

PUBLIC SECTOR REFORM IN HEALTH

Introduction

The Cabinet Secretary for Public Service Reform told the Scottish parliament in June 2026, that the public service reform strategy was “not about making cuts but protecting frontline services.” But the main aim of the public service reform strategy is to cut the public sector workforce and restrain overall pay costs as the main route to address the government’s fiscal position. The plans are not for efficiency savings to be reinvested in frontline services, but for budgets to permanently contract, when demand and need is ever increasing. Targets over the next 5 years include:

- 20,000 public sector job losses (a 0.5% cut each year, for 5 years)
- £1.7billion of public sector cuts in the first 3 years of this parliament.
- The Scottish government’s Spending Review outlined over £1 billion of the total planned savings over three years to come from Health & Care sector

What this means was set out in the Programme for Government (PfG) on 1 September. However, details are sparse and this briefing sets out what is known at this stage.

Public Sector Reform – What does it mean in Health?

The Scottish government's PfG, places significant emphasis on NHS reform, reducing waiting times, social care reform, public service restructuring and shifting care from hospitals into community settings. Key proposals include NHS structural reorganisation, increased investment in health and social care, workforce measures, and broader public service reform. While there are commitments on social care bargaining and infrastructure investment, the PfG raises substantial concerns for UNISON members regarding jobs, governance, accountability, workload, and the future delivery of public services.

The Scottish government has outlined proposals in the following areas:

NHS Structural Reorganisation

The most significant proposal is:

- Replacing the current **14 territorial Health Boards with two Strategic Health Boards.**
- Further reduction in the number of Special Health Boards.

NHS Reform and Waiting Times

The Government commits to:

- Ensure nobody waits more than **26 weeks for treatment by 2031.**
- Invest at least **£200 million annually** to expand elective care capacity.
- Deliver a national approach to waiting list management across NHS boards.
- Expand GP access, including new walk-in GP services and additional investment of **£530 million** in primary care.
- Shift more care into communities through a "Community First" model.

Social Care

Commitments include:

- Three-month engagement process on social care reform.
- Introduction of **sectoral collective bargaining** in social care.
- £175 million investment to support payment of at least the Real Living Wage for adult social care workers.
- Stronger integration of health and social care services.

Workforce

The programme includes:

- Proposed improved pathways from Band 5 to Band 6 nursing roles.
- Consideration of measures to improve nursing recruitment and retention.
- Exploration of a jobs guarantee for NHS Scotland.

Wider Public Service Reform

The PfG proposes a major reform agenda including:

- Rationalisation of Scotland's public body landscape.
- Mergers, consolidation and abolition of public bodies.
- Greater regional governance arrangements.
- Consolidation of procurement, estates, payment systems and shared services.
- New Public Service Renewal Bill to provide statutory backing for restructuring.

Broader Health Commitments

- Continued investment in NHS and social care services.
- Commitment to pass all health consequential into health and care services.
- Support for Real Living Wage in social care and sectoral pay bargaining,
- Recognition of workforce recruitment and retention challenges.
- Explicit commitment to engage trade unions on social care reform and wider public service reform.

Key Concerns for UNISON

The PfG and the Scottish government's wider reform agenda, contain a number of key concerns for UNISON members working in the NHS and Healthcare in Scotland including:

Workforce Impact

- NHS board mergers could lead to job reductions, restructuring and uncertainty for staff.
- Public body rationalisation may result in job losses, role changes and centralisation.
- Efficiency savings will increase workload pressures on remaining staff.
- There are no explicit commitments on workforce growth levels across NHS and local government services.

Local Accountability

- Replacing 14 Boards with two Strategic Health Boards risks reducing local democratic and community influence.
- Larger regional structures may weaken local decision-making and responsiveness to community needs.

Social Care Reform

- Social care reform is undefined, and significant structural changes remain possible.
- "Economies of scale" language may indicate service consolidation or centralisation.
- Risks remain around outsourcing, marketisation and funding sufficiency.

Community First Model

- Moving care closer to home is positive in principle but requires substantial workforce expansion, training and support.

- Without additional staffing and investment, demand may simply transfer from hospitals to already stretched community services.

Public Service Reform

- The emphasis on reducing duplication and consolidating services is driven by financial pressures rather than service improvement.
- Staff may face repeated reorganisations across the parliamentary term.
- Experience from previous reforms suggests risks to morale, retention and service continuity.

UNISON Priorities

The PfG dominant theme is large-scale reform and restructuring. For UNISON, the primary challenge will be ensuring workforce interests, service quality and local accountability are protected, as government pursues NHS reorganisation, social care reform and wider public sector reform.

UNISON recognise the need to develop new delivery models in response to the many pressures on public services including demographic change, technology and climate change. But public service reform is **not** value free. We believe in an active state promoting the democratic values that are important to most people. UNISON has developed some key principles for service reform based on these values: **democracy, partnership, fairness, investment and excellence**. These are the outcomes we think public service reform should be aiming for. And by which proposals should be tested. UNISON will be arguing for:

1. **No compulsory redundancies** arising from NHS or public sector restructuring.
1. **Full trade union involvement** in all reform programmes.
2. Protection of national NHS terms and conditions.
3. Strong local accountability arrangements in any new NHS structure.
4. Adequate workforce planning and staffing levels before expanding community care.
5. Delivery of sectoral bargaining in social care with meaningful improvements to pay, conditions and career progression.
6. Investment-led reform rather than savings-led restructuring.
7. Protection of public ownership and delivery of services.

Actions for Branches

- **Communicate with members to ensure they are informed about the implications of the Scottish government's PfG and wider public sector reform strategy.**
- **Engage with all NHS staff on the importance of trade union membership – there has never been a more important time to be a member of UNISON!**
- **All UNISON members should ensure their contact details are up to date, and their myUNISON member portal is activated!**

Additional Information

[Programme for government 2026-2031](#)

[Briefing 174 – Public service reform update](#)

[UNISON response – Public service reform committee call for views](#)

For further information please contact:

Nicola Morris n.morris@unison.co.uk

Bargaining & Campaigns