Public Service Reform:

Strengthening Communities in Scotland

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NHS Scotland

Social Care

Civil Service and Quangos

Local Goverment

The Jimmy Reid Foundation

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The Jimmy Reid Foundation

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Executive Summary

Introduction

- Public service reform has moved to the centre of Scotland's policy debate. The Scottish Government has outlined a series of reforms to key public services. The Reid Foundation has published a series of papers on this issue over the past decade. This paper examines the new plans and the reactions to them, and sets out our ideas for taking this issue forward.

- A common theme runs through all the papers the Reid Foundation has published over the past decade on public service reform. We have consistently argued that the principle of subsidiarity should apply to public service reform. Subsidiarity means that central government should perform only those tasks and make only those decisions it cannot do effectively at a more local, immediate, or subordinate level. Devolution was not intended to stop at Holyrood.

NHS Scotland

- The firmest reform plan is to reduce the number of territorial boards in the NHS from 14 to 2, based on an east-west split. However, even this plan lacks a business case, timetable, or workforce plan. There is a brief, unconvincing explanation that claims this will create a more joined-up service with greater collaboration. The suspicion is that two boards were chosen simply to avoid amending primary legislation.

- The reaction has been uniformly hostile, with staff explaining the measures already in place to facilitate collaboration across health boards. It may be possible to run acute services across three or four boards, but not community services, which are delivered locally. This means either creating a remote and complex management structure, creating new quangos, or devolving community health to local authorities – all of which pose difficulties. Local engagement will be minimal over such a huge area, and efficiency savings will be limited, at best, in the longer term. It will do nothing to improve patient safety outcomes or reduce health inequalities.

Social Care

- The Scottish Government is holding another round of discussions on social care, although the FM has indicated he favours having it run by the NHS, effectively a re-run of the previous National Care Service (NCS) proposals that crashed (at a cost of £29m), primarily because the framework was too centralised. This will require statutory changes if the Integrated Joint Boards are abolished, as the FM suggests.

- The reaction to this echoes the previous debate over the NCS, with social care organisations and workers highlighting the different approaches in social care and health. There are serious problems with social care in Scotland and across the UK, as the PM's proposals for England highlight. However, these are primarily about capacity, workforce and privatisation, none of which will be resolved by centralising services.

Civil Service and Quangos

- The only firm plan for the civil service is to cut around 20% of jobs. However, there is no workforce plan to deliver that, beyond a hope (rarely realised in practice) that technology will enable change. Estate reduction and a new finance operating model are not expected to be ready until 2027/28, with implementation extending to 2031.

- There are broad plans to rationalise the number of quangos, and a couple have already been announced. Governance has been a problem, with some well-publicised examples recently. However, merging bodies rarely delivers significant savings unless synergies exist, which are rare in these specialised functions. Shared services may be possible, although plans look some way off.

Local Government

- This is the boldest proposal of all, with an outline plan to replace the current 32 councils with 6-10 regional authorities and 120-160 community authorities. It is certainly true that councils are "too small to be strategic and some are too big to be local", and Scotland has the most centralised council structure in Europe. Councils have been underfunded for years, and a range of services have been transferred to quangos. The proposals to retain current council ward councillors for both community and regional authorities are unworkable and undesirable. The attraction of community authorities is that councillors would be largely part-time, encouraging a much wider range of people to serve.

- The outline suggests the Scottish Government is more likely to centralise power in regions and leave community authorities to manage only a very limited number of services. This will be the key debate in the discussion to follow. In Europe, authorities even smaller than those proposed for community authorities run most local services, including schools and social care. They also share services, and we have long argued for national frameworks that free councils to make the decisions that matter. No reform is possible without serious local tax reform and devolving finances to the new councils.

Conclusion

- The Scottish Government's sudden lurch into radical structural public service reform has been criticised for lacking a credible consultation process. It appears to be largely driven by the need to make financial savings, without a business plan to achieve them. The test should be better outcomes, not, at best, long-term savings.

- While public services in Scotland could be more integrated, reform needs to recognise the need for joined-up reform. The NHS needs a functioning social care system, and local authority services need to work together to deliver outcomes. The Scottish Government needs to pull its rather piecemeal proposals together to deliver better public services. A structure based on subsidiarity would deliver better outcomes for everyone in Scotland.

1. Introduction

Public service reform has entered the centre of Scotland's policy debate. The Scottish Government has outlined a series of reforms to key public services, in both approach and structure. This paper examines the proposals and reactions and sets out our recommendations for taking this issue forward.

The Scottish Government published its public services reform strategy in June 2025.[1] This document set out broad principles for reform, with little detail on how it would be delivered. The SNP Manifesto for the 2026 Scottish Parliament Elections was also limited in detail, simply saying, 'We will reduce the number of public bodies, better integrating services and reducing cost.'[2] The Scottish Government stepped up the detail in its Programme for Government 2026-31, with an announcement that it would reduce the current 14 territorial NHS health boards to two.[3] They also announced plans to consult again on social care reform, with the First Minister indicating his preference for the NHS to lead on social care. The civil service has been targeted for job cuts, with an overall plan to reduce the public service workforce by 0.5% per year, equating to around 18,000-20,000 jobs. This includes examining the merger of several quangos. Finally, and perhaps the most radical, is the plan to reform local governance by replacing the current 32 councils with 6-10 regional authorities and 120-160 community authorities. All these reforms are to be consulted on over a three-month period running up to Christmas 2026.[4]

The apparent urgency to step up the pace of reform is set out in the introduction to the Programme for Government, saying, "Change is necessary and it cannot wait: if we are to deliver the modern, responsive, person-centred public services that people in Scotland expect we need to agree the vision and turn our collective capacities to implementation."

While some reforms, such as reducing health boards, can be done through secondary legislation, the Public Service Renewal (Scotland) Bill will provide statutory backing, where required, to reform the public service delivery landscape and support the aims of the Public Service Reform Strategy. The Bill outline claims it will improve the fiscal sustainability of the public service delivery landscape through restructuring, including possible mergers and abolitions of public bodies and the transfer of functions between core government and public bodies.

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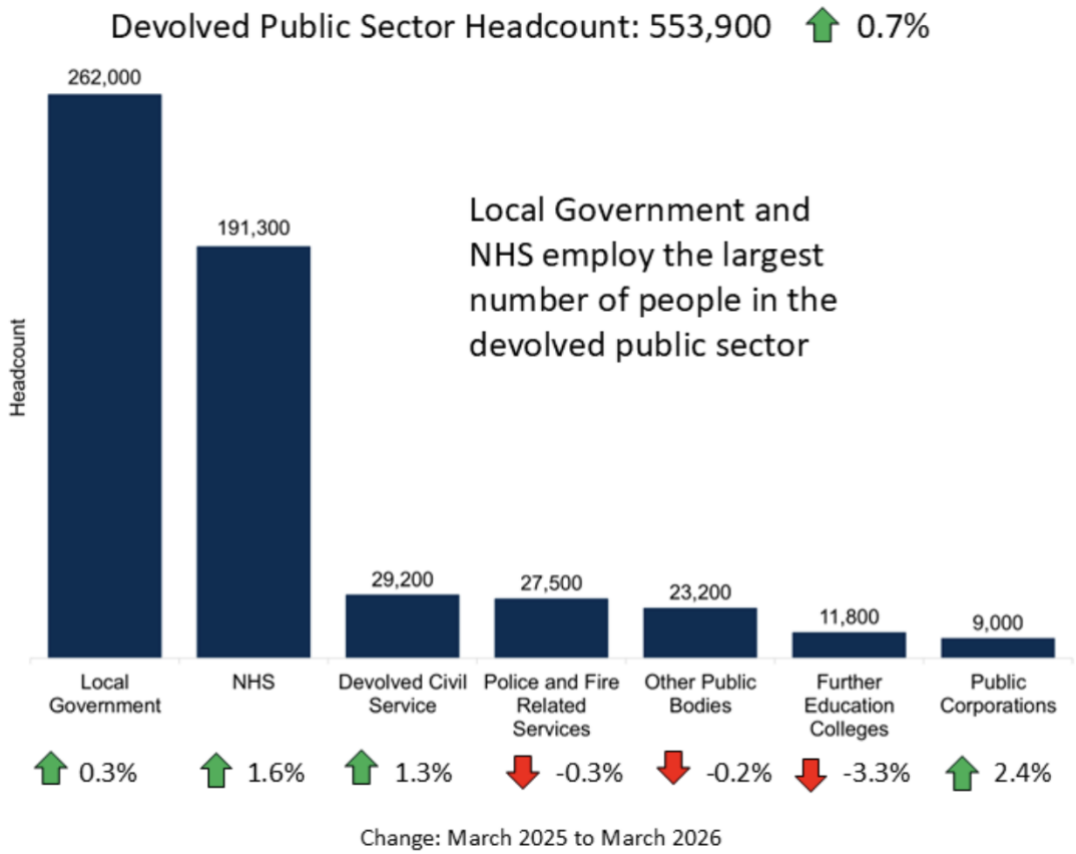
[1] Scottish Government, *Scotland's Public Service Reform Strategy — Delivering for Scotland*, (June 2025), https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2025/06/

[2] SNP Manifesto 2026, p.19. https://s3-eu-west-2.amazonaws.com/www.snp.org/uploads/2026/04/2026-05-0120SNP20The20Scottish20Parliament20Election2020262072pp20COMPLETE20no-crops.pdf

[3] Scottish Government, *Programme for Government 2026 to 2031*, (1 September 2026), https://www.gov.scot/publications/programme-government-2026-2031/pages/5/

[4] Scottish Government, *Public sector reform: proposal*, (21 September 2026), https://www.gov.scot/publications/public-sector-reform-proposal/

Public sector reform affects how well public services are delivered and how public sector workers are employed. 553,900 workers are employed in the devolved public sector, and any structural change impacts them directly. They also understand how services are delivered and how to improve them. This means that any change must engage closely with the trade unions that represent them.



The Jimmy Reid Foundation has published a range of papers on public service reform in recent years. They include,

- **Public service reform (2017)**. This paper argued for delivering integrated public services built around recognisable communities. Services should be delivered at the lowest practical level, allowing staff and citizens to design services in ways that best meet their communities' needs. Central government should set the strategic direction based on outcomes, rather than trying to direct services from Edinburgh. However, the paper recognises that a country the size of Scotland cannot justify duplication and difference for its own sake. It argues for public service frameworks that let local services focus on what matters to achieve positive outcomes.[5]
- **Building Stronger Communities (2020)**. This paper argues the pandemic highlighted the importance of strong communities for supporting each other despite communities of place having been undermined by austerity. Scotland's public services are among the most centralised in Europe. Consequently, it argues that national government should focus on setting frameworks and

[5] D. Watson, *Public service reform*, (2017), https://reidfoundation.scot/portfolio-2/public-service-reform/

leave service delivery to local democratic control. Local integrated services should be based around community hubs in recognisable communities of place.[6]

- **National Care Service (2023)**. This briefing explains the case for reform of social care in Scotland. Why the National Care Service as proposed is fundamentally flawed, and points to possible ways forward.[7]
- **Further education in Scotland (2024)**. This paper examines what colleges do and how they are organised and financed in Scotland. It includes an analysis of regionalisation and college mergers following the 2013 Act, and the governance problems since reorganisation. In structural terms, it argued that the college sector should return to a public-service focus, with collaboration, not competition.[8]
- **Health & Care: Finance, Workforce and Reform (2024)**. This briefing sets out the case for long-term reform of health and care. Funding is critical, alongside action on digital health and care, a realistic workforce plan, investment in social care, and prevention and early public health interventions.[9]
- **Building the Local Economy (2024)**. This paper analyses efforts to strengthen the local economy. is critical of the measures taken by all governments— City Deals, levelling up, town centre action plans, etc. They are piecemeal initiatives and are not applied consistently. They lack a broader perspective on what makes communities work and don't provide long-term, consistent funding. Meanwhile, core council funding is cut.[10]
- **Public Service Reform (2025)**. In this briefing, we outlined the ideas and suggested that most proposals from the UK and Scottish governments are sticking-plaster solutions to short-term financial pressures.[11]
- **Preventative spending (2025)**. This briefing examined the Scottish Government's initial reform proposals. We concluded that investing in prevention is not only more cost-effective, but also delivers better outcomes for everyone. The principles of the Christie approach remain relevant today, even if implementation has been patchy. Preventative approaches require prioritised investment, structural and cultural reform, and a shift in how public services are organised. It must

[6] D. Watson, *Building Stronger Communities*, (2020), https://reidfoundation.scot/2020/08/building-stronger-communities/

[7] Reid Foundation, *National Care Service* (2023), https://reidfoundation.scot/portfolio-2/briefing-national-care-service/

[8] J. Kelly & D. Watson, *Further Education in Scotland*, (2024), https://reidfoundation.scot/portfolio-2/further-education-in-scotland/

[9] Reid Foundation, *Health & Care: Finance, Workforce and Reform*, (2024), https://reidfoundation.scot/portfolio-2/health-care-finance-workforce-and-reform/

[10] D. Watson, *Building the Local Economy*, (2024), https://reidfoundation.scot/2024/08/building-the-local-economy/

[11] Reid Foundation, *Public service reform* (2025), https://reidfoundation.scot/2025/01/public-service-reform/

be a core element of the Scottish Government's spending and policy frameworks. Decision-making must be localised and fully engage service users and communities.[12]

- **The Policy of Place (2026)**. This paper examines the current state of communities of place in Scotland, why they matter, and what is needed to strengthen them. We recommend a new approach that recognises the value of communities of place and the practical measures needed to rebuild them. It recognises the value of social infrastructure and public services, devolving power, and building the local economy through Community Wealth Building. We also need to better understand the practical measures that help build stronger communities, including neighbourhood design, high-quality public spaces, local events, and improved information sharing. Most importantly, we need to give residents more opportunities to influence decisions that affect their neighbourhoods and encourage engagement. [13]
- **Scottish Water – The Case for Change (2026)**. In this briefing, we argue that Scottish Water is being privatised by the back door, and the consequences of climate change are not being properly addressed. Scottish Water should operate as a public service, with accountable democratic oversight.[14]
- **The Future of pensions in the UK (2026)**. This paper includes a chapter on public service pensions in Scotland. It argues for merging local government pension funds to cut costs and invest responsibly at the local level.[15]

A common theme runs through all these papers. We have consistently argued for the principle of subsidiarity to apply to public service reform. Subsidiarity means that central government should perform only those tasks and decisions that cannot be performed effectively at a more local, immediate, or subordinate level. Devolution was not intended to stop at Holyrood. The Scottish Constitutional Convention envisaged government being nearer to the people, to prevent power from concentrating at the centre. They also emphasised the importance of participation – local government by local communities, not of local communities. They proposed that the Parliament would 'secure and maintain a strong and effective system of local government' that would 'embody the principle of subsidiarity' and the principles contained in the European Charter of Local Self Government.

"The value of local government stems from three essential attributes: first, it provides for the dispersal of power both to bring the reality of government nearer to the people and also to prevent the concentration of power at the centre; second, participation, local government is government by local

[12] Reid Foundation, *Preventative Spending*, (2025), https://reidfoundation.scot/2025/07/preventative-spending/

[13] D. Watson, *Policy of Place*, (2026), https://reidfoundation.scot/2026/02/the-policy-of-place/

[14] Reid Foundation, *Scottish Water – The Case for Change*, (2026), https://reidfoundation.scot/2026/03/scottish-water-the-case-for-change/

[15] D. Watson, *The Future of Pensions in the UK*, (2026), https://reidfoundation.scot/2026/08/the-future-of-pensions-in-the-uk/

communities rather – as in the case of non-elected bodies – of local communities; and thirdly, responsiveness through which it contributes to meeting local needs by delivering services."[16]

The Scottish Government has underfunded local government and centralised services that councils used to deliver. Some aspects of their new proposals imply further centralisation, but others offer at least the prospect of empowering real communities of place. We will apply the principle of subsidiarity to all these proposals and make recommendations that encourage the Scottish Government to support this principle in practice.



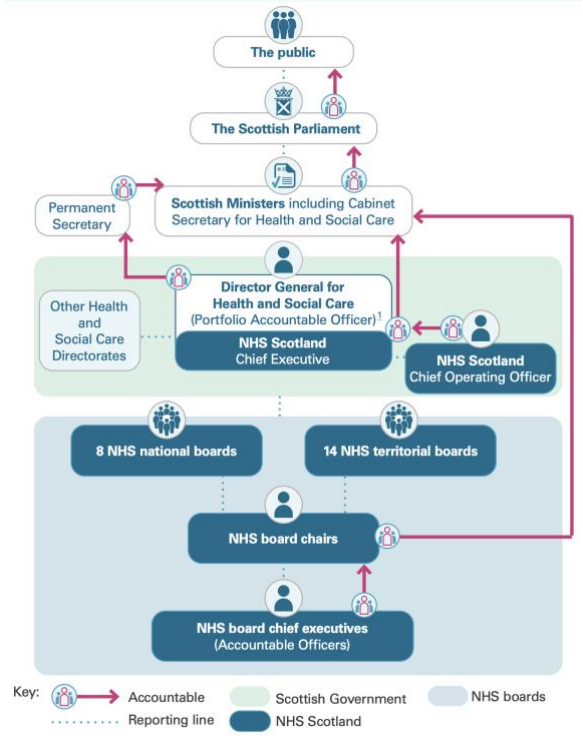
[16] *Scotland's Parliament. Scotland's Right*, https://www.parliament.scot/-/media/files/history/scotlands-parliament-scotlands-right.pdf

2. NHS Scotland

NHS Scotland

NHS Scotland consists of 14 regional NHS Health Boards responsible for protecting and improving their population's health and delivering frontline healthcare services. Seven Special NHS Boards and one public health body also support the regional Boards by providing a range of important specialist and national services. NHS Scotland governance is set out by the National Health Service (Scotland) Act 1978, which sets out the statutory accountability of health bodies to the Scottish Parliament through the Cabinet Secretary for Health and Social Care. Ministers appoint a Chair and Non-Executive Directors, along with local authority councillors and an employee director. Five Executive Board Members are senior managers, including the Chief Executive and directors of finance, medicine, nursing and public health. They must follow a Blueprint for Good Governance.[17] The Public Bodies (Joint Working) (Scotland) Act 2014 requires territorial health boards and local authorities to integrate adult health and social care functions, usually through integration joint boards (IJBs).

The structure of NHS Scotland and accountability arrangements



Note 1. The roles of Director General Health and Social Care (Portfolio Accountable Officer) and NHS Scotland Chief Executive are both fulfilled by the same individual.

Source: Audit Scotland

The Scottish Government has extensive powers to direct health boards (section 2(5) of the 1978 Act) and closely manages them through a Performance Management Framework, and the Scottish Government's Directorate General Health and Social Care and NHS Scotland. Scottish ministers determine policy, set the financial envelope through the annual budget process, appoint board members and hold ultimate political accountability to the Scottish Parliament. The Cabinet Secretary for Health and Social Care is the responsible minister. Operationally, the Director General for Health and Social Care also serves as chief executive of NHS Scotland. Audit Scotland and Healthcare Improvement Scotland (HIS) operate as independent scrutiny bodies. The Scottish Government can change the number of health boards using existing powers (section 2(1) of the 1978 Act), through secondary legislation rather than primary legislation. This happened in 2005 when Argyll and Clyde Health Board was abolished and transferred to NHS Greater Glasgow and Clyde.

[17] NHS Scotland, *Board Governance*, https://www.nhs.scot/nhs-scotland-governance/

Audit Scotland has criticised the current governance arrangements, describing a persistent 'implementation gap' where Scottish Government reform plans lack clear actions, timeframes, and measurable accountability. Auditors also highlighted complex, overlapping management structures and a dual-role risk involving the Director General for Health and Social Care and Chief Executive of NHS Scotland.[18] There was a half-hearted pilot to include directly elected health board members in 2009 legislation.[19]

The Scottish Government Plan

The Scottish Government's Programme for Government 2026-31 includes a plan to reduce the current 14 territorial health boards to two. Health Boards, led by Glasgow and Lothian, have been working on this for some time, and it was hinted at in the SNP manifesto. Scottish Labour has argued for three health boards for many years, though without much detail.

The Scottish Government's plan is for an east/west split. A staff information paper provides further detail and sets out the reasons for changing the structure.[20] They argue the reforms aim to create a more joined-up NHS, with services planned and delivered more effectively across Scotland through greater collaboration, less duplication, and better use of resources.[21] There is no timescale for the change, and they will engage with the workforce by agreeing a process with trade unions so staff can help shape these plans. Even the internal process has been limited. The outline business case won't be ready until March 2027, and civil servants have formally scored the risk of the reform triggering delays, spiralling costs, and operational chaos at more than two-and-a-half times their acceptable tolerance level.[22] There is no estimate of how much the transition will cost. Even the inevitable recruitment of management consultants has only reached a procurement exercise, with a first draft not expected until the end of the year. This failure was one reason the National Care Service crashed, with the Finance and Public Administration Committee criticising the lack of an advanced business case.

This is not the first plan to cut the number of health boards. A Tory government plan to reduce the number of health boards to three or four existed before devolution, but it did not progress beyond the Minister's desk. At the time there was a move to very large (regional) acute hospitals in England.

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[18] Audit Scotland, *Spotlight on Governance*, (May 2025), https://audit.scot/uploads/2025-05/nr_250528_NHS_spotlight_on_governance.pdf

[19] Health Boards (Membership and Elections) (Scotland) Act 2009, https://en.wikipedia.org/wiki/Health_Boards_(Membership_and_Elections)_(Scotland)_Act_2009

[20] Scottish Government, *Health and care reform: staff information*, (22 October 2026), https://www.gov.scot/publications/health-and-care-reform-staff-information/

[21] A. Constance, *The status quo is not an option for Scotland's NHS*, (The Scotsman, 12 October 2026), https://www.scotsman.com/health/the-status-quo-is-not-an-option-for-scotlands-nhs-angela-constance-9280550

[22] A. Learmouth, *Scotland NHS merger plan has no business case, papers reveal*, (The Herald, 3 November 2026), https://www.heraldscotland.com/news/26692730.scotland-nhs-merger-plan-no-business-case-papers-reveal/

Larger health boards in Scotland might have assisted this process. However, the politics of closing local hospitals was seen as too big a challenge, and it was also slowed down in England because of public opposition to centralisation.

Efficiency Savings

The main driver of this proposal is to generate savings to address the coming budget shortfall and/or provide more resources for patient care. Senior management posts should be reduced, with fewer executive board members and a rationalised executive director structure. There will be modest savings from having fewer non-executive members, who receive £ 16,224 for a typical 52-day commitment per year.

However, many executive directors will still need to manage the specialist services they oversee in each geographical area, and larger health boards will require a sub-structure to support the functions managed by executive board members. There should also be savings in office space and facilities management, although these will be longer-term as buildings are sold off. There will also be significant relocation and voluntary redundancy costs as staff at all levels move to new locations or are redeployed. Travel costs across the large areas to be covered will rise significantly. The history of this type of public service reorganisation shows that the savings are, at best, medium-term.

There are already indications of the realistic additional costs that reorganisation brings. NHS National Services Scotland was merged into a new quango called Public Services Delivery (PSD) Scotland in April. The Chief Executive was paid £378,000 in redundancy pay. Her salary was £160,000 per year, so it already takes well over two years to recover that cost.[23] Then you have to add the salary of the person in the new quango who will take on the operational parts of the job, and you can quickly see that it will take many years before any significant savings are delivered. The chief executives of Glasgow and Lothian health boards have already received £30,000 per annum for the additional roles they have during the transition.

In addition, long experience with this type of reform shows that it leads to management paralysis in the run-up to change and that the new structure takes several years to settle. That is not a reason to avoid change, but it is important to be realistic about how quickly any benefits will be realised.

Governance

NHS Scotland is already highly centralised, with no local democratic accountability and ministerial control over powers and performance. Two health boards effectively exclude local input from service delivery. An East/West split is largely an administrative convenience and bears little relation to the services delivered, although some established clinical networks cover parts of these areas. The government might consider establishing engagement mechanisms, as in local government.

[23] A. Picken, *NHS boss received nearly £400,000 'redundancy' pay-off when she retired* (BBC, 9 November 2026), https://www.bbc.co.uk/news/articles/cw4g11xkyj1jo

Other European countries have more decentralised systems. For example, Spain and Italy have moved to regional governance. Sweden runs services from 21 counties. In Norway, community services are run by much smaller local authorities than ours, while acute services are managed regionally or nationally. Denmark is making very radical reforms that will devolve power away from the central government to regions and 17 collaborative "health councils" (Sundhedsråd). All decisions will be made by elected members, while the central government sets the budget and the overall health plan.[24] The reform aims to shift focus and resources from hospitals and specialised care to primary, digital, and home-based care.

The Programme is even vaguer on special Health Boards. Eight boards run specialist national services like NHS24 and the Scottish Ambulance Service. Merging them into one special health board would be largely cosmetic, as the individual services would still require service heads. Sharing central services may yield marginal savings, but again, these would be, at best, medium-term.

Community services

It is possible to run acute hospital services from larger health boards. Three or four would enable a reasonable management scope, retain some local input, and support a coherent plan for specialist services.

The challenge is community services, GPs, pharmacy, allied health professions, and the all-important link to social care. Managing these within remote regional health boards was deemed not viable in the pre-1997 paper, and similar considerations apply today. We now have 31 health and social care partnerships, the latest of some 14 initiatives to integrate local health and social care services since the 1970s. This means that reducing to two health boards requires a decision on the governance of local health and care services.

There are three broad options.

1. Retain the current structure and create a community management structure in each new regional health board. This could work if management were genuinely devolved, although the NHS management culture would find this challenging.

2. Turn the existing structures into corporate bodies employing their own staff. Currently, workers remain employed by either local government or the NHS, as well as voluntary and private sector contractors. Most senior managers in the health and care partnerships favour this option. However, politically, this would involve creating 32 new quangos and all associated costs. Both NHS and local government trade unions are unlikely to be supportive.

3. Devolve NHS community services to local government. This model operates in European countries, particularly Nordic states. It ensures integrated and local accountability, although this

[24] European Observatory, *A comprehensive mosaic reform to strengthen primary and chronic care capacity*, (25 Nov, 2024), https://eurohealthobservatory.who.int/monitors/health-systems-monitor/updates/hspm/denmark-2024/a-comprehensive-mosaic-reform-to-strengthen-primary-and-chronic-care-capacity

would be less evident in Scotland, which has the largest councils in Europe. Countries that do this accept that moving resources from regionally managed acute services to community services remains difficult. Every government in Scotland has also aimed to achieve this, and all have failed. The NHS trade unions would oppose moving NHS staff into local government.

Reactions

It would be hard to find anyone in NHS Scotland who supports the two-health-board option.

GPs have argued that there was "always a risk with change that people just move things around". The Medical and Dental Defence Union of Scotland (MDDUS) warned that the pressures facing medics "will not disappear" simply because Scotland has fewer health boards. They warned doctors and other healthcare professionals who were already stretched could be asked to absorb further disruption "often for years at a time" as services are reorganised.

Healthcare workers are more concerned about pressure on services. A recent report raised significant concerns about burnout and retention, with around 80% of doctors surveyed by the British Medical Association (BMA) saying they were at high or very high risk of burnout, while previous MDDUS research found four in five GPs experienced moral distress and 40% planned to leave the service.[25]

The Scottish Government's suggestion that the driving force of two boards includes greater collaboration is particularly strange. The abolition of NHS Trusts in the early years of devolution aimed to end the competitive market and foster greater collaboration. Since then, clinical networks have been operating across Scotland, and patients frequently move across health board areas. As UNISON's Lilian Macer said at the SNP conference, "We've got in health boards right now centres of excellence where they cut across every health board. To say that health boards don't operate on a regional basis and a national basis is disrespectful to the people who organise that function, and for the communities that receive that excellent care within those health systems."[26]

One area of NHS reform is urgent, and it has nothing to do with health board structures. Clear evidence shows Scotland is falling further behind on digital maturity, which could make a huge difference for patients and staff. This includes the delayed and probably inadequate GP system, the lack of a Unified National Health and Social Care record, and a next-to-useless NHS App, unlike our English counterparts. Denmark is best in class and widely regarded as a world leader in delivering high-value outcomes through digitisation.

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[25] MDDUS, *Wellbeing by Design*, https://www.mddus.com/resources/reports-and-insights/wellbeing-by-design?ref=ed_direct

[26] H. Brown, *Ivan McKee accused of being 'disrespectful' over NHS reform plans*, (The Herald, 16 October 2026), https://www.heraldscotland.com/news/26645432.ivan-mckee-accused-disrespectful-nhs-reform-plans/?utm_medium=Social&utm_source=Facebook#Echobox=1792173079

Conclusion

Public service reform is rarely as straightforward as it looks at first. Reducing the number of health boards could deliver financial savings, although not quickly. However, it also requires other structural decisions, particularly around social care and local government. Restructuring to cut costs ignores the key point of the Christie recommendations – focus on outcomes. It is hard to see anything in these proposals that addresses the key outcome facing health in Scotland: inequality. Health in Scotland is worse than in England, Wales, and Northern Ireland. In Scotland, a steep social gradient exists: the more deprived the area, the worse people's health. The life expectancy gap between the most and least deprived areas is 13.6 years for women and 16.3 for men. The gap in healthy life expectancy is even bigger.[27]

[27] M. Marmot, *Health equity in Scotland*, (BMJ, 2026), https://www.bmj.com/content/395/bmj-2026-101128

3. Social Care

The Scottish Government's Programme for Government signals a renewed effort to advance social care reform.[28] After the National Care Service (NCS) debacle, the government is now proposing to "use these next three months to engage with local authorities, trades unions, and healthcare and service providers to reach agreement on reform of social care." However, the First Minister has also said, "Although I am not proposing a prescriptive solution, I cannot see how we can deliver integration of social care without the National Health Service being in the lead." The FM has also signalled that he sees an end to the partnerships, saying, "That was the purpose of the integration joint boards, and I think that we have all come to the conclusion that however well-intentioned that approach was, it has not delivered the level of integration that is required."[29] However, abolishing the care partnerships (Integrated Joint Boards) would require primary legislation, unlike health board cuts, meaning any shake-up may not be an immediate priority. This comes as the programme also plans to slash health boards from 14 to two and begin discussions on local government reform.

It appears that the Public Bodies (Joint Working) Act 2014 will continue to apply. That legislation is supposed to integrate NHS community health services with council-run social care, combining budgets and staff so patients do not fall through the cracks between hospitals and community care. A two-health board model will legally require new integration schemes with all 32 local councils, set up new joint authorities, and require the new health boards to find staff. Delivering all this means a timeframe of 2028, or even 2029, looks more realistic.

Social care services

It is unclear how broad the Scottish Government's review of social care will be. They drew it too broadly in their NCS proposals. Social care covers children, young people, and disabled people, although the elderly are often the focus. While one in 23 people in Scotland receives formal social care, three-quarters are over 65. 97,000 people receive care at home and 34,000 in residential care, mostly in the private sector. This is formal, assessed social care, while 800,000 are cared for by unpaid carers. The Scottish Government sets overall strategy, with local delivery handled by Health and Social Care Partnerships (Integrated Joint Boards), although councils and the NHS employ the workers. Scotland introduced self-directed support on 1 April 2014, following the 2013 Self-Directed Support legislation. It means that all eligible social care clients have the right to make informed choices about

[28] Scottish Government, *Programme for Government 2026 to 2031*, (Sept. 2026), https://www.gov.scot/publications/programme-government-2026-2031/

[29] D. Bol, *John Swinney signals social care shake-up as controversial boards could face axe under NHS control plans*, (The Scotsman 6 Sept. 2026), https://www.scotsman.com/news/politics/john-swinney-social-care-public-sector-reform-8961639

what their support looks like and how it is delivered, making it possible to meet agreed personal outcomes.

50,000 workers are employed in care homes, and 75,000 in home care. With other private care provision, around 200,000 (mostly women) work in this sector, making it a major economic contributor. The private sector has a very high turnover rate of 43%, compared with 11% in other sectors. The FM has not indicated who will employ the workers, but if he plans to shift them into the NHS, that will create a massive HR problem, with equal pay being a particular challenge.

While there will rightly be scepticism about the level of centralisation proposed, the challenges facing social care are enormous and urgently need solutions. We have a growing proportion of older people (a 25% increase in o/75s by 2030), which will drive extra demand for social care, particularly in Scotland, where healthy life expectancy is flatlining due to health inequalities. Recruiting enough workers to run the service will become increasingly difficult because of demographic shifts in the working population and the end of immigration. Paying the Scottish Living Wage helps, but workers are still low-paid and can earn the same wage in far less onerous jobs. Workforce planning to address this is limited, and the long-awaited collective bargaining structures are still moving slowly. Technology may help a bit, but no Ann Droids are coming to save us!

Health and Social Care Partnerships are already underfunded, with a £449m budget shortfall. We face significant provider fragmentation, creating bureaucracy for social workers seeking packages. Few plans address the privatisation of large care homes, which carry high debt ratios and incur related costs that absorb £28 of every £100 spent. As the STUC study shows, they are more likely to be lower quality, pay lower wages, and spend less on staff: 58% on staff compared with 75% in not-for-profit homes.

While social care should be addressed in its own right, we cannot ignore the impact on the NHS. Delayed discharge takes over one in nine hospital beds, at a cost of £440m. That doesn't mean the NHS should take over social care; it means building capacity to ensure patients are discharged when they are ready, freeing up hospital bed capacity. Social care organisations have rightly highlighted the very different care models used in both services. Professor Derek Feeley, author of the Independent Review of Adult Social Care in Scotland, said in evidence to the Health Committee, "we have to recognise that social care and healthcare are two different things."[30]

Reaction

A Scottish government source suggested that politicians at Holyrood had been frustrated by poor decisions made by IJBs that had lasting consequences and could not be overturned. "You want better decisions in the first place, of course you do. But there's going to be a certain proportion that is just not right. And it is actually the function of politicians to be the way in which that gets fixed. If they

[30] Health and Care Committee, *Pre-Budget report*, p.18, https://www.parliament.scot/-/media/files/committees/session-7/health-social-care-and-sport-committee/pre-budget-scrutiny-2027-28/20261113-hcs-committee-prebudget-scrutiny-letter-to-cabinet-secretary.pdf

can't, then it's broken."[31] While there certainly have been poor decisions, this is a strange argument for abolition. Holyrood and Westminster have also made poor decisions over the years, but few argue we should abolish them.

It is also arguable that poor decisions have been driven by financial restraints, which are caused by Scottish Government funding decisions. As Scottish Liberal Democrat health spokesperson Adam Harley said: "Under SNP leadership, health and care services have been stretched to breaking point, and John Swinney has failed to explain how his plans will ease those years of pressure. It also remains completely unclear how this new system would be any different to the SNP's previous centralisation projects, which have harmed services across the country, especially those in more rural areas. Tinkering with structures also won't end the crisis in social care."[32]

The Health Committee's pre-budget report is also sceptical, saying, "For reform to be effective, it must be informed by evidence, with a full and proper exploration of options, costs and benefits. The Committee is expecting to see the evidence that supports the Government's proposals as soon as possible."[33]

Cosla has said it opposes the plan to centralise social care under the NHS. Cosla president Shona Morrison warned the First Minister that local authority leaders will "fiercely defend local accountability of public services" in any shake-up of local authorities and health boards, with the potential for social care to come under the centralised NHS set-up.

The workforce also opposes incorporating social work into the NHS. The Scottish Association of Social Work survey highlighted concerns about social work's influence and a desire for greater parity with health partners. Comments included, "Stop HSCPs being led by health." "Social care should not be brought under NHS control." "Social work should remain prioritised and not subsumed within the NHS." Taken together, these responses paint a picture of a profession that wants reform to strengthen professional judgement, reduce unnecessary bureaucracy, make unmet need visible and secure social work's place as an equal partner in shaping public services. They don't support efforts to place Adult Social Care under NHS control.[34]

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[31] D. Bol, *John Swinney signals social care shake-up as controversial boards could face axe under NHS control plans*, (The Scotsman 6 Sept. 2026), https://www.scotsman.com/news/politics/john-swinney-social-care-public-sector-reform-8961639

[32] D. Bol, *John Swinney signals social care shake-up as controversial boards could face axe under NHS control plans*, (The Scotsman 6 Sept. 2026), https://www.scotsman.com/news/politics/john-swinney-social-care-public-sector-reform-8961639

[33] Health and Care Committee, *Pre-Budget report*, p.16, https://www.parliament.scot/-/media/files/committees/session-7/health-social-care-and-sport-committee/pre-budget-scrutiny-2027-28/20261113-hcs-committee-prebudget-scrutiny-letter-to-cabinet-secretary.pdf

[34] *Beyond the Red Lines*, (SASW, 2 November 2026), https://basw.co.uk/articles/beyond-red-lines-what-you-said

The largest social work trade union, UNISON Scotland, has also set out its concerns over the proposals.

"There are even fewer details available about the intentions for social care. It is a huge concern that following several years and £29m spent on the failed national care service proposal, such a complex area as social care is being squeezed into the same 3-month consultation, and with no involvement or engagement with the workforce. Meanwhile, the plans for social work are entirely unclear. UNISON believes social care and social work belong in councils. These are essential local services which require integration with other community services and therefore planned and delivered by and through local authorities, and this is especially critical for rural and island communities."[35]

The *A Scotland That Cares* campaign of more than 50 organisations has warned that care has only 'limited recognition' in the Scottish Government's reform strategy, arguing that its absence risks undermining ministers' ambition to shift public services towards prevention. Sara Cowan, director of the Scottish Women's Budget Group, said care had been "under-recognised and under-invested in. This leaves carers, the majority of whom are women, struggling mentally and financially and unable to keep their heads above water."[36]



Lilian Macer, the Scottish secretary of UNISON, said: "For any public sector reforms, you cannot fix or try and fix health without looking at social care. It cannot be separated. If the Scottish Government proposals for public sector reform are to tinker the edges or make structural changes that look good but do nothing in reality, then it would be unbelievably bad. They are missing a fantastic opportunity and shame on them."

Former MSP Neil Findlay speaks from personal experience in social care, highlighting how paid carers deliver compassion and dignity while private care providers charge eye-watering fees. "This has to end, not with Andy Burnham replicating what goes on in Scotland — that would be disastrous — but

[35] *Proposed restructuring of social care*, (UNISON Scotland), https://unison-scotland.org/wp-content/uploads/Final-briefing-LG-restructure-20-Oct-2026.pdf

[36] A Scotland That Cares, *Embedding care in public service reform and prevention policy*, https://ascotlandthatcares.org/wp-content/uploads/2026/10/AScotlandThatCares-Embedding-Care-Oct-2026.pdf

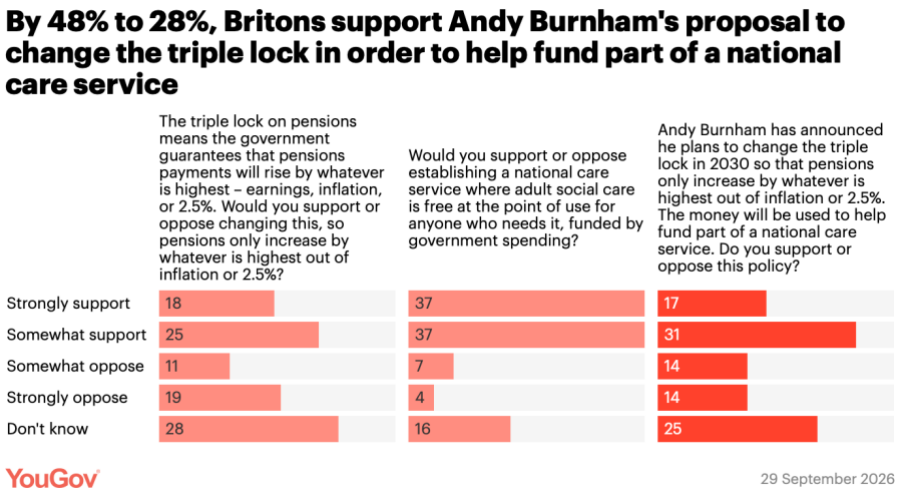
with a recognition that if we are to create a genuine national care service, we need to rip up the current model and start again from scratch."[37]

UK reform

The UK Government has announced significant changes to the way state pension increases are calculated, ending what is called the Triple Lock. From April 2030, it will go up by at least inflation or 2.5% – and anything more that is needed to retain that value. This means the State Pension is set to rise over time in line with average earnings. Adjusting the Triple Lock is estimated to reduce state pension spending by £15 billion a year by the end of the 2030s, rising to £50 billion a year by 2050. This will fund a National Care Service in England, with Barnett consequentials for the devolved administrations.

Cutting future pension increases is usually regarded as too politically difficult, and opposition parties have largely taken that line. However, pensions and social care are one of the very few issues that don't have a generational divide.[38] The only message that increased support for spending on older people stressed how it would ease the burden of looking after parents and grandparents. The link runs the other way too. Older Britons whose younger relatives are struggling are more supportive of spending on education, childcare and housing. This is driven more by concern for those relatives than by self-interest. In other words, voters don't see pensions as a transfer from young to old, but as support that flows through families in both directions.

Plenty of organisations argue that the Triple Lock is 'unusually generous', including the OECD. The Resolution Foundation argues, "There is not a strong case for continuing to increase state support for pensioners faster than the wages of typical workers – the inevitable practical effect of the triple lock." Despite some political rhetoric, the proposed changes are delayed and relatively modest, retaining the link to



[37] N. Findlay, *Residential social care needs a real revolution, not reform*, (Morning Star, 13 October 2026), https://morningstaronline.co.uk/article/residential-social-care-needs-real-revolution-not-reform

[38] L. Serra, *Plans to tamper with the pension triple lock might not be as dangerous for Labour as some believe*, (The Conversation, 2 October 2026), https://theconversation.com/plans-to-tamper-with-the-pension-triple-lock-might-not-be-as-dangerous-for-labour-as-some-believe-293404

wages. The clever political footwork is linking this to much-needed improvements to social care. Public response has been generally supportive.

Free personal and/or nursing care is already available to all adults in Scotland who have been assessed by the local authority as eligible for these services. In Scotland, some non-personal care and residential care services are charged. The First Minister also took a traditional, arguably misleading, political stance: the traditional view that older people vote, and that appearing to support them offers political gain.[39] This can be viewed as short-sighted. We may have free care in Scotland, but social care is in a mess, with inadequate levels of care that are also grinding hospitals to a halt through delayed discharge. IFS calculate that Scotland will eventually gain around £1 billion through Barnett consequentials. This funding injection could radically improve the standard of care, help retain the workforce, and free up hospital places. This is much more important than revisiting the centralised National Care Service, the only significant reform the Scottish Government is proposing.

[39] John Swinney*: 'I've nothing to explain to parliament' over pension comments'*, (Holyrood Magazine, 5 October 2026), https://www.holyrood.com/news/view,john-swinney-ive-nothing-to-explain-to-parliament-over-pension-comments

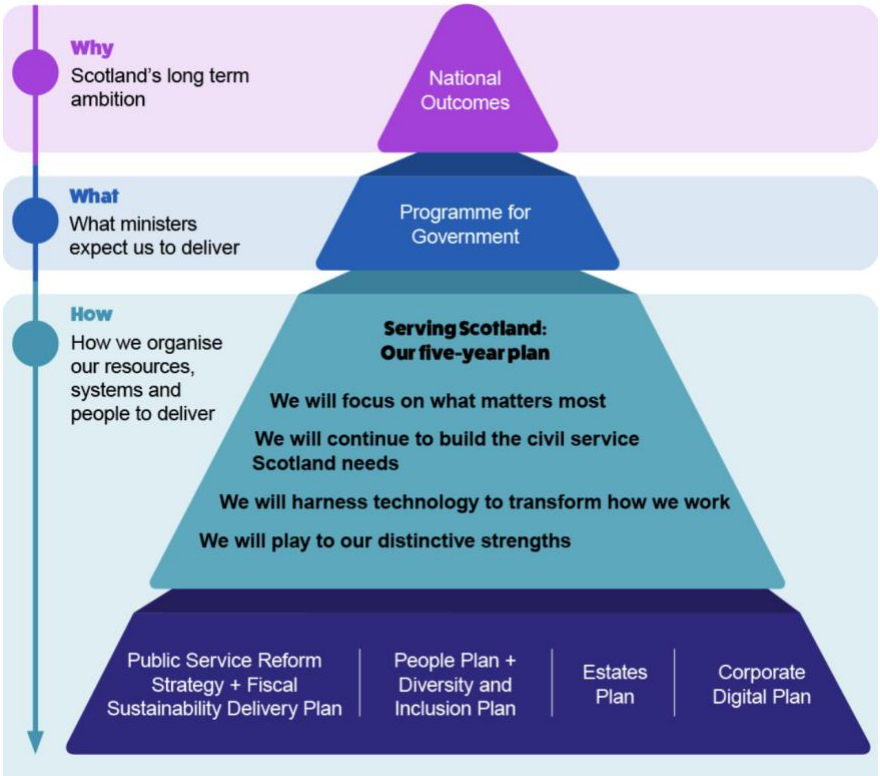
4. Civil Service and Non-Departmental Public Bodies

Civil service

The civil service in Scotland operates under a dual framework, comprising staff who serve the devolved Scottish Government and UK government departments based in the region. Scottish Government civil servants work within the rules of His Majesty's Civil Service but answer directly to Scottish Ministers rather than Westminster. The 29,200 staff (headcount) are headed by the Permanent Secretary, supported by seven Directors-General and a strategic board.

The Scottish Government's civil service five-year change plan sets out how it will evolve and improve from 2026 to 2031 to support ministers in serving the people of Scotland.[40] The case for change says, 'Our resources are more constrained, just as demand is rising. Scotland's population is ageing, and the gap between what people need and what the government can fund is widening. It will keep widening unless we reform, and that reform has to start in how our organisation works.'

The plan is summarised in this graphic:



[40] Scottish Government, *Serving Scotland: our five-year plan*, (updated September 2026), https://www.gov.scot/publications/serving-scotland-five-year-plan/pages/3/

The sub-plans focus on how the civil service will better manage money through a revised finance operating model. There is also a plan to offer shared corporate services and technology to smaller public bodies. The use of technology, including AI, is a recurring theme. There are broad plans to reduce the number of civil servants through natural attrition and tight recruitment controls. 'This may include, for example, a voluntary exit scheme, which would be developed with the engagement of trade unions.' The aim is to build an organisation that is not only smaller, but more capable, more skilled, and better equipped.

The estate reduction programme has closed 14 buildings since 2023. By early 2027, a forward plan for estate change projects to 2032 will result in a smaller, more fit-for-purpose estate. This also reflects ongoing discussions with trade unions over the hybrid working policy, which some parts of the media obsess over.

The timeline sets out the ambition this year. In 2027 and 2028, more detailed plans will be prepared on digital, leadership and finance. The changes will then be embedded in 2029 to 2031. The Scottish Government aims to reduce the overall public sector workforce by an average of 0.5% per year – amounting to a 2.5% reduction by 2029-30. Across the core civil service, ministers aim to cut the headcount by 20% over five years, which could result in the loss of more than 1,400 jobs.

The plan at this stage is very broad, with little detail on key workforce issues. Cutting jobs is relatively easy, but they come at the cost of service delivery. As the FDA puts it, "I don't think we've ever understood why that number is so big other than the Scottish Government wants to lead by example but with that comes the major risk that without proper workforce planning, then there's an impact on those who are left behind, and the government's ability to deliver. There needs to be a workforce plan that sits alongside a reduction of this scale. If you're going to reduce core civil service roles, you need to be open and honest about the impact that will have on the public."[41]

The First Minister has said the Scottish Government remains committed to the No Compulsory Redundancy Policy, despite some contradictory statements from ministers. An email sent to staff stated that "resignations and retirements alone won't get us to the size and shape we need". A voluntary exit scheme will be open only to officials and civil servants on Band C, who are on starting salaries of £62,1110 and will be offered one month's pay for each year of service, up to a maximum of 21 months.[42]

Reliance on technology has been a feature of workforce plans in the public and private sector for decades, with limited results. It remains to be seen whether the Scottish Government can first deliver a plan and then deliver it effectively. The current dispute with PCS over the decision to replace the existing Digital, Data and Technology (DDaT) supplement with a new Government Digital and Data

[41] R. McCurdy, *Union warns SNP may weaken no compulsory redundancy policy*, (The Herald, 12 October 2026), https://www.heraldscotland.com/news/26626130.union-warns-snp-may-weaken-no-compulsory-redundancy-policy/

[42] K. Nutt, *Senior civil servants to be offered 'eyewatering' exit deals*, (The Herald, 7 October 2026), https://www.heraldscotland.com/news/26616110.senior-civil-servants-offered-eyewatering-exit-deals/

(GDD) supplement does not bode well. The change has significantly reduced eligibility, leaving around 71% of workers in the profession no longer entitled to the payment.[43]

Non-Departmental Public Bodies

Better known as quangos, public bodies play an important role in delivering public services in Scotland. Public bodies deliver the priorities of Ministers or Parliament through promoting, delivering, funding, and scrutinising services, or by providing impartial advice. They include Executive Agencies, Non-Departmental Public Bodies (NDPB), and public corporations such as CalMac and Scottish Water. They range from small advisory boards to substantial service delivery organisations like Skills Development Scotland and Scottish Enterprise. They include NHS Scotland, but we address those issues separately. Governance models vary, but typically a board of around 14 people, appointed by ministers, runs them. The numbers depend on classification, but there are between 120 and 130 of them in Scotland.

In 2007, the Scottish Government undertook to simplify the public sector landscape by reducing the number of Scottish public bodies under its control. Like previous governments, they found the 'bonfire of the quangos' difficult to deliver. Ministers often find it useful to have arm's-length bodies to deny operational responsibility for poor decisions, which have been described as the 'not me guv' school of government. The problem is that in the absence of democratic accountability, the public often says, 'It is you, guv'. The difficulty is that ministers need more time to scrutinise them, and sponsoring departments take a light-touch approach. The Water Industry Commission scandal demonstrates that clearly.

Relationships between NDPBs and their sponsoring departments can also be challenging. A National Audit Office study of English equivalents found that the arm's-length bodies sector remains 'confused and incoherent'. Audit Scotland has occasionally ventured into quangos with similar conclusions. Their 2010 paper concluded, 'The make-up of boards and their role has evolved over time rather than as a result of any objective evaluation of the best model for public accountability.' Quangos have also been the subject of poor staff governance, as surveys at Crown Estate Scotland have recently highlighted.[44] Historic Environment Scotland and the Care Inspectorate are others. It is at least arguable that distance from accountability can lead to these problems.

Suggestions that they could be broken up and delivered locally are resisted because they allegedly benefit from economies of scale or are too specialised to spread the limited expertise around the country. Agencies and the government have opposed even attempts to minimise duplication by creating common bargaining structures.

Options for reform include:

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[43] PCS, *Scottish Government digital workers ballot for industrial action*, (28 October 2026), https://www.pcs.org.uk/news-events/news/scottish-government-digital-workers-ballot-industrial-action

[44] K. Nutt, *Crown Estate Scotland staff hit by 'shock' bullying levels*, (The Herald, 10 Nov. 2026), https://www.heraldscotland.com/news/26713179.crown-estate-scotland-staff-hit-shock-bullying-levels/

- Identifying all or parts of the services that could be delivered locally while retaining a national framework.
- Greater scrutiny by Parliament.
- Direct elections.

Even where decentralisation is not viable, services should still be required to cooperate locally more effectively than they do now. The somewhat loose duties placed on quangos to collaborate in community planning have no effective teeth.

In his update letter on 30 September, the Cabinet Secretary also explained the origin of Programme for Government proposals on consolidating public bodies. He said: "During July 2026, a functions-based review was undertaken which identified proposals on how to reduce duplication, increase efficiencies and restructure the public body landscape. The process developed a range of options from shared services models and digital transformation to structural reform as well as combining functions where they are closely connected."[45]

Proposals for Transport Scotland are covered in a heavily redacted FoI request.[46] This covers an update on work underway to support Ministers' manifesto commitment relating to Transport Scotland, firstly moving from DG Net Zero to DG Economy and then secondly being merged into the Scottish Government. Transport Scotland was created in 2006 as the Scottish Government's transport agency. It has a budget of £4.6 billion.

While not a quango, Scotland's universities are also part of the reform agenda, through the Future Framework discussions. Following on from the analytical work in the Future Framework's first phase, which calculated a £200 million sustainability gap in Scotland's university sector, Professor Mapstone from St Andrews will lead a transformation project focused on how institutions can improve efficiency and collaboration. She has said that, on the spectrum of possibilities, mergers are 'the most radical extreme' for several reasons. "Nobody should think for a moment that a merger is something that is necessarily terribly efficient or quick and inexpensive to do. Nobody should jump to the merger notion immediately."[47]

[45] SPICe, *What's going on in Public Service Reform*, (9 October 2026), https://spice-spotlight.scot/2026/10/09/whats-going-on-in-public-service-reform-october-2026/

[46] Emails, https://www.gov.scot/binaries/content/documents/govscot/publications/foi-eir-release/2026/10/foi-202600535751/documents/foi-202600535751---information-released---annex-a/foi-202600535751---information-released---annex-a/govscot%3Adocument/FOI%2B202600535751%2B-%2BInformation%2BReleased%2B-%2BAnnex%2BA.pdf

[47] G. Baylor Stell, '*No red lines, nothing off the table' for university reform*, (The Herald, 9 October 2026), https://www.heraldscotland.com/news/26619968.no-red-lines-nothing-off-table-university-reform/

5. Local Government

The Scottish Government has opened the debate about local government reform in Scotland with a bold initial proposition to replace the current 32 councils with 6-10 regional authorities and 120-160 community authorities.[48] John Swinney has insisted the reforms are needed because some councils are "too small to be strategic and some are too big to be local".

Reid Foundation papers have long argued that power should be shifted away from our large councils to communities of place, so we welcome the direction of reform in principle. As the most detailed study on local governance put it, "For more than 50 years, Scotland has therefore seen power and resources become more and more distant."[49] It recommended, "The Commission sees the current scale and functions of elected local governments in Scotland as limiting the possibility of participative local democracy and therefore recommends a fundamental review of the structure, boundaries, functions and democratic arrangements for all local governance in Scotland."

Scotland currently has 32 unitary Councils. This compares with 65 Councils in 1975, 9 regions, 52 districts and 3 island authorities. Before 1975, Scotland had 424 units of counties, cities, burghs (large and small) and landward districts. Services have been removed from local government, and a series of unelected quangos have been established to run those services, mostly at national level. Professor James Mitchell helpfully summarises the direction of reform since the Second World War.[50]

Initial Proposition

The Scottish Government's proposition is intended as a starting point to facilitate debate and discussion, with the objective of establishing a measure of shared agreement on the scale and broad shape of reform. They argue that "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."

The proposal is that councillors would continue to be elected at the current ward level, sitting on both the Community authority and on the associated Regional authority. The same overall Regional administrative or corporate structures would support both Regional and Community authorities. The

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[48] Scottish Government, *Proposal for reform of local governance*, (21 Sept. 2026), https://www.gov.scot/publications/public-sector-reform-proposal/

[49] The Commission on Strengthening Local Democracy, https://www.cosla.gov.uk/__data/assets/pdf_file/0016/18052/thecommissiononstrengtheninglocaldemocracyfinalreportaugust2014.pdf

[50] J. Mitchell, *Local government reform must find consensus and not lead to a further centralisation of powers*, (Holyrood, 23 September 2026), https://www.holyrood.com/inside-politics/view,local-government-reform-must-find-consensus-and-not-lead-to-a-further-centralisation-of-powers

aim is greater subsidiarity and more local decision-making, supported by efficient delivery through regional structures.

Regional authorities could have powers currently performed by quangos, as part of the wider public service reform proposals. This could include regional economic development, housing and transport. This makes more sense than simply merging quangos, which rarely achieves the efficiencies or the devolution of decision-making needed.

The balance of powers and financing between regional and community authorities will be the key issue in these proposals. The initial proposition says, "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."

The proposition says nothing substantial about financing both levels of councils. The Council Tax is in any case in urgent need of reform, as valuations are still stuck at 1991 levels.[51] There is a strong case for raising additional taxes locally. The Council Tax raises only 20 per cent of council finances. Similar European councils raise 50-60 per cent locally, giving them real power to improve their communities.

It is unclear why the Scottish Government is linking its proposals to the Scottish budget process. A change at this level will take much longer than one year to organise, and any savings will be medium-term at best. As the trade unions have pointed out, change should be driven by creating better outcomes, not financial savings: "UNISON will engage constructively with the Scottish government, but our message is clear: don't confuse reform with cuts. If the Scottish government wants stronger communities, better local services and a stronger democratic voice, it must invest in the people that make them possible."[52]

Number of authorities

The precise number of regional and community councils will require careful consideration. Scotland currently has the largest councils in Europe, with an average population of 170,000. The average in Europe is 10,000. The Commission on Strengthening Local Democracy suggested a fundamental review of boundaries.[53] Scotland used to have over 400 councils representing communities of place. 150

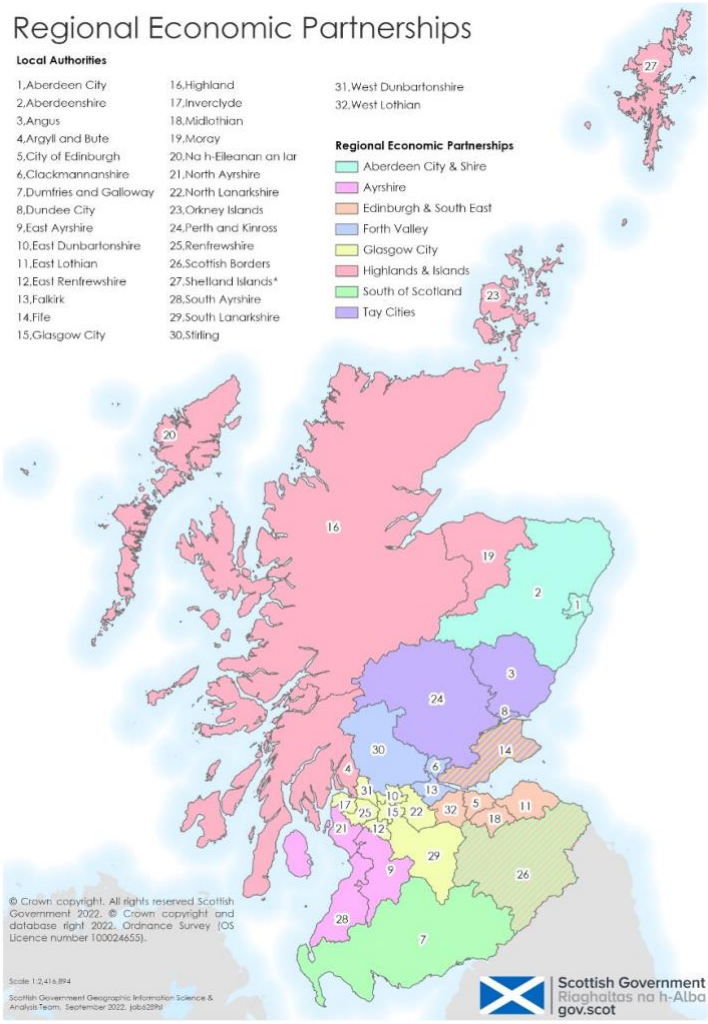
[51] Tax Justice Scotland, *Scots back Council Tax reform that asks owners of higher-value homes to pay more*, (18 Sept. 2026), https://taxjustice.scot/blog/scots-back-council-tax-reform-that-asks-owners-of-higher-value-homes-to-pay-more/

[52] UNISON Scotland, *UNISON response to Scottish government announcement on local government reform*, (22 Sept. 2026), https://unison-scotland.org/unison-response-to-scottish-government-announcement-on-local-government-reform/

[53] The Commission on Strengthening Local Democracy, https://www.cosla.gov.uk/__data/assets/pdf_file/0016/18052/thecommissiononstrengtheninglocaldemocracyfinalreportaugust2014.pdf

community councils would average 36,000. In practice, they would be larger depending on what happens to cities. Do they remain one council, or split into separate communities? The paper implies that they could be, as Leith is used as an example.

One example in the Scottish Government paper is Kilmarnock, with a population of 46,000. This gives a good idea of the sort of towns that could have their own councils. Another issue is how much of the surrounding rural area is included in the community councils. Some of these decisions can be driven by travel to work, leisure and retail travel, as well as transport services. However, the data is far from perfect on these issues, and local residents will have their own view. Here is one example that sets out the boundaries of 10 regional and 172 community authorities; it looks very radical, but would be a fairly standard approach in much of Europe.[54]



On regions, the Scottish Government already has Regional Economic Partnerships, which may indicate possible boundaries. These are collaborations between local government, the private sector, education and skills providers, our enterprise and skills agencies and the third sector.[55]

Six City Regions have been granted City Growth Deals: Glasgow; Aberdeen and Aberdeenshire; Inverness and the Highlands; Edinburgh and Southeast Scotland; Stirling and Clackmannanshire; and Tay Cities. These could also form the basis for regional boundaries, with the islands being unitary authorities.

Powers

Given the Scottish Government's long-standing preference to centralise services, many will be cynical that community authorities will be little more than slightly more powerful versions of the current

[54] Ron Smith, *Suggested new local authorities in Scotland*, https://drive.google.com/file/d/1iN6PioI7aXnxF0xUpcVHq8WawK1xepn5/view

[55] Scottish Government, *Scotland National Strategy for Economic Transformation: Regional Economic Partnerships*, (March 2022), https://www.gov.scot/publications/scotland-national-strategy-economic-transformation-evidence-regional-economic-partnerships/

community councils. The real power will be at the regional level. This will be a crucial part of the upcoming debate. The key principle should be subsidiarity: decisions should be handled by the local authority best able to address them effectively, rather than by a centralised power. As the Commission for Local Democracy said, “As a Commission, we want to shape a long term future where democracy is rebuilt around subsidiarity and participation. By that we mean that empowerment is from the community up, not national governments down, and good reasons have to exist if decisions are to be taken elsewhere.”

Some functions are obviously best delivered at a regional level. These include large-scale regional development, much of which is already covered by national planning guidance, or will be soon, such as AI centres. Trunk roads will be another, as they will cross the community boundaries. Public transport, such as buses, is another, while ScotRail is probably best left at national level. One challenge of regional economic development is “the inability of business to collaborate on a macro, regional and sectoral level – as happens as a matter of course in other European countries – constrains effective coordination and consensus building on matters of economic strategy and policy implementation.”[56] Others have criticised the level of Scottish Government micromanagement of city region deals, saying, Scotland’s regions "need to be unshackled from the constraints that are imposed on them by central government - often with good intentions - that become barriers to economic growth".[57]

We should also be wary of the claims made about regionalisation in England. The Treasury retains control of funding at present, unless the PM gives real fundraising powers. Much of the economic gains have been made selectively within the regions, driven by land speculation, with limited progress on inequality in more deprived areas. Funding also requires mayors, a weak governance model. Regions in England have not delivered ‘growth in every postcode’. We welcome the absence of proposals for mayors/provosts in Scotland, as collective leadership is a better governance model.[58]

Some functions can, and typically are, delivered locally in Europe by a council of between 30,000 and 50,000 people. These include local planning permissions within a local plan, building warrants and similar services. Local roads, street lighting, bridges, etc. They also manage household waste collection, recycling, street cleaning, and environmental protection. They also run local libraries, sports facilities, parks, museums, and record births, deaths, marriages, and civil partnerships.

This does not mean that each community authority must manage these services locally. For example, some services may be very small in a community authority, such as trading standards. In Europe, and

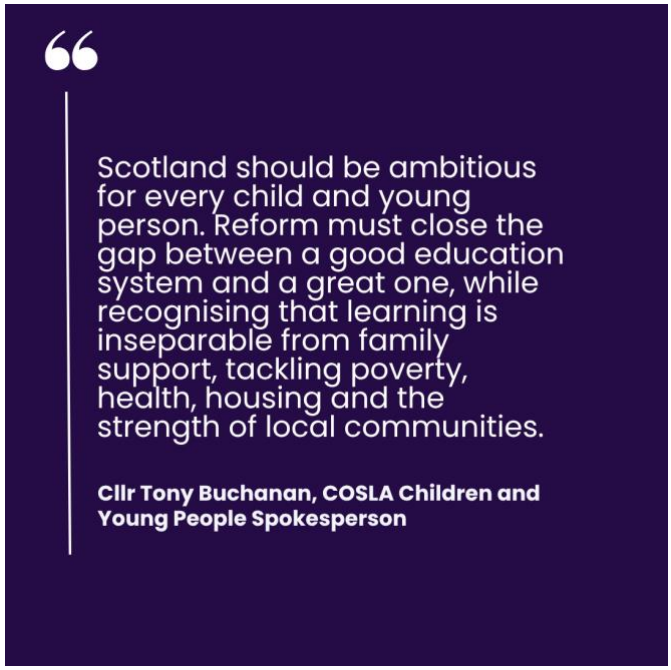
[56] D. Hawkey, *Scottish council reform needs a stronger business case,* (Herald, 16 October 2026), https://www.heraldscotland.com/opinion/26639329.scottish-council-reform-needs-stronger-business-case/

[57] Prosper, *Unleashing Growth in Scotland’s Regions*, (17 Nov. 2026), https://prosper.scot/events/unleashing-growth-in-scotlands-regions/

[58] D. Watson, *Why mayors (or provosts) are not the solution to proper devolution*, (3 August 2026), https://unisondave.blogspot.com/2026/08/why-mayors-or-provosts-are-not-solution.html

already in Scotland, smaller authorities often share services, but local authorities decide on the type and delivery options, not central government. Technology could also support staff networks.

The Scottish Government suggests that regional authorities could provide corporate services, a form of shared services with mixed outcomes, but as technology develops, it may be a valid option. We have previously suggested that much of the necessary administration could be part of national frameworks covering areas such as human resources and procurement. The Christie Commission proposed the idea of a single public service worker. One service that should be merged into a single fund is the Scottish Local Government Pension Scheme. One scheme with 11 different funds makes no sense, and would be consistent with wider pension reforms.[59]



The Scottish Government paper suggests that housing could be a regional function. It is hard to see why social housing could not be run locally. That leaves the two biggest services, education and social work. In similar European countries, schools are run locally, although within national policy frameworks. Some support services may be too specialised for a community authority, and could be shared, or managed by regions. The Shaping the Future report has suggested that the Scottish Government reconsider the prospect of Local Schools Authorities, dismissed some years ago. The main criticism of that proposal was that central control, largely by unelected officials, was undesirable and it ignored the vital connection between education and other services. The EIS General Secretary said, "The potential benefits of the proposal to create Local Schools Authorities will require detailed consideration, and teachers will want to see much greater detail on how this might benefit the day-to-day operation of schools, and the working environment of pupils and teachers."[60]

The same principle of shared services applies to social work. Most social care and social work services are already delivered by local teams or facilities and can be managed locally, with specialist services run on a larger scale.

[59] D. Watson, *Pension Fund Investment and the Economy*, (2025), https://reidfoundation.scot/2025/01/pension-fund-investment-and-the-economy/

[60] EIS, *Shaping the Future Report: Additional Investment in Education Remains Key*, (28 Sept. 2026), https://www.eis.org.uk/latest-news/shapingfuture

Participatory initiatives

There is concern that the Scottish Government favours concentrating powers at the regional level, leaving community authorities as a source of engagement rather than enabling them to exercise powers on behalf of their community.

Polling for the ERS Democracy Max project found that 67% of Scots feel they have little or no influence over decisions that affect their local community, and 45% would like more influence over decisions that affect their communities. Several initiatives aim to improve citizen engagement and participatory practices in Scotland. These include Citizen Advisory Boards, Citizens' Panels and Assemblies, Legislative Theatre, and other processes which facilitate conversation between communities and policymakers. The Scottish Government, with COSLA, launched the Local Governance Review in 2018 to ensure Scotland's diverse communities and different places have greater control and influence over decisions that affect them most. This initiative is intended to lead to legislation.

Participatory initiatives are very welcome. They have been more successful in areas that are easier to reach, with more affluent areas engaging better than deprived areas. However, participation and engagement do not devolve power. Communities are entitled to make the decisions that best suit their area. We set out the reasons in our paper, The Policy of Place.[61] We highlighted the challenges faced by communities of place, including the long-term degradation of our social infrastructure by cuts to local government funding and the centralisation of services. We also recommended practical measures to rebuild them, including valuing social infrastructure and public services, devolving power, and building the local economy through Community Wealth Building. We also need to better understand the practical measures that help build stronger communities, including neighbourhood design, high-quality public spaces, local events, and improved information sharing. Most importantly, we need to give residents more opportunities to influence decisions affecting their neighbourhoods and encourage engagement.

Elected representatives

In the previous regional/district structure, councillors were elected directly to both forms of council. The Scottish Government is suggesting that councillors will serve on both. It is difficult to see how this is practical, as regional councils would have far too many councillors. Taking a 'minimal' new Strathclyde as being Glasgow plus historic Dunbartonshire, Lanarkshire and Renfrewshire, that would be a staggering 353 councillors. It is also undesirable. The attraction of community authorities is that councillors would be largely part-time, encouraging a much wider range of people to serve on them.

As Ballot Box Scotland explains, "Existing wards largely have 3 or 4 councillors. Given the number of communities that may be composed of a single ward, and even some two-ward areas would only have 6 seats, that's a dangerously small number of people to hand governing decisions to. At local level, political families are much more common than is the case at national level. Husband-and-wife

[61] D. Watson, *Policy of Place*, (2026), https://reidfoundation.scot/2026/02/the-policy-of-place/

councillor pairings, or parent-and-child, are relatively frequently seen. There's a real risk that with so few councillors, areas with such familial dominance could end up run as personal fiefdoms."[62]

Community authorities need their own boundaries and a decent number of councillors. Regions could hold their own elections as they used to, or community authorities could elect them indirectly. However, indirect elections would be complex and confusing for the voters. It is also doubtful if an indirect model is compatible with the European Charter of Local Self-Government, which requires that local authorities must be elected by free, secret, universal, equal, and direct suffrage (Article 3).

European Charter

The European Charter of Local Self-Government is incorporated into Scots Law, including Article 5, which protects local authority boundaries.[63] "Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned," it says, "possibly by means of a referendum where this is permitted by statute." The Charter also says that local bodies are granted the right and ability to regulate and manage a substantial share of public affairs under their own responsibility, and have adequate financial resources of their own, which they may freely dispose of within the framework of their powers. This all points to greater subsidiarity that we currently have in Scotland.

Local Government Finance

Successive administrations have avoided reforming local government finance and the council tax.[64] The Burt Report (2006) recommended moving towards 50:50 and identified a range of tax powers. The Commission on Strengthening Local Democracy (2014) asserted that change is required because Scotland's councils have 'become perhaps the least fiscally empowered in Europe'. They reminded us that 50 years ago, half of council income was generated locally. The Commission on Local Tax Reform (2015) concluded that 'the present Council Tax system must end'. Following a 2018 consultation, the Scottish Government and COSLA supported 'fiscal empowerment of democratic decision-makers to deliver locally identified priorities.' The STUC and others have recently highlighted the need for reform and an immediate domestic rates revaluation, currently based on 1991 valuations.[65] Ken Gibb, professor of housing economics at the University of Glasgow, recently said the need for housing tax

[62] Ballot Box Scotland, *Local Government reform done for the wrong reasons will be a disaster*, (September 2026), https://ballotbox.scot/local-government-reform-disaster/

[63] European Charter of Local Self-Government (Incorporation) (Scotland) Act 2026, https://www.legislation.gov.uk/asp/2026/11

[64] SPICe, *Comparative research on local government and fiscal autonomy across Europe*, https://www.parliament.scot/-/media/files/committees/local-gov/correspondence/2023/spicelocalgovernmentcommissionedresearch.pdf

[65] Landman Economics, *Raising taxes to deliver for Scotland*, (November 2023), https://www.stuc.org.uk/resources/scottish-tax-options.pdf

reform was “long overdue,” and described council tax as a “seriously flawed” lever which was not good for local government, and failed to help balance the housing market.[66]

In our public service reform paper, we highlighted the five principles that UNISON Scotland set out for reform.[67]

- Local authorities should raise and control more of their own revenue. This will enable them to respond to and be more accountable to the communities they represent. About 85% of funding is currently determined centrally
- Councils should be able to set their own business rates; this will allow them to raise money to pay for services and devise their own criteria to support the type of businesses they want to encourage.
- A property tax is the best fit for local government as it is clearly linked to the authority. It cannot be moved or hidden, making it cheap and easy for the local authority to administer.
- Central government funding should acknowledge local decision-making, and funds should be minimally ring-fenced.
- Taxation should be broadly progressive, reducing the tax incidence on people with a lower ability to pay. This doesn't mean every tax has to be progressive, but overall, higher-income earners should pay more.

We did consider other taxation options. A Local Income Tax would be another tax on workers’ income and ignores the wealth that resides in property. It would have to be administered and set centrally, undermining local democracy. There are also a range of practical problems in collecting and allocating a national tax to local authority areas. It could add as much as 6p to income tax. Land Value Tax is a superficially attractive option, not least because it is a property tax and might be progressive in taxing the rich. However, this idea has been around for 150 years, and there are good practical reasons why it really hasn't taken off. The biggest problem is valuing land while ignoring what is built on it. Most of us have a vague idea of how much our house is worth, but not a clue about the land value.

That leaves the option of a Local Property Tax levied at a percentage of actual property values. The Burt Review found that using actual property values rather than banding was more progressive because it would remove the ‘cliff edge' where those on either side of a band, despite a small difference in property values, have very different bills.[68]

Even a reformed council tax would still leave councils with little control over their finances. Council tax accounts for less than 20% of local government expenditure. The Burt Committee found that 23

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[66] M. McLaughlin, *Scrap ‘dysfunctional’ council tax, says leading housing economist*, (15 Nov. 2026), https://www.scotsman.com/news/scrap-dysfunctional-council-tax-says-leading-housing-economist-9350274

[67] *Paying For Local Government*, (UNISON Scotland), http://www.unison-scotland.org.uk/localgovt/PayingforLocalGovernment_UNISONdiscussionpaper_Nov2013.pdf

[68] Burt Review, *A Fairer Way* (2006), http://www.gov.scot/Resource/Doc/153766/0041377.pdf

out of 28 countries adopted multiple local taxes in its study. The Commission on Strengthening Local Democracy found the European average is around 40%, but for countries where local governments have responsibilities equivalent to Scotland's, the average was between 50% and 60% of income raised locally. Local election turnout is generally significantly higher in countries with greater devolved taxation.

Business rates have historically been a local tax, until they were centralised in 1992. While Scottish local authorities still collect non-domestic rates (NDR) income from properties in their areas, the rate or poundage is set nationally by the Scottish Government. They are pooled at a national Scottish level rather than retained entirely by individual councils and then redistributed back to local authorities through a needs-based formula. Alex Kerr MSP has recently argued that all non-domestic rates should be devolved to the proposed new regional councils. He argues that the current system creates a 'lack of clear incentive' for local leaders to drive growth, because the benefits do not return to their communities. BiGGAR Economics has used onshore wind farms as an example; new onshore wind needed to reach the Scottish Government's 20GW target would pay about £78 million in business rates a year, roughly 2% of the £3.2 billion collected in 2024-25.[69]

It is entirely right to devolve business rates back to councils, but regions are not 'communities' that Alex Kerr describes. There is no reason why these taxes should not be devolved to the proposed community authorities, with the option of sharing the administration of the system between authorities or at the regional level.

Overall, as UNISON Scotland puts it in their response to the proposals, "A restructure on this scale must be accompanied by the reform of local government finance. It is essential that the two are taken forward together. There must be a sensible conversation about what services we need and how to pay for them."

Lewis Forsyth, in his detailed analysis of local government finance, concluded with the 'so what' question: "What are the consequences of not reforming and continuing with 'business as usual'? It is self-evident to say that he who pays the piper will continue to call the tune, but the decreasing political returns will only continue to multiply, as Layfield correctly predicted in 1976. Greater political instability, a worsening centre-local relationship, and ever- weaker accountability. The democratic consequences of this path are clear and are already being felt in the UK and around the world."[70]

Reactions

COSLA's vision of reform starts with the existing 32 councils, with better regional collaboration and voluntary consolidation where local democratic support exists. Essentially the status quo. They also

[69] A. Learmouth, *MSP urges Scotland to devolve business rates to councils*, (The Herald, 7 Nov. 2026), https://www.heraldscotland.com/news/26706613.msp-urges-scotland-devolve-business-rates-councils/

[70] L. Forsyth, *He Who Pays the Piper Calls the Tune: Exploring Asymmetry and Imbalance in Scottish Local Government Finance Since 1974*, (University of Glasgow 2025), https://theses.gla.ac.uk/85276/1/2025ForsythPhD.pdf

argue, with some justification, that the Scottish Government needs to focus on local government funding, including council tax reform, and set out the outcomes reform should achieve. It should also be part of a reform to the whole system, given the interconnection between services. COSLA and the Scottish Government jointly published *Democracy Matters: A Routemap to Reform* in March, the product of nine years of the Local Governance Review. The Vice-President of COSLA described it as "an exemplary and important piece of joint work" but said that First Minister John Swinney had now "jolted the conversation into one about wholesale reorganisation".[71] While the defence of the status quo by council leaders is understandable, it could be argued that it is a strange position for generally progressive councillors to defend a structure imposed by the Conservatives to reduce the power of local government in Scotland.

Former council chief executives have rallied to defend the current structure. The Mercat Group have highlighted their past experience of organisational change, saying, "Scottish government proposals would interrupt and damage the delivery of essential services, take several years to fully implement, reduce the diligence of a threatened workforce, and add unnecessary financial costs at a time when Scotland's financial resources are severely stretched."[72] They make a valid case on the importance of place and oppose centralisation, but their proposals retain a highly centralised structure, which, other than some beefing up of community councils, creates even larger councils than we have at present.[73] Despite the title, it doesn't look like anything close to 'a place-based democracy.'

The consultation process has drawn significant criticism, including from councillors at the SNP conference.[74] However, while there was criticism of the process, most did not oppose the principle of greater devolution. In response, the Scottish Government says, "No decisions have been taken on future structures. Once formal reform proposals are developed, appropriate consultation will follow in the usual manner." The problem with this response is that ministers also emphasise the need for urgency, even though this has only recently become clear and is inevitably driven by the looming fiscal gap. A reorganisation on this scale will be anything but quick and has little prospect of delivering the savings ministers appear to hope for. The Scottish Government has recently published a public survey on reform, which is unlikely to assuage the critics.[75] It has been criticised for its limited description of

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[71] S. Heddle, *Why Scotland's council chiefs oppose Swinney's reforms*, (Herald, 2 November 2026), https://www.heraldscotland.com/politics/holyrood/26691220.scotlands-council-chiefs-oppose-swinneys-reforms/

[72] K. Yates, *Scottish council reorganisation? 'Get it right next time'*, (Sceptical Scot, 14 October 2026), https://sceptical.scot/2026/10/scottish-council-reorganisation-get-it-right-next-time/

[73] K. Yates, *Unleashing Scotland's creativity: a realistic reform for productive place-based democracy*, (Sceptical Scot, 15 October, 2026), https://sceptical.scot/2026/10/unleashing-scotlands-creativity-a-realistic-reform-for-productive-place-based-democracy/

[74] R. McCurdy, *Why SNP conference exposed a problem for Ivan McKee*, (Herald, 22 Oct. 2026), https://www.heraldscotland.com/news/26661795.snp-conference-exposed-problem-ivan-mckee/

[75] Scottish Government, *Share your views on local governance reform*, https://comhairle.scot/conversations/local-governance-reform

public services, how they are financed and the use of AI to moderate and summarise responses. It struggles to summarise effectively, producing overly long AI-slop which wouldn't be necessary if real people were reading it.

Trade unions have also criticised the process, warning that the model being proposed "is creating uncertainty for the council workforce". Key questions, including the future of jobs, staff transfers, and potential impacts on terms and conditions, remain unanswered and require thorough consideration. "Close involvement of the workforce, recognised trade unions, and local authority employers must be central to this. Change cannot be imposed from the top down, but must be informed by the voices of those who truly understand the realities of delivering local services."[76]

The third sector also feels abandoned in the consultation process. SCVO says, "That starts with meaningful involvement of the voluntary sector at large, something that has been lacking to date. We need to see clear plans for how organisations will be involved in shaping, delivering and evaluating reform, backed by transparent measures of progress."[77]

The Scottish Community Alliance argues that greater community control over local decision-making must be a core element of creating more coordinated and locally connected systems of governance. They are consulting on a system of 355 statutory Ward Councils, with elected members aligned with existing local authority electoral wards, working alongside recognised Community Areas based on existing Community Council boundaries. This appears to be a strengthened version of the current community councils, largely consultative, but with the ability to influence decisions. They argue that the electoral ward provides a sustainable middle ground. It is already an established electoral mechanism within Scotland's democratic system and provides a scale where communities can work together while remaining connected to local places. They point to other European countries. Norway has 428 municipalities, and Finland has 320, both with populations broadly similar to Scotland's. This is true, but their councils do significantly more than this outline suggests.

The Christie Commission highlighted Systems Thinking approaches to the devolution of powers to communities. In this Vanguard report, the authors explain why scale and standardisation are the problem, not the solution. Far too many public service systems "assess rather than understand; transact rather than build relationships; refer on rather than take responsibility; prescribe packages of activity rather than take the time to understand what improves a life… Local by default."[78]

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[76] K. Nutt, *Workers face uncertainty over Scottish council reform plans*, (Herald, 29 Oct. 2026), https://www.heraldscotland.com/news/26678927.blow-public-services-shake-up-amid-unanswered-questions/

[77] L. Wilson, *Third sector calls for 'meaningful' engagement on public service reform*, (Holyrood, 2 November 2026), https://www.holyrood.com/news/view,third-sector-calls-for-meaningful-engagement-on-public-service-reform

[78] Locality, *Saving money by doing the right thing. Why 'local by default' must replace 'diseconomies of scale'*, (March 2014), https://locality.org.uk/assets/images/Locality-Report-Diseconomies-updated-single-pages-Jan-2017.pdf

Conclusion

The direction of travel towards councils based on actual communities of place, with shared and regional functions within national frameworks, reflects the many papers we have published in recent years. However, the key issues will be getting the balance of services right, with subsidiarity as the principle. Services must be properly financed, and this must also be part of the discussion.

6. Conclusion

"The virtuous citizen must be free, but not simply free to go his or her own way. Instead the citizen is free when he or she participates in the government of his or her community." (Richard Daggers 1997)

The quote above illustrates what should be the starting point for public service reform in Scotland. We should build public services around recognisable communities. The level at which services are delivered should be driven by the principle of subsidiarity – the lowest practical level. This should allow staff and citizens to design services in ways that best meet the needs of their communities of place. Central government should set the strategic direction based on outcomes, rather than trying to direct services from Edinburgh. However, a country the size of Scotland cannot justify duplication and difference for its own sake. Government should agree frameworks that allow communities to focus on what matters.

The problem with public service reform at the scale being suggested by the Scottish Government is that the debate quickly falls into a discussion about structures. The Christie Commission's second key objective was that "key objective of reform should be to ensure that public service organisations work together effectively to achieve outcomes - specifically, by delivering integrated services which help to secure improvements in the quality of life, and the social and economic wellbeing, of the people and communities of Scotland."[79]

The Scottish Government is being driven by its financial challenges, as we set out in our Budget briefing.[80] They are also being pushed by UK reform driven by the Prime Minister. The problem is that these reforms will deliver very modest savings, and even those will take years to deliver. The Prime Minister's reforms are focused on regions, not communities, which will not deliver the 'growth in every postcode' he seeks. That requires giving real communities control, and he is also pushing through Keir Starmer's previous plans to centralise local government into even bigger units, even more removed from the real communities people live in.[81]

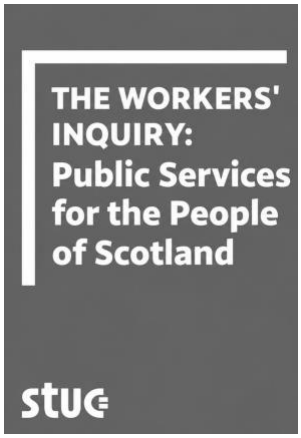
The Scottish Government's sudden lurch into radical structural public service reform has been criticised from all directions for lacking a credible consultative process. Some proposals are fairly firm, such as the NHS, but the rest are only in outline. What is missing is the business case that would enable

[79] Christie Commission, (2011), Section 5, https://www.gov.scot/publications/commission-future-delivery-public-services.

[80] Reid Foundation, *UK to Scottish Budget*, (November 2026), https://reidfoundation.scot/2026/11/uk-to-scottish-budget/

[81] A. Ramsay, *Burnham's democratic reform proposals don't go nearly far enough*, (Abolish Westminster, 3 October 2026), https://abolishwestminster.substack.com/p/burnhams-democratic-reform-proposals

organisations and the broader public to analyse the merit of the case. Organisations are consulting their own members, including the STUC with its Workers Inquiry.[82]



A common theme runs through all the papers the Reid Foundation has published over the past decade on public service reform. We have consistently argued for the principle of subsidiarity to apply to public service reform. Subsidiarity means central government should perform only those tasks and decisions it cannot do effectively at a more local, immediate, or subordinate level. Devolution was not intended to stop at Holyrood.

The NHS proposal to cut the number of territorial health boards is the firmest proposal, probably because it can be done without primary legislation. However, it lacks a business plan, and ministers' arguments for it are weak. It has no support from those who understand the NHS best and won't deliver the savings ministers are hoping for. While acute services could be managed under three or four boards, community services cannot. This means either creating a remote and complex management structure, creating new quangos, or devolving community health to local authorities. All these options come with serious challenges that need proper consideration.

The proposals for social care are unclear, although they seem like a return to the original, highly centralised National Care Service, with the First Minister favouring the NHS to lead. Social care is a different model from the NHS, and services are local, best run by democratically accountable local authorities. Social care faces major problems, including capacity, workforce, the role of IJBs and the impact of privatisation. However, centralisation under the NHS tackles none of those.

While there are plans to cut civil service jobs and a redundancy scheme, there is no detailed plan for how the civil service will deliver services. There is an optimistic hope that this will be resolved using technology. For Non-Departmental Public Bodies, the plan appears to be to rationalise the number, with the possibility of some devolution to regions. Evidence suggests that rationalising the number of quangos rarely delivers significant savings, as new structures still have to meet operational requirements.

The most radical proposals are for local government with a mix of regional and community authorities. We have argued for a radical shift of power to communities of place for many years. However, the outline suggests the Scottish Government is more likely to centralise power in regions and leave community authorities to manage only a very limited number of services. This will be the key debate in the discussion to follow. In Europe, authorities even smaller than those proposed for community authorities run most local services, including schools and social care. They also share services, and we have long argued for national frameworks that free councils to make the decisions that matter. No

[82] STUC, *Take the Workers' Inquiry*, https://www.stuc.org.uk/news/stuc-events/are-you-a-public-sector-worker--take-the-the-workers-inquiry-public-services-for-the-peopl/

reform is possible without a serious local taxation reform and devolution of finances to the new councils

While public services in Scotland could be more integrated, reform needs to recognise the need for joined-up reform. The NHS needs a working social care system, and local authority services need to work together to deliver outcomes. The Scottish Government needs to pull its rather piecemeal proposals together to deliver better public services. A structure based on subsidiarity that delivers better outcomes for everyone in Scotland.

Author and Acknowledgements

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Reforming Public Services in Scotland: Putting Power Back in Local Hands

Public service reform is once again at the centre of Scotland's political debate. But will the Scottish Government's latest proposals deliver better services, or simply create bigger bureaucracies in the pursuit of financial savings?

This report examines the proposed reforms to the NHS, social care, civil service, quangos and local government, assessing their implications and the challenges they present. It questions the case for large-scale centralisation, highlighting the lack of credible business plans, workforce strategies and meaningful consultation underpinning many of the proposals.

Drawing on a decade of research by the Reid Foundation, the report makes the case for a fundamentally different approach: subsidiarity – devolving power and decision-making to the lowest level at which they can be exercised effectively.

Rather than reorganising structures for the sake of efficiency, Scotland needs joined-up public service reform that strengthens local democracy, empowers communities, improves health and social care, and gives local authorities the financial powers to deliver.

The central question is not how Scotland can centralise its public services more efficiently, but how it can make them more accountable, responsive and effective for the people they serve.