

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.

Seeking a reciprocal commitment from Scottish Government

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.