



The Scottish Parliament
Pàrlamaid na h-Alba

Local Government, Housing and Planning Committee

Jo Armstrong
Chair
Accounts Commission

4 July 2025

Dear Jo,

The Local Government, Housing and Planning Committee will focus on public service reform as part of its pre-budget scrutiny of the 2026-27 Scottish Budget. It hopes to explore the following key questions:

1. How have local authorities been reforming public services in recent years?
2. What is preventing councils from achieving “transformative change”?
3. Given local government’s claims that efficiencies have been achieved over the past 15 years, what impacts have these had on service users?
4. What support is available to councils looking at ways of reforming how they deliver services?
5. The extent to which local authorities have engaged with the Scottish Government’s Invest to Save fund.
6. Whether the Invest to Save Fund will continue and expand in future years.
7. To what extent would multi-year funding packages help local authorities make changes to how they deliver services?
8. What progress has been made over the past 2 years towards the Verity House Agreement’s ambition of working “together strategically to advance public service reform”?

The Committee understands that the Accounts Commission may not be able to answer all of these questions, however you may have views on some of them.

Last September, you [told this Committee](#):

“To ensure financial sustainability and to protect services not just now but in the future, transformation on a scale that we have not seen before must be

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encouraged and enabled across the whole system of public service—not just local government. Without that, communities will suffer.”

In your subsequent [Transformation in Councils report](#), you identified five areas where you expected to see progress during 2024 and 2025. These were:

- local government, the Scottish Government and CPP partners to make significant progress in agreeing a future operating model for councils,
- the local government sector to initiate a coordinated public engagement campaign to obtain agreement on the future operating model for councils,
- Solace and the Improvement Service to sustain momentum of their Transformation (including more clarity on timescales, costs, resources, outcomes, outputs and impact),
- COSLA and the Scottish Government to make sustained progress on the commitments within the VHA including to agree a fiscal framework, an accountability and assurance framework and to conclude the Local Governance Review
- individual councils to prioritise and urgently progress the delivery of their local transformation ambitions and engage effectively in sector-led transformation activity.

The Committee would like to understand what progress has been made in these five areas since your report was published. It would also like to explore how the forthcoming Scottish Budget could help support transformation efforts in local government.

Finally, we note the publication of the Scottish Government’s [public service reform strategy](#) on the 19 June 2025. The Committee is interested in understanding the extent to which the Commission engaged with the Scottish Government in the development of its strategy and whether the document supports local government’s aims in this area. It would also be helpful to know if the Accounts Commission will sit on the Public Service Reform Board.

I would be grateful to receive your response no later than 29th August.

Yours sincerely,

Ariane Burgess MSP
Convener