

Scottish Government Public Service Reform Summit

The Summit

On October 14th the Scottish Government held what they described as a “Public Service Reform Operational Summit” the attendees were the Chief Executives of practically every public sector body in Scotland. The purpose of the summit was to discuss the centralisation and outsourcing of a huge range of services including, but not limited to, Finance, HR and IT.

The event was held with little publicity. There was no press release and the Ministerial speech has not been published on the Scottish Government website (our information comes from Freedom of Information requests). The invitees included the Chief Executives of all Councils, all Health Boards, a large range of other public bodies from the Care Inspectorate to Quality Meat Scotland and Scottish Water. Invitees also included Civil Service unions and the STUC..

Those attending heard a speech from Public Finance Minister Ivan McKee. He declared that the Public Service Reform Strategy published in June “is now our roadmap” – and went to restate the Scottish Government’s commitment to shrinking the public sector workforce every year until 2030; cutting £1bn of public spending across public bodies in the next five years as part of plans to “reshape the devolved public sector”. The importance is stressed of “getting the delivery landscape right. That means removing duplication, expanding and deepening the clusters programme” IT, HR finance and procurement are said to offer “significant opportunities” for shared services. Despite much of the speech aiming at a centralisation of both services and properties it is declared that the programme “community wealth building and sustainable economic growth”.

The Workshops

The bulk of the rest of the summit was composed of workshops where the assembled Chief Executives were urged by the Public Finance Minister to “identify barriers, generate new ideas and above all commit to concrete actions. There were eight Workshops in total

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Attendees were provided with a one or two page introduction to each workshop. These included a summary of the theme of the Workshop, where it relates to the different workstreams of the Public Sector Reform Strategy.

KEY POINTS:

- **The Scottish Government held a gathering of Chief executives from across the public sector to discuss reform**
- **The intention is to reduce the size of the public sector workforce .**
- **In the first instance the aim is to centralise corporate services.**
- **As well as centralisation the intention is to replace local workforces by “scaling intelligent automation”**

Reducing the Workforce

The Scottish Government has made clear its targets to reduce the size of the public sector workforce. The workshops at the summit considered how this can be done with one specifically examining “the use of severance schemes as a tool to support workforce restructuring”. There was also discussion of redeployment and training, the aim being to develop a “public sector that is agile, efficient “ and smaller. Several of workshops looked at the supposed benefits of this.

Also explored was “how severance can be used to support multi-year reform programmes and organisational redesign.” (NB Scotgov expects TU’s to work in partnership with this process.)

Centralisation & “rationalising the delivery landscape”

Much of the emphasis of the workshops was on centralisation. This was usually justified to eliminate duplication. As was explained “By duplication, we mean where very similar functions or services are being delivered by more than one organisation...the split between policy and delivery in core Scottish Government and public bodies, with the potential for moving of functions between them for a more coherent and efficient delivery.” The presumption is in fact for services to be centralised – they would only be retained by individual organisations where there is “Strong evidence to do so”. There is an explicit commitment to “streamline the funding landscape” This has obvious implications as to whether some bodies will closed/merged “there is a very crowded delivery landscape in place and rationalising it needs to be an option”.

Outsourcing and automating

It is made clear that where the Scottish Government see the real savings being made is through outsourcing and it seems offshoring services. The preparatory notes for the “Sharing corporate services” workshop are upfront.

“There may be logical, and regulatory/public policy requirements that prevent entities taking shared services on a full ‘BPO’ basis. Consuming shared services at the base level (tech & support only) still delivers shared value and shared economies of scale. Delivering BPO shared services (Global Business Services) is where the highest returns are realised for Scotland.

“BPO” stands for Business Process Outsourcing, a method of subcontracting various business-related operations to third-party vendors. “Global Business Services” controls the delivery of business support functions to the core business through multiple service delivery models on a global basis

The basis of the shared services is to be “scaling intelligent automation” ie a reliance on AI to design and deliver services. Indeed participants were asked to “Identify opportunities to pilot AI technologies in public sector processes”. This represents (amongst other things) a significant transfer of not just resources but control from the public to private sectors.

Action for Branches

Almost every branch will have had a senior figure from their employer at the summit and it would be well worth their time asking what “concrete actions” they committed to.

Making members, particularly in corporate services such as IT, HR procurement, workforce planning and similar services aware of these plans, and encouraging the development of a response would be also be worthwhile.

Additional reading

- [UNISON Briefing on Scottish Govt Public Service Reform Strategy](#)
- [UNISON Briefing on Scottish Government Medium Term Financial Strategy](#)
- [UNISON briefing on Scottish Government Fiscal Sustainability Delivery Plan](#)



Contact UNISON's Bargaining & Campaigns team:

Stephen Low
s.low2@unison.co.uk

Susan Galloway
s.galloway@unison.co.uk

Nicola Morris
N.morris@unison.co.uk

0141 342 2811
0800 0 857 857