Agenda Item 3.2

NHS Highland

Meeting:	**Highland Health and Social Care Committee**
Meeting date:	**4th March 2026**
Title:	**SDS Assurance Report 2025/26**
Responsible Executive/Non-Executive:	**Arlene Johnstone, Chief Officer**
Report Author:	**Ruth MacDonald, Interim Deputy Director, Adult Social Work** **Ian Thomson, Head of Service: Quality Assurance; Adult Social Care**

Report Recommendation:

The Committee is asked to **Consider** the content of the report and take **moderate Assurance**.

1 Purpose

Please select one item in each section ***and delete the others***.

This is presented to the Board for:

- Assurance

This report relates to a:

- Government policy/directive
- Legal requirement
- Local policy
- NHS Board/Integration Joint Board Strategy or Direction

This report will align to the following NHS Scotland quality ambition(s):

Safe, Effective and Person Centred

This report relates to the following Strategic Outcome(s)

Start Well		Thrive Well	x	Stay Well	x	Anchor Well	x
Grow Well		Listen Well	x	Nurture Well	x	Plan Well	x
Care Well	x	Live Well	x	Respond Well	x	Treat Well	x

Journey Well	x	Age Well	x	End Well	x	Value Well	x
Perform well		Progress well		**All** Well Themes			

2 Report summary

2.1 Situation

Self-Directed Support (SDS) is the mainstream approach to delivering social care in Scotland, with the aim of enabling people to live their life to the full, as equal, confident and valued citizens.

The Highland Health and Social Care Partnership believe adopting the ethos of Self-Directed support can lead to the development of a healthier population living within more vibrant communities and is key to achieving a fairer Highland.

We are seeking to put the principles of independent living into practice to enable people to be active citizens in their communities. The social model of disability, the ethos of Self-directed support can be seen to contribute to the reduction or removal of the physical, organisational, or attitudinal barriers that many people experience in the world around them.

Our approach to Self-directed support is about offering flexibility, choice and control and about people having a decent quality of life. It is ultimately about promoting confidence and wellbeing for adults with social care needs.

The HSCC have previously been appraised in relation to all work under the umbrella of Self-Directed support. Over the past 12 months there has been targeted work in relation to transformation and local care models. This work is embedded in the principles of SDS and there is a clear interface, but the update is specifically referenced in a separate report, ASC Transformation Report.

This dedicated approach, in relation to transformation in Highland, does demonstrate progression in relation to the shift in practice to reflect the ethos that underpinned the legislation i.e. stronger, conversational and relationship-based practice which supports the tailoring of care around individuals' particular circumstances.

Therefore, this report will focus on the delivery of social care via the 4 options as defined by the Act and associated improvement work in relation to this and the ASC Transformation Report in Highland will focus on the essential area of activity that wraps around statutory provision and enables self-determination and self-supporting communities.

2.2 Background

Option 1 – Direct Payments

As evidenced within the IPQR there has been an ongoing and sustained growth in Option 1 Direct Payments. From 2022 to date there has been almost a 100%

increase to 880 people now receiving a direct payment. This has stabilised somewhat over the past year where growth has slowed but still shown a steady rise.

We are mindful of the ongoing and sustained pressures in relation to the provision of adult social care, particularly in relation to recruitment and retention of staff. Therefore, it is noted that there has been a significant amount of 'hand backs' of direct payment monies. There can often be specific and appropriate reasons for this in terms of changes in circumstances. However, a large proportion is in relation to inability to source care. This in turn means potential risk and pressure for individuals and their unpaid carers if assessed care cannot be provided.

Developing Personal Assistant Networks

NHS Highland recognises that while the option of a direct payment enables choice flexibility and control, by either becoming an employer or working as a Personal Assistant (PA) this can be new and isolating so it is essential that support structures are in place to ensure individuals are informed and supported. Over the past 12 months there has been further development by NHS Highland and partners in this area including;

- Ongoing work both in-person and on-line to promote the role of PAs and Self-employed PAs in local communities.
- Some dedicated SDS events and other efforts part of larger Recruitment initiatives.
- Co-ordinated alongside Personal Assistant Network Scotland (PANS); Community Contacts (Highland's Support in the Right Direction Provider (SIRD)) and NHSH ASC Recruitment etc.

Specifically, we do know that demand on SIRD remains high. They provide a valued role both to professionals and supported people. This includes supporting people to find appropriate personal assistance can be a detailed and involved part of their role. Work is underway to use the Transformation fund to increase capacity to support the development of a Highland Care Model (as outlined in the ASC Transformation report) The growth, but importantly the support and quality of personal assistance, is essential in this area of work.

Business support mechanisms to support Direct Payments

Direct Payment Agreement

A task and finish group was initiated this year as it was recognised that the Direct Payment Agreement (DPA)required updating.

NHS Highland has now updated the DPA for Self-Directed Support (Option 1) This is a key process improvement that will make the expectations clearer for those managing a direct payment, as we currently have more than 880 people receiving an Option 1. The process change permits us to timely expedite accumulations which can be re-invested and will also reduce the financial risk to NHS Highland by mitigating any large balances remaining with cardholders.

This was completed following an internal review as highlighted above, then externally with our partners at Carr Gomm, who were supportive of the change. Service recipients were also informed in April 2025 when we wrote to confirm the updated rates for 2025-26, that we were initiating an improvement review to this legacy agreement which has been in place for over 10 years.

The revised agreement, effective 1 March 2026, improves clarity and aligns with current legal and compliance requirements.

Key Changes:

- Simplified language for easier understanding.
- Clearer roles & responsibilities for all parties.
- Financial management measures, including reclaiming of excess funds.
- There is no action required by recipients; the agreement applies automatically from 1 March 2026.
- This does not impact the service user's payment amounts or assessed care needs.

Direct Payment Card Issues

During July 2025, NHS Highland identified a system failure affecting access to SDS payment card accounts, preventing some users from paying personal assistants and care providers. (The provider of SDS payment cards is an external company). Emergency payment arrangements were quickly implemented, though high call volumes and limited technical capacity delayed full resolution. Despite partial system recovery, inconsistent access impacted SDS Officers and many cardholders. Emergency payments were made via Highland Brokerage with additional payments also paid direct to personal assistants to maintain service continuity. Core card services were largely restored by 24 July 2025.

SDS Officers prioritised payments to Personal Assistants during this period of system instability and to start to address the backlog and support service users, NHS Highland has successfully recruited to an additional SDS Support Officer on a 6-month secondment.

NHS Highland acknowledged in writing on 31 July that this was a difficult period for users of the payment card and we remain committed to supporting you and will be addressing these issues with the payment card provider in due course to ensure that this situation is not repeated.

The card system is currently working as expected and there has been no repeat of the unacceptable system issues during the period from August 2025 to February 2026.

Option 2 – Independent Service Funds

Growth with take up of Option 2 to continue to rise, albeit at a much slower pace than those in receipt of Option1. Data in the IPQR shows an approximate increase of 45 packages over the past 12 months.

It is acknowledged that this area of service delivery requires some development and innovation therefore it is a specific are of work in terms of transformation and local care models. That said, in its current form it remains an accessible and appropriate option for many individuals, but its potential has not been fully realised.

Option 3 – Traditional Services

While the delivery of traditional services is a core part of Self-Directed Support it this area of service delivery is reported on as a specific part of our social care infrastructure. However, it is encouraging to note that Option 3 services are showing a slight decline in comparison to the increase in Options 1&2 as this meets the expectations of the Joint Strategic Plan, the draft Commissioning Strategy and forms part of considerations in relation to pending Market Facilitation planning. However, some of the reductions are in relation to significant market challenges and financial stressors (impacting on the whole care sector)

As described earlier in this report the provision of social care in Highland communities continue to be challenging due to recruitment and retention. The additional factors in relation to demographics, housing and general job market are well understood locally as barriers to having a stable social care workforce.

Refresher of Policies and Procedures

There is a project in place to ensure our policies and procedures conform to the SDS Framework of Standards. This is underway using the methodology of the SDS Learning and Improvement Framework (co-produced in Highland) to structure the work. To date this has included significant engagement of professionals and people who receive SDS Options 1 and 2 to understand their perspective and expectations. The outcome is that focus areas for improvement include:

- More flexibility and choice in using an Individual Budget.
- Much better Option 2 offering, including Brokerage.
- Availability of clearer “start-up” information.

Highland and National Links

Highland continues to be well represented in Social Work Scotland’s SDS Community of Practice. Highland presented at last year’s SDS Scotland Conference on using learning to shape our work. This is demonstrated through our co production approach. Our SDS Partners, including Healthcare Improvement Scotland, are working with us to support the Ethical Commissioning approach in Highland.

2.3 Assessment

There is an ongoing commitment and high level of activity in relation to meeting the objectives set out within the SDS Strategy. It is recognised that the principles and duties in relation to Self-Directed support along with the developing connection with community led support is a key foundation of transformational change. The aim is to ensure that outcomes for people are met, in their communities, within the current resources available, both in relation to finance and working aged people interested in the caring profession.

Work had progressed robustly and effectively since the last annual update with further dedicated support internally and externally being provided to the overall work connected to SDS.

NHS Highland has a robust diagnostic of successful embedded work to date and the ongoing work required to fully realising the potential of SDS.

2.4 Proposed level of Assurance

Please describe what your report is providing assurance against and what level(s) is/are being proposed:

Substantial		Moderate	x
Limited		None	

Comment on the level of assurance

A moderate level of assurance is provided as despite their being a solid diagnostic and work plan, it is recognised that this ongoing programme of evolving improvements requires dedicated input and whole system change. This can only take place at a pace that our current staff and systems can realistically cope with as there is a requirement to respond to risks and pressures within other parts of the service. Therefore, while work is moving successfully in the right direction the pace needs to be considered and proportionate.

3 Impact Analysis

3.1 Quality/ Individual Care

The progression in relation to offering all options via SDS will only strengthen individual outcomes and reduce risks. However, some of the described barriers will at times impact on care delivery.

3.2 Workforce

The workforce across the whole care sector is pressured. The importance of supporting the workforce is recognised and demonstrated through some of the developments in relation to PA networks.

3.3 Financial

3.4 Risk Assessment/Management

3.5 Data Protection

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3.6 Equality and Diversity, including health inequalities

3.7 Other impacts

3.8 Communication, involvement, engagement and consultation

The SDS Strategy and associated work is in the main, developed and delivered using a co-production method. Ensuring and enabling key stakeholders to be part of shaping service delivery.

3.9 Route to the Meeting

4.1 List of appendices