Convener of the Local Government Housing and Planning Committee

Sent via email: localgov.committee@parliament.scot

Our ref: A54913537 17 December 2025

Dear Convenor

I wrote to you on 28 October 2025 to advise of my intention to lay a Scottish Statutory Instrument in Parliament on 19 December 2025, to enable a local authority to provide goods and services to any person without first requiring Ministerial consent. This was intended to provide greater, more immediate empowerment to Local Government whilst a general power of competence or similar primary legislation options are considered.

The draft SSI, the Local Authority (Commercial Services Income Limit) (Scotland) Order 2025, and accompanying statutory guidance were issued for consultation with COSLA, Local Government and wider stakeholders, following the First Minister's announcement of the proposed statutory measures at the COSLA conference in November.

To align with the Parliamentary laying date of 19 December a standard four-week consultation period was provided, from 14 November to 12 December, to ensure that consultation responses could be reflected in the final drafting of the statutory instrument.

COSLA Leaders considered the draft statutory instrument and accompanying guidance at their monthly meeting on 28 November. Subsequently, Councillor Steven Heddle, COSLA Vice President, wrote to me to request further time to respond to the consultation.

The letter commends the proposed statutory instrument as a "welcome signal of Scottish Government's intent to explore ways through which to deliver greater local empowerment", however also noting that "COSLA Leaders…agreed that a delay to it being laid would be welcomed…to ensure that local authorities have sufficient time to fully assess the opportunities, risks and implications of the measure."

The letter acknowledges that this may mean that the statutory instrument would have to be delayed until the next Parliament and be subject to re-approval from the incoming Scottish Government. Unfortunately, it has not been possible to find another laying slot within the current Parliamentary term and therefore the statutory instrument will require reconsideration in 2026-27.

In my letter to you of 28 October I also advised that we intend to introduce a further statutory instrument in 2026/27 to widen the scope of the existing 'power to advance wellbeing' contained in the Local Government in Scotland Act 2003. This measure will again provide more immediate, greater financial freedom to local authorities

whilst primary legislation options are explored for 2027/28. Councillor Heddle's letter welcomes the commitment to this as "another valuable avenue that could support local innovation"

In terms of next steps, a working group including representatives from COSLA and Local Government will be established in February 2026 to consider how best to widen the scope of the existing 'power to advance wellbeing' to provide greater financial freedom to local authorities from 2026/27 onwards whilst the introduction of a general power of competence or similar legislation is considered for 2027/28. As COSLA Leaders are content to defer the Local Authority (Commercial Services Income Limit) (Scotland) Order 2025 until 2026/27, consideration of this can now be accommodated within the working group which will be established in February 2026.

I have asked my officials to secure early laying slots in 2026/27 for both of the proposed statutory instruments to ensure that, subject to the incoming government's agreement, these measures can be delivered as early as possible in the next Parliamentary session. Officials will also support incoming Ministers to keep the relevant committees updated in turn.

Yours sincerely,

Shona Robison
Cabinet Secretary for Finance and Local Government