AUDITOR GENERAL

News release

For immediate release

Government reforms need transparent action plan

The Scottish Government needs to set out the detail - including timelines and expected impact - of its plans to reform Scotland's public services.

The government's 2025/26 consolidated accounts report an underspend of £591 million against a budgeted spend of £64.2 billion. However, delivering a balanced financial position for 2026/27 will be challenging, and further pressures already exist for the 2027/28 budget. These include the income tax outturn, which will decrease available funding by £720 million.

The government needs to set out the detail of how it will implement the public service reform proposals within the Programme for Government 2026-2031. Ministers also need to conclude the review of the National Performance Framework and put a new one in place to support their reform plans. Without this, the government will continue to find it difficult to demonstrate the impact of public spending.

The gap between projected available funding and the cost of public services needs to be closed. But it remains difficult to assess whether the Scottish Government will be able to deliver the £1.5 billion in cumulative, recurring savings set out in its 2026 spending review. This is due to a lack of specific milestones and timelines.

Stephen Boyle, Auditor General for Scotland, said:

'Alongside economic growth, public service reform is critical to securing the long-term financial sustainability of Scotland's public services. These changes need to be delivered at scale and pace given the extent of the financial challenges Scotland faces.

'Ministers also need to give more details on the public service reform proposals within the Programme for Government. That includes timelines and the expected impact of actions on the public finances and service delivery.'

For further information contact:
Patrick McFall Tel: 07786660171
pmcfall@audit.scot or media@audit.scot

Notes to Editor:

1. The Auditor General has prepared the report on the Scottish Government's 2025/26 Consolidated Accounts under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. This allows the Auditor General to bring to the Parliament's and the public's attention matters of public interest related to the financial statements of public bodies.

2. Section 22 reports are submitted to Scottish Ministers for laying in the Parliament along with the accounts of the relevant body. While there are statutory deadlines for these reports, the actual timing of publication is determined by when the report is laid in the Scottish Parliament by Scottish Ministers.

3. The independent auditor is content that the Scottish Government Consolidated Accounts show a true and fair view and have been properly prepared to follow accounting standards and that the income and expenditure for the year is lawful.

4. Spending on cladding remediation represents a significant future financial challenge. Limited progress has been made to date. But in June 2025, the Scottish Government estimated that the cost to the public sector of assessing and remediating buildings in Scotland, over a 15-year programme, would be between £1.7 billion and £3.1 billion.

5. The Auditor General expects to report in 2027 on the Scottish Government's approach to delivering fiscal sustainability and efficiencies.

6. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit.scot

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament

- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.

ENDS