person-centred services and including communities in shaping services in pillar 2, particularly through the Whole Family Support approach, the strategy will have positive impacts on Article 2: Non discrimination and Article 12: right to be heard. Overall the strategy seeks not only to improve outcomes but also to uphold the rights and wellbeing of every child.

1.15 What changes (if any) have been made to the proposal as a result of this assessment?

No modifications have been identified at this stage due to no negative impacts or potential incompatibility being identified.

Conclusion

1.16 As a result of the evidence gathered and analysed against all UNCRC requirements, what is the potential overall impact of this proposal on children's rights?

Positive - The approach taken by the PSR Strategy is aligned with the UNCRC. It supports children's rights holistically by addressing the underlying drivers of demand for public services and inequalities through preventative, equity-led approach. As we move into implementation, Child's Rights and Wellbeing impact assessments will be undertaken for individual workstreams where required.

1.17 If you have identified a positive impact on children's rights, please describe below how the proposal will protect, respect, and fulfil children's rights in Scotland.

The strategy demonstrates significant potential to advance the realisation of children's rights by fostering equity, enhancing access to essential services, and improving outcomes from the earliest stages of life. Notably, its emphasis on integrated service provision for those experiencing the greatest disadvantage—particularly through the Whole Family Support approach—reinforces the right of every child to the highest attainable standard of health and wellbeing, as enshrined in the United Nations Convention on the Rights of the Child. By prioritising preventative measures, the strategy contributes to the creation of more equitable conditions, enabling all children to reach their full potential.

Therefore, there is a potential for articles 2, 12, 24 and 27 to be positively impacted.

1.18 If a negative impact has been identified please describe it below. Is there a risk this could potentially amount to an incompatibility?

At this stage, no specific negative impacts on children's rights and wellbeing have been identified.

Mitigation Record

1.19 What options have been considered to modify the proposal in order to mitigate a negative impact or potential incompatibility?

Not applicable.

1.20 As a result of the evidence gathered and analysed against all wellbeing indicators (Annex 2), will the proposal contribute to the wellbeing of children and young people in Scotland?

Safe:	Yes
Healthy:	Yes
Achieving:	Yes
Nurtured:	Yes
Active:	Yes
Respected:	Yes

Responsible: Yes
Included: Yes

The strategy has the potential to positively contribute to the wellbeing of children and young people in Scotland through overarching aim of providing efficient, effective and good quality public services to everyone in Scotland. In particular, the workstreams included in pillars 1 and 2 will have this impact through the focus on preventing disadvantage and poor outcomes, providing more joined up services through Whole Family Support, and creating greater involvement of communities in decision making.

1.21 How will you communicate to children and young people the impact that the proposal will have on their rights?

As individual workstreams are further implemented and developed, clear and accessible communication will be provided to children and young people where appropriate to help them understand how these individual actions affect their rights and wellbeing. This CRWIA will be published on gov.scot so those wishing to access it can do so. In so far as possible the CRWIA has been written in accessible language so those reading it can understand its content.

Post Assessment Review and sign-off

Planning for the review of impact on children's rights and wellbeing

To ensure the strategy remains responsive to the evolving needs of children and young people, the impact assessment process will be regularly reviewed throughout implementation and delivery.

Sign off

Policy Lead Signature & Date of Sign Off: Polly Windsor – 6 June 2025
Deputy Director Signature & Date of Sign Off: Simon Mair – 27 June 2025
Date CRWIA team first contacted: 10 June 2025

Consumer Duty Compliance Statement

The Scottish Ministers have complied with the requirements of the Consumer Scotland Act 2020 (Relevant Public Authorities) Regulations 2024 in deciding on the PSR Strategy. This statement sets out the steps taken to comply with the duty. The following impact assessment has been carried out:

Stage 1 – Planning

1. **Is this a decision of a strategic nature?** Yes

The PSR Strategy sets out an approach for how government will deliver a system that improves lives, reduces inequality and is fiscally sustainable. That means the public services system will:

- Be **efficient** and effective with the right-size delivery landscape
- Better **join up** services and focus on helping people
- Prioritise **prevention**
- **Empower** people and communities to shape the services that matter to them

The strategy sets our a framework across foundations and three pillars for how this will be achieved, including workstreams and existing programmes.

Foundations
The strategy also sets out workstreams that form the foundations - or core enabling elements and actions - that must be in place for reform to take place.
Workstreams include:

- Leadership and culture
- Empowering places and communities
- Accountability and incentives
- Ensuring the right delivery landscape

Pillar 1: Preventative Services
Prevention is about intervening early to make long-term change to improve lives – this means stopping the establishment (or escalation) of problems that lead to negative outcomes for people. This pillar is focussed on changing how the system operates to invest in the most impactful preventative approaches. Across both the 'foundations' commitments and the workstreams under this pillar we will address the barriers to creating a truly preventative system.
Workstreams under this pillar:

- Understanding and mitigating demand drivers
- Preventative Budgeting

Pillar 2: Joined up Services
Much of the activity to improve services must be delivered within service areas (but across organisations). This means focussing on improving access, speeding up flow through the system and improving the experience for those services on which we all

rely. This pillar particularly focusses on changing our model of service delivery, particularly for people with the greatest disadvantage or facing the most complex circumstances, to provide person-centred services.
Workstreams under this pillar:

- Simplification
- Local integration: strengthening Community Planning and realising the potential of the third sector
- Data sharing and data usage
- Digital public services

Pillar 3: Efficient Services
There is a wide range of activity within Scottish Government to drive efficiencies within Government and across the public sector. Together these support the drive to continuously improve and bring down the cost of delivery. However, we want to go further in bringing these individual workstreams together into a comprehensive programme and to focus on system efficiency (rather than individual organisation efficiency). That means initiating new workstreams and working more closely with public bodies as key colleagues and partners in driving efficiency.
Workstreams under this pillar:

- Data collection
- Workforce
- Digital skills and resource
- Shared services
- Scaling Intelligent Automation
- Expansion of National Collaborative procurement
- Commercial value for money
- Scottish Single Estate

For the majority of people the strategy being successfully implemented will mean they can access the services they need, with the confidence that public money is spent wisely and with clarity on how well services are performing.

2. **Is the strategic decision likely to have an impact on any/all consumers?**
   Yes

As the strategy comprises proposed workstreams to reform public services and their delivery it will have an impact on users of those services. Users of public services are consumers for the purpose of the consumer duty.

Stage 2 – Evidence Gathering

3. **What is the proposal trying to achieve?**

As set out above, the strategy presents an approach for how government will deliver a system that improves lives, reduces inequality and is fiscally sustainable. That means the public services system will:

- Be **efficient** and effective with the right-size delivery landscape
- Better **join up** services and focus on helping people
- Prioritise **prevention**
- **Empower** people and communities to shape the services that matter to them

4. **What are the impacts on consumers?**

The strategy will impact upon how the public, as consumers, engage with services and how their data is used. Commitments to better align services, including for families at risk of poverty through Whole Family Support, will have implications for how consumers interact with public services and we will continue to assess how this will impact consumers as the policy is further developed.

The strategy has 18 workstreams across foundations and three pillars. An overview of each section below illustrates how we expect consumers may be impacted and how they have been considered.

Foundations:
A focus on empowering places and communities will improve services for consumers by giving a greater say in how services are delivered and how they are centred around the people using them. We have particularly focussed on the 'representation' principle in development of this section in terms of ensuring consumer needs, views and experiences are informing the design and delivery of current and future goods and services.
Ensuring the right delivery landscape will ensure consumers receive services from the appropriate body in a simplified way.

Pillar 1 – Preventative services
Increasing the system focus on prevention will improve services for consumers who are most vulnerable, as the drivers of demand for services are better understood and prevention interventions are easier to fund through more flexible budgeting.

Pillar 2 – Joined-up services
Workstreams focusing on connecting and aligning services, data and digital services will improve consumers' experiences of services through making them simpler and easier to navigate. Consumers, particularly consumers experiencing disadvantage,

will experience more person-centred services and will have to spend less time finding the correct service or missing services available to them. We have considered ‘choice’. The emphasis on person-centred services is about how services should be holistic, ethical, assets-based and relational which is about building trusting relationships and addressing what matters to individuals and their families, rather than focussing on what individual organisations can offer.

Pillar 3 – Efficient services
The focus on efficiency will have less of a direct impact on consumers (in terms of users of services), however, should overall improve experiences of services as workstreams improve the overall efficiency and effectiveness of the system and ensure public value.

We have considered the ‘access’ principle in informing this decision. This is predominantly focussed on protecting service provision for consumers to ensure consumers can continue to access the services that they require.

5. **Is it likely that harm will be experienced by consumers as a result of this proposal?**

It is considered unlikely that there will be any increase in harm to consumers as a result of the strategy. Across all elements of the strategy we are focussed on improving outcomes for service users, or consumers. It is therefore unlikely that the overall package within the PSR strategy will result in harm to consumers. Individual policy commitments will be assessed, as appropriate, to consider any issues of harm.

Stage 3 – Assessment and Improvement of Proposal

6. **What is the expected impact of the strategic decision on consumers in Scotland?**

It is expected that the impact of the strategy will overall be positive for consumers.

7. **Has Scottish Government had due regard to the desirability of reducing harm to consumers in Scotland?** Yes

Each workstream has been considered and there was no expectation of harm arising from any of them, with many actively aiming to reduce harm to consumers.

8. **Is there a need for further engagement with consumers?**

Further engagement will be needed as part of standard policy development across each workstream. Each workstream and policy area is responsible for engaging with consumers as appropriate.

Stage 4 – Decision

9. **Has Scottish Government met the consumer duty for this decision?** Yes

10. **If yes to above, explain how?**

In the process of carrying out this impact assessment, the cumulative effect of the vision and workstreams included in the strategy has been examined for potential impacts on consumers in Scotland. Regard has accordingly been had to the impact of the strategy on consumers in Scotland, and to the desirability of reducing harm to them. We have therefore put consumer outcomes at the heart of our strategic decision making.

Stage 5 – Publication and Review

Section 23 of the 2020 Act requires public authorities to publish information about the steps which they have taken to meet the duty. The authority must publish the information no later than 12 months after the end of period to which it relates.

This statement will be published on the Scottish Government website (Scotland's Public Service Reform Strategy – Impact Assessments) on 11th July 2025.

The impact assessment carried out will be subject to review and evaluation within 12 months of publication using the template found at the Consumer Scotland website.

Island Communities Impact Assessment – Note of decision

Title of the programme/proposal/decision: Public Service Reform Strategy

Programme/proposal/decision implementation date: June 2025

Directorate/Division/Service/Team: Public Service Reform Directorate

Rationale for decision:

An Island Communities Impact Assessment will not be taken forward in relation to the Public Service Reform Strategy, due to its high-level strategic nature as a collection of workstreams.

However, as individual workstreams are delivered under the strategy, each will be assessed to determine whether an Island Communities impact assessment is warranted, ensuring that the specific impact on islands are considered where applicable.

In particular, we expect this to be in relation to workstreams in Pillar 2: Joined up Services in the delivery of Whole Family Support and Single Authority Models. However, the decision point for these workstreams will be at a later point.

Declaration:

I confirm that the decision not to perform an Island Communities impact assessment has been authorised by: Simon Mair - Deputy Director, Place Based Services and Reform

Name and job title: Polly Windsor, Evidence & Strategy Lead

Date: 27 June 2025

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