

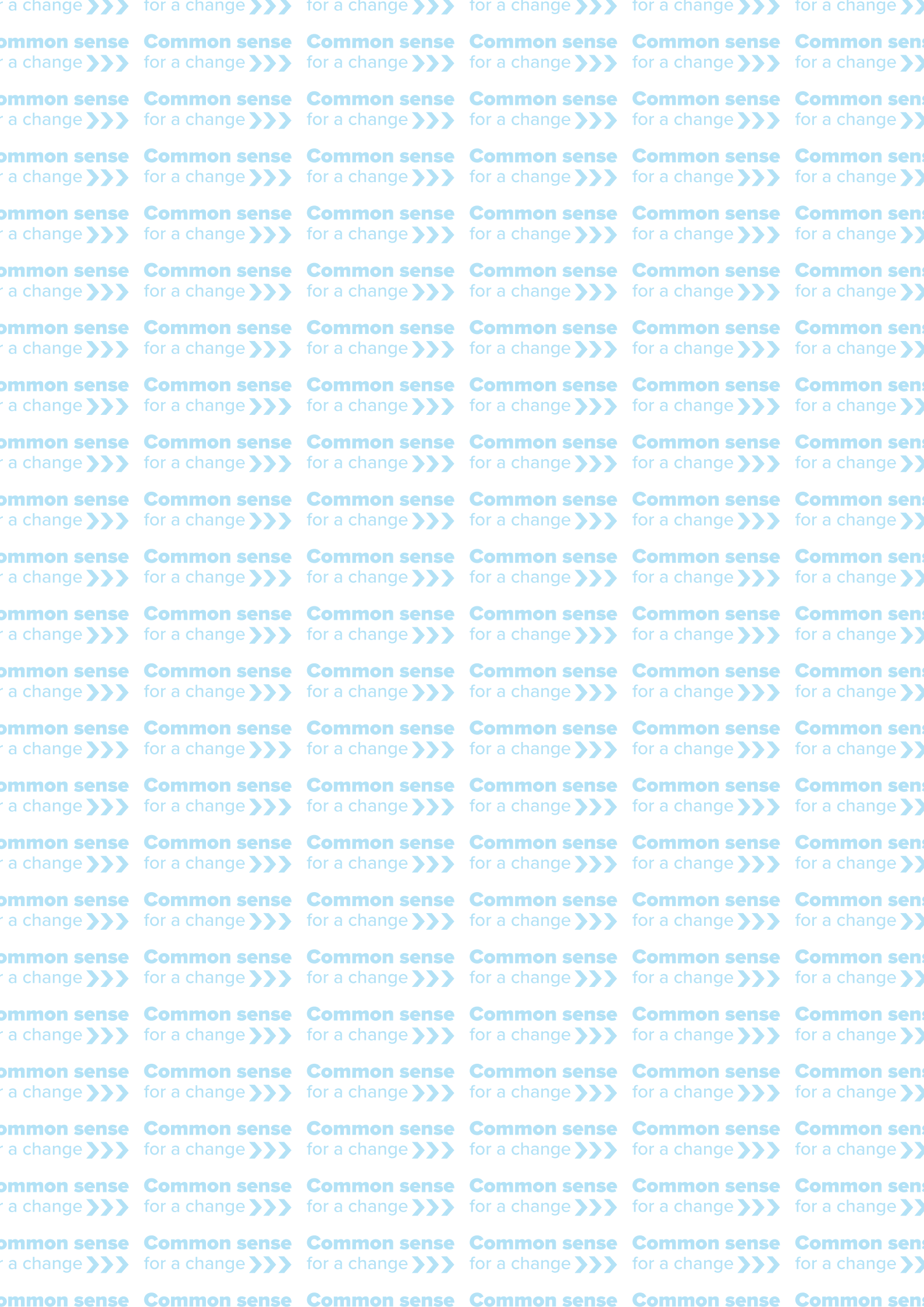
**A COMMON SENSE PLAN**

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# Bringing Power Closer to People

Scottish Conservative & Unionist Party  
December 2025







# Contents

Introduction .....	4
State of local government in Scotland .....	7
Funding local government.....	9
Powers of local government.....	12
Service delivery .....	15
Conclusion.....	19
Endnotes .....	20



# Introduction



Holyrood has become out of touch. Left-wing parties obsess over fringe issues like gender reforms, while nationalist politicians have tried to rerun the independence referendum every year since 2014.

For many people across Scotland, Holyrood has never felt further away – yet it has more control over our daily lives than ever.

Too many of the most important political decisions affecting your local community are made by ministers in Edinburgh, when they should be made at a local level.

The SNP have spent almost two decades systematically taking powers away from local government, leaving Scotland's councils in a perilous state.

This has allowed local services to decline and left taxpayers feeling like they're being ripped off.

Councils, especially those in rural areas, can no longer afford to provide the services we once got for free. Charges are being introduced for certain bin collections and vital community facilities are being closed for good.

Local councillors often feel like they are doing their job with one hand tied behind their back, as so much of their budget is already pre-determined before they've even had the chance to look at it.

Left-wing politicians at Holyrood would have us believe that the problem is that there aren't

*enough* politicians in Scotland. That we need more bureaucracy. And that we need more taxes to pay for these things.

The Scottish Conservatives are different. We disagree with the Holyrood consensus.

By giving councils the right tools, we believe we can achieve better value for money and better services for your local community.

We want to allow councils to encourage entrepreneurialism at a local level, to grow the local economy and boost revenues that can be spent on local services.

And most importantly of all, we would give councils the freedom to spend their budget as they see fit, so that council money is spent on *your* local priorities, not the SNP's priorities.

We want to see a transformation in the balance of power between local government and the Scottish Government.

The measures outlined in this paper will achieve exactly that.

By putting more power in the hands of local people, rather than politicians, we would help restore the trust in politics that has been squandered by politicians of all parties in recent years.

Of course, none of this will be possible without the foundations of a strong economy.

We need more economic growth. Empowering local government is a central part of that mission.

Giving local councils the right tools will help to grow our economy further, provide more opportunities for people across Scotland and fund the public services we all rely on.

And our common-sense proposals will help put Scotland on the right path towards achieving these goals.



## OUR PLAN TO BRING POWER CLOSER TO PEOPLE

**Simplify the council funding formula.** As things stand, there are nearly 150 different factors that influence each council's final budget settlement. This cluttered landscape makes it more difficult for councils to challenge Scottish Government calculations and can leave them short-changed. We would drastically reduce the number of factors that determine each local council's budget.

**Give rural councils the funding they deserve to compensate for their increased costs.** The current formula that allocates council funding includes too many factors that are unfair to mainland rural councils. We would address this imbalance and ensure that rural local authorities are properly compensated for the higher cost of delivering local services in rural, remote or Highland areas.

**Ensure urban councils are properly funded for the pressures they are facing due to factors including population growth.** Certain urban areas in Scotland are currently experiencing significant population growth but the data used by the Scottish Government to provide funding for these areas can be out of date and does not adequately capture recent population growth. Therefore, we would ensure that urban councils are given appropriate funding if they are experiencing high population growth so that they can deliver the services local residents need.

**Provide councils with financial certainty by guaranteeing them a portion of the Scottish Government's budget.** The SNP have eroded the money local government receives from central government since coming to power. We would introduce a Fair Funding for Councils formula, whereby they are guaranteed a fixed proportion of the Scottish Government's budget every year, similar to the Barnett formula. We would set this proportion at a higher rate than local government currently receives.

**Introduce a Local Power Bill that gives councils funding on a multi-year basis.** All too often councils are having to make long-term financial decisions while being left in the dark about their future budgets. Our Local Power Bill would place a duty on Scottish Ministers to provide as much information as they can to local councils on the money they can expect from central government on a multi-year basis.

**End the ringfencing of council budgets with a new Budgetary Freedom Guarantee.** This guarantee would increase the amount of money councils have available to spend at their own discretion, rather than on what the SNP Government dictates. It would be protected in law through our Local Power Bill and would mandate that ministers must give councils a minimum proportion of their budget to spend on their own local priorities.

**Stop SNP ministers from overturning local planning decisions.** Local planning decisions should be final. It is unacceptable that Scottish Ministers have overturned hundreds of these decisions in recent years. We would put an end to this situation and ban politicians in Holyrood from overturning local decisions.



**Encourage enterprise by allowing local authorities to retain business rates revenue.** Currently, non-domestic rates revenue is entirely allocated by the Scottish Government. This provides local authorities with little incentive to attract businesses to the local area. We would change this so that local authorities are allowed to retain 25% of non-domestic rates revenue.

**Give councils more freedom to lower business rates.** Currently, local councils do have the freedom to reduce business rates, but in reality, this power is scarcely used because councils are not appropriately compensated. We would introduce a system whereby councils are provided with an incentive to lower business rates by giving them more financial certainty through centrally allocated funds.

**Oppose the creation of more politicians or elected posts.** The last thing Scotland needs is more politicians. The Scottish Conservatives will resist any attempts to introduce new politicians, whether they be through expanding the number of councillors or the creation of new elected roles that would require extra taxpayer funding to be established.

**Deliver savings for taxpayers by removing barriers to shared services.** Councils could save substantial sums of money on the administrative costs of delivering services by sharing the costs with other local authorities. However, regulatory and legal barriers are currently preventing councils from working together to save money. We would remove these barriers to allow these savings to be realised.

**Encourage councils to end the culture of public-sector fat cats.** Millions of pounds of public money is spent on senior council officers raking in six figure salaries, while local services are being cut. We would give councils up-front cash to establish joint leadership teams with other local authorities, so the overall spend on senior council officers can be reduced in the long-term.

**Conduct a review of all council quangos and shut down those not delivering value for money.** There are more than 100 council quangos, known as ALEOs, operating in Scotland. We would conduct the first ever nationwide review of ALEOs to determine if these bodies are really delivering value for money for the public. Any ALEOs found to be wasting taxpayer money would stop receiving funding from central government.

**Introduce league tables for councils' performance on collecting bins and filling in potholes.** The public deserve to know how well the council they pay for is performing on key local services. Filling in potholes and waste collection are two of the most important services that local authorities are required to carry out, so we would publish league tables to shine a light on local authority performance and allow lessons to be learnt from the best performers.

**Protect elected councillors' right to make decisions by stopping the abuse of the complaints system.** Councillors are elected to represent the views of their constituents, and they should be able to do that without fear of repercussion from unelected officials. The Scottish Conservatives would amend the Councillors' Code of Conduct to prevent the abuse of the complaints system and make it clear that council officers cannot make complaints against councillors just for challenging policy decisions.



# State of local government in Scotland

When the Scottish Parliament was reconvened in 1999, it was meant to bring power closer to people in Scotland. Unfortunately, in the 26 years since, it has merely created another class of politicians who are out of touch with the everyday concerns of ordinary people.

Rather than using the Scottish Parliament to empower communities and give people more control over their own lives, ministers have instead preferred to hoard powers in Bute House.

This trend is especially pronounced under the SNP. Since 2007, there have been no major transfers of power from Holyrood to local authorities.<sup>i</sup>



## local councils in Scotland since 1996

Local government in Scotland, Scottish Government

In fact, the SNP protested when local councils were given funding instead of the Scottish Government. When the previous Conservative UK Government awarded regeneration funding straight to local authorities in Scotland, Kirsten Oswald – who was the SNP's Deputy Leader in Westminster at the time – complained that the move was a 'naked power grab'.<sup>ii</sup>

It's clear that in Bute House, respect for the vital role of local councils is at an all-time low.

Scotland has had 32 local councils since 1996, all with identical powers, acting as unitary authorities.<sup>iii</sup> Various pieces of legislation make up the current local government landscape in Scotland. The most important in terms of determining their powers and responsibilities are the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003. The 1973 Act outlines that local authorities have been given delegated authority to carry out specific functions in education, housing, the environment, planning, economic development and licensing amongst many other things.

For example, the education responsibilities, which have been subsequently amended by various pieces of legislation, impose a duty on education authorities to ensure 'adequate and efficient provision of school education and further education'.<sup>iv</sup>

Every local authority is required to 'consider the housing conditions in their area and the needs of the area for further housing accommodation'.<sup>v</sup> Local authorities also have numerous powers to address the housing situation in their area. As a result, housing constitutes a significant area of spending.

Environmental responsibilities cover a range of issues, including the maintenance of roads, collection of waste and coastal protection.<sup>vi</sup>

Planning is one of the most significant powers exercised by a local authority. There is an enormous list of statutory powers and duties conferred on planning authorities by many different pieces of legislation including the Town and Country Planning (Scotland) Act 1997.<sup>vii</sup> There are 34 local planning authorities in Scotland, comprising the 32 local authorities plus the two national park authorities.

Each authority is required to prepare a Local Development Plan as per the Planning (Scotland) Act 2019.<sup>viii</sup> Developments in Scotland are split into local, major and national developments. Local developments are generally classified as any proposal of fewer than 50 houses or two hectares in size.



Powers related to licensing include the sale of alcohol, registering taxis, street traders and numerous other activities.<sup>ixx</sup> Councils are also required to set up licensing boards to administer functions in relation to the sale of alcohol and legislation also stipulates specific conditions of licensing for the various activities that councils are entrusted with licensing.

This is not an exhaustive list of powers, but it demonstrates the wide and varying nature of local council responsibilities. The provision of these services underpins all our daily lives, yet the SNP Government does not give our local government the support they need to ensure these services can be delivered adequately.

Local government in Scotland is financed through several funding streams. The largest source of is through the General Revenue Grant. According to the Local Government Finance Circular, this will make up £10.8 billion from a total budget of £16.3 billion in 2025-26.<sup>xi</sup> Assumed council tax revenue will contribute £2.2 billion, ring-fenced grants make up just shy of £200 million and estimated non-domestic rates revenue will be £3.1 billion.

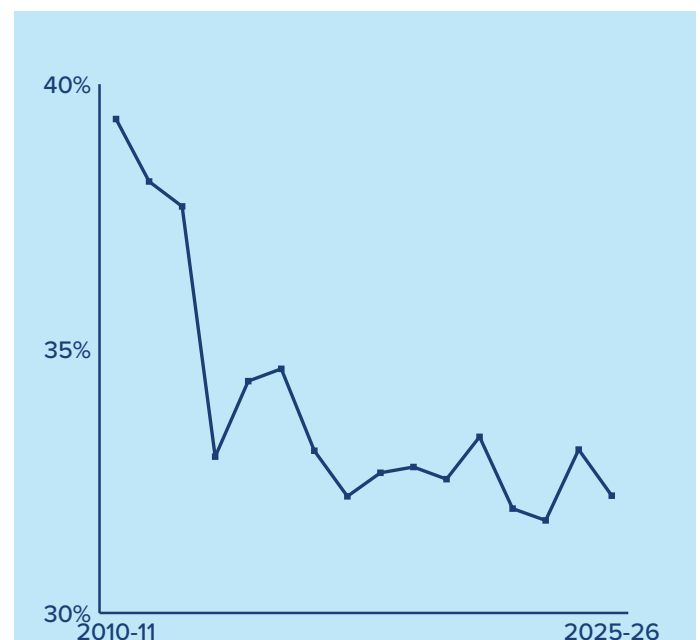
When we compare this to the Scottish Government's total budget, we can see a clear decline over time in the share allocated to local government.<sup>xii</sup>

The role of Non-Domestic Rates in funding our local services can cause confusion among members of the public and businesses. Every property used for non-domestic purposes is subject to the tax. It is administered and collected at a local level but is set nationally by the SNP Government.<sup>xiii</sup> As the poundage rate is set nationally, the revenue allocated to local authorities is also decided nationally through forecasts from the Scottish Fiscal Commission. This means that when the revenue collected by each local authority is finally known, some councils lose out because they received less from central government than they raised in reality.<sup>xiv</sup>

Further worsening the financial freedom of our local councils is the amount of money for their budget that is effectively 'ring-fenced' for central

government priorities. On the surface, the problem of ringfenced budgets does not look so bad. When looking at local government finance circulars published by the Scottish Government, only 1% of their total budgets are directed towards 'Ring-fenced Grants'.<sup>xv</sup> However, this is highly misleading.

The reality is, when factoring in the statutory duties and obligations that local authorities are required to fulfil in every financial year, their room for manoeuvre is much more limited. For 2025-26 specifically, the General Revenue Grant, which is intended to be a budget for discretionary spend, had numerous ongoing financial commitments integrated into it.<sup>xvi</sup> In reality, this means councils do not have the flexibility to spend this money as they please. The Coalition of Scottish Local Authorities (COSLA) estimate that local authorities only have the freedom to spend 30% of their budgets on their local priorities, with the remaining 70% tied up to central government policy commitments dictated by the SNP.<sup>xvii</sup>



## Share of Scottish Government's budget allocated to local councils

SPICe information response





# Funding local government

Most local government funding in Scotland is determined by the Scottish Government.<sup>xviii</sup>

Broadly speaking, local councils are only able to alter their revenue through changes to council tax. Council tax accounts for around £1 for every £7 spent by local authorities. This proportion has remained broadly consistent since at least 2009-10,<sup>xix</sup> and it means that the SNP have overwhelming control over local government finances.



The Scottish Government currently employs what it describes as the ‘client-group’ approach to decide how much money each local council gets.<sup>xx</sup> This approach gathers data at a local level to work out the required financial resources to deliver council services. For example, using the number of school pupils as an indicator of how much spending will be required on teaching staff.

However, as is often the case with this SNP Government, it is areas outside the central belt that end up losing out. When calculating how much funding should be received by councils to deliver their early learning and childcare responsibilities, only 5% of this funding is determined by how rural the area is considered to be.<sup>xxi</sup> Similarly, for primary school teaching staff, only 2.8% of funding is determined by the number of pupils in small rural schools.

This is because there are other factors that influence the funding formula, which indirectly have a negative impact on rural and non-central belt areas in Scotland. For example, the number of ethnic minority pupils helps decide the total amount of funding councils receive for delivering education.<sup>xxii</sup> This inevitably means that less diverse areas get less funding through no fault of their own.

The ‘Green Book’, which details the numerous factors that contribute to the final settlement for each local authority, is 76 pages long and lists at least 145 separate components for determining revenue alone.<sup>xxiii</sup> This is far too many – a vast list that is extremely difficult for local councils and the public to scrutinise. There are also many questionable criteria included in the list, such as ‘Glasgow Development’, which only gives extra funding to Glasgow City Council, and ‘Migration Citizenship’, which only provides money to North Lanarkshire.<sup>xxiv</sup>

This is not what a fair and balanced system looks like and that is reflected in the data. Using the Scottish Government’s official urban-rural classifications, mainland councils classified as mostly rural will receive an average funding settlement of £2,645 per person this year,<sup>xxv</sup> while urban councils will receive £2,594. That is just £51 difference. Yet Highlands and Islands Enterprise estimate that the cost-of-living in remote rural areas can be between 10-40% higher than elsewhere in the UK.<sup>xxvi</sup>

It is clear that our rural communities are not getting the support they need from the SNP Government. The Scottish Conservatives believe that it is time for that to change. To ensure areas left behind by the SNP finally get the support they need, we would **change the way local government funding is allocated to give areas with higher rural populations a fairer settlement.** This would be achieved by removing those elements in the current formula which are biased against rural councils and ensure that the funding formula accounts for the increased cost of delivering local services faced by councils with rural populations. We would work with COSLA to ensure this settlement is fair



for everyone and that urban councils don't lose out, but we are clear that we specifically want to see more money directed to the councils with the highest small town and rural populations as classified by Scottish Government statistics. The below table highlights the council areas that have a rural or small-town population of greater than 50%.

## MOST RURAL COUNCILS IN SCOTLAND

Council	Proportion of population in small towns and rural areas
Na h-Eileanan Siar (Western Isles)	100%
Shetland Islands	100%
Orkney Islands	100%
Argyll and Bute	81.3%
Dumfries and Galloway	76.6%
Scottish Borders	75%
Aberdeenshire	69.3%
Highland	68%
Perth and Kinross	67.1%
Moray	62.8%
Clackmannanshire	59.3%
East Ayrshire	57.2%

Source: Scottish Government Urban-Rural Classification 2022

We would ensure that no council loses any money compared to the current settlement it receives, but we must go further to support the areas that are struggling to deliver the services they are obliged to run. This includes urban councils too. Many urban areas are facing high levels of population growth in Scotland, but the funding formula may not account for it, especially if the increase has happened in recent years. Therefore, the Scottish Conservatives will ensure that urban councils are fairly compensated for the additional services they must deliver to cope with population increases.

However, we also want to simplify the formula for calculating how council funding is allocated. This will enable better public scrutiny of funding arrangements and provide more transparency on how specific calculations are arrived at.

The Scottish Conservatives would **simplify the council funding formula** by cutting the total number of elements that determine each local council's settlement. Our aim would be to reduce the number by more than 100 – drastically simplifying the existing process.

Whilst this is a strong start to rebalance the levers of power between the Scottish Government and local government, we must look at more than just how the total pot of money is distributed to individual councils – we must also review the total funding given to local government in the Scottish Budget.

The proportion of Scottish Government funding going towards local government is in decline, with the trend especially pronounced since the SNP came to power. The proportion of funding going towards local government from ministers peaked at 39% in 2010-11, but it has since declined, now sitting at 32%.<sup>xxvii</sup>

If local government still received 39% of the SNP's budget, they'd have received around £3 billion more in 2025-26. To put that into context, £3 billion could have paid the council tax bill of every single person in Scotland.

Another issue facing local government budgets is the lack of long-term certainty. COSLA have campaigned for local authorities to be given sustainable budgets through multi-year financial settlements.<sup>xxviii</sup> In the most recent budget, SNP ministers acknowledged these calls but suggested that it was UK Government decisions that effectively tied their hands.<sup>xxix</sup>

The Scottish Government did provide local government with an estimated multi-year budget settlement in their Medium-Term Financial Strategy, but there are still question marks surrounding the figure. The estimated budget it has provided to local government for 2026-27 is £13.2 billion but this is not the full picture. In last year's budget, over £1.4 billion for local government came through funding sources outside of the Scottish Government's local government portfolio.<sup>xxx</sup> No clarity has been offered as to how much money will come from similar sources next year.



Local government deserves more respect than this. SNP ministers should not be treating councils as an arm of central government, their only purpose to deliver national priorities. Local people know their own area and communities best, and they should be given the budget and certainty to fulfil local priorities. That is why the Scottish Conservatives would **pass a law that guarantees local councils a fixed proportion of the Scottish Government budget.**

We will consult with local authorities and other stakeholders to determine the exact proportion of the Scottish Government's budget that goes to local councils, but it is our intention that the percentage would be higher than the current 32%. We would call the law that provides this financial certainty to councils the **Local Power Bill**. As part of this law, we would also place a duty on Scottish Ministers to provide local government with as much certainty as possible regarding their financial settlements on a multi-year basis.

Just as important as the budget is the freedom that local authorities have to spend this budget on their own priorities. Unfortunately, this freedom has been severely curtailed by an SNP Government who have increased the burdens placed on local government.

Ring-fenced spend is broadly understood to mean spending that has to be spent on specific services or policies. The Scottish Government's view is that only specific resource and capital grants are ring-fenced. In 2025-26 this funding amounts to around £444 million.<sup>xxx</sup>

Any council administration in Scotland could tell you that this figure is a gross underestimate. Audit Scotland calculated that in 2021-22 ring-fenced and directed funding amounted to 23% of the local government budget.<sup>xxxii</sup> But COSLA's estimate is even greater – around 70%. They explain that because of the Scottish Government's imposition of grants that are effectively reserved for specific purposes, any cuts that local authorities have to make fall on 'the limited areas where councils have discretion'.<sup>xxxiii</sup>

Looking at one particular council's budget illustrates the point that COSLA are making. Dumfries & Galloway Council will spend more than half of their entire budget on social care and education alone in 2024-25.<sup>xxxiv</sup> This spending is not specifically 'ring-fenced' by the Scottish Government, but the council is required by law to provide social care and education services.

If we want our councils to truly have the freedom to spend their budgets on local priorities, they need to have the budgetary discretion to do so. To ensure local authorities have this freedom, we would introduce the **Budgetary Freedom Guarantee**. This guarantee would be enshrined in law as part of our Local Power Bill and would promise councils a minimum proportion of their budget that they are free to spend as they choose, unrestrained by ring-fenced grants and protected spend.



To ensure this level of discretionary spend is set at an appropriate level and does not squeeze statutory services, we would consult with every local authority in Scotland. If necessary, the Budgetary Freedom Guarantee could be set at varying rates in different local authorities, however it is important to the Scottish Conservatives that councils can always count on a guaranteed minimum level of autonomy when making spending decisions.

By providing local authorities with a fixed proportion of the Scottish Budget that cannot be eroded by ministers, and giving councils more financial freedom, we can start to reverse the decline in councils' power and autonomy that the SNP have presided over for so many years.





# Powers of local government

Under the SNP, devolution has stopped at the doors of the Scottish Parliament. In fact, key powers have been taken away from local councils by ministers since 2007. The most prominent example of this is the responsibilities that were taken away as a result of the Police and Fire Reform (Scotland) Act 2012.

Before this law was enacted, Scotland had eight police forces that were primarily funded via central government grants to local authorities. In 2012-13, the last financial year of the legacy forces' existence, they received £480 million through grants from local authorities and only £242 million through the central government.<sup>xxxv</sup> Since 2013, Police Scotland has been also fully funded by central government. At the same time, local policing has declined, with the public saying they see fewer police patrols in their local area since the centralisation of Scotland's police forces.<sup>xxxvi</sup> His Majesty's Inspectorate of the Constabulary in Scotland also reported that local authorities are concerned that national police decisions are not subject to enough local engagement.<sup>xxxvii</sup>

attempted to reset their damaged relationship with local government during Humza Yousaf's disastrous tenure as First Minister. The Verity House Agreement was negotiated in June 2023 between the Scottish Government and COSLA.<sup>xxxviii</sup> It aimed to establish a 'more collaborative approach to delivering our shared priorities for the people of Scotland'. This lofty rhetoric was not matched by its execution however, and it wasn't local councils who failed to live up to their side of the bargain.

Within just a few months, the SNP Government were accused of a 'serious breach' of their own agreement following Humza Yousaf's decision to freeze council tax without consulting councils. COSLA President Shona Morrison said, "There was a feeling from leaders that the announcement on council tax is a serious breach of the agreement."<sup>xxxix</sup> This is because the agreement stipulated that there would be 'improved engagement on budgetary matters' in future – yet Humza Yousaf announced the council tax policy at a party political conference, without any consultation with local councils at all.

If the SNP cannot even be trusted to stick to their own agreement with local authorities, how can they be trusted to deliver the fair deal that councils deserve?

Councils cannot be rejuvenated by words on a paper that mean nothing to SNP ministers, there has to be something concrete to back it up. This means trusting local government with more powers than they currently have. That is why we believe it is wrong that the Scottish Government's Division of Planning and Environmental Appeals is able to overturn planning decisions that were made at a local level.

For example, in February, SNP Minister Alasdair Allan overruled the advice of officials to allow the construction of 11 200-meter-high wind turbines and battery storage systems in Sutherland. Locals accused the Scottish Government of acting in an 'autocratic' manner with 'total disregard for the people'.<sup>xl</sup>



After years of local government seeing their powers and responsibilities stripped, the SNP



This is not an isolated example. The SNP Government have overturned hundreds of local planning decisions in recent years.<sup>xlixlii</sup> We want to put a stop to this. The Scottish Conservatives would ensure that when a local planning decision has been made, that is final. **Ministers in Edinburgh should not be allowed to overturn these decisions.**

But the problem does not stop here. Another example of where councils should be given more autonomy is over non-domestic rates. As the Barclay review makes clear, due to the centralised nature of how non-domestic rates are collected, there is little incentive for local authorities to grow their own tax base in Scotland.<sup>xliii</sup>

This is in contrast with England, where councils retain 50% of the revenue they collect from business rates and the rest is redistributed via central government. The only equivalent scheme in Scotland that provides an impetus to grow revenues is the Business Rates Incentivisation Scheme. But the most recent figures show that this programme does not even constitute 1% of total non-domestic rates revenue for councils.<sup>xliv</sup>

The Scottish Conservatives believe in encouraging enterprise and aspiration but the current system is not doing so. That's why **we would give local councils more powers to keep their non-domestic rates revenue.** Provisionally, we would amend the current system so that 25% of non-domestic rates revenue is retained by local authorities and the remaining 75% is distributed centrally. In future years, we would look to increase the proportion retained by councils in order to further incentivise entrepreneurship at a local level.

To further attract businesses to their own local area, we also want to give councils further powers to lower non-domestic rates. The Community Empowerment (Scotland) Act 2015 already allows for local authorities to 'reduce

or remit' non-domestic rates bills that local businesses are liable to pay,<sup>xlv</sup> but this power is scarcely used. In the first year the power was granted to councils, just one took advantage of it.<sup>xlvi</sup> Indeed, in the entire time this power has been available, just three councils have used it.<sup>xlvii</sup> This is because councils are penalised financially when they decide to reduce or remit non-domestic rates through this scheme, as they end up losing funding from the centrally allocated budget.

The Scottish Retail Consortium has called for local authorities to be compensated when they decide to provide non-domestic rates relief.<sup>xlviii</sup> Whilst we do not believe it would always be financially possible to fully compensate local authorities when they reduce non-domestic rates, **the Scottish Conservatives would explore ways to ensure councils are rewarded for providing business rates relief.** We would aim to do this by changing the proportion of funding councils retain locally in order to incentivise them to provide such rates relief by redesigning the centrally allocated rates system so it no longer punishes councils for reducing non-domestic rates under The Community Empowerment (Scotland) Act 2015.







As Scottish Conservatives, we believe that people, rather than politicians, know what is best for their community. The SNP believe in hoarding powers at Holyrood, as demonstrated by their 18 years in power. Labour, on the other hand, want to create yet another class of politicians that would take powers away from local councils.

Sir Keir Starmer ordered former Prime Minister Gordon Brown to conduct a commission on the UK's constitution back in December 2020.<sup>xlix</sup> When Brown finished his report, he recommended the establishment of directly elected mayors in Scotland.<sup>l</sup>

Establishing these across Scotland would inevitably mean powers are taken away from local authorities – the last thing they need after 18 years of SNP Government. But even worse, there would be a significant cost to the taxpayer associated with establishing new offices for politicians.

To set up the Greater Manchester mayoral office, it cost over £5 million alone – and that does not include the multi-million-pound ongoing administrative cost.<sup>li</sup> Using these estimates, if we wanted to set up mayors for Scotland's four biggest cities, that would cost an initial £20 million at least, plus £10 million every year.

Taxpayers do not want to see their hard-earned cash being spent on even more politicians in Scotland, particularly when faith in elected representatives is already at a low. The Scottish Conservatives will **oppose any proposals from other political parties to create new politicians** in Scotland.







# Service delivery

It is a matter for local councils to determine how they deliver the services they are responsible for. Each year they spend an enormous amount of money providing educational, care and waste collection services amongst others. The SNP's squeezing of local government budgets has undoubtedly made councils' lives more difficult as they seek to fulfil these basic functions.

This has led to increasing public dissatisfaction with local services. One recent opinion poll found that almost three quarters of Scots believe that public services in their local area have got worse in the last five years.<sup>lii</sup> The public have made it clear that they primarily blame the SNP Government for this deterioration in recent years.

In a climate where central government is tying the hands of local councils, it is inevitable that the public will be displeased with the quality of service they receive at a local level. But we must not accept that means nothing can be done to give the public the quality of service they deserve.

Councils spend substantial amounts of money on waste collection and filling in potholes. While education and social care takes up more budget, policies in these areas are largely influenced by nationally set agendas. For the most part, councils have more freedom when it comes to waste collection and dealing with potholes.

Since 2021, at least 400,000 potholes were reported to local councils by the public<sup>lii</sup>, while over one million complaints about rubbish and litter were made since 2019-20.<sup>liv</sup> This demonstrates how important these issues are for local residents— and how noticeable they are too.

The public expect these issues to be dealt with, but all too often they are left unsatisfied with what they get from their local council. We know that local authorities are doing their best within the constraints of a tight budget due to underfunding from central government, but as Conservatives we understand that competition and incentives are key to improving performance. When lessons are learned from the best, standards rise for everyone.

The Local Government Benchmarking Framework already provides data across all councils on certain metrics, such as a “street cleanliness score”, percentage of roads considered for maintenance treatment and percentage of household waste which is recycled.<sup>lv</sup> However the website is complex and doesn't have basic information on how often bins are collected or how many potholes need to be filled. Whilst it allows councils' performances to be compared, it also doesn't factor in the challenges that rural councils may face. For example, councils in certain areas will have more difficulty in collecting bins from remote locations.





To raise the standard of bin collections and pothole-filling right across Scotland, **the Scottish Conservatives would introduce nationwide league tables** for these two metrics. These measurements would be devised in consultation with local authorities. Factors outside of the local authorities' control such as the size of the council and its road network coverage would be considered, but ultimately, we believe introducing competition would have a positive impact on delivery, with the best councils sharing best practice with the worst performers, so that everybody can raise their game.

Improving delivery of these services may require changes in other areas of policy. Councils issue hundreds of contracts every year, and many of these awards will be for similar services. For instance, City of Edinburgh Council and West Lothian Council issued a combined 307 contracts according to their annual procurement reports last year.<sup>lvilvii</sup> However, many of these contracts are for identical or near-identical services.

To take one example, Edinburgh Council paid £298,205 for a two-year contract to secure Oracle Software Services. In the same year, West Lothian Council paid £93,823.58 for a three-year contract to secure similar services from exactly the same company. We are not privy to the full details of either of these contracts, but as Scottish Conservatives, we want to deliver better value for taxpayers' money. If this service had been jointly procured by both councils, would it deliver potential savings which could then be redirected towards frontline services?

Eastbourne Borough Council and Lewes District Council managed to achieve £9 million in savings over a 4-year period from 2015 to 2019 by aligning ICT and adopting a single frontline service operating model.<sup>lviii</sup> There are various examples of shared services being delivered in councils down south, but this sort of cooperation appears to be rare in Scotland.

Indeed, when this option has been explored by local authorities in Scotland, the prospects of going ahead with shared services has been dismissed. Renfrewshire Council published a report earlier this year which stated that

'the current level of resource in terms of both qualified and support staff in both internal audit and fraud was at a level where there is no potential for efficiencies'.<sup>lix</sup> On the surface, this points to operational and resource constraints.

But upon a close reading of the report, it is clear that legislative hurdles prevent the realisation of such efficiencies. The council highlights the complexity of servicing multiple public bodies, such as Valuation Joint Boards and Integration Joint Boards, within a single management structure, and notes the considerable information governance, data-sharing, and legal considerations that would have to be resolved. These requirements stem from the statutory environment in which local authorities operate, and they limit the scope for genuine integration even where councils are willing.



These are not insurmountable hurdles. If there were a government in power that had the will to make the necessary changes to allow councils to deliver shared services, it could happen. But sadly, the last 18 years demonstrate that with the SNP in power there is no prospect of that happening.



The Scottish Conservatives know that we can do things differently. We would take steps to **remove the hurdles that are preventing councils from delivering shared services** in an efficient manner. This would include, if necessary, passing new legislation that will enable the delivery of shared services to go ahead in a way that allows substantial amounts of taxpayer money to be saved. Guidance would also be provided to clarify the law for any local authority wishing to go ahead with shared services, so that councils can proceed with certainty.



## Average cost of Senior Leadership Teams per council

Various Scottish local authority accounts 2023-24, Calculated 26 September 2025

We could also make savings by cutting down on the substantial number of highly paid public-sector fat cats that are currently employed by Scotland's local authorities.

In 2022, Guildford Borough Council and Waverley Borough Council in Surrey embarked on a new collaboration programme that aimed to reduce the cost of providing their locally delivered services.<sup>lx</sup> They established a Joint Leadership Team (JLT) with a shared Chief Executive. This merged leadership team saved taxpayers £603,000.<sup>lxi</sup>

That such a relatively limited move can save such a significant amount of money should

encourage all local authorities across Scotland to look at how collaborations could save taxpayer money and fund vital services.

In total, Scottish local authorities spent nearly £31 million on their senior leadership teams in 2023-24 alone.<sup>lxii</sup> This is an average of nearly £1 million per council to pay just a handful of senior employees – some of whom are paid more than the First Minister. We believe this is an area where substantial amounts of taxpayer money could – and should – be saved.

Although any decisions about merged leadership teams should ultimately be a matter for local authorities, we want to encourage all behaviour that will save public money. Therefore, the Scottish Conservatives will **provide financial incentives for neighbouring councils to merge their senior leadership teams**. We would achieve this by providing councils with immediate funding to finance any proposed changes to their leadership structure. This would ensure councils have the money to cover any short-term costs that arise from moves that will save taxpayers money in the long-term.

But our drive to save taxpayers' money would not stop there. Arm's-length external organisations (ALEOs) are used extensively by local authorities to deliver public services. An Audit Scotland report from 2018 estimated that there were 130 ALEOs turning over more than £1.3 billion worth of public money.<sup>lxiii</sup>

ALEOs can provide a useful function. The Audit Scotland report notes that they can bring 'financial and operational benefits'. However, they often lack oversight and accountability, leading to scandalous wastes of taxpayer money. In 2021, it was reported that one former chief executive of an ALEO was reprimanded for seeking gifts of hospitality, a job for a family member, and a free car hire during a contract renegotiation.<sup>lxiv</sup>

Audit Scotland has recommended that councils examine whether each of their ALEOs still provide value for money.<sup>lxv</sup> Some councils have taken action in this area, with City of Edinburgh Council publishing a new Governance Framework earlier this year.<sup>lxvi</sup> However, it





remains to be seen whether these changes will save taxpayer funds in the long-run.

The Scottish Government seem thoroughly uninterested in the question of whether ALEOs provide good value for money, despite the large sums of taxpayer cash directed towards them. Ministers have barely spoken about them at all during this session of parliament – and the only time they were discussed was due to questioning from opposition politicians.<sup>lxvii</sup>

The Scottish Conservatives have already announced a Scottish Agency of Value and Efficiency (SAVE) that would deliver savings for taxpayers at a central government level. It will specifically look at the number of quangos controlled by Scottish Government ministers and whether they could be closed down or merged to save taxpayer money. There is no reason why a similar exercise could not take place at a local authority level.

Therefore, the Scottish Conservatives would instigate a review of **arm's-length external organisations to examine whether they are delivering value for money**. Using the same criteria by which SAVE will measure central government quangos, the Scottish Conservatives would require each local authority to conduct a value for money assessment for each of its ALEOs. Any ALEO that does not achieve value for taxpayers' money would be recommended for closure. Although the final decision would be left to individual local authorities, central government would cease to provide funding for any ALEOs recommended for closure within their council's budget.

Service delivery also depends on the officials tasked with implementing council policy. It should always be up to local, democratically elected councillors to decide upon the priorities they wish to pursue for their constituents – nobody else.

Most council officials are more than happy to comply with their elected counterparts' requests, but regrettably this is not always the case. The Ethical Standards Commissioner was established by the Scottish Parliament in 2000 to uphold standards in public life.<sup>lxviii</sup> It can investigate complaints about conduct

from elected politicians, including councillors. We support this. Politicians should not be exempt from investigation if they have acted inappropriately. But what many councillors have experienced is a weaponisation of that process to silence legitimate criticism of decisions made by unelected officials.

In 2023-24, 317 complaints were made against councillors – more than double the number made the year before.<sup>lxix</sup> Nearly half of the complaints against councillors were due to disrespect shown towards council employees or members of the public. However, of these complaints less than four in 10 were substantial enough to merit a full investigation – and more than two thirds of those found no breach of standards.<sup>lxx</sup> This suggests that a lot of these complaints were spurious or unfounded. Many councillors can testify that they have been victims of the weaponisation of this process.

It is unacceptable that councillors would ever be threatened with a standards commissioner complaint just for asking legitimate questions about council policy. The Scottish Conservatives would therefore amend the Councillors' Code of Conduct to make it clear that **councillors can never be investigated for challenging policy decisions** or recommendations made by council officers. Moreover, we would **create a new code of conduct that applies specifically to council officers**. This new code would cover similar principles to the Councillors Code of Conduct, but it would make it explicitly clear that council officers are not allowed to make or threaten to make conduct complaints against elected councillors if they are merely challenging policy decisions or recommendations.







# Conclusion

As Conservatives, we fundamentally believe in the principle of localism. Political decisions about our lives should be made as locally as possible.

Ministers in Edinburgh are often completely out of touch with what communities in Elgin or Kelso need – and the Scottish Conservatives know that.

Yet the SNP Government have adopted a ‘we know best’ attitude during their 18 years in government and have consistently sought to undermine local councils and take powers away from them.

If the solutions laid out in this paper were implemented, we could reverse this trend.

We would deliver more funding for local services by guaranteeing councils a fixed proportion of the Scottish Government’s budget every year.

By simplifying the council funding formula, we would give the public more information about how local council budgets are determined.

And we would put an end to the discrimination faced by rural councils, which means they don’t get enough money to deliver services in their more remote areas.

Our Local Power Bill will give councils more freedom to spend their budgets on local priorities, rather than the political priorities of SNP ministers.

By stripping Ministers of the power to overturn local planning decisions, we would help to restore the trust in democracy that has been eroded by too many politicians at Holyrood.

While as the party of economic growth, we also want to use local government to boost our economy, by encouraging enterprise at a local level through changing the way business rates revenue is distributed.

By promising that no more politicians will be created at a local level, we would ensure that no

more public money is spent on unwanted new layers of bureaucracy so that funding instead goes to the frontline.

Allowing councils to deliver shared services will reduce the spend on bureaucracy and therefore enable more money to be directed towards the frontline.

And merging the functions of senior council officers will reduce the extortionate number of public-sector fat cats that are drawing huge salaries funded by council taxpayers.

The public are fed up with politicians who are disconnected from the real world. The Scottish Conservatives are determined to change that. By bringing power closer to the people of Scotland, as proposed in this paper, we will allow people a greater say in the decisions that affect their lives, and end the era of local decisions dictated by politicians in Edinburgh.



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