

Meeting: Board Meeting

Meeting date: 29 July 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:

Approve the establishment of a joint short-life working group between Argyll and Bute Council and NHS Highland to progress an options appraisal for a single authority model and associated work and take **Substantial Assurance**.

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	
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.

The situation in relation to the SAM concept has been evolving over the last 6 months and has reached a point where more formal governance is required between Argyll and Bute Council and NHS Highland to oversee joint working on this concept.

This paper sets out the background and context for establishing a joint short life working group between Argyll and Bute Council and NHS Highland.

The board is asked to:

- Approve the establishment of a joint short-life working group between Argyll and Bute Council and NHS Highland to progress an options appraisal for single authority model and associated work.

2.2 Background

Since the board was last updated on the SAM concept in 2023 there have been a series of engagements including:

- Argyll and Bute Council Chief Executive led workshop with HSCP/NHS Highland senior colleagues to explore principles, potential key benefits and improved outcomes of a SAM for Argyll and Bute
- Official start up meeting between Argyll and Bute Council, Scottish Government and COSLA to discuss local drivers for reform and current options being considered for Argyll and Bute
- Minister for Public Finance visit to Lochgilphead – discussion on SAM proposals and showcase of current integration/ partnership working

This has included discussions with Scottish Government in the context of public sector reform led by Ivan McKee, Minister for Public Finance, MSP. The SAM concept is considered a key part of a wider package of local governance reform to enhance democratic decision making at a place based level.

The 2024-25 Programme for Government 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 included developing single authority models (SAMs) with local government and other partners including health to strengthen and streamline local decision making, and support a shift towards more preventative public services.

Consequently, progress in the SAM concept has been continuing and since late 2024 NHS Orkney and NHS Western Isles have been engaged with their council partners, along with NHS Highland and Argyll and Bute council, in discussions with Scottish government colleagues who are leading on this work.

Gareth Adkins, Director of People and Culture, has been working with Douglas Hendry, Executive Director (Monitoring Officer / IJB Standards Officer) for Argyll and Bute council to provide input to a briefing paper developed by Argyll and Bute setting out possible models for a SAM within the Argyll and Bute context.

This input consisted of advice on key aspects of NHS governance that would need to be taken into account when considering any potential changes that a SAM would bring about.

Appendix 2 includes Argyll and Bute's briefing paper that sets out the proposals they developed for a SAM to inform early discussions with councillors and Scottish Government.

There was a ministerial meeting with Ivan McKee on 6th December 2024 which included NHS board chairs and chief executives (or deputies) as well as councillors and council officers.

Subsequent meetings took place in the first half of 2025 to explore the issues arising from the initial discussions with Ivan McKee including:

- NHS Board Chairs and Chief Executives
- NHS Board Chairs and Chief Executives and Cabinet Secretary for Health and Social Care
- Joint Ministerial Meeting with Cabinet Secretary for Health and Social Care and Cabinet Secretary for Public Finance and the NHS Board Chairs and Chief Executives

In addition Scottish Government colleagues have established more regular meetings during the first quarter of 2025 with key stakeholders. The draft SG programme timeline included in appendix 1 was shared with the partners exploring the SAM concept.

This highlighted that there were some key areas requiring clarity for NHS Boards:

- timelines and risks of achieving the milestones outlined
- need to engage with staffside, particularly in NHS context
- need for jointly developed and agreed proposals
- governance arrangements for any SAM in the context of continued requirement for NHS Board governance of NHS services within any SAM
- The need for any new arrangement to be able to demonstrate compliance with the current 1978 NHS legislation

It has been agreed that work should continue to jointly develop proposals in each council and health board partnership area. To support the key areas of clarification requested by NHS Boards it was agreed that Scottish Government officials would develop 'parameters' from an NHS perspective that any SAM proposal should be compatible with. These were received on 18th July 2025 and are still to be considered fully.

In the mean time correspondence and meetings have continued between NHS Highland and Argyll and Bute council in relation to the suite of options developed so far by the council.

More recently the 2025-2026 programme for government was announced includes the commitment to 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

Argyll and Bute Council established a short-life working group with councillor representation to progress discussions within the council on SAM options the council have developed which met on 16th May 2025. Key points of discussion at the meeting in relation the SAM were an expectation that no Single Authority Model option would be dismissed prior to engagement with relevant partners. Furthermore there was discussion and a sharing of views of the options that may be of more interest to the members of the SLWG.

To date there has been no formal joint governance group in place between the two organisations but key stakeholders from both have been engaged in the discussions as outlined above.

Recently it has been agreed to establish a formal working group at senior officer level that includes council senior officers and NHS executive directors to progress development of a jointly agreed suite of options for a SAM.

In addition it has been proposed that a joint short life working group is established and this would be presented to both organisations to agree.

2.3 Assessment

The concept of a SAM in relation to the principles of enabling greater levels of integration in the public sector has been in formation for some time and has gradually gained momentum and pace.

There has been engagement over the last 2 years between Argyll and Bute council and NHS Highland over this period with activity gradually increasing.

Given this context a joint short life working group is proposed to formalise the governance arrangements between Argyll and Bute council and NHS Highland in relation to a joint approach to considering preferred models for a SAM.

This would enable both organisations to consider the options already developed by Argyll and Bute Council as well as consider developing additional options.

A senior officer group has been established that will progress the work required to develop and evaluate a jointly agreed suite of options for a SAM.

The joint short life working group will include councillors and non-executive directors as well as members of the senior leadership teams from each

organisation. This group will provide the forum and governance for jointly agreeing recommendations on preferred options to both organisations.

The proposed Terms of Reference based on the council's SLWG are included in Appendix 3 for consideration by the board and for the board to agree:

- NHS Highland board membership
- Reporting arrangements into NHS Highland Board

The joint short life working group will oversee the work of the development and appraisal of a preferred option(s) for a SAM for Argyll and Bute. The current purpose of the SLWG has been set out by the council as:

- 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

This will need further discussion on extension of this group to become a joint short life working group. This could include inclusion of more detail similar to the purpose of the joint steering group between NHS Highland and the Highland Council reviewing the lead agency model of integration:

- Development of options for a future model of integration aligned with the principles of the single authority model
- Development and completion of an options appraisal and recommendations to both organisations including the strengths, weaknesses, opportunities and threats that might be involved in such options in relation to the delivery of both adult and children's service and to clearly define the financial, legal and workforce implications to be addressed
- recommendations on the resources required to support both organisations in the event of a transition from the current model to a future model of integration
- recommendations on any support Argyll and Bute Council and NHS Highland may require from Scottish Government in terms of taking forward any change to the model currently in place.
- any legislative implications arising from recommendations and potential need for additional provisions

2.4 Proposed level of Assurance

This report proposes the following level of assurance:

Substantial
Limited

X

Moderate
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

Unknown at present but will be considered within this work.

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

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 EDG

4 List of appendices

The following appendices are included with this report:

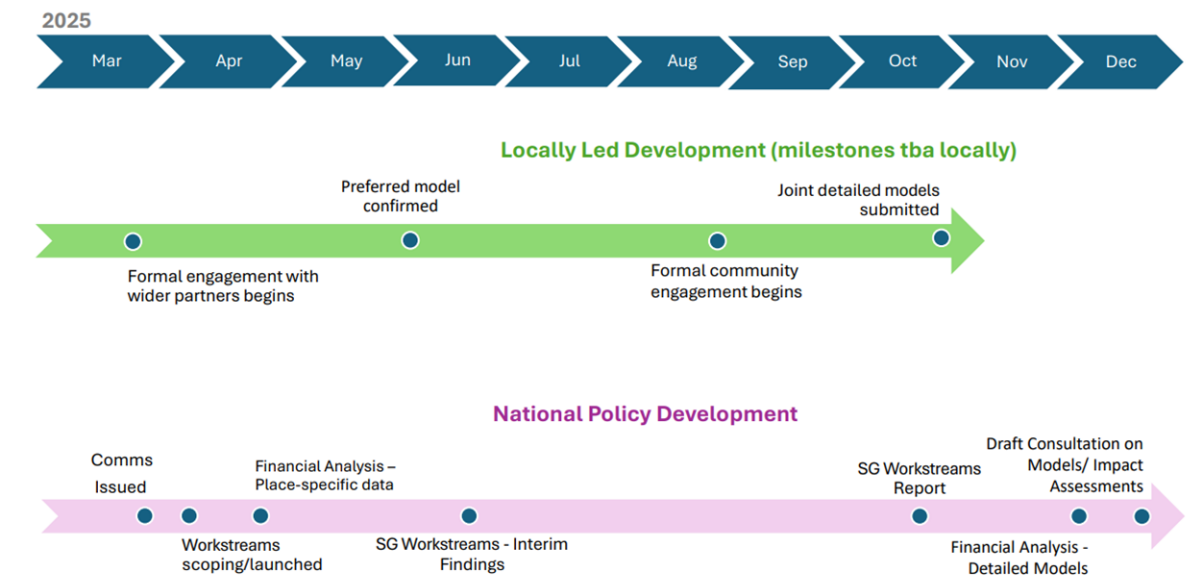
Appendix 1 – Scottish Government Draft Timelines

Appendix 2 – Briefing Paper on Single Authority Models

Appendix 3 – Working Group Terms of Reference (Single Authority Model)

Appendix 1 – Scottish Government Programme Timelines

SINGLE AUTHORITY MODEL – PROGRAMME TIMELINE





A SINGLE AUTHORITY MODEL FOR ARGYLL AND BUTE

Overview of Key Principles and Models

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 the 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 Fiscal 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

Single Authority Model Short Life Working Group

Argyll and Bute Council, at its meeting held on 24th April 2025, established a SLWG to take forward the exploration of alternative governance models for the area. This was in response to the increase in meetings being held at a national level and the ongoing pace of development. The SLWG was put in place to act as a sounding Board and to facilitate ongoing dialogue with elected members outwith the formal committee process, allowing Council officers to engage and contribute to national meetings on an agile and flexible basis.

The first meeting of the SLWG was held on 16th May 2025, where it was noted that *“early engagement with NHS Highland was imperative and agreed that appropriate NHS Highland non-executive Board members and officers be invited to attend the next meeting.”*

The extended/joint SLWG will continue to act as a sounding board, providing advice for both the membership of the SLWG and to the respective partner bodies on the examination and assessment of the current options identified, with the aim of coming to a common view on a preferred option for further development and consultation.

From an Argyll and Bute perspective the following terms of reference are in place, as agreed by the Council in April 2025:-

1. 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).

- Councillor Jim Lynch (Chair/Leader of Council)
- Councillor Ross Moreland (Vice Chair/Depute Leader of Council)
- Councillor Dougie McFadzean
- Councillor Gary Mulvaney
- Councillor Yvonne McNeilly
- Councillor Reeni Kennedy-Boyle
- Pippa Milne – Chief Executive
- Douglas Hendry – Executive Director

2. 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

3. Meetings and Reporting

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
- Timeline for agreeing / approval of joint preferred option to be confirmed

4. Terms

The Terms of Reference are effective from the Council meeting held on 24th April and will be ongoing until the SAM SLWG has concluded its work, or by the Policy and Resources Committee.

5. Next steps

The next steps required to extend the SLWG are:

- NHS Highland to agree membership and confirm through its board meeting on 29th July 2025
- NHS Highland to confirm reporting arrangements of this SLWG and agree at its board meeting on 29th July 2025
- NHS Highland to endorse adoption of the extant terms of reference subject to addition of membership and reporting details by NHS Highland.