

Agenda Item	8
Report No	HCW-05-26

The Highland Council

Committee: **Health, Social Care and Wellbeing**

Date: **04 February 2026**

Report Title: **Delivery Plan – Person Centred Solutions Q3 2025/2026**

Report By: **Assistant Chief Executive – People**

1. Purpose/Executive Summary

1.1 The Delivery Plan 2024-2027 consists of 57 projects/programmes, managed through 6 Portfolio Boards. Each project is reported to a relevant committee for consideration and scrutiny in terms of the Portfolio Reporting Cycle agreed at Council on 15 May 2025. Exceptions to this general rule may apply when for example circumstances merit a standalone project/programme report to either committee or council. If exceptions apply this report will signpost to where the relevant reporting can be found.

1.2 This report provides financial, performance, risk and general information on the following Delivery Plan projects/Programme:

- Home in Highland
- Shifting the Balance of Care and Accommodation Solutions
- Efficiencies from Social Work Procurement
- eRecords

1.3 The content and structure of the report is intended to:

- assist Member scrutiny and performance management
- inform decision making and aid continuous improvement, and
- provide transparency and accessibility

2. Recommendations

2.1 Members are asked to:

i. **scrutinise** and **note** the Delivery Plan Project updates provided in this report.

3. Implications

3.1 **Resource** - There are no resource implications arising as a direct result of this report. Resource implications (if any) for delivery plan projects or programmes will be detailed in the Financials sections of each of the project updates provided below.

3.2 **Legal** - This report contributes to the Council's statutory duties to report performance and secure best value in terms of; Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.

3.4 **Risk** - There are no risk implications arising as a direct result of this report. Project/Programme risks are identified via the council risk management process and monitored through the Portfolio Boards and are reported by exception only in paragraphs relating to Risk within each of the project updates below.

3.5 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no implications arising as a direct result of this report.

3.6 **Gaelic** - There are no implications arising as a direct result of this report.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and update report and therefore an impact assessment is not required.

5. Home in Highland

5.1 Overall RAG



- Transition of the line management arrangements and budget oversight of the previously named Home 2 Highland programme to the Strategic Lead for Care and Support has been completed. Shifting the balance of care through transformation in how services are delivered across Highland communities for our children including our own provided placements and purchased placements is now being actioned after the Budget recovery plan was supported by Health, Social Care & Wellbeing Committee on 12th November 2025.
- Short breaks opened within the Orchard (Inverness) in October 2025 with a limited capacity of support. Introductions to the service have gone well with several families taking up this support. Along with colleagues in Property & Assets a feasibility study is being actioned to consider how to increase this short break service to fulfil the 1400 night per year requirement for families in the Inverness area.

- Caithness short Breaks (Thor House) has now successfully recruited all staffing, a schedule of works is being undertaken, and this service is expected to open in February 2026. Skye Short breaks staffing recruitment continues to be challenging with staff from across Highland currently required to support the day service. Development of the social care workforce in this geographical area is ongoing.
- Work continues to support young people to return from out of area with proposals of service requirement to increase inhouse residential capacity by up to 14 spaces across Highland being considered and prioritised by the Capital Programme Board on 8 January 2026.
- A residential project group will be introduced in January 2026 with membership across THC which will ensure scrutiny and strategic support of these developments.
- 12 children and young people have moved from OOA placements since April 2025, 4 young people went home, 5 went to throughcare services, 2 moved on to supported flats OOA and 1 was remanded by the courts. The financial implications of this are monitored as whilst 12 children have returned this is not an automatic saving to the service as several young people have gone into purchased placements in this period. At present we have two young people in secure care.
- The Family Group Decision Making (FGDM) team alongside the newly established Kinship team launched the Highland's Kinship Family Finding Duty service on Monday the 19 January 2026. The Kinship Family Finding Duty Team will transform the way Highland's children are received into care by ensuring that no child is removed from their kinship network without thorough family finding processes being followed.

5.2 Key Milestones & Requests for Change

Milestones and measures of success have been updated to reflect the shift in the rebalancing of care to align the workstreams to the both the ethos of Family First and recovery of the Health & Social Care Budget, see below.

MILESTONES	CURRENT STATUS
<i>Starts Apr24 / Completes Jun24</i>	Home in Highland: Children's Rights team M3 24/25 Completed
<i>Starts April 24; Completes Aug. 24</i>	Home in Highland: FGDM and SCIM team permanent M6 24/25 Completed
<i>Starts Jul24 / Completes Oct24</i>	Efficiencies from SW Procurement: Opening the WFWP Fund M7 24/25 Completed
<i>Starts Apr25 / Completes May25</i>	Home in Highland: Establish cross service/agency forum M5 25/26 Completed
<i>Start Apr25 / Completes Oct25</i>	Home in Highland: Five young people to move from purchased provision, aged 14 or under, to local community setting (non-purchased) M9 25/26 Completed
<i>Starts Sep25 / Completes Jun26</i>	Home in Highland: The Orchard, Thor House, Skye M9 25/26 Some Slippage
<i>Starts Dec25 / Completes Jan26</i>	Home in Highland: Establish Residential Project Team M9 25/26 On Target
<i>Starts Dec25 / Completes Apr26</i>	Home in Highland: FGDM Evaluation Report M9 25/26 On Target
<i>Starts ? / Completes Oct26</i>	Home in Highland: Repair & Refurbishment of Braeside, Daviot
<i>Starts Dec25 / Completes Jan26</i>	Home in Highland: Identify accommodation requirements within current Out of Area CEYP
<i>Starts Jan26 / Completes Nov26</i>	Home in Highland: Work with Property & Assets service to identify properties to suit required provision
<i>Starts ? / Completes Dec26</i>	Home in Highland: Submit capital expenditure requests by end of 26

5.3 Financial Summary

- Savings

£	Children's Services : Family First Approach: Savings FY 24-28	£ 0
---	---	-----

The 5-year Children Services Budget Recovery Plan previously presented to Committee explains when these savings will be realised.

- Investment

£	Families First: Investment: EMR	£ 1,194,000
---	---------------------------------	-------------

A number of posts originally funded via the Family First monies have now been absorbed by the Service through the use of vacant posts. For the remaining posts, there is not sufficient funding left in the Family First budget to allow for all posts to be continued until 31 March 2027. Work is underway to resolve this issue in such a way that has the least possible impact on the Service's overall budget recovery plan and shifting the balance of care targets.

	Families First: Investment: Revenue	£ 200,000
---	-------------------------------------	-----------

Due to an extended planning schedule of short break care the Families First Investment Revenue spend has been limited to date however this will increase in the next quarter as all 3 short break care provisions become available to their local communities.

5.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Home in Highland: Savings Targets Not Achieved	15	Treat

There remains a risk that the level of need for placements cannot be met within Highland due to the complexity of need and risk, and shortage of available local care placements. Work is ongoing to review the cohort of young people in our care to improve capacity internally to accommodate young people who require care placements. Crucial support work posts within the Kinship team are unable to be funded through the funding stream of the Whole Family Wellbeing Fund. This is now being highlighted as a pressure monies bid to THC.

In relation to short breaks, staff recruitment to Skye short breaks has begun however there have previously been limited applications for social care posts within this process which may impact the service delivery. Registered management of Skye short break service now requires further consideration and planning due to the previous management within School Accommodation no longer being available.

Capital funding to increase provision of inhouse residential care will be required in order to care for the current children and young people in current purchased placements for their childhood. As referenced above, this is being progressed through the Capital Programme Board.

5.5 Forward Plan

A residential project group was introduced in January 2026 with membership across THC which will ensure scrutiny and strategic support of residential projects.

Ongoing work across service properties in conjunction with Property Services to support the reintroduction of short breaks, development of policies and procedures and to increase capacity across residential for children with disability.

Regular scrutiny of budgets and approval mechanisms for children in placements on a weekly basis with Finance service.

Launch Family finding duty system in January 2026

Open short breaks at Thor House in February 2026.

Open short breaks in Skye Spring 2026.

6. Shifting the Balance of Care & Accommodation Solutions

6.1 Overall RAG



The Adult Social Care Transformation Programme has moved from set-up into active delivery. Governance arrangements are established through the Person Centred Solutions Portfolio Board, and work is progressing across a range of priority areas including service redesign, community-based models of care, commissioning, and technology-enabled care.

Following approval in principle of NHS Highland's Financial Plan, the Portfolio Board approved the realignment of this workstream from two projects (Shifting the Balance of Care and Accommodation Solutions, and Improving Transition Outcomes) to four project themes that better reflect the direction of travel set out in the Plan:

- Service Rebalancing
- Community-led Local Care Models
- Care Pathway Redesign
- Technology and Workforce Transformation

Joint work is underway with NHS Highland colleagues to develop clear milestones and measures of success for both Track 1 (cost containment) and Track 2 (longer-term transformation). These will be monitored and reported through the Council's Programme and Risk Management System (PRMS).

In-year savings continue to be delivered through Track 1, NHS Highland's cost containment plan. Track 2 focuses on addressing the underlying drivers of demand and cost and is essential to achieving sustainable services and recurrent savings over the medium to long term, reducing reliance on short-term cost containment.

Following a review of programme risks and the current financial position, the RAG status of this workstream remains red, reflecting the level of risk associated with delivering the required savings. This position was discussed and agreed by the Person Centred Solutions Portfolio Board on 18 December 2025.

6.2 Key Milestones & Requests for Change

MILESTONES		CURRENT STATUS
<i>Starts Oct24 / Completes Dec24</i>	Balance Care & Accommodation: ASC Transformation Programme Target Operating Model	M9 24/25 Completed
<i>Starts Oct24 / Completes Dec24</i>	Balance Care & Accommodation: ASC Transformation Programme Resources agreed in place	M12 24/25 Completed
<i>Starts Nov24 / Completes Mar25</i>	Balance Care & Accommodation: Handyperson Scheme	M12 24/25 Completed
<i>Starts Aug25 / Completes Nov25</i>	Balance Care & Accommodation: Vocala - Complete Business Case	M7 25/26 Completed
<i>Starts Nov24 / Completes Dec25</i>	Balance Care & Accommodation: Self-Service Business Case approval	M9 25/26 Some Slippage
<i>Starts Nov24 / Completes Dec25</i>	Balance Care & Accommodation: Lochaber Care Project - Complete initial stakeholder engagement	M9 25/26 Some Slippage
<i>Starts Nov24 / Completes Apr26</i>	Balance Care & Accommodation: Shared Lives - commissioning process completed	M9 25/26 On Target
<i>Starts Sep25 / Completes Dec25</i>	Balance Care & Accommodation: Strategic Commissioning Framework developed and approved	M9 25/26 On Target
<i>Starts Jan25 / Completes Mar27</i>	Balance Care & Accommodation: Flexibility, Choice and Control [SDS] - Implemented in five areas in Highland	M9 25/26 On Target
<i>Starts Aug25 / Completes Dec25</i>	Balance Care & Accommodation: Ampliwork - Agreed funding	M9 25/26 No Significant Progress
<i>Starts Oct26 / Completes Mar27</i>	Balance Care & Accommodation: Project Closure and transfer to BAU	

As noted above, the Portfolio Board has approved the realignment of the workstream to the four project themes set out in NHS Highland's Financial Plan. Joint work is now underway to establish milestones and measures of success for both Track 1 and Track 2 activity, ensuring that progress can be consistently monitored and reported and ensure that the projects previously approved and started continue to be delivered.

6.3 Financial Summary

- Savings**

	Operating Model:Adult Social Care: Savings FY 24-27	£ 3,791,000
---	---	--------------------

The savings target for 2025/2026 is £7m. Work is ongoing with NHS Highland to align the transformation programme and supporting reserve with the NHS Highland Cost Containment and Financial Plan to support delivery of this target.

Savings are being delivered through Track 1, NHS Highland's in-year cost containment plan. The areas expected to deliver the greatest impact are:

- Eligibility and Service Provision, ensuring assessment criteria are applied consistently and that care is prioritised for those with critical or substantial needs.
- Supplementary Staffing, reducing reliance on agency staffing through improved workforce planning and strengthened governance.

As at December 2025, material savings of £2.221m have been identified. However, the majority of these savings are non-recurrent, and delivery remains fragile. Current projections indicate that the full level of savings originally anticipated is unlikely to be realised due to ongoing demand pressures, workforce challenges, and wider market conditions. This presents a significant risk to the Partnership's overall financial position.

As a result, the financial risk associated with adult social care services delivered by NHS Highland remains ongoing and is expected to result in a significant overspend against NHS Highland's budget. This position continues to be discussed through established joint governance arrangements, including the Joint Monitoring Committee and at Chief Executive level.

- **Investment**

 Adult Social Care: Investment: EMR	£ 2,012,484
--	--------------------

Members were previously updated on the position of the Adult Social Care Transformation Reserve at the Council meeting on 15 May 2025.

In 2024/2025, £2.271m of the £20m earmarked reserve was committed to change and transformation activity. A further £5.6m was agreed to support overspends in Adult Social Care services delivered by NHS Highland in the same year, bringing the total expenditure against the reserve in 2024/2025 to £7,874,585.

During 2025/2026, additional expenditure has primarily supported programme and project management capacity across both the Council and NHS Highland. As at Quarter 3, total expenditure against the Reserve for the 2025/26 financial year stood at £896,841.

To date, £8,771,426 (£7,874,585 2024/2025 outturn and £896,841 Q1-Q3 2025/2026) has been spent against the initial £20m allocated in the Reserve. A number of Business Cases continue to be assessed through the agreed joint governance processes, meaning that commitments against the Reserve will continue to evolve as decisions are taken.

6.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
Shifting TBOC & AS: Failure to Deliver Required Savings ASC01	12	Treat
Shifting TBOC & AS: Handyperson Scheme ASC02	6	Tolerate
Shifting TBOC & AS: Shared Lives ASC04	9	Tolerate
Shifting TBOC & AS: Use of Investment ASC05	9	Treat
Shifting TBOC & AS: Workforce Challenges ASC06	12	Treat
Shifting TBOC & AS: Decision Making and Governance Process Delays ASC07	9	Treat
Shifting TBOC & AS: Staff Resistance to Change ASC08	9	Treat
Shifting TBOC & AS: Provider Failures ASC10	12	Treat

Three programme risks previously escalated to issues remain in place:

- ASC01 – Failure to deliver required savings
- ASC05 – Use of investment
- ASC07 – Decision-making and governance delays

Mitigating actions have been agreed jointly with NHS Highland. The development and implementation of the Financial Plan, including both cost containment and transformation activity, alongside strengthened governance arrangements, are central to managing these risks.

A full programme risk review was completed in October and reported to the ASC Programme Board in November. Programme risks and issues continue to be reviewed quarterly, with updates reported to the Person Centred Solutions Portfolio Board.

6.5 Forward Plan

Key initiatives within the Adult Social Care Transformation Programme include:

- Self Service and Income Maximisation
- Lochaber Project
- Digital Projects
- Local Care Models and Self-Directed Support
- Handyperson and Care and Repair
- Shared Lives
- Care and Commissioning Strategy Development

Self Service and Income Maximisation

The business case remains in development, supported by NHS Highland's ASC Partnership Lead. Work to date has focused on identifying preventative and digital solutions, including a self-help website, with further work underway to scope

improvements and assess financial impact. Consideration is also being given to additional business analysis and change management support to ensure benefits are fully realised.

Lochaber

Stakeholder engagement commenced in November through the Lochaber Partners for Progress event and was well attended. Further local engagement is planned, alongside closer alignment with wider health and social care redesign work. A paper on the future of care delivery in Lochaber is due to be considered at a forthcoming joint Chief Executives' meeting.

Digital Projects

The Vocala proof of concept is in the procurement and contract phase, led by NHS Highland, with implementation planning underway. Work on the Care Technologist role and a Technology Enabled Care library has generated interest from independent care providers, with further development planned in early 2026.

Developing a Highland Care Model

Work is progressing to develop a Highland Care Model that supports a shift towards prevention, community-based support and more sustainable models of care. An agreed approach to deploying transformational funding has been endorsed by Chief Executives, with specific elements ring-fenced to support this work:

- **£150k** to support the development of Community Hubs
- **£250k** to support Community-Led Support, including co-production and facilitation activity
- **£250k** to increase the availability of Independent Support and Brokerage (Options 1 and 2)
- **£500k** allocated through the Transformational Fund, accessed via the Highland Third Sector Interface, to support co-produced local initiatives

The National Development Team for Inclusion (NDTi) has been engaged to support the development of a collaborative Community-Led Support approach for Highland, building on existing third sector and statutory partnerships and supporting the development of a consistent but locally adaptable model.

Handyperson and Care and Repair

The updated SLA between NHS Highland and The Highland Council has been approved and implemented, with contract management now embedded within services.

Shared Lives

Procurement activity is progressing, with an indicative timeline for contract award in June 2026 and service commencement in July 2026.

Care and Commissioning Strategy

Development of the commissioning strategy and intentions remains on track, with a first draft due for internal review. This will inform commissioning plans in early 2026.

7. Efficiencies from Social Work Procurement

7.1 Overall RAG



The programme of Social Work procurement efficiencies continues to progress, with several actions completed that have delivered measurable savings. These include shifts from commissioned services to grant funding, reductions in contracted provision, and cancellation of services no longer required. Confirmed savings now total **£127,556** against a target of **£200,000**, with possibly another **£35,955** by the end of the financial year. Leaving a possible shortfall of **£36,489** and **£72,444**. It is anticipated that any shortfall will be mitigated in year 2026/2027.

7.2 Key Milestones & Requests for Change

MILESTONES		CURRENT STATUS
<i>Starts Apr24 / Completes Jun24</i>	Efficiencies in SW Procurement: Category & Contracts Manager appointed	M3 24/25 Completed
<i>Starts Jul24 / Completes Oct24</i>	Efficiencies from SW Procurement: Opening the WFWP Fund	M7 24/25 Completed
<i>Starts Sep24 / Completes Jan25</i>	Efficiencies from SW Procurement: Savings identified	M7 24/25 Completed
<i>Starts Jan25 / Completes Apr25</i>	Efficiencies from SW Procurement: Model contracts offered to providers	M12 24/25 Completed
<i>Starts Apr25 / Completes Jun25</i>	Efficiencies from SW Procurement: Commissioning framework in place	M4 25/26 Completed
<i>Starts Aug25 / Completes Sep25</i>	Efficiencies from SW Procurement: Review annual progress Sept25	M8 25/26 Completed
<i>Starts Sept24 / Completes Dec25</i>	Efficiencies from SW Procurement: Contracts review complete	M8 25/26 On Target
<i>Starts Aug26 / Completes Sep26</i>	Efficiencies from SW Procurement: Review annual progress Sept26	
<i>Starts Oct26 / Completes Mar27</i>	Efficiencies in SW Procurement: Project Closure and transfer to BAU	

All milestones are complete to date. Contract review work has become business as usual.

7.3 Financial Summary

To date, Social Work procurement activity has delivered confirmed savings totalling £127,556 with possibly another £35,955 by the end of the financial year. These arise from:

- Savings delivered through transitioning a service to grant funding.
- Efficiencies achieved where projected uplifts were not required.
- A reduction in shared service provision.
- Favourable Real Living Wage budget-to-actual variances.
- Cancellation of a contract no longer required.
- Reduced service intensity within a supported care package.

After accounting for these, a remaining gap of £36,489 remains against the target. However, it is anticipated that this shortfall will be mitigated in year 2026/2027.

7.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING RESPONSE	
Efficiencies from SW Procurement: Negative impact on Clients	6	Tolerate
Efficiencies from SW Procurement: Resistance to Framework Changes	6	Tolerate

Two key risks have been identified in relation to delivering Social Work procurement efficiencies.

First, there is a risk that changes implemented to secure efficiencies may have a negative impact on clients, particularly where service levels or delivery models are adjusted. This risk is currently rated as 6 (Tolerate), reflecting the need to proceed with caution while ensuring client outcomes remain protected through ongoing monitoring and impact assessment.

Second, there is a risk of resistance to change within existing frameworks, which may hinder the implementation of revised procurement approaches or service redesigns. This risk is also rated as 6 (Tolerate), indicating acknowledgement that some resistance is expected and will need to be managed through engagement, clear communication, and collaboration with stakeholders.

7.5 Forward Plan

The next period will focus on:

- Continued review of commissioned services to identify further efficiency opportunities.
- Strengthening contract oversight to ensure savings achieved are sustained.
- Engaging with service areas to explore alternative delivery models and opportunities to shift from commissioned to grant funded approaches where appropriate.
- Updating the procurement pipeline to align with wider transformation priorities and to ensure future contracting supports improved value for money and better outcomes.

8. **eRecords**

8.1 Overall RAG



This collaborative project involves the development and implementation of the electronic Child Health Record in the North Highland Partnership. Records have been maintained in paper format since the 2012 integration of community Child Health staff into The Highland Council. Most other NHS Boards in Scotland have transitioned to an electronic Child Health Record, leaving North Highland at a digital disadvantage.

The project is amber as we are awaiting confirmation from NHS Highland (the owner of Child Health Records) that this work will be included in their 2026 job plan. It requires technical support and resources from eHealth, and governance from the Morse Oversight Group managing wider rollout of the Morse electronic form solution to NHS Highland community teams.

The Highland Council has agreed to fund this project given the substantial benefits that will be delivered for our staff, children and their families.

Corrective actions: set up planning meeting with key NHS Highland stakeholders in January 2026 to define technical resources needed and governance requirements. This will enable us to create a Project Plan with realistic milestones set against an agreed scope.

8.2 Key Milestones & Requests for Change

MILESTONES		CURRENT STATUS
<i>Starts Apr 24 / Completes Dec 24</i>	eRecords: Digital storage strategies	M7 24/25 Completed
<i>Starts Dec 24 / Completes July 25</i>	eRecords: Agree Project Brief with NHSH	M4 25/26 Completed
<i>Starts Aug 25 / Completes Aug 25</i>	eRecords: Present Business Case at PCS Portfolio Board	M5 25/26 Completed
<i>Starts March 25/ Completes Dec 25</i>	eRecords: Agree Business Case and full costings at Partnership JOG	M9 25/26 Some Slippage

Milestone '*Agree Business Case and full costings at Partnership JOG*' is now complete as the project funds have been secured from The Highland Council.

8.3 Financial Summary

There are no Delivery Plan financial elements directly associated with this project.

8.4 Key Risks

KEY RISKS ASSESSED / RESPONSE	CURRENT RISK RATING	RESPONSE
eRecords: No Funding	9	Tolerate
eRecords: Insufficient NHSH eHealth priority and resource	9	Tolerate
eRecords: Insufficient NHSH Morse Oversight Group priority	9	Tolerate

Risk 1 (No Funding) will be removed as project funding has been secured from The Highland Council. The remaining risks are still relevant; the planning meeting with NHS Highland to be set for January 26 will seek to address these. The risks, their ratings and our responses will then be re-assessed.

8.5 Forward Plan

- Complete planning meeting with key NHS Highland teams and groups in January 2026.
- Complete and agree Project Initiation Document and Project Plan.
- Achieve agreement and necessary approvals to move to project execution phase.

Designation: Assistant Chief Executive - People

Date: 12 January 2026

Authors: Alasdair Mort – Project Manager
Ian Kyle – Integrated Children's Services
Dianne Henderson – Strategic Lead (Care and Support)
Lynnsey Urquhart – Programme Manager
Brian Scobie, Portfolio Manager

Background Papers: None

Appendices: None