Agenda Item	7
Report No	HC/26/26

The Highland Council

Committee: **The Highland Council**

Date: **17 September 2026**

Report Title: **Programme for Government - Public Sector Reform (including Models of Integration Phase 2 Review Update)**

Report By: **Chief Executive**

1. Purpose/Executive Summary

1.1 This report informs Members about the Scottish Government's Programme for Government which outlines what ministers want to achieve before the next Scottish Parliament election in 2031. The focus of this report is on the proposed Public Sector Reform, the initial implications for the Council, the engagement that has taken place to date and potential next steps.

1.2 The report also provides Members with an update on the Models of Integration Review (Section 7). Due to the significant changes to the NHS outlined in the Programme for Government, it is proposed that the Review is paused pending further clarity emerging about health and social care integration. However, it is recommended that the Stakeholder engagement events planned for October should still proceed.

2. Recommendations

2.1 Members are asked to:

i. **Note** the potentially significant implications of the Programme For Government proposals for local government, delivery of health and social care and wider public services reform;
ii. **Note** the engagement that has taken place with the First Minister;
iii. **Agree** that direct engagement and communication continue with the Scottish Government and officials;
iv. **Agree** that a further report be considered at December Council updating Members;
v. **Note** the outcome of the MOI Review Phase 2 options appraisal as detailed at Appendix 1;
vi. **Agree** the MOI Review should be paused, pending greater clarity about the Scottish Government's plans for health and social care integration;
vii. **Agree** to engage with stakeholders, incorporating consultation on the Highland Outcome Improvement Plan and existing Community Planning partnership events.

3. Implications

3.1 Resource

In relation to PFG, there are no known resource implications arising from this report at this time. In relation to the MOI Review Phase 2 Review, these are set out in **Appendix 1**.

3.2 Legal

In relation to PFG, there are no known legal implications arising from this report at this time. In relation to the MOI Review Phase 2 Review, these are set out in **Appendix 1**.

3.3 Risk

In relation to PFG, there are no known risk implications arising from this report at this time. In relation to the MOI Review Phase 2 Review, these are set out in **Appendix 1**.

3.4 **Health and Safety** (risks arising from changes to plant, equipment, process, or people)

There are no known Health and Safety implications arising from this report at this time.

3.5 Gaelic

There are no known Gaelic implications arising from this report at this time.

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 Integrated Impact Assessment

4.3.1 As this report primarily informs Members about the Scottish Government's Programme For Government an Integrated Impact Assessment is not required. Members will note recommendation (vi) is to pause the MOI Review until such time as greater clarity is achieved on public service reform. Engagement however will continue and this information will help inform any future assessment of impact.

5. Background

5.1 The Scottish Government published its Programme for Government (PFG) on 1 September 2026.

https://www.gov.scot/programme-for-government/

The PFG focussed on four key themes:

- Eradicating child poverty
- Growing the economy
- Tackling the climate emergency
- Delivering a stronger NHS and public services

The PFG is likely to have significant implications for local government, including Highland Council. While there are potential implications for the Council across all the themes, this report focuses on the "Delivering a stronger NHS and Public Services' theme, summarises the announcements and potential impacts and sets out what some of the next steps are anticipated to be. In doing so, it is acknowledged that the information is being drawn from the information and detail currently available from the Scottish Government and accordingly final outcomes and timescales are not currently available.

6. Delivering a stronger NHS and Public Services

6.1 With respect to delivering a stronger NHS and Public Services, the PFG sets out a number of key immediate actions in terms of public service reform:

6.2 *Empowering regions and communities*

6.2.1 "…Over the next three months we will convene a dialogue with partners across Parliament, local government, and beyond about the future of local governance in Scotland. This will include how resources may be pooled at a regional level while also strengthening community level governance, empowering people to influence local decision making. By the end of the year, we will seek a shared direction for reform – enabling the focus to move from debate to delivery and ensuring early decisions and progress can be made through the first Budget of this Parliament.…";

6.3 *Delivering reform of social care*

6.3.1 "Scotland faces increasing demographic challenges, placing growing financial pressures on health and social care and affecting people's experience of services. Right now, the arrangements we have in place to manage and deliver social care in Scotland are too often inconsistent in their delivery.

6.3.2 With improvement of outcomes for people and financial sustainability at the core of this programme, reform of both the National Health Service and local government must also include examining all options for the future governance and delivery of social care. We will use these next three months to engage with local authorities,

trades unions, and healthcare and service providers to reach agreement on reform of social care which makes best use of the funding in the system, delivers fairer and more efficient services and achieves economies of scale, while enhancing the focus on community need.…";

6.4 *Empowering school leaders, raising standards and reducing variation*

6.4.1 "…Decision making should be as close to the classroom as possible. Empowering our school leaders and ensuring they have the tools and support as the professional leaders of learning will be critical. Schools are focal points of our communities and engagement with parent councils will ensure the aspirations of local communities can be achieved.

6.4.2 As part of our reforms, we will work closely with local government, school communities and headteachers to maximise the opportunities that reform of governance and service delivery will bring – to raise attainment, close the poverty-related attainment gap, reduce variation in outcomes, strengthen data and system-wide improvement, and support the journey through early childhood development and early learning into school…"

6.5 *Making early progress in healthcare*

6.5.1 "The pressures facing our public services are acute, and all options must be on the table for serious discussion, including new forms of collaboration, changes to structures, and more strategic regional models of local government with the powers, permission, and flexibility to drive economic growth and support wellbeing.

6.5.2 We will simplify the NHS by replacing the current 14 territorial Health Boards with two Strategic Health Boards and build on planned reforms to further reduce the number of special Health Boards. Alongside other measures to improve patient experience, including the National Flow Plan, this will deliver more efficient use of resources across Scotland, freeing up more time and capacity for treatment, and improve patient access through more joined up care. It will also support efforts to improve further the integration of health and social care services…"

6.6 In both his speech (https://www.gov.scot/publications/programme-for-government-2026-to-2031-first-ministers-speech/) and subsequent media interviews, the First Minister appeared to go further than the published PFG. He stated that he expects there to be fewer and larger local authorities (without committing to a number) and that he expects social care to come under the direct control of the NHS. Of note the First Minister said of local government, '*In Scotland today, we are faced with the reality that some of our councils are too small to be strategic and some are too big to be local. The government believes that should change.'* However, in subsequent discussions, senior civil servants have maintained that any dialogue is being approached with an open mind on the part of the Scottish Government.

6.7 At this stage no formal proposals for local government boundary changes have been published and the Scottish Government has indicated that discussions will proceed without a predetermined structural outcome. The Scottish Government has stated that it expects to have dialogue with stakeholders within a three-month period.

7.0 NHS Highland and Adult Social Care

7.1 The Scottish Government is explicit in the PFG document that the current arrangement of fourteen health boards in Scotland will be reduced to two Strategic Health Boards. The proposal will see NHS Highland forming part of a West Strategic Health Board. There is no indicative timescales for this with further details expected by the end of the year.

7.2 In his speech the First Minister stated "*Decisions on social care at a council level impact on the health service and the NHS's ability to deal with problems like delayed discharge. That means money is being spent in ways that do not deliver the best results for citizens. This too must change.*

Reform to social care, therefore, will also be part of our engagement over these next three months. Again, I do not seek to be prescriptive, but I cannot see us resolving the fundamental challenges facing social care without a single line of decision-making, accountability and funding, with the NHS taking the lead."

7.3 Adult social care in Highland is currently delivered by NHS Highland under the lead Agency model. In the last eighteen months the Council and NHS Highland have been actively engaged in undertaking a review of the current arrangements through the Models of Integration Review. At the previous meeting of the Highland Council on 26 March 2026, it was agreed that two options should be taken forward into Phase 2 of the Models of Integration Review, and that the Senior Officer's Group (SOG) should continue to develop plans for stakeholder consultation and engagement, with a view to bringing draft proposals to the Council and NHS Board by September 2026

7.4 The Phase 2 Outcome report is attached at **Appendix 1**. This provides background to the Review and includes the detailed Stage 2 Outcome report, as approved by the Models of Integration Joint Steering Group. The report explains that the emerging thinking from those involved in the detailed Phase Two Options Appraisal was a move away from the current Lead Agency Model and towards a new model of integration based on the IJB arrangements in operation across the rest of Scotland. In addition, the report recommended a plan for consultation and engagement with staff and stakeholders. This can be taken forward alongside the planned consultation on the new Highland Outcome Improvement Plan (HOIP) at the same time.

At the point at which this report was finalised through the Steering Group and signed off by the Council/NHS Highland Joint Chef Executive's Group, the Scottish Government had yet to publish its Programme for Government. It was understood at the time, and highlighted in the Risk Section, that the Public Sector Reform agenda might have implications for the MOI Review.

Whilst the detailed implications of the Programme for Government and wider Public Sector Reform are still uncertain, the recent Government announcements have confirmed that health and social care will be a key focus and it appears from the available information that IJBs may no longer be an option for delivering integrated health and social care arrangements in Scotland. In addition, the Scottish Government has announced that there will be a three-month engagement with local government.

As a consequence of the current uncertainty, it is recommended that further work on the Models of Integration Review is paused. However, it is proposed that the engagement events still take place, as there is a requirement to engage with stakeholders on the HOIP and these events would also provide an opportunity to seek views about the Programme For Government which could be fed back as part of the Council's engagement with the Scottish Government's three-month consultation exercise.

8. Highland Council's Response

8.1 Following the publication of the PFG and the First Minister's speech the Council Leader and Convener have written a joint letter to the First Minister seeking an early meeting. The letter forms **Appendix 2** to this report.

8.2 The letter highlights the Council's priorities and plans as well as drawing the First Minister's attention to the Council's its evolving track record in improving services. Reference is made to successive Audit Scotland reports, including the Best Value Report of 2025, which have expressed confidence in the transformational approach being taken by the Council, especially in relation to improving services and managing finances sustainably in the context of contracting budgets.

8.3 Further and reflecting the theme of Public Services attention is drawn to a number of recent Council initiatives including:-

- the Highland Investment Plan which makes provision to create a £2.1 billion investment programme;
- the Highland Housing Challenge Action Plan to build 25,000 homes in the area over the next ten years;
- Invest Highland website and investment prospectus, which is devoted to region wide infrastructure opportunities; local area developments in housing, schools and community facilities and climate resilience schemes; and local community and place plans;
- the Social Value Charter for Renewables, which has delivered private sector investment commitments of over £6 billion so far;
- the Operational Delivery and Transformation Plan, which has committed over £30 million of investment in Social Care in the past three years to support the delivery of these services under the Lead Agency model by NHS Highland; and
- the evolution of a new generation of Unique Visitor Experiences, based on the success of An Storr.

8.4 In its concluding paragraph the letter states, "We would therefore welcome assurance that the perspective of Highland Council will be fully reflected in the development of the proposed Public Service Renewal (Scotland) Bill and in the implementation of wider reform measures. There are a range of other suggestions that we have and would like to expand on these in a future meeting with you."

8.5 The Chief Executive and Assistant Chief Executive (People) have written to staff on the Scottish Government's Reform Proposals (**Appendix 3**).

8.6 It is proposed that a report is brought to December 2026 Council updating Members on the discussion and engagement that has taken place with the Scottish Government.

Designation: Chief Executive

Date: 14 September 2026

Author: Derek Brown, Chief Executive

Appendices: **Appendix 1** – Update Report on Models of Integration progress
Appendix 2 – Letter to Rt Hon John Swinney MSP, First Minister from Council Leader and Council Convener, 8 September
Appendix 3 – Staff communications from Chief Executive and Assistant Chief Executive (People)

APPENDIX 1

Agenda Item	
Report No	

The Highland Council and NHS Highland

Committee: **Highland Council and NHS Highland Board**

Date: **17 September 2026**

Report Title: **Models of Integration Review – Options Appraisal Phase 2 Outcome report and Programme Update and Next Steps**

Report By: **Kate Lackie, Assistant Chief Executive – People, Highland Council**
Gareth Adkins, Director of People and Culture, NHS Highland

1 Purpose/Executive Summary

1.1 At the previous meeting of the Highland Council on 26 March 2026, it was agreed that two options should be taken forward into Phase 2 of the Review, and that the Senior Officer's Group (SOG) should continue to develop plans for stakeholder consultation and engagement, with a view to bringing final proposals to the Council and NHS Board by September 2026. During the debate the tight timescales proposed were queried and acknowledged as a risk. It was noted that provision was being put in place to review and potentially adjust the timescales as the programme progressed.

The purpose of this report is to provide the Highland Council with an update on progress of the Models of Integration (MOI) Review and confirmation of the future plan. The review is not an end in itself and is not primarily about organisational form. Its purpose is to consider whether the way health and social care services are planned, managed and overseen in Highland can better support improved outcomes for people, families and communities across the area. The Draft Phase 2 Interim Options Appraisal Report is attached as **Appendix 1.**

The Options Appraisal Phase 2 review was established following the agreed outcome of Phase 1, to consider whether the current Lead Agency Model remains the most appropriate organisational arrangement for delivering integrated health and social care services across Highland for adults and children, or whether there is a benefit in moving to a Body Corporate model, commonly referred to as an Integration Joint Board (IJB). The Lead Agency Model is the only such model in Scotland, whilst the IJB model is the approach currently used across all other Scottish health and social care partnerships. Any potential change of model should therefore be judged primarily by whether it is likely to improve the experience, support, care and outcomes of the people and population of Highland, rather than by structural alignment alone.

1.2 Options Appraisal update

Since the Highland Council last met on 26 March 2026, Phase 2 of the Options Appraisal process has progressed. Detailed appraisal sessions have been completed with strategic and operational leaders from across NHS Highland and The Highland Council, together with key workstreams covering finance, governance, workforce and

professional assurance. Whilst strengths and risks have been identified in both models, the broad balance of opinion is in favour of a move to an IJB. A summary of phase 2 is set out in section 6 of this report.

Trade Union and Staff Side representatives are now members of the Senior Officers' Group and have participated in the options appraisal briefing sessions. They will continue to be engaged throughout the process to ensure their views and feedback inform the ongoing development and appraisal of options.

1.3 Steering Group Consideration and Emerging Themes

The Joint Steering Group considered the Draft Interim Options Appraisal Report on 13 August 2026 and, whilst noting the emerging findings from Phase 2, identified a number of areas requiring further development before final recommendations can be made. These matters are summarised in Section 7.

1.4 The Phase 2 Draft Interim Options Appraisal Report is attached as **Appendix 1.**

The report seeks to inform Members of the work undertaken to date, present the emerging findings from the options appraisal process and provide an overview of stakeholder feedback and issues requiring further consideration before final recommendations are brought forward later in the year.

1.5 It is intended to bring final outcome reports to The Highland Council and NHS Highland Board in November/December 2026. Therefore, it was agreed at the Joint Steering Group on 13 August 2026 that a further meeting of the Steering Group would be arranged to agree final recommendations to both organisations prior to that.

2 Recommendations

2.1 i. With regard to the options appraisal, it is recommended that Members:

a) **Note** the outcome of the Phase 2 options appraisal summarised at section 6;
b) **Agree** the Draft Phase 2 interim Options Appraisal Report **(Appendix 1);** and
c) **Note** the Steering Group Consideration and Further Work summarised at section 7.

ii. With regard to next steps, it is recommended that Members:

a. **Note** a further Steering Group meeting to be arranged prior to final reports going to The Highland Council and NHS Highland Board in November/December 2026;
b. **Note** the final outcome reports and recommendation to be presented to The Highland Council and NHS Highland Board in November/December 2026; and
c. **Note** and **agree** the next steps in terms of the ongoing engagement process set out in paragraph 9 of this report.

3 Implications

3.1 **Resource** -There are specific resource implications arising directly as a result of Joint Chief Executive's Group having approved the MOI cost overview paper for non-recurrent investment funds on 27 May 2026 (**Appendix 2).**

Any change to the model of governance will have financial implications for both the Highland Council and NHS Highland. Aspects of this are addressed and scored in the Draft Phase 2 report, reflecting consideration by officers. The Steering Group noted that the financial assessment would need to be expanded for the final closure report to provide appropriate levels of assurance to Members to make an informed decision about the final outcome.

There is also a requirement for lead officers in both organisations to identify capacity to take the work forward at pace which will require a re-prioritisation of workload in some cases.

3.2 **Legal** - At the present time there are no specific legal implications arising directly from the content of this report. Members will be aware that any change to the model of integration in due course will require to be supported by a revised Integration Scheme which is a document that sets out the legal responsibilities and duties of both partners. Both organisations are in the early stages of instructing Legal advisors in this regard.

3.3 **Risk** - During the Council's consideration of the update report in March 2026, the tight timescales proposed were queried and acknowledged as a risk. It was noted that provision was being put in place to review and potentially adjust the timescales as the programme progressed and this resulted in the Steering Group agreeing that final reports for the Council and NHS Board would come forward at the end of the year rather than in September as originally planned.

Risk assessments form an integral part of the Options Appraisal approach and so risk is considered in more detail throughout the various sections of the Draft Phase 2 Interim Options Appraisal Report at **Appendix 1.**

The Steering Group discussed the potential implications of the programme for government and specifically any content related to public sector reform. It was noted that the programme for government may influence the work of the MOI review but this will need to be taken into account as further information emerges.

The risk of programme for government impacting on the MOI review was discussed and noted. However it was noted that it was not possible to pre-empt the publication of the programme for government and that work should continue as planned at this stage.

3.4 **Health and Safety** (risks arising from changes to plant, equipment, process, or people) and Gaelic – There are no such implications arising from 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 an update report and therefore an impact assessment is not required.

5 Progress Update

5.1 Programme Delivery

Since the previous Highland Council meeting significant progress has been made across the review programme. Additional programme resources have been recruited, with appointments completed during July 2026. These posts provide additional capacity to support programme management, engagement activity, communications and consultation planning. This will be important during the next phase of the programme as engagement activity broadens and preparations begin for possible implementation planning.

5.2 Programme governance arrangements continue to operate through the Senior Officer Group, Joint Chief Executives' Group, and the Models of Integration Steering Group. A comprehensive programme management framework is now in place including a detailed programme plan, action tracker, risk register, issue log and decision log. These arrangements provide clear oversight and monitoring of progress and support escalation of matters requiring strategic direction.

6. Phase 2 Options Appraisal - Summary

6.1 A substantial programme of options appraisal activity has been completed since March 2026.

Workshops and appraisal sessions have been undertaken with representatives from:

- Finance and Corporate Resources
- Corporate Governance
- Professional Leads and Clinical and Care Governance
- Human Resources and Workforce
- Strategic Leads across The Highland Council
- Operational Leads across The Highland Council
- Strategic Leads across NHS Highland
- Operational Leads within NHS Highland, with the final outcomes currently being incorporated into the overall analysis.

6.2 The appraisal process has been undertaken using a recognised options appraisal methodology informed by Audit Scotland guidance and HM Treasury Green Book principles. Participants considered both the existing Lead Agency Model and an alternative body corporate model based on an Integration Joint Board structure against a set of agreed success criteria:

- Strategic fit
- Performance
- Finance
- Risk
- Opportunities and benefits

Alongside structured scoring, participants were asked to explore strengths, weaknesses and future opportunities associated with both models. Detailed outcomes are outlined in **Appendix1**

6.3 Across all groups there was recognition that the current Lead Agency Model has delivered significant benefits since its introduction in 2012. Participants highlighted the strength of integrated working within both adult and children's services, well established professional relationships, a strong sense of identity amongst staff, and a shared commitment to delivering high-quality services. Particular strengths were identified within integrated children's services, where close collaboration between children's social work and child health services was viewed by the relevant workforce as a positive feature of the current arrangements and viewed as desirable going forward, whichever governance model is in place.

6.4 Alongside these strengths, participants consistently identified several challenges associated with the current model. These included the complexity of governance and accountability arrangements, difficulties in developing a whole-system approach to strategic planning and resource allocation, challenges at the interfaces between children's and adult services, and barriers to delivering fully integrated pathways of care. Concerns were also raised regarding the complexity of professional governance arrangements, information sharing, and the need to develop local solutions to accommodate national policy and legislative frameworks that are largely designed around Integration Joint Board arrangements.

6.5 Whilst views varied between professional groups and organisational perspectives, the overall outcome of the appraisal activity indicated a broad balance of opinion in favour of further consideration of an Integration Joint Board model. Participants generally considered that an IJB could provide greater opportunity to simplify governance arrangements, strengthen accountability, improve strategic planning across all age groups, support more integrated financial planning, and create a stronger platform for the development of a whole-system model of health and social care across Highland. The key test for any future model, however, is whether it would help services work together in ways that improve outcomes for people and communities, including through earlier support, better coordinated care, clearer accountability and more effective use of collective resources.

6.6 Several risks and concerns were also identified in relation to any potential move to an IJB. These included:

- Potential disruption to service delivery during the transition to new governance and management arrangements.
- Uncertainty for staff whilst future organisational and employment arrangements are determined.
- Financial implications associated with any transfer of functions, budgets or workforce between organisations.
- The requirement to establish robust financial governance, risk sharing arrangements and a balanced Day 1 budget.

- The need to maintain service performance, improvement activity and organisational stability throughout any implementation period.
- Concerns that smaller or specialist services may have reduced visibility and priority within a larger integrated structure.
- Potential impacts on established partnership arrangements with services that may remain outwith any revised integration arrangements, particularly in relation to education services.
- The need to agree the scope of functions to be delegated to any future IJB.
- The requirement for extensive engagement with staff, trade unions, partners, service users and communities to support successful implementation.
- Recognition that the performance of Integration Joint Boards across Scotland is variable and that structural change alone would not automatically deliver improved outcomes.

The Steering Group also recognised that the governance model is only one enabler of improvement. Any future recommendation will need to be supported by a clear description of the service and care outcomes that the preferred model is intended to enable, and by practical implementation plans that protect continuity of care while supporting improvement.

6.7 The detailed findings of the appraisal process are set out in **Appendix 1**. At this stage, the emerging conclusion from Phase 2 is that there is broad support for an Integration Joint Board model as the option most likely to address the systemic challenges identified through the review and support delivery of the agreed objectives for change. This position remains subject to completion of engagement and further analysis, and any final recommendation will need to demonstrate how the proposed model would improve outcomes for the people and population of Highland. Participants consistently emphasised that achieving the anticipated benefits would be dependent on careful implementation planning, effective stakeholder engagement, and a clear focus on maintaining service continuity and workforce confidence throughout any transition.

7 Steering Group Consideration and Further Work

7.1 The Joint Steering Group considered the Draft Interim Options Appraisal Report on 13 August 2026 and noted the substantial progress made across the review programme. Members welcomed the breadth of engagement undertaken and the balanced approach adopted throughout the appraisal process.

7.2 The Steering Group noted that, whilst a range of views had been expressed through the engagement process, the overall balance of feedback indicated support for further consideration of an Integration Joint Board model. Members also recognised the importance of retaining the strengths of existing integrated working arrangements regardless of the future model adopted, and of ensuring that any change is clearly linked to better outcomes for people rather than to structural change for its own sake.

7.3 The Steering Group identified a number of areas requiring further development before final recommendations can be presented, including:

- Fuller consideration of the financial implications and risks for both organisations;
- Financial governance arrangements and learning from other IJBs across Scotland;

- Clarification of the functions recommended for inclusion within any future model;
- Workforce, organisational and legal implications, including any staffing transfer requirements;
- Governance, leadership and organisational capacity arrangements;
- Ensuring smaller services and specialist functions maintain visibility and influence within any future structure; and
- Ongoing engagement and communication with staff, trade unions, elected Members, partners, service users and communities.

7.4 The Steering Group agreed that this additional work should be undertaken during the next phase of the review and that a further meeting of the Steering Group should be arranged to consider and agree final recommendations to come to The Highland Council and NHS Highland Board in November/December 2026.

8 **Engagement Plan Update** – **Public consultation and staffside engagement**

8.1 Creative Agency: Following a competitive tender process, Ave Design were appointed in August to support the MOI work and develop creative assets to simply explain the project to both staff and community audiences via an animation video alongside other marketing collateral. This work is underway, creative direction has been signed, and a video will be produced in September to coincide with the launch of the social media campaign to pre-promote the community events in October.

8.2 Staff Engagement: The central resource for engagement will be the online Engagement Hub, hosted on the NHS Highland engagement site and accessible to the public and staff. This bespoke engagement website provides both a repository for background information, including relevant committee papers, and a dynamic platform to gather views and answer questions.

The dedicated staff section launched on 20 August 2026. This is accessible to NHS Highland and Highland Council staff via a log in, and includes FAQs already gathered as part of the engagement process as well as the facility to ask questions and give feedback.

The community section launched on 27 August and is open to all. Staff communication is key to the process, recognising that staff have unique expertise and insight into services. Both NHS Highland and Highland Council are using their established internal communications channels to reach relevant teams, pointing them to the engagement hub. The Council has launched a dedicated Viva Engage channel and both organisations will use email/internal announcements, intranet articles and manager cascade to ensure all affected staff are aware. Face to face engagement sessions in key locations will also aim to reach, in particular, those staff who may have less access to online platforms.

Overall, staff engagement is on track, with key engagement activities progressing in line with the programme engagement plan timeline.

8.3 Community Engagement: Super Engagement Events are being developed to bring together various key NHSH and THC initiatives under one event to generate larger audience attendance and minimise engagement fatigue. It is consequently intended that the four MOI community events will also act as a platform for public engagement on the NHSH 10 Year Strategy and the Highland Outcome Improvement Plan.

- Provisional dates in early October have been identified for four Super Engagement Events in Inverness, Wick, Portree and Fort William.
- Additional community engagement activity will be available via Community Networking Events also taking place during this time.

8.4 Lived Experience Engagement: discussions are underway with third sector partners to identify support, and proposals are currently being reviewed.

8.5 A detailed engagement plan is attached at **Appendix 2.**

9 Next Steps

9.1 Engagement Plan: Between September and November 2026, there will be a broader programme of engagement with staff, trade unions, partner organisations, people with lived experience and communities across Highland to seek their views. Engagement will focus on what matters most to people in how services are planned, organised and delivered, and on whether the options under consideration are likely to support better outcomes for individuals, families and communities. Feedback gathered through this activity will inform the final report and recommendations to be considered by NHS Highland Board and The Highland Council in November/December 2026.

9.2 Workstream development: Further work will also be progressed during this time on governance, workforce, financial and implementation considerations identified through the Stage 2 appraisal process.

9.3 A final report and recommendation will be presented to NHS Highland Board and The Highland Council in November/December 2026, informed by the options appraisal findings, stakeholder feedback and the conclusions of the engagement and consultation process. The final report will need to set out not only the preferred organisational model, but also the purpose of any proposed change, the outcomes it is intended to improve for the people and population of Highland, and the implementation conditions required to realise those benefits A further Steering Group meeting will be arranged prior to this.

9.4 Should NHS Highland Board and The Highland Council jointly decide to pursue changes to the current Integration Scheme, a subsequent programme of statutory consultation and approval activity would be required from December 2026 onwards.

Designation:

Date: 19 August 2026

Author: Andrea Brown- Programme Manager MOI

Appendices:
Appendix 1 – Phase 2 Draft interim Options Appraisal Report
Appendix 2 – Engagement Materials
Appendix 3 – MOI cost overview

NHS Highland and the Highland Council

Consideration of future integrated health and social care models

Options appraisal outcomes

Interim report August 2026

Contents

Executive Summary

Purpose

The Highland Council and NHS Highland are reviewing future organisational arrangements for integrated health and social care services in Highland. This options appraisal considers two approaches:

- **Option A:** Maintain and improve the current Lead Agency Model (LAM)
- **Option B:** Establish an Integration Joint Board (IJB)/Body Corporate Model

This report presents the emerging findings from staff engagement and appraisal activity undertaken to date and should be regarded as an interim report.

Status of Appraisal

The appraisal process remains underway.

Initial engagement has been completed with all eight planned workstreams and staff groups having been undertaken.

This work taken together with wider engagement with staff, trade unions, partners, communities and people receiving support, will inform the final report and recommendations.

Emerging Findings

Across the discussions completed to date, there has been consistent recognition of both the strengths and limitations of the current Lead Agency Model.

Participants highlighted the significant progress made since 2012 in establishing integrated approaches within adult services and within children's services. Strong professional relationships, shared values, established partnership working and effective public protection arrangements were seen as important strengths that should be preserved under any future model.

At the same time, several recurring challenges were identified. These included:

- Complex governance and accountability arrangements.
- Fragmented strategic planning and commissioning.
- Difficulties in whole system resource allocation and financial planning.
- Challenges at the interface between children's and adult services, particularly transitions.
- Information sharing and organisational boundary issues.
- Complexity in professional, clinical and care governance arrangements.

Many participants felt these issues constrain the ability to plan and deliver services across the whole system and respond effectively to current and future challenges.

Integration and Scope of Services

There was broad agreement that the benefits of existing integration should be maintained and built upon.

Participants generally supported retaining integration across:

- Adult health services.
- Adult social work and social care services.
- Children's social work services.
- Child health services.

Emerging Appraisal Position

The evidence gathered to date suggests an emerging view that many of the structural challenges identified through the review may be more capable of being addressed using a body corporate model than the continuation of the current Lead Agency Model.

Potential benefits identified included:

- Clearer governance and accountability.
- Improved strategic planning and whole-system leadership.
- Greater financial transparency and resource planning.
- Better alignment of children's and adult services.
- Improved management of transitions.
- Stronger alignment with national policy and integration arrangements.

However, participants were equally clear that structural change alone will not improve outcomes and that any future arrangements would require strong leadership and partnership working alongside robust governance arrangements

Change to a new arrangement would require:

- Careful implementation planning.
- Meaningful workforce engagement.
- Adequate resources to support transition.

Key Risks and Considerations

Regardless of the preferred model, several issues require further consideration before final recommendations are made:

- Scope of services to be included.
- Future workforce and employment arrangements.
- Financial governance and risk sharing arrangements.
- Development of a balanced Day 1 budget.

- Concerns about possible pressure on smaller services' budgets, or de-prioritisation of importance within an IJB given some of the major financial pressures within the wider system.
- Ongoing relationships with Education and other non-delegated services.
- Detailed transition and implementation planning.

A consistent theme throughout the engagement was the need to protect the strengths of existing integrated children's and adult services and ensure that any change is carefully planned and managed.

Interim Conclusion

Based on the appraisal activity completed to date, there is an emerging view that an Integration Joint Board model may provide a stronger platform for addressing several of the governance, planning and integration challenges identified through the review and support the long-term development of integrated health and social care services across Highland.

However, this remains a provisional position and no final recommendation has been reached at this stage. A final report will be presented following completion of the remaining appraisal and engagement activity.

Section 1 : Introduction

The Highland Council and NHS Highland have been considering future organisational arrangements for the delivery of health and social care. From 2012, health and social care services in Highland have been organised in an arrangement called the lead agency model. In this NHS Highland takes responsibility for adult services including community health support, and adult social care, while the Highland Council leads on children's services, including children's social work and child health.

This arrangement is unique in Scotland and partners have been asking if this is still the best way to organise care and support for the people of Highland.

The review has been designed to consider some of the key issues we know people are experiencing, including:

- How well we are performing against priorities like delayed hospital discharge; getting the right balance of care, access to care at home and local support; and moving people between children's and adult services
- The challenges from our changing population
- The complexity of how things are currently managed and overseen
- The potential benefits of being more in line with how services are set up elsewhere in Scotland
- Workforce needs, including whether the care sector is sustainable
- Short term budget pressures and our longer-term financial position

A Models of Integration Steering Group (MISG) comprising of Health Board and Council members has been established to oversee the review process. This group asked that a formal options appraisal process was established to assist in determining the future arrangements.

In directing this work MISG stated that they would want to improve how services are planned and delivered so that:

- People of all ages can get the local support, care and treatment they need to live healthier and more fulfilling lives.
- There is greater focus on early help and prevention to improve quality of life and reduce pressure on key services.
- When people are ready to leave hospital, they can do so quickly because the right support is in place and easy to access.
- Services are built around people, helping them make their own choices and supporting care in their local communities and in their homes where possible.
- Different services work closely together so care feels joined up and well-coordinated.
- Services are financially sustainable, with resources used in the best and most efficient way.

- There is clear and effective governance that supports strong partnership working across services and communities and helps staff support vulnerable people while managing risk and uncertainty.
- Organisations are better able to respond to inequalities and the wider health and social care challenges in Highland.
- Opportunities are created to grow and sustain the workforce by working closely with local communities and partners.

To help with this consideration two potential ways forward have been looked at in detail. The first is to keep and improve the current arrangement. The second is to bring services together under a single joint structure known as an Integration Joint Board with a shared plan and shared accountability. This is the approach used by all other health and social care partnerships in Scotland.

- The Lead Agency model.

  In this arrangement children's services staff, which includes child health, children's social work and children's social care, are employed by the Highland Council and operate as an integrated children's service team. Adult health and social care services are similarly arranged as an integrated team and are employed by NHS Highland. Maintaining the Lead Agency approach would continue with this arrangement although it has been recognised that some changes to how services are overseen would need to take place.

- An Integrated Joint board

  In this arrangement health and social care services operate within a single body – a Health and Social Care Partnership – and be overseen by an Integration Joint Board (IJB). This is legally known as a Body Corporate model and is the type of arrangements that is in place in all other areas across Scotland. When IJBs were initially set up across Scotland staff were deployed to the new Health and Social Care Partnerships on the basis of their existing employment terms and conditions. In Highland, a change to a new model could mean that the employment arrangement for some staff may potentially change.

Table 1 Key features of the models

(i) Legislative basis

Lead agency	Integrated Joint Board/Body Corporate Model
The organisational arrangements within the lead agency model adopted by Highland is underpinned by S1(4)(d) of the Public Bodies Joint Working (Scotland) Act 2014 and related subordinate legislation. This allowed the initial integration arrangements instigated in 2012 in Highland to further develop as part of the 2014 Act .	The basis of the body corporate model is contained within S1 (4) (a) of the 2014 Joint Working (Scotland) Act. The Act and subordinate legislation further stipulate the core services that should be included as a minimum within integration arrangements These are adult social care, adult primary and community health care, and elements of adult acute services. (Full details App1).

(ii) Service configuration

Lead Agency	Integrated Joint Board/ Body Corporate
Within the lead agency model children's services staff, which includes child health, children's social work and children's social care, are employed by the Highland Council and operate as an integrated children's service team. Justice social work services are not formally part of integrated children's services, or included in the Lead Agency Model, but are managed as part of Highland Council social work provision under the authority of the Chief Social Work Officer Adult health and social care services are similarly arranged as an integrated team and are employed by NHS Highland.	Within an IJB structure a range of services are designated as prescribed and must be included. These are laid out in detail in App 1 and include some acute hospital provision, community and local hospital services, adult social work services. A number of other services are discretionary and again these are detailed with App 1. These include child health services, children's social work and social care. Functions also covered by the 2014 Act, but are not part of the Highland LAM include Justice Social Work, Public Heath, CAHMs and NDAS Across the country there are a range of different configurations within IJB arrangements. Seven partnerships have instituted the legal minimum; 13 have a hybrid approach with some additional services included; 10 have included health and social care across all ages including justice social work.

(iii) Governance

Lead Agency	Integrated Joint Board/ Body Corporate
As part of the lead agency model formal organisational governance is lies with the Health Board and Highland Council as the as the lead authorities for adult health and social care and integrated children's services respectively. Integrated Children's Services are reported through the Community Planning Partnership. The performance of services is overseen by the Joint Monitoring Committee (JMC) but this does not extend to full governance responsibilities. Professional governance is shared across partnership areas with reporting by the delegated services to their host organisations along with the Chief Social work Officer retaining professional accountability for adult social work provision within the NHS and similarly children's health services retaining a professional accountability to the Health Board	Within a Body Corporate model professional and organisational governance for all services is the responsibility of the IJB. As part of this the IJB Chief Officer and Chief Finance Officer have a dual reporting accountability to the Council and Health Board Chief Executives. Depending on the services included within an IJB some professional accountability may continue to held by the Health Board and similarly where the Chief Social Work Officer remains within a Council they will retain professional accountability for any delegated social work provision. Integrated children service planning would continue to report through the Community Planning Partnership

(iv) Workforce

Lead Agency	Integrated Joint Board/ Body Corporate
In establishing the lead agency model the staff of delegated services (Children's health and adult social work and social care) became	When IJB arrangements were initially established in the rest of Scotland all delegated staff were deployed to the new Health and

employees of the receiving organisation. For adult social work and social care staff this meant moving to NHS and adopting Agenda for Change conditions of service. Children's Health staff retained these conditions of service in moving to the Council although their formal employer changed.	Social Care Partnerships on the basis of their existing employment terms and conditions, and they remained employees of the delegating organisation. A move to a Body Corporate Model provides for flexibility in that it can support both the status quo or a change in the in arrangements for staff in terms of their employer organisation (NHSH or THC)

(v) Finance

Lead Agency	Integrated Joint Board/ Body Corporate
Arrangements for funding are governed by the Scheme of Integration for each partnership area. For the lead agency model this has meant reciprocal funding allowances for the delegated services being identified and transferred directly between the NHS and the Council. The Scheme of Integration also includes provision for end of year reconciliation and annual budget setting.	For IJB structures the responsible Council and NHS Board fund the Health and Social Care partnership as a third party body. Through this the IJB has full responsibility for financial planning and budget monitoring to create a sustainable model in line with the partnership strategic plan. Funding is based on the requirements of the delegated services. As with the lead agency model each partnership area has arrangements set out within their Scheme of Delegation for end of year reconciliation and future budget setting.

Approach to options appraisal

The options appraisal process for the two models has been assisted by guidance from Audit Scotland and from the UK government procedures – the "Green Book". It has been undertaken over two phases.

Initial options appraisal work

To underpin the initial process a comparative analysis of the models across Scotland and a SWOT assessment (Strengths Weaknesses Opportunities Threats) of the two approaches was undertaken.

From this activity it was felt that there was a strength in the familiarity of the current Lead Agency model and it was noted that some areas of performance were within the mainstream of partnerships across Scotland. It was also recognised however that some areas of performance were amongst the weakest in Scotland including for example delayed discharge and the numbers of people receiving care at home. This work also noted the impact of the model on the social care marketplace particularly within the more remote and rural areas of Highland.

It was also recognised that the spread of decision making and oversight across two organisations – the Council and NHS Highland- was a complicated arrangement and that this may be having some impact on how services within a lead agency perform and are supported.

If the decision was to maintain the Lead Agency approach, then it was acknowledged that further work would be required to address the areas for development that had been identified.

In respect of a possible change to an Integration Joint Board (IJB) it was recognised that there were potential strengths in bringing all services together within one partnership. This would help simplify oversight and organisation decision making and contribute to having a more unified response to individual and family needs. It was also felt that it may help in developing support arrangements in some of Highland's more remote and rural areas by broadening the range of people involved and assist in wider partnership working particularly within the third sector.

As part of this there was consideration given to the scope of services to be included within an IJB and from the initial appraisal process it was felt that there was greatest benefit for all services that are currently included within the Lead Agency model to be involved. It was felt that this arrangement would help preserve the current strengths of integrated approaches developed under a Lead Agency and give the greatest opportunity to develop these further.

This is the change proposal that has put forward for consultation within the second stage appraisal process along with the option to maintain the lead agency approach

The full range of services potentially involved in any change are detailed within App 1.

Second stage options appraisal

The second stage appraisal has been considering both options in more detail, and at this stage has included engagement and consultation with a range of staff groups. The process is continuing and will be further expanded to help ensure a full range of staff, partner and community views are captured. The planning for this has included discussion with staffside and union representatives.

The format of the staff sessions conducted so far has been structured around two broad elements. The first involved a preliminary open narrative discussion within which those involved had an opportunity to comment on:

- What works well now
- What could improve
- Services included in any change

This discussion has then complemented by a more focused discussion on the two options for change. This involved a ranking of each of the options using a set scale, against five success criteria, to provide a more structured response. The ranking is designed to aid analysis and understanding of people's views, including where there is variation across groups, and to allow this to be used to assist in final decision making.

The five success criteria were:

- **Strategic fit**
  How well do the options align with national and local strategic priorities, policy direction and long-term vision for health and social care in Highland

- **Performance**
  How strongly do you think the option may impact on service delivery, outcomes and integration
- **Finance**
  How do you think the option may impact on financial sustainability, efficiency and resource implications
- **Risk**
  How do you think the option may affect governance, clinical, workforce and delivery risks
- **Opportunities & Benefits**
  The potential for service improvement, integration, prevention and alignment with strategic priorities.

The ranking scale for each of the criteria was:

Score	Rating	What this means in practice
+2	Strong Positive	Major improvement; clear, confident benefits expected
+1	Positive	Some improvements likely; benefits outweigh disadvantages
0	Neutral / Mixed	No major change or mixed impacts
-1	Negative	Some concerns; disadvantages outweigh benefits
-2	Strong Negative	Significant risks or likely deterioration

This process gave an individual ranking against each of the criteria within both options as well as an aggregated overall score for each option. The scores should be considered broadly indicative of individual groupings' views and may help in comparison across groups but are not designed in themselves to give overall conclusion.

The results of this exercise are given in the following sections. A full outline of the template used is given as appendix 2

To help in this process the Council and Health Board set up a Senior Officer Group which was supported by a number of substantive workstreams led by strategic operational managers with attendance by trade union and staffside representatives.

At this point the second stage appraisal has involved sessions with each of the workstreams leads and groupings of key staff from across the partnership. In detail these are:

Workstream strategic leads:

Finance and corporate resources

Corporate governance

Professional Leads /Clinical and Care Governance

HR and workforce

Staff groupings

Strategic leads the Highland Council

Operational leads the Highland Council

Strategic leads NHS Highland

Operational leads NHS Highland

As noted, the engagement process is being further developed and expanded in the coming weeks to include front line staff, staffside/union representatives, partners organisations and people who are in receipt of support or who have an active interest in this area with view to giving a final outcome.

A central element of this will be the continued engagement and involvement with trade unions and staffside organisations. Representatives from across the partnership are members of the Senior Officer Group and through this will contribute to the development of the proposals in light of feedback from their members and others. As the engagement process broadens out in the coming period this involvement will be expanded to ensure a full range of views are captured.

Section 2: Emerging outcomes and key themes

This section of the report summarises the key themes and emerging outcomes from the appraisal activity undertaken so far. It draws together the discussion from across each of the eight groups and provides initial conclusions. Further detail on each group discussion is contained within Section 3 below.

Preliminary discussion

- What works well now

There was a general perception that the integrated arrangements in both adult and children's services had become well established and settled in the period from 2012. Staff were felt to have a strong identity and sense of belonging to where they worked. Approaches to integrated working across adult services and across children's services had improved. Formal governance arrangements within the public protection committees (Child Proetction; Adult Protection; MAPPA) was thought to be strong.

There was a strong ethos of integrated working within children's services with good communication, a shared vision and shared strategic priorities. Colocation of staff had assisted in this and had helped develop a creative response to some issues. Links to specialist teams such as the Mental Health Officer Service and Speech and Language therapy are good

There was similar sense of identity within the adult partnership with a strong collective will to provide good levels of care. Relationships with other parts of the health system such as acute services were positive with an ability to manage and respond and flexibly to demands including financial pressures.

- What could be improved

The separation between children's and adult services was seen as presenting a number of challenges. These were evident in both service delivery areas such as transitions (children's to adult service; hospital to community settings), and in organisational strategic systems. It was felt that the division limited opportunities to take a whole system view of service planning, resource allocation and budget management. Organisational governance was seen as complex and cumbersome which impacted on the speed and effectiveness of decision making and in developing a financially sustainable approach to service delivery. These factors were felt to impact on the effectiveness of the model of care.

Clinical and care governance across the two organisations was similarly thought to be complex and at times does not give organisational assurance to some professional staff. Risk management was affected by similar issues with an impact on strategic and service planning.

The separation has also made interface with some national policy, strategy and legislation more difficult. The national perspective is often geared towards IJB systems and bespoke arrangement are having to be made at a local level to accommodate this.

- Functions included in any change

There was a general consensus that within any change to an IJB system both children and adult services should be included. There was a clear view that it would be a detrimental step to disaggregate any current elements of integration.

It was recognised that some conjoined children's services closely connected to Education should remain within the council this included: child care and early education services; early years workers; pre-school visiting service; additional support for learning; educational psychology. However, the remaining conjoined services more closely connected to social work should be included.

Ranking

The detail of the ranking scores and the discussions underpinning these from each of the groups is included within the next section of the report. This detail presents an opportunity to consider variation in perspectives and rationale across professional areas and organisational levels.

Overall, from the discussions so far there has been a balance in favour of a move to an IJB.

This reflects a general acceptance that the systemic issues involved within the Lead Agency Model are having an impact on the ability to plan for and deliver integrated health and social care for all ages groups across Highland. An IJB model is seen as having the potential to resolve some of these matters and provide a more coherent basis for the development of a model of care that can make the best use of available resources. It was felt more likely to provide an organisational context that would deliver on the agreed objectives of change.

However, this is not without a number of caveats. There is some concern within integrated children's service staff that a move to an IJB would reduce the cohesion between child health and children's social work and that the particular approach that has been developed over the years – that of a social model of health - would be negatively impacted. There was a concern about any impact on co working with residual services such as Education.

A potential issue was noted about possible pressure on smaller services' budgets, or de-prioritisation of importance within an IJB given some of the major financial pressures within the wider system.

The potential for disruption involved in any change was noted along with a need to manage the implementation of any new arrangement very carefully.

Appraisal summary: maintaining the LAM

Key Strengths

- There was a familiarity with the current arrangements with a strong sense of identity amongst staff groups.
- This option would present the least disruption and uncertainty for staff
- It is highly achievable
- Maintains current children service integration and organisational links to education
- Provides a platform for further improvement

Key risks

- Limits potential impact of whole systems strategic planning and resource allocation
- Potential for further improvement hampered by complex governance, oversight and decision making arrangements
- The established nature of the LAM may make required changes to current systems and elements of practice more difficult to achieve without structural change.
- The organisational separation between children and adults would continue to impact on key areas of service such as transitions
- Continues the complex interface with national government in respect of the implementation of policy, strategy and legislation
- Maintains divergence of terms and conditions of some staff groups.
- Continuing issues of IT compatibility and communication.

Appraisal summary: move to IJB

Key strengths

- Simplifies governance and decision making processes in areas where risk management and strategic planning has particular importance
- Creates further potential for a joined up whole age service and the creation of a service delivery model more clearly in line with the delivery of local and national and local priorities
- Improved strategic planning through alignment of the Joint Strategic Plan and Children's Services Plan.
- Greater financial transparency, accountability and whole-system resource planning.
- Clearer clinical, care, and finance governance arrangements.
- Better management of transitions and interdependencies between children's and adult services.

- The change would assist in responding to policy and developing strategy emerging from the national government.
- Assist in gaining learning from best practice across the country and give better benchmarking of performance levels.

Key risks

- Transition from the current model will require significant organisational change and is likely to lead to uncertainty for the workforce currently delivering delegated functions
- Temporary disruption may occur as governance and management arrangements as well as supporting systems (ICT/payroll/records) are reconfigured.
- Successful implementation will depend on effective partnership working, detailed implementation planning and stakeholder engagement.
- The financial/budgetary implications, particularly in relation to any transfer of workforce between the two organisations, would need to be quantified.
- Arrangements for a balanced day 1 budget and future financial risk protocol would benefit from being established prior to implementation
- Concern about visibility and priority of small services within an IJB and subsequent pressure on available budgets
- Further distancing and the potential weakening of partnership approaches from services that remain outside of the IJB..
- The scope of functions to be included/excluded requires to be finalised including the potential for phasing.
- There was an acknowledgement that performance of IJB's across the country was mixed and there was a need to manage expectations.

Section 3: Second stage appraisal discussions

This section of the report contains detail of the discussion within each of the eight groups.

Workstream strategic leads:

i. Finance and corporate resources
ii. Corporate governance
iii. Professional Leads /Clinical and Care Governance
iv. HR and workforce

Staff groupings

v. Strategic leads the Highland Council
vi. Operational leads the Highland Council
vii. Strategic leads NHS Highland
viii. Operational leads NHS Highland

The details of the staff, by role, participating in the exercise are given within Appendix 3

Part 1: Workstreams

(i) Finance

- What works well now

The current arrangements are well established, with staff embedded within their organisations, and having a clear identity with their employer. This is both for adult services with NHS Highland and children's services with the Highland Council

There are good connections with areas such as primary care and links with the third and independent sector.

- What could improve

Some areas of service are underperforming and remain problematic. Transition for children to adult care cited as a recent example.

Still some lack of clarity where elements of children's services sit with ambiguity and uncertainty over which organisation is responsible for services

Decision making can be slow and cumbersome at both a strategic and operational level. This can affect strategic planning and management of risk. There is lack of clarity of where risk is owned across multiple governance layers, and this can impact reputational, operational and financial issues. Plans for transformational change to assist financial performance and stability can be slow to develop and can take extended time to implement.

Accountability is affected by the current complex governance arrangements.

- Comment on services to be included in any change

It was acknowledged that from the earlier appraisal process the preferred change model was one where the full range of services should be included for consideration in Phase 2.

In Phase 2 there was no strong view expressed whether some conjoined services, such as early years education, Additional Support for Learning and Education Psychology should be included.

Importance of clear governance for hospital services within any new arrangements for all three hospitals within the area was emphasised.

Rating scale: Finance

Criterion	Option A (LAM)Score	Option B (IJB) Score
Strategic Fit	-1	+1
Performance	-1	+1
Finance	-1	+1
Risk	-1	+1
Opportunities & Benefits	0	+1
Total	-4	+5

Preferred model: IJB

Finance summary LAM :

- Key strengths:

Familiarity of current arrangements with staff and partner services

A strong identity within some staff in relation to their employer

- Key risks:

Potential for improvement may be hampered by continuing issues in relation to market place competitiveness, confusing and cumbersome governance, risk management, lack of clarity as to responsibility and accountability for some services and problems in relation to integrated practice in areas such as transitions.

Finance summary IJB:

- Key strengths:

Simplifies governance and decision making processes in areas where risk management and strategic planning has particular importance

Creates the further potential for a joined up whole age service and the creation of a service delivery model more clearly in line with the delivery of local and national and local priorities

- Key risks:

Potential distraction and disruption during an implementation period.

It was recognised that change would represent an opportunity but also create a risk and necessity to rapidly review and implement revised financial arrangements. Parts of which would need addressed prior to the formation of an IJB. This would involve a more immediate requirement for the creation of revised integration scheme and financial arrangements, clarity on an opening budget for the IJB and how legacy deficits would be funded or addressed.

A recognition that the model in itself should not be seen as a panacea but that it provides a number of opportunities to develop the type of care model that is being looked for.

(ii) Corporate governance

- What works well now

The current arrangement that includes a wide range of children's and adults services (functions) have resulted in a level of integration within the two separate lead agency arrangements which was first established in 2012. At that time this represented a significant change to how services were delivered so that there was an increased level of integration between health and social care services

- What could improve

Alternative governance models may provide opportunities to strengthen integration and hence service delivery.

- Services to be included in any change

It was felt that he starting point for the IJB model should be all current integrated functions to be included unless there is a clear rationale for removing functions from a revised integration scheme

Service delivery changes that are being considered could include responsibility for social care and social work delivery transferring to Highland Council, child health service delivery transferring to NHS Highland, and commissioning of social care and community services transferring to Highland Council.

Currently overall statutory responsibility in terms of the delivery of adult social care remains with the Highland Council as a result of CSWO input but, in the event that proposals to transfer to a body corporate model involve a shift for workforce, such a shift would align such legal responsibility with delivery.

Such workforce changes may also take place in terms of the child health service albeit, like the workforce for adults, such a change is not considered at this point to be mandated.

Reflecting on discussions to date it would appear that the services/functions that might be removed from the scheme without a significant impact on the integration arrangements are conjoined functions within those children's services and educational services which have always been delivered by The Highland Council, notwithstanding that they are formally integration functions as a result of the scheme currently in place.
Those services are:-

- Child care and early education services
- Pre-school visiting service
- Additional support for learning education service

- Educational psychology

The conjoined functions that may have a more significant impact are broadly related to social work and social care for children:

- Children and families social work teams including the Child Disability Team
- Residential care workers
- Youth action team
- Fostering service
- Adoption service
- Through care and after care services
- Social work out of hours service

Rating scale: Corporate Governance

The scoring in group contains separate ratings from the NHS and the Council. This reflects a slightly differing perspective from the two bodies, although outcome in both sets of ratings is the same. Given this and the importance of governance issues involved an extended narrative is provided for each of the criteria involved.

NHS Highland

Criterion	Option A (LAM)Score	Option B (IJB) Score
Strategic Fit	-1	1
Performance	-1	1
Finance	-1	1
Risk	-1	1
Opportunities & Benefits	0	1
Total	-4	5

The Highland Council

Criterion	Option A (LAM)Score	Option B (IJB) Score
Strategic Fit	-1	0
Performance	0	-1
Finance	-1	0
Risk	0	1
Opportunities & Benefits	0	1
Total	-2	1

Preferred model: IJB

Further comment on ranking:

Strategic fit

It was felt that while the Lead Agency model remains compliant with existing arrangements, it may not always support a holistic approach to health and social care planning and delivery. Strategic planning for children's and adult's services would remain split resulting in separate plans rather than a single integrated strategic framework. This reduces alignment with the long-term ambition of integrated health and social care and limits opportunities to strengthen partnership planning across the whole system.

Bringing delegated functions into an IJB arrangement should strengthen integration of health and social care strategic planning, while Children's Services Planning governance would continue through Community Planning Partnership arrangements. There would be an opportunity for a fully integrated approach to performance management and financial management across both adults' and children's services. This supports a more holistic approach to health and social care and aligns strongly with the long-term vision of integrated care.

Performance

It was felt that the continued separation of governance, strategic planning and financial planning between children's and adult's services might limit the extent to which the LAM can improve outcomes. Consequently, the model offers some improvement potential but no significant change to the current performance challenges.

An IJB would bring management arrangements for adult's and children's services together within a single integrated structure, enabling greater consideration of interdependencies between services and pathways for both children and adults. This is particularly important in transition areas where improved coordination is likely to positively affect outcomes. The integrated governance framework would support a more consistent approach to service improvement, performance management and outcome delivery across the whole health and social care system.

Moving core Education functions - Educational Psychology, Additional Support Needs and Early Years Education - from the Council into the body corporate has the potential for unintended consequences both for inclusion (by splitting ASN from mainstream provision), and also the Council's statutory duty in relation to education and the role of elected members in setting education strategy and policy and the scrutiny of performance.

Finance

The existing model separates financial responsibility into different arrangements for adult and children's services as the respective budgets are managed by each lead agency. This limits opportunities to take a whole-system view of resource allocation and financial

planning. The challenge is particularly evident where financial decisions affect service transitions, interdependencies and pathways that cross organisational boundaries. While the lead agency model provides continuity and stability, it does not significantly strengthen financial accountability or integrated resource planning

The IJB offers significant opportunities to strengthen financial transparency, accountability and integrated resource planning. Strategic decisions can be informed by a more comprehensive understanding of service interdependencies and financial implications. The model supports a whole-system approach to financial sustainability rather than separate planning arrangements for different service areas. An IJB would manage the budget for all integrated functions.

There is a risk that an IJB may require either or both organisations to increase the quantum provided to the partnership, with the individual partner organisations having less control regarding base budget allocation.

There is a risk that changing workforce arrangements could lead to pressure to equalise salaries upwards and harmonise terms and conditions (including working hours) which would require significant additional funding well in excess of the current combined budgets.

Risk'

Within a LAM risk is managed separately in both organisations although the Joint Monitoring Committee does hold a risk register. However given the Joint Monitoring Committee does not control the budget this significantly restricts the ability for the governance model to enable risk mitigation, including allocation, and re-allocation of resources to be undertaken across the range of integrated functions.

Bringing governance, clinical and care governance, performance and management arrangements into one structure within an IJB should reduce some of the complexity and governance risks associated with the current arrangements.

This would create a clearer mechanism for supporting more consistent risk management enabling resources to be used more effectively across all integrated services.

Opportunities and benefits

The Lead Agency model is thought to provide more limited opportunity for transformational improvement. While operational and professional governance arrangements could potentially be strengthened, the underlying governance structure would remain unchanged. Opportunities to improve strategic integration, financial transparency and system-wide decision making are therefore constrained. The option delivers stability but more limited benefits in terms of innovation, prevention and integrated service development.

An IJB is thought to provide the best opportunity to create an integrated health and social care system across adults' and children's services. Governance, performance management and financial accountability for delegated functions would operate through a single framework, alongside existing statutory Children's Services Planning governance arrangements. Although implementation would require careful planning and involve some disruption during transition, and the scope of the functions to be included warrants further consideration, the overall benefits and opportunities for system-wide improvement are considered to be significant.

Corporate governance summary LAM

Continuing with the LAM provides continuity, stability and the lowest implementation risk. However, it largely retains the existing governance complexities and separate planning arrangements that prompted the review. While achievable and relatively low risk, it offers limited opportunity to strengthen integration, strategic planning, financial management and whole-system decision making

Key strengths:

- Lowest organisational and workforce disruption.
- Existing employment arrangements remain unchanged.
- Highly achievable and relatively low implementation risk.
- Maintains integration of children's services.
- Preserves service continuity.

Key risks:

- Retains governance complexity.
- Continues separation of adult and children's strategic planning.
- Limited improvement in integrated resource planning and decision making.
- May not address key weaknesses identified through the SWOT analysis

Corporate governance summary IJB

This option is thought to provide the best opportunity to create a integrated health and social care system across adults' and children's services. Governance, performance management and financial accountability for delegated functions would operate through a single framework, alongside existing statutory Children's Services Planning governance arrangements. Although implementation would require careful planning and involve some disruption during transition, and the scope of the functions to be included warrants further consideration, the overall benefits and opportunities for system-wide improvement are considered to be significant.

Key strengths:

- Single integrated governance structure for delegated health and social care functions, with continued alignment to Children's Services Planning Partnership governance arrangements
- Improved strategic planning through alignment of the Joint Strategic Plan and Children's Services Plan.
- Greater financial transparency, accountability and whole-system resource planning.
- Clearer clinical, care and professional governance arrangements.
- Better management of transitions and interdependencies between children's and adult services.

Key risks:

- Transition from the current model will require significant organisational change and is likely to lead to uncertainty for the workforce currently delivering delegated functions
- Temporary disruption may occur as governance and management arrangements are reconfigured which could lead to disruptions in terms of service provision.
- Successful implementation will depend on effective partnership working, detailed implementation planning and stakeholder engagement.
- The financial/budgetary implications, particularly in relation to any transfer of workforce between the two organisations, would need to be quantified.
- The scope of functions to be included/excluded requires further consideration including the potential for phasing.

(iii) Professional leads/clinical and care governance

- What works well now

At an operational level, services within adult and children's services can be seen to work well together with a significant degree of integration within each of the areas. This was noted to be particularly evident between children's social work and child health but there was some mixed views about the strength of integrated working across the full range of adult services and in the interface between children's' and adult services.

Formal governance arrangements in areas such as public protection (Child and Adult Protection & MAPPA) were felt to be strong and well established.

Systems for improvement activity were seen to be strong and well established with particular comment on the arrangements within children's services

- What could improve

It was recognised that improvements could be made to the effectiveness of wider governance arrangements. It was commented that the functionality of this at senior level was at times problematic with difficulties in identifying a "straight line" of decision making and oversight. These difficulties were underpinned by some of the continuing cross organisational responsibilities of the delegating authorities. This was described as "clunkiness" and led to some difficulties in professional leads receiving the appropriate levels of assurance in respect of effectiveness and performance in certain areas.

These issues also impacted on the strength of some relationships, and it was commented that there was potential to improve partnership approaches to service and strategic developments.

It was felt the effectiveness of some partnership arrangements would have to be addressed regardless of the model in place and that organisational boundaries would remain whether there was a move to an IJB of if the Lead Agency Model was maintained.

It was acknowledged that there were both positive elements and drawbacks to both models and either could potentially be made to work. However, comment was made regarding the particular difficulties of engagement with national policy and strategic developments given the unique status of the lead agency model. It was felt that this led to unnecessary additional layers of complexity and that there were likely to be benefits with regard to this if Highland were operating within a similar arrangement as other partnerships across Scotland.

- Comment on services to be included in any change

There was a general view that there was most benefit to the maximum of services being included and also at a some point there may be value in extending this to further services not currently in scope.

There was comment reflecting that partnerships across Scotland have been adjusting the scope of services included within IJB's in light of experience, but it was noted that this

included services being added in as well as being withdrawn. It was also some concern in respect of smaller services losing visibility within an IJB and a risk that their requirements may not receive suitable attention.

Rating scale: Professional leads

Criterion	Option A Score	Option B Score
Strategic Fit	0	+1
Performance	-1	+1
Finance	0	0/+1
Risk	0	0/+1
Opportunities & Benefits	+1	+1
Total	0	+3/+5

The variation in scoring within Finance reflected mixed views on whether budgets for smaller services could be safeguarded within an IJB.

The variation in Risk reflected concerns on the adequate resourcing of any change process.

Preferred Option: IJB

Professional leads summary LAM

- Key strengths:

Maintaining the lead agency model would allow for a continuity of approach providing an opportunity to build on elements that are currently working well and to allow the changes that are required to take place from a settled base.

It avoids the potential for organisational disruption and may create less uncertainty for staff

- Key risks:

That maintaining the current model may inhibit further change and the structural alterations required particularly in relation to governance arrangements may not be easily achieved. This would leave many of the current challenges in place, including elements of assurance at a professional level and the restrictions of the impact of the care model in certain areas. This may impact on current challenges for people in need of support, partnership across wider elements of the care system and budget pressures.

Professional leads summary IJB:

- Key strengths:

The potential move to an IJB would assist in addressing some of the structural challenges within a lead agency, particularly in relation to governance and oversight from a professional lead's perspective. It was felt that this change may act as a greater catalyst for a step change in performance and the development of a care model to better address some of the current challenges.

The change would also assist in responding policy to and developing strategy emerging from the national government

- Key risks:

This change has a greater degree of organisational risk with a potential for disruption and uncertainty for staff and for the delivery of services. It was felt that much depended on how well any change was implemented and that this would need to be planned with care and to be adequately resourced.

(iv) Staffing/Human Resources

- What works well now

There has been significant progress from the initial establishment of the LAM to create a connected approach across HR within the Council and Health Board. There is a strong shared desire to get HR processes correctly administered across both parts of the LAM. The way the model is set up means HR teams need to keep closely in touch and this liaison has helped establish effective collaborative working arrangements.

It is thought that staff feel a strong identity to where they currently work.

The implementation of Agenda for Change assisted with this, but it is becoming clearer that this has created some unintended consequences.

- What could improve

There is a perception by some staff that the implementation of Agenda for Change has created a two tier system with council social work staff feeling in a less favourable position. This relates to some differences in Terms & Conditions and has been seen to have a detrimental impact in areas such as recruitment. This is also seen to have some consequence for partners within the third sector.

The different approach is also reflected in some HR processes such as recruitment with H&SCP staff social work posts advertised through national NHS portals. It was thought that sharing recruitment processes within a possible future IJB would contribute to a more open and collaborative approach.

- Comment on services to be included in any change

It was felt that a fully inclusive model IJB model would contribute to a greater feeling of equity in relation to HR processes across the workforce

Rating scale: HR

Criterion	Option A (LAM) Score	Option B (IJB) Score
Strategic Fit	-1	+1
Performance	0	+1
Finance	-2	+1
Risk	-1	+1
Opportunities & Benefits	-1	+2
Total	-5	+6

Preferred Option: IJB

HR summary LAM :

Key strengths:

Staff now clearly identify and feel connected with the organisation that they work for. This has taken some time to establish and has benefited from the longevity of the arrangement. There is a strong sense of partnership across the HR departments of both partners and a range of policies and procedures have been developed to support this supported by close working relations.

- Key risks:

The divergence in some terms and conditions across the two partners was thought to have had some negative consequences with some staff groups feeling disadvantaged. This was seen to have some impact on recruitment and with wider partners in the third sector. There was not thought to be an easy solution to this within the current arrangements.

The implementation of some national policies, legislation and terms and conditions is made more complex by the LAM with these often being framed in the context of an IJB. Local bespoke solutions to these have had to be developed

HR summary IJB :

- Key strengths:

The model aligns Highland with other partnerships across Scotland and will make connections with some national policies less complex. It may also provide a greater opportunity to engage with other partnerships and help support the development of best practice.

The model provides an opportunity to simplify some areas of governance and help clarify accountability and decision making responsibilities across all integrated services.

- Key risks:

A change to an IJB would have to be carefully managed to avoid further unintended consequences or potential disruption. This would involve close liaison with staff groups and representatives. There may be a need to develop a range of new policies to reflect any changes to staffing arrangements but there would be an opportunity to learn from other partnerships in their implementation.

Part 2: Staff groups

(v) Strategic leads within the Highland Council

- What works well now

There was a general view that there was a strong sense of partnership working across integrated children's services. It was felt by some education staff that this had been weakened following the disaggregation of Care and Learning and it had taken some time to try and re-establish this without having fully regained the previous position. For children's social work and health it was felt that there was good communication within a shared vision and shared strategic priorities. It was commented that these services were "on the same page"

The longevity of the current arrangement was seen as a positive and that this had allowed the culture within services to move to a common understanding. It was felt that operational management, decision making and governance was effective within easy to understand structures.

There was a concern that the potential disruption of a further organisational change may weaken the elements of current partnership approaches and about the possible impact of a change on budgets

- What could improve

It was generally felt that wider partnership links could be improved and that this included joint working between child health/children's social work and education as well as between the wider children's services and adult health and social care. There was a need for greater stability in leadership at a partnership level.

The weaknesses in partnership approaches were felt to be evident across a number of areas including: partnership level governance; joint strategic planning and commissioning; information sharing and staff contact. It was felt that the impact of these issues were evident in areas such as transitions, joint funding protocols and the effectiveness of commissioning arrangements. The systems were described as being "clunky", and that they can inhibit some service development, and can have an impact on operational relationships.

- Comment on services to be included in any change

There was clear view that educational psychology service should remain as a council services given the strength of ties with schools. Similarly it was felt that early years support and ASL should remain if there was to be a change to an IJB. It was also noted that some specialist services such as MHO provision would need to remain with council employees and there was some concern that what is seen as a well-functioning service may be impacted by any change. There was also comment in relation to CAMHS and NDAS and that these services may benefit from further consideration at a later date. It was also felt that there were benefits in justice social work also remaining within the council given links with other service areas.

Rating scale: HC strategic leadership

The staff involved in this group undertook the discussion within three service areas: children's social work; education; child health and other health areas.

The scoring within this group was undertaken separately by each of the service areas.

(i) Children's social work

Criterion	Option A (LAM)Score	Option B (IJB) Score
Strategic Fit	-1	+1
Performance	-1	+1
Finance	+1	-2
Risk	0	+1
Opportunities & Benefits	+1	0
Total	0	+1

Key elements of this discussion centred around the importance of maintaining the partnership between children's social work and child health. This was seen as an important strength of the current model. It was felt that is would ideally be of most benefit if it could remain within the council as this has allowed the embedding of a social model of health for children and families and there was concern that this may be lost within an IJB.

There was a particular concern about pressure on adult social care budgets and any possible knock on impact of this on children's services if both were part of an IJB.

Preferred model: IJB

(ii) Child health/other services

Criterion	Option A (LAM)Score	Option B (IJB) Score
Strategic Fit	0	0
Performance	+1	-2
Finance	0	-2
Risk	0	-2
Opportunities & Benefits	+1	+1
Total	+2	-5

Discussion in this group reflected concerns that any change may result in a loss of momentum in respect of service improvement and a loss of stability within the organisation. Maintaining the lead agency approach was felt to have less risk especially if issues in relation to governance and boundaries between children's and adult services could be successfully addressed. Suggested issues in respect of vulnerability of children's service budgets within an IJB were shared and this created a degree of concern.

Preferred model: LAM

(iii) Education

Criterion	Option A (LAM)Score	Option B (IJB) Score
Strategic Fit	+1	+2
Performance	+1	-1
Finance	0	-1
Risk	0	+1
Opportunities & Benefits	+2	+1
Total	4	2

This group identified benefits in maintaining all of children's services, including education together within one organisation. It was felt this had the potential to re-establish some of the clear strengths of previous arrangements, noting that although some progress had been made in this area over recent years there was still further work to do.

Preferred model: LAM

Highland Council strategic leads summary LAM

- Key strengths

The longevity and stability of current arrangements and the opportunity to use this to strengthen partnership working and to build a platform for further improvement. This included children health, children's social work and education remaining within a single organisation.

The partnership approach across children's services was seen as an important element of the current model contributing to an alignment of children's health and children's social work in a social model of health and well being

- Key risks

That required changes to governance and approaches to joint working are difficult to implement and establish, and that improvements in wider partnership development with adult health and social care continue to have challenges. These elements may have an impact on an overall care model particularly for those families with high levels of need in more rural areas. It was felt that aspects of locality planning were inconsistent and would benefit from further development.

Highland Council strategic leads summary IJB

- Key strengths

Opportunity to develop joint responses across a wider cohort of services creating a more comprehensive care model

Brings alignment between Highland the rest of Scotland, although some staff felt that alignment with national priorities is not dependent on structures.

- Key risks

Potential disruption to how services are planned and delivered with a need to establish new systems and relationships within a changed organisation.

Concern about visibility of services within an IJB and subsequent pressure on available budgets

Further distancing and the potential weakening of partnership approaches from services that remain within the council such as Education.

(vi) Operational leads within Council

- What works well now

There is a strong sense of collective purpose across social work and health staff. Colocation of health and social work has assisted in this and has been seen to help remove any barriers to joint working and good communication across services. There is a strong identity in respect of a social model of health and at times creative response to how family needs could be met. Information sharing within children's services is good. There are close links with education.

Leadership was seen to be strong with good relationships and knowledge and understanding of how services function.

Specialist services such as Mental Health Officer provision, and Speech and Language Therapy are well established and function positively with good links and integration with other services.

There was seen to be good partnership working between children and adult services within the emergency social work service.

Succession planning for staff in some areas such as Health Visiting is positive.

- What could improve

Links with adult health and social care are can be tenuous. This is notable within transition arrangements where care planning across the two organisations can be problematic and this can have an impact on young people and their families. It was felt that the LAM struggled to respond to whole family issues where there were multiple problems affecting people of different ages.

There can also be broader difficulties in information sharing and communication across the two organisations with staff feeling that at times they are "working blind" and that the two systems don't "marry up". There was a need for better aligned management structures between child and adult services with clearer decision making. Some staff commented that couldn't see these issues improving if the LAM remained.

Having two organisations separately operating across such a large geography was felt to contribute to an inequity of service and inconsistencies of provision. The scarcity of MHO's was rural areas was given as an example of this and how this may improve within an IJB structure.

Some people commented that the difference in HR processes including job evaluation, pay grades and pensions within integrated children services was problematic.

A move to greater integration was seen to "offer a lot of positives" with a single organisation better able to address some of these issues.

- Comment on services to be included in any change

There was seen to be benefit in social work and child health joining a wider partnership, with further consideration needed for some services such as MHO provision.

Rating scale: HC Operational leads

The ranking exercise was undertaken by two groups of mixed professionals

Group 1

Criterion	Option A (LAM) Score	Option B (IJB) Score
Strategic Fit	-1	0
Performance	0	+1
Finance	-2	+1
Risk	-1	+1
Opportunities & Benefits	-1	+1
Total	-5	+ 4

Group 2

Criterion	Option A (LAM) Score	Option B (IJB) Score
Strategic Fit	0	+1
Performance	0	+1
Finance	-1	-2
Risk	+1	-1
Opportunities & Benefits	+1	+1
Total	+1	0

Preferred Option: Balance between LAM & IJB

Highland Council operational leads summary LAM :

- Key strengths:

There was a very strong level of integrated practice across child health and children's social work and can provide a strong platform for further improvement and integrated approaches. The LAM may help to maintain liaison and joint working with education and other services such as housing.

There was strong and well established operational leadership that provided a consistent response to issues.

- Key risks:

Some of the perceived difficulties in working across the boundary with the Health and Social Care Partnership may remain. These include practice issues such as those within transitions as well as more systemic issues in areas such as organisational and professional governance where there can be duplication and confusion.

There was also noted to be continuing difficulties in areas such as communication and compatibility of IT systems and that these at times can have an impact on the effectiveness of responses to family need.

Highland Council operational leads summary IJB :

- Key strengths:

The creation of a single body would help to address some of the complications and duplication in governance and decision making and assist in deploying resources and developing services across the whole partnership area. It may also address some key practice areas such as transitions and help in developing whole family responses to need.

A move would also bring Highland in line with the rest of Scotland and this may help in gaining learning from best practice across the country and give better benchmarking of performance levels. It may also assist in addressing inconsistences of practice.

- Key risks:

There was potential for disruption if any change not implemented carefully. There was also concern that some smaller services would suffer from competing demands within a large organisation and this may impact on available budgets and resources.

(vii) Strategic leads within NHS Highland

- What works well now

There is a clear identity amongst staff of belonging to the H&SCP. This is particularly evident at times of pressure or crisis when staff collectively respond to issues. There is a collective will to provide good levels of service to people in need. This is underpinned by a strong sense of resilience. Within the SLG staff feel like equal partners and there is a shared responsibility and understanding of issues. This supports consistent operational decision making within clear lines of accountability supported by the clinical governance structure.

At a district level staff also work well together with strong integration of professional groups although some district level planning could be developed further. Integration is evident at all levels. Colocation within hospitals and some offices has helped with this. This is supported by the single employment model which emphasises belonging to a shared service.

There is a strong collaborative relationship with acute services and an ability to manage and respond flexibly to demands including financial issues. Recruitment is managed centrally and consistently across all services.

- What could improve

The interface across children's services is not as strong as that with acute. This can be challenging in areas such as transitions.

Budget management across systems is not fully integrated and there may be occasions when this can contribute to delays in service delivery. Currently there is an ability to be flexible within wider Health Board budgets but wider budget matters are affected by issues such as restricted resource transfer, no application of set aside budgets, the inability to use reserves.

Adult social care commissioning is difficult within an NHS framework, as is the interface with the Highland Council in the use of capital resources including transport. There is limited expertise in planning and commissioning with what is seen as a cumbersome interface with the Highland Council. Strategic planning can be complex with multiple similar groups.

Clinical and care governance across the whole system (including ICS) is complex and can be based on health structures. The systems involved can lead to confusion and duplication. Similarly there are limited distinct arrangements for quality improvement and education within the H&SCP with this shared with wider health services.

- Comment on services to be included in any change

It was felt to be very positive for children's services to be included within any change allowing all social work services to be within the one organisation. It was also felt that Justice Social Work would benefit from being involved along with the MHO service notwithstanding the legislative employment requirements of this service. It was felt that having all social work together would help in reframing some care governance arrangements distinctly from a health based model. This arrangement may also include elements of corporate functions.

The possibility of a wider IJB was raised including elements of agencies that contribute to Marmot principles of population health. It was felt that there was currently an opportunity to do something different that could have greatest impact. This would include a new approach to commissioning and partnership with the third sector.

Rating scale: NHSH Strategic leadership

Criterion	Option A (LAM) Score	Option B (IJB) Score
Strategic Fit	-1	+1
Performance	0	0
Finance	-1	+1
Risk	0	2
Opportunities & Benefits	0	0
Total	-2	0

Preferred model: IJB

NHS Highland strategic leads summary LAM

- Key strengths:

Maintaining the model would minimise the potential disruption involved in any change. It would continue with what has been a stable staffing model with a strong sense of integration. It would also allow momentum to continue within current improvement activity

- Key risks:

A range of systemic issues have been identified across areas such as financial management, care governance, and planning and commissioning. It was also recognised that there are weaknesses in the interface with integrated children's services. These matters are felt to be made more complex by the LAM and may be continue to difficult to address within the model.

NHS Highland strategic leads summary IJB

- Key strengths:

An IJB presented a clear strategic fit with national arrangements and policy direction, it also supported wider local partnership approaches including with the third sector and other partners involved in determining public health. It may assist in some problematic service areas such as transitions

The model would help to address some of the systemic issues evident within a LAM including financial planning, commissioning governance and use of capital resource

- Key risks:

A key risk of disruption was identified and any potential change to an IJB would have to carefully managed and well implemented. There was also an acknowledgement that performance of IJB's across the country was mixed and a change in itself would not automatically lead to immediate improvement and there was a need to manage expectations.

(viii) Operational leads H&SCP

- What works well now

Staff being on the same terms and conditions within Health Board arrangements was seen as being very positive. This has assisted in a sense of belonging to a single organisation.

From an operational perspective there is well established integrated working across adult services. This is supported by colocation where this is in place. Staff across all disciplines work well together and this is particularly evident at times of pressure. Multi-disciplinary teams are seen to work very well.

It was felt that the structure of social work teams in adult social care has developed since the instigation of the LAM and they now offer strong professional and operational support to staff.

Relationships across services are positive with effective working relationships. There was seen to be strength in being part of a single organisation and this has helped simplify operational decision making across disciplines.

The contracts and commissioning approach was seen to be positive although this view was not universally held.

Overall there was felt to be a strong values based approach across services.

- What could improve

Organisational governance, oversight and assurance were felt to be complex and cumbersome. Decision making could take extended time periods and involve reporting across multiple groups. Professional assurance tends to follow a health model and this has limited its effectiveness for social care staff. Identification and response to risk could improve and tensions such as between regulated services and acute services can hamper decision making in high risk situations.

It was felt that there could be a better understanding of the “whole system” and strengthened short and long term planning. This was felt to be evident within care services in response to emerging need and also with ancillary services such estates and transport. Transitions between children’s and adult services can be disproportionately impacted by finance issues.

There was view that commissioning could be problematic and not always able to respond to demands as they arise. Access to secondary community provision was felt to have weakened and can limit the effectiveness of some care planning especially in respect of mental health support.

The inability to carry funding forward created some frustration and was felt to limit service planning

The separation between adults and children’s services has widened since the LAM and this was evident in both social care and some health provision.

- Comment on services to be included in any change

From a governance perspective there was felt to be a strength in all services being included with an acknowledgement that this may support wider integration and care planning in areas such as transitions. The variance in arrangements across the country was noted and the absence of a clear "best model" to follow created some uncertainty. It was felt that some areas such as CAMHS would benefit from further consideration.

Rating scale: H&SCP operational leads

The scoring was undertaken by four mixed professional groups with the outcome from each group given below along with some general comments

Criterion	Option A (LAM) Score	Option B (IJB) Score
Strategic Fit	0	+1
Performance	0	0
Finance	-1	+1
Risk	-1	+2
Opportunities & Benefits	*	*
Total	-2	+4

The risk score for Option B (IJB) was based on future risk management not for the implementation of change
Asterisks - the group felt it was difficult to give an opinion without better knowledge of what changes to the LAM may be

Criterion	Option A (LAM) Score	Option B (IJB) Score
Strategic Fit	-1	0
Performance	0	0
Finance	-1	+1
Risk	-1	-1
Opportunities & Benefits	-1	-1
Total	-4	-1

This group acknowledged the impact of current impediments within the LAM structure, particularly in relation to governance and planning with a view expressed that "something had to be done". Alongside this it was recognised that a change to an IJB may improve these issues but wouldn't provide an easy solution without strong partnership working and positive relationships. There was concern expressed about the impact of further change on staff.

Criterion	Option A (LAM) Score	Option B (IJB) Score
Strategic Fit	0	+1
Performance	1	0
Finance	-2	+1
Risk	0	-2
Opportunities & Benefits	0	0
Total	-1	-1

This group recognised the need for strengthened governance structures and easier decision making but saw significant risks in the implementation of a change and the potential impact of this on staff

Criterion	Option A (LAM) Score	Option B (IJB) Score
Strategic Fit	-1/0	-1/+1
Performance	+1/+2	-2/-1
Finance	0	+1
Risk	0	-2
Opportunities & Benefits	0	-1
Total	0/+2	-2/-5

This group had a range of views and this was reflected in multiple scoring in certain factors. There was a strong concern about the impact of any change on staff and about the prospect of major change without this resulting in improvements in performance. It was also felt that the risk involved in the implementation of any change was high.

Preferred Option: Balance between LAM & IJB

NHS Highland operational leads summary: LAM

- Key strengths

There was strong sense of continuity over the period since the inception of the LAM and that significant strides had been made to develop services and to support staff. There was some concern that a change would undo the positive work that had been undertaken.

There was felt to be a clear identity amongst staff with a commitment to a shared set of values. Integrated practice was seen to be strongly embedded within locality teams, assisted by colocation where this had been possible.

The locality focus of some services was felt to be positive and there was a concern that a change could lead to a more “centralised approach” that would diminish an ability to respond to local need.

- Key risks

There was a recognition of some of the current structural impediments of the LAM and uncertainty as to how this could be changed within the model. The issues were particularly notable in areas of governance, decision making, strategic and financial planning where it was difficult to adopt a “whole system” approach and there were often delays in decision making with multiple reporting requirements

Issues of organisational risk were at times not adequately addressed and this could impact both longer term strategic planning and shorter term operational issues.

The separation between adult and children’s services was also seen to have created some distance between services and this was having an impact on areas such as transitions.

NHS Highland operational leads summary: IJB

- Key strengths

The opportunity to improve governance and strategic planning was seen as a strength. It was felt that some of these changes were overdue and that any move to streamline decision making and develop organisational risk management would be beneficial.

It was felt a change would extend the opportunity to be more flexible in financial planning and the use of capital and other resources.

An IJB model would also more clearly fit into a national perspective although the mixed performance of some IJB’s across the country was recognised.

- Key risks

There was significant apprehension about the potential scale of change and the impact that this would have on staff and possible disruption to service provision.

There was a recognition that a change in structure would not in itself automatically lead to improvements and that this needed to be supported by careful implementation and full engagement with staff. Some improvements may take time to materialise.

Section 4 Conclusions and next steps

The work undertaken in this phase of activity has focussed on detailed engagement with staff from across the whole partnership. The method used in this activity involved open discussion supported by structured consideration of key issues.

This engagement has allowed staff from different professional backgrounds and at different levels within the partnership to consider the current arrangements in some detail and to compare these to the possible benefit of moving from a Lead Agency to a Body Corporate model of integration.

The outcome of this process has captured a range of views both about current arrangements and the possible benefits of a change.

Some key massages can be taken from this. There was a good understanding of some of the limitation of the current model. This included both systemic issues such as governance arrangements and strategic planning, along with a clear view of some of the practice difficulties involved in areas such as transitions and delayed discharge and the impact these can have on families.

There was also an appreciation of some of the benefits of the current model including the strength of current collaborative working within both parts of the partnership.

The potential benefits of a change in addressing some of these matters was also well understood and there was careful thought given about the impact of any change.

On balance the overall outcome from the discussions was in favour of a change to an IJB model. The change was seen to have the greater potential to assist partners in delivering the desired outcomes identified from the change process and to assist in developing a care model that would make best use of resources in supporting people across Highland.

However as noted earlier within the report there are alternative views, along with some apprehension as to the scale of change and the impact this may have. There was an emphasis that if a change is to be undertaken then a carefully planned and resourced implementation programme would be fundamental to its success.

In reaching this outcome it was acknowledged that a number of areas would benefit from further consideration.

These include:

- Final agreement on scope of services to be included
- Confirmation of the employment arrangements for staff following any change
- Detail of financial risk share to be included within a new Scheme of Integration
- Construction of a possible day 1 budget

During the next stage of activity the issues emerging from the appraisal will be considered further and the engagement will be broadened out to include wider staff groups, members of the public and partners. This is with a view to presenting a final report to NHS Highland and the Highland Council by December 2026.

Appendix 1 – Services prescribed for inclusion within integration arrangements: (Public Bodies (Joint Working) (Scotland Act) 2014)

Acute hospital based services

(a) accident and emergency services provided in a hospital;
(b) inpatient hospital services relating to the following branches of medicine—
(i)general medicine;
(ii)geriatric medicine;
(iii)rehabilitation medicine;
(iv)respiratory medicine; and
(v)psychiatry of learning disability,
(c) palliative care services provided in a hospital;
(d) inpatient hospital services provided by general medical practitioners;
(e) services provided in a hospital in relation to an addiction or dependence on any substance;
(f) mental health services provided in a hospital, except secure forensic mental health services.

Community & Hospital Services (currently designated as conjoined)

(a) district nursing services;
(b) services provided outwith a hospital in relation to an addiction or dependence on any substance;
(c) services provided by allied health professionals in an outpatient department, clinic, or outwith a hospital;
(d) the public dental service;
(e) primary medical services provided under a general medical services contract, and arrangements for the provision of services made under section 17C of the National Health Service (Scotland) Act 1978, or an arrangement made in pursuance of section 2C(2) of the National Health Service (Scotland) Act 1978
(f) general dental services provided under arrangements made in pursuance of section 25 of the National Health (Scotland) Act 1978

Discretionary delegated children's services

Child Health

a. Speech and Language Therapy
b. Physiotherapy
c. Occupational Therapy
d. Dietetics
e. Primary Mental Health Workers
f. Public Health Nursing - Health Visiting
g. Public Health Nursing – School Nursing
h. Learning Disability Nurse
i. Child Protection Advisors
j. Looked After Children (as per NHS (Scotland) Act 1978
k. Named Persons Childs Plans
l. Local Carer Strategy (as per S12 Carers (Scotland) Act 2016

Children's social work services

a. Children and families social work teams
b. Residential care workers
c. Fostering/Adoption services
d. Throughcare and aftercare
e. Social work out of hours service
f. Public health improvement
g. Early years and pre school visiting
h. Youth Action Team
i. Additional support for learning

Appendix 2 - Appraisal template

Options Appraisal Template - reference document

NHS Highland & The Highland Council

Future Integrated Health & Social Care Models

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1. Purpose of this Template

This template is designed to support consistent, user-friendly engagement and evaluation of future health and social care arrangements in Highland. It can be adapted for different audiences (staff, partners, communities, people receiving care) while maintaining a consistent scoring approach.

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2. How to Use This Template

Step 1 – Provide Context

Facilitators should summarise:

- Why change is being considered
- The two options being reviewed
- What matters most for people and communities

Step 2 – Capture Views

Use discussion prompts to gather:

- What works well now
- What could improve
- Key concerns or opportunities

Step 3 – Score Each Option

Participants score each option against 5 criteria using the rating guide below.

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3. Rating Scale

To make scoring easier and more consistent, use the following scale:

Score	Rating	What this means in practice
+2	Strong Positive	Major improvement; clear, confident benefits expected
+1	Positive	Some improvements likely; benefits outweigh disadvantages
0	Neutral / Mixed	No major change or mixed impacts
-1	Negative	Some concerns; disadvantages outweigh benefits
-2	Strong Negative	Significant risks or likely deterioration

Tips for Participants

- Think about real-world impact, not just theory
- Consider short and long-term effects
- If unsure, choose 0 (Neutral/Mixed)
- Use comments to explain your reasoning

---

4. Criteria Explained (Plain English)

1. Strategic Fit

Does this option align with national policy, local priorities, and the long-term vision for care in Highland?

2. Performance

Will this option improve how services work together and the outcomes people experience?

3. Finance

Will this option make best use of resources and support financial sustainability?

4. Risk

Will this option reduce or increase risks (e.g. governance, workforce, service delivery)?

5. Opportunities & Benefits

Does this option create opportunities for innovation, prevention, and better integration?

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5. Appraisal Template

OPTION A – Maintain Lead Agency Model

Criterion 1: Strategic Fit

Score (-2 to +2):

Reason for score:

Criterion 2: Performance

Score (-2 to +2):

Reason for score:

Criterion 3: Finance

Score (-2 to +2):

Reason for score:

Criterion 4: Risk

Score (-2 to +2):

Reason for score:

Criterion 5: Opportunities & Benefits

Score (-2 to +2):

Reason for score:

Overall, View of Option A

Overall Score :

Summary Comment:

- Key strengths:
- Key risks:

OPTION B – Integration Joint Board (IJB) Model

Criterion 1: Strategic Fit

Score (-2 to +2):

Reason for score:

Criterion 2: Performance

Score (-2 to +2):

Reason for score:

Criterion 3: Finance

Score (-2 to +2):

Reason for score:

Criterion 4: Risk

Score (-2 to +2):

Reason for score:

Criterion 5: Opportunities & Benefits

Score (-2 to +2):

Reason for score:

Overall, View of Option B

Overall Score :

Summary Comment:

- Key strengths:
- Key risks:

Preferred Option:

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7. Facilitator Notes

To ensure consistency:

- Encourage balanced discussion before scoring
- Capture both scores and qualitative comments
- Avoid leading participants toward a preferred option
- Ensure all voices are heard, especially service users and carers

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8. Optional Scoring Summary Sheet (for analysis)

Criterion	Option A Score	Option B Score
Strategic Fit		
Performance		
Finance		
Risk		
Opportunities & Benefits		

This allows comparison across groups and helps identify patterns in feedback.

Appendix 3 – Individual staff participants by role

Finance workstream

Chief Officer Finance THC

Director of Finance NHSH

Head of Financial Planning NHSH

Corporate governance workstream

Chief Officer Integrated People Services THC

Executive Director People & Culture NHSH

Professional leads workstream

Chief Officer Health & Social Care Partnership NHSH

Chief Officer Health and Social Care/CSWO THC

Medical Director NHSH

Director of Nursing NHSH

Strategic Lead Child Health THC

Director of Public Health NHSH

HR Workstream

Strategic Lead HR THC

Depute Director of People NHSH

Strategic Leads the Highland Council

Strategic lead care and support THC

Strategic lead early intervention and protection THC

Principal Officer Justice Service THC

Principal Mental Health Officer THC

Strategic Lead Child Health THC

Principal Education Psychologist THC

Chief Officer primary and Early Years Education THC

Senior Lead Manager Additional Support for Learning THC

Operational Leads the Highland Council

Associate Lead Nurse (Child Health) THC

Speech and Language Therapy Lead THC

Senior Practitioner Mental Health THC

Practice Lead Mental Health Officer Service

Emergency Service Coordinator

Chief Officer Health and Social Care/CSWO

Children's Service Manager THC

Practice Lead Care & Protection THC

Social Worker Family Support Service THC

Social Work Team Manager Justice Services THC

Children's Service Manager THC

Strategic leads NHS Highland

Chief Officer Health & Social Care Partnership NHSH

Associate Nursing Director NHSH

Associate Nursing Director Learning Disability NHSH

Interim Head of Service Learning Disabilities & Drug and Alcohol Recovery NHSH

Head of Finance NHSH

Head of Strategy & Planning NHSH

Lead Pharmacist NHSH

Acute Services Interface Manager NHSH

Operational leads NHS Highland

Senior operations manager – strategy & integration NHSH

Interim service manager adult mental health NHSH

Associate lead nurse – mental health NHSH

District managers x5 NHSH

Professional lead occupational health NHSH

Primary care manager GP board practices NHSH

Interim assistant director of social work NHSH

Associate lead nurse NHSH

Professional lead for older adults NHSH

Principal office adult social care NHSH

Area manager x2 NHSH

Primary care manager NHSH

Service manager learning disabilities NHSH

Head of service – dietetics NHSH

Head of commissioning NHSH

Head of regulatory services NHSH

Transaction and income manager NHSH

Professional lead nurse for mental health and learning disability NHSH

Interim head of service social work services NHSH

Programme manager NHSH

Appendix 2

Models of Integration Review: Staff & Community Engagement Update

Purpose
This paper updates the Joint Chief Executives on progress with staff and community engagement for the Models of Integration (MOI) Programme and asks for decisions on three outstanding points relating to the community super engagement events.

Decision required
The Joint Chief Executives are asked to:
1. Agree how engagement in Lochaber is delivered, given the overlap between the planned super engagement event, the Lochaber Community Planning Partnership event and the Spirit Advocacy Lived Experience Panel.
2. Confirm support for compressing the super engagement events into w/c 5 October, with Caithness the following week, to work around the school holidays.
3. Agree the preferred locations for the Caithness and Skye events.

Progress to date
The Colleague Engagement Hub and related page are now live and planned communication with colleagues has been actioned.

The Community Engagement Hub page is due to launch on Thursday 27th August, it will provide background information about the MOI and the two options being considered. People can share feedback via the online and paper survey, as well as ask questions.

Questions asked will be collated, themed and added to the Frequently Asked Questions section on the public page. The survey and question function will be active for an 8 week period, ending on Friday 23rd October 2026.

In person engagement events

Staff Events
Four in person and two online events are scheduled to take place between Wednesday 23 September and Monday 12 October. In person events will be open to colleagues from both organisations to attend and will take the format of a brief presentation followed by a Q&A and then an informal networking session over refreshments. Each session is scheduled to last up to 90 minutes and requires senior Executives from both organisations to attend, to deliver the presentation and take part in the Q&A. Questions raised in these meetings will also be added to the Engagement Hub for all staff to review.

In person events have been scheduled to take place around lunchtime as a more convenient timeslot for staff to be able to attend. Online sessions include a further lunchtime slot and an evening timeslot too.

Wed 23 Sept	1300-1430	Thurso – Venue TBC
Thurs 24 Sept	1300-1430	Inverness - Venue TBC
Wed 30 Sept	1300-1430	Kyle – Venue TBC
Thurs 1 Oct	1300-1430	Fort William - Venue TBC
Mon 5 Oct	1300-1400	Online / Teams
Mon 12 Oct	1830-1930	Online / Teams

Community Engagement

A series of in person super engagement events are being planned to take place within the 8 week consultation period.

These include a mixture of four MOI super engagement events, hosted by NHS Highland and The Highland Council, which will also bring teams to engage on the NHS Highland Strategy and the Highland Outcome Improvement Plan. In addition, there are three planned Community Planning Partnership events that will take place within the engagement timeframe.

Joint Community Super Engagement Events

Date/Time	Venue	Area
Tues 6 Oct / 1-7pm	Venue – Nevis Centre (tbc)	Fort William
Tues 6 Oct / 1-7pm	Venue - Discovery College (tbc)	Inverness
Wed 7 Oct / 1-7pm	Venue – (tbc)	Portree/Broadford
Tues 13 Oct / 1-7pm, or Wed 14 Oct / 1-7pm	Venue – (tbc)	Wick/Thurso

Community Planning Partnership Event Dates

Date and time	Venue	Event and attendance
Wed 30 Sept 12-3pm	Newtonmore Village Hall	Badenoch & Strathspey Community Partnership Event
Thurs 15 Oct TBC	Mallaig and Morar Community Centre,	Lochaber Community Partnership Event
Thurs 22 Oct 12-2.30pm	Muir of Ord Village Hall	Mid Ross Community Partnership Event

Targeted engagement

Spirit Advocacy has been commissioned to conduct targeted engagement with people with lived experience, carers and communities, the main element of this will be via their

Lived Experience Panels in Wick and Fort William, as well as other means to capture wider views. An independent report containing an analysis of the feedback they received will be provided in line with our consultation timeline.

Timing considerations
Highland school October holidays are from Monday 12th to Friday 23rd October 2026. Two of the Community Planning Partnership events fall within this period, Lochaber on 15 October and Mid Ross on 22 October, as does the final week of the consultation. This should be factored into expectations on turnout and the promotion plan for the closing weeks. The Caithness super engagement event on 13 or 14 October and the final staff event on Monday 12 October also fall within the holiday period, so the revised schedule reduces but does not remove this risk.

Risk and options
Originally four super engagement events were agreed, in Inverness, Wick, Portree and Fort William to provide strong representation across The Highland Council and NHS Highland areas.

Three issues have emerged since that decision was taken. Each is set out below with the options and a recommendation.

Issue 1: overlapping engagement in Lochaber
Three separate engagement opportunities are currently planned in the Lochaber area within a fortnight: the joint super engagement event in Fort William on 6 October, the Lochaber Community Planning Partnership event at Mallaig and Morar on 15 October, and a Spirit Advocacy Lived Experience Panel in Fort William. The risk is engagement fatigue in a single community, and a perception that time and money are being duplicated across three events covering the same subject.

The Spirit Advocacy panel is contracted and reaches a specific audience, so no change is proposed to it. The question is which of the other two events to retain.

Retaining the super engagement event would give a window from 1pm to 7pm, reaching people at lunchtime, after school and after work. It gives full control of date, venue and format, and it falls outside the school holidays. It carries a higher call on supporting teams and on Executive time.

Retaining the Community Planning Partnership event instead would align with partnership working, make good use of shared resource, reduce pressure on supporting teams and Executives, and reach a more remote part of Lochaber at Mallaig and Morar. However it offers only a limited daytime window, it falls within the school holidays, and the date, venue and format are set by partners.

Recommendation: retain the super engagement event in Fort William and attend the Lochaber Community Planning Partnership event on a light touch basis rather than withdrawing from it. The Highland Council Chief Executive is already attending that event, so partnership presence is maintained without a separate MOI stand, separate

promotion or additional supporting resource. This keeps the wider daytime and evening reach of the super event, avoids the school holiday risk, and reduces duplication rather than removing a channel.

Issue 2: scheduling of the super engagement events
The events were originally spread across two weeks, with two per week. To limit the impact of the school holidays from 12 October, the schedule has been compressed to three events in the week beginning 5 October, leaving Caithness in the following week. Confirmation is sought that this approach is supported.

Two points to note. The Fort William and Inverness events are both currently scheduled for Tuesday 6 October, 1pm to 7pm, so separate Executive attendance will be needed at each. The Caithness event on 13 or 14 October still falls within the school holidays.

Recommendation: agree the compressed schedule, and confirm Executive cover for the two events running concurrently on 6 October.

Issue 3: locations for the Caithness and Skye events
Guidance is sought on whether the Caithness event is held in Thurso or Wick, and whether the Skye event is held in Portree or Broadford.

Recommendation: Thurso for Caithness and Portree for Skye, subject to venue availability. The Spirit Advocacy Lived Experience Panel is already taking place in Wick, so holding the super event in Thurso widens geographic coverage across the county. Portree is the largest settlement and administrative centre on Skye. If reach into Lochalsh and south Skye is the priority, Broadford would be the stronger choice.

Recommendation
The Joint Chief Executives are asked to agree:

1. **Lochaber.** Retain the joint super engagement event in Fort William and attend the Lochaber Community Planning Partnership event on a light touch basis, with no separate MOI stand or promotion. The Spirit Advocacy Lived Experience Panel proceeds as contracted.
2. **Schedule.** Agree three super engagement events in the week beginning 5 October, with the Caithness event in the following week, and confirm separate Executive cover for the two events running concurrently on 6 October.
3. **Locations.** Agree Thurso for Caithness and Portree for Skye, subject to venue availability.

Once agreed, dates, venues and Executive attendance will be confirmed and a combined schedule of all staff and community engagement activity will be circulated across both organisations.

The Highland Council
Comhairle na Gàidhealtachd

Rt Hon John Swinney MSP
First Minister
The Scottish Government
St. Andrew's House
Regent Road
Edinburgh EH1 3DG
Emailed to: firstminister@gov.scot

8 September 2026
RB/rm

Dear John

Public Service Reform

Following publication of the Scottish Government's Programme for Government which set out proposals for the significant reform of the public sector, including local governance reform, rationalisation of public bodies and undertaking very significant restructuring within the NHS, we are seeking an early meeting with you to better understand the implications and impact these proposals will have for public services in the Highlands.

We have paid close attention to the statements that you have made personally during the period of publication and wish to point out a number of things about Highland Council's priorities and plans, as well as its evolving track record in improving services.

Firstly, successive Audit Scotland reports, including the Best Value Report of 2025, have expressed confidence in the transformational approach being taken by Highland Council, especially in relation to improving services and managing finances sustainably in the context of contracting budgets. There are several things worth highlighting that you may wish to consider in relation to Public Sector Reform. For illustration, Highland Council has:-

- A Highland Investment Plan which makes provision for the most significant programme of building of schools and community facilities in Scotland, with a plan to address the issues in around ninety establishments; this is based on a 2% council tax levy over the next twenty years to create a £2.1 billion

investment programme (including the first new school in Thurso in sixty years)
- A Highland Housing Challenge Action Plan to build 25,000 homes in the area over the next ten years – contingent on public-private sector co-investment and founded on existing strong relations with Scottish Government and local partners
- An Invest Highland website and investment prospectus, which is devoted to region wide infrastructure opportunities; local area developments in housing, schools and community facilities and climate resilience schemes; and local community and place plans – compiled into a single long list of projects for the purpose of securing investment from various sources
- A well-established Social Value Charter for Renewables, which has delivered private sector investment commitments of over £6 billion so far, and which is unique in the United Kingdom
- An Operational Delivery and Transformation Plan, which has committed over £30 million of investment in Social Care in the past three years to support the delivery of these services under the Lead Agency model by NHS Highland
- The evolution of a new generation of Unique Visitor Experiences, based on the success of our An Storr centre in Skye, which showcases the amazing produce of Skye businesses.

Over and above that we can point to significant improvements in performance in areas such as the numbers of:

- children and young people achieving attainment milestones and measures
- children and young people in kinship care and community care
- children and young people who are Gaelic learners
- children and young people in significant skills and training pathways through Highland Council activity
- improvements in housing including energy and digital commitments
- business start-ups

Lastly, we are committed to ground-breaking partnerships in key areas with Scottish Government and either have announced or are close to announcing key developments in:

- The management of a City Region Deal which has allowed the re-allocation of £47 million of Scottish and UK Government moneys from Inverness centric projects to the delivery of lifeline ferry services in Ardnamurchan
- Skills Development (Workforce North Co-Investment Fund)
- Single Public Sector Estate developments (Great Glen House)
- Whole Family Well-being (Highland Council Future Operating Model)

- City of Culture 2029 Bid (supported by Scottish Government and many of its key agencies)
- £2 bus fair pilot in the Highland area – which has been successful in its initial phase
- The work of the Highlands Adapts partnership, which has identified 29 communities vulnerable to future climate episodes
- The Single Care Model along with the Care and Learning Alliance.

We recognise that public services must evolve to meet future delivery challenges, demographic pressures and continuing financial constraints and that any process undertaken by Scottish Government to lead this will have important considerations regarding the implications for the people and places of the Highlands of Scotland. However, we feel strongly that Highland Council has the right blend of elements you have been stressing recently as being exemplary of the best practice in regional and local governance. Highland Council has a regional convening power which has enabled the investment programmes outlined above. Yet, through its area committee model, allows for significant local decision making by its elected members.

As per decisions taken by Highland Council at budget setting in 2025, through the planned activity of our Future Operating Model, we intend to devolve further powers to local areas and strengthen the connection between Highland Council as a regional local authority and the many wonderful and vibrant local places and communities of the Highlands. The primacy of local democratic accountability is critical to us both, which is why we have committed circa £2 million in recurring revenue investment in new approaches to local delivery and poverty proofing council services in the last two budget setting rounds.

One final thing that has been an increasing issue for us in the Highlands has been the failure of a number of key private sector markets. In recent times, Highland Council has had to step in to:

- Purchase Moss Park Care Home in Fort William, as part of an going pattern of private sector failure in this market (11 Care Homes have gone to the wall in the past 3 years, with a loss of 200 care beds)
- Purchased bus transportation companies, where private sector operators are withdrawing or threatening to (we now have over 100 buses in our Bus Operations and are establishing an ALEO) – all for the purpose od supporting rural transport as part of an integrated transport strategy
- Create a Housing ALEO to develop Mid-Market Rent solutions for Highland as an area, as part of a broader Housing Challenge action plan which addresses a range of tenures and geographical challenges.

We have noted your offer to discuss the distribution of additional economic levers to Highland Council and wish to explore this with you and your officials. We are also open to the possibility of taking on other responsibilities, which might help Scottish Government discharge its duties. We are, however, concerned that our current review of the Lead Agency Model, under which Highland Council delivers nursing services for child health on behalf of NHS Highland and employs directly nursing staff – we simply cannot see how handing this service to central control in Glasgow will improve any aspect of pre and post birth support for families in any way.

In addition, we are disappointed that the plans you have expressed for the NHS to control social care in Scotland would jeopardise the current consultation we are engaged in with staff of NHS Highland about the best way to deliver such services. We are very sceptical that there is an evidence base to support the assertion that the NHS should run social care in Scotland, especially on a centralised model.

Lastly, we are disappointed that only Scotland's island authorities seem to have an avenue open to them to become Single Authority model authorities. This seems to us to be premature. We very much hope that this is an avenue we can explore with you in the next few months.

You can see from the above that we are keen to engage constructively with you to co-design how public services can work best for the people of the Highlands and to ensure local democratic accountability, local decision making and local flexibility are built into future solutions – and that we have clear ideas about what a future model for the Highlands might look like, that would enable us to build on the significant progress we have made in recent times.

We both feel that the Highlands is an area that can contribute positively to the government's reform agenda. The experience of delivering services across remote and dispersed communities has fostered innovation, collaboration and resilience. There are valuable lessons that can inform public service reform nationally. We would make the point that we believe that the COSLA funding mechanism agreed with Scottish Government structurally underfunds the Highlands – to illustrate, we are funded for 235,000 people as residents under the GAE, not the geographical expanse we serve, with its almost 7,000 kilometres of roads in its own networks and almost 5,000 kilometres of coastline and almost 3,000 bridges and culverts.

In relation to infrastructure, this creates particular challenges, but we have been pleased to work with Scottish Government to find solutions to transport and climate infrastructure, such as bridges at Naver Bridge and Invercoe Bridge; flood defence schemes at Caol and Lochyside, Drumnadrochit and East Inverness; the harbour at Uig.

The first chair of the Highlands and Islands Development Board, Sir Robert Grieve is often associated with words, 'the Highlands should be on the conscience of the nation.' And it is notable that since the mid 1960's a century of economic and population decline has started to reverse. However, in the absence of European Structural Funding, the Highland Council has had to be resourceful, creative and dynamic to find solutions to historic challenges. A successful future for the Highlands is a strong partnership with Scottish Government, an effective regional authority with strategic, convening power, and strengthened local area delivery partnerships.

We would therefore welcome assurance that the perspective of Highland Council will be fully reflected in the development of the proposed Public Service Renewal (Scotland) Bill and in the implementation of wider reform measures. There are a range of other suggestions that we have and would like to expand on these in a future meeting with you.

We look forward to hearing from you.

Yours sincerely

Councillor Raymond Bremner
Leader of The Highland Council

Councillor Bill Lobban
Convener of The Highland Council

The Highland Council
Glenurquhart Road
Inverness
IV3 5NX

Appendix 3

Staff communication from CEO (8 Sep 26)

You will be aware that the Scottish Government set out its Programme for Government on Tuesday, which included several areas which could impact on the work of local authorities.

This included plans to reduce the number of health boards, reform social care, increase childcare, and bring national environment public bodies into a single organisation. He also called for a three-month period of engagement about a new structure for local government in Scotland.

I understand these announcements may cause uncertainty, particularly amongst teams that work closely with NHS Highland. We are working hard to understand the impact of these announcements and will keep you updated as we learn more.

We will engage fully with partners and with Scottish Government to champion the Highlands, our staff, and the public we serve.

Derek Brown

Chief Executive

Targeted communication to health/children's services staff (8 Sep 26)

Following this afternoon's email from The Chief Executive, I wanted to reach out specifically to staff within our Child Health teams. You will be aware earlier this week the First Minister announced plans to change the way the NHS in Scotland is structured, moving from 14 territorial health boards to two strategic health boards, and to reform social care.

I appreciate these announcements may raise more questions than there are currently answers to, particularly what it means for the review of our own model of health and social care integration here in Highland and what it may mean for you personally. We are working closely with our partners at NHS Highland and the Scottish Government to understand the details of the plan and will keep you fully informed as we learn more. In the meantime, if you have any specific concerns or questions, please raise these with your team lead and we will endeavour to do our best to find out more information where possible.

Many thanks again for all your hard work and continuing to provide the high standard of service and support that our communities depend on.

Kate Lackie and Jane Park