



State of the State 2025: Scotland
A view from the people who rely
on it and the people who run it

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Methodology

The State of the State blends two forms of research. To understand public attitudes, Deloitte and Reform commissioned Ipsos UK to conduct an online survey of 5,721 UK adults aged 16-75 between 13 and 19 December 2024. Quotas were set to reflect the known profile of the UK adult offline population and a boost sample was achieved in each of the UK nations. In total 687 responses were achieved in Scotland, 697 in Wales and 501 in Northern Ireland. For the UK figures, results have been weighted back to the correct proportion for each nation. Where responses do not sum to 100 this is due to computer rounding or questions which require multiple answers to be chosen.

Our qualitative research comprises interviews with more than 80 leaders in government and public services across the UK. They include senior civil servants, council chief executives, NHS leaders and elected representatives. The interviews took place between October 2024 and February 2025.

The views of interviewees quoted in this report are their own and not the views of Deloitte or Reform.

Introduction

The future awaits

Welcome to *The State of the State 2025*.

For more than a decade, this annual report has brought together a survey of the Scottish public alongside interviews with government and public service leaders. By fusing these two research elements, it provides a **view of the state from the people who rely on it and the people who run it**.

Our 2025 edition finds a complex set of factors surrounding Scotland's Government and public sector. Recent years have seen a period of change at the top of government, and democratically we find ourselves in the year after a UK Parliamentary election and the year before a Scottish Parliamentary election. As a result, the direction of some reserved matters has changed alongside the steadily rising volume of debate on devolved issues.

In the meantime, Scotland's public sector continues to deliver in some difficult circumstances. NHS and council services remain fragile in the wake of COVID and the elevated demand left in its wake. Untenable pressure on public finances have forced decisive interventions from the Scottish Government. Plus the need to do more with less funding – in other words, boost productivity – has never been greater.

Against that challenging backdrop, there is optimism and a sense of opportunity for Scotland – not just among its public but among its public sector leaders. *The State of the State 2025* explores their outlook now and for the years ahead.

This Scottish report can be read in tandem with our UK report for a dual perspective. In the meantime, thank you to everyone who took part in our survey and all the exceptional leaders that shared their thinking to inform our research. We hope *The State of the State* continues to bring evidence to debates on public sector reform and celebrates everything that government and public services achieve.



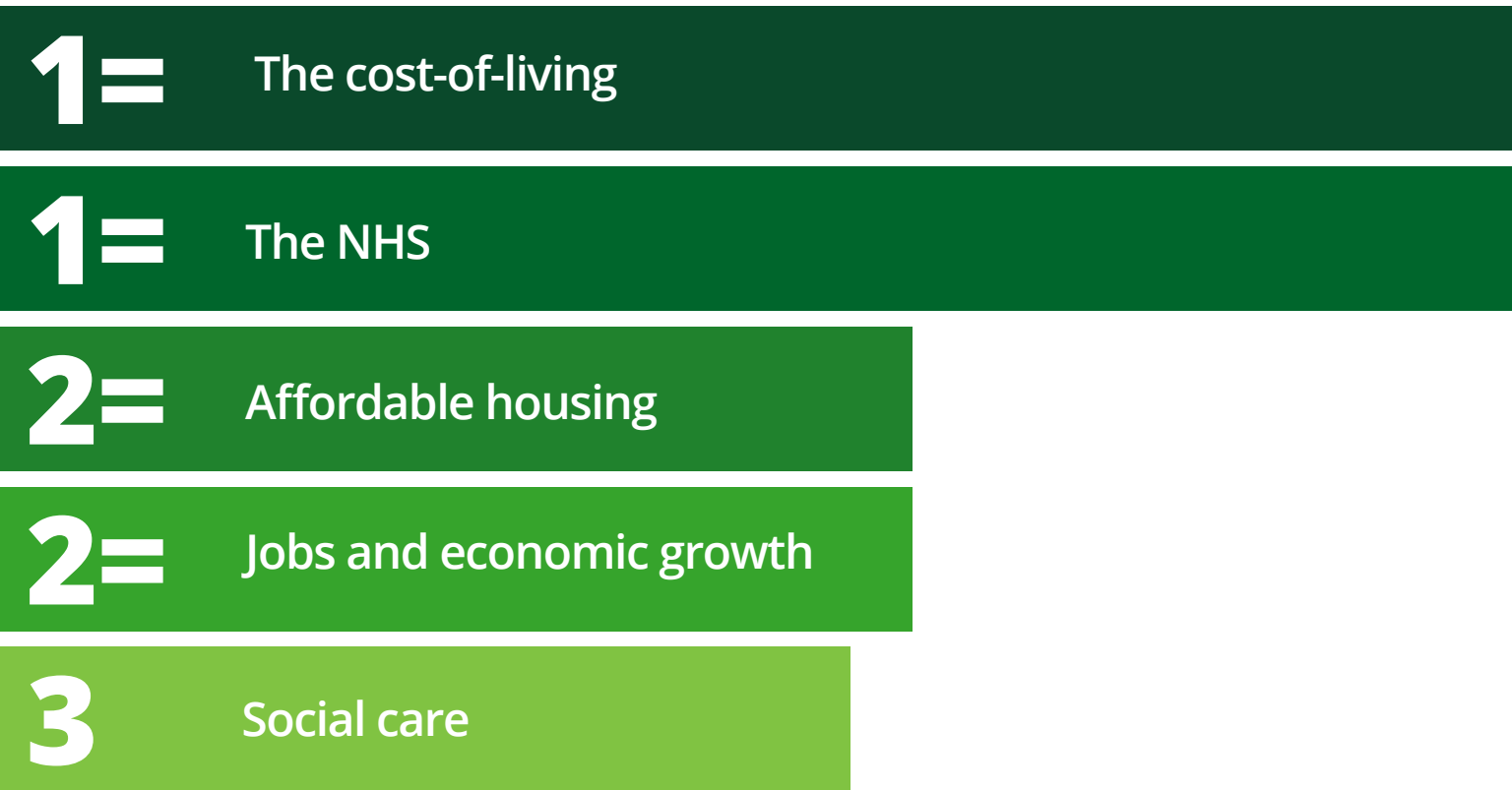
Lesley Smillie
Partner
Government and Public Services
Deloitte



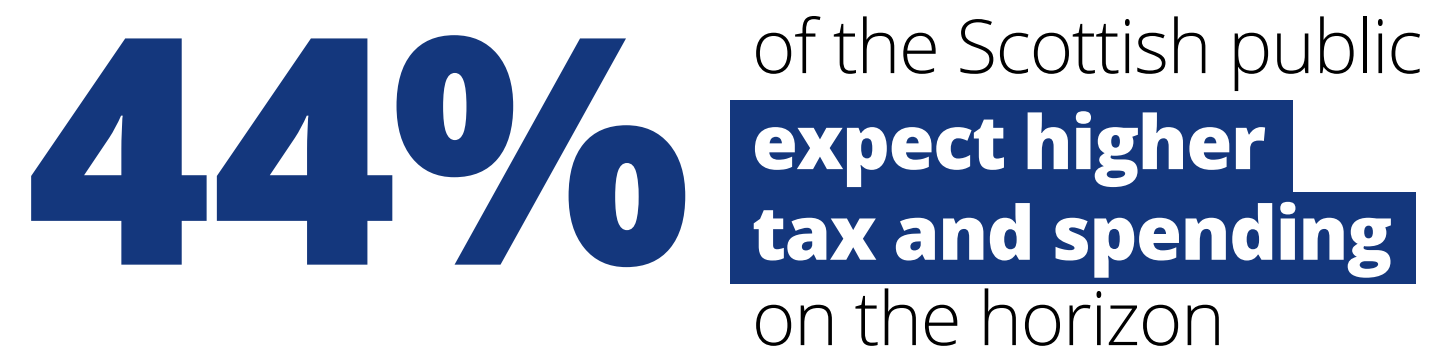
The State of the State 2025

Citizen survey at a glance

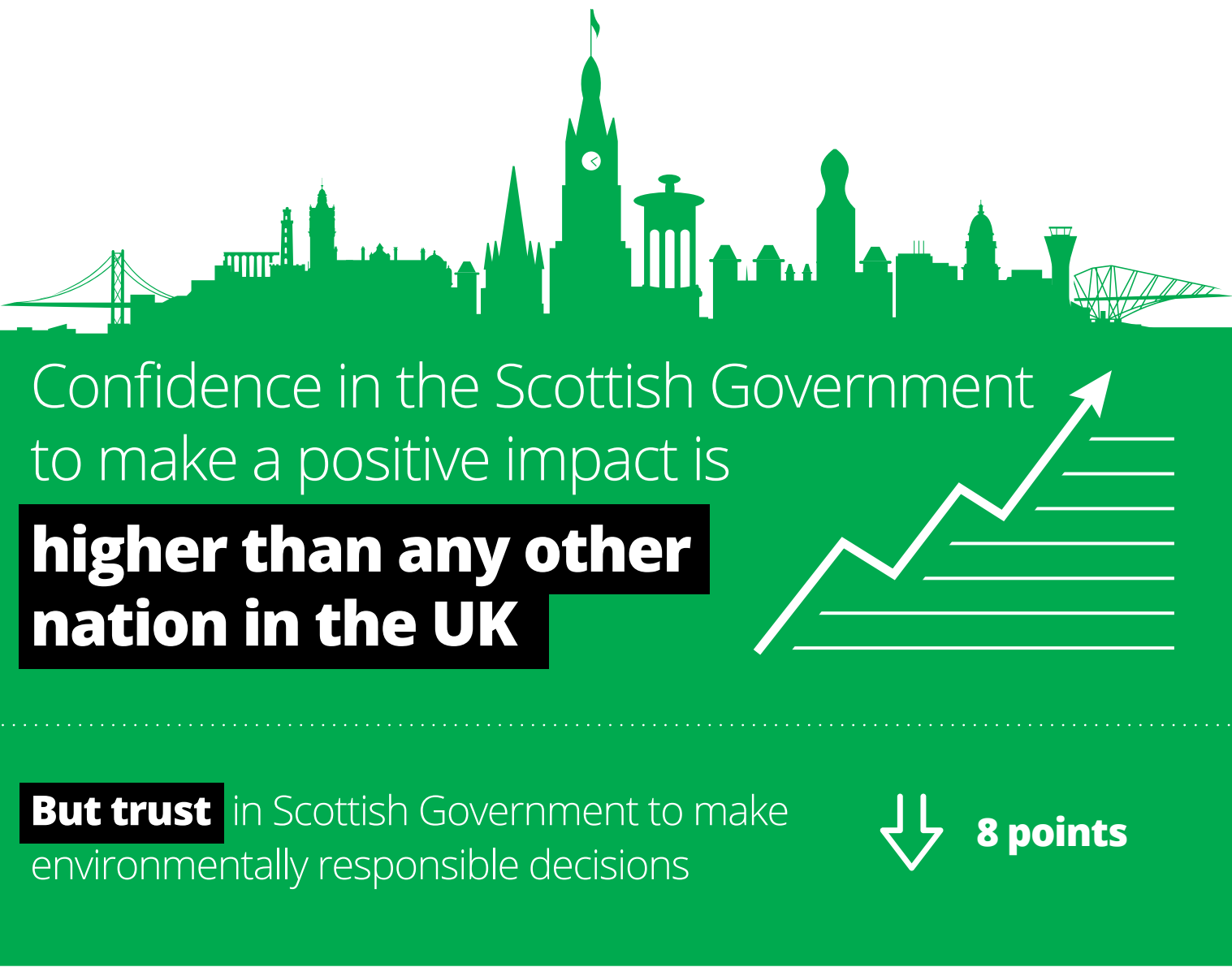
The public's top three priorities for improvement



Taxing times ahead?



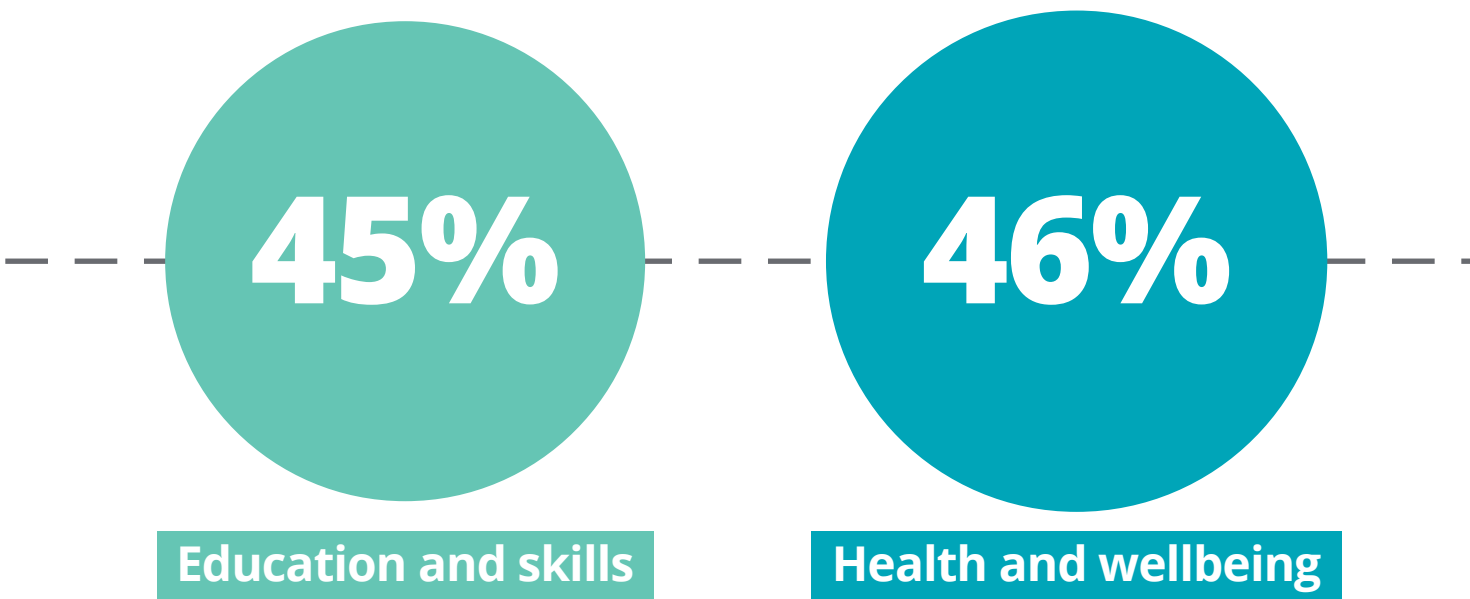
Trust and confidence in government



The people's growth plan

Support our health and skills

When asked what factors could **boost economic growth**, the Scottish public's top answers were:



Are we getting climate complacent?



The State of the State 2025

Interview insight at a glance

Our report is informed
by interviews with
more than

80

UK public sector leaders
including elected
representatives, senior
civil servants, police
leaders, council chief
executives and
NHS officials.

Key themes from our Scottish interviews

1. Devolution should not stop at Holyrood
2. Scotland can't afford to miss the net zero opportunity
3. The future rests on skills
4. Productivity gains are in local optimisation
5. Tough choices but transformational opportunities await the next government

Five quotes that define the state of the state 2025

“ Our politicians and government want to retain responsibilities but that's not how you get things done – you **get things done by doing them locally.** ”
Council Chief Executive

“ There's a time pressure on energy transition and how we galvanise around the huge opportunity for Scotland. Other parts of the world are forging ahead and if we don't act now, **we could miss the sweet spot.** ”
Agency Director

“ Productivity is about **taking out the bureaucracy** and making sure that's felt by the people who use our services. ”
Senior Civil Servant

“ There's a big question on our skills agenda, especially **around net zero** where the **requirement is growing** exponentially. We've got to get the skills agenda right, because ironically the market is there but the skills are not. ”
Scottish Parliamentarian

“ **The risk is in staying reactive.** You can't be strategic and get in front of issues like climate when you're permanently on the back foot. ”
Council Chief Executive

The State of the State 2025

In three words

Each of our interviews with public sector leaders ended with the same question: **what's the state of the state in three words?** Here are their answers.



Executive summary

The State of the State provides an annual view of the public sector from the people who use it and the people who run it. The report blends two forms of research by bringing together a survey of the UK public alongside interviews with government leaders.

Our survey, conducted by Ipsos UK, polled 5,712 UK adults about their attitudes to government and public services. For our interviews, we spoke to more than 80 public sector leaders including senior civil servants, council chief executives and NHS leaders in all nations of the UK.

In summary

The State of the State 2025 finds Scotland’s public more positive about its government and public services than in recent years, and with a shift in their priorities: more are concerned about national security and defence, fewer about climate change. At the same time, leaders across the public sector told us they want to drive transformational reforms to make public services more productive, more collective in their operations and more devolved from the centre. Net zero loomed large in this year’s research, as public confidence in Scotland’s transition target has fallen and leaders expressed concerns about whether the opportunity in a shift to a greener economy will be seized.

Key findings



Major shifts in public concerns as defence rises and climate change falls

Our annual poll on public priorities finds the Scottish public increasingly concerned about defence, but less concerned about climate change.



The Scottish public’s growth plan: a healthier and more skilled nation

As the Scottish Government pursues growth, our survey asked the public what they see as the biggest drivers. Their response: the nation’s health and education.



Scotland has the most trusted government in the UK

Our annual trust tracker finds the Scottish Government the most trusted administration in the UK – or the least not trusted. It also finds the Scottish public to be the most confident in their government’s ability to make an impact.



Scottish public is the least worried about immigration

When asked to look ahead across a range of policy areas, the Scottish public is the UK’s least concerned about immigration.

Executive summary

Key findings *(continued)*



Seven in ten say net zero will be missed as doubts increase in Scotland

Seven in ten of the public doubt that Scotland will meet its net zero target. Doubts have increased over the past year in Scotland.



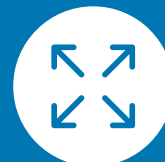
Scotland can't afford to miss the net zero opportunity

Public sector leaders warned that the pace and scale of change does not feel sufficient to meet Scotland's net zero target – but it's an economic opportunity Scotland can't miss.



The future rests on skills

Interviewees told us that the further education system in Scotland needs investment if it is to deliver a pipeline of people with skills Scotland needs.



Devolution should not stop at Holyrood

Interviewees argued that accountability, decision making and delivery need to be rethought in bold public sector reforms.



Productivity gains are in optimisation – but one size won't fit all

Public sector leaders have varied ideas on how to boost productivity, suggesting that a one-size-fits-all approach is unlikely to maximise the gains available.



Tough choices but transformational opportunities await the next government

Interviewees agreed that whichever party of parties win the next election, they will face a stark set of spending choices – but those choices contain the opportunity to transform the public sector.



Executive summary

Recommendations from within the public sector

Our interviews with officials and elected representatives point to four recommendations from within the public sector itself:

1. Prioritise, devolve and optimise

When discussing public sector reform, leaders told us they want to see Scottish Government prioritise more effectively, **making deliberate choices based on affordability.** Many argued that devolution within Scotland – perhaps to single, strategic authorities – could optimise public services.

2. Turn up the volume on the green agenda

Our research finds the public becoming less worried about climate change – perhaps even complacent – and **public sector leaders concerned that net zero targets will not be met.** That suggests a pressing need for every organisation and business engaged in net zero transition to engage the public in the climate agenda and why it matters.

3. Invest in the skills system

Public sector leaders believe government should ensure adequate investment in the nation's skills. They argue that **investment in further education and adult skills means investment in Scotland's economic growth,** investment in productivity, investment in tackling income inequalities and investment in delivering the government's four priorities.

4. Grow the public sector's 'halo effect' technology successes

While commentaries often focus on the problems, Scotland and the wider UK's public sector have rolled out some **world-leading uses of technology.** Rather than re-invent new solutions at every turn, the sector should **consider how it can grow out** its best examples – the projects with a halo effect – into new uses.

And a recommendation based on our citizen survey:

5. Provide regular figures on the 'public sector gap'

Our survey shows the **Scottish public understand the funding pressures on public services.** That view is informed by regular updates on the state of the public finances and budget settlements across the public sector. What's missing is a view on the gap between what those funding settlements can achieve versus the demands on them.

The public's view of the public sector



The public's view of the public sector

Our annual *State of the State* survey, delivered by Ipsos UK, tests the public mood on government and public services.

This year finds the Scottish public increasingly concerned about national security but less worried – perhaps even complacent – about climate change.

Our annual questions on trust, confidence and optimism suggest a turnaround in attitudes. After years of growing pessimism, the survey shows more positive sentiment towards government and public services.

This section of *State of the State* sets out the findings from our latest survey.



Key findings



Major shifts in public concerns as defence rises and climate change falls

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The Scottish public's growth plan: a healthier and more skilled nation

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Our annual trust tracker finds the Scottish Government the most trusted administration in the UK – or the least not trusted. It also finds the Scottish public to be the most confident in their government's ability to make an impact.



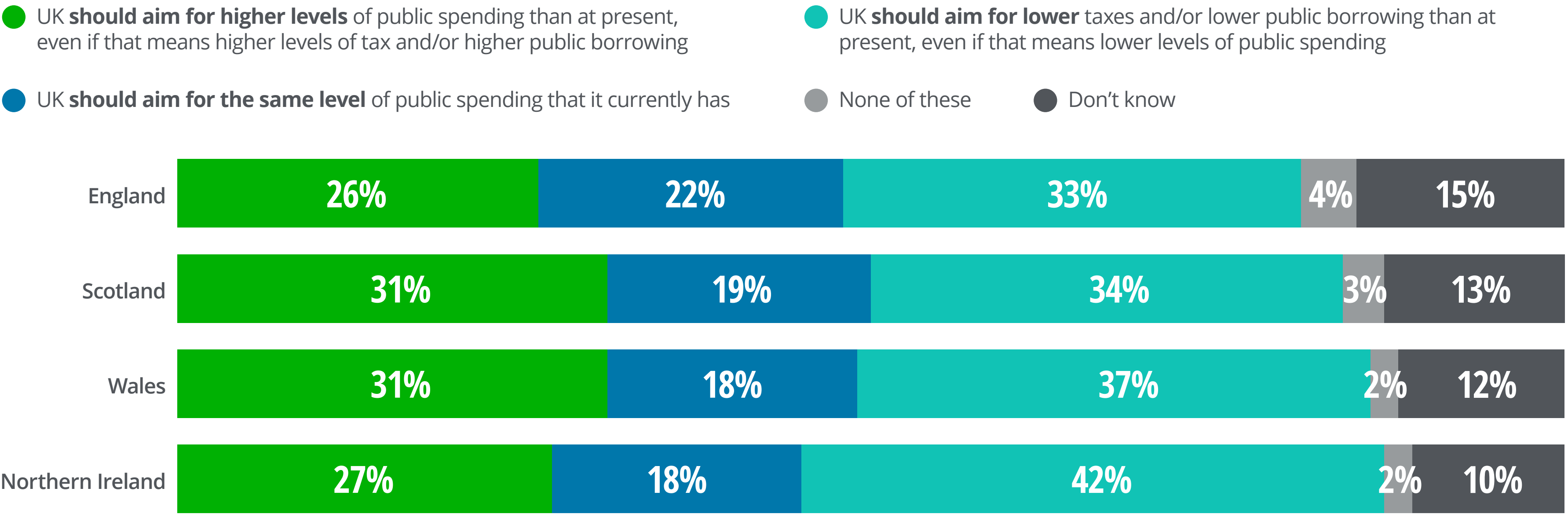
Scottish public is the least worried about immigration

When asked to look ahead across a range of policy areas, the Scottish public is the UK's least concerned about immigration.

Scotland has the UK's most polarised attitudes towards tax and spending

All nations of the UK are split to some extent on their attitudes to tax and spending. However, **Scotland has the most even split** between people who want higher spending and people who want higher taxes.

Q: As you know, governments have to make decisions to set the right balance between the advantages of higher public spending and the advantages of less tax or public borrowing. Which of the following, if any, do you think **should** be UK government policy for the balance between public spending and the levels of taxation and public borrowing in the future?



Base: 5,721 online UK adults 16-75

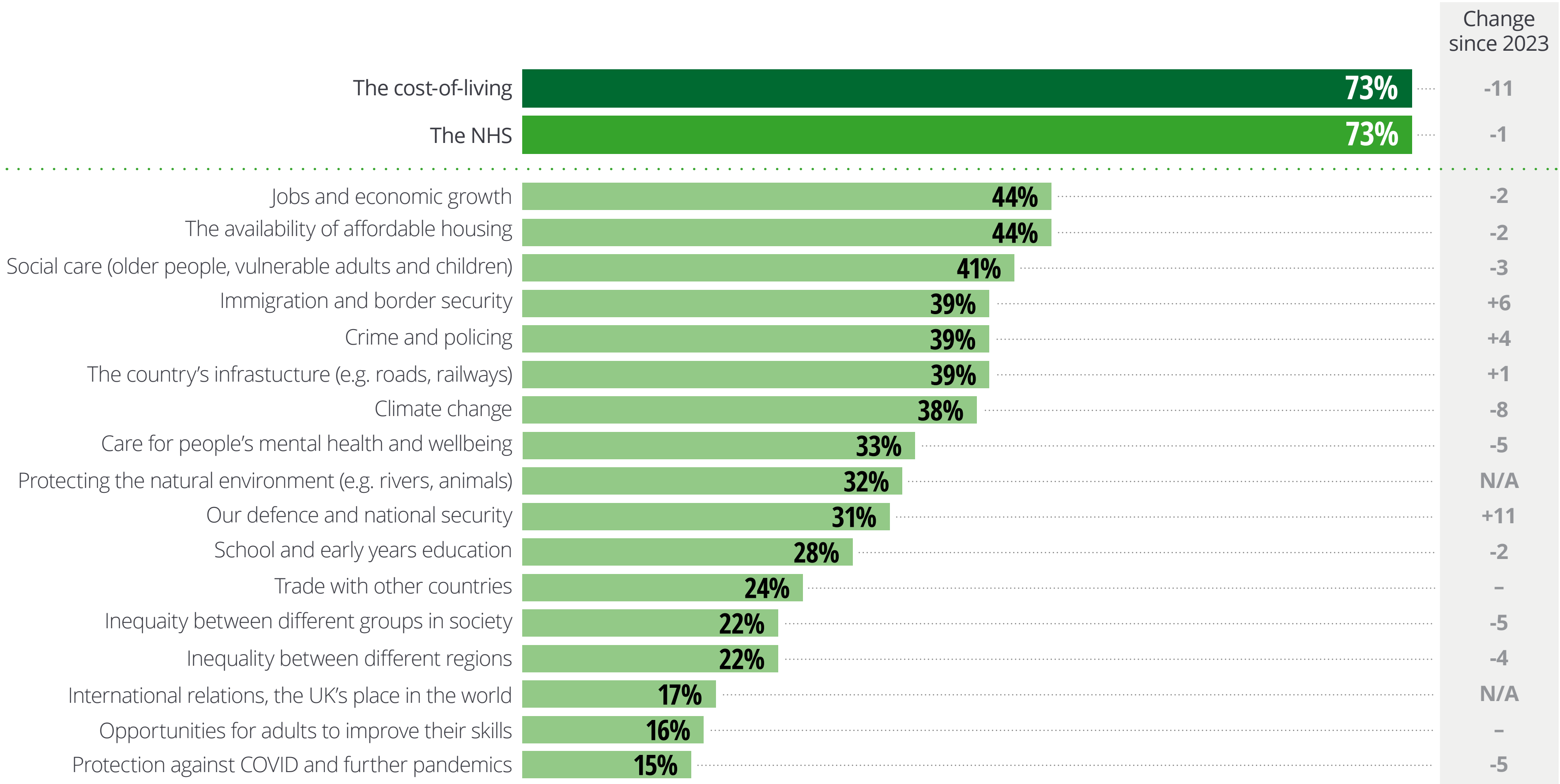
Concerns have grown around national security and shifted away from climate change

For the third year, Scotland’s public see **the cost-of-living as their biggest priority** for government and in second place comes **the NHS**.

However, this year sees some major shifts in public priorities. Concerns about the cost-of-living – while still high – have dropped eleven percentage points. But concerns about defence and national security have risen by the same margin. In a similar vein, worries about immigration and border security have moved up from tenth to sixth place.

At the same time, climate change has dropped eight percentage points, taking it from the third to the ninth priority for Scotland’s public.

Q: Which of the following should be top priorities for improvement in the UK over the next few years or so?



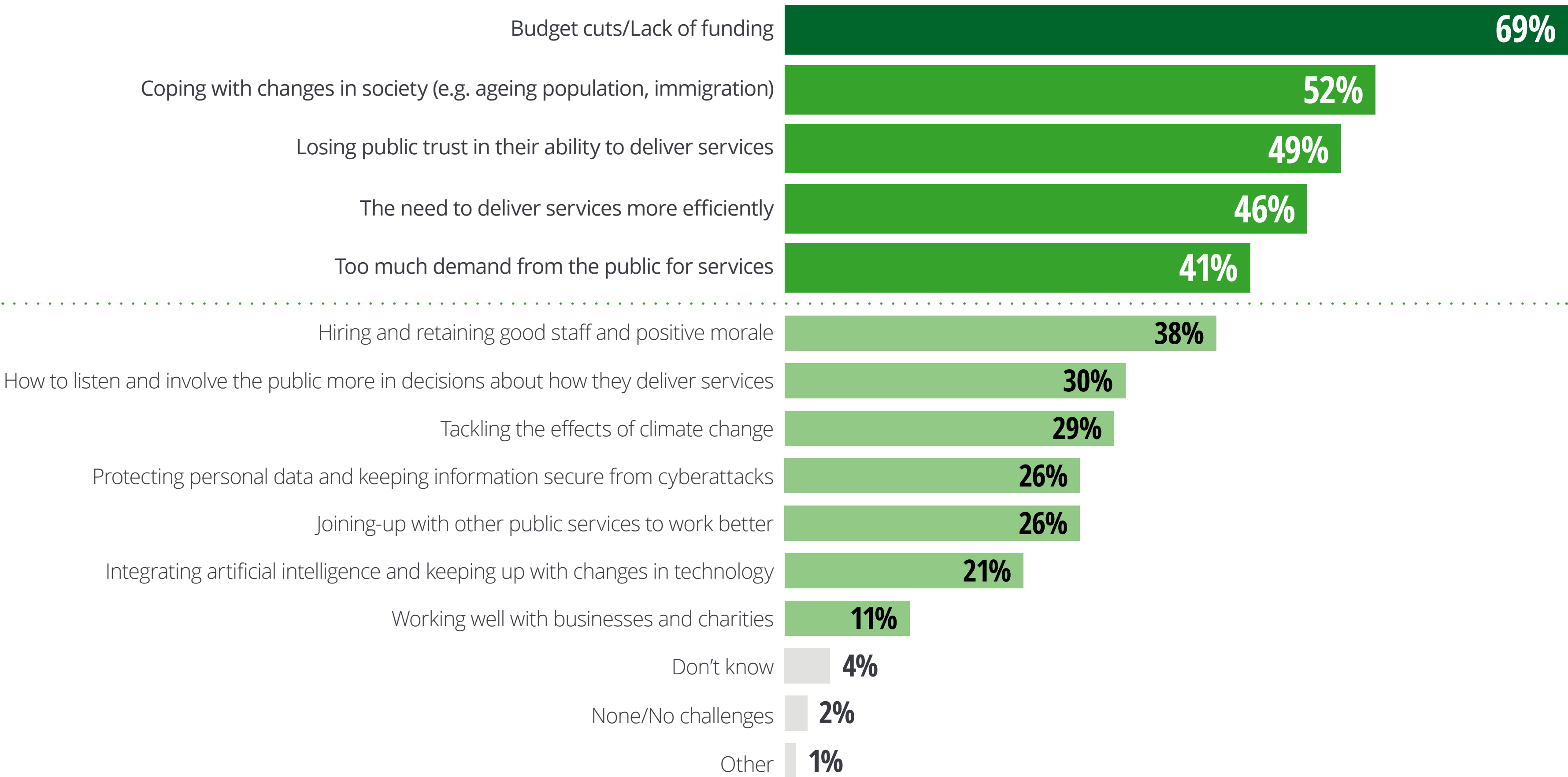
Base: 687 online Scottish adults 16-75

The Scottish public see services under pressure

Our survey asked what the public see as the biggest challenges to public services in the years ahead. By some margin, **the most common answer was lack of funding.** This suggests widespread concerns about the state of Scotland’s public finances.

These findings also illustrate the public’s awareness of the demand pressures facing the public sector and the importance they place on **trusting public services.**

Q: Which of the following, if any, do you think will be the biggest challenge(s) for public services as a whole over the next five years?



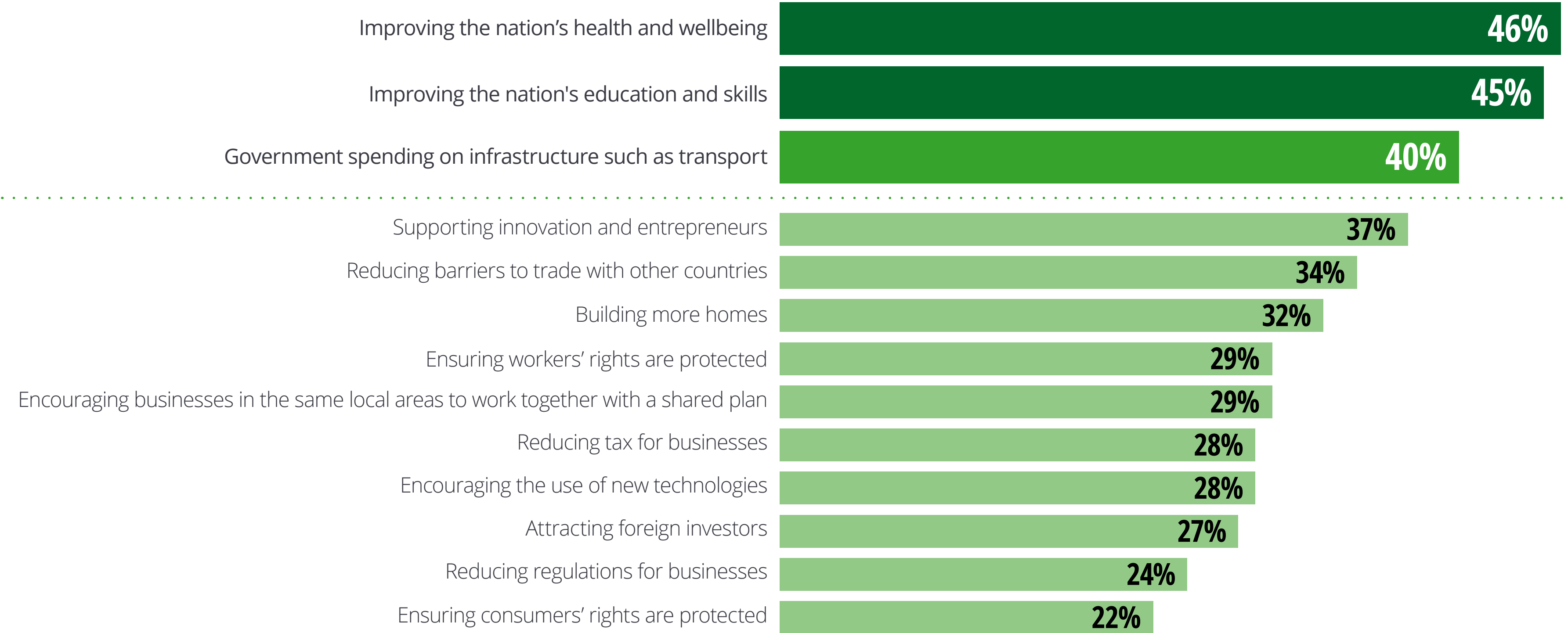
Base: 687 online Scottish adults 16-75

The Scottish public’s growth plan: a healthier and more skilled nation

As the Scottish Government pursues economic growth, we asked the public which factors they believe will deliver a better economy.

The public clearly see the importance of trade and the value of infrastructure spending. But the two most popular responses were more personal: the Scottish public believes their health and skills are the most important factors for national economic growth.

Q: Which of the following, if any, do you think are most important for improving economic growth in Scotland over the next few years?



Base: 687 online Scottish adults 16-75

Scotland has the most trusted – or the least not trusted – government in the UK

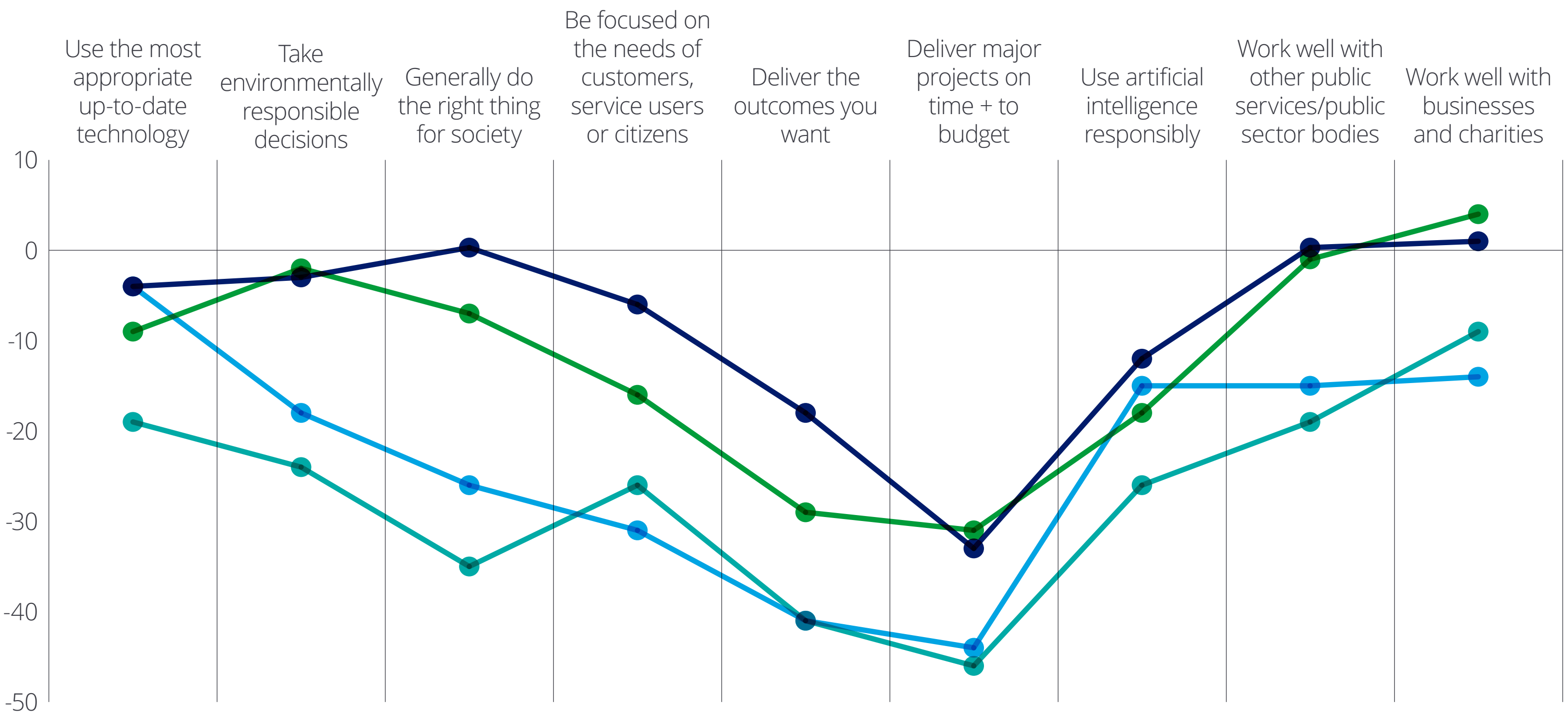
Our *State of the State* survey asks the public about their levels of trust in government over nine capabilities.

Overall, the **Scottish Government is the UK's most trusted administration,** or more accurately, the least not trusted. That's because the bar is low – more people say they don't trust central government over almost all criteria so most net trust scores are negative.

There are two notable extremes in these findings for the Scottish Government. One is that trust is lowest when it comes to delivering major projects. The other is that trust is high, at least in relative terms, on 'doing the right thing for society' and working collaboratively with other organisations.

Q: To what extent, if at all, do you trust ... to ...?

Key: ● Scotland ● Wales ● UK Government ● Northern Ireland



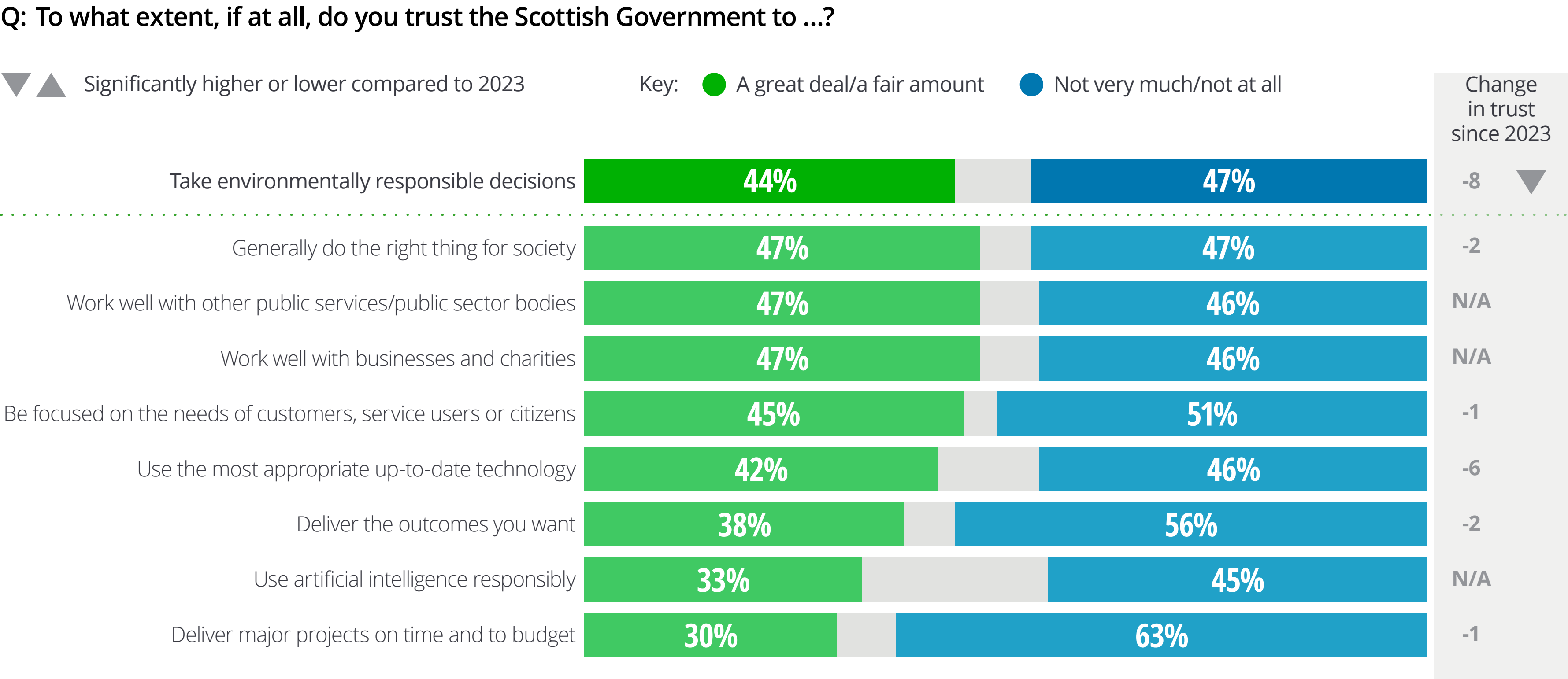
Base: 687 online Scottish adults 16-75

Note: % Net trust (great deal/fair amount minus not very much/not at all)

Trust in the Scottish Government is higher, but faith in its green credentials has dropped

This chart focuses on the data used to create the net trust score. The overall trend is for **mistrust to peak on delivery issues:** being focused on customers, delivering outcomes and delivering major projects.

When we compare this data to last year, the notable shift is that **trust in the Scottish Government to make environmentally responsible decisions has dropped** by eight percentage points.



Base: 687 online Scottish adults 16-75

Trust in Scotland's NHS and police is buoyant – except on major projects

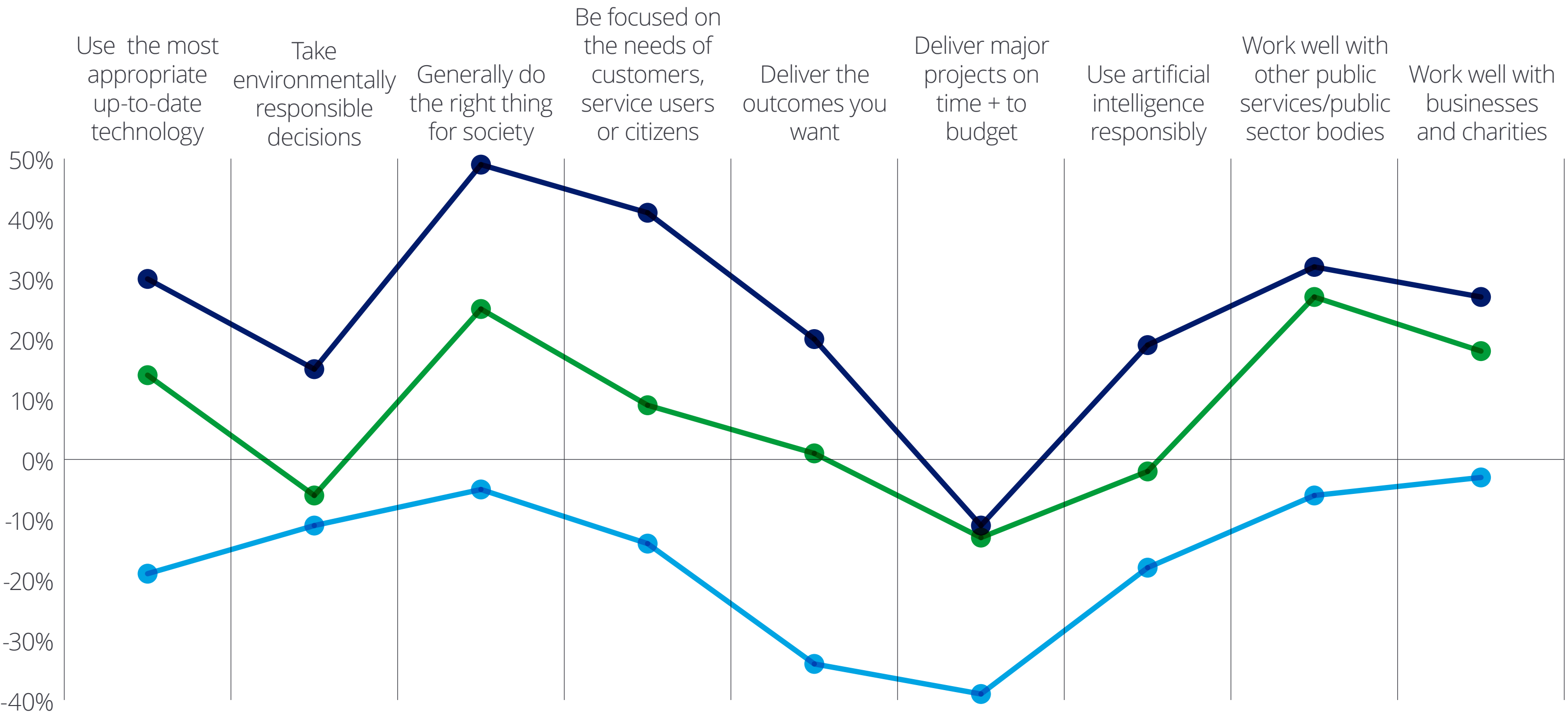
Trust in Scotland's public services has remained stable since last year. The most notable shift has been an uplift of six percentage points for trust in the police to 'generally do the right thing for society'.

As with central government, the lowest levels of trust are around public services' ability to deliver major projects.



Q: To what extent, if at all, do you trust ... to ...?

Key: NHS Police Council



Base: 687 online Scottish adults 16-75

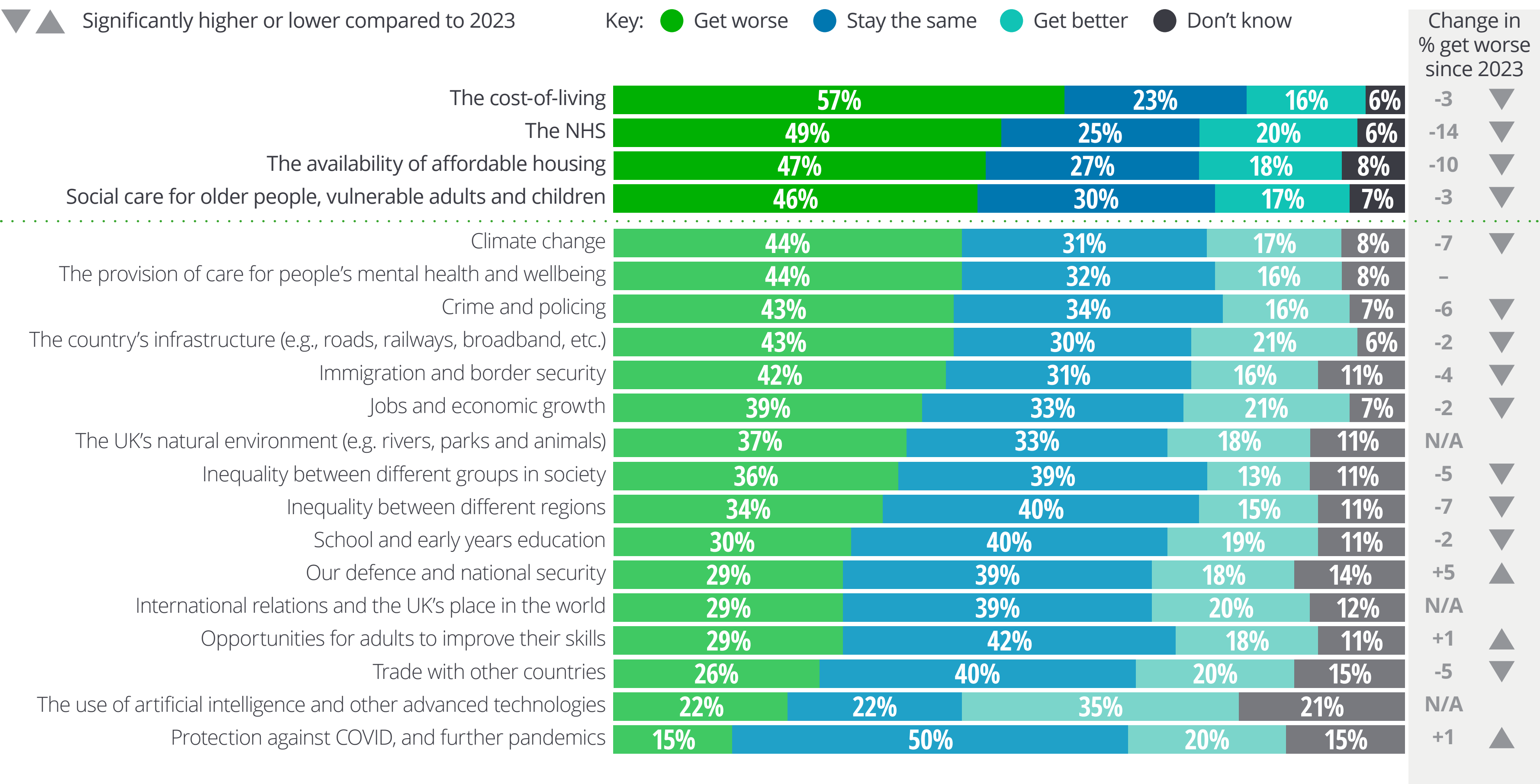
Note: % Net trust (great deal/fair amount minus not very much/not at all)

Green shoots of positivity for the years ahead – but concerns around national security

Our optimism tracker once again finds the Scottish public more pessimistic than optimistic. However, **views are more positive** than last year around the outlook for the NHS, housing, climate change, crime, inequality and more. Together, that represents an **upturn in views** since last year.

Another notable shift is around **defence and national security**, where significantly more people expect the outlook to get worse in the years ahead – suggesting a growing concern among the Scottish public.

Q: Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?



Base: 687 online Scottish adults 16-75

Scottish public is most pessimistic in UK but least worried about immigration

Compared to other nations of the UK, people in **Scotland are more pessimistic than the UK average** about the outlook for the NHS, mental health care, the country’s infrastructure, skills provision and trade with other countries. Those differences are particularly acute around mental health provision and opportunities for adults to improve their skills.

At the other end of the spectrum, the **Scottish public is less worried than all other nations around immigration and border security.**

Q: Thinking about the next few years or so, do you think that each of the following will get better, get worse or stay about the same in the UK?

Significantly higher or lower than average: ● ●

	England	Scotland	Wales	Northern Ireland
The cost-of-living	-41	-41	-46	-49
Immigration and border security	-35	-26	-36	-32
Affordable housing	-31	-28	-32	-36
Crime and policing	-30	-27	-32	-31
Climate change	-29	-27	-30	-30
Social care	-28	-29	-29	-28
The NHS*	-24	-29	-30	-34
Protecting the UK’s natural environment	-22	-19	-19	-12
Inequality between different groups in society	-20	-23	-22	-21
Inequality between different regions	-20	-19	-25	-24
Mental health care	-19	-28	-17	-23
Jobs and economic growth	-18	-19	-19	-19
The country’s infrastructure	-16	-21	-21	-16
Our defence and national security	-13	-11	-18	-11
International relations and the UK’s place in the world	-12	-10	-14	-16
School and early years education	-11	-8	-11	-9
Opportunities for adults to improve their skills	-4	-11	-4	-6
Protection against COVID/pandemics	+6	+4	+4	+9
The use of artificial intelligence and other advanced technologies	+10	+13	+13	+14
Trade with other countries	0	-6	-6	0

Notes: Net get better by nation (better minus worse)

* In 2023, this option was “NHS waiting lists”

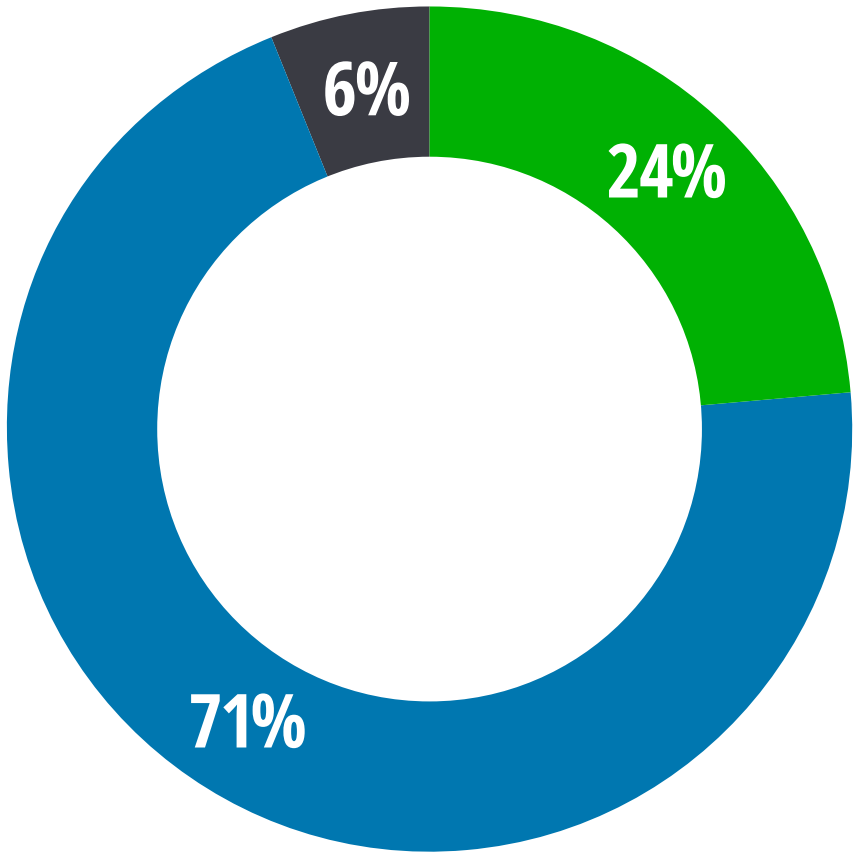
Base: 5,721 online UK adults 16-75, 13th-19th December 2024. Including in England (3836), Scotland (687), Wales (697) and Northern Ireland (501).

Seven in ten say net zero will be missed as doubts increase in Scotland

Seven in ten of Scotland's public are not confident that the UK will reach its target of a net zero economy by 2050, broadly equal to our findings last year. The same proportion also doubt the Scottish Government's target of 2045, with an increase of seven percentage points in those saying they are not confident it will be reached.

Q: How confident, if at all, are you that the UK Government will reach its target for achieving net zero emissions across the economy by 2050?

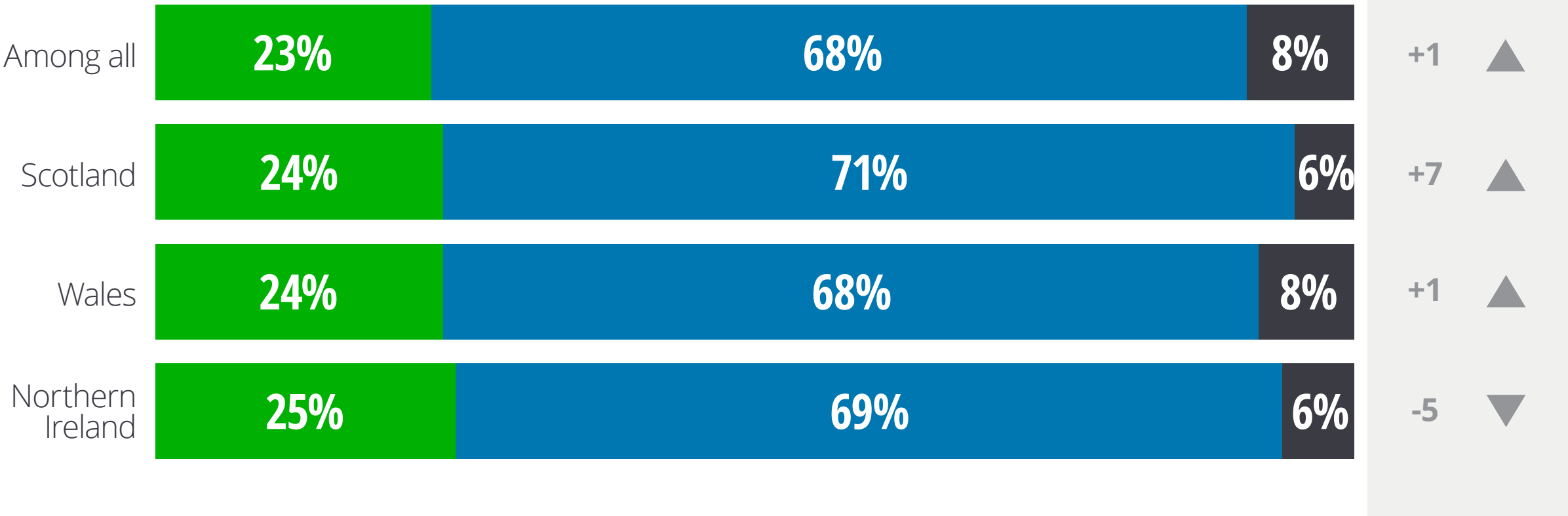
▼ ▲ Significantly higher or lower compared to 2023



Base: 687 online Scottish adults 16-75

Q: How confident, if at all, are you that the Scottish will reach its target for achieving net zero emissions across the economy by 2045?

Key: ● Confident ● Not confident ● Don't know



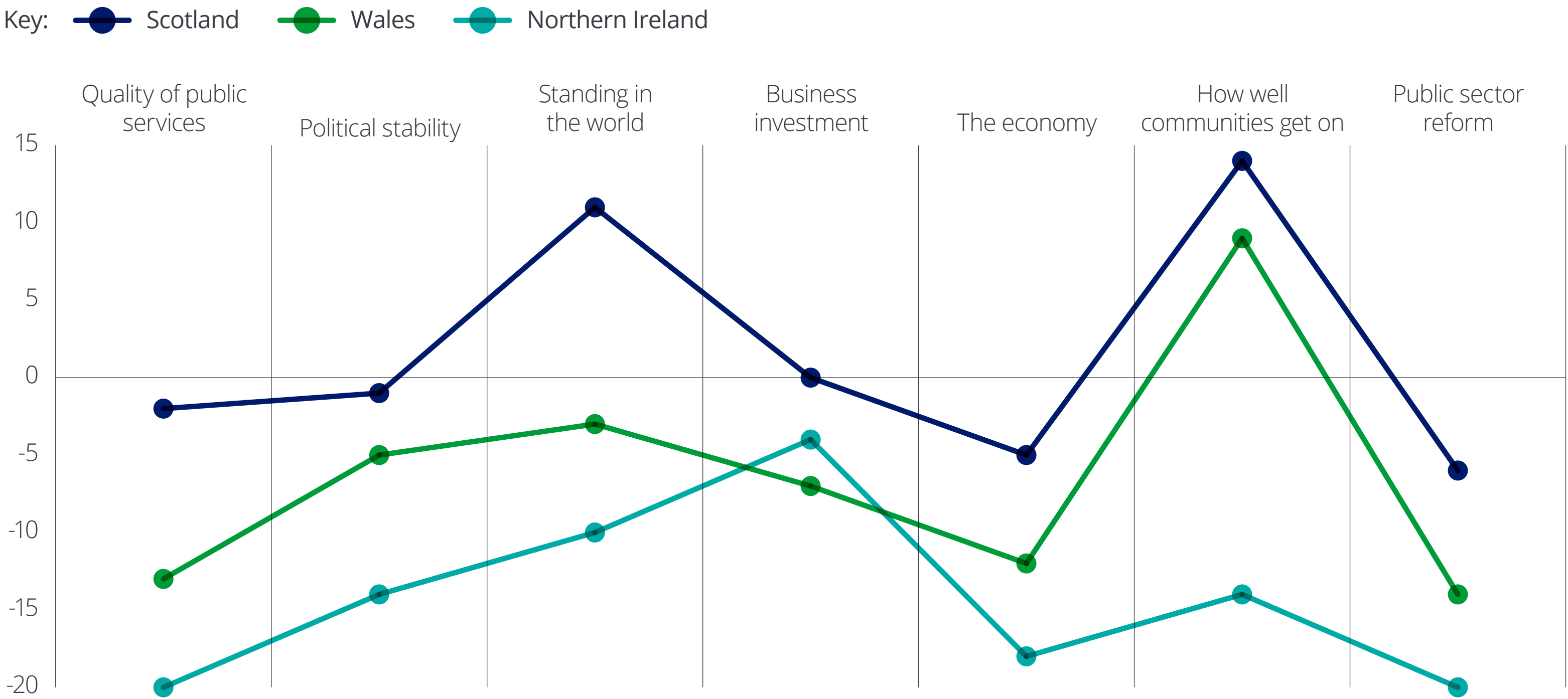
Looking ahead, confidence in Scotland is highest among devolved administrations

Our survey asked people in Scotland, Wales and Northern Ireland about confidence in their respective governments to deliver impact in the years ahead, over seven criteria.

It found confidence in the **Scottish Government to be highest across every measure** but with notable dips when it comes to reforming and delivering public services, as well as managing the economy.

Confidence is particularly favourable when it comes to **promoting Scotland's place in the world and in community cohesion.**

Q: To what extent, if at all, do you think the current Scottish Government will have a positive or negative impact on each of the following over the next 5 years?

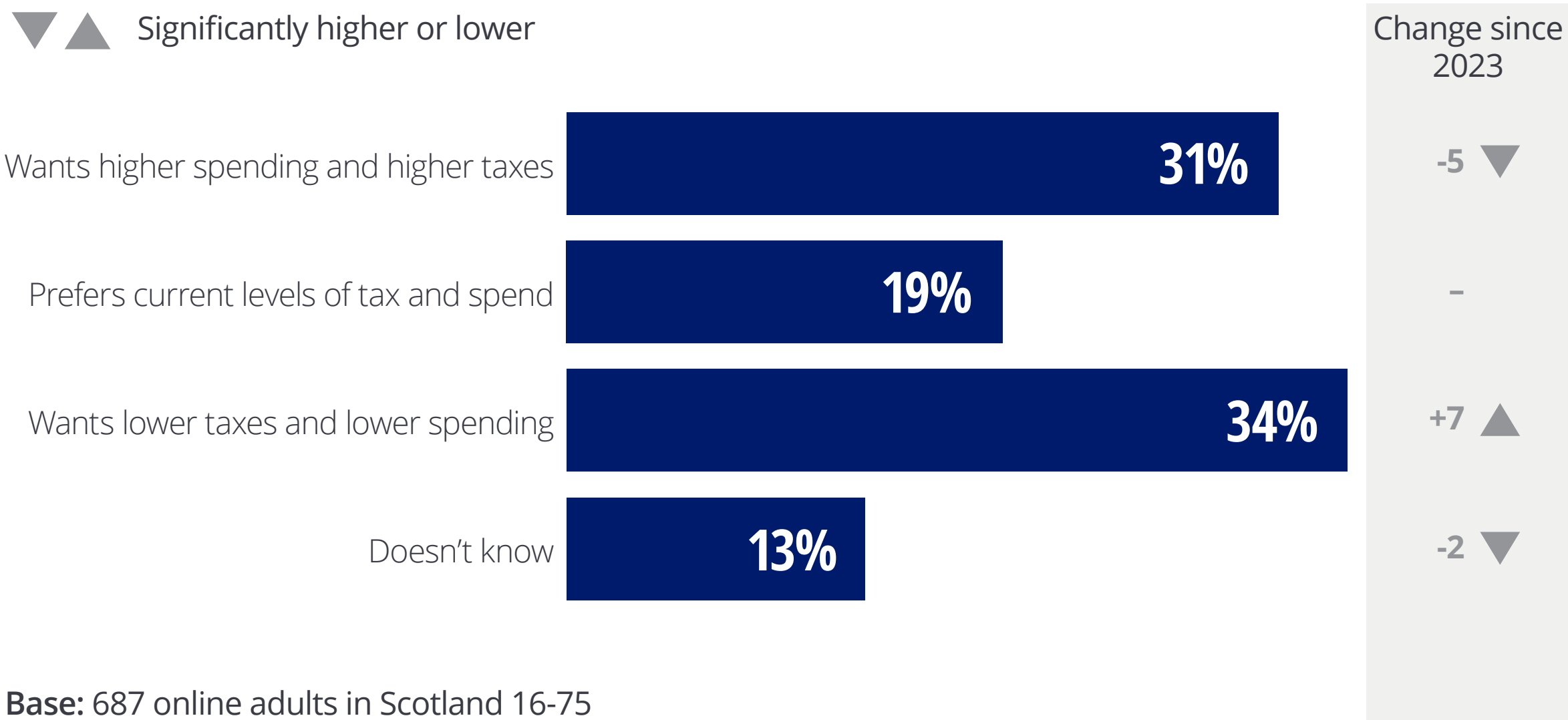


Note: % Net positive impact (positive impact minus negative impact)

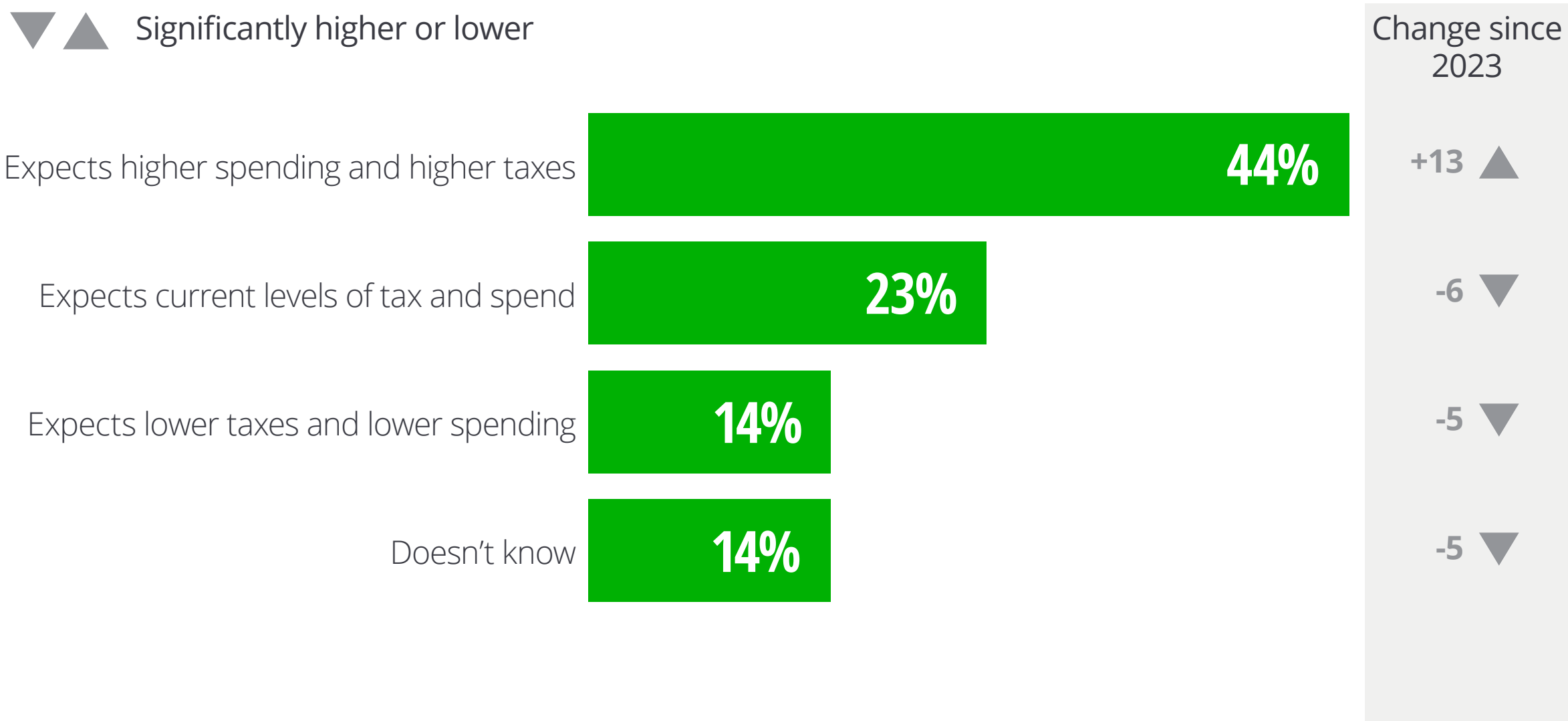
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Scotland’s public expects tax hikes as their preference shifts away from higher spending

The Scottish public are split on whether they would prefer higher taxes and higher public spending or lower taxes and lower spending. However, the number preferring lower taxes has grown significantly since our last survey.



Whatever their preferences, the public’s expectations that spending is set to go up, and taxes or borrowing with it, have risen significantly in the last year.



This question in detail
The survey asked: As you know, governments have to make decisions to set the right balance between the advantages of higher public spending and the advantages of less tax or public borrowing. Which of the following, if any, do you think **should** be UK government policy for the balance between public spending and the levels of taxation and public borrowing in the future? And which of the following, if any, do you think **will** be UK government policy for the balance between public spending and tax and/or public borrowing in the future?

Insight from public sector leaders



Insight from public sector leaders

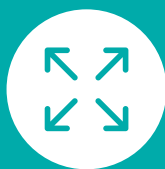
For more than a decade, our *State of the State* reports have been informed by interviews with senior figures from across the public sector.

This year we interviewed more than 80 public sector leaders including politicians, senior civil servants, police leaders, council chief executives and NHS officials.

This section of *State of the State* sets out five insights from our research interviews in Scotland.



Key takeaways



Devolution should not stop at Holyrood

Interviewees argued that accountability, decision making and delivery need to be rethought in bold public sector reforms.



Scotland can't afford to miss the net zero opportunity

Public sector leaders warned that the pace and scale of change does not feel sufficient to meet Scotland's net zero target – but it's an economic opportunity Scotland can't miss.



The future rests on skills

Interviewees told us that the further education system in Scotland needs investment if it is to deliver a pipeline of people with skills Scotland needs.



Productivity gains are in optimisation – but one size won't fit all

Public sector leaders have varied ideas on how to boost productivity, suggesting that a one-size-fits-all approach is unlikely to maximise the gains available.



Tough choices but transformational opportunities await the next government

Interviewees agreed that whichever party of parties win the next election, they will face a stark set of spending choices – but those choices contain the opportunity to transform the public sector.

Devolution should not stop at Holyrood



We're in a big-state system with no devolution from the Scottish government. Our politicians and government want to retain responsibilities but that's not how you get things done – **you get things done by doing them locally.**

Council Chief Executive



Devolution should not stop at Holyrood

Public sector leaders told us that fundamental reform is needed across Scotland's public services.

They argued that demand on services, financial strain, the potential of technology and the maturity of Scottish devolution all mean that change is needed – and that it needs to be bold. Some added that decision-makers must not avoid structural re-organisation, and that subsidiarity within Scotland needs rethinking so that decisions are made, accountability held, and delivery led at the right level.



I hope by 2035 we have more regionalisation as services. It's not **sustainable having such small units of the NHS.**

NHS Leader



There are really good people working on the national care service but it's not the answer. It's effectively nationalising social care, when **we need more devolution, empowerment and innovation** – not state nationalisation.

Council Chief Executive



We need to be bold. We need to know what the system needs to look like, then we can put together a detailed plan. And just talking about NHS reform is not going to solve the problem – we have to talk about social care too.

Senior Civil Servant, Scottish Government



Across Scotland, we need multi-agency working under a **single strategic authority.**

Local Government Leader

Scotland can't afford to miss the net zero opportunity



There's a **time pressure on energy transition** and how we galvanise around the huge opportunity for Scotland. Other parts of the world are forging ahead and if we don't act now, **we could miss the sweet spot.** The barrier is that there are multiple players and no cohesive direction.

Agency Director



Scotland can't afford to miss the net zero opportunity

“There's **not a chance we'll meet the net zero milestone** in Scotland. It's five years till 2030.
Agency Chief Executive

Scotland's exposure to climate issues is unique in the UK. Its oil and gas industry remain vital to the country's economy and the UK's energy supply, making Scotland a focal point for transition to net zero.

In our interviews, public sector leaders recognised that the level of economic threat and economic opportunity are heightened in Scotland.

Most interviewees in Scotland and around the UK told us they are not confident in meeting net zero targets as the pace of change does not yet feel sufficient. In Scotland, leaders are increasingly concerned that the country could miss out on the economic advantages of transition if government does not pick up pace.

“Our **risk aversion as a nation is getting worse.** If we don't sort out government decision-making and make more risk-based judgements, we don't have a prayer of delivering net zero.
Chair, Government Agency

“Two issues have emerged around net zero: first, **who is going to pay** and second, how do you **encourage businesses and people to change behaviours?** Because government is not going to come around the corner with a cheque for your electric car or your heat pump. That's the harsh economic reality.
Scottish Parliamentarian

... while leaders hold a spectrum of views on transition

Some officials prioritise a measured transition to clean energy while others highlight the need for nuclear to be more central to government thinking.

One senior figure flagged the scale of decommissioning that will need to happen in Scotland and beyond.



We've got to **apply balance on the path to net zero** or we'll tie our own hands and give commercial advantage to our global competitors.

Senior Civil Servant



Nuclear feels like it's on the outside the clean energy mission. The government has a lot of passion for offshore wind and renewables, but **nuclear needs to be part of the debate.**

Chair, Non-Departmental Public Body



Net zero will eventually **trigger decommissioning on a scale** we have never seen before when massive, fossil fuel-reliant installations are stood down.

Senior Civil Servant

... and global debates have changed tone

Several interviewees told us that global positions on net zero are shifting, and less developed nations have limited faith in the narrative among regions like Europe and the UK.

“ The **COP summits may have gone as far as they can** in their current form.
Senior Civil Servant



“ An issue for net zero is the **lack of trust from the global south**. There’s been a loss of credibility and trust. COP in Azerbaijan wasn’t a catastrophe, but it wasn’t far off.
Senior Diplomat

The future rests on skills



There's a big question on **our skills agenda**, especially around net zero where the **requirement is growing exponentially**. We've got to get the skills agenda right, because ironically the market is there but the skills are not.

Scottish Parliamentarian



The future rests on skills

Public sector leaders in Scotland warn that there are skills deficits in areas critical for the country's future, yet the college system is in varying levels of financial distress. The need for skills for net zero transition were mentioned frequently although further education, especially in the North East, is rapidly building capacity in that area.



The **core college sector in Scotland is so underfunded, we're cutting provision and making short-term savings.**

But if you want to grow the economy and upskill people, you need colleges. Economically inactive people aren't going to go to university, they'll go to college.

Further Education Leader



Scotland's universities are a huge strength and they're increasingly commercial in their outlook. **The skills landscape is more hazy.**

Agency Director



Skills are a real challenge in transport. We're competing for engineering resource with England and with Europe, let alone digital and data resource.

Agency Chief Executive



Productivity gains are in local optimisation – but one size won't fit all

“The public sector has a **lot of inputs** for some **pretty poor outputs**.

Scottish Parliamentarian

Scotland's public sector leaders are alive to the need for productivity gains. But our interviewees had a wide range of different ideas for how to realise them, suggesting that a one-size-fits-all approach to public sector productivity would be unlikely to see meaningful gains.

Some argued that optimisation is at the heart of productivity, and organisations should pursue it reducing bureaucracy and complexity while ceasing programmes with low returns.

Others pointed to factors that are rarely mentioned in productivity debates, like the role of clinical experience in the NHS.

“The way you make public services more productive is to **reduce the complexity** and arrange services around the people who need them.

Local Government Director

“Being **more productive can cost more money:** if you enable a surgeon to be more productive so they can do more surgery, that's going to cost more in consumables. And you can think about productivity in terms of getting more people through an acute hospital, but why not think about why they're there in the first place?

NHS Leader

“Experience plays a huge part in NHS productivity. **Experienced clinicians understand risks better,** do things quicker and don't ask for tests they don't need.

Chief Executive, NHS Trust



Tough choices but transformational opportunities await the next government



The state of the Scottish state in 2035 will depend on **who takes the tough decisions next year.**

Agency Chief Executive



We're **grappling with universal benefits** like free universities, free prescriptions, free bus passes. Is that affordable or would it be better spent on different parts of public services?

Scottish Parliamentarian



There's a **nervousness in the Scottish government** because the fiscal position is so challenging and there's an election on the horizon that's driving shorter-term thinking.

NHS Leader

Scotland's public sector leaders told us that next year's Scottish Parliamentary election is increasingly on their minds.

Many pointed to tough spending choices that await the next government. Some argued that a fresh mandate will open up transformational opportunities in the system that the next administration can take forward.

But all the leaders we interviewed were clear that the next election will be pivotal for Scotland – whichever party or parties forms the next government.

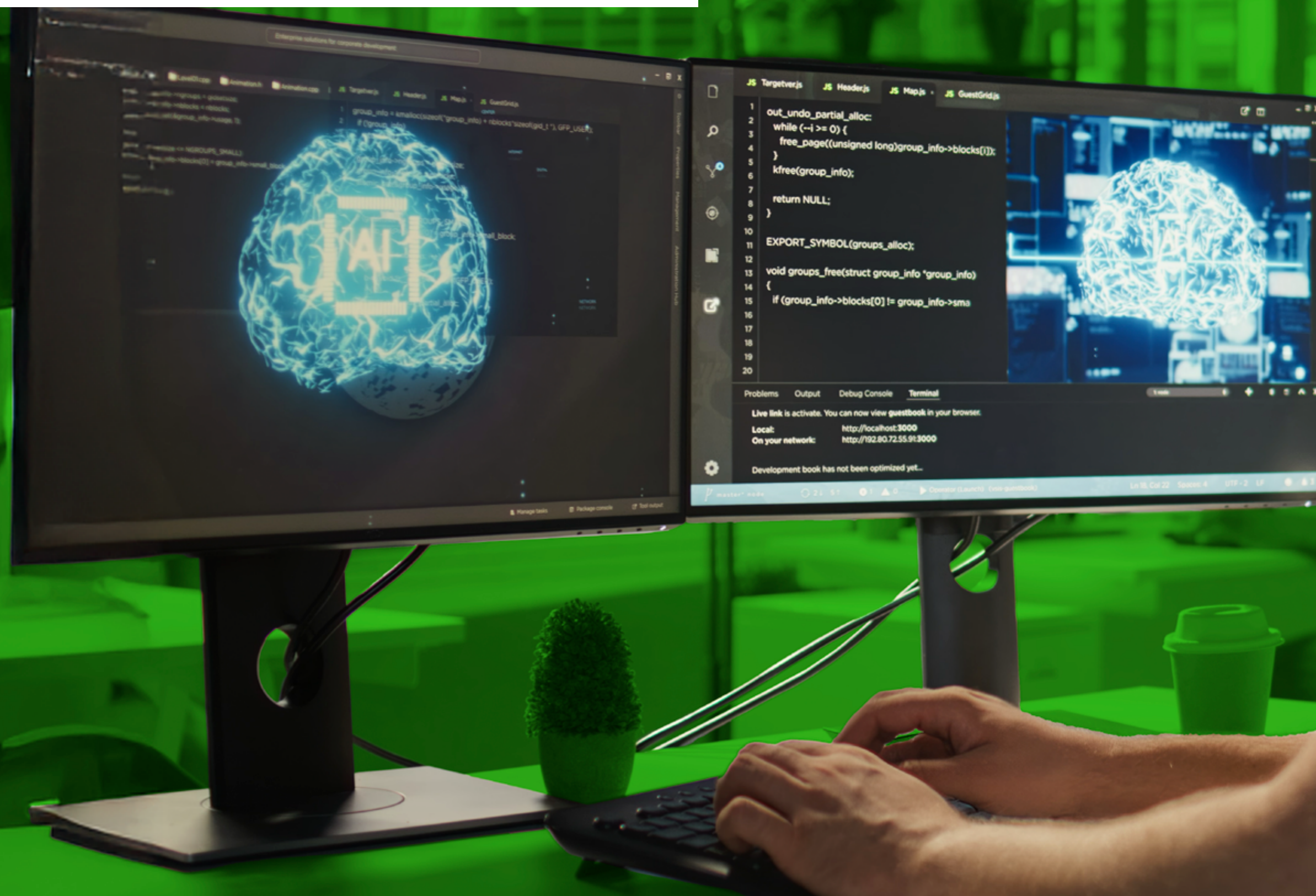


The risk is in staying reactive. You can't be strategic and get in front of issues like climate when you're permanently on the back foot.

The next election in Scotland is pivotal, whoever gets in, because **we can't have more of the same.**

Council Chief Executive

The public sector's vision of the future



The public sector's own vision for 2035

Our interviews explored how government and public service leaders want their organisations and services to look in ten years' time.

Their collective responses provide a glimpse of what government and public services could look like in 2035.

This section of *State of the State* summarises their thinking and offers a 2035 vision of the public sector from within.



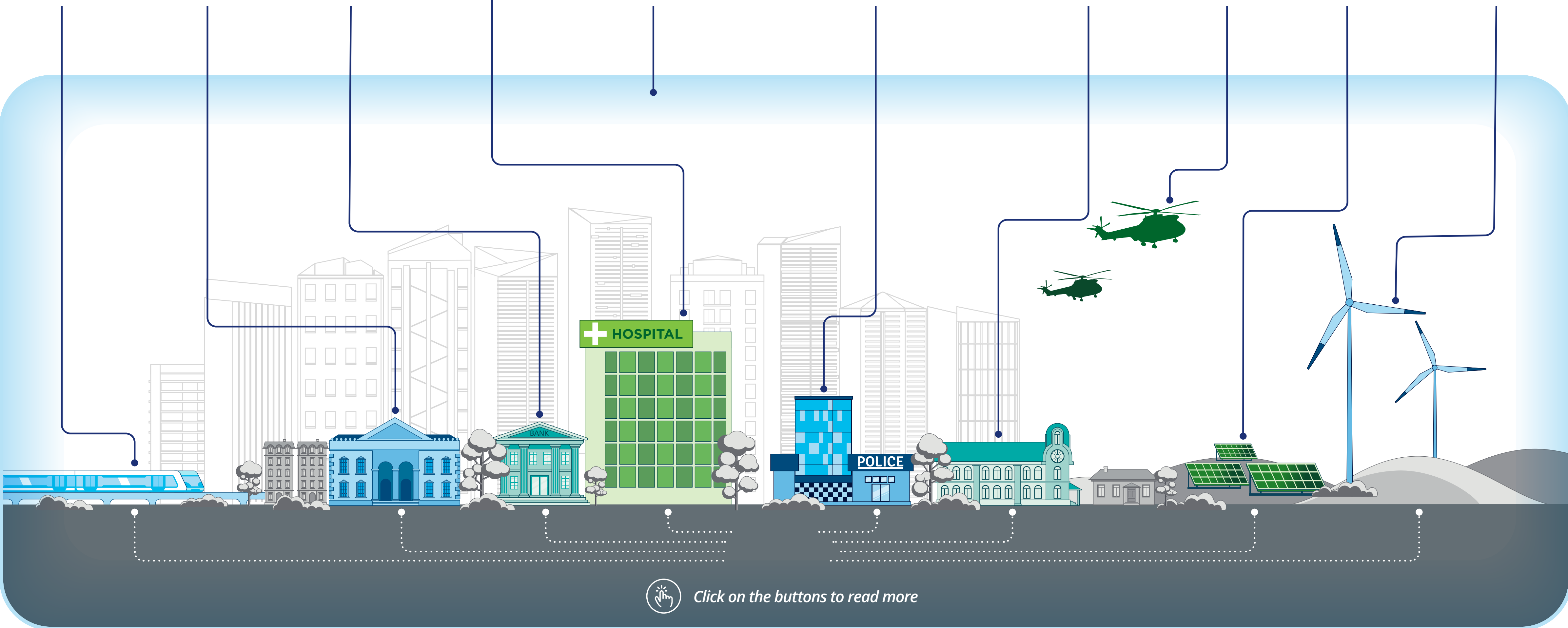
Key takeaways

Our interviews asked leaders about their hopes for the public sector of 2035. Put together, their responses provide a glimpse into the future. Their vision is defined by five characteristics:

- 1.** Interactions with government are **frictionless** for the citizen, and technology including artificial intelligence is used to provide frontline workers with the information they need at the point of decision.
- 2.** Local **public services** work collectively, especially on preventative measures, and ensure seamless citizen pathways between them. They engage the voluntary sector as a delivery partner and co-produce services with the public.
- 3.** **Place-based** thinking will at last come of age, underpinned by combined and strategic authorities. It will allow for a renaissance in our communities that includes integrated transport, new ways to access health services, and joined-up growth plans.
- 4.** Government **decision-making** is rooted in the long-term interest, with measurement and evaluation baked-in and commercial issues taken into account as the norm. Central government is smaller with greater clarity on roles and purpose.

The public sector's vision for 2035

Our interviews with government and public sector leaders surfaced their own vision for 2035



Conclusion and recommendations



Conclusion and recommendations

Our recommendations

This research points to **five recommendations**

1. Prioritise, devolve and optimise

When discussing public sector reform, leaders told us they want to see Scottish Government prioritise more effectively, **making deliberate choices based on affordability.** Many argued that devolution within Scotland – perhaps to single, strategic authorities – could optimise public services. And others suggested that productivity gains should be pursued at local level, perhaps incentivised and guided from central government, as productivity is highly sensitive to context.

2. Turn up the volume on the green agenda

Our research finds the public becoming less worried about climate change – perhaps even complacent – and **public sector leaders concerned that net zero targets will not be met.** That suggests a pressing need for every organisation and business engaged in net zero transition to engage the public in the climate agenda and why it matters. It also suggests that sustained investment is needed to make sure Scotland has the right skills for its net zero transition – although the last year has seen significant developments in that area.

3. Invest in the skills system

Public sector leaders believe government should ensure adequate investment in the nation's skills. They argue that **investment in further education and adult skills means investment in Scotland's economic growth,** investment in productivity, investment in tackling income inequalities and investment in delivering the government's four priorities. But colleges continue to struggle with varying levels of financial distress and struggle to recruit staff which limits their ability to deliver people with sought-after skills into the economy. Looking forward, Scotland could do more to map, understand and address its skills' needs for at least a decade ahead.

Conclusion and recommendations

Our recommendations

This research points to **five recommendations** (*continued*)

4. Grow the public sector's 'halo effect' technology successes

While commentaries often focus on the problems, Scotland and the wider UK's public sector have rolled out some **world-leading uses of technology**. Rather than re-invent new solutions at every turn, the sector should **consider how it can grow out** its best examples – the projects with a halo effect – into new uses. This could be particularly important as the sector embarks on an era of structural change, not least through local government reorganisation. That creates an opportunity to use proven technology successes as the vehicle for converging systems and processes across the sector. That could allow for even more effective interoperability between services and substantial productivity gains if multiple institutions use the same digital systems. Key to getting this right would be a clear recognition of the proven benefits and a willingness for government to be directive across the public sector.

5. Provide regular figures on the 'public sector gap' Our survey shows the **Scottish public understand the funding pressures on public services**.

That view is informed by regular updates on the state of the public finances and budget settlements across the public sector. What's missing is a view on the gap between what those funding settlements can achieve versus the demands on them – like the number of prison spaces available and the number needed. Data and transparency on that gap could help the public understand the trade-offs and how the sector would need to reduce demand (in this case, reduce prisoner numbers), improve productivity (make better use of prison capacity) or access additional funding (build more prisons) to close it.



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