ARGYLL AND BUTE COUNCIL **COUNCIL**

CHIEF EXECUTIVE **24TH APRIL 2025**

SINGLE AUTHORITY MODEL - UPDATE

1.0 EXECUTIVE SUMMARY

1.1 Following on from the previous seminars, briefings and reports in respect of the development of alternative governance arrangements such as a Single Authority Model (SAM) for Argyll and Bute, this report provides Members with an overview of the activity that has taken place to date, including the introduction of a series of Ministerial led meetings to progress this work.

1.2 Given the increasing frequency of meetings being held at a national level and the ongoing pace of development, there is a need to put in place arrangements to allow Council officers to effectively engage and contribute to these meetings on an agile and flexible basis. To this end it is proposed that a Short Life Working Group is established, in line with section 2.6, Part C, of the Council Constitution.

1.3 It is recommended that Members

- Note the work that has been undertaken to date regarding the development of SAMs, at both a local and national level;
- Agree that a SAM SLWG is established, with the terms of reference as set out at paragraph 4.3;
- Agree the political membership of the SAM SLWG, who will be supported by officers as appropriate; and
- Appoint a Chair and Vice Chair who will be elected members.

ARGYLL AND BUTE COUNCIL **COUNCIL**

CHIEF EXECUTIVE **24TH APRIL 2025**

SINGLE AUTHORITY MODEL - UPDATE

2.0 INTRODUCTION

2.1 Following on from the previous seminars, briefings and reports in respect of the development of alternative governance arrangements such as a Single Authority Model (SAM) for Argyll and Bute, this report provides Members with an overview of the activity that has taken place to date, including the introduction of a series of Ministerial led meetings to progress this work.

2.2 Given the increasing frequency of meetings being held at a national level and the ongoing pace of development, there is a need to put in place arrangements to allow Council officers to effectively engage and contribute to these meetings on an agile and flexible basis. To this end it is proposed that a Short Life Working Group is established, in line with section 2.6, Part C, of the Council Constitution.

3.0 RECOMMENDATIONS

3.1 It is recommended that Members

- Note the work that has been undertaken to date regarding the development of SAMs, at both a local and national level;
- Agree that a SAM SLWG is established, with the terms of reference as set out at paragraph 4.3;
- Agree the political membership of the SAM SLWG, who will be supported by officers as appropriate; and
- Appoint a Chair and Vice Chair who will be elected members.

4.0 DETAIL

4.1 Background /Context

4.1.1 The Local Governance Review was launched jointly by COSLA and the Scottish Government (SG) in December 2017 with the aim of exploring how power, responsibilities and resources might by shared between local and national government, and with communities.

4.1.2 The 2024-25 Programme for Government included a commitment to '*continue to make progress towards concluding the joint review of local governance by the end of this parliamentary session'* and this includes developing single authority models (SAMs) with local government and health partners to strengthen and streamline local decision making, and support a shift towards more preventative public services.

4.1.3 SAMs are a key part of a wider package of local governance reform which will transform democratic decision making at community level. SAMs will be designed in a way that supports these ambitions and will be of particular benefit to remote and rural areas such as Argyll and Bute where our communities are dispersed and creative/bespoke approaches to service delivery are required.

4.1.4 From the work undertaken so far, including engagement with HSCP and NHS Highland colleagues, it is envisaged that there are a wide range of benefits to be realised from a SAM, helping to address the key challenges faced by the area and ultimately provide better outcomes for residents. For example:-

- Building on recent successes, expand the volume of co-produced services and collaborative working, resulting in innovative approaches to service delivery
- Local specific solutions – development of bespoke, place based models (not one size fits all), tailored to the unique needs and circumstances of each area. Move away from implementation of national policies that don't necessarily fit/work for an area like Argyll and Bute.
- Development of clinical care pathways
- Influential decision making - a SAM would provide the opportunity to expand the democracy and accountability which is inherent in local government to include all services providing within a SAM, or by agencies with accountability to the SAM
- Local planning and delivery of services under a SAM would provide a vehicle of opportunity for significantly expanded democratic participation in the key decisions affecting communities.
- Aligned vision, values and priorities for Argyll and Bute as a whole, across all bodies within the scope of a SAM, resulting in strong strategic planning in partnership and better outcomes for the people of Argyll and Bute.
- Better and more efficient use of declining revenue and capital budgets – opportunity to pool resources from across all partners within scope of a SAM, including utilisation of assets, creating a more coordinated approach / integrated budget management across all services.
- Streamline duplication across organisational structures and functions, creating consistency of approach. SAM is not about losing vital jobs within the public sector, which are essential to population retention and growth, but there are likely to be crossovers in those functions that could produce efficiencies and provide better value for money at a time of continuing financial challenge.

4.2 Overview of activity to date

4.2.1 Officers have been working in partnership with colleagues from the SG, COSLA, Argyll and Bute HSCP, NHS Highland, and other local authorities, such as Western Isles and Orkney, over a period of time to explore the potential benefits and opportunities of alternative governance arrangements, such as a SAM. Detailed below is a summary of the key activity undertaken to date, by way of a reminder of the journey so far.

11 May 2023	Report to Policy and Resources (P&R) Committee, where it was agreed that:- ➢ *There is further exploration of the option for a Single Authority Model for Argyll and Bute.* ➢ *Exploratory discussions with the Scottish Government (SG) are commenced and that the Chief Executive seek inclusion in the SIA meetings already in train*
Aug 2023	Discussion paper sent to SG outlining current position in Argyll and Bute
Sept 2023	Letter from Director of Public Service Reform confirming that Ministers welcome our involvement in discussions on SAMs
Nov 2023	Elected Member Seminar 1 on SAM (inc. 5 options being explored) / Democracy Matters
7 Dec 2023	Update report to P&R
12 Dec 2023	Chief Executive led workshop with HSCP/NHS Highland senior colleagues to explore principles, potential key benefits and improved outcomes of a SAM for Argyll and Bute
Jan – May 2024	Informal discussions with Communities and Local Government Direcorate
12 June 2024	Official start up meeting with SG/COSLA to discuss local drivers for reform and current options being considered for Argyll and Bute
12 July 2024	Presentation to Policy Leads / Executive Leadership Team
29th July 2024	Minister for Public Finance visit to Lochgilphead – discussion on SAM proposals and showcase of current integration/ partnership working
30th July 2024	Briefing for Political Leadership
24th Sept 2024	Elected Member Seminar 2
10th Oct 2024	Update report to P&R
5th Dec 2024	Initial Ministerial meeting – see para 4.2.2 for more detail
15th April 2025	Members Seminar 3 scheduled
2023 - present	Regular updates and discussion has taken place at a range of other forums including IJB, HSCP Leadership Meetings, and NHS Highland Board Development Session.
2024 - present	Ongoing engagement with Western Isles Council
2024 - present	A number of engagement meetings have been held with UHI / UHI Argyll and ACHA to advise of the SAM work and to explore potential scope / inclusion of wider partners

4.2.2 In addition to the above activity, the Scottish Government are facilitating Joint Ministerial Meetings to drive forward this strand of reform. The first of these meetings took place in December 2024, chaired by Ivan McKee and Neil Gray, and bring together Scottish Government officials, local partners (Health Board Chairs, Council Leaders and Council Officers from Argyll and Bute and the Western Isles), and other relevant interests to explore the possibility of a SAM, in conjunction with the Scottish Government's Local Governance Review work.

4.2.3 The most recent Ministerial meeting took place on 20th March 2025 and further sessions have been scheduled for June, September and December this year, with Officer led meetings taking place in between.

4.2.4 A draft national workplan and timeline have also been developed. In terms of key milestones within this, it is envisaged that a preferred model is identified by June 2025, with formal engagement with the relevant staff groups, and partners, across the Council, HSCP, and NHSH penciled in to take place from August 2025. It is recognised that these timelines are challenging and will require partners to work collaboratively and efficiently to meet them.

4.3 Short Life Working Group

4.3.1 Given the increasing frequency of meetings being held at a national level and the ongoing pace of development, there is a need to put in place arrangements to allow Council officers to effectively engage and contribute to these meetings on an agile and flexible basis and to facilitate ongoing dialogue with elected members outwith the formal committee structure. To this end it is proposed that a SAM Short Life Working Group (SLWG) is established, which is permissible in terms of the Council's Political Management Arrangements (Constitution, Part C, section 2.6) as follows:-

Membership

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

Purpose / Role of the Group

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

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

Meetings and Reporting

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

- The SLWG will provide update reports to the Policy and Resources Committee
- Recommendations will be made by the Policy and Resources Committee to the full Council in respect of any decision on the identification of a preferred option.
- Initial meetings of the SLWG to take place in May/early June to progress a review of current options
- In line with draft national workplan/timeframe – a report to full Council on 26th June with regard to identifying a preferred model at that point in time.

Terms

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

4.4 Options/Models under consideration

4.4.1 From the outset of this process, Officers have reported on 5 potential options in respect of the development of a SAM for Argyll and Bute. An analysis of each model (including a brief description, and high-level statements of anticipated advantages and disadvantages) is set out below.

4.4.2 At this stage, it is important to note that the outline of potential models below is a very high level articulation of what a deeper partnership between the Council and NHS Highland might look like. To progress any further there is a need for additional organisational and technical analysis to fully explore the pros and cons of each option, prior to arriving at a preferred option and embarking on meaningful engagement and consultation with stakeholders. This is an area of work that will be supported by the national workplan and Ministerial meetings in situ, as well as close partnership working at a locality level between the Council, HSCP and NHS Highland colleagues.

Option 1 – Status Quo

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

Advantages	Disadvantages
There would be continuity as nothing would need to be changed (no transfer of staff and	Limited options for shared services and efficiency savings. Only health and social care are covered by the

no change to governance/ organisational structures).	current arrangements under the *Public Bodies (Joint Working) (Scotland) Act* 2014.
	Doesn't offer any change from the present situation and the difficulties being encountered by partners.
	Continuing issues around burden of governance and delivery of services.

Option 2 – Community Planning Plus

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

Advantages	Disadvantages
Options for pooling of budgets and sharing of resources.	Organisations would remain separate and would have their own governance structures.
Can build on the provisions of the *Community Empowerment (Scotland) Act* 2015.	Integration would likely be very specific and limited – lacks key decision-making and resource allocation capacity.
	Given the number of organisations involved, there would be a high probability of procedural dispute.
	Any developments could be delayed if one or more partners were not on board.

Option 3 - A New Integrated Authority

4.4.5 This model would establish a new elected single legal entity which would have fully integrated service budgets (with opportunity for resource efficiencies and more shared services) and would be empowered by locally elected status to give clear and accountable leadership. The Authority would create specific Boards or Committees which would provide the governance and decision-making structures required to ensure that resources and services are managed effectively.

4.4.6 Under this model, the Council would no longer exist and Council staff (as well as the staff from other partner organisations falling under the umbrella) would need to be moved over to the employment of the new Integrated Authority. This type of model would require a significant change to structures across most, if not all,

public bodies. It would also require a new scheme of public sector primary legislation to implement the model.

Advantages	Disadvantages
Fully integrated service budgets with opportunity for resource efficiencies and more shared services.	The Council would no longer exist and staff would be moved to the new Integrated Authority
Clear democratic accountability in relation to the strategic oversight of functions via locally elected status of the Authority members.	Would require significant change to structures across all affected public bodies
Opportunity for governance structures to be tailored to best fit the needs of the Authority – can build on the need for local accountability, and/or take a place-based approach.	Uncertainty for staff transferring to the Integrated Authority in terms of employment status, terms and conditions, etc.
Scope to simplify the delivery of functions, streamline structures, and reduce bureaucracy.	A new scheme of public sector primary legislation would be required in order to implement this model.
Notwithstanding that a new primary legislation will be required to put this model in place, Scottish Government colleagues (via ongoing SAM discussions) have been encouraging of local partners to be ambitious in terms of any proposed models, acknowledging that primary legislation will be required for most, if not all models.	As staff would be transferring over to the new public body as their employer, there may be concerns around the loss of identity – particularly amongst NHS staff.
A wide scope of public sector functions could fall within the remit of the new Integrated Authority, including: existing Council functions, health and social care, housing and higher/further education.	
Potential for more effective and collaborative delivery of public sector functions if those services are all being delivered under the same organisation, with greater potential for the strategic alignment of priorities.	

Option 4 - Further Empowered Local Boards

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

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

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

Advantages	Disadvantages
Possibility of building upon the existing legislative framework (*Public Bodies (Joint Working) (Scotland) Act* 2014 to implement the model. Given that the statutory basis has already been laid, this could shorten the timeframe for implementation of such a model.	Under the current Integration arrangements, the Council and NHS Highland are the partner bodies. However, many of the patient pathways for Argyll and Bute residents is to the Greater Glasgow and Clyde Health Board.
Can build upon examples of successful partnership working locally as a starting point.	Given some of the political sensitivities which could come into play, in order to advance discussion of this model, certain guarantees would be required to be provided in advance – particularly around the presence and viability of NHS services in the area, so as not to erode the public's confidence.
User focused approach if the partnership organisations are more aligned in their strategic priorities.	If the scope and functions of the Partnership is to be increased beyond health and social care, amendments to the 2014 Act, or

	new primary legislation will be required.
This model can retain local accountability, decision-making structures, and knowledge to allow the circumstances and issues particular to Argyll and Bute to be addressed at a local level – according to the priorities and needs expressed by our local communities.	A governance model of this nature and comprising change to this degree is unlikely to achieve political support locally or nationally without active consultation with a range of stakeholders – up to and including senior Scottish Government Ministers.
Under the current framework, the IJB has its own set of statutory responsibilities to engage the public. The IJB is also required by law to preside over locality planning arrangements, which prescribe further devolution of power to local professional and community groups, to ensure that services develop in line with local need and circumstances. These functions could be mirrored in any other statutory boards that would be established under this model, to ensure consistency of approach.	Implementation of this model (going further than health and social care) has potential to result in a complex landscape of statutory partnerships/boards - which could be difficult for those working within the public sector, and the wider public, to navigate. Confusion could be generated as to where certain roles, responsibilities and powers lie. It may also appear that additional layers of bureaucracy have been created.
No apparent requirement for transfer of staff from their current employers. Mitigates concerns that staff may have regarding loss of identity (particularly in the NHS context).	
This option provides the opportunity to build on the successes achieved from the current delegation of fully integrated services in Argyll and Bute.	

Option 5 – A Single Authority Partnership

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

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

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

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

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

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

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

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

Advantages	Disadvantages
It appears possible to implement this model by way of existing legislation. This could initially take effect by reviewing the current Scheme of Integration, preparation of a new Integration Scheme, and subsequently through the use of Directions.	Under the current Integration arrangements, the Council and NHS Highland are the partner bodies. However, many of the patient pathways for Argyll and Bute residents are to the Greater Glasgow and Clyde Health Board.
Potential to improve collaborative working and more effective resource allocation between the partners.	Given some of the political sensitivities which could come into play, in order to advance discussion of this model, certain guarantees would be required to be provided in advance – particularly around the presence and viability of NHS services in the area, so as not to erode the public's confidence.
This model protects the concept of strong local accountability. Retaining local accountability, decision-making structures, and knowledge allow the circumstances and issues particular to Argyll and Bute to be addressed at a local level – according to the priorities and needs expressed by our local communities.	If the scope and functions of the Partnership is to be increased beyond health and social care, amendments to the 2014 Act, or new legislation may be required.
Under the current framework, the IJB has its own set of statutory responsibilities to engage the public. The IJB is also required by law to preside over locality planning arrangements, which prescribe further devolution of power to local professional and community groups, to ensure that services develop in line with local need and circumstances. These functions would be transferred to the new decision-making Board under this model.	A governance model of this nature and comprising change to this degree is unlikely to achieve political support locally or nationally without active consultation with a range of stakeholders – up to and including senior Scottish Government Ministers.
No requirement for transfer of staff from their current employers. Both the Council and NHS Highland would retain their identities.	Whilst this model would involve a lesser degree of structural and legislative change in comparison to other models outlined herein, the scope of this model is limited to health and social care only. Primary legislation would be

	required if the scope of the model is to be subsequently widened.
Continuing with the current IJB arrangement retains an additional third public body to sit between the NHS Board and Council, and as such, an additional bureaucratic layer. Moving to the strategic lead agency model as described above moves the decision-making functions to a Board within the Council (as the lead agency).	It is noted that a number of successes have been achieved via the fully integrated services in an Argyll and Bute context. However, the Argyll and Bute HSCP have reached the current limits of the 2014 Act in that regard. Implementation of this model would therefore result in a change of structures, as opposed to the scope of public sector functions/services that may fall under the model.
	This option builds upon the Lead Agency model as set out in the 2014 Act. Notwithstanding the fact that the structural reform as envisaged within the *National Care Service (Scotland) Bill*, will not progress any further, there remains uncertainty as to the future of the Lead Agency model given that Highland (the only authority in Scotland who adopted that model) are also in the process of moving away from it. As this option builds upon the Lead Agency model as its starting point, clarity is needed as to the future of that integration model to further explore the feasibility of this option.

5.0 CONCLUSION

5.1 This report provides Members with an update on the continuing work to explore alternative governance arrangements for Argyll and Bute, as part of the wider public service reform agenda.

5.2 Having regard to the increased workload and pace of change on this work it is recommended that a SAM SLWG is established to act as a sounding board to Council representative engaged at a national level and to progress towards identifying a preferred model for the area.

6.0 IMPLICATIONS

6.1 Policy; currently none but with the potential for significant implications due to emerging national policies.

6.2 Financial; none at present - exploration of a SAM will consider any financial implications arising.

6.3 Legal; a review of all relevant legislation will be undertaken as part of the development of any options for a SAM. Depending on the preferred model identified, new legislation may be required.

6.4 HR; none at present – as the proposals develop there may be a requirement for additional resource to support this work.

6.5 Fairer Scotland Duty: none

6.5.1 Equalities - protected characteristics; none arising from this report

6.5.2 Socio-economic Duty; none arising from this report

6.5.3 Islands; none arising from this report

6.6. Climate Change; none.

6.7 Risk; failure to explore options for the best model for our communities and influence the national development of reforms.

6.8 Customer Service; none arising from this report

6.9 The Rights of the Child (UNCRC); none arising from this report

Pippa Milne - Chief Executive

Councillor Jim Lynch – Leader of the Council

25th March 2025

For further information contact:
Laura Blackwood
Directorate Support Officer
01546 604325