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Agenda Item 11

NHS Highland

Meeting:	**Board Meeting**
Meeting date:	**30 September 2025**
Title:	**Single Authority Model Update**
Responsible Executive/Non-Executive:	**Gareth Adkins, Director of People & Culture**
Report Author:	**Gareth Adkins, Director of People & Culture**

Report Recommendation:

The Board is asked to:

- **Note** the ongoing collaborative working that has been undertaken by local partners in respect of developing potential options for a SAM in Argyll and Bute and take **substantial assurance**.
- **Accept** the recommended views of the SLWG that options 4 and 5 are reported to the Scottish Government by end September as the preferred models at this point in time subject to further investigation to support the development of detailed proposals;
- **Agree** that authority is delegated to the Chief Executive and Executive Director with responsibility for Legal and Regulatory Support, in consultation with the Leader of the Council and the Policy Lead for Care Services, to utilise the Invest to Save Fund in accordance with the spend conditions set out by the Scottish Government.

1 Purpose

This is presented to the Board for:

- Assurance
- Decision

This report relates to a:

- NHS Board/Integration Joint Board Strategy or Direction

This aligns to the following NHSScotland quality ambition(s):

- Effective and Person Centred

This report relates to the following Strategic Outcome(s)

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

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Journey Well		Age Well		End Well		Value Well	
Perform well	X	Progress well	X				

2 Report summary

2.1 Situation

The concept of a Single Authority Model (SAM) within the context of public sector reform has been discussed at a previous board development session in August 2023.

Since then, there have been ongoing discussions amongst various stakeholders in relation to progressing development of the SAM concept in Argyll and Bute, including the possibility of this including health, thereby impacting the existing health and social care integration arrangements.

Officers have been working in partnership with colleagues from Argyll and Bute HSCP, NHS Highland, the Scottish Government (SG), COSLA, and other local authorities, such as Western Isles and Orkney, over a period of time to explore the potential benefits and opportunities of alternative governance arrangements, such as a Single Authority Model (SAM).

Following on from previous update reports, with the latest of these to Council in June 2025 and NHS Highland in July 2025, this paper provides a further update on the development work that has been undertaken in respect of exploring options for a SAM and makes recommendations in terms of proposed next steps.

2.2 Background

Argyll and Bute is made up of a rich mix of remote, rural and island communities, which present a number of challenges in terms of service delivery. In recognition of the unique demographics and geography, and the numerous strands of public sector reform that the SG has committed to, we recognise that a shift in public sector structures may be required to fulfil the ambition laid out in policy. Building on the current collaborative/joint working arrangements and the relative success of fully integrated health and social care services, a whole system approach is required.

Public sector service sustainability in Argyll and Bute requires a multi-agency integrated model. Greater integration, collaboration and coordination through joined up strategic planning and delivery of public sector services could deliver better outcomes for the population of Argyll and Bute.

The exploration of SAMs forms part of a wider package of public sector reform being driven at a national level including:-

a) The Local Governance Review was launched jointly by COSLA and the SG in December 2017 with the aim of exploring how power, responsibilities and resources might by shared between local and national government, and with communities. A key element of this work relates to Democracy Matters, which has involved two rounds of consultation by the SG. The latest, phase 2, findings were published in

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September 2024 and the SG have established a steering group to develop potential models/options for streamlining the community empowerment landscape.

b) COSLA's Plan (2022-2027) confirms that the Local Governance Review remains a key priority, and supports the following three inter-related empowerments as set out by the SG:

i. Community Empowerment through a new relationship with public services where communities have greater control over decisions.
ii. Functional Empowerment of public sector partners to better share resources and work together.
iii. Fiscal Empowerment of democratic decision-makers to deliver locally identified priorities.

c) Programme for Government

i. 2024-25 Programme included a commitment to "*continue to make progress towards concluding the joint review of local governance by the end of this parliamentary session*'" and this includes developing single authority models (SAMs) with local government and health partners to strengthen and streamline local decision making, and support a shift towards more preventative public services.
ii. 2025-2026 Programme states that by the end of the Parliament the SG will publish "*preferred models for Single Authority Models in Argyll and Bute, Orkney and Western Isles that have been developed jointly by local government and health and enable a shift towards prevention. This will include a plan and timeline for implementation, with at least one area transitioning to shadow arrangements."*

d) The 'Public Sector Reform Strategy' was published in June 2025. Within Workstream 3 – Empowering People, Places and Communities – there is a commitment to *"Empower local government and health partners to strengthen and streamline local decision-making through the development of Single Authority Models in three rural and island local areas, resulting in improved service delivery, better outcomes for communities and a shift towards more preventative public services. We will promote and share learning to inform local governance reform in other geographies."*

e) Health and Social Care Service Renewal Framework was also published in June 2025 and reinforces the importance of whole-system planning and governance, and that all planning must demonstrate partnership working across the public sector. SAMs are cited as being an opportunity to explore the role of alternative local governance arrangements in delivering service renewal, with a particular focus on health and social care, and to develop local decision-making arrangements which can best respond to the unique challenges faced by communities.

f) Scotland's Population Health Framework sets out the SG and COSLA's long term collective approach to improving Scotland's health and reducing health inequalities for the next decade. The conclusion of the Local Governance Review and the establishment of Single Authority Models in rural and island areas such as Argyll and Bute, Western Isles and Orkney, will provide key learning and insights into new place-based approaches for Scotland. Work led by Democracy Matters will also provide blueprints for innovative, democratic community-level decision-making models.

Any proposals developed for a SAM for Argyll and Bute will require to have regard to the outcomes and principles set out in the above publications. The SG have also provided guidance on additional national reform parameters which we should work within when exploring potential models. These are summarised below, with further detail provided in section 4.3.5 below and in appendix 1:-

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- Health bodies and integration authorities will retain their respective responsibilities for clinical governance
- No detriment to terms and conditions, pay or pensions
- No loss of skills or expertise
- Protection of employment in line with the public sector pay policy
- Some health law was not devolved to the Scottish Parliament. Matters such as professional regulation are addressed at UK level. Anything that falls within this category is out of scope for SAMs.
- Scottish Government will retain responsibility for development of current and future national policy and strategy relating to Primary Care
- As Scottish Ministers will retain overall responsibility for health service provision, suitable lines of accountability to Scottish Ministers must remain in place.
- As above, consideration should be given to existing arrangements and frameworks when developing proposals, however partners do not need to be limited by the current legislative context where this would stand in the way of delivering an optimal model.
- Financial governance - the Director-General Health & Social Care/ Chief Executive of NHS Scotland and all accountable officers will be expected to continue to carry out their responsibilities when evaluating any proposals for a SAM.
- Health Boards - any proposals should recognise that there must be a health board in place to carry out the various legal responsibilities (of a health board) for the geographical area that the SAM will cover. This could include agreements with health boards in other geographies, as already happens for some functions. The development of any proposals for SAMs should recognise the importance of health boards collaborating with each other to optimise patient outcomes, address inequalities, and improve efficiency across the system.
- Public Bodies (Joint Working) (Scotland) Act 2014 - when developing proposals for SAMs, local partners should consider whether the aims can be achieved using the existing mechanisms in the 2014 Act. If any proposals would require changes to existing integration schemes and the integration functions, then the constituent authorities would have to follow the processes within the 2014 Act. If there are obstacles in the 2014 Act, or its associated regulations, removal of those can be considered.

The SG are facilitating quarterly Ministerial Meetings to drive forward this strand of reform. The first of these meetings took place in December 2024 and are chaired by Ivan McKee – Minister for Public Finance, and Neil Gray – Cabinet Secretary for Health and Social Care, bringing together SG officials, local partners (Health Board Chairs, Council Leaders and Council Officers from Argyll and Bute, Western Isles, and Orkey), and other relevant interests to explore the possibility of SAMs. In addition, monthly meetings are held at a local level between SG officials and local authority/health board officers.

A national workplan and timeline have also been developed, with the following key milestones in place:-

- September 2025 - local partners should aim to share first draft preferred models with the Scottish Government in September 2025. This should be accompanied by detailed plans mapping out next steps for inclusive policy development, including through extensive engagement with communities and relevant workforces. Draft preferred models should take into account the parameters guidance. In addition, they should make reference to the anticipated impact of reforms on progress against current, or refreshed, Joint Strategic Needs Assessments.

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- December 2025 - In line with previous indicative milestones that have been shared, to support Ministerial and COSLA consideration, local partners should submit detailed models to Scottish Government in December 2025.

The Scottish Government will be providing further information on the type and level of detail that local partners should submit in December 2025. The development of implementation plans will be heavily dependent on the preferred models identified, including what legislative change might be required to enable full implementation. This will be an iterative conversation between SG officials and local partners.

2.3 Assessment

SAM SLWG

Given the increasing frequency of meetings held at a national level and the ongoing pace of development with regard to the development of a SAM, there was a need to put in place arrangements to allow officers to effectively engage and contribute to these meetings on an agile and flexible basis and to facilitate ongoing dialogue with elected members outwith the formal committee structure.

To this end, the Council agreed at their meeting held on 24th April 2025, to establish a SAM SLWG to act as a sounding board and take forward the development of alternative governance models for Argyll and Bute, including the identification of a preferred model, which can be used as the basis for further consultation.

Terms of reference were also agreed as follows:-

Membership

Core membership will be minimum of 6 elected members (to be appointed by Council, along with the positions of Chair/Vice Chair who will be Councillors), Chief Executive, and the Executive Director with responsibility for Legal and Regulatory Services (supported by other officers as appropriate).

Purpose / Role of the Group

The purpose of the SAM SLWG is to undertake the development of a preferred option(s) for a SAM for Argyll and Bute, to include, amongst other things:-

- Act as a sounding board / provide advice to the Council's representatives engaged at a national level, to enable them to effectively engage with and take forward work arising from the national workplan and timescales
- Examine and assess the current options identified
- Development of an engagement and consultation strategy/programme for key stakeholders
- Commentary and recommendations on all reports going to Policy and Resources Committee and Council

Meetings and Reporting

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An agreed series of SAM SLWG meetings and reporting requirements as follows:-

- The SLWG will provide update reports to the Policy and Resources Committee
- Recommendations will be made by the Policy and Resources Committee to the full Council in respect of any decision on the identification of a preferred option.
- Initial meetings of the SLWG to take place in May/early June to progress a review of current options

The SAM SLWG, as established in April, has met on two occasions – 16th May and 3rd June 2025. Following the SLWG held on 16th May, Officers met with colleagues from the HSCP and NHS Highland to continue a collaborative approach to this work and to update on the discussions/decisions taken at the SLWG. This included agreement to extend an invitation to appropriate NHS Highland non-executive Board members to future meetings of the SLWG.

A joint meeting of the SLWG was held on 1st September 2025. The main item of business was for local partners to consider the development work undertaken to date, including an appraisal of the models identified, with the aim of coming to an agreed position on a preferred model(s) for Argyll and Bute which can be reported to the SG by end September deadline. Further details on these discussions and the options is provided in sections 4.3 and 4.4 below.

An Officer led working group has also been established to drive forward this work and to facilitate the multi agency approach being adopted for this project. The core membership of this group includes senior officer representation from across the Council, HSCP and NHS Highland.

Assessment of SAM Model Options:

The Senior Officer Working Group and joint SLWG have worked together to consider a range of information in order to make a recommendation to the full Council and NHS board on options that could be considered further to develop a SAM.

This includes:

- Success to date of the current model of health and social care integration
- The case for change
- Potential benefits of moving to a SAM
- Principles and parameters to be considered in relation to assessing options for a SAM
- SAM options
- Assessment of the options proposed for a SAM for Argyll and Bute

A key document that has informed these discussions is included at appendix 2 – A Single Authority Model For Argyll and Bute – Overview of Key Principles and Models.

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Successful Strategic Joint Working in Argyll and Bute

It has been acknowledged by both partners that health and social integration has delivered notable success through fostering good working relationships that enable collaboration and joined up strategic planning including:

i. Comprehensive Delegation: One of only two partnerships in Scotland to delegate all health and social care functions permitted by legislation, fostering close collaboration between Council and NHS Highland.
ii. Innovative Strategies for Older Adults: Development of targeted strategies for older people, promoting longer, healthier, and more independent lives.
iii. Effective Co-location of Services: Multiagency teams sharing premises in all localities, enabling daily collaboration, better care planning, and smoother hospital discharges.
iv. Flexible, Localised Care Models: Home care services tailored to the needs of different communities and closely connected with hospital pathways for the best outcomes.
v. Integrated Palliative and End-of-Life Care: Consistent, high-quality support delivered jointly by social care, district nursing, and community hospitals.
vi. Successful Joint Decision-Making: Examples such as the Kintyre Care Centre purchase demonstrate the positive impact of joint leadership and strategic working.
vii. Embracing Technology: Technology Enabled Care and digital strategies help deliver innovative solutions suited to the local geography.
viii. Community-Focused Planning: Place-based, co-productive assessments and planning ensure services reflect community needs and priorities.
ix. Prevention and Early Intervention: Long-term focus on tackling inequalities and promoting public health, particularly in the wake of the pandemic.
x. Integrated Children's Services: Fully joined-up approach from pre-conception through education, addressing child poverty and delivering on children's rights.

Case for Change

A SAM offers the opportunity to consider wider and deeper integration across public sector organisations to improve outcomes for the people of Argyll and Bute. This includes considering integration of services and functions beyond health and social care as well as opportunities for improved sustainability of existing health and social integration including workforce and financial sustainability. Key points in relation to the case for change include:

i. Successes of Integrated Working: The Argyll and Bute HSCP has achieved positive outcomes across a wide range of regulated services, credited to fully integrated service delivery under the Public Bodies (Joint Working) (Scotland) Act 2014.
ii. Potential for a Whole System Approach: Expanding beyond clinical and care services to a whole system approach could build on current successes and support more comprehensive, place-based planning tailored to community needs.

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iii. Strengthening National Policy Delivery: Enhanced arrangements would consolidate resources and capacity, enabling more effective influence and delivery of national policy, especially through a rural-focused lens.
iv. Workforce Attraction and Retention: All public sector organisations are committed to collaborating to attract and retain skilled workers, ensuring families have opportunities to grow, learn, work, and thrive locally.
v. Benefits of Full Integration: The full integration of permissible functions has already delivered many benefits, as outlined in previous successes, and provides a strong foundation for further improvement.

Benefits of a SAM

The potential benefits of a SAM are described in the paper included in Appendix 2 and can be grouped as follows:

Place based decision making and joined up strategic planning

- Tailored, Place-Based Reform: Adapts governance and decision-making to fit the unique needs of Argyll and Bute, avoiding 'one size fits all' models often imposed on rural or island areas.
- Enhanced Local Accountability and Democracy: Empowers locally accountable decision-makers with better knowledge of community needs and enables citizens to actively influence and participate in local democracy, fostering greater legitimacy and transparency.
- Expanded Democratic Participation: Increases opportunities for communities to scrutinise, analyse, and participate in public decision-making processes, enhancing the vibrancy of local democracy and accountability of service providers.

Improved service delivery and efficiency

- Improved Public Service Delivery: Aims to improve or at least maintain the quality of services despite financial constraints, aligning resources and priorities for more effective, joined-up service delivery tailored to community priorities.
- Efficient Use of Resources: Reduces duplication in management and supporting structures (e.g., multiple Chief Executives and corporate teams), enabling more efficient use of declining budgets while safeguarding vital public sector jobs and redistributing opportunities across the area.

Improving outcomes through wider integration

- Greater Integration Across Sectors: Facilitates joined-up working not just in health and social care, but also in housing, education, and other public services, supporting comprehensive approaches to longstanding challenges such as depopulation, workforce retention, and the housing emergency.
- Potential for Improved Educational Outcomes: Opens possibilities for closer collaboration between schools and further/higher education (such as UHI Argyll), potentially improving learner outcomes and resource coordination.

These categories align well and could be summarised as: - more effective joined up strategic planning across a wider range of public sector services combined

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with improved efficiency, productivity and effectiveness to improve outcomes for people.

Principles and Parameters

The following principles were developed between the two partners to guide discussions on SAM options:

i. Brand identity and professional status are key considerations for the SAM, requiring the continued prominence and protection of the NHS brand while establishing a clear identity for the new partnership.
ii. Professional roles and their associated status must also be safeguarded, with transparent plans for workforce models and engagement with professional bodies at all levels.
iii. Governance structures, including clinical and care governance, would need to ensure professional accountability across partner organisations, whether through existing models or new organisational frameworks.
iv. Any move towards a single employer model would necessitate significant legislative changes, especially regarding staff terms and conditions, which would likely remain unchanged unless beneficial alternatives are provided.

In addition, the parameters developed by Scottish Government officials (set out at section 4.1.4 above and appendix 1) to ensure SAM options were compatible with the current legislative and policy context were taken into consideration, alongside the suite of public sector reform publications set out at section 4.1.3 above.

SAM Options / Assessment

The options for a SAM are set out within appendix 2. Detailed below is an overview of each option, together with an assessment of each one. Discussions to date have focussed on narrowing down the options for further exploration through considering:

- Alignment with the benefits of the concept SAM
- Compatibility with principles and parameters
- Risks and challenges

Option 1 - Status Quo

This option would be a continuation of the current structures with the retention of the Health and Social Care Partnership with governance through the Integrated Joint Board.

This option provides continuity, but offers limited options for shared services/ efficiency savings, and doesn't offer any change from the challenges currently experienced by partners.

Benefits
It was noted that Argyll and Bute Health and Social Care Partnership has maximised the scope of delegation within the current legislative context and delivered notable successes. This option could continue to deliver effectively for the people of Argyll and Bute and there may be opportunities to further improve placed based approaches to strategic planning joined up working with other agencies to improve service delivery.

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There may be limited opportunities for improved service efficiency beyond the efficiency, productivity and effectiveness initiatives identified and progressed either jointly or within each partner organisation.

Principles and Parameters
This option would appear to be compatible with the principles and parameters.

Risks and challenges
This option minimises risks associated with disruption and significant structural change but potentially risks limiting the opportunity for realising the benefits envisaged for public sector reform and the SAM concept.

Option 2 - Community Planning Plus

This model would be based on the current Community Planning Model and would maintain separate organisations. It would give the opportunity to pool budgets and share resources, but employees and structures would remain separate. It would build on the provisions of the *Community Empowerment (Scotland) Act* 2015.

Benefits
This option does provide the opportunity for more efficient use of resources through pooling budgets and sharing resources along with aligned strategic planning which could improve service delivery and outcomes for people.
There may be limited opportunities for wider integration within this model.

Principles and parameters
This option would appear to be compatible with the principles and parameters.

Risks and challenges
This option would retain independent organisations and governance structures with strategic planning undertaken and agreements to share resources made within the context of existing community planning powers. This could present a risk procedural disputes arising, meaning that developments could be delayed if one or more partners were not on board with a proposal.

Option 3 - A New Integrated Authority

This model would establish a new elected single legal entity which would have fully integrated service budgets, providing the opportunity for resource efficiencies and more shared services, and would be empowered by elected status to give clear and accountable leadership.

The Authority would create specific Boards or Committees which would provide the governance and decision-making structures required to ensure that resources and services are managed effectively.

Under this model, the Council would no longer exist and Council staff (as well as the staff from other partner organisations falling under the umbrella) would need to be moved over to the employment of the new Integrated Authority. This could lead to concerns about loss of identity, particularly for NHS staff.

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This type of model would require a significant change to structures across most, if not all, public bodies.

It would also require a new scheme of public sector primary legislation to enable implementation.

Benefits

This option would involve significant structural change and would require extensive consultation to agree the design, operating parameters and legislative arrangements including considering governance and accountability arrangements for delegated functions to both councillors and Scottish Government ministers.

In that context it is possible this model would deliver benefits across the categories: Place based decision making and joined up strategic planning; Improved service delivery and efficiency; Improving outcomes through wider integration.

However, there are many uncertainties associated with this model that would need to be explored more fully to understand the specifics of the model and the associated benefits. This includes understanding whether wider integration beyond the current scope of health and social care integration and other agencies/functions is envisaged.

Principles and Parameters

This option does not appear to be compatible with the parameters that have been defined to guide development of the SAM model.

Risks and challenges

There are significant risks and challenges associated with this option including:

- Requirement for primary legislation to enact this model including accommodating NHS accountability to Scottish Ministers
- Timescales associated with fully designing, defining and agreeng this model including staff and community engagement
- Risks of significant disruption to existing health and social care integration which are noted to have achieved several successes
- Consideration of protection of arrangements for negotiating NHS terms and conditions which are currently agreed at national level in partnership with trade unions

Option 4 - A Fully Empowered Local Board

The starting point for this model would be strengthening the IJB and the functions delegated to it by partners (Council and NHS Highland). It could initially build on the existing synergies and effective partnership working demonstrated to date.

However, in an Argyll and Bute context, the maximum functions permissible under the 2014 Act have already been delegated to the IJB. As such, in order to build on existing successes of integration and go any further, the 2014 Act would need to be amended, or new primary legislation required, to expand the functions that could be delegated beyond health and social care (but with similar governance structures to the HSCP/IJB).

For example, a statutory housing partnership, further/higher education partnership, enterprise partnership etc… However, if new statutory partnerships were created for all

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those service areas it is appreciated this might result in a complex landscape of partnerships/boards, making it difficult for the public sector and public to navigate.

Benefits

This option would require amendments to the 2014 act but would offer the benefits associated with wider integration across the public sector to improve outcomes. It would maintain the current benefits of place based approaches and joint strategic planning within the IJB model and placed based but offer opportunities to enhance these benefits.

There is potential for improved service delivery through wider integration and potential for further efficiencies by working together as independent organisations within the IJB model.

Principles and Parameters

This option appears compatible with the principles and parameters.

Risks and challenges

There are risks and challenges within this option including:

- Further complexity of governance of more than two entities within the IJB model
- Limited opportunities for service efficiencies due to maintaining existing organisational structures

Option 5 - Single Authority Partnership

This model could be considered as a variant of the traditional Lead Agency arrangement (in place within Highland) under the banner of a “Single Authority Partnership”.

This could take effect by conducting a review of the current Integration Scheme (Under Section 45 of the 2014 Act), preparing a new Integration Scheme (under Section 47 of the 2014 Act), and subsequently through the use of Directions (issued under the 2014 Act).

There are two sub-options within this option: the council as the lead agency and the NHS board as the lead agency. Only the former has been considered as it is considered that the latter would not satisfy the requirements for local democratic accountability.

Under such a Strategic Lead Agency arrangement, there would be no transfer of staff – only functions and resources. Under these terms the Health Board would delegate all functions and resources to the Council, as Lead Agency, which could then:-

- redesign back office and business functions to secure maximum efficiency through a process of aggregation (e.g. the two asset management services coming together);
- provide direction back to the Health Board to deliver its functions in accordance with a Strategic Plan conceived to deliver maximum functional integration alongside Council services; and
- provide direction to the Health Board to devise operational arrangements that promote a single delivery agency.

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In practice, a Health and Social Care Board or Committee could become the engine room for health and social care delivery, with a membership similar to the IJB if this was desirable - local Elected Members, NHS Non-Executive Directors, professional leads, carers, third sector, etc.

Benefits

This option could include the benefits of option 4 by including wider integration in the scope of the single authority partnership.

It does potentially offer benefits for greater efficiencies and productivity through redesign or consolidation of support functions that are not related to staff.

In addition there may be some advantages to the alternative governance arrangements that would replace the IJB as a legal entity and house the joint strategic planning and decision making structures, mechanisms and governance within the council.

Principles and Parameters

It is possible that this option could be compatible with the principles and parameters. However, further exploration would be required to understand the roles of the Chief Executive of the council and the Chief Executive of the NHS board in relation to accountability. Currently the chief officer of the HSCP is jointly accountable to both CEOs in line with the current legislation.

Other accountable officers including the NHS Board's Director of Finance, Director of Nursing, Midwifery and Allied Health Professionals, Director of Public Health and Medical Director also have a role in the current accountability and governance framework.

Any proposed changes to this accountability framework would need to be explored further to understand the implications on the parameters.

Risks

There are risks and challenges within this option including:

- Potentially complex arrangements for governance and accountability in relation to accountable officer roles
- Further complexity of governance if more than two entities are considered in order to extend the scope of integration of public bodies.

Preferred Options

The Joint Short Life Working Group supported by the senior officers group explored the options and the outcome of the discussion is summarised above in terms of relative advantages and disadvantages of each option. This has resulted in a recommendation from the SLWG that "*options 4 and 5 are reported to the Scottish Government by end September as the preferred models at this point in time subject to further investigation*".

This is on the basis that:

- There were potential benefits that could be achieved through both options
- Both options are potentially compatible with the principles and parameters agreed to guide the SAM work
- There are less risks and challenges associated with both options

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- Further exploration would be required to determine the details of each option and further assess these options for the benefits, alignment with principles and parameters and assessment of the risks and challenges

Option 3 was discounted on the basis that:

- It is not compatible with the principles and parameters as currently defined
- the significant risks and challenges associated with this option

Option 2 was discounted on the basis that it appears to offer limited benefits and presents some level of risk and challenge.

OTHER CONSIDERATIONS/IMPLICATIONS

The Joint Short Life Working Group supported by the senior officers group also discussed other factors that should be considered as part of the further exploration of the options for a SAM. This includes:

Resource requirements

Additional resource may be required as an enabler and the capacity to support change and implement new models of integration needs to be evaluated and assessed against the risks and benefits.

Future governance and role of NHS Highland

It was noted that the two other areas considering a SAM have co-terminous councils and health board areas (Western Isles and Orkney). NHS Highland has a governance and accountability role across two council areas and consideration of the compatibility of a SAM for Argyll and Bute alongside the future model for Highland council is needed.

Interface with other health boards

It was considered that many services are provided by another health board, NHS Greater Glasgow and Clyde. In addition, the future relationship between NHS boards in the context of regional collaboration for NHS services involved in relationships between NHS Highland, NHS GGC, Western Isles and Orkney. These interfaces also should be considered in the context of a SAM for Argyll and Bute as we move forward.

PUBLIC SECTOR REFORM - INVEST TO SAVE FUND

As previously reported to the Council in April 2025, as part of the Cabinet Secretary for Finance's budget statement in December 2024 a £30m Invest to Save fund was launched. This initiative is aimed at funding reforms, driving efficiencies and improving productivity within public services. A bid for funding was submitted jointly by the Society of Local Authority Chief Executives (SOLACE) on behalf of a number of Councils who are currently exploring integrated authority models, including; Argyll and Bute, Eilean Siar, Orkney, North/East/South Ayrshire, Falkirk and Clackmannanshire Councils.

Following the submission of the bid in March, it has been confirmed that Argyll and Bute, Eilean Siar, and Orkney Councils have jointly received funding of up to

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£900K (£300K each), payable over financial year 2025/26, to support the development of SAMs within our respective areas.

NHS Highland and Argyll and Bute council have been working together to identify potential areas of spend for the allocated £300k from the Invest to Save Fund. One of the key next steps in this process, should the recommendations of this report be agreed, is to develop an appropriate programme of consultation and engagement with all relevant stakeholders to obtain views on the proposals. On this basis it is proposed that an element of the Invest to Save Fund is utilised to undertake a joint commissioning exercise to secure external professional support to assist with this large scale engagement process. It is recommended, from a Council perspective, that authority is delegated to the Chief Executive and Executive Director with responsibility for Legal and Regulatory Support, in consultation with the Leader of the Council and the Policy Lead for Care Services, to utilise the Invest to Save Fund in accordance with the spend conditions set out by the Scottish Government. NHS Highland will work with council colleagues to progress this proposal through the joint. senior officers group

Local partners will also continue to work in collaboration with the other two Councils to ensure the most efficient utilisation of the funds, particularly where there are common areas of support required to progress the development of a SAM.

2.4 Proposed level of Assurance

This report proposes the following level of assurance:

Substantial	X	Moderate	
Limited		None	

3 Impact Analysis

3.1 Quality/ Patient Care

The SAM concept is intended to progress the health and social care integration agenda and contribute to outcomes for people.

3.2 Workforce

Workforce elements of the model of integration for different SAMs will be considered as part of this work. Staffside engagement will be important as more clarity emerges on the potential direction of travel for a SAM.

3.3 Financial

exploration of a SAM will consider any financial implications arising. £300K has been allocated from the Invest to Save fund to support the project.

3.4 Risk Assessment/Management

Risk assessment will be picked up as the work progresses and the clarity emerges on the potential direction of travel for a SAM.

3.5 Data Protection

N/A

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3.6 Equality and Diversity, including health inequalities

N/A

3.7 Other impacts

N/A

3.8 Communication, involvement, engagement and consultation

A range of stakeholders have been involved to date as outlined above.

3.9 Route to the Meeting

Via IJB

4 List of appendices

The following appendices are included with this report:

Appendix 1: Paramaters

Appendix 2: A Single Authority Model for Argyll and Bute - Overview of Key Principles and Models

Appendix 3: Theory of Change – Impact and Outcomes

Scottish Government
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Date: 18 July 2025

Dear colleagues,

SINGLE AUTHORITY MODELS

Thank you for the time and effort that you continue to invest in the ongoing work at local level to develop place-specific Single Authority Models. You will be aware that Ministers' commitment to this work is restated in the current Programme for Government, which describes joint work between local government and health partners to agree detailed plans and timelines for implementation by the end of this Parliament. There are clear opportunities in this work to improve outcomes, unlock prevention and better meet local needs.

The Cabinet Secretary for Health and Social Care and Minister for Public Finance have agreed the enclosed Single Authority Models Information Note 2/2025. This responds to partners' request for further information on the reform parameters which they should work within when developing models. The note also sets out existing law and Ministerial policy, which should be considered throughout this process. This should be seen as a shared starting point for local dialogue on the ambitious reforms to strengthen local decision-making which Ministers want to support.

We recognise the importance of a locally-led approach which involves all relevant partners. We also want to ensure that you have the right input at the right stages from the Scottish Government, as part of an iterative process of policy development. We hope our commitment to working closely with you in this way will help to identify and agree the optimal local governance arrangements for the communities you serve.

You will be aware that the Scottish Government recently published the Population Health Framework, the Service Renewal Framework and the Public Service Reform Strategy – each of which specifically references Single Authority Models. We are confident that enhanced local governance arrangements can align with the wider renewal and reform programme.

As partners have recognised, extensive local engagement will be needed to ensure the voices of local communities and expertise of staff are fully harnessed. This will be key to developing and implementing robust proposals with the greatest potential to improve outcomes.

The next phase of this work will require locally-led policy development to form detailed proposals for Ministerial and COSLA approval. The Scottish Government stands ready to provide further national policy input as more detailed, locally agreed preferred models emerge. Officials will also work with national representatives to support their engagement in discussions on proposals across all geographies. We recognise that there will be both commonalities and variation across emerging models and this will have implications for how key interests will wish to engage.

To support this approach, it would be beneficial if local partners could aim to share first draft preferred models with the Scottish Government in September 2025, accompanied by detailed plans mapping out next steps for inclusive policy development, including through extensive engagement with communities and relevant workforces. These first drafts should take into account the enclosed information note, and current or refreshed Joint Strategic Needs Assessments.

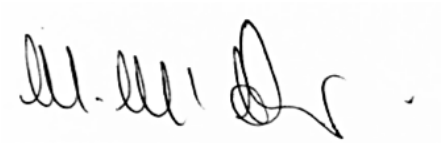
In line with previous indicative milestones that have been shared, to support Ministerial and COSLA consideration, local partners should submit detailed models to Scottish Government in December 2025. We are happy to discuss these timescales and recognise that there may be a requirement for variation across geographies.

The announcement of up to £0.9 million for local model development through the Public Service Reform “Invest to Save” fund provides the opportunity to obtain additional capacity and expertise as appropriate. We encourage local government and health partners to work jointly to identify opportunities for this spend to be used to help accelerate model development.

We are grateful for your continued leadership in progressing this important work to realise transformational change for your communities.

Yours sincerely,

Christine McLaughlin
Chief Operating Officer NHS Scotland



Mary McAllan
Director of Public Service Reform

SINGLE AUTHORITY MODELS – INFORMATION NOTE 2/2025

1. Purpose

The development of proposals for Single Authority Models (SAMs) is a locally-led process, to ensure proposals are most suitable for the unique circumstances and priorities of each geographical area. However, it is recognised that some key considerations, particularly regarding the NHS, are common to all areas. In setting these out, we aim to support development and discussion of preferred models at the local level.

This information note sets out national parameters for the development of models, and key considerations arising from NHS renewal plans and the current legal and financial frameworks, which will be relevant as local partners are developing their joint proposals. Potential models do not need to be limited by the current legislative context, but any need for legislative change would need to be factored into timelines for implementation.

The Scottish Government will work with local partners to consider jointly-developed emerging options which demonstrate the greatest potential to address local priorities and improve outcomes for people. This will involve helping to ensure that new arrangements help to find the optimum balance between place-based and population-based planning and delivery of services. Partners should reference local Joint Strategic Needs Assessments when setting out the potential benefits of preferred models.

This will be an iterative process of policy development. Partners will wish to consider shared local governance arrangements to oversee locally-led model development to help ensure proposals reflect the views of all organisations. Final agreed detailed proposals should have a sound evidence-base and the support of relevant staff groups and the communities they serve.

2. Reform Parameters – Health

2.1 Clinical Governance

Health bodies and integration authorities will retain their respective responsibilities for clinical governance.

2.2 Staff Governance

Our staff are key to the delivery of high quality public services and to the development and implementation of public service reform. The process of developing local proposals must consider health boards' responsibilities as employers, notably in relation to staff governance and partnership working. There will need to be full and meaningful discussions with trade unions on any new model.

Any proposal for a SAM should ensure there is:

- no detriment to terms and conditions, pay or pensions of staff currently employed in the NHS;
- no loss of skills or expertise and continued access to appropriate professional development and training; and
- protection of employment in line with the public sector pay policy.

2.3 Health matters that are not devolved to Scotland, or subject to UK-level regulation or agreement

Some health law was not devolved to the Scottish Parliament. Matters such as professional regulation are addressed at UK level. Anything that falls within this category is out of scope for single authority models.

2.4 Primary Care: Independent Contractors

Scottish Government will retain responsibility for development of current and future national policy and strategy relating to Primary Care to ensure universal coverage while fostering local population needs assessments to shape aspects of local delivery. This includes overarching responsibility for value for money, accountability for primary care policy, expenditure and cost control.

2.5 Accountability to Scottish Ministers

As Scottish Ministers will retain overall responsibility for health service provision, suitable lines of accountability to Scottish Ministers must remain in place.

3. Key Considerations – NHS Renewal

The Scottish Government's plans for NHS renewal include a focus on prevention, sustainability, shifting the balance of care toward delivery in primary and community settings, improved outcomes and reduced health inequalities.

The Scottish Government published the NHS Scotland Operational Improvement Plan in March 2025. The Population Health Framework and Service Renewal Framework, published in June 2025, focus on key reforms to make service delivery models more preventative.

The Population Health Framework focuses on creating and maintaining good health, supporting the people and communities who need it most, changing systems and environments to support people to stay healthy, and delivering a whole-system approach.

The Service Renewal Framework sets out a long-term strategic intent to renew health and social care services. This renewal will implement more person-led health and care, strengthened primary and community healthcare capacity, a wider suite of treatment and services being provided in the community or at home rather than in hospitals, and a redefined hospital model of care.

The Cabinet Secretary for Health and Social Care has also stated that the priorities for this work are primarily to optimise service delivery, with a resultant improvement in outcomes for patients, and secondarily to drive efficiencies, reducing duplication and demand to alleviate resource pressures on public services.

Accordingly, any proposals for SAMs must fully reflect the outcomes and principles that are set out in the above publications.

4. Key Considerations – Existing Legal and Financial Frameworks

As outlined above, consideration should be given to existing arrangements and frameworks when developing proposals, however partners do not need to be limited by the current legislative context where this would stand in the way of delivering an optimal model.

4.1 Financial Governance

As public bodies, health boards, special health boards, NHS National Services Scotland, and Healthcare Improvement Scotland are subject to the Public Finance & Accountability (Scotland) Act 2000. They must comply with the Scottish Public Finance Manual, which includes a section on "Accountability", which assigns personal responsibilities to "accountable officers".

The Director-General Health & Social Care / Chief Executive of NHS Scotland is the "Portfolio Accountable Officer", and the chief executives of health bodies are the "accountable officers" for their organisations.

Health bodies also are required to operate within their resources under the terms of the National Health Service (Scotland) Act 1978.

The Director-General Health & Social Care/ Chief Executive of NHS Scotland and all accountable officers will be expected to continue to carry out their responsibilities when evaluating any proposals for a SAM. The "Accountability" section of the Scottish Public Finance Manual explains that accountable officers should approve in advance all significant initiatives, policies, programmes and initiatives. They must conduct an Accountable Officer assessment against four standards, summarised below:

- **Regularity**: the proposal is compliant with relevant legislation (including the annual Budget Act), delegated authority and relevant guidance issued by the Scottish Ministers i.e., the SPFM and is compatible with the agreed spending budgets.
- **Propriety**: the proposal meets the high standards of public conduct and relevant Parliamentary control procedures and expectations.
- **Value for money (i.e., Economy, Efficiency & Effectiveness)**: the proposal must demonstrate good value for money for the use of public funds. In comparison to alternative proposals or doing nothing, the proposal should be systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, value and avoidance of error and other waste, judged for the public sector as a whole.
- **Feasibility**: the proposal is feasible, can be implemented accurately, sustainably, and to the intended timetable ensuring it is demonstrating economy, efficiency, effectiveness, considers the equal opportunities requirements, and contributes to the achievement of sustainable development judged for the public sector as a whole."

Any proposals for a SAM will need to work within these arrangements. The arrangements for the commission, submission and agreement of financial plans and financial reports, following the same schedule as the rest of the NHS, would need to remain in place.

4.2 Health bodies established under the National Health Service (Scotland) Act 1978

Section 2 of the Act requires Scottish Ministers to establish health boards, however it does not stipulate how many there must be. Any proposals should recognise that there must be a health board in place to carry out the various legal responsibilities (of a health board) for the geographical area that the SAM will cover. This could include agreements with health boards in other geographies, as already happens for some functions.

Health boards are responsible for the governance of services to the population they serve. However, health boards operate as part of a National Health Service, and use nationally agreed terms & conditions for staff, national procurement arrangements, and draw from services that are managed on a national basis (e.g. screening programmes, blood transfusion, healthcare facilities management).

Health boards also enter into arrangements where some clinical services may be planned and delivered on a national basis, or perhaps on a model that services several health board areas. The Director-General Health & Social Care / Chief Executive NHS Scotland wrote to all NHS Board Chairs and Chief Executives on 7 February 2025 (see Appendix), emphasising the importance of health boards collaborating with each other to optimise patient outcomes, address inequalities, and improve efficiency across the system. The letter summarised the developments that had been put in place to strengthen collaboration across the system, and encouraged health boards to review their arrangements for cross-boundary collaboration.

The Act also provides the legal basis for the establishment of special health boards, Healthcare Improvement Scotland, and NHS National Services Scotland. All of these health bodies have been established to carry out functions and services on a national basis.

The development of any proposals for single authority models should recognise this context, and the potential opportunities that it offers a single authority arrangement.

4.3 Public Bodies (Joint Working) (Scotland) Act 2014

This Act requires constituent authorities (the relevant health board and local authorities) to jointly prepare integration schemes. Under this Act, both bodies are required to delegate certain functions (and budgets) under an integration scheme, and may choose to delegate others.

The Act does offer a variety of integration models, including where a health board can enter into an integration scheme with more than one local authority in its area, and constituent authorities can make choices regarding what functions they delegate to the “integration authority”. Where a local authority and a Health Board are preparing an integration scheme they must have regard to the integration planning principles (which include having regard to the well-being of service-users) and to the national health and wellbeing outcomes.

The Act also allows Scottish Ministers to use secondary legislation to implement the Act, including specifying in regulations what functions must and may be delegated, and making provision about the operation of integration joint boards.

The functions of Health Boards that require to be delegated are set out in the Public Bodies (Joint Working) (Prescribed Health Board Functions) (Scotland) Regulations 2014. The functions which must be delegated in terms of the Regulations include certain functions under the National Health Service (Scotland) Act 1978, the Community Care and Health (Scotland) Act 2002 and the Mental Health (Care and Treatment)(Scotland) Act 2003.

The functions of local authorities that require to be delegated are set out in the Public Bodies (Prescribed Local Authority Functions etc.) (Scotland) Regulations 2014. The functions that require to be delegated include certain functions under the Social Work (Scotland) Act 1968, the Adults with Incapacity (Scotland) Act 2000 and the Adult Support and Protection (Scotland) Act 2007.

Only those local authority functions conferred by the legislation listed in the schedule of the 2014 Act, and only those health board functions prescribed by the Scottish Ministers in regulations, may be delegated.

When developing proposals for SAMs, local partners should consider whether the aims can be achieved using the existing mechanisms in the 2014 Act. If any proposals would require changes to existing integration schemes and the integration functions, then the constituent authorities would have to follow the processes within the 2014 Act. If there are obstacles in the 2014 Act, or its associated regulations, removal of those can be considered.

It should be noted in this context that the creation of new public bodies, or changes to existing public bodies, are subject to a Ministerial Control Framework and all other delivery mechanisms should be exhausted first.

Appendix – Letter of 7 February 2025 to all NHS Chairs and NHS Chief Executives

Director-General Health & Social Care and
Chief Executive NHS Scotland
Caroline Lamb

E: dghsc@gov.scot

Scottish Government
Riaghaltas na h-Alba

All NHS Chairs and NHS Chief Executives

7 February 2025

Dear Colleagues

Following the First Minister's recent keynote speech on improving public services, I am writing to seek your support in taking forward the programme of reform and renewal for our NHS. The NHS Chairs meetings and the advent of the NHS Scotland Executive Group has meant a fundamental shift in the way we come together and lead the NHS, but we need to increase the pace at which we are implementing the range of improvements across our system, in order to maximise the effectiveness and efficiency of services.

In taking forward the range of system reform and improvement work, it is important that we fully utilise the opportunities provided by working across boundaries – giving life to the statutory duties placed upon all NHS Boards to work collaboratively in delivering healthcare services. This duty is set out in Section 12J of the National Health Service (Scotland) Act 1978 and provides the foundation for ensuring equitable and effective healthcare delivery across Scotland.

As system leaders, you are required to ensure that your Boards actively engage in collaborative arrangements with other Health Boards. This includes sharing resources, expertise and services, where appropriate, to optimise patient outcomes and improve efficiency across the system. Such co-operation is critical to achieving the best possible care for our population, especially given the complex challenges we face in addressing health inequalities and meeting the demands on services.

Over the last year we have strengthened our approach to collaboration and co-operation with you, beginning with the publication of the Model Framework Document for NHS Boards in April 2024. This document outlines how we collaborate and co-operate and provides a structured approach for Boards, detailing our respective roles, responsibilities, and the nature of how Boards interact with the Scottish Government. It aimed to provide greater clarity on governance and accountability and sets out our commitment to fostering effective partnerships to deliver high-quality healthcare services across Scotland.

Our commitment to working together has been further strengthened with the establishment of the NHS Scotland Executive Group, which first met in October 2024. Its primary aim is to support the effective governance, planning and delivery of healthcare services across Scotland. The NHS Scotland Executive Group plays a central role in supporting national and

regional planning initiatives, such as those outlined in the NHS Scotland Planning Framework.

The recent publication of the NHS Scotland Planning Director's Letter, in November 2024, provides additional guidance on population-based planning, once again highlighting the need for strengthened national and regional coordination. The DL emphasised the establishment of a Single Planning Framework to ensure coherence and alignment in service delivery, infrastructure investment, and workforce planning at national level. The NHS Scotland Planning and Delivery Board (NHSSPDB) will oversee and govern these efforts, ensuring that resources are deployed efficiently and equitably across all Health Boards.

At the regional level, the letter outlines the importance of collaboration between neighbouring Health Boards to develop strategies that address the specific needs of local populations. Regional planning groups are expected to drive innovation and adaptability, responding to the unique health dynamics within their areas whilst aligning with the broader NHS Scotland priorities. These planning efforts are integral to achieving the vision set out in the 2016 National Clinical Strategy and the Public Bodies (Joint Working) (Scotland) Act, which prioritise integration and partnership working across sectors.

I believe we have all of the foundations now in place to allow you to fulfil your roles, as NHS leaders, but also in how we come together as an NHS Scotland to meet the needs of patients and the expectations of our communities.

Moving forward, I intend to work with employers to enhance the Executive Management Appraisal System so that we can properly assess and record the impact of working across board and wider system boundaries. This will be incorporated into the guidance for the 2024/25 performance review and 2025/26 objective setting process, which the Chief People Officer will issue in late February / early March. Similarly, the appraisals of NHS Chairs will encompass how they are facilitating and supporting the level of cross boundary working that we all see as essential.

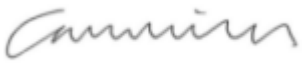
For now, I encourage you all to review your current arrangements for cross-boundary collaboration and identify any areas requiring improvement. Please also ensure that staff within your Boards are familiar with the statutory requirements of the Model Framework.

In the meantime, should you require clarification or support, please do not hesitate to contact my office.

Thank you for your continued leadership and dedication to delivering high-quality, patient-centred care for the people of Scotland.

Yours sincerely,

Caroline Lamb



Director General Health and Social Care and Chief Executive NHS Scotland

A SINGLE AUTHORITY MODEL FOR ARGYLL AND BUTE

Overview of Key Principles and Models

Bute • Helensburgh • Islay • Oban • Mull • Campbeltown • Iona • Dunoon • Tiree • Lochgilphead • Seil …

#abplace2b

Introduction

This Paper outlines the work undertaken thus far by Argyll and Bute Council to explore the possibility of a Single Authority Model (SAM) for the area. It outlines they key principles that have guided the work to date, the potential benefits of a SAM for the area, and an overview of the possible models that have been identified.

Background

Understanding Argyll and Bute

Argyll and Bute is made up of a rich mix of remote, rural and island communities, which presents a number of challenges in terms of service delivery. For planning and service delivery purposes Argyll and Bute is divided into four areas: Bute and Cowal; Helensburgh and Lomond; Mid Argyll, Kintyre and the Islands; and Oban, Lorn and the Isles. The area has a population of 87,810 (NRS 2023 Mid-Year Estimates), spread across the second largest local authority area in Scotland.

There are 28 inhabited islands in Argyll and Bute (Census 2022) - more than any other local authority in Scotland. Approximately 17.5% of Argyll and Bute's population live on islands. Moreover, many of Argyll and Bute's mainland peninsulas could be considered to share the same characteristics and challenges to the island communities – given their remote/remote rural nature. 47.6% of Argyll and Bute's population live in areas classified by the Scottish Government as 'rural' and 43.2% live in areas classified as 'remote rural'.

The changing demographic profile of Argyll and Bute presents one of the greatest challenges. By 2028, the population is projected to decrease to 83,796. This is a decrease of 5.9% which compares to a projected population increase of 1.8% for Scotland as a whole. Argyll and Bute's population is predicted to continue ageing, with the proportion of 0-15 year olds projected to fall by 17.6%, working age population to decrease by 4.7%, and the proportion of those of pensionable age to decrease by 1.7%. However, it is anticipated that there will be an increase of 23.3% in the population aged 75 and over. (National Records of Scotland 2018-based Population Projections).

Other key challenges include:

- increased demand for health and social care services due to a projected increase in the number of older people in the area;
- increased need for end of life care;
- recruitment and retention of the local workforce as the working-age population decreases;
- the physical geography of Argyll and Bute provides limitations in terms of developing the road network, and a reliance on ferry travel in parts. This also creates issues in terms of the accessibility of services for all across a significant remote and rural geography;
- there is fragility in the economy in Argyll and Bute due to reliance on part time and seasonal employment;
- the Council recently declared a housing emergency in Argyll and Bute, with a consistent reduction in available housing, coupled with a rise in demand and increasing property prices;
- thirteen data zones in Argyll and Bute are included in the 20% most overall deprived data zones in Scotland; and
- although Argyll and Bute falls within the NHS Highland health board area, almost all patient pathways for Argyll and Bute residents are to NHS Greater Glasgow and Clyde. This factor, coupled with the unique geography of Argyll and Bute, poses a further challenge to the delivery of health services and outcomes for patients.

Addressing the Challenges

In recognition of the challenging demographics and geography outlined above, and the subsequent impacts of COVID-19 on the social determinants of health, we understand that a shift in public sector structures is required and that increased collaborative working is needed to

implement positive action. These issues cannot be addressed successfully by one single organisation/partner and requires a whole system approach, as advocated by Public Health Scotland. This whole system approach is about more than the delivery of clinical and care services for Argyll and Bute and is reflected in the relative success of the delegation of fully integrated services. The basis for the approach is rooted in an evidence based strategy that supports the implementation of the Christie Commission recommendations and supports Community Empowerment and Islands legislation.

National policy is increasingly prescriptive in its human rights approach, and the ability to apply this is becoming increasingly difficult in a remote mainland, island, rural and urban geography without some substantial change in how we can affect the design and delivery of safe care supported by sustainable services.

Public sector service sustainability in Argyll and Bute requires a multi-agency integrated model, robust infrastructure and the coordination of planning and commissioning for the longer term that supports public sector organisations in the area to meet their legislative and public duties.

Public Sector Reform

The Scottish Government has committed to a number of strands of reform that affect local government and HSCPs, which have the potential to result in significant change. These include the Local Governance Review, Fiscal Framework and the National Care Service.

The Local Governance Review was launched jointly by COSLA and the Scottish Government in December 2017 (Democracy Matters) to explore how power, responsibilities and resources might be shared across 'spheres' of government and with local communities, with a particular objective to devolve powers as far as reasonably possible in a manner that improves outcomes for communities.

COSLA's Plan (2022-2027) confirms that the Local Governance Review remains a key priority, and supports the following three inter-related empowerments as set out by the Scottish Government:

a) **Community Empowerment** through a new relationship with public services where communities have greater control over decisions.
b) **Functional Empowerment** of public sector partners to better share resources and work together.
c) **Fiscal Empowerment** of democratic decision-makers to deliver locally identified priorities.

In August 2023, Phase 2 of Democracy Matters was launched, which included a period of engagement with communities and organisations across Scotland. The report analysing the responses to this engagement exercise was launched on 19th September 2024 and can be read here.

In terms of the Fiscal Framework, in May 2022 the Scottish Government published its Resources Spending Review (RSR) - Investing in Scotland's Future. The RSR set out the Scottish Government's plans for public service reform and efficiency, and invited Local Government to take a complementary approach.

The RSR also proposed a 'New Deal' between the Scottish and Local Government, in the form of a Partnership Agreement.

A Fiscal Framework has also been proposed that will support:

(i) working together to achieve better outcomes for people and communities – especially on national priorities including addressing poverty, inequality, and supporting the economy;
(ii) balancing greater flexibility over financial arrangements with improved accountability;

(iii) providing certainty over inputs, outcomes and assurance, alongside scope to innovate and improve services; and
(iv) recognising the critical role played by local authorities in tackling the climate emergency, for example through delivering our heat and buildings, waste, active travel and nature restoration goals.

The Verity House Agreement, signed on 30th June 2023 as part of a New Deal between the Scottish Government and Local Government, committed to concluding a Fisal Framework which establishes early and meaningful budget engagement, the simplification and consolidation of the Local Government Settlement, and establishes a clear process for exploring local revenue raising powers and sources of funding. The Framework should also, wherever possible, provide multi-year funding certainty to support strategic planning and investment.

In December 2023, a Progress Report was published in order to provide an update on those sections of the Framework which were nearing completion, as well as those where work was still required.

Any proposals in relation to the possibility of a SAM in Argyll and Bute would have to take into account the above-mentioned Verity House Agreement, which reiterates the importance of working collaboratively to deliver sustainable public services at a local/place level.

The Agreement sets out 3 key priorities and forms a statement of intent in how Local Government and the Scottish Government will work together more effectively to improve the lives of the people of Scotland. The 3 priorities are to:

1. tackle poverty, particularly child poverty, in recognition of the joint national mission to tackle child poverty;
2. transform our economy through a just transition to deliver net zero, recognising climate change as one of the biggest threats to communities across Scotland; and
3. deliver sustainable person-centred public services recognising the fiscal challenges, ageing demography and opportunities to innovate.

The Scottish Government and Local Government have jointly accepted that changes are required in how they work together, how each are held to account, how progress is monitored, and how they will engage with each other in a positive and proactive manner. The Agreement is a statement of intent and provides a high-level framework for working together more effectively to improve the lives of the people of Scotland. Full detail on the Agreement can be found here.

National Care Service (Scotland) Bill

The *National Care Service (Scotland) Bill* was introduced to the Scottish Parliament on 20th June 2022. It proposed to establish a National Care Service (NCS) as well as powers to enable the Scottish Ministers to transfer social care responsibilities from local authorities to a NCS, and also for the transfer of healthcare functions from the NHS to the NCS.

The Council submitted a formal response to the Stage 1 Call for Views on the Bill, highlighting a number of key points including that any solution proposed must meet the rural and remote rural needs of Argyll and Bute.

Following the introduction of the Bill, in July 2023, COSLA and the Scottish Government announced a shared accountability partnership for delivering the NCS in an alternative way, with enhanced national strategic direction through the creation of a national NCS Board, but with a continued role for local decision-making and Local Government.

During the Stage 2 proceedings, the Bill was amended to the extent that it no longer proposes the structural reforms through the creation of a NCS. The further amended Bill is now at Stage 3, and has been renamed the *Care Reform (Scotland) Bill*.

Examples of Successful Strategic Joint Working in Argyll and Bute

In terms of the Argyll and Bute Health and Social Care Partnership (HSCP), it is one of only two Partnerships in Scotland to have delegated all health and social care functions permissible under the *Public Bodies (Joint Working) (Scotland) Act* 2014. This, coupled with other factors, has prompted the partner organisations to work innovatively and strategically in a joined-up fashion, and has produced numerous benefits to the people of Argyll and Bute – some of which are set out within this section.

Partnership in Innovative Adult and Older Adult Social Care Design and Delivery

The HSCP is currently developing an Older Adults Strategy alongside a Housing for Older People Strategy. The aim behind both is to design a future model of care for older people to ensure that residents of Argyll and Bute can live longer, healthier and independent lives.

In order to deliver that aim, co-location of multi-agency services in both health and social care premises was an early partnership decision and is the norm in all four localities. It provides an effective model in the daily review of care needs and supports discharges of patients from hospital back to their homes. Innovative models of care, such as this, support the attraction and retention of the workforce which is a key priority for Argyll and Bute.

In relation to care at home services, the HSCP continues to work collaboratively to commission flexible models of care which address different needs in different localities, and ones which connect with hospital pathways in order to secure the best outcomes for individuals, families and unpaid carers.

The delivery of effective palliative and end of life care is another ongoing joint process between social care, district nursing and community hospitals within Argyll and Bute to secure consistent approaches across the area, build capacity, and support those receiving those services.

The purchase of Kintyre Care Centre in Campbeltown by the Council, on behalf of the HSCP, is a recent example of positive joint decision making, strategic joint working, and an exercise which is generating positive wellbeing outcomes and securing longer term care for people in Kintyre.

The continued development of Technology Enabled Care, through a Joint Digital Modernisation Strategy, is a key strategic aim of the HSCP and a service which has been developed in cognisance of Argyll and Bute's unique and diverse geography.

Partnership in Planning with People

The Coll Health and Social Care Needs Assessment replicated the Argyll and Bute wide Joint Strategic Needs Assessment at a hyper-local scale. This community-based partnership approach aimed to deliver four overall priorities for the residents on Coll:

- Choice, control and innovation.
- Prevention, early intervention and enablement.
- Living well and active citizenship.
- Community co-production.

The approach taken in relation to this piece of work has contributed to the basis for the HSCP's Island Strategy development, and co-production approaches being implemented to the current Jura Out of Hours Care development.

In 2023, the Improvement Service supported place-based assessments for the HSCP, the Council and Community Planning – initially with a focus on Dunoon. The outputs of these assessments will support the collaborative approach to the delivery of the Joint Strategic Plan, and will consolidate approaches to Islands Community Empowerment, Wellbeing, Prevention and Early Intervention. It will further support delivering a human rights-based approach to

service design and delivery within the HSCP. Such a place-based approach has also supported the development and delivery of services through the Alcohol and Drugs Partnership, identifying gaps in wider services, and working together to deliver the national standards.

Argyll and Bute have a long-term local strategy of prevention and early intervention which supports the public sector approach to alleviating inequalities in the social determinants of health. These are acutely visible post-pandemic, and the HSCP are working in partnership with Live Argyll to promote public health messaging and tackle frailty.

Partnership in #KEEPINGTHEPROMISE

Children's health and social care services in Argyll and Bute offer a fully integrated approach to care delivery from pre-conception to transition – working closely with the Council's Education Service and jointly delivering on Child Poverty Action Planning, the Children's Service Plan, and the implementation of the *UN Convention on the Rights of the Child*.

Building on Successes

The preceding Section outlines several examples of successes achieved by the HSPC working across a breadth of regulated services, and the positive outcomes it has generated for people in Argyll and Bute. This is partly down to the fact that Argyll and Bute have fully integrated services in terms of the *Public Bodies (Joint Working) (Scotland) Act* 2014. However, an opportunity to extend this to a whole system approach, going further than clinical and care services, could present a further opportunity to build on these successes.

Expansion or development of the current arrangements could support a wider place-based approach – based on common planning and needs. It could also strengthen the resource and capacity to influence and deliver national policy with a consolidated rural approach.

All public sector organisations in Argyll and Bute wish to work together to attract and retain the skills and workforce in the area – ensuring that whole families have access to opportunities to grow, be educated, live, work and play in Argyll and Bute.

As mentioned above, the partner organisations in the Argyll and Bute HSCP have integrated all functions permissible under the *Public Bodies (Joint Working) (Scotland) Act* 2014. Many of the benefits described above have been delivered, in part, due to this fully integrated model. In order to build upon the successes and go further, this Paper explores options for a SAM in Argyll and Bute, which could allow us to progress our ambitions and improvements to the next stage.

Benefits of Exploring a SAM for Argyll and Bute

The concept of a SAM for Argyll and Bute is being explored as a tool to deliver lasting reform, which can be adapted to fit the specific and unique needs of this area (place-based – not one size fits all), concentrating on optimum governance arrangements to deliver the reform vision.

For the residents of Argyll and Bute, there would be an expectation that **a SAM would improve the services they receive**, or at least mitigate financial constraints.

Services currently available under existing frameworks can be, and mostly are, undertaken locally – in many instances by several public bodies. However, the strategic decision-making on their direction and resourcing is often determined elsewhere and at other times not practically accountable to the local public. The concept of a SAM could have the added value of recognising the importance of local operational decision-making and delivery, whilst re-aligning the organisational priorities of those bodies forming part of the SAM in order to deliver more effective joined-up services – with the parameters for that local delivery, in many cases, still being set by national policy.

Local whole-system decision-making by accountable decision-makers should result in improved decisions, as there would be better local knowledge of what is required and the existing strengths and weaknesses of the local system. In addition, the decision-makers would be accountable to the local communities whom they serve and which they live within.

Citizens need to know that, and how, they can influence decision making or they may not fully take part or even opt out of local democracy. Local democracy offers the best form of accountability with detailed scrutiny, analysis and consideration in a public forum the standard way of working. Of course, the electoral opportunity to remove the decision makers is the ultimate sanction. **A SAM would expand the democracy and accountability which is inherent in Local Government to include all services provided through the SAM or by other agencies with accountability to the SAM.** One of the most significant criticisms of unelected organisations and agencies which discharge important public functions is that they are *de facto* unaccountable.

The ultimate test of the vibrancy of local democracy is the willingness of the members of the community to participate in the democratic process. If people can interact with, communicate and believe they can influence the decision-makers, indeed even be the decision-makers, they are more likely to take part in the process that gives the decision-makers democratic legitimacy. **Local planning and delivery of services under an SAM would provide a vehicle of opportunity for significantly expanded democratic participation in the key decisions affecting communities.**

When considering the possibility of **better and more efficient use of declining revenue and capital budgets,** the fact of the Council, NHS Highland and other potential partners all having Chief Executives and associated Corporate Management Teams promotes an obvious question: is it really necessary, for a population of 87,810, that each of these public sector organisations has a Chief Executive and associated management structures, with all the costs that this entails?

Below that executive level are multiple Finance, HR, IT and other important internal structures supporting the public sector within Argyll and Bute. There are crossovers in those functions that could produce efficiencies and provide better value for money at a time of continuing financial challenge. However, a SAM is not about losing vital jobs in the public sector, which are essential to population retention and growth. The employment opportunities within the area which arose from previous Local Government reorganisations would be repeated following the formation of a ground-breaking SAM, with jobs and opportunities being better distributed across Argyll and Bute than at present.

Looking at functions wider than Health and Social Care, it can likewise be argued that in the context of Housing, the purpose of stock transfer and the formation of the Registered Social Landlords (RSLs) in Argyll and Bute has successfully been fulfilled. It is therefore now appropriate to consider the best structure for providing social housing and the essential role that can play in meeting the critical objectives of combatting depopulation and providing economic sustainability and prosperity for Argyll and Bute's communities – particularly in light of the ongoing Housing Emergency in the area, declared by the Council in June 2023. It could also be appropriate to consider bringing together the strategic housing role exercised by the Council and the operational functions of the RSLs. A SAM would provide the circumstances and possible vehicle for doing so.

Argyll and Bute Council was the first local authority in Scotland to declare a Housing Emergency. This declaration was intended as a call to action – envisioned as the catalyst to bring partners, stakeholders, investors and communities together to prioritise and commit to the collective action needed to tackle the housing shortage in Argyll and Bute. Several causes for the Housing Emergency have been identified, and they concern a range of agencies with responsibility for both social and private housing. The possibility of bringing those agencies

together, under the organisational banner of a SAM, could have potential to be an effective measure in promoting joint-working and more effectively tackling the Housing Emergency in Argyll and Bute.

In relation to the possibility of including the Further and Higher Education sector within the scope of a SAM, in an Argyll and Bute context, it is noted that University of Highlands and Islands (UHI) are currently undergoing a process of transformational activity - examining steps that they can take to become more integrated as an organisation – with the possibility of increased delegation to their areas/campuses. It is noted that there are currently effective links in place between a number of the secondary schools in Argyll and Bute (operated by the Council as the Education Authority) and UHI Argyll, with co-location in some instances. It is acknowledged that there could be scope to develop this relationship further under a SAM which could include the Further and Higher Education Sector – in order to produce further advantages for learners, and to promote the coordination of resources.

The challenges facing public funding, both revenue and capital, coupled with the reducing workforce, will demand significant changes to the delivery of public services throughout Scotland, and intervention at all levels of government is needed to bring this about before communities and services are detrimentally impacted even further. It is always of particular concern in rural and island communities that models will be developed with an urban/mainland focus and then imposed on rural/island areas without **consideration of their particular needs and opportunities. The development of bespoke, place-based models, tailored to the unique needs and circumstances of each area would help in avoiding that unintended, but detrimental, outcome.**

This is a critical time for Argyll and Bute, the public sector and the delivery of services on which communities have come to rely for many years. Current models are anticipated to face further strain in the forthcoming years. It is therefore time to consider alternative models, to free up resource currently tied into servicing organisational structures and to proceed with real, visible, accessible and accountable empowered government for areas such as Argyll and Bute. The advantages could be hugely significant and could offer enhanced opportunities for safeguarding public services, enhancing democratic oversight, making Argyll and Bute even more attractive as a place to live and work, whilst stimulating economic sustainability and reversing depopulation.

Key Principles

As part of the Council's ongoing exploration of the possibility of a SAM for the area, one aspect of this work has been the development of a set of key/guiding principles to ensure that all parties are clear from the outset, whilst engaging with stakeholders, regarding what is on or off the table in relation to the development of possible SAM models for Argyll and Bute. These are as follows:

Brand Identity – The NHS brand is nationally recognised and would have to, in our view, continue to be prevalent within the context of a SAM. The SAM would need to consider how the brand identity is protected whilst articulating the SAM 'brand' in much the same way as HSCPs have had to accommodate this. With multiple partners, it could become a 'house of brands' which, whilst possible, would need some consideration to ensure clarity of purpose of the SAM.

Protection of Professional status – Similar to the brand identity, the professional roles within each partner hold a significance in terms of both identity and professional status. The ambitions of the SAM would likely include opportunities to redesign or define new roles that fulfil the tasks undertaken within existing roles, potentially including professional roles. The SAM proposals would need to be clear on the ambitions for the workforce models and how professional bodies would be engaged at both a local and national level.

Professional Governance (including clinical and care governance) as outlined above, an IJB model could enable the SAM to expand the range of partners and retain professional accountability. It would also enable governance to be enacted through the IJB and the partner bodies' governance structures. Any move to a single corporate governance structure within one partner would need to consider the legal and practical implications of creating organisational level professional roles and governance committees to fulfil legislative and regulatory requirements.

Staff Terms and Conditions – Any SAM model which includes moving to a single employer/corporate structure would require fundamental changes to the relevant legislation, as well as the complication of managing national terms and conditions for NHS staff and other partners being integrated where national terms and conditions exist. TUPE would also have to be considered and whilst this is technically possible, the practical reality is that staff would most likely remain on their existing terms and conditions, unless the alternatives were more favourable.

Single Authority Models – Options

Against the above-mentioned reforms, Officers have begun considering potential models for a SAM in Argyll and Bute. A Working Group has been established to explore the identified options in further detail. In preparing the high-level options thus far, Officers have had regard to a number of guiding principles, including:

- Recognition that there is a spectrum of options available.
- A focus on models with the potential to achieve the most effective outcomes and benefits for communities.
- Focus on those areas where developed synergies already exist (such as Health and Social Care), building on the current level of integration.

The options for a SAM in Argyll and Bute considered thus far have been:

Option 1 – Status Quo

This option would be a continuation of current structures with the retention of the Health and Social Care Partnership with governance through the Integrated Joint Board.

In terms of positives, there would be continuity given that nothing would need to change, no transfer of staff would be required, and there would be no change to the current governance structures.

However, this option does not offer any change, offers only limited options for shared services (Health and Social Care only) and efficiency savings, and there would continue to be the existing issues around the burden of governance and delivery of integrated services.

Option 2 – Community Planning Plus

This model would be based on the current Community Planning Model and would maintain separate organisations. It would give the opportunity to pool budgets and share resources, but employees and structures would remain separate. It would build upon the provisions of the *Community Empowerment (Scotland) Act* 2015.

However, given that the partner organisations would maintain their independence and separate governance structures, it is likely that any integration would be very specific and limited. Given the number of organisations that could be involved in this model, it is likely that there would be a high probability of procedural disputes arising, meaning that developments could be delayed if one or more partners were not on board with a proposal.

Option 3 – Integrated Authority

This model would establish a new elected single legal entity which would have fully integrated service budgets (with opportunity for resource efficiencies and more shared services) and would be empowered by locally elected status to give clear and accountable leadership. The Authority would create specific Boards or Committees

which would provide the governance and decision-making structures required to ensure that resources and services are managed effectively.

Under this model, the Council would no longer exist and Council staff (as well as others falling under the umbrella) would need to be moved over to the employment of the new Integrated Authority. This type of model would require a significant change to structures across most, if not all, public bodies. It would also require a new scheme of public sector primary legislation to implement the model. Nonetheless, there is greater potential as to the range of public sector functions that could fall within the scope of such a model.

If this model were to be explored further, the role of local democratically elected members would be a vital component to the decision-making structure of such an Authority.

Option 4 – Further Empowered Local Boards

The starting point for this model would be through strengthening the Integration Joint Board (IJB) and the functions delegated to by the partners (i.e. the Council and NHS Highland) it under the *Public Bodies (Joint Working) (Scotland) Act* 2014. It could initially build on the existing synergies and effective partnership working that has been demonstrated thus far between the Council and NHS Highland.

However, in an Argyll and Bute context, it should be noted that the maximum functions permissible under the 2014 Act have already been delegated to the IJB. As such, in order to build upon the existing successes of integration in the area, and to go any further, the 2014 Act would have to be amended to expand the functions that could be delegated to the IJB to build upon the current level of partnership working.

In order to go to the next stage in an Argyll and Bute context, it might be possible either through amendment to the 2014 Act, or the enactment of new primary legislation, to open up the public bodies and public functions that can be integrated wider than just health and social care (but with similar governance structures to the HSCP/IJB) – for example, a statutory Housing Partnership, Further Education Partnership, Enterprise Partnership, etc. However, if new statutory partnerships and boards are created for all of those service areas, it is appreciated that this might result in a complex landscape of statutory partnerships/boards which could be difficult for those working within the public sector, and the wider public, to navigate. Confusion could be generated as to where certain roles, responsibilities and powers lie. It may also appear that additional layers of bureaucracy have been created.

This model is built upon existing legislation as a logical starting point, as well as numerous examples of effective local partnership working as a starting point.

More strategic alignment amongst the partnership organisations' priorities may have potential to generate a more user-focused approach to services delivered under this model. It can retain local accountability, decision-making structures, and knowledge to allow the circumstances and issues particular to Argyll and Bute to be addressed at a local level – according to the priorities and needs expressed by our local communities.

Under the current framework, the IJB has its own set of statutory responsibilities to engage the public. The IJB is also required by law to preside over locality planning arrangements, which prescribe further devolution of power to local professional and community groups, to ensure that services develop in line with local need and circumstances. These functions could be mirrored in any other statutory boards that would be established under this model, to ensure consistency of approach.

However, it should also be noted that under the current integration arrangements, the Council and NHS Highland are the partner bodies, but many of the patient pathways for Argyll and Bute residents is to the Greater Glasgow and Clyde Health Board. This arrangement, with its

perceived barriers, would remain in place initially under this model.

Option 5 – Single Authority Partnership

A change of the delivery model under the 2014 Act from the current IJB structure to a Lead Agency arrangement in Argyll and Bute, with NHS Highland as the Lead Agency, would have the same benefit (as discussed in the context of other models) of whole system planning. However, it would not satisfy the aspiration of local elected members to hardwire local accountability into the system of governance. This was also a key aspect of the Council's objection to the National Care Service (Scotland) Bill. Alternatively, the Council could become the Lead Agency. However, in these circumstances there is arguably a greater risk of fragmentation with secondary care, loss of NHS identity as an agency, employer and clinical network. To that end, a traditional Lead Agency arrangement (as currently envisaged within the 2014 Act) is potentially highly problematic.

An alternative option could be to consider a variant of the Lead Agency arrangement under the banner of a Single Authority Partnership. This could take effect by conducting a review of the current Integration Scheme (Under Section 45 of the 2014 Act), preparing a new Integration Scheme (under Section 47 of the 2014 Act), and subsequently through the use of Directions (issued under the 2014 Act).

Under such a Strategic Lead Agency arrangement, there would be no transfer of staff – only functions and resources. Under these terms, the Health Board would delegate all functions and resources to the Council (as Lead Agency) which could then:

- redesign back office and business functions to secure maximum efficiency through a process of aggregation (e.g. the two asset management services coming together);
- provide direction back to the Health Board to deliver its functions in accordance with a Strategic Plan conceived to deliver maximum functional integration alongside Council services; and
- Provide direction to the Health Board to devise operational arrangements that promote a single delivery agency.

In practice, under such a Single Authority Partnership (SAP) arrangement, the existing process for local government elections and political representation is acknowledged as being tried and tested, and would offer a suitable foundation for development to fit the particular requirements of Argyll and Bute. A Health and Social Care Board, or Committee – forming part of the SAP could act as the engine room of health and social care delivery. This could be populated in a way which is sympathetic to the principle of shared accountability – with local Elected Members, NHS Non-Executive Directors, professional leads, carers, third sector, etc. – a similar group to the membership of the IJB at present. In effect, the Board would become responsible for the strategic development of services.

The Health Board would accordingly play a different role under this governance arrangement. It would still be accountable to central Government for use of public funds, and it would retain its obligations as an employer and for clinical governance, but strategic matters would pass to the Health and Social Care Committee and the SAP.

The Chief Executive of NHS Highland would maintain oversight of all health services. They would continue to have a line of sight to the Chief Executive of NHS Scotland, but would also be accountable to the SAP for the delivery of services undertaken by Council employees and the strategic development of all health and social care services. Their relationship with the Health Board would be unchanged.

The Chief Executive of the Council would in effect function as the principal advisor to the SAP. They would not have a hierarchical or line management relationship with the Chief Executive of the NHS Board. They would ultimately be responsible, however, for ensuring discharge of functions and

deployment of resources delegated through the Integration Scheme.

A key driver of the Verity House Agreement is the focus on the achievement of better outcomes locally for individuals and communities by recognising local differences. A move to a SAP for Argyll and Bute has potential to build on the recognised success of joint working which is already in place via the fully integrated Argyll and Bute Health and Social Care Partnership, which operates in an environment where there are significant challenges - not least around the geography of the area.

Moreover, the Verity House Agreement's maxim of "local by default, national by agreement" can be embraced to provide an approach to service delivery through a SAP, delivering innovative services for our citizens locally taking account of need, efficiency and economy. The move towards greater flexibility in terms of budget and the removal of "ring fencing" will also allow for services to be developed and/or procured which meet the specific local needs of Argyll and Bute's residents.

The Verity House Agreement also makes clear that any exploration in terms of national delivery models should work on the presumption in favour of local flexibility. Evidence provided herein in supporting further exploring this model in particular strengthens the position for a more local approach to be taken in respect of Argyll and Bute. Such a model could allow for the design and delivery of services for and around people - which is pertinent in terms of the proposals.

If the scope and functions of the Partnership is to be increased beyond health and social care, amendments to the 2014 Act, or new legislation may be required.

This model protects the concept of strong local accountability. Retaining local accountability, decision-making structures, and knowledge allow the circumstances and issues particular to Argyll and Bute to be addressed at a local level – according to the priorities and needs expressed by our local communities.

Under the current framework, the IJB has its own set of statutory responsibilities to engage the public. The IJB is also required by law to preside over locality planning arrangements, which prescribe further devolution of power to local professional and community groups, to ensure that services develop in line with local need and circumstances. These functions would be transferred to the new decision-making Board under this model.

Continuing with the current IJB arrangement retains an additional third public body to sit between the NHS Board and Council, and as such, an additional bureaucratic layer. Moving to the strategic lead agency model as described above moves the decision-making functions to a Board within the Council (as the lead agency).

Next Steps

It is important to highlight that the outline of the potential models within this Paper is a very high-level articulation of what a deeper partnership between the Council and NHS Highland might look like. To progress any further, it would need both organisational and technical analysis.

In terms of a more detailed examination of a SAM for Argyll and Bute, and what that may encompass, a natural starting point is the high degree of synergies between the Council and the NHS. If or when a second phase of consideration and/or implementation is carried out, the Council may also wish to lobby the Scottish Government in relation to amending the 2014 Act, or considering the introduction of new legislation, which would allow other partner bodies to fall within the scope of this model (e.g. RSLs, HIE, etc.) and/or the inclusion of other public sector functions beyond health and social care. The inclusion of Community Planning Partners in this regard could be significant in promoting and improving outcomes for our communities, as Community Planning Partnerships are also to play a key role in delivering the shared priorities of the Verity House Agreement.

In terms of the further exploration of the feasibility of the potential models as outlined within this Paper, and/or identification of any other possibilities, the Council's Working Group are clear that we are approaching the stage where external expertise may be required in order to fully assess the models. This has already been highlighted to Scottish Government colleagues at previous meetings. The Council are continuing to explore the possibility and options for a SAM generally on a joint basis with Comhairle nan Eilean Siar, and will require both NHS Highland and the Argyll and Bute HSCP to continue to participate meaningfully with the ongoing work.

25th March 2025

Appendix 3 – Theory of Change – Impact and Outcomes

Impact (5+ years)

Improved population health and wellbeing. Improved healthy life expectancy, more people supported to stay at home, reduced levels of delayed discharge etc.

Reduced social, economic and health inequalities. Integrated and targeted person-centred approaches

High quality services aligned to local needs and priorities, sustainable for the long term. Services that support prevention rather than responding to crises.

People trust in key decisions relating to the design and delivery of local services. Stronger and more participative local democratic systems and processes.

Communities able to control and influence decisions over those issues that affect them most. Further decentralisation of power to sub-LA level. Changes support wider commitments in Local Governance Review to transform community level decision-making.

Island communities more attractive as a place to live and work. Services are efficient and effective and focus on key priorities (including housing and jobs where people need them to help address depopulation).

Governance is streamlined and simplified, and savings are reinvested. Resources are pooled and shared in order to re-design services around the needs of local people.

Full realisation of financial savings. Reinvested in prevention, infrastructure and other priority areas.

Medium term (3-5 years)

Outcomes

Greater democratic participation. People are more likely to take part if they can influence decisions most important to them (voting turnout, participation in local meetings, responding to consultations etc).

Services are person centred. Increased flexibility via pooling of budgets. Services start by considering the needs of the individuals and are not constrained by organisational boundaries (including innovative and individualised care plans etc).

Ongoing expansion of SAM model. To incorporate a wider range of sectors over time (including HE / FE and Housing etc).

Improvements in population health. Improvements in drug and alcohol outcomes, reductions in key medium-term outcomes relevant to health-related inequalities (e.g. child development inequalities) and mental health improvements

Integrated service planning improves responses to demographic change.

Optimisation of financial opportunities. Financial savings reinvested.

Short term (1-2 years)

Greater confidence in ongoing service sustainability. Reduction in bureaucracy as result of streamlined governance with resource redirected to delivery.

Efficiencies across existing organisational structures. Actions resulting in financial savings outlined in delivery plan implemented. Remove duplication between services and reduced costs (shared IT, procurement and HR functions).

Decisions about the design of key services are made at a local level. People making decisions about services (health & social care, housing, transport, childcare etc) understand the needs of local communities.

Investment in prevention is incentivised. Overtime savings from reduced demand and efficiencies can be re-invested.

Services work better together to meet local needs / priorities (production of joint plans and strategies etc).

Statutory services are delivered collectively. Organisations work together creatively to deliver services