

Member Briefing

Public Service Reform – what is it and what might the implications be for palliative care?

Purpose of this paper

This paper aims to:

- Explain briefly what “Public Service Reform” is
- Provide a brief history of public service reform
- Update on developments (as at 25/9/26)
- Speculate on future developments
- Consider risks and opportunities for palliative care

What is “Public Service Reform” (PSR)?

In the current Scottish context “Public Service Reform” (with capitals) is a specific, broad strand of policy. It arguably has philosophical origins in the [Christie Commission on the future delivery of public services](#) (2011). More recently SG published [Scotland's Public Service Reform Strategy: Delivering for Scotland](#) in June 2025, and it is this strategy which provides the framework for the current debate and proposals for change. It is important to remember that public **service** reform is a wider agenda than public **sector** reform because public services are delivered by the Third Sector (e.g. hospices) and Independent Sector (e.g. care homes) as well as the public sector.

The need for reform

Effective public service is important to address some of the critical issues facing Scotland: inequality; child poverty; growth; climate change; health and wellbeing. Yet at the same time:-

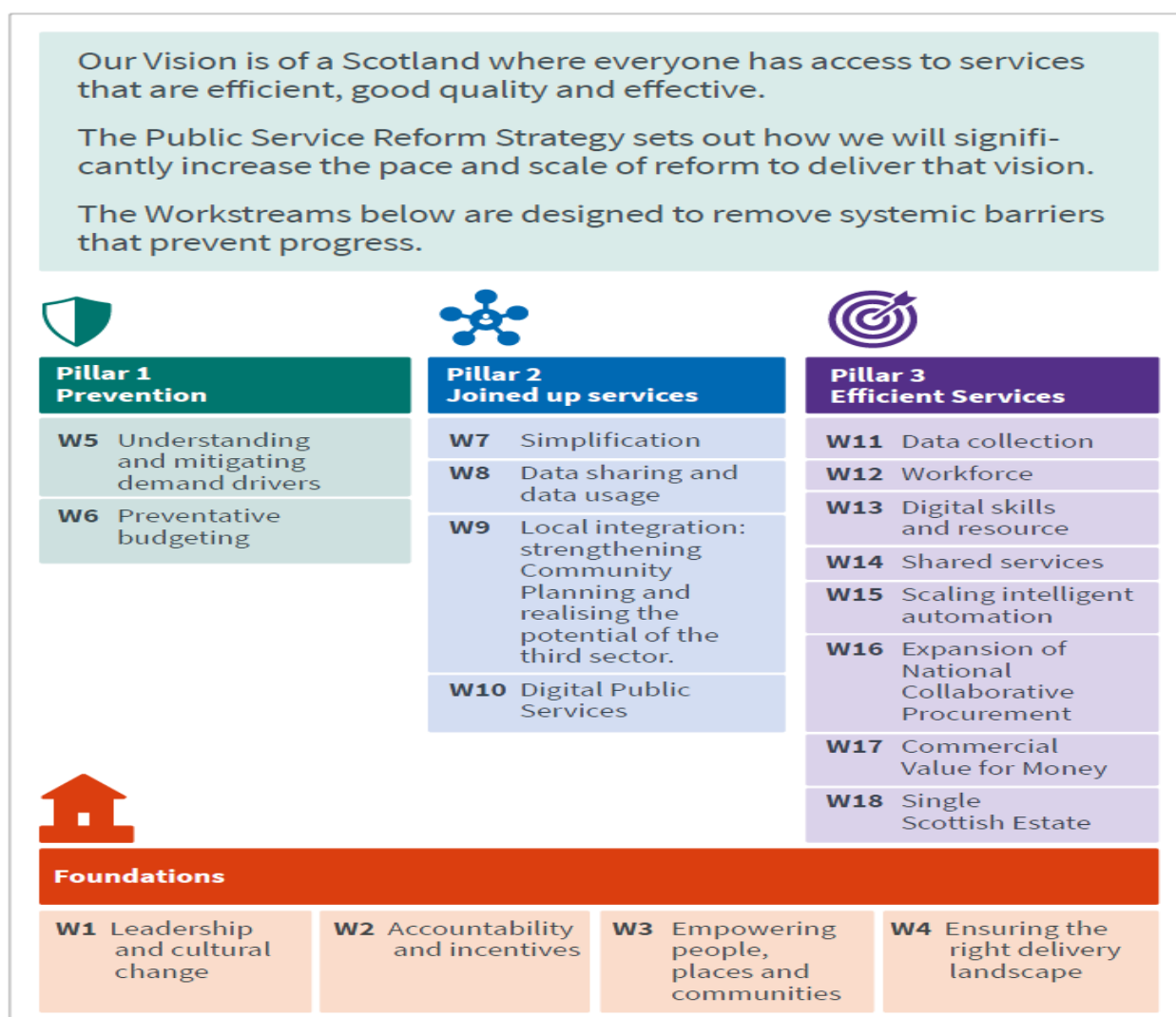
- The public often experience fragmented and/or clunky and/or difficult to access public services.
- Scotland’s fiscal trajectory looks unsustainable in the short, medium and long term. Public sector pay and an escalating bill for devolved welfare benefits are key drivers at the moment. SG is legally obliged to broadly

balance its budget so it can't just borrow more in the way that the UK government can. It must reduce expenditure or raise more revenue.

- Demographic change is driving increased demand for health and social care services, and changing the ratio between the retired and working age populations.
- Expenditure on public services is often reactive and demand driven at the expense of preventative interventions. Public service therefore sometimes fails to deliver desired outcomes despite huge expenditure.
- Public service often fails to address complex social problems because of failures to work in an integrated and collaborative way which focuses on the needs of individuals.

What does the Public Service Reform Strategy say?

The diagram below describes the strategy's vision for reform and shows the Foundations, Pillars and 18 associated workstreams through which it will be achieved.



Other key content in the strategy

- It reiterates the need for change and provides statistical evidence
- It is illustrated with positive examples of reform
- For each of the Pillars it assesses the current position, the desired improvement and how this will be measured
- For each workstream some commitments are listed
- The strategy is positive about Scotland's capacity for public service reform.

What has happened so far?

What PSR will mean in practice is an emerging picture. Often, where SG says something quite specific about what it wants, it also references the need for further engagement before finalisation. It is also worth considering other key SG documents as constituting and contributing to the wider PSR agenda.

Money – SG published its [Scottish Spending Review](#) in January 2026, for the 3 years to 2029. It includes some explicit targets including an intent to deliver cumulative, recurring savings of £1.5 billion over the spending review period. The Review also sets out more detail for health and social care efficiency and reform savings

Health & Social Care Portfolio Efficiency and Reform Plan

Table B.01: Health & Social Care Portfolio Efficiency and Reform Plan

£ million	2026-27	2027-28	2028-29
Efficiencies and Productivity, of which	384	374	303
3% NHS Board Recurring Savings	247	290	220
Other operational efficiency and productivity savings	137	84	83

Workforce The Spending Review also sets a target to reduce the public sector workforce by 0.5% each year up to 2029-30. The FM has recently ruled out compulsory redundancies in the NHS.

Structural Change in Health and Social Care – the [Programme for Government](#) presented to parliament earlier in September emphasised the need for PSR, and health and social care figured prominently. SG set out its intent that territorial **NHS Boards** be reduced from 14 to 2 (plus some locally appropriate alternative arrangements for the islands). There would also be a reduction in Special NHS Boards. NHS Boards have been working in 2 subnational groups for over a year on key issues which reinforces the sense that this will be the outcome.

The Programme for Government also suggested that the governance and delivery of social care would be reconsidered. SG committed to engagement with local authorities, trade unions, and healthcare and social care providers over Autumn 2026 to reach outline agreement on reform of social care. The FM has said he doesn't think the multiple accountabilities are working and that social care should sit within the NHS:

"I do not seek to be prescriptive, but I cannot see us resolving the fundamental challenges facing social care without a single line of decision-making, accountability and funding, with the NHS taking the lead."

Structural Change in Local Government – on 21st September SG published its outline ideas in [A Proposal for the Reform of Local Governance](#). It is proposing the creation of between 6 and 10 strategic Regional Authorities alongside 120-160 Community Authorities (focused on local decision-making). Again, whilst this might become the general model, island communities could have something more bespoke.

Other Aligned and / or supportive work

- The Health and Social Care Renewal Framework (2025) and Scotland's Public Health Framework (2025) are both aligned with (and key parts of delivering) PSR.
- An [approach](#) to identifying and budgeting for preventative budgeting has been piloted and the results published by SG (June 2026).
- Publication of an SG [Prevention Toolkit](#) (June 2026).
- Continued SG investment in its Invest to Save Fund which was established in 2025. The aim of the Invest to Save fund is to provide upfront financial investment for public sector, national, or local government projects that generate recurring financial savings or efficiencies within a short-to-medium timeframe (typically 18 to 24 months).
- The National Performance Framework and indicators have been reviewed and is expected to be published before Christmas.
- The Programme for Government referenced topics relating to some of the other pillars and foundations in the PSR Strategy.

Parliament

SG has announced its intention to introduce a Public Service Renewal Bill in the current parliamentary year which will:

"seek to give statutory backing, where required, to reform the public service delivery landscape in support of the aims of the Public Service Reform Strategy. The Bill will improve the fiscal sustainability of the public service

delivery landscape through restructuring, including possible merging and abolitions of public bodies and the transfer of functions between core government and public bodies.”

The [Public Service Reform Committee](#) (Chaired by Bob Doris MSP) has been taking evidence on PSR and seeking to extract more specifics from SG.

The Committee took evidence from Hospice UK on 24th September and the report of the meeting will be published [here](#).

On 30th September the [Health, Social Care and Sport Committee](#) is holding a roundtable to take evidence on palliative care. The session will touch on PSR. The report of the session will be published [here](#).

What lies ahead?

Timescales – the attempt to establish a National Care Service took the life of the previous parliament and ultimately failed in most regards. In that context it is hard to imagine PSR progressing rapidly on all fronts. Against that are the dire financial imperatives outlined above which inject urgency. Politically it may also be the case that Ministers would like to get some of the most difficult stuff out of the way whilst the next election is still distant. There is a sense of urgency, perhaps best exemplified by the intent to determine the outline of massive changes to local government over a brief 3-month period of engagement. The process of reducing the number of NHS Boards is basically already underway (e.g. Sub national planning and the merger of NES and NSS). On structures and governance it seems that setting direction is to be rapid, albeit that full implementation will take years.

Focus – evidence suggests that the type of significant change envisaged by the PSR requires a complex mix of factors: leadership which enables (local) innovation; the building of relationships and the development of trust between leaders; well designed and implemented tech; adequate workforce; alignment of funding; alignment of incentives. The headlines and focus is already on new structures but as Integration has shown structures are not adequate alone to deliver reform.

Structural destination – as already indicated this is likely to be 2 big territorial health boards (who are each accountable for the bulk of social care services), some sort of unitary authority(s) for the islands. It seems likely that IJBs may cease to exist and that legal responsibility for adult palliative care (in so far as it continues to be specified anywhere) will revert to NHS Boards. Presumably there will need to be some local structures underneath the 2 big Boards (for reasons of practicality and politics).

Risks and opportunities for palliative care

RISKS

- PSR means that implementation of the palliative care strategy will take place in a context of wider organisational uncertainty and distraction
- The savings targets required may be achieved by cuts to services rather than efficiencies stemming from reforms – reforms will take time to deliver efficiencies but the need for savings to balance the books is urgent.
- The new structural and governance arrangements may potentially be worse than current arrangements
- Interest in and understanding of palliative care could be reduced to “something which can reduce hospital admissions to help meet savings targets”

OPPORTUNITIES

- Structural and governance flux means there is an opportunity to improve on the current arrangements
- There may be an opportunity to situate palliative care usefully in the Public Service Renewal Bill
- Improving palliative care has the potential to contribute to/ benefit from some domains of the PSR Strategy
 - Prevention (Understanding and mitigating demand; Preventative budgeting)
 - Joined up services (Digital public services; Data sharing and data usage; releasing the potential of the 3rd Sector)
 - Efficient Services (ensuring the right delivery landscape)
- One of the workstreams (W9) in the PSR strategy is “releasing the potential of the 3rd sector”, which obviously has resonance with the interests of voluntary hospices and other 3rd sector providers of care towards the end of life.

Therefore there is an opportunity to position palliative care as a significant contributor to PSR aims, and an area which warrants more prominence and investment.

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