CABINET

DATE	11th November 2026
REPORT OF	Councillor Nigel Oliver, Portfolio Holder for Health, Wellbeing and Adult Social Care
RESPONSIBLE OFFICER	Katie Brown Director for Adults, Housing and Communities
SUBJECT	Section 75 Agreement and Integrated Health and Care Governance Arrangements
STATUS	Open
FORWARD PLAN REF NO.	CB 11/26/04

CONTRIBUTION TO OUR AIMS

The proposed Section 75 Agreement and associated governance framework will support the Council's ambition to work collaboratively with health partners to improve outcomes for residents through integrated, place-based services. By establishing clear strategic, tactical and operational governance arrangements, the proposals will strengthen accountability, improve decision-making and support the effective use of public resources across the health and care system.

The arrangements will help the Council and the Integrated Care Board deliver joined-up services, address health inequalities, promote prevention and early intervention, and improve the experience of residents who require support from multiple organisations. The proposed governance model also reinforces the Council's commitment to good governance, transparency and partnership working by ensuring decisions are taken at the most appropriate level whilst maintaining democratic oversight and effective scrutiny.

EXECUTIVE SUMMARY

North East Lincolnshire Council and NHS Humber and North Yorkshire Integrated Care Board have been developing revised Section 75 arrangements to support the continued delivery of integrated health and care services within North East Lincolnshire.

The proposed Section 75 Agreement provides the legal framework through which the Council and Integrated Care Board can exercise health and care functions collaboratively, manage pooled budgets, agree financial contributions, allocate risks and responsibilities, and support integrated commissioning and service delivery. The Joint Committee Health and Care remains a key component of those arrangements and is responsible for strategic oversight, leadership and development of the partnership arrangements.

As part of this work an opportunity has been identified to clarify governance arrangements by establishing a clear hierarchy of strategic, tactical and operational decision-making. The proposed model preserves Cabinet's responsibility for strategic direction, policy, major financial commitments and changes to the Section 75 framework whilst creating a Cabinet Health and Care Sub-Committee to exercise delegated executive authority in relation to health and care matters falling within the approved framework.

The model also formally recognises the role of the Health Care Contracting Group (HCCG) as the operational forum responsible for integrated commissioning, contract oversight, implementation and day-to-day operational management of activities undertaken under the Section 75 arrangements. Existing governance arrangements already provide for assurance reporting by HCCG to the Joint Committee.

The report seeks approval of the governance model together with authority for completion and execution of the Section 75 Agreement and associated documentation.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the revised governance framework for the operation of integrated health and care services delivered under the Section 75 arrangements.

2. Confirms that Cabinet shall retain responsibility for:

    - strategic direction;
    - major policy decisions;
    - approval of the Section 75 Agreement and any material variation thereto;
    - major transformation programmes;
    - significant pooled budget changes;
    - significant financial, legal or reputational risks;
    - matters reserved by the Constitution, Budget and Policy Framework or law.

3. Establishes a Cabinet Health and Care Sub-Committee and delegates executive authority to that Sub-Committee in relation to health, wellbeing and adult social care matters falling within the scope of the Section 75 arrangements, save where expressly reserved to Cabinet.

4. Confirms that the Joint Committee Health and Care shall remain the principal partnership forum through which the Council and Integrated Care Board provide strategic oversight, monitor performance, manage risk, develop proposals and align decision-making relating to integrated services.

5. Recognises the Health Care Contracting Group as the principal operational forum responsible for implementation, contract management, integrated commissioning activity, operational performance management and day-to-day decision-making within approved budgets, policy frameworks and delegated authorities.

6. Approves the division of responsibilities set out in Appendix 1 of this report.

7. Delegates authority to the Director for Adults, Housing and Communities in consultation with the Portfolio Holder for Health, Wellbeing and Adult Social Care to:
    a. agree any final amendments required to the Section 75 Agreement and associated schedules.

    b. give effect to the proposed governance arrangements as set out in consultation with the Assistant Director for Law and Governance (Monitoring Officer).

8. Authorises the Assistant Director Law and Governance (Monitoring Officer) to execute and complete the Section 75 Agreement and all ancillary documents necessary to give effect to the arrangements.

REASONS FOR DECISION

The recommendations sought will:

- establish a clear, transparent and auditable governance framework;
- support integrated place-based working with the Integrated Care Board;
- ensure decisions are taken at the most appropriate level in accordance with the principle of subsidiarity;
- preserve democratic accountability and scrutiny arrangements;
- clarify lines of responsibility for strategic, tactical and operational decision-making; and
- enable completion and implementation of the revised Section 75 Agreement.

1. BACKGROUND AND ISSUES

1.1 North East Lincolnshire has a long-established history of integrated delivery between local government and NHS partners.

1.2 Section 75 of the National Health Service Act 2006 provides a statutory framework through which local authorities and NHS bodies may enter into partnership arrangements, including pooled budgets, lead commissioning arrangements and integrated service delivery.

1.3 The Council and NHS Humber and North Yorkshire Integrated Care Board have developed a revised Section 75 Agreement to support the continued delivery of integrated health and care services within North East Lincolnshire.

1.4 Existing governance arrangements include the Joint Committee Health and

Care and the Health Care Contracting Group. The Joint Committee provides strategic leadership and oversight of the arrangements and receives assurance regarding operational delivery. The HCCG provides operational oversight and supports commissioning and contract management activities.

1.5 Through development of the revised arrangements, it has become apparent that there would be benefit in strengthening the alignment between partnership governance and the Council's executive governance framework.

1.6 The proposed governance structure is therefore based upon four complementary tiers:

Forum	**Primary Role**
Cabinet	Strategic leadership and reserved matters
Joint Committee Health and Care Partnership	Oversight, alignment and place leadership
Cabinet Health and Care Sub-Committee	Executive decision-making and tactical implementation decisions
Health Care Contracting Group	Operational delivery, implementation and contract management

*(**NB**: The Cabinet Health and Care Sub-Committee shall meet with and be deemed a part of the Joint Committee Health and Care Partnership to facilitate and demonstrate aligned decision making (para 1.7)).*

1.7 The intention is to ensure that strategic decisions remain with Cabinet, formal executive decisions are taken through a dedicated Cabinet Sub-Committee, partnership alignment occurs through and with the Joint Committee and routine operational matters are discharged through the HCCG.

Proposed Governance Pathway

CABINET
Strategic Direction
Policy
Major Finance
Major Transformation
|
▼
JOINT COMMITTEE
Council (through the Cabinet Health and Care Sub-Committee) + ICB
Alignment
Strategic Oversight
Performance
Risk
|
▼
CABINET HEALTH & CARE SUB-COMMITTEE

Formal Executive Decisions
Commissioning Decisions
Tactical Matters
|
▼
HCCG
Implementation
Contract Management
Operational Delivery

1.8 Under the proposed model HCCG will continue to exercise operational responsibilities and implement agreed decisions. Matters exceeding approved operational tolerances or carrying significant financial, legal, reputational or service implications would be escalated through the Joint Committee and, where appropriate, the Cabinet Health and Care Sub-Committee or Cabinet.

1.9 The proposed arrangements provide a coherent governance framework capable of supporting both integrated working and lawful decision-making whilst retaining transparency and accountability.

1.10 All executive decision making shall comply with usual constitutional routes and expectations in terms of a forward plan, pre or post decision scrutiny and call in.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

2.1 **Risks**

Failure to maintain clear governance arrangements could result in uncertainty regarding decision-making responsibilities, duplication of decision-making processes, delays in implementation and increased governance risk.

Failure to conclude the Section 75 Agreement may undermine delivery of integrated arrangements, pooled budget management and partnership working.

The proposed structure mitigates those risks by establishing clear lines of authority, escalation and accountability.

2.2 **Opportunities**

The proposals create opportunities to:

- improve strategic oversight;
- strengthen place-based decision-making;
- improve delivery and implementation arrangements;
- enhance transparency and accountability;
- support efficient integrated commissioning;
- improve responsiveness to operational issues; and
- maintain effective scrutiny and democratic oversight.

2.3 **Equality Issues**

The proposals relate primarily to governance arrangements.
Equality implications arising from future service-specific decisions will

continue to be considered through relevant decision-making processes and Equality Impact Assessments where required.

3. OTHER OPTIONS CONSIDERED

3.1 Option 1 – **Do Nothing**
Retain existing governance arrangements without revision. This option is not recommended as it would fail to address identified governance ambiguities and opportunities for improvement.

3.2 Option 2 – **Cabinet Retains All Decisions**
Reserve all decisions to Cabinet.
This option is not recommended as it would create unnecessary bureaucracy and reduce the ability to make decisions at the most appropriate operational level.

3.3 Option 3 – **Adopt Proposed Governance Model**
Establish the proposed governance framework incorporating Cabinet, Joint Committee, Cabinet Health and Care Sub-Committee and HCCG.
This is the recommended option.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

4.1. The proposals demonstrate the Council's commitment to effective governance, transparency, integrated working and improvement of health and care outcomes.

4.2. The arrangements provide a clear and publicly understandable framework for decision-making and accountability

5. FINANCIAL CONSIDERATIONS

5.1 The Section 75 Agreement provides the principal framework governing pooled funds, financial contributions, budget management, financial reporting and risk sharing between the partners.

5.2 Specific financial commitments remain subject to approval through the Council's established governance arrangements and budget-setting processes.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

The governance arrangements support delivery of integrated services across the health and care system and provide a framework within which services affecting children, young people and families can be commissioned and delivered collaboratively.

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

7.1 No direct climate change, nature recovery or environmental implications arise

from the governance proposals contained within this report.

7.2 Any such implications associated with future service and commissioning decisions will be considered through individual decision-making processes.

8. PUBLIC HEALTH, HEALTH INEQUALITIES AND MARMOT IMPLICATIONS

The purpose of the Section 75 arrangements is to support integrated delivery of health and care services and improve outcomes for local residents. Effective governance supports the Council and ICB in addressing population health outcomes, reducing health inequalities and delivering the objectives of place-based integration.

9. CONSULTATION WITH SCRUTINY

9.1 The proposed arrangements preserve existing scrutiny functions insofar as executive decision making is concerned.

9.2 Executive decisions taken by the Cabinet Health and Care Sub-Committee will remain subject to the Council's normal access to information, scrutiny and call-in arrangements.

10. FINANCIAL IMPLICATIONS

The financial implications arising from operational delivery of the Section 75 arrangements will be managed through the agreed pooled budget framework, existing budget-setting processes and financial governance arrangements established pursuant to the Agreement.

The proposed governance arrangements are not expected to create any direct additional financial commitments for the Council. However, the Section 75 Agreement provides the framework through which pooled budgets, partner contributions, financial reporting arrangements and risk-sharing mechanisms will operate between the Council and the Integrated Care Board.

It is important that the final agreement clearly defines financial contributions, budget management responsibilities, risk-sharing arrangements, treatment of any overspends and the arrangements for financial monitoring and reporting.

The proposed governance framework provides greater clarity regarding accountability and escalation routes for significant financial matters and confirms that major financial decisions, significant pooled budget changes and material risks remain reserved to Cabinet.

11. LEGAL IMPLICATIONS

11.1 The Council is empowered to enter into partnership arrangements pursuant to Section 75 of the National Health Service Act 2006 and associated

regulations.

11.2 The Section 75 Agreement provides the legal framework through which the Council and Integrated Care Board may exercise agreed functions collaboratively, establish pooled budgets and allocate financial and operational responsibilities.

11.3 The proposed governance structure strengthens transparency, accountability and decision-making clarity. Executive authority exercised by the proposed Cabinet Health and Care Sub-Committee will remain subject to the Council's Constitution, access to information requirements and scrutiny arrangements.

11.4 The recommendations include authority for finalisation, execution and completion of the Agreement and associated legal documents to give effect to the approved arrangements.

12. HUMAN RESOURCES IMPLICATIONS

The report concerns governance arrangements and does not directly alter staffing structures.

Advice should be sought from People and Culture (Partnering) regarding any potential TUPE implications of contracts for service delivery that are affected by a change in service delivery that results in insourcing or outsourcing, noting that TUPE obligations for provider to provider should already be covered by the existing contractual provisions at the point of invite to tender and/or in existing arrangements.

13. WARD IMPLICATIONS

All wards are likely to be affected.

14. BACKGROUND PAPERS

14.1 None

15. CONTACT OFFICER(S)

15.1 Katie Brown – 01472 325528

Cllr Nigel Oliver
Portfolio Holder for Health,
Wellbeing and Adult Social Care

Appendix 1 - Division of Responsibilities

Cabinet	Joint Committee	Cabinet Health & Care Sub-Committee	HCCG
Strategy	Place leadership	Executive decisions	Operational delivery
New policy	Partnership alignment	Commissioning decisions	Contract management
S75 approval/variation	Risk oversight	Service redesign	Performance management
Major finance	System oversight	Resource allocation	Routine operational decisions
Major transformation	Strategic recommendations	Contract awards	Delivery implementation
Significant risk	Assurance receipt	Tactical decisions	Escalation by exception
Reserved matters	Council/ICB alignment	Decisions subject to call-in	Day-to-day management

This appendix provides the core governance narrative:

Cabinet determines "whether";

the Joint Committee determines "alignment" jointly with the Sub-Committee which (for the Council) determines "how the Council formally decides"; and

HCCG determines "how it is delivered."