Health and Wellbeing Board

DATE	**16/07/2026**
REPORT OF	**Helen Kenyon & Katie Brown**
SUBJECT	**Update on the section 75 arrangements and the ICB**
STATUS	**open**

CONTRIBUTION TO OUR AIMS

The proposal supports the councils overarching vision of Stronger Economy and Stronger Communities as set out in the North East Lincolnshire Council Plan 2023-2026, subject to ongoing refresh. The proposed changes to the section 75 arrangements continue to support the long-standing arrangements for the integration of health and social care services within North East Lincolnshire.

EXECUTIVE SUMMARY

Since 2007 there has been a formal partnership agreement (Section 75) in place between the NHS (Care Trust Plus - CTP, Clinical Commissioning Group - CCG, and latterly the Integrated Care Board - ICB) and North East Lincolnshire Council (NELC). This has enabled integrated joint commissioning and integrated provision of services for adults and children to take place.

As a result of the changes outlined in the NHS 10-year plan which changes the role and function of the ICB a review of the current partnership arrangements with NELC has taken place with both the council and the ICB agreeing to continue and develop the existing partnership.

This paper provides an update on the section 75 arrangement and the development of changes to the ICB.

RECOMMENDATIONS

1. For members to note the content of the report
2. For the Health and Wellbeing Board to support the acceleration of the North East Lincolnshire Neighbourhood Health Plan that further supports the benefits of integration for the local population

REASONS FOR DECISION

The Health and Wellbeing Board has a pivotal role in the development of neighbourhood plans and oversight of neighbourhood health.

The section 75 is the key mechanism in supporting the delivery of this in North East Lincolnshire, so it is important for the board to be aware of the developments and changes with the agreement.

1. BACKGROUND AND ISSUES

1.1 Under the NHS Act 2006, Local Authorities and NHS bodies can enter into partnership arrangements to provide a more streamlined service and to pool resources, if such arrangements are likely to lead to an improvement in the way their functions are exercised.

1.2 The following are NHS Bodies: An NHS trust; an NHS foundation trust; an integrated care Board (ICB), NHS England

1.3 The powers permit:

- The formation of a fund (pooled budget) made up of contributions by both parties "out of which payments may be made towards expenditure incurred in the exercise of both prescribed functions of the NHS body or bodies and prescribed health-related functions of the authority or authorities" (section 75(2)(a)(ii), NHSA 2006)
- The exercise by an NHS body of a local authority's prescribed health-related functions in conjunction with the exercise of the NHS body of its prescribed functions (section 75(2)(b), NHSA 2006)
- The exercise by a local authority of an NHS body's prescribed functions in conjunction with the exercise by the local authority of its prescribed health-related functions (section 75(2)(c), NHSA 2006)
- The provision of staff, goods or services, or the making of payments between the two partners, in connection with the above arrangements (sections 75(2)(d) -(f), NHSA 2006).

These powers give rise to the three Health Act "flexibilities," namely:

- Pooled budgets
- Lead commissioning
- Integrated provision

The flexibilities can be used together, for example, where one partner takes on the role of commissioning services for both partners and managing existing services and staff, whether or not the partners retain separate budgets. Alternatively, the partners could establish an integrated service, where staff are integrated and services pooled and managed by one partner through a pooled budget.

In particular, this has meant that until 1st April 2026 the ICB exercised the responsibility for the commissioning of adult social care services on behalf of the Council, one of only a few such arrangements nationally. As a result, the ICB employed a number of staff to directly discharge this and other associated responsibilities, alongside other staff in support functions to ensure its effective operation. NELC provided a financial contribution towards this, and the costs and expenditure for these arrangements are accounted for separately. From the 1st April 2026 the team were TUPE transferred into

NELC and continue to deliver the same function on behalf of the partnership

1.3 The current section 75 partnership agreement in place enables joint commissioning of adult (Health and care) services to be undertaken, supported by a pooled budget which from the 1st July 2026 will be administered by NELC on behalf of the partnership. There is also a smaller pooled budget with some integrated staffing for joint commissioning of children's services held and administered by the council. The agreement is overseen and managed by a Joint Committee which is chaired by the Chief Executive of NELC

1.4 The total value of the Section 75 agreement in place is £230.2m made up of £172.4m pooled funds and £57.8m non pooled / aligned funds (at 20025/26 prices).

1.5 As a result of the changes required to the ICB resulting from the NHS 10-year plan, the ICB blueprint, and the strategic commissioning framework, a review took place and both organisations approved the future partnership arrangements. These ensure that the construct of the partnership going forward is fit for purpose and minimises the risks for both organisations in the future.

1.6 In particular, the principal consideration has been to ensure an appropriate balance between preserving the long-standing partnership arrangements with the ICB for the benefit of the North East Lincolnshire population and ensuring that this does not compromise the councils and ICB's ability to discharge its roles.

1.7 Above all else, the ICB and NELC are keen to ensure that there is strong ongoing strategic commitment to the partnership working, whilst taking the best tactical decisions to deploy the resources and the staff to best effect given the changing roles of ICBs and the associated financial allocation and contracting arrangements

1.8 The ICB's Executive considered a range of options to determine the way forward given the changing context of its role. Strategic commissioning and working closely with Local Authorities continue to be critically important. Section 75 agreements will equally be the key vehicle in terms of how the development of Neighbourhood Health Contracts will be transacted. The ICB’s commitment to section 75 arrangements with local authorities remains strong and undiminished.

1.9 The agreement by both NELC’s Cabinet and the ICB was that a variation to the Section 75 would take place that would make North East Lincolnshire Council the host for the Adult Services agreement and pooled budget.

1.10 The changes have enabled the North East Lincolnshire Council’s Adult Social Care commissioning function to continue to be delivered at place. The only function that remains within the ICB is business intelligence and performance. This is to support a more system wide approach to population health

management (across all 6 places within the ICB geography) and enables greater access and intelligence to health and social care data.

1.11 The changes to the new section 75 arrangements will be finalised in July. This includes ensuring that it is structured in such a way that mechanisms for the new neighbourhood health contracts from April 2027 are included.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

2.1 A weekly working group continues to be in place to mitigate the risk of the transfer of functions from the ICB to NELC

2.2 The ICB will continue to be in a transitional phase for the rest of 2026 with a number of key strategic and operational personnel changes that impact on NEL. Comprehensive induction programmes have been developed to support with the transition

2.3 The continuation and amendment of the section 75 gives NEL a unique opportunity to ensure that further devolved funding and contracts are overseen and governed at place. This ensures that decision making reflects the needs of the local population.

3. OTHER OPTIONS CONSIDERED

3.1 Whilst the national direction is for greater integration and devolution to places and communities there are key changes that the ICB need to undertake that means that placed based delivery will change to a strategic commissioning organisation which is not conducive with North East Lincolnshire's integrated delivery model at place. Other options considered: -

3.2 do nothing, maintain the previous arrangements. This was not a possible option as the ICBs structure has had to change to reflect the reduced funding available to it.

3.3 a minor variation the Section 75 partnership agreement, with the ICB still being the host for the adult partnership creating a change to the proposed ICB operating structure by creating a business unit to support continued delivery of the NELC Adult Social Care functions. This option was not supported as it creates a difference for the ICB within its structure and would mean that adult social care functions would have been delivered by a central business unit that is not at place.

3.4 a variation to the Section 75 partnership agreement which would see the Adult Social Care commissioning function transferring out from the current ICB structure to the council, but the ICB continuing to host the adult services agreement and pooled budget. Under this option the ICB would have needed to create additional posts in its proposed operating structure for all of the ASC support functions which would remain within the ICB. Whilst this option mitigated some of the risks and concerns in relation to option 2 for both organisations, it didn't fully mitigate the risks and could have further increased the reduction in specialist skills and knowledge in those support function areas

that remain within the ICB.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

4.1 Significant engagement with a number of key stakeholders and partners was undertaken and continues to take place as part of the Health and Care Partnership. This included the ICB Board, Cabinet and Heath and Care Scrutiny

4.2 An implementation project group has been in place since February 2026 and has been overseen by the Senior Leaders in NELC and ICB. This has reported regularly to ICB/NELC Joint Committee, NELC's leadership team and ICB Executive.

4.3 As the commissioning activities within the section S75 are not being significantly changed in 2026/27, it is in essence an administration change to the hosting arrangements the decision did not require formal consultation

5. FINANCIAL CONSIDERATIONS

5.1 The pooled and aligned budgets continue to be overseen by the Joint Committee. The changes made to date have not had any financial impact on the delivery of health and social care in NEL

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

A part of the section 75 relates to the delivery and commissioning of some children's services. NELC continue to be the lead organisation.

The development of neighbourhood health for NEL and the potential inclusion of this in the section 75 presents significant opportunities for how we support children and young people differently when they require the support of health services.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

There are no known climate change or environmental implications arising from the matters in this report.

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

Having a formal section 75 partnership in place between the ICB and NELC, which combines resources and enables joint commissioning should have a positive impact on the delivery of Marmot and health inequalities. The ability to have oversight of Neighbourhood Health at place should fundamentally enable better health outcomes for people within North East Lincolnshire.

9. FINANCIAL IMPLICATIONS

9.1 The financial implications of the proposed variation to the Section 75 agreement have required careful management to ensure a smooth and compliant transition of responsibilities and has included: -

- Clear mapping of existing budgets, commitments, contracts, and financial risks.
- Assurance that all transferring budgets are supported by accurate baseline data, reconciled positions, and robust evidence trails.
- Confirmation of the ongoing financial contribution from the ICB to support the operation of the partnership and delivery at place, given the changes to national ICB funding from 2026/27.
- Identification and mitigation of any short-term cashflow, workforce, or operational risks.

a. Given the complexity and scale of the Section 75 arrangements, ongoing joint financial oversight through the Joint Committee continues to be critical, supported by strengthened budget monitoring processes and shared reporting.

10. LEGAL IMPLICATIONS

10.1 The legal basis and historic position between the parties is set out in the above report. With the changes imposed there has to be a recalibration of the contractual arrangements (the s75 agreement) with the ICB, as described. This will be supported by specialist, nationally recognised external lawyers, commissioned in the past to support previous iterations of the section 75 arrangements. Ongoing activity will be appropriately overseen by the Joint Committee. In time there may be constitutional changes required, should there be any revision of the terms of reference of the Joint Committee, once emerging section 75 matters have come to fruition. These will be the province of the Monitoring Officer in accordance with established governance routes and transparency requirements.

11. HUMAN RESOURCES IMPLICATIONS

There are no current human resource implications. The TUPE transfer was successfully undertaken on the 1st April 2026

12. WARD IMPLICATIONS

The delivery of health and social care services impacts all wards within North East Lincolnshire

13. BACKGROUND PAPERS

None

14. CONTACT OFFICER(S)

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