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Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament

27 November 2025

Dear Kenneth,

Re Public Sector Reform and the Civil Service

Thank you for your letter regarding the optimal size of the Civil Service and targets for workforce reduction. I understand that the Committee is interested in the plans in place to ensure the Civil Service becomes more agile, the mechanisms for monitoring reductions, and the nature of discussions held with the Permanent Secretary concerning the future size and structure of the Scottish Government workforce.

Effective workforce management is a critical lever in achieving fiscal sustainability and delivering for the people of Scotland. This will remain a key area of focus as we progress reform.

The Fiscal Sustainability Delivery Plan (FSDP) sets out a clear direction for workforce reductions, with a planned average reduction of 0.5% per annum across the devolved public sector over the next five years. **As part of this, annualised Scottish Government and public body corporate costs will reduce by approx. £1 billion, representing around 20% of the identified public body corporate and core government operating costs.** The strategy makes clear that frontline roles will be protected, and as such, areas like the core Scottish Government are expected to deliver a proportionately greater share of these reductions. **As discussed at FPAC, this could be translated as 4% reductions per year, however a specified breakdown of proposed reductions have not been annualised in this way.**

This builds on work underway since 2022 which has seen the core Scottish Government's contingent workforce reduce by 48%, and slowed growth in directly employed staffing from 13.5% in the year to March 2022 to 0.8% in the year to March 2025.

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The PSR and Fiscal Sustainability Delivery Plan set out overall targets, with organisations – individually and collectively- expected to put in place the necessary actions to deliver and monitor efficiencies over time. As the Cabinet Secretary for Finance and Local Government set out for you last week this must be implemented in the right way, protecting front line services. It is also important to highlight that the expectation is that plans across the public sector be developed in partnership with the trade unions.

Determining the optimal size of the Scottish Government requires constant attention to ensure balance across workforce levels, financial constraints, and the delivery of the government's programme. These considerations are a regular feature of my discussions with the Permanent Secretary and are central to the deliberations of his Executive Team.

The refinement of processes, optimising organisational design and the deployment of digital technology are all transforming the way in which organisations, including the Scottish Government, will work in the future.

I trust this provides the Committee with an overview of our current position and strategic direction.

Yours sincerely,


Ivan McKee MSP
Minister for Public Finance

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