LOCAL GOVERNMENT REFORM

1 PURPOSE OF REPORT

1.1 This report seeks to update the Partnership Board on the fast-moving and inter-related topics of Programme for Government, Public Sector Reform, Local Government Reform, and other related workstreams such as the Transport Scotland reviews of transport governance and Regional Transport Partnership funding.

1.2 The report then seeks Board approval of SEStran's continued engagement on these matters.

2 BACKGROUND

2.1 At its meeting on 25 September 2026, the Board was asked to consider a paper on the Scottish Government's Programme for Government 2026/27 to 2030/31.

2.2 However, on 21 September, the First Minister made a statement about the Reform of Local Government in Scotland, and the Partnership Director's presentation and subsequent discussion at the Board meeting focused on this rather than the paper on the Programme for Government.

2.3 The discussion concluded with the following decision:

1. That the publication of the Programme for Government, and the initial assessment as set out in the report, be noted
2. That officers monitor the introduction of the Public Service Renewal (Scotland) Bill and bring a dedicated paper to a future meeting of the Board outlining any specific governance, operational, or statutory implications for Regional Transport Partnerships once the draft legislation is formally published
3. That the Partnership continues to engage proactively with Scottish Government officials and regional partners as Programme for Government measures are developed
4. That a dedicated paper on Public Sector Reform be brought to a future meeting of the Board

2.4 This report is primarily related to (3) and (4) above.

3 POLICY POSITION

3.1 Programme for Government

3.1.1 The Programme for Government is a five-year plan focused on eradicating child poverty, growing the economy, tackling the climate emergency, and strengthening the NHS and public services.

3.1.2 It sets out the Scottish Government's legislative intentions, priority reforms and investment commitments for the year ahead. As an annual statement of governmental direction, it provides the policy context within which Regional Transport Partnerships, local authorities, public bodies and delivery agencies are expected to plan, coordinate and report their activity.

3.1.3 This year's Programme for Government emphasises a continued focus on public service reform, inclusive economic growth, net-zero transition, and community wellbeing, alongside targeted measures intended to support households and strengthen local delivery capacity. While the detailed implications for regional transport, digital inclusion, economic development and place-based programmes will emerge over the coming weeks, the publication provides an important framing for our forward planning, risk management and stakeholder engagement.

3.1.4 The Programme for Government contains a number of commitments that align closely with SEStran's strategic priorities, particularly around public transport affordability, regional connectivity, active travel, transport decarbonisation and mass transit development. Notable measures include the national rollout of a £2 bus fare cap, Better Buses legislation, substantial active travel investment, continued strategic transport infrastructure programmes and support for regional connectivity.

3.1.5 Of particular significance is the Government's commitment to explore regional governance models, resource pooling and transport governance reform, which may have important implications for the future role of Regional Transport Partnerships in the planning, coordination and delivery of transport investment across Scotland.

3.2 Local Government Reform

3.2.1 On 21 September 2026, the Scottish Government published 'National Renewal through Public Sector Reform - A Proposal for Reform of Local Governance' (Appendix 1). The paper describes an opening proposition intended to support debate and discussion rather than a final Government position. It seeks a shared direction before the end of 2026 so that discussion can move towards implementation, with early decisions informing the next Scottish Budget.

3.2.2 The Government states that the purpose of reform is to improve public services and make the best use of public spending. Its central question is how responsibilities should be balanced between national, regional and community levels so that services have the capacity, capability and local responsiveness required to improve outcomes.

3.2.3 The opening proposition would replace current local government arrangements with a smaller number of regional authorities focused on strategic decision-making and a

larger number of community authorities focused on local decision-making. The principal elements are:

- Between 6 and 10 regional authorities, providing strategic capacity and supporting the efficient delivery of functions that benefit from regional scale;
- Between 120 and 160 community authorities based on identifiable communities and responsible for decisions most effectively taken close to their impact;
- Councillors continuing to be elected at current ward level and sitting on both the relevant community authority and regional authority, supported by common regional administrative or corporate arrangements;
- A statutory obligation on regional authorities to devolve appropriate functions to community authorities; and
- Bespoke solutions for island communities, developed in dialogue with those communities and capable of varying between island areas.

3.2.4 Important matters remain open, including the geography of regional and community authorities, the detailed allocation of functions and duties, democratic workload and remuneration, community participation, and the future distribution of funding and revenue-raising powers.

3.2.5 To inform the initial findings, the Scottish Government reform team has organised a series of workshops across Scotland to engage with Local Authorities and community groups before the end of November 2026. SEStran has been invited to attend a regional event in Dunfermline on 17 November 2026.

3.3 COSLA's statement of 30 October 2026

3.3.1 COSLA's 30 October statement calls for a rethink of the above proposals and engagement approach. It advocates meaningful participation, evidence of improved outcomes and consideration of national agencies alongside councils. Its organising principle is 'local by default, regional where it adds value, and national where necessary', with powers, funding and accountability aligned.

3.3.2 Its accompanying position paper (Appendix 2) supports regional collaboration without assuming a new regional authority is required. It treats regional economic cooperation separately from council restructuring and includes stronger Regional Economic Partnerships in an illustrative model covering economic development, skills and strategic transport. That example is exploratory, rather than an agreed structural model.

3.4 Transport Scotland Review of Transport Governance

3.4.1 Transport Scotland has taken the view that the outcome of its review of transport governance (i.e. the split of transport roles and responsibilities between national,

regional and local levels) will support whatever model is adopted to reform the public sector / local government. This is based on the assumption that, irrespective of the future structure of government, there will still be some form of national, regional and local involvement in the governance of transport

3.4.2 Transport Scotland have confirmed that the review and its outcomes will need to be adaptable to future changes through Public Service Reform, but the timescales for the change are not yet clear.

3.4.3 Transport Scotland are structuring the review on:

- Geography: Where do the relevant journeys, markets and outcomes operate?
- Authority: What legal powers and decision rights are required?
- Funding: What funding and revenue support is required and who controls the resources and carries the risk?
- Accountability: Who answers politically, legally and financially?
- Risk: Who carries demand, revenue, contractual and delivery risk?
- Interfaces: How does the function interact with other bodies and networks?
- Adaptability: Can the arrangement accommodate future institutional change?

3.4.4 Workshops will be held with Regional Transport Partnerships to discuss these topics and identify opportunities for improvement that could increase operational efficiency, strengthen delivery and achieve better outcomes. For example, where funding is currently allocated through competitive application processes against defined criteria, a more flexible regional funding approach could enable Regional Transport Partnerships to direct investment towards agreed regional priorities and outcomes, potentially increasing the overall impact and value of available funding.

4 STRATEGIC ALIGNMENT

4.1 This is an exciting time to be involved in regional transport. Regional Transport Partnerships have been pressing for change since at least the early 2010's, supported by independent reviews, and the arguments to support the case for change have now come to the surface in the wider debates about public sector and local government reform.

4.2 The Roles & Responsibilities workstream of the 2nd National Transport Strategy recommended that future transport governance arrangements should be on the basis of some form of regional model allowing for variations in approach between different geographic regions. Although this recommendation has not led to any formal transfer of legal powers, Regional Transport Partnerships have taken on some functions previously carried out by Transport Scotland e.g. devolution of the People and Place budget.

4.3 As an example of developing of these principles, SEStran contributed to the Transport section of a letter from the Edinburgh and South East Scotland City Region which was sent to the Deputy First Minister of Scotland the Secretary of State for Scotland and the Chancellor of the Exchequer on 17 March 2025. The letter sought the devolution of further powers and associated funding from the Scottish and UK governments to the City Region. The Transport section included the following, in order to support delivery of the Regional Transport Strategy and regional economic ambitions:

- Multi-year regional block funding to remove competition and support regional identification of priorities across the whole transport system
- Devolved responsibility for all transport infrastructure and services in the region (that are currently centrally controlled)
- Devolution of all associated budgets for transport infrastructure and services that are devolved
- Utilisation of current regional governance structures for all decision making, with outcome reporting at a national level in order to help expedite delivery and coordinate priorities and service delivery
- Devolved statutory powers to regions and create new powers to support quicker delivery
- The development of income generation mechanisms for regions

5 PROPOSED APPROACH

5.1 COSLA's approach provides an opportunity to examine stronger regional transport delivery alongside wider governance reform. It does not establish agreement on the future role, geography or powers of Regional Transport Partnerships.

5.2 The Scottish Government's September opening proposition expressly includes Regional Transport Partnerships and potentially functions currently undertaken by Transport Scotland. This provides a basis for jointly examining which decisions should be exercised at each level and the evidence needed to support any change.

5.3 The Lead Officers propose that Regional Transport Partnerships contribute their existing statutory framework, Regional Transport Strategies and delivery experience to that assessment. Partners should test where these arrangements can be strengthened, where cooperation can improve delivery and where different arrangements may be justified.

5.4 COSLA's illustrative economic model leaves the relationship between stronger Regional Economic Partnerships and existing Regional Transport Partnerships to be clarified. This should be addressed jointly, so that economic priorities, transport strategy and investment decisions connect through clear responsibilities and scrutiny.

5.5 Transport services often operate across administrative boundaries. Appraisal should therefore consider actual travel patterns and network connections. This links with the approach being taken on SEStran programmes such as SEStransit.

5.6 The following are candidate work areas, not proposed transfers or commitments:

- Regional investment and delivery. Assess the benefits of coordinating programme prioritisation, funding and delivery against Regional Transport Strategies and wider economic and spatial priorities. Taking account of the approach taken on existing programmes such as the RTS Delivery Plan and SEStransit;
- Shared specialist capacity. Examine demand for shared procurement, transport data, passenger information and technical expertise, including the interface with councils' roads and transport services; and
- Public transport and access to services. Test opportunities for cross-boundary bus and rural mobility coordination, including access to employment, education and healthcare.

5.7 Regional Transport Partnership Lead Officers will engage collectively with Transport Scotland, the Scottish Government reform team, COSLA and SCOTS. This will include a specific request to join local workshops, or provide information directly to the Scottish Government reform team. This would connect strategic reform discussions with council priorities and operational experience, while drawing directly on the knowledge and circumstances of each Partnership.

5.8 The Lead Officers and partners would jointly select two or three propositions and apply a common appraisal covering: the service problem and intended outcomes; appropriate geography; options for decision-making and delivery; costs and benefits; democratic and community accountability; workforce and specialist capacity; funding and assets; legal requirements; and transition risks. It is anticipated that this work would complement Transport Scotland's Review of Transport Governance.

5.9 Each proposition should identify who would make decisions, who would deliver, who would fund the activity and who would scrutinise performance. It should distinguish improvements achievable within existing powers from those requiring legislation or formal transfers. Responsibilities should be matched by sustainable resources.

5.10 The scoping work should draw on constituent councils and involve Regional Transport Partnerships, service users, operators and other public bodies where relevant. Any substantive change would require the appropriate Partnership, council, Ministerial or other approvals.

5.11 It is understood that individual councils or combinations of Councils are already working on responses to National Renewal through Public Sector Reform - A Proposal for Reform of Local Governance. It remains important that SEStran engages

with these discussions to ensure they reflect regional opportunities to deliver efficient and effective outcomes that can't be delivered at a local or national level.

6 RECOMMENDATIONS

It is recommended that the Partnership Board:

8.1 Notes the update in this report

8.2 Agrees that SEStran continues to participate in the activities identified in this report, and engages directly with Transport Scotland, Scottish Government, COSLA and SCOTS

8.3 Agrees that the Partnership Board be kept informed of relevant developments

Brian Butler
Partnership Director
9 November 2026

(Note: The Partnership Director would like to express his thanks to Ranald Robertson, Partnership Director of HITRANS, for providing much of the material used in this report).

APPENDICES:

1.National Renewal through Public Sector Reform - A Proposal for Reform of Local Governance

2. COSLA Public Sector Reform Position Statement

Policy Implications	This work will entail significant policy developments over coming months, although these are not yet clear. Officers will monitor progress of the Programme for Government and Regional Economic Partnership to the Board on any required changes.
Financial Implications	The Programme for Government is likely to have significant financial implications, but these are currently unclear. Officers will monitor progress of the Programme for Government and Regional Economic Partnership to the Board on any required changes.
Equalities Implications	The Programme for Government is almost certain to have positive implications for equalities. Officers will monitor progress of the Programme for Government and Regional Economic Partnership and report to the Board on proposed changes and implications as they become clearer.

Climate Change Implications	The Programme for Government is almost certain to have positive implications for climate change. Officers will monitor progress of the Programme for Government and Regional Economic Partnership and report to the Board on proposed changes and implications as they become clearer

Partnership Board Meeting
Monday 16 November 2026
Item A3 Local Government Reform
Appendix 1

Public sector reform: proposal

Published

21 September 2026

Directorate

Local Government and Housing Directorate

Topic

Public sector

Proposal for reform of local governance.

National renewal through public sector reform - a proposal for reform of local governance

Introduction

The Programme for Government set out a clear necessity for public service reform at the heart of the Government's ambitions.

Our aims for reforms are to rewire the state to help improve the delivery of public services and maximise the efficient use of public spending. The case for change is pressing and urgent, requiring public services that are modern, responsive, and person-centred. Put simply, we want to deliver improved services, rather than simply preserve the existing local governance architecture.

As part of our reform ambitions the Government committed to engaging intensively with partners in relation to reform of local governance. Our aim is to find as much common ground as is possible and reach a shared direction before the end of this year about solutions so that we can move from debate to implementation, with early decisions informing the next Scottish Budget.

The Government enters this dialogue with an open mind; we do not seek to be prescriptive at this stage. However the Government recognises the need to aid discussions by setting out an initial proposition. There have been extensive discussions about reform and change over recent years, and a number of initiatives led by existing

local authorities themselves. Following engagement with representatives of local government in Scotland, we are outlining in this paper the nature of fundamental reform the Government wants to consider in order to support this intensive period of dialogue and help to reach initial conclusions.

This paper is intended to be a starting point to facilitate debate and discussion with the objective of establishing a measure of shared agreement about the scale and the broad shape that reform could take.

Scotland is fortunate, because of our size, that some priorities are best delivered at a national level; others are best delivered regionally; and some at a level closer to communities. What we must now do is get that balance right, enabling us to deliver more responsive and more effective public services that meet the needs of our people and our communities.

The current model of local government has not been reviewed since devolution and the restoration of the Scottish Parliament in 1999. Increasingly our current model of governance creates anomalies and risks inconsistencies in service delivery and, ultimately, outcomes for the people we serve.

The Government's starting point is ensuring that we have the organisational capacity and capability we need at the right levels – strategic and also local – to unleash economic opportunities and achieve the ambitions of communities in all areas of Scotland. This will also mean identifying where resources can be pooled to greatest effect and most efficiently, ensuring that key services and outcomes are delivered consistently well.

Strategic regional authorities with local decision making

The point has been made that the current structure of local government sees some authorities that are either too big to be local or too small to be strategic. That is why the Government believes there is a need for regional authorities, alongside more decentralised community authorities.

The Government's opening proposition for discussion is that our current local government arrangements are replaced with a smaller number (6 to 10) of regional authorities focussing on strategic decision-making, with a substantial number (120-160) of community authorities focused on local decision-making. While there may be a general model in most cases, recognising their unique status and needs, our proposition is that this would sit alongside bespoke solutions for island communities.

Community authorities would sit within the borders of regional authorities, with the aim that community authorities would see 'burgh/county/town/district/island' authorities based on identifiable communities. For example, this could include areas such as

Kilmarnock in Ayrshire, or Leith in Edinburgh, or Blairgowrie and Rattray in Perthshire, it could be townships, villages or islands.

We would propose that councillors would continue to be elected at the current ward level, sitting on both the community authority and on the associated regional authority. This would improve local decision-making and enable greater strategic working, without the necessity of a further layer of elections or creating additional tiers of bureaucracy. The same overall regional administrative or corporate structures would support both regional and community authorities. The aim is to have greater subsidiarity with more local decision making but supported by the efficiency of delivery by regional structures.

Achieving the right balance of powers

Existing local government responsibilities do not need to be the full extent of regional functions or local devolution. As part of the Government's broader commitment to streamline the public sector landscape, there are functions within existing public bodies which could be brought within the regional or local democratic sphere as part of this reform, while acknowledging that every region will have different circumstances.

We are keen to hear others' views about where the best balance of powers and functions lies. In any refreshed model of regional and community governance we would want to ensure that the range of functions, powers and duties in each part of the system are coherent, create impact and have the right balance between statutory duties and discretionary powers to enable regions and communities to deliver impact.

At a headline level, illustratively, we would propose that regional authorities would have an enhanced role in regional economic development and business support – to enable them to make decisions and deliver projects that reflect local strengths, opportunities and ambitions. This would include housing, with some functions and responsibility shared with More Homes Scotland; strategic planning, alongside a national planning hub; employability support, aligned to economic development and skills with the potential for greater national commissioning and/or coordination; and relevant areas of transport, including Regional Transport Partnerships and potentially some functions currently with Transport Scotland.

Regional authorities would also continue to assure delivery of the many vital core services which people experience daily and which are provided currently by local authorities, including the environmental services such as waste and cleansing; civil defence, resilience and response, shared with national government; provision of regulatory services; and, early learning and education aligning with our 3-18 curriculum, with some elements potentially directed more locally by community authorities, while supporting empowered headteachers and schools.

At a local level in community authorities, illustratively, functions and decision-making responsibility may include the planning, commissioning and delivery of joined up, community-based support that is person-centred and responsive to local need, including Whole Family Support. Functions for community authorities would focus on those decisions which are most effectively made closest to their impact, such as householder planning applications, community planning, licensing decisions, as well as management of the historic environment and open space and greenspace, the regeneration of local town centres and the provision and maintenance of local leisure, sport and culture facilities.

Key considerations

The Scottish Government believes this approach would represent a fundamental strengthening of governance arrangements and ensure a much stronger approach to regional economic development, place and infrastructure, while reducing backroom duplication and putting more resources into delivering services for local people.

However, as well as ensuring a coherent set of functions, duties and powers, key issues remain which we would want to consider further, including the identification of the right geographical scope for these regions and communities.

At its core, this proposal seeks to ensure a clear link between the community and the regional, with mutual benefits each way, but comes with several options and issues to consider, including:

- this model will work well for existing, recognised communities at the appropriate scale – but that will not be the reality in every area. It will be important to ensure that people feel a sense of belonging and recognise their area as these are identified
- regional authorities or dual mandates would bring a significant increase in responsibilities for those councillors and would prompt serious consideration of the appropriate remuneration and the time commitment expected of the role
- this model must be designed in a way to ensure an interface for greater community participation, building on the strengthened community decision-making arrangements
- there needs to be a statutory obligation on regional authorities to devolve appropriate functions to community authorities

The scope of functions and design of Island Single Authority Models will be pursued in dialogue with those communities, which may vary by Islands to recognise their unique circumstances as part of any reform process.

Empowered local areas and communities

This model will also ensure an improved interface for greater community participation, building on the strengthened community decision-making arrangements.

Building on our local empowerment agenda which has included community wealth building, asset transfer and participatory budgeting, we envisage a strengthening of local community level decision making. This model would give local areas through community development corporations, social enterprises and other community groups the tools to articulate their priorities and to build community assets and services, working alongside the community authorities.

Democracy Matters community engagement, undertaken jointly with COSLA, has shown a real appetite across Scotland to ensure all of our towns, villages and neighbourhoods have meaningful influence and control over the way public services are designed and run. The programme also highlighted an eagerness to explore new ways of taking those decisions ensuring everyone people can have a say, such as widening the use of citizens' assemblies and participatory budgeting.

Ultimately, this approach should mean decisions are taken closer to people where that could improve local outcomes, on the services and functions most appropriate.

Funding arrangements

The Government's view is that the critical starting point will be to determine and agree the split of responsibility between community, regional, and national. This will inform the level and methods of funding most appropriate.

Consideration will then need to be given to how that funding should be distributed, reflecting different local needs, and in turn this will depend on the degree of local and regional revenue raising powers.

Health and social care

Alongside local governance arrangements, the Scottish Government has also committed to using the next three months to engage with local authorities, trades unions, and healthcare and service providers to reach agreement on reform of social care.

As an existing responsibility, social care and social work must also be a part of our dialogue on reforming local government. But it also goes beyond this – how we ensure that we improve integrated support for people, and how social care interacts with primary and community health, alongside broader, related, functions such as housing and family support, not just as a standalone service. The current approach to the integration of social care services is not in all circumstances meeting the needs of people and this key question must be answered in the dialogue around reform.

Scottish Government's view is that all options for social care services and social work be considered, taking into account new organisational structures for the NHS and proposals for regional and community authorities.

Next steps

The Scottish Government will be an active participant in the dialogue over the coming weeks and months, ensuring that we engage broadly with a range of partners, stakeholders and communities. These proposals are set out to encourage discussion and debate and do not represent our final views on these matters, but it does indicate the scale of ambition we are looking for and the ideas we want to explore.

The expectation of the Scottish Government is that as dialogue at a strategic level continues, more detailed and specific proposals will be developed for further consideration amongst Parliament, local authorities and communities.

Local Government's Vision and Approach for Public Service Reform

COSLA's vision is for a preventative, person-centred and place-based public service system, organised around the needs of people, families and communities rather than institutional boundaries. People would experience services that work together around them and where they live, including at a regional, local authority and community level. Communities would have enhanced influence over priorities and service design. Councils, as the democratic anchors of place – the elected bodies accountable for their area – would bring public services and partners together to tackle inequality and improve outcomes.

The key elements of COSLA's vision are:

i. **The priority for reform must be better outcomes for people and communities and high-quality, sustainable public services fit for the modern world.** Local Government's vision is for a preventative, person-centred and place-based system organised around people, families and communities rather than institutional boundaries. Although we recognise there are inefficiencies and areas for improvement across public services, councils should remain the democratic anchor for place-based services, bringing services and partners together to address poverty, inequality, economic opportunity, health and wellbeing.

ii. **Implementation should be overseen between COSLA and Scottish Ministers,** through a shared agreement on the objectives, scope, evidence, appraisal criteria and next stages of reform. The current engagement period should be used to identify areas of agreement, disagreement and further work; it cannot credibly resolve all questions of governance, finance, legislation and workforce within three months. Consultation must be meaningful and should include councils, communities, staff, trade unions and relevant partners.

iii. **The organising principle should be: local by default; regional or collaborative where scale demonstrably adds value in outcomes; and national where consistency, rights, infrastructure or investment genuinely require it.** Structure should follow function. Regionalism describes the scale at which some functions may operate, not the institution that must necessarily exercise them. Services – including those currently not within the formal remit of local authorities – should be delivered and planned at the optimal geography to deliver outcomes.

iv. **Fiscal reform, funding guarantees and further powers for local authorities must be considered from the outset, not after structures and governance have been designed.** In keeping with COSLA's asks over many years and drawing on Article 9 of the European Charter, a reformed system must guarantee adequate and flexible funding, local financial autonomy, fiscal discretion, equalisation and the principle that powers, workforce, assets and resources must follow responsibilities. A General Power of Competence should be considered as part of this.

v. **Reform must be whole-system.** The same functional and subsidiarity tests should apply to responsibilities currently exercised by Scottish Government, the NHS, national agencies and other public bodies, as well as those exercised by councils. Reorganisation of Local Government alone would not amount to whole-system reform.

vi. **Decisions affecting Local Government require political agreement and, where appropriate, individual council endorsement. Recommendations to COSLA and Scottish Government should be based on sound evidence** and tested against the European Charter of Local Self-Government, considering local democratic accountability, subsidiarity, meaningful consultation, autonomy and resources. A common assessment framework should be agreed and any move away from local decision-making must be supported by evidence of better outcomes, necessary capacity or genuine benefit from scale.

vii. **Design and implementation must engage communities and the workforce.** Those people closest to public services know what needs to improve, while the workforce who deliver services day in day out should be part of shaping a reformed system too.

viii. **Community engagement and empowerment must improve through reform** (see separate update). The starting point should be stronger representative local democracy, meaningful community influence and a strengthened multi-agency Community Planning framework with collective accountability for place. COSLA should not presume that a uniform new tier of "community authorities" as set out by Scottish Government is necessary.

ix. **Governance arrangements to be considered.** Based on existing local authorities, the following governance structures should be considered and encouraged where evidence and engagement provided a strong case for change.

- **Regional collaboration and shared capacity**, including council-led partnerships and shared services where strategic scale adds demonstrable value, without automatically assuming a new regional authority is required.
- **Voluntary consolidation of councils where there is a locally supported** and evidenced case for improved outcomes, resilience or capacity, subject to democratic agreement.
- **Single Authority Models,** including island approaches and other locally developed arrangements, where integration of functions and accountability can be demonstrated to improve outcomes.
- **A strengthened approach to community engagement.** It is unclear what the proposal for 130+ 'community authorities' will add to outcomes and local accountability. Rather, existing community planning and community engagement approaches should be built upon and improved, with duties on public bodies being strengthened and fully implemented.

Asymmetry, local choice and different implementation timescales should be permitted. These approaches should not pre-empt the functional assessment or the decisions of individual councils.

<u>Seeking a reciprocal commitment from Scottish Government</u>

A vision for reform is credible only if it commits both sides. Local Government would: accept collective accountability for outcomes in place, alongside partners; collaborate regionally and share specialist capacity and expertise where evidence shows added value; and, open its own arrangements to evidence-led appraisal, including asymmetrical approaches.

In return, in addition to the national guarantees above, Local Government would expect national government to provide: sustained, multi-year funding for the responsibilities and shared capacity that reform requires; the powers and fiscal flexibility to match responsibilities, with no transfer of responsibilities or financial risk to councils without the resources to discharge them; and, a jointly governed process in which proposals are tested before they are decided.

The vision in practice: illustrative examples

The principles set out above establish the framework for reform, but principles alone do not demonstrate how the vision would work in practice. The following three examples therefore illustrate how Local Government's preferred approach could be applied in key areas currently under discussion. They demonstrate the interaction between local accountability, regional collaboration and national guarantees, while identifying issues for further consideration. The examples are illustrative and exploratory rather than agreed structural models or settled COSLA positions. They have been developed with key senior advisers in local government.

Example 1: Social care and community health

An older person needing support to remain independent at home should experience coordinated help with care, community health, housing adaptations and local support. National guarantees would protect their rights; locally accountable arrangements would coordinate services around their needs, with specialist provision where required.

Existing Integration Joint Boards, local-authority-led integration and council-led partnerships provide foundations that could be strengthened to improve local decision-making, accountability and coordination. Specialist, cross-boundary and workforce-intensive services could be organised collaboratively where scale demonstrably improves outcomes. Any model must make clear who is responsible for strategic decisions, delivery, financial control and democratic scrutiny, and must address workforce shortages and the resources needed for prevention. This builds on existing social care reform analysis and does not reopen Leaders' position.

Further detail on working proposals will be shared with officials.

Example 2: Economic development, skills and strategic transport

Citizens and businesses should find investment, skills provision and transport links planned together across their region, not by separate bodies. Regional Economic Partnerships (REPs) could be strengthened as formal vehicles to coordinate strategic investment, economic infrastructure, labour-market priorities and transport connectivity where regional working demonstrably adds value. Scotland requires a step-change in enhanced regional economic collaboration with devolution of powers to the appropriate level.

Existing REPs, City Region and Regional Growth Deals and skills arrangements provide the foundation, although overlapping geographies, variable capacity, fragmented funding and unclear accountability limit their effectiveness. Individual councils would retain locally determined priorities, including housing, planning, employability and Community Wealth Building. Consideration should also be given to whether functions and resources held by national agencies could be brought closer to local or regional democratic accountability.

Stronger REPs, or parallel regional economic arrangements such as corporate joint committees, would need clear governance arrangements, including the role of participating councils, decision-making powers and scrutiny, alongside specialist

capacity and more coherent funding, potentially through multi-year settlements. Regional economic collaboration should be considered separately from decisions about the future structure of Local Government. Further work with councils, Solace and other key partners should test the functions, governance and resources required, including any further opportunities arising from recent UK Government proposals.

Further detail on working proposals will be shared with officials.

Example 3: Education, children and lifelong learning

A young person needing additional learning support and a pathway into further education or employment should benefit from coordinated support between school, council services, colleges and employers. Councils would remain the democratically accountable leaders of local education and integrated children's services. Strengthened regional collaboration and joint national oversight would enable the progressive improvement of collaborative arrangements to provide shared specialist expertise, professional learning, school improvement, digital capacity and wider curriculum opportunities that individual councils or schools may be unable to sustain alone. A national vision for education would provide clear entitlements, curriculum coherence, equitable funding and a common infrastructure.

Emerging officer analysis identifies progressive improvement through strengthened regional collaboration, building on RICs, council quads where appropriate and the Curriculum Improvement Cycle as a potential route, building on existing arrangements and local integration, and raises closer council–college integration, which would need separate feasibility work. The evidence base is still developing; costs and benefits must be evidenced, not assumed. Any model must explicitly establish democratic accountability, including the role of elected councils, control of funding and scrutiny of regional and national bodies.

This approach balances subsidiarity, strategic capacity and national equity; preserves local integration; is incremental, adaptable and reversible; strengthens shared services, specialist capacity, curriculum pathways and regional skills links; and creates evidence before wider scaling or legislation is required. In comparison the proposal of the Independent Professional Advisor risks separating education from place-based children's services; like the Scottish Government proposal purports structural benefits and savings that are poorly evidenced and unproven; and does not address the issues of accountability and transition design which will require a far stronger evidence base and financial analysis. There are elements of the Wilson report that could be considered in relation to improvement and empowerment that may support the progressive model proposed.

Further detail on working proposals will be shared with officials.

Community empowerment and participation

Communities must be able to influence more of the decision that shape the places they live within and the services they depend upon.

We need to accelerate work to implement the vision that we developed with the Scottish Government through the Democracy Matters conversations - giving communities new opportunities to create and oversee plans to shape services to meet their needs, building on strong evidence of local views and strengthened local accountability of all public services.

We have an opportunity to harmonising approaches to sub-local authority level community governance across Scotland – creating flexibility within a framework so councils, community planning partners and communities are able to establish whole-systems Area Partnerships that work for their localities.

Without new national investment to support community participation and deliberation capacity the impact of any reforms will be limited. We need an explicit focus on overcoming barriers for communities that have traditionally not been involved in decision making – particularly those communities experiencing the worst outcomes and most significant disadvantage

Further detail on working proposals will be shared with officials.