

The Scottish Government's Fiscal Sustainability Delivery Plan

2025

Contents

Overview	3
Context.....	4
Scope of the Delivery Plan	5
Pillar 1: Ensuring public money is focused on delivering government objectives, underpinned by reform and prioritisation to maximise impact	7
Pillar 2: Supporting sustainable, inclusive, economic policies with the greatest potential to grow Scotland's economy, expand and broaden the tax base to fund public services.....	15
Pillar 3: Ensuring a strategic approach to tax revenues which considers the longer-term impact of our tax choices and competitiveness	18
Tables	21
List of Acronyms.....	32
Bibliography	33

Overview

Sustainable public finances are fundamental to achieving the Scottish Government's four key priorities of eradicating child poverty, growing the economy, tackling the climate emergency, and ensuring high quality and sustainable public services. In 2023, we set out our Medium-Term Financial Strategy (MTFS)¹ aimed at ensuring we continue to deliver a balanced budget each year alongside strengthening the public finances over the medium term. The Strategy was built around three pillars: focusing spending decisions on achieving our three critical missions; supporting sustainable, inclusive economic growth and the generation of tax revenues; and maintaining and developing a strategic approach to tax.

This year, we are reinforcing our commitment to deliver this strategy, ensuring the public finances remain sustainable over the medium term to support delivery of this government's priorities. In the 2025 MTFS², we retain the focus on the three pillars (Figure 1) updating them to recognise progress and where further action is needed.

Figure 1: Three pillars of the 2025 Medium-Term Financial Strategy

Pillar 1: Ensuring public money is focused on delivering government objectives, underpinned by reform and prioritisation to maximise impact.

Pillar 2: Supporting sustainable, inclusive, economic policies with the greatest potential to grow Scotland's economy, expand and broaden the tax base to fund public services.

Pillar 3: Ensuring a strategic approach to tax revenues which considers the longer-term impact of our tax choices and competitiveness.

As part of strengthening our strategic approach, this year we are publishing a Fiscal Sustainability Delivery Plan (the 'Delivery Plan') alongside the MTFS. This Delivery Plan brings together the range of activity currently underway, and further actions this government will take, to deliver our Strategy. It sets out the key actions we are taking over the next five years, expanding on, and bringing further transparency to, the range of activity underway as part of the three-pillar approach.

The MTFS and this Delivery Plan provide the basis for the 2026-27 Scottish Budget and the forthcoming Scottish Spending Review, the Framework for which is included in the MTFS. The Scottish Spending Review will focus on allocating multi-year budgets in the best way to deliver against the core priorities of this government. We intend to publish the conclusions of the Scottish Spending Review alongside the 2026-27 Budget.

Updates on progress with this Delivery Plan will be provided on an annual basis, as part of the annual update of the MTFS.

¹ Scottish Government (2023), [The Scottish Government's Medium-Term Financial Strategy - gov.scot](https://www.gov.scot/publications/mtfs-2023/pages/introduction/) – Accessed March 2025

² The 2025 Medium-Term Financial Strategy can be found here: [The Scottish Government's Medium-Term Financial Strategy](https://www.gov.scot/publications/mtfs-2025/pages/introduction/)

Context

As set out in the MTF5, in recent years, the Scottish Government has faced a challenging and volatile economic and fiscal environment. Our public finances have borne the impact of Brexit, the COVID-19 pandemic, inflation, driven in part by the war on Ukraine, and the cost of living crisis.

Combined with the previous lack of clarity provided by the UK Government around our annual and multi-year funding, these factors have meant that the Scottish Government has been required to take difficult in-year budget decisions to deliver a balanced budget. Levels of spending UK-wide continue to constrain the Scottish Government's ability to deliver its priorities. Our limited tax, borrowing and revenue raising powers also constrain our flexibility to respond.

The economic and fiscal environment remains uncertain and is likely to remain so into the foreseeable future. The economic context is marked by global uncertainty, due to the range of tariff announcements from the United States, rising energy prices, inflation, and growing geopolitical risks.

The MTF5 sets out a number of significant risks facing the public finances over the medium term, which need to be managed. These include:

- the level of demand-led growth in spending on social security and health and social care;
- persistent inflation, impacting public spending in a number of ways, including on pay, which is exacerbated by a proportionately larger public sector workforce than the rest of the UK;
- continued uncertainty over the funding position; and
- the fact that Scotland's population is ageing, and ageing earlier, than the rest of the UK.

There are also a number of longer-term risks facing the Scottish Government. The Scottish Fiscal Commission (SFC) in their long-term fiscal sustainability reporting have noted that pressures on the public finances will continue to grow beyond the next five years. Their most recent Fiscal Sustainability Report, published on 8 April 2025³ focused on population health and health-related spending, noting an expectation that health spending will increase significantly as a result of the ageing population over the next 25 years.

As reflected in the 2025 MTF5, considerable action has been taken since the 2023 MTF5 to strengthen the public finances, including focusing spending on priorities, actions to grow the economy, and setting out our strategic approach to tax. Despite this, and in large part exacerbated by decisions taken by the UK Government that weaken Scotland's funding position, the projected demands on public spending continue to outstrip forecast funding. The resource fiscal gap is projected to grow from a balanced budget in 2025-26, to £2.6 billion in 2029-30.

³ Scottish Fiscal Commission (2025), [Fiscal Sustainability Report](#) – Accessed April 2025

Scope of the Delivery Plan

The Delivery Plan is structured around the three pillars of the Strategy and sets out the actions underway and planned across each of the three pillars to achieve our aim of fiscal sustainability.

All three pillars of the Strategy play an important role in strengthening the public finances. On economic growth, we highlight the economic interventions that are expected to grow the economy and expand and broaden the tax base; and on tax, we set out a range of priorities that will contribute to ensuring the tax system raises the revenue needed to achieve our priorities. In the short- to medium-term, however, the most immediate lever by which we can improve fiscal sustainability is public spending. This is reflected in the scale and scope of those activities. The Delivery Plan's accompanying tables set out the actions and initial delivery information.

Strengthening the public finances requires action from across all of government and beyond. As such, a number of government strategies and programmes provide the basis for a range of the actions in this Delivery Plan. For Pillar 1, this includes the Public Service Reform (PSR) Strategy⁴, which was published on 19 June 2025. The PSR Strategy sets out clear commitments to change our system of public services to unblock barriers to change – to be preventative, to better join up and to be efficient. The PSR Strategy includes an ambitious challenge for the Scottish Government and public bodies to make significant savings in the next five years on the cost of corporate functions.

Delivery of efficiency and improvement is also a key focus for the Health and Social Care portfolio and reflects the commitment to ensure use of core resources is optimised and best value is delivered across NHS Scotland. Health efficiency and service renewal is being taken forward through the NHS Scotland Operational Improvement Plan⁵, and through the Health and Social Care Service Renewal Framework⁶, and Population Health Framework⁷, which were both published on 17 June 2025.

Scotland's National Strategy for Economic Transformation⁸ and Scotland's Tax Strategy⁹ provide the basis for the range of actions at Pillar 2 and Pillar 3 respectively, to grow the economy and broaden the tax base, as well as improve the operation and performance of the existing tax system and to deliver sustainable and growing tax revenues.

⁴ Scottish Government (2025), [Scotland's Public Service Reform Strategy: Delivering for Scotland - gov.scot](#) – Accessed June 2025

⁵ Scottish Government (2025), [NHS Scotland operational improvement plan - gov.scot](#) – Accessed April 2025

⁶ Scottish Government (2025), [Health and Social Care Service Renewal Framework - gov.scot](#) – Accessed June 2025

⁷ Scottish Government (2025), [Scotland's Population Health Framework - gov.scot](#) – Accessed June 2025

⁸ Scottish Government (2022), [Scotland's National Strategy for Economic Transformation - gov.scot](#) – Accessed May 2025

⁹ Scottish Government (2024), [Scotland's Tax Strategy: Building on our Tax Principles - gov.scot](#) – Accessed May 2025

For Social Security, in Scotland, we have designed and implemented a radically different social security system built around human rights. The Scottish Government believes that this system should be used to tackle poverty and protect people, with the resources we have, from the worst impacts of UK Government cuts to reserved welfare benefits and to invest in improved outcomes for the people of Scotland, providing vital assistance to help people on low incomes, disabled people and their carers, and older people.

We are committed to protecting benefits spending, recognising that this does therefore have an impact on the wider Scottish Budget. Through the actions set out in Pillar 1, we will continue the ongoing work to make improvements to the way we process and deliver benefits, and we will consider improvements to the way we manage reviews of clients' awards.

Actions to set the capital programme on a sustainable path are not included in this Delivery Plan. This is because in December 2025, the Scottish Government will publish a new infrastructure investment pipeline building on the pipeline set out in the 2021 Infrastructure Investment Plan¹⁰ (IIP). This will be informed by the multi-year capital allocations underpinning the Scottish Spending Review. Future spending reviews will add to, and adjust, the infrastructure pipeline. The original pipeline was fully costed at the time in the accompanying Capital Spending Review¹¹. While many projects have been successfully delivered, high levels of inflation and lower than expected capital allocations from the UK Government mean that some are no longer deliverable within the planned timeframe. The publication of the new pipeline will ensure our capital budget is on a sustainable trajectory.

Regarding Local Government, the Scottish Government is committed to supporting Local Government's own leadership and ambition to take forward transformation to ensure sustainability of services delivered at a local level, both within and between councils. We remain committed to a Fiscal Framework between Scottish Government and Local Government in addition to delivering the Local Governance Review alongside COSLA (Convention of Scottish Local Authorities), including the development of Single Authority Models and Democracy Matters.

As set out in the Verity House Agreement, Scottish Government and Local Government have a shared commitment to strategic reform. We will continue to work with Local Government on the basis of mutual trust and respect to deliver our ambitious programme of reform.

¹⁰ Scottish Government (2021), [A National Mission with Local Impact: Infrastructure Investment Plan for Scotland 2021-22 to 2025-26 - gov.scot](#) – Accessed May 2025

¹¹ Scottish Government (2021), [Investing for jobs: Capital Spending Review 2021-2022 to 2025-2026 - gov.scot](#) – Accessed May 2025

Pillar 1: Ensuring public money is focused on delivering government objectives, underpinned by reform and prioritisation to maximise impact

Measures

- Increasing public value
- Efficiencies and productivity
- Service reform
- Prevention

Key Actions

- A multi-year resource spending review to better prioritise spending and increase value for money.
- Controlling the public sector paybill through managing pay growth and the devolved public sector workforce.
- Public sector efficiencies realised across all areas of government, including a focus on reducing the cost of corporate functions.
- Reform of public services addressing medium to long-term spending growth.
- Reduce demand-led spending through preventative measures that reduce public service demand.

Building on our 2023 aim to focus spending on our priorities, our approach is based on the following four key measures and is closely integrated with the recently published Public Service Reform Strategy¹². This approach recognises that improving the public finances requires a cross-public sector effort over the medium to longer term.

Pillar 1 measures and actions are as follows:

Increasing public value. Ensuring funding is fully focused on delivering the Scottish Government's priorities and maximising the impact of available investment. Actions being taken forward are:

- **Identifying and prioritising higher impact spending**, with a specific focus on those areas of spend that meet Ministerial priorities, including achieving statutory targets on child poverty and climate emergency.
- **Reviewing all spending lines** across government and identifying savings options which allow outcomes to be delivered for less resources.
- **Reviewing opportunities to target existing spending more effectively**, to provide maximum support to those who need help most.
- **Reviewing options for public bodies to more effectively raise revenue** from government services.

¹² Scottish Government (2025), [Scotland's Public Service Reform Strategy: Delivering for Scotland - gov.scot](https://www.gov.scot) – Accessed June 2025

- **Improving the evidence base for the impact of existing spending** and new spending proposals, to drive evidence-based investment/disinvestment decisions, supported by the Scottish Government's Centre of Expertise in Appraisal and Evaluation.

Further information on the contribution expected from individual Scottish Government portfolios, and the policy measures to be taken to achieve savings, will be set out at the next Scottish Spending Review, which will be published alongside the 2026-27 Scottish Budget later this year.

Efficiencies and productivity. Focusing on business improvement and increased productivity to secure the same or better outputs for lower cost, driven through the Public Service Reform Strategy and aligned with a public sector workforce reduction target. The key actions that are expected to contribute to closing the projected resource gap over the medium term are as follows:

- **Public sector efficiencies** realised across all areas of government, including a focus on reducing costs of corporate functions, as well as looking across all areas of service delivery. The Public Service Reform Strategy's Efficiencies pillar will release efficiency savings over the next five years by reducing the cost of corporate functions, including workstreams on data collection, digital skills and resource, shared services, scaling intelligent automation, expansion of national collaborative procurement, commercial value for money and shared estates, and reviewing the public service delivery landscape. In addition to savings on corporate costs, opportunities for improving efficiency and productivity, whilst maintaining or improving outcomes, will be sought across all areas of service delivery. Portfolio examples in Health and Social Care and Social Security are outlined further within this plan.
- **Public sector workforce reduction target.** Planning for a managed downward trajectory for the devolved public sector workforce in Scotland (0.5 per cent per annum on average over the next five years) as part of a shift in workforce plans and operating models because of service re-design, automation, process improvement, re-prioritisation, mergers, and shrinking corporate functions. Frontline services will remain protected as this is taken forward.
- **Public sector pay.** Ensuring the Public Sector Pay Policy continues to set the framework for fair and sustainable pay increases for staff, with a focus on multi-year pay metrics. Supporting co-ordination of the devolved public sector paybill across the devolved public sector through robust governance arrangements and development of a workforce management policy and control framework.

Recognising that releasing efficiencies often requires initial investment, we intend to continue with the Invest to Save fund beyond 2025-26. This will be considered further as part of the upcoming Scottish Spending Review.

Further detail on the actions being taken forward across our key areas of spending growth is set out below.

Efficiencies and productivity: a focus on workforce

A key component of the efficiencies and productivity measure relates to the public sector workforce, which now accounts for over half of the entire Scottish resource budget. It is important that we manage the size and shape of our public sector, and the impact of pay rises, in a way that reflects the value of our public services while ensuring we can sustain these costs into the future. We will do this in partnership with trade unions and public bodies.

Our workforce strategic position is:

- Planning for a managed downward trajectory for the devolved public sector workforce in Scotland (0.5 per cent on average reduction per annum over the next five years) as part of a shift in workforce plans and operating models because of service re-design, automation, process improvement, re-prioritisation, mergers and shrinking corporate functions. Frontline services will remain protected as this is taken forward.

In order to support this, we will focus on:

- **Workforce planning.** Consult, develop and implement good practice workforce planning guidance for public bodies to meet the needs of reformed services. This will include highlighting existing service demand, capability building and budget scenario planning, allowing for a more data-driven approach in the lead up to the Budget and Scottish Spending Review.
- **Workforce Management Policy and Control framework.** This will set the principles, parameters and metrics, governance and controls required to operationalise our approach to workforce management in public bodies, integrated with the Public Sector Pay Policy to underline the connection between these two drivers of public spending. It will also include public bodies planning the balance of recruitment with natural attrition to enable an overall reduction in staffing levels.
- **Promoting best practice and guidance for existing severance policy.** Many public bodies implement their own voluntary severance scheme in order to re-shape their workforce. We will provide public bodies with best practice principles of using such schemes.
- **Redeployment.** We will take forward, with public bodies, longer-term work to explore ways to optimise redeployment opportunities across the Scottish public sector.
- **Improve transparency of workforce information.** The publication of key workforce statistics and trends in line with Audit Scotland recommendations, with the Pay and Workforce factsheet (published at Annex D of the 2025 MTFS¹³), the first step in this process.

¹³ You can find Annex D of the 2025 MTFS here: [The Scottish Government's Medium-Term Financial Strategy](#)

Efficiencies and productivity: a focus on Social Security Scotland

Social Security Scotland continually seeks to identify and implement improvements to how benefits are processed and delivered. This approach will help clients easily access the benefits they are entitled to and, importantly, drive efficiency savings.

Improving communications to clients at every stage of their application journey also helps to improve the client experience and reduce processing times.

Operational delivery improvements will focus on improving performance and productivity alongside the delivery of internal savings and efficiencies, such as the continued automation of some payments.

Reflecting on an independent assessment of core digital services, Social Security Scotland will **continue to invest in critical digital services** and platforms to support safe and efficient delivery of benefits to clients. They will **develop a strategy by Autumn 2025 for a new Client Payment Platform** as the first step in the development of a multi-year business case for future investment in a payment platform. This will develop critical national infrastructure with potential to be used by other public bodies.

While fraud and error represent a low proportion of overall benefit expenditure, to ensure we use public money correctly and fairly, Social Security Scotland will **continue to pursue initiatives which increase its ability to tackle fraud and error where it does occur**, including the recovery of overpayments. Fraud is often carried out by sophisticated and dynamic criminal actors. To keep pace with these advancements, we will invest in systems and improvements in technology to identify fraudulent activity and recover funds. Social Security Scotland will implement a range of improvements and ensure readiness to implement new legislative powers to measure the monetary value of fraud and error.

Efficiencies and service renewal: a focus on Health and Social Care

Delivery of efficiency and improvement has been a key focus for the Health and Social Care Portfolio and reflects the commitment to ensure use of core resources is optimised and best value is delivered across NHS Scotland. The key elements of our approach to efficiencies and service renewal include:

- A commitment to delivery of **3 per cent recurring savings against core funding for NHS Boards**, supported by a targeted and continuous programme of efficiency and productivity improvement, informed by data analytics, benchmarking, principles of value-based health care and national adoption of best practice. For example:
 - NHS Boards and Health and Social Care Partnerships are delivering a comprehensive set of actions aimed at ensuring value for money is delivered in relation to use of medicines;
 - The Centre for Sustainable Delivery is supporting the rapid rollout of new techniques, innovations and clinically safe, fast and efficient pathways for the benefit of Scotland's patients;
 - A National Procurement service is negotiating contracts on behalf of NHS Scotland and driving value from our supply chains; and
 - All NHS Boards are managing and delivering a nationally agreed programme of improvement opportunities.
- In addition to a focus on enhancing efficiency and productivity, we are applying a **Once for Scotland¹⁴ approach** – an ethos of national consistency in policy and practice that ensures services are designed and delivered in a unified, streamlined way across the country. Aligned to this commitment, the delivery of NHS Board corporate service functions and national board functions will change through an ambitious **business transformation programme**, which will create new opportunities for optimisation and innovation. Our Service Renewal Framework¹⁵ details the formation of NHS Delivery to create a **national centre of excellence** in areas such as digital delivery, education and training, and the provision of national services.
- The Service Renewal Framework will also help us **seize the opportunities presented by the rise of innovation, digital, and treatment advances**, helping to shape a health and social care system that is efficient, high quality, and good value for money. To support service renewal, NHS Boards and staff will be empowered to work in more collaborative, flexible ways across territorial and organisational boundaries and to reduce duplication, variation, and maximise value across people, finances, and infrastructure. Improving our digital capabilities and embracing Artificial Intelligence (AI) and data-driven tools, will help drive reform of our services, improving efficiency and unlock productivity gains – freeing up resources for frontline care and enabling smarter, more responsive services across Scotland. The Service Renewal Framework adopts a “national by default, local by exception” approach to digital initiatives, ensuring consistency and value.

¹⁴ Scottish Government (2024), [NHS Scotland 'Once for Scotland' workforce policies: consultation - gov.scot](#) – Accessed March 2025

¹⁵ Scottish Government (2025), [Health and Social Care Service Renewal Framework - gov.scot](#) – Accessed June 2025

We must respond to the challenging financial environment and achieve sustainability for the health and social care system and our approach as set out above will ensure that we can make the change necessary and continue to deliver services that are accessible, available when required and deliver best outcomes for the people of Scotland.

Service reform. Changing the way we deliver services to secure the same or better outcomes for lower cost in the longer term, enabled and driven through the Public Service Reform Strategy and reform programmes already in train. The following are key reform programmes and actions underway across the Scottish Government that we expect to have a positive impact on the public finances in the medium to longer term:

- **Health and Social Care service reform.** Driven through the recently published Health and Social Care Service Renewal Framework and NHS Scotland Operational Improvement plan, with reform coming from clear prioritisation, innovation, reforms of models of care, systems and structures, and how we improve performance.
- **Social Security Disability Benefits.** Social security statistics¹⁶ show a lower rate of adult disability benefit awards being ended or decreased at review than previously forecast. While Adult Disability Payment is a new benefit and will take some time to fully settle, and therefore a difference would be expected, we will assess whether the current award review process is working as intended and if any changes may be required. This will aim to ensure the review process continues to meet the eight principles contained in the Social Security (Scotland) Act 2018¹⁷ including that the system is to be efficient and deliver value for money, whilst maintaining our commitments to supporting disabled people, treating clients with dignity, fairness and respect, and maximising benefit take-up.
- **Justice reform.** Driven through the Vision for Justice Delivery Plan¹⁸, our vision is for a just, safe resilient Scotland, with reform expected to positively impact on fiscal sustainability coming from actions that use a full range of solutions to reduce the need for, and pressure on, justice services. This includes actions to reduce demand across the justice system including on policing (e.g. for those in mental health distress) and to reduce the demand on, and increase efficiency in, the court system (e.g. through the rollout of the Digital Evidence Sharing Capability System).
- **Education and skills reform.** Our Education Reform programme¹⁹ and our Post-School Education and Skills Reform programme²⁰ will simplify the education and skills public body landscape, reduce duplication of services, implement digital

¹⁶ Social Security Scotland (2024), [Social Security Scotland - Adult Disability Payment: high level statistics to 31 October 2024](#) – Accessed March 2025

¹⁷ The National Archives (2018), [Social Security \(Scotland\) Act 2018](#) – Accessed March 2025

¹⁸ Scottish Government (2023), [Vision for Justice in Scotland: three year delivery plan - gov.scot](#) – Accessed May 2025

¹⁹ The Scottish Parliament (2025), [Education \(Scotland\) Bill | Scottish Parliament Website](#) – Accessed June 2025

²⁰ The Scottish Parliament (2025), [Tertiary Education and Training \(Funding and Governance\) \(Scotland\) Bill | Scottish Parliament Website](#) – Accessed April 2025

transformation, and strengthen national support and skills planning, to better support learners to navigate the system, enhancing their learning experience and creating a system more responsive to Scotland's needs.

- **Joined up models of service delivery.** Changing our model of service delivery, particularly for people with the greatest disadvantage or most complex circumstances, to integrate support, and empower the frontline to bring together all the resources people and families need to thrive. This model of service delivery also reduces duplication and cost in the system. This will be further enabled by actions under Pillar 2 of Public Service Reform Strategy, to simplify the policy landscape, improve data sharing, and better integrate services locally.

Prevention. Investing in the most impactful preventative spend to reduce service demand in the medium to long term. The Public Service Reform Strategy sets out the actions we will take to unblock systematic barriers to prevention. The following are key strategies and actions underway across the Scottish Government that we expect to have a positive impact on the public finances in the medium to longer term:

- **The Population Health Framework**²¹, published on 17 June, sets out our long-term (10-year) approach to primary prevention. Building on the positive and innovative actions we are already taking across areas, including tobacco, alcohol, diet and healthy weight and physical activity to improve population health and reduce health inequalities, the Framework focuses on improving social and economic determinants; improving places and communities; creating environments that support healthier living; delivering more equitable health and care services; and creating a more prevention focused system.
- **'Best Start, Bright Futures'**²², the Scottish Government's second Tackling Child Poverty Delivery Plan, sets out how we will continue to drive forward cross-government action to tackle child poverty; improve outcomes for families and support every child to reach their full potential; help to break the cycle of poverty and reduce demand on public services such as the NHS and criminal justice system in the long term. This includes through:
 - Fairer Futures Partnerships;
 - Employability Programmes, including No One Left Behind;
 - Investment in social security, including our five family payments;
 - Keeping the Promise Programme;
 - Getting it Right for Everyone;
 - Bairns Hoose;
 - Scottish Attainment Challenge.
- The **Early Child Development Transformational Change Programme**²³ provides an overarching structure and framework, based on the principles of quality improvement, to improve early child development. It seeks to provide

²¹ Scottish Government (2025), [Scotland's Population Health Framework - gov.scot](#) – Accessed June 2025

²² Scottish Government (2022), [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot](#) - Accessed June 2025

²³ Scottish Government (2023), [Early child development transformational change programme - gov.scot](#) – Accessed June 2025

stronger oversight to ensure better integration of policies and a focus on using current evidence and data to identify and address gaps in both policy and implementation for the pre-birth to three period.

- **Tackling poverty more generally**, through completing the Social Security Programme, at which point Social Security Scotland will deliver the Carer Support Payment; Pension Age Disability Payment; Pension Age Winter Heating Payments; Carer Additional Person Payment; and Scottish Adult Disability Living Allowance.
- **Taking early action to prevent young people entering the criminal justice system** through the Cashback for Communities initiative. **Prevent reoffending and support rehabilitation** through shifting the balance between custody and justice in the community, which is often more effective in supporting rehabilitation, and supporting people in custody to prepare for successful release back into their communities.
- **Introducing legal duties to prevent homelessness.** Delivering homelessness prevention pilots; helping partners prepare for new legislation and supporting successful implementation; investing in discretionary housing payments to help people remain in their homes, and increasing the supply of affordable housing, all of which help to reduce pressure on other public services, including the NHS, Local Government and the Justice System.

Actions set out under the Pillar 1 efficiency and reform measures are expected to generate significant cashable savings within the five-year MTFS period, as follows:

- A Workforce reduction target of an average 0.5 per cent reduction per annum over five years, protecting frontline services, with savings growing from £0.1 billion to £0.7 billion per annum over the five years;
- Wider public sector efficiencies and productivity, reform, and revenue raising, with savings growing from £0.6 billion to £1.5 billion per annum over the five years;
- Increasing public value, to be set out in the Scottish Spending Review, with a savings target of between £0.3 billion and £0.7 billion per annum over the five years.

Additional savings will be realised beyond the five-year MTFS period through the ongoing impact of reform and prevention measures. Savings from prevention activity have the potential to be significant, as is highlighted in the Public Service Reform Strategy and Population Health Framework, meaning these actions will further support fiscal sustainability in the longer term. The Scottish Exchequer will support these programmes to understand the preventative impact and will continue to track and monitor the impact on the public finances.

Pillar 2: Supporting sustainable, inclusive, economic policies with the greatest potential to grow Scotland's economy, expand and broaden the tax base to fund public services

Measures

- Increasing aggregate business activity
- Increasing employment levels
- Increasing average wages

Key Actions

Delivering on our economic strategy to drive growth including:

- Seizing new opportunities in offshore wind and its supply chains through our public investment of up to £500 million.
- Accelerating developments through planning reforms.
- Ensuring we have the right skills in the right places through our national skills system reforms and targeted support for priority sectors.
- Investing in and expanding access to housing and transport infrastructure.

Economic growth is an important driver of fiscal sustainability. By supporting a dynamic and flexible business environment, where productive businesses are able to scale up and generate better and higher paying jobs, we create the opportunity for people to take on more or better work. This increases economic activity, alleviates pressure on public spending, on social welfare programmes, and generates more Income Tax revenues. These positive feedback loops on government spending and revenues enable us to re-invest to support more businesses and families to thrive.

The main economic interventions to support economic growth and fiscal sustainability are set out in the National Strategy for Economic Transformation (NSET)²⁴, Green Industrial Strategy²⁵ and the 2024²⁶ and 2025 Programmes for Government.²⁷ In this Delivery Plan, we are highlighting the economic interventions that are expected to grow the economy and expand and broaden the tax base. These measures are not mutually exclusive, as actions being taken to drive growth will have an impact across all three.

Pillar 2 measures and actions are as follows:

Increasing aggregate business activity. By supporting Scottish businesses and making it easier to do business through providing regulatory certainty and stability,

²⁴ Scottish Government (2022), [Scotland's National Strategy for Economic Transformation - gov.scot](#) – Accessed May 2025

²⁵ Scottish Government (2024), [Green industrial strategy - gov.scot](#) – Accessed May 2025

²⁶ Scottish Government (2024), [Programme for Government 2024-25: Serving Scotland - gov.scot](#) – Accessed May 2025

²⁷ Scottish Government (2025), [Programme for Government 2025 to 2026 - gov.scot](#) – Accessed May 2025

Increasing average wages. Wage growth is critical to fiscal sustainability through income taxation. Through improving skills and growing as well as attracting high-wage sectors to Scotland, to take full advantage of economic opportunities, we will ensure employers have the supply of skills they need by investing in workers and attracting talent to address critical skills gaps in the economy. The following actions are expected to drive wage growth:

- New national approach to skills planning and reforming the education and skills funding system.
- Launching 'AI Scotland', a new national transformation programme founded on a partnership of business, academia, agencies and government, including a national AI adoption programme for Small and Medium-sized Enterprises (SMEs).
- Continue to provide additional targeted support across a range of sectors including investing in offshore wind, social care, engineering, and advanced manufacturing.
- Providing £3.5 million so that colleges can deliver the pipeline of skills our economy and public services need with new programmes focused on care and offshore wind.
- Widening access to higher education for students from the most socio-economically disadvantaged communities.
- Award new regional contracts alongside delivery of the £600 million+ R100 programme (Reaching 100% broadband), so more households, communities and businesses can access reliable gigabit connectivity.

Forecasting and quantifying the direct impact on tax take of any individual or set of economic growth commitments is challenging and complex. Each of these policies individually, and as a package, can be expected to have a positive impact on tax revenue, assuming that wider macroeconomic and global conditions also remain supportive of growth. We will use wider economic indicators, such as Gross Domestic Product (GDP) per capita, employment rate, and median income, to track the progress of growth in these areas and enable comparison between Scotland, the rest of the UK, and against peer nations. To supplement this, the impact, progress, and delivery of economic policy interventions is reported within the NSET Annual Report.

As a small, open economy, even with the best possible combination of economic policies, Scotland will be subject to global macroeconomic trends, including the current uncertainty that is slowing growth globally. This approach maintains the ability to measure our progress in context against other similar countries and the rest of the UK.

Pillar 3: Ensuring a strategic approach to tax revenues which considers the longer-term impact of our tax choices and competitiveness

Measures

- Priorities to improve the operation and performance of the existing tax system.
- Future tax reform to deliver sustainable and growing tax revenues.

Key Actions

- Maintaining and protecting our progressive approach to taxation.
- Working in partnership with Local Government to ensure local taxes are fair and sustainable.
- Implementing new devolved taxes.
- Expanding the evidence base for Scottish Income Tax.
- Reviewing the operation of existing taxes.
- Strengthening our approach to Scottish tax compliance.

The Scottish Government's approach to Income Tax policy has been particularly important in supporting fiscal sustainability, with decisions since devolution estimated to have raised up to £1.7 billion in 2025-26 when compared to if we had implemented the same rates and bands as in the rest of the UK. By 2029-30 the SFC forecasts the total tax net position to be £2.3 billion.²⁹

The Scottish Government operates within a complex tax framework, with powers split between the UK Government, the Scottish Government, and Local Government. UK-level decisions significantly influence Scottish finances and economic priorities while local authorities also play a role in setting and administering local taxes. Managing this layered system requires a long-term perspective on tax impacts across all levels. Uncertainties around revenue, forecast error and potential reconciliations add to the financial risks that must be managed.

It is within this context that the Scottish Government published 'Scotland's Tax Strategy: Building on our Tax Principles'³⁰ (the Tax Strategy), alongside the 2025-26 Scottish Budget. The Tax Strategy delivers on the third pillar of the fiscal sustainability set out in the MTFs and sets out a range of priorities that will underpin this government's approach to developing tax policy, ensuring the tax system raises the revenue needed to achieve our priorities, and supports our growing economy.

Pillar 3 measures and actions are as follows:

Priorities to improve the operation and performance of the existing tax system.

The following actions underpin this approach:

²⁹ Scottish Fiscal Commission (2025), [Scotland's Economic and Fiscal Forecasts](#) – Accessed May 2025

³⁰ Scottish Government (2024), [Scotland's Tax Strategy: Building on our Tax Principles - gov.scot](#) – Accessed May 2025

- **Continuing to work in partnership with Local Government**, to ensure that local taxes are fair and sustainable and to explore the creation of more revenue-generating powers for local authorities, with the Visitor Levy (Scotland) Act already having given Local Government their most significant new tax power since devolution. We will work towards a Scottish Parliament debate in early 2026 to lay the groundwork for reform proposals in the next parliamentary term.
- **Implementing new devolved taxes:**
 - The Building Safety Levy (Scotland) Bill was introduced on 5 June 2025, and the Levy is intended to come into force on 1 April 2027.
 - Scottish Aggregates Tax will replace the UK Aggregates Levy in Scotland and come into force on 1 April 2026.
 - High-level principles to help shape development of Air Departure Tax policy have been published alongside the 2025 MTFS.
- **Expanding the evidence base for Scottish Income Tax**, which includes publishing research later in 2025 on how the tax environment affects the competitiveness of the Scottish economy. In the coming years, Income Tax outturn data for the 2023-24 and 2024-25 tax years will become available and we will work in collaboration with HM Revenue and Customs (HMRC) to evaluate the impact of policy changes to Scottish Income Tax made in these years. This will help us understand how these changes have affected the Scottish tax base and whether they achieved their stated policy goals at the time of introduction, providing additional evidence to inform future policy decisions on Income Tax.
- **Reviewing the operation of existing taxes**, including:
 - A comprehensive programme of engagement with an objective to build consensus for a coherent option for meaningful and long-term reform of Council Tax. The insights gathered from this work will inform a Scottish Parliament debate scheduled for early 2026, laying the groundwork for reform proposals in the next parliamentary term.
 - Conducting, over the remainder of this Parliament, a review of Land and Buildings Transactions Tax (LBTT), to support an evaluation of key aspects of the tax legislation.
 - Commissioning independent research on the effectiveness of the lower rate of Scottish Landfill Tax (SLfT) in supporting circular economy and waste objectives.
- **Promoting the “Areas of Research Interest”**, working with the academic community and other stakeholders engaged on tax issues, to ensure that our policy and analytical priorities are aligned over the medium term. This work will lead to strengthened connections between policy makers and researchers across Scotland and beyond.
- **Strengthen our approach to Scottish tax compliance**, in collaboration with HMRC and Revenue Scotland and working with tax administrators to streamline and ensure efficient tax collection mechanisms. This will include:

- Working in partnership with HMRC through the joint Compliance Working Group to explore future improvements in Scottish Income Tax compliance, which takes account of our progressive tax system.
- Working in partnership with Revenue Scotland to deliver Scottish Aggregates Tax and Scottish Building Safety Levy through the use of data and operational insights.
- As part of Revenue Scotland's Digital Strategy, working to ensure a single end-to-end digital journey for taxpayers and their agents. This includes improving data standards, quality and supporting greater connectivity with other systems and services.

Future tax reform. Through the following actions we will explore the opportunities for reform and devolution of tax powers needed to continue to deliver sustainable and growing tax revenues in the future including:

- **Consolidating our evidence on the operation of the overall suite of Scottish taxes** relating to key issues such as fiscal sustainability and risk. This will help us to further develop our approach to managing tax performance, mitigating potential risks and exploring future tax policy options, including the long-term development of Scottish Income Tax.
- **On reserved tax powers**, we will publish an analysis of the fiscal sustainability of Scottish taxes, and opportunities for further reform and devolution, in early 2026.
- **To frame a well-informed and broad discussion on taxing wealth**, we will publish a literature review of wealth taxation, and we will undertake extensive engagement with experts and stakeholders on how this learning could be applied in a Scottish context, in the next parliamentary term and beyond.
- **Working with and learning from other countries**, to better understand different devolved arrangements internationally as well as the potential role for the devolved tax system to encourage positive behavioural change and how transitory tax revenues are balanced and managed within tax systems.

Tables

Pillar 1: Ensuring public money is focused on delivering government objectives, underpinned by reform and prioritisation to maximise impact

Measure	Actions	Milestone(s)	Timescale	Further detail	Responsible
Increasing public value - ensuring funding is fully focused on delivering Scottish Government priorities and maximising impact of available investment	<ul style="list-style-type: none"> Identify and prioritise higher impact spending, with a specific focus on those areas of spend that meet Ministerial priorities, including achieving statutory targets on child poverty and climate emergency. Review all spending lines across Government and identify savings options which allow outcomes to be delivered for less resources. Improve the evidence base for the impact of existing spending and new spending proposals, to drive evidence-based investment/disinvestment decisions. Review opportunities to target existing spending more effectively to provide maximum support to those who need it most. Review options for public bodies to more effectively raise revenue from government services. 	<p>Delivery of the Scottish Spending Review</p> <p>Delivery of the draft 2026-27 Scottish Budget</p>	By Dec 2025 with further actions over the forecast period to 2029-30	See Annex E of the MTFS for the Spending Review Framework - The Scottish Government's Medium-Term Financial Strategy	Scottish Government
Efficiencies and productivity - business improvement and increased productivity to secure the same or	<p>Planning for a managed downward trajectory for the devolved public sector workforce in Scotland (0.5% reduction on average per annum over the next five years), with actions taken forward under:</p> <ul style="list-style-type: none"> Workforce planning 	Expected 0.5% on average reduction each financial year to 2029-30	To the end of the forecast period 2029-2030		Scottish Public Sector

Measure	Actions	Milestone(s)	Timescale	Further detail	Responsible
better outputs for lower cost	<ul style="list-style-type: none"> Workforce Management Policy and Control Framework. Promoting best practice and guidance for existing severance policy Redeployment Improving transparency of workforce information. 				
	Ensure the Public Sector Pay Policy continues to set the framework for fair and sustainable pay increases for staff, with a focus on multi-year pay metrics.	Update of Public Sector Pay Policy	To be published alongside the 2026-27 Scottish Budget	Scottish Budget 2025 to 2026: public sector pay policy	Scottish Government
	Take forward wider public sector efficiencies, including a focus on reducing costs of corporate functions through the Public Service Reform Strategy, and considering all areas of service delivery.	Milestones being developed	To end of forecast period 2029-30	Scotland's Public Service Reform Strategy: Delivering for Scotland - gov.scot	Scottish Public Sector
	Social Security efficiencies through operational delivery improvements, investing in digital, and tackling fraud and error where it occurs.	Milestones being developed	Efficiencies ongoing throughout the forecast period and beyond	To be reported on in the Social Security Scotland annual business plan 2025-26	Social Security Scotland
	Deliver NHS Board 3% recurring savings against core funding, supported by a continuous	3% annual recurring	Each financial year to end of	NHS Scotland operational	NHS Scotland

Measure	Actions	Milestone(s)	Timescale	Further detail	Responsible
	programme of efficiency and productivity opportunities, and enabled by reform.	efficiency savings	forecast period 2029-30	improvement plan - gov.scot	
	Use the 2025-26 Invest to Save Fund to drive efficiencies and reform, with the intention to build on this in 2026-27 and future years.	2025-26 Awards announced	To the end of the forecast period 2029-2030.	Scottish Budget 2025-2026: Finance Secretary's statement - 4 December 2024 - gov.scot	Scottish Government
Service Reform - changing the way we deliver services to secure the same or better outcomes for lower cost in the longer term.	<ul style="list-style-type: none"> Health and Social Care Reform - driven through the Health and Social Care Service Renewal Framework - reform coming from clear prioritisation, innovation, reforms of models of care, systems and structures, and how we monitor performance. Social Security Disability Benefits - assess whether the current award review process is working as intended and if any changes may be required. This will aim to ensure the review process continues to meet the eight principles contained in the Social Security (Scotland) Act 2018 including that the system is to be efficient and deliver value for money, whilst maintaining our commitments to supporting disabled people, treating clients with dignity, fairness and respect, and maximising benefit take-up. Justice Reform - driven through the Vision for Justice three-year delivery plan, with reform expecting to positively impact on fiscal 	Identification of the milestones relevant to the FSDP in progress	Various: medium term (3-5 years) to long term (>5 years)	Health and Social Care Service Renewal Framework - gov.scot Vision for Justice in Scotland: three year delivery plan - gov.scot Education (Scotland) Bill Scottish Parliament Website	Scottish Public Sector

Measure	Actions	Milestone(s)	Timescale	Further detail	Responsible
	<p>sustainability coming from actions that use a full range of solutions to reduce the need for, and pressure on, justice services.</p> <ul style="list-style-type: none"> • Education and Skills Reform - Education Reform and Post-School Education and Skills Reform programmes will simplify the Education public body landscape, reduce duplication of services, implement digital transformation and strengthen skills planning. • Joined up models of service delivery – changing our model of service delivery, particularly for those facing disadvantages, by better integrating support and reducing duplication. 			<p>Tertiary Education and Training (Funding and Governance) (Scotland) Bill Scottish Parliament Website</p> <p>Scotland's Public Service Reform Strategy: Delivering for Scotland - gov.scot</p>	
<p>Prevention - investing in the most impactful preventative spend, to reduce service demand in the long term.</p>	<ul style="list-style-type: none"> • The Population Health Framework - building on the positive and innovative actions we are already taking across areas creating a more prevention focused system. • Through 'Best Start, Bright Futures', continue to drive forward cross-government action on child poverty. • The Early Child Development Transformational Change Programme to improve early child development for the pre-birth to three period. • Tackling poverty more generally through completing the Social Security Programme 	<p>Identification of the milestones relevant to the FSDP in progress.</p>	<p>Various: medium term (3-5 years) to long term (>5 years)</p>	<p>Scotland's Population Health Framework - gov.scot</p> <p>Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot</p>	<p>Scottish Public Sector</p>

Measure	Actions	Milestone(s)	Timescale	Further detail	Responsible
	<ul style="list-style-type: none"> • Taking early action to prevent young people entering the criminal justice system and prevent reoffending and support rehabilitation. • Introducing legal duties to prevent homelessness; delivering homelessness prevention pilots; investing in discretionary housing payments to help people remain in their homes; and increasing the supply of affordable housing. 			<p>Ending homelessness together: updated action plan - October 2020 - gov.scot</p> <p>Early child development transformational change programme - gov.scot</p>	

Pillar 2: Supporting sustainable, inclusive economic policies with the greatest potential to grow Scotland’s economy, expand and broaden the tax base to fund public services

Measure	Actions	Milestone(s)	Timescale	Further detail	Responsible
<p>Increasing aggregate business activity - by supporting Scottish businesses and making it easier to do business through providing regulatory certainty and stability.</p>	<ul style="list-style-type: none"> • Implement a Six Point Export Plan with SDI to support exporters. • Support women-led businesses to export more. • Deliver two Green Freeports and two Investment Zones. • Boost planning capacity and reduce barriers to delivery. • Implement the recommendations of the Housing Investment Taskforce. • Support our transport network to become more available, affordable, and accessible. • Delivering a financial support and guidance scheme to support industry clusters to emerge, grow, and remain internationally competitive. 	<p>Actions expected to be in delivery by May 2026</p>	<p>National Strategy for Economic Transformation to 2032</p>	<p>Economy strategy - gov.scot</p>	<p>Scottish Government</p>
<p>Increasing employment levels - through improving access to good, well-paid employment and attracting investment to start new and grow existing employment opportunities in Scotland</p>	<ul style="list-style-type: none"> • Investing up to £90 million in 2025-26 for the delivery of devolved employability services. • Investment of up to £500 million over 5 years in offshore wind. • Edinburgh Innovation Hub will grow innovation-led enterprise, aiming to deliver around 100 new start-ups over its lifetime. • Delivering Scotland’s Migration Service and continuing to make the case for tailored migration routes for Scotland. 	<p>Actions expected to be in delivery by May 2026.</p>	<p>National Strategy for Economic Transformation to 2032</p>	<p>Economy strategy - gov.scot</p>	<p>Scottish Government</p>

Measure	Actions	Milestone(s)	Timescale	Further detail	Responsible
	<ul style="list-style-type: none"> • Launching 'Invest Scotland', a new portal that will showcase investment opportunities and information for investors. • Transform the number of women starting and scaling businesses by investing up to £6 million to implement Ana Stewart and Mark Logan's Pathways report. 				
Increasing average wages - through improving skills and attracting high-wage sectors to Scotland	<ul style="list-style-type: none"> • New national approach to skills planning and reforming the education and skills funding system. • Launching AI Scotland, including a national AI adoption programme for SMEs. • Continue to provide additional targeted support across a range of sectors including investing in offshore wind, social care, engineering, and advanced manufacturing. • Providing £3.5 million to colleges to deliver the pipeline of skills our economy and public services need with new programmes focused on care and offshore wind. • Widening access to higher education for students from the most socio-economically disadvantaged communities. • Award new regional contracts alongside delivery of the £600 million+ R100 programme, so more households, communities and businesses can access reliable gigabit connectivity. 	Actions expected to be in delivery by May 2026.	National Strategy for Economic Transformation to 2032	Economy strategy - gov.scot	Scottish Government

Pillar 3: Ensuring a strategic approach to tax revenues which considers the longer-term impact of our tax choices and competitiveness

Measure	Action	Milestone(s)	Timescale	Further detail	Responsible
Priorities to improve the operation and performance of the existing tax system	Expand the evidence base for Scottish Income Tax.	Publish research on income tax and business competitiveness	By end Q4 2025	Scotland's Tax Strategy: Building on our Tax Principles - gov.scot	Scottish Government
	Work with HM Revenue and Customs (HMRC) to publish evaluations of policy changes to Scottish Income Tax in 2023-24 and 2024-25 tax years.	Subject to discussion with HMRC following outturn data becoming available. Initial progress expected mid-2026	2026	Scotland's Tax Strategy: Building on our Tax Principles - gov.scot	Scottish Government and HMRC
	Review the operation of existing taxes.	<p>Council Tax: a programme of engagement with an objective to build consensus for a coherent option for meaningful and long-term reform</p> <p>Q2 2025-26: IFS Analysis and Modelling Q3 2025-26: Consultation launch, Town-halls, Expert roundtables Q4 2025-26: Analysis of engagement</p>	All over 2025 to 2026	Building consensus on Council Tax reform - gov.scot Scottish Landfill Tax: Lower Rate Review	Scottish Government, COSLA, Revenue Scotland

Measure	Action	Milestone(s)	Timescale	Further detail	Responsible
		<p>Land and Buildings Transactions Tax (LBTT): a review of the first 10 years of LBTT.</p> <p>Scottish Landfill Tax (SLfT): commissioning independent research on the effectiveness of the lower rate of Scottish Landfill Tax</p>			
	Work in partnership with Local Government, to ensure that local taxes are fair and sustainable, and to explore the creation of more revenue generating powers for local authorities.	Scottish Parliament debate	2026	Scotland's Tax Strategy: Building on our Tax Principles - gov.scot	Scottish Government and COSLA
	Implement the devolved taxes: the Building Safety Levy; Air Departure Tax, Scottish Aggregates Tax.	<p>Air Departure Tax: Principles published: 25 June 2025</p> <p>Scottish Aggregates Tax: 1 April 2026</p> <p>Building Safety Levy: 1 April 2027</p>	2025 to 2027	Air Departure Tax - Taxes - gov.scot Aggregates Levy - Taxes - gov.scot Building Safety Levy - Taxes - gov.scot	Scottish Government and Revenue Scotland

Measure	Action	Milestone(s)	Timescale	Further detail	Responsible
	Promote Areas of Research Interest to the academic community and other stakeholders working on tax.	Roundtable event with academics in June 2025 to help establish an academic network	Ongoing through 2025 and beyond	Scotland's Tax Strategy: Building on our Tax Principles - gov.scot	Scottish Government
	Strengthen our approach to Scottish tax compliance in collaboration with HMRC and Revenue Scotland. <ul style="list-style-type: none"> Work with HMRC through the joint Compliance Working Group to explore future improvements in Scottish Income Tax compliance Work in partnership with Revenue Scotland to deliver Scottish Aggregates Tax and Scottish Building Safety Levy through the use of data and operational insights As part of Revenue Scotland's Digital Strategy, working to ensure a single end-to-end digital journey for taxpayers and their agents 	Milestones being developed	Initial reporting by end of Q1 2026	Scotland's Tax Strategy: Building on our Tax Principles - gov.scot	Scottish Government, HMRC and Revenue Scotland
Future tax reform - explore opportunities for reform and devolution of tax powers	Use evidence on the operation of the overall suite of Scottish taxes to develop options and principles for future change.	Collate and publish evidence on existing taxes building on materials produced for the next Scottish Budget	Initial steps by the end of Q1 2026	Scotland's Tax Strategy: Building on our Tax Principles - gov.scot	Scottish Government
	On reserved taxes, develop a set of tests that can be applied to the	Initial stakeholder engagement to test ideas and approaches	Initial steps by the end of Q1 2026	Scotland's Tax Strategy: Building on our	Scottish Government

Measure	Action	Milestone(s)	Timescale	Further detail	Responsible
	consideration of further devolution of taxes.			Tax Principles - gov.scot	
	Undertake a programme of activities relating to framing a discussion on wealth taxation, to scope options for Scotland.	Publish initial scoping materials including a literature review	By end of Q1 2026	Scotland's Tax Strategy: Building on our Tax Principles - gov.scot	Scottish Government
	Commission research on international comparative approaches to scope priorities for tax as a lever to encourage positive behavioural change.	Collate existing evidence base to inform commission of new research	2026	Scotland's Tax Strategy: Building on our Tax Principles - gov.scot	Scottish Government

List of Acronyms

AI: Artificial Intelligence

COSLA: Convention of Scottish Local Authorities

GDP: Gross Domestic Product

HMRC: His Majesty's Revenue and Customs

IIP: Infrastructure Investment Plan

LBTT: Land and Building Transactions Tax

MTFS: Medium-Term Financial Strategy

NHS: National Health Service

NSET: National Strategy for Economic Transformation

PSR: Public Service Reform

R100: Reaching 100% (broadband programme)

SDI: Scottish Development International

SFC: Scottish Fiscal Commission

SLfT: Scottish Landfill Tax

SMEs: Small and Medium-sized Enterprises

UK: United Kingdom

Bibliography

Scottish Fiscal Commission (2025), [Fiscal Sustainability Report](https://fiscalcommission.scot/wp-content/uploads/2025/04/Publication-April-2025-Fiscal-Sustainability-Report.pdf) – Accessed April 2025, URL: <https://fiscalcommission.scot/wp-content/uploads/2025/04/Publication-April-2025-Fiscal-Sustainability-Report.pdf>

Scottish Fiscal Commission (2025), [Scotland's Economic and Fiscal Forecasts \(SEFF\) - May 2025](https://fiscalcommission.scot/wp-content/uploads/2025/05/Scotlands-Economic-And-Fiscal-Forecasts-May-2025.pdf) – Accessed May 2025, URL: <https://fiscalcommission.scot/wp-content/uploads/2025/05/Scotlands-Economic-And-Fiscal-Forecasts-May-2025.pdf>

Scottish Government (2023), [The Scottish Government's Medium-Term Financial Strategy - gov.scot](https://www.gov.scot/publications/scottish-governments-medium-term-financial-strategy-2/) – Accessed March 2025, URL: <https://www.gov.scot/publications/scottish-governments-medium-term-financial-strategy-2/>

Scottish Government (2025), [The Scottish Government's Medium-Term Financial Strategy](https://www.gov.scot/isbn/9781836918356) – Accessed June 2025, URL: <https://www.gov.scot/isbn/9781836918356>

Scottish Government (2025), [Scotland's Public Service Reform Strategy: Delivering for Scotland - gov.scot](https://www.gov.scot/publications/scotlands-public-service-reform-strategy-delivering-scotland/) – Accessed June 2025, URL: <https://www.gov.scot/publications/scotlands-public-service-reform-strategy-delivering-scotland/>

Scottish Government (2025), [NHS Scotland operational improvement plan - gov.scot](https://www.gov.scot/publications/nhs-scotland-operational-improvement-plan/) – Accessed April 2025, URL: <https://www.gov.scot/publications/nhs-scotland-operational-improvement-plan/>

Scottish Government (2022), [Scotland's National Strategy for Economic Transformation - gov.scot](https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/) – Accessed May 2025, URL: <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/>

Scottish Government (2024), [Scotland's Tax Strategy: Building on our Tax Principles - gov.scot](https://www.gov.scot/publications/scotlands-tax-strategy-building-tax-principles/) – Accessed May 2025, URL: <https://www.gov.scot/publications/scotlands-tax-strategy-building-tax-principles/>

Scottish Government (2023), [Vision for Justice in Scotland: three year delivery plan - gov.scot](https://www.gov.scot/publications/vision-justice-scotland-three-year-delivery-plan/) – Accessed May 2025, URL: <https://www.gov.scot/publications/vision-justice-scotland-three-year-delivery-plan/>

Scottish Government (2021), [A National Mission with Local Impact: Infrastructure Investment Plan for Scotland 2021-22 to 2025-26 - gov.scot](https://www.gov.scot/publications/national-mission-local-impact-infrastructure-investment-plan-scotland-2021-22-2025-26/) – Accessed May 2025, URL: <https://www.gov.scot/publications/national-mission-local-impact-infrastructure-investment-plan-scotland-2021-22-2025-26/>

Scottish Government (2021), [Investing for jobs: Capital Spending Review 2021-2022 to 2025-2026 - gov.scot](https://www.gov.scot/publications/investing-jobs-capital-spending-review-2021-22-2025-26/) – Accessed May 2025, URL: <https://www.gov.scot/publications/investing-jobs-capital-spending-review-2021-22-2025-26/>

Scottish Government (2022), [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026 - gov.scot](https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-26/) – Accessed June 2025, URL: <https://www.gov.scot/publications/best-start-bright-futures-tackling-child-poverty-delivery-plan-2022-26/>

Scottish Government (2024), [Green industrial strategy - gov.scot](https://www.gov.scot/publications/green-industrial-strategy/) – Accessed May 2025, URL: <https://www.gov.scot/publications/green-industrial-strategy/>

Scottish Government (2024), [Programme for Government 2024-25: Serving Scotland - gov.scot](https://www.gov.scot/publications/programme-government-2024-25-serving-scotland/) – Accessed May 2025, URL: <https://www.gov.scot/publications/programme-government-2024-25-serving-scotland/>

Scottish Government (2025), [Programme for Government 2025 to 2026 - gov.scot](https://www.gov.scot/publications/programme-government-2025-26/) – Accessed May 2025, URL: <https://www.gov.scot/publications/programme-government-2025-26/>

Scottish Government (2023), [Pathways: A new approach for women in entrepreneurship - gov.scot](https://www.gov.scot/publications/pathways-new-approach-women-entrepreneurship/) – Accessed May 2025, URL: <https://www.gov.scot/publications/pathways-new-approach-women-entrepreneurship/>

Scottish Government (2024), [NHS Scotland 'Once for Scotland' workforce policies: consultation - gov.scot](https://www.gov.scot/publications/consultation-nhsscotland-once-scotland-workforce-policies/) – Accessed March 2025, URL: <https://www.gov.scot/publications/consultation-nhsscotland-once-scotland-workforce-policies/>

Scottish Government (2025), [Scotland's Population Health Framework - gov.scot](https://www.gov.scot/publications/scotlands-population-health-framework/) – Accessed June 2025, URL: <https://www.gov.scot/publications/scotlands-population-health-framework/>

Scottish Government (2023), [Early child development transformational change programme - gov.scot](https://www.gov.scot/publications/early-child-development-transformational-change-programme/) – Accessed June 2025, URL: <https://www.gov.scot/publications/early-child-development-transformational-change-programme/>

Scottish Government (2025), [Health and Social Care Service Renewal Framework - gov.scot](https://www.gov.scot/publications/health-social-care-service-renewal-framework/) – Accessed June 2025, URL: <https://www.gov.scot/publications/health-social-care-service-renewal-framework/>

Social Security Scotland (2024), [Social Security Scotland - Adult Disability Payment: high level statistics to 31 October 2024](https://www.socialsecurity.gov.scot/reporting/publications/adult-disability-payment-high-level-statistics-to-31-october-2024/) – Accessed March 2025, URL: https://www.socialsecurity.gov.scot/reporting/publications/adult-disability-payment-high-level-statistics-to-31-october-2024

The National Archives (2018), [Social Security \(Scotland\) Act 2018](https://www.legislation.gov.uk/asp/2018/9/contents) – Accessed March 2025, URL: <https://www.legislation.gov.uk/asp/2018/9/contents>

The Scottish Parliament (2025), [Education \(Scotland\) Bill | Scottish Parliament Website](https://www.parliament.scot/bills-and-laws/bills/s6/education-scotland-bill) – Accessed June 2025, URL: <https://www.parliament.scot/bills-and-laws/bills/s6/education-scotland-bill>

The Scottish Parliament (2025), [Tertiary Education and Training \(Funding and Governance\) \(Scotland\) Bill | Scottish Parliament Website](https://www.parliament.scot/bills-and-laws/bills/s6/tertiary-education-and-training-funding-and-governance-scotland-bill) – Accessed April 2025,
URL: <https://www.parliament.scot/bills-and-laws/bills/s6/tertiary-education-and-training-funding-and-governance-scotland-bill>



© Crown copyright 2025



This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at

The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-83691-836-3 (web only)

Published by The Scottish Government, June 2025

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1576234 (06/25)

W W W . g o v . s c o t