



STRENGTHENING LOCAL DEMOCRACY IN SCOTLAND: A CASE FOR ACTION AND A PLAN FOR CHANGE



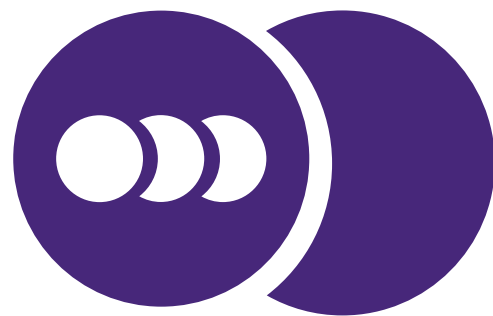
Strong communities start



with Local Government

ABOUT THIS

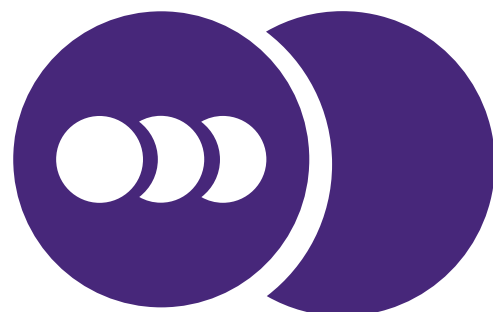
PAPER



This white paper has been developed by COSLA as part of its national leadership role in strengthening Scotland’s system of local democracy. It is intended not only for councils and elected members, but also for new parliamentarians, partners across the public sector, civil society organisations, and members of the public who are interested in how local governance can be renewed. COSLA represents all 32 of Scotland’s councils and works in partnership with the Scottish Government to ensure decisions, resources and responsibilities are aligned with the needs and priorities of communities.

EXECUTIVE

SUMMARY



Local democracy in Scotland is under increasing strain, with councils facing restricted flexibility, constrained funding and growing pressures on services. These challenges affect the resilience, life opportunities and growth of communities and the trust in Scotland’s wider system of public governance. The European Charter of Local Self-Government, now enacted in Scotland, creates a vital opportunity to reset national-local relations on a clearer, more balanced and more transparent basis. This paper sets out why reform is needed, how the Charter provides a shared framework for change, and the role COSLA will play in leading the next phase of implementation through a dedicated Charter Implementation Programme that aims to help renew local democracy for all.

PURPOSE



The purpose of this white paper is to set out why Scotland must strengthen its system of local democracy, what conditions need to change, and how COSLA can lead and be part of that transformation. It explains the pressures facing local government, including centralised policy frameworks, constrained financial flexibility, and declining public trust, and highlights the opportunity created by the European Charter of Local Self-Government and the Verity House Agreement. The Verity House Agreement is the shared framework between the Scottish Government and local government, setting out principles of partnership, mutual assurance and accountability and respect for local democratic leadership.

The report aims to demonstrate why a clearer national-local settlement is essential, how the Charter can act as a foundation for rebalancing powers, strengthening democratic leadership and improving outcomes for individuals, families and communities, and why COSLA must take a proactive role in shaping, safeguarding and implementing future reform. Ultimately its purpose is to provide a strategic basis for developing a Charter Implementation Plan that supports councils, influences national reform pathways and rebuilds the legitimacy and resilience of local democratic governance and communities in Scotland.

As part of developing this strategy, it will also be important to ensure that the Scottish Parliament is fully aware and continues to support the Charter and its implications for Scotland's system of local governance.



THE DEMOCRATIC PROBLEM: A SYSTEM UNDER STRAIN

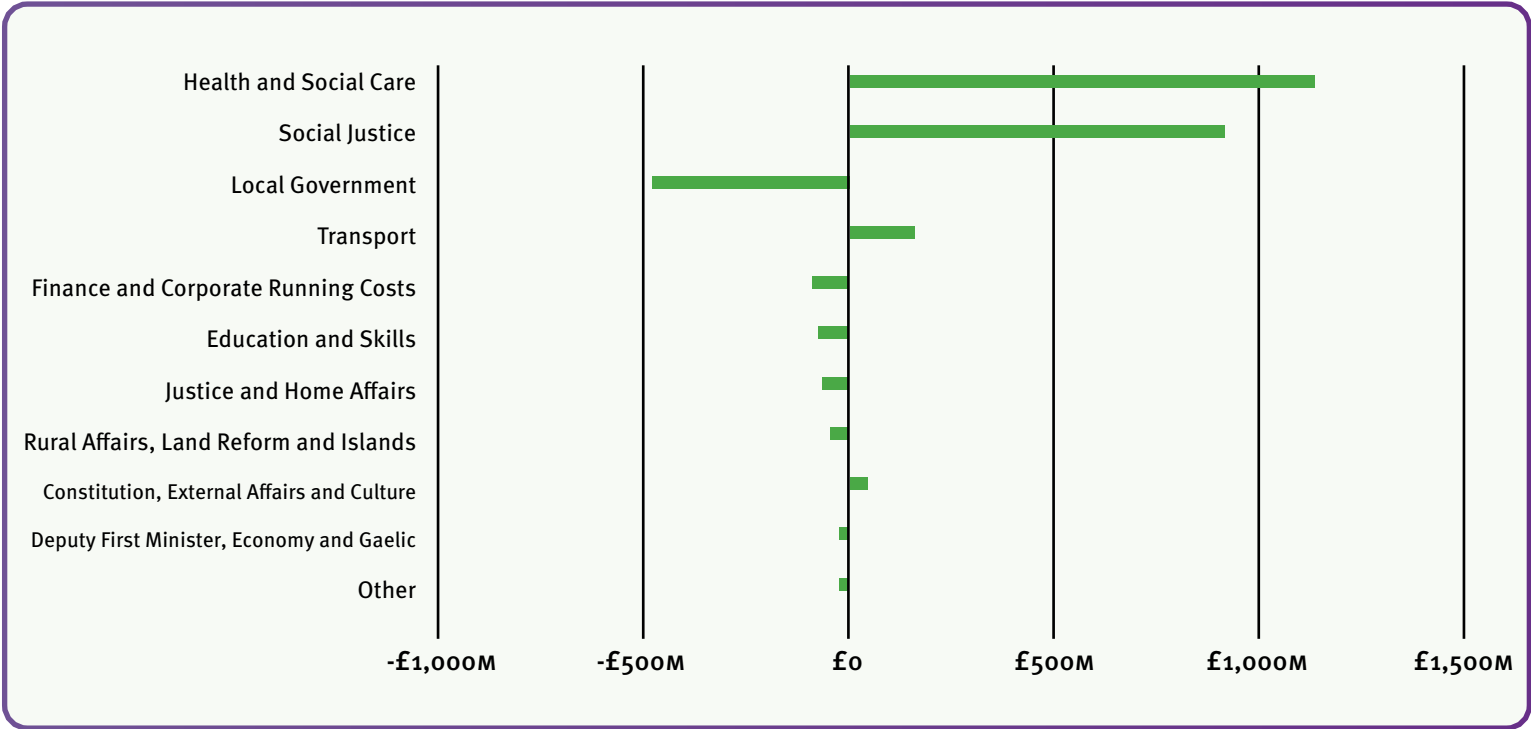


Councils face restricted flexibility due to centralised national frameworks and complex accountability mechanisms. Financial constraints reduce autonomy, with directed and ring-fenced funding limiting councils’ ability to innovate, involve and impact the lives of those in their communities. In practice, around three-quarters of local government budgets are effectively directed, with a further 7% formally ring-fenced, leaving only a small proportion genuinely flexible for local decision-making. Meanwhile, councils remain responsible for delivering

national outcomes without the necessary degree of local discretion to meet local needs or adequate funding to fit local demographics and geographies.

At the same time, overall resources available to local government have been under sustained pressure, with funding failing to keep pace with rising demand, cost inflation, and national policy commitments. This erosion of core funding further constrains councils’ capacity to invest in prevention, sustain services, or respond to local priorities.

Changes in day-to-day spending between 2025-26 and 2028-29 by portfolio



Source: Scottish Fiscal Commission

These pressures contribute directly to declining public trust in local democratic institutions, as communities see councils held accountable for outcomes, which they have limited power to shape in ways that will be meaningful for the communities which they serve. These pressures are not isolated local issues; they have national implications. A system in which local government lacks the autonomy, resources and flexibility to respond to need ultimately affects Scotland's wider public service landscape, the achievement of national outcomes, and the public's confidence in democratic institutions at all levels. Strengthening local governance is therefore central to strengthening Scotland's overall democratic system, recognising that democracy begins and ends in local communities.

At the same time, increasingly hostile and abusive public discourse, particularly online, is creating barriers to public office, with many elected members reporting rising levels of intimidation

and women in particular being disproportionately deterred from entering or remaining in local politics.

Taken together, these trends undermine local democracy further by discouraging the leaders of tomorrow from stepping forward, weakening the future pipeline of elected representatives.

COSLA's national leadership has repeatedly underscored that rebuilding trust in politics starts with strengthening local voice and empowering councils to act with confidence in their communities to deliver real and lasting change.

These dynamics make a clear national-local settlement essential; the European Charter of Local Self-Government provides the legal and practical framework to reset responsibilities, resources and accountability at the right level. It acknowledges that decisions are often best taken locally involving and by the people that they affect most.



WHY THE EUROPEAN CHARTER MATTERS



The European Charter, which is now enacted, provides the legal and constitutional framework that underpins and strengthens the Verity House Agreement, giving local government a firmer basis for asserting subsidiarity and adequate resourcing, an essential safeguard given recent instances where the Agreement's partnership commitments have not been adhered to, particularly in education and social care policy.

But its potential depends on COSLA adopting it proactively as a lever for reform and a safeguard against further centralisation by government and parliament. Using the Charter proactively

also provides a consistent test for wider reform proposals – welcoming change that strengthens local leadership while resisting centralising drift where decisions become further removed from the people and communities, they are intended to affect.

This aligns with COSLA's wider commitment to strengthening local democracy and expanding community-level influence over decision-making, as highlighted through the shared Local Governance Review work of Single Authority Models and Democracy Matters.



OUR ROLE IN NATIONAL REFORM



Discussions within the Local Governance Review, the emerging route map for Scotland's public service reform agenda, and parallel national initiatives raise the possibility of structural reforms, including consolidation or Single Authority-type models. Single Authority-type models refer to structural reforms that consolidate national responsibilities within single-purpose bodies, bringing greater synergy with democratically elected, multi-service local authorities.

It is important that these initiatives create space for positive change, ensuring reform is driven by community need with a focus on outcomes. COSLA and its members will play a constructive leadership role, welcoming dialogue while ensuring that any reform is tested against

democratic accountability, improved outcomes, and the long-term stewardship role councils play within communities.

As the democratically elected bodies that manage the majority of public funding at local level and steward long-term investment in communities, councils hold unique responsibilities that cannot be replicated by single-issue bodies or networks of narrowly focused stakeholders. Their mandate is to represent and balance the needs of whole communities. Reform must therefore strengthen, not dilute, the role of councils in democratic leadership, local accountability and the stewardship of Scotland's public services. Translating these principles into practice depends on a small number of system shifts.



WHAT MUST CHANGE: SYSTEM PRIORITIES



Multi-year sustainable funding restored local discretion, stronger partnership through the Verity House Agreement, and practical embedding of the Charter must be central to Scotland's democratic renewal. Preventative investment and local autonomy depend on fiscal stability and clear, shared accountability.

Alongside these system changes, there is also a need to improve the quality of public discourse and ensure the public has clearer, more accessible information about how local government works, helping to rebuild trust

and support more constructive democratic engagement.

To land these shifts consistently across Scotland, COSLA will lead a focused Charter Implementation Programme that makes the framework real in day-to-day decisions.

Delivering these system changes aligns directly with COSLA's corporate priorities set out in the COSLA plan 2022-27, particularly the commitment to strengthen local democracy and secure multi-year funding for councils.



DRIVING REFORM

THROUGH THE

EUROPEAN CHARTER



The Scottish Government's ongoing work on public service reform, prevention, fiscal sustainability and democratic renewal creates an important opportunity for shared progress. This paper is intended to support that agenda by offering a practical route to embed the Charter as a common framework for decision-making across national and local government.

The new parliamentary cycle creates a pivotal moment to reset national-local relations and put the European Charter into practice for the benefit of Scotland's communities. With the Charter enacted and the shared commitment with Scottish Government of the Local Governance Review to still shape the future of local decision-making, COSLA has a critical opportunity to lead from the front.

A focused Charter Implementation Programme would ensure councils can use the Charter as a practical lever for greater autonomy, stronger subsidiarity and a more balanced partnership with national government and parliament. This moment must be seized to reaffirm councils as democratic leaders rooted in their communities - anchoring Scotland's future system of local governance and realising preventative public services for future generations.

The ongoing Local Governance Review, jointly led by COSLA and the Scottish Government, further underlines the need for a clear framework to guide how powers and resources are shared across Scotland's diverse communities.



A Clear Next Step: COSLA's Role in Implementing the Charter

With Convention's approval of the white paper, COSLA will now initiate the development of a comprehensive Charter Implementation Programme. This programme will translate the Charter's principles into practical tools, guidance and system reforms that can be embedded consistently across Scotland. Its purpose is to ensure that the Charter becomes an active lever for change, guiding national policymaking, recognising the sovereignty, strengthening subsidiarity, improving alignment between responsibilities and resources, and reinforcing public confidence in local democratic leadership.



The Case for a COSLA-led Charter Implementation Programme

COSLA requires a structured Programme to translate the Charter into a practical, strategic, and political framework. This includes influencing national reform, providing councils with tools to embed the Charter, strengthening COSLA's national advocacy, and shaping a public narrative that restores trust in local democracy.

With a new Scottish Government yet to articulate a clear vision for how the Charter will be implemented, there is a significant opportunity for COSLA to lead – defining what meaningful implementation looks like in practice and ensuring it reflects local democratic priorities rather than central direction.

A Charter Implementation Programme also builds on COSLA's long-standing Commission for Scottish Local Government, which places empowered councils and empowered communities at the heart of Scotland's future governance model.

To deliver this, the Charter Implementation Programme will:

- Provide councils with practical tools and assessment frameworks to apply the Charter in everyday decision making
- Develop a shared national approach to testing subsidiarity, local discretion and the impact of funding decisions on local autonomy
- Support a public-facing narrative that improves understanding of the role of local government and strengthens trust in democratic processes.



NEXT STEPS



Having received approval from Convention, the Charter Implementation Programme is now being developed, with an initial framework and set of priorities brought forward early in the new parliamentary cycle.

We will now deliver a focused piece of work and bring back to Convention a clear, cross-cutting strategy that sets the national-local settlement for the next parliamentary period. This will draw together the core elements of a Charter Implementation Plan, set out COSLA's governance vision and develop the evidence, tools and practical support councils need to embed the Charter consistently across all policy areas.

A fully developed, system-wide strategy will be brought back to Convention for collective agreement, setting the direction for COSLA's approach to national-local relations in the next parliamentary period.

This will include work to improve public understanding of local government and strengthen the quality of democratic discourse, ensuring the Charter drives a healthier and more resilient democratic culture across Scotland.

PROPOSED STRATEGIC APPROACH

COSLA proposes the establishment of a jointly agreed Charter Implementation Programme, delivered in partnership with the Scottish Government and parliament.

This programme would focus on four priority areas:



Establishing the Charter as a system-wide test

Agreeing a shared approach to assessing the impact of national policy, legislation and funding decisions on local autonomy, resourcing and accountability.



Reforming the fiscal framework for local government

Developing multi-year funding arrangements, reducing reliance on directed and ring-fenced funding, and ensuring that resources are aligned with local responsibilities.



Embedding subsidiarity in decision-making

Agreeing a clear presumption in favour of local decision-making, with national intervention applied only where necessary and with transparent justification.



Strengthening democratic leadership and public trust

Working jointly to improve public understanding of local government, support elected members, and promote a more constructive democratic environment.

WHAT COSLA IS SEEKING FROM A NEW SCOTTISH GOVERNMENT / PARLIAMENT



A joint commitment to implement the Charter in practice

Recognising the Charter as the shared framework underpinning national and local decision-making.



The development of a strengthened fiscal framework

Including multi-year settlements and greater local flexibility over the use of resources.



A formal approach to subsidiarity

Establishing clear principles to guide where decisions should sit within Scotland's system of governance.



A strengthened partnership based on parity of esteem

Building on the Verity House Agreement to ensure local government is engaged as an equal partner in shaping policy, reform and funding decisions.

INTENDED IMPACT

A jointly agreed approach to implementing the Charter will support:

- Better alignment between responsibilities and resources
- Greater local flexibility and responsiveness to community needs
- Stronger, more visible democratic leadership
- Improved public confidence in Scotland's system of governance

Scotland now has a unique opportunity to renew its system of local democracy and create a stronger, more balanced partnership between national and local government. The enactment of the European Charter provides the statutory foundation for this transformation, and COSLA's Charter Implementation Programme will ensure that it is delivered in practice. By strengthening local autonomy, improving the alignment of resources and responsibilities, and supporting constructive democratic engagement, Scotland can build a more resilient, trusted and community focused system of governance for the future.

Strong communities start



with Local Government