



# Northumberland County Council

Mr Alan Richardson  
Chair  
Northumbria Healthcare NHS Foundation Trust

Via email: [alan.richardson@northumbria-healthcare.nhs.uk](mailto:alan.richardson@northumbria-healthcare.nhs.uk)

**Your ref:**  
**Our ref:**  
**Enquiries to:** Daljit Lally  
**Email:** Daljit.Lally@northumberland.gov.uk  
**Tel direct:** (01670) 622682  
**Date:** 4 August 2021

Dear Alan

## **Re: Northumbria Healthcare position on the Partnership Agreement and 0-19 service**

I am writing to comment on the letters dated 26 July and 2 August that you sent to Councillor Jeff Reid, in his capacity as chair of the Council's Overview and Scrutiny Committee for Health and Wellbeing, and which you have now copied to a number of councillors as well as to the four Northumberland MPs. Councillor Reid has asked me to reply to you in detail. I am disappointed that you have not had the courtesy to copy your letter directly to myself and to Cath McEvoy-Carr.

Since many of those attending the Health and Wellbeing Board meeting on 12 August will have received your letters, I am including those letters and this response to them in the papers for that meeting, to ensure that all members of the Board have the same information available to them.

I am aware that Councillor Reid has already responded to you on the procedural point raised in your 26 July letter – why Northumbria Healthcare was not asked to send a representative to the meeting of the Overview and Scrutiny Committee on 2 August. As he has explained, the main focus of that meeting was to scrutinise the actions that the Council's administration is taking in response to the Trust's decision to dissolve the partnership between our organisations. The meeting was arranged so that councillors would have an opportunity to satisfy themselves that the Council is in a position to continue to discharge its statutory functions; that the 600+ adult social care staff transferring to the Council face no more disruption than is unavoidable; and that positive opportunities for Council services arising from the dissolution of the partnership have been identified. However, as you will be aware if you were following the discussions at the meeting, some councillors present did feel strongly that they should have an opportunity to question your Chief Executive about the decisions made by the Trust, and may wish to ask Sir James to attend a future meeting if they are not satisfied that the matter has been clarified at the 12 August meeting of the Health and Wellbeing Board.

That Health and Wellbeing Board meeting is in my view the most appropriate forum in which to discuss the wider issues raised in your letter. The meeting will be considering the same two reports as the Overview and Scrutiny Committee, but from the different perspective of their implications for integrated

**Daljit Lally, Chief Executive, Northumberland County Council**

County Hall, Morpeth, Northumberland, NE61 2EF

T: 01670 622682 E: [daljit.lally@northumberland.gov.uk](mailto:daljit.lally@northumberland.gov.uk)

[www.northumberland.gov.uk](http://www.northumberland.gov.uk)



working across the health and social care system in Northumberland. As you will know, one of the main statutory functions of the Health and Wellbeing Board is to “provide such advice, assistance or other support as it thinks appropriate for the purpose of encouraging the making of arrangements under section 75 of the National Health Service Act 2006” to further integration between health and social care services. The ending of one of the largest section 75 partnerships in the country, and the proposal to enter into a new section 75 partnership, are therefore matters which are very much within the remit of that Board.

In advance of the Health and Wellbeing Board meeting, I think I now need to respond to you and the Northumbria board about some of the other statements made in your letter, since it seems you have been misinformed about a number of issues. I am copying this response to all the members of the Northumbria Board and the Lead Governor, and I am also copying it to all of the recipients of your letters, as well as including it in the papers for the 12 August meeting.

### **The review of the partnership agreement**

The apparent implication of the summary in your 26 July letter of the history of discussions about the future of the partnership since 2016/17 is that the Council has for five years been suggesting that it may wish to terminate the agreement. This is not correct.

When the Council and the Trust first entered into the partnership in 2011, the Partnership Agreement was for a two-year period. At the time, there was considerable uncertainty about how the new NHS structures would operate which were then being proposed by the Government, and which would ultimately be implemented through the Health and Social Care Act 2012. Reflecting this, the initial Partnership Agreement included a declaration that:

During the period of this Agreement, the Parties will carry out a joint review of the longer term arrangements for Adult Social Care Services functions, together with other relevant bodies including the GP consortia covering Northumberland once these are established.

Upon conclusion of the review [..], it is intended that the Parties will enter into a longer term partnership arrangement, though it is acknowledged by the Parties that the extent of the Council Functions delegated to the FT pursuant to such agreement may differ to those specified under this Agreement.

As it turned out, it quickly became clear that the new NHS structure created by the Health and Social Care Act was not working. A series of further organisational changes have followed, culminating in the Health and Care Bill currently before Parliament, which gives statutory backing to many of the changes that have already been made and proposes another major restructure. Among the local consequences of changing expectation in the NHS, Northumbria Healthcare pursued for some while one of the proposals made by NHS England for organisational change within the structure of the 2012 Act made, by bidding to become an “Accountable Care Organisation”. This would have made it responsible for managing the use of all NHS resources in Northumberland, within a strategic commissioning framework which was expected to be developed in partnership by the Council and Northumberland Clinical Commissioning Group.

**Daljit Lally, Chief Executive, Northumberland County Council**

County Hall, Morpeth, Northumberland, NE61 2EF

T: 01670 622682 E: [daljit.lally@northumberland.gov.uk](mailto:daljit.lally@northumberland.gov.uk)

[www.northumberland.gov.uk](http://www.northumberland.gov.uk)



Because of the continuing uncertainty about long-term NHS organisational arrangements, the comprehensive review of the partnership between the Council and the Trust which had initially been expected to take place in the second year of the agreement was repeatedly deferred, though it became increasingly apparent to the Council that some aspects of the current agreement were becoming obstacles to achieving its objective of an integrated approach across the whole of the local health and social care system.

In the autumn of 2019, the Council proposed that the long deferred comprehensive review of the partnership should take place during 2020. Minutes of a meeting of the Northumbria board on 28 November 2019 record a discussion of this proposal, including the following:

Following questions from Malcolm Page, Daljit Lally reassured the Board that there are no fundamental issues with the agreement from NCC's perspective and she stressed that there is a significant amount of pride felt by both NCC and the Trust as the agreement has attracted national recognition since its inception.

James Mackey concluded the discussion by stressing the positive impact that the agreement has had on the integration of health and social care, however he expressed the view that the partnership requires updating and that oversight and governance of the agreement should also be considered as part of the review.

A 12-month extension to the Partnership Agreement was subsequently signed by the chief executives of both organisations, including a statement that:

We intend that during 2020 a review of the partnership between our organisations will take place, on the basis of which the Council will make proposals to the FT about future partnership arrangements, in the expectation of agreeing a successor Partnership Agreement to commence from 1 April 2021.

A senior steering group was established to oversee this review, though the group took longer to establish than originally expected, in part because of the arrival of the Covid pandemic. An initial meeting of the steering group established an officer group to work up detailed proposals for a revised Partnership Agreement. To ensure that there was an agreed overall framework for the work of that officer group, I took a paper to the Trust's board in July 2020, which described some of the difficulties that had arisen within the current partnership agreement, and outlined a proposed way forward. Among the key points I made were that:

- There are significant differences between what is required to manage acute hospital services effectively, and what is needed in community-based services supporting people with long-term needs. In particular, community-based support involves multiple partners and the need to take a broad view of how therapy, care and support services relate to other aspects of the lives of service users and carers.
- Differences between NHS and local authority HR arrangements were creating some problems which needed to be addressed

**Daljit Lally, Chief Executive, Northumberland County Council**

County Hall, Morpeth, Northumberland, NE61 2EF

T: 01670 622682 E: [daljit.lally@northumberland.gov.uk](mailto:daljit.lally@northumberland.gov.uk)

[www.northumberland.gov.uk](http://www.northumberland.gov.uk)



I outlined a potential approach to addressing these challenges, in which the partnership would evolve to become a community-focused joint organisational unit, whose governance arrangements might over time come to include additional NHS partners, and which might develop a separate public identity, while its core would continue to be a partnership between our two organisations. I suggested that this “virtual organisation” might also have some autonomy in its HR arrangements, within what was possible under employment law.

The Trust did not find this proposal acceptable, and the officer group was unable at subsequent meetings to bridge the gap between the two organisations’ views about how integration should be taken forward. It appears from the Trust’s subsequent decisions that this disagreement caused the Trust to develop the view that it no longer wished to remain in partnership with the Council. This is, of course, a position which the Trust’s board was entitled to adopt, but I regret that it did so, and I would want you to be clear that the Council did not set out to bring about the dissolution of the partnership.

I am also not clear that I understand the references in your 2 August letter to the Trust’s decision to end the partnership coming “after a very long period of deliberation and attempts to address material concerns over governance and oversight”, which you appear to say had involved “efforts to resolve the position for over 2 years”. The Trust’s chief executive did say at the Trust’s Board meeting of November 2019 that the review should consider arrangements for oversight and governance of the partnership, but the Trust did not so far as I am aware bring to the attention of the Council at any point, during the review meetings or otherwise, any specific proposals for revised governance arrangements, or any specific concerns, beyond some issues about the current management arrangements within the Community Services Business Unit which I do not think it would have been very difficult to resolve. I cannot comment on any detailed information about governance issues which may have been considered by the Trust’s Board when it made its decision to end the partnership. We asked before the Board meeting which made that decision to see and have an opportunity to comment on the report on the basis of which it was to make its decision, but that was not supplied to us.

Overall, I am surprised at your apparent disagreement with the account of the history given in the Cabinet report considered at the Overview and Scrutiny Committee meeting. This account was largely based on a summary of the background to the ending of the partnership that was circulated by Sir James Mackey to members of the Northumberland System Transformation Board in advance of their meeting in mid-April 2021.

### “Hosting” proposals

During discussions about how to take matters forward in October 2020, I did indeed suggest that, given the Trust’s position, the approach which would cause least disruption to staff and least risk of distracting management attention from more pressing issues, might be for the role of the Trust to become that of a host organisation for the adult social care staff who it employed, with reduced responsibility for their statutory functions. I asked Council officers to look into this possibility, and to seek legal advice about it. The advice they received was that an arrangement in which the Trust’s *only* role was to employ staff whose work was directed by the Council would be nothing more than a payroll provider arrangement.

**Daljit Lally, Chief Executive, Northumberland County Council**

County Hall, Morpeth, Northumberland, NE61 2EF

T: 01670 622682 E: daljit.lally@northumberland.gov.uk

[www.northumberland.gov.uk](http://www.northumberland.gov.uk)



At a meeting I attended in late January 2021, which included the Leader of the Council, yourself and Sir James Mackey, it was agreed that the best way forward would be to extend the Partnership Agreement with minimal changes for a further 12 months, to allow time to explore the issues more fully and make any changes in a considered way. Unfortunately, a Trust board meeting in early February appears to have rejected that agreement, and instructed Trust officers to inform the Council that either it must accept a change to a “hosting” agreement or the Trust would give notice on the Partnership Agreement. Council officers made it clear that they could not recommend the Council to agree to a “hosting” arrangement unless a proposal could be worked out which was legally viable. The Trust indicated that it had been given legal advice that a “hosting” arrangement was possible, but did not feel able to share this legal advice. A further meeting of the Trust’s board in late February then decided that, since Council officers had not accepted a “hosting” arrangement, the Trust should take steps to dissolve the partnership as quickly as possible.

### **0-19 (health visiting and school nursing) service**

Firstly, I want to be clear that the Council has no criticisms of the quality of the health visiting and school nursing services, which remain highly-regarded – as, indeed, they were before 2011, when they were operated by Northumberland Care Trust rather than by Northumbria, and formed part of an integrated arrangement for children’s community services led by the Council. In my view, the quality of these services is most of all a reflection of the quality of the staff working in them, rather than of the employing organisation.

The issue for the Council is how these services can best work together with other “early help” services for children, young people and families, within a flexible and integrated framework which makes access as easy as possible, and ensures that every family gets the help it needs. My advice to the Council is that this is best achieved through partnership working rather than through a quasi-commercial contract, or direct delivery by the local authority, which are the current statutory alternatives. Within a partnership, it is easier to develop joint management arrangements, find creative solutions to problems which cross organisational boundaries, and arrange mutual support when services come under pressure – as, for instance, the school nursing service has recently been under pressure because of a combination of vacancies and increased demand, creating delays in the process of assessing the needs of children and young people with emotional health issues.

Three years ago, I was under the impression that Northumbria Healthcare had a similar view about the benefit of partnerships – and it was on the basis of that belief that the Council made the decision to transfer the 0-19 services and some other public health services into the Partnership Agreement rather than carrying out a procurement process to let a further formal contract when the previous contract expired at the end of March 2018. We saw transferring the services into the Partnership Agreement as a way of providing long-term certainty that we expected to continue to work jointly with the Trust, rather than regularly carrying out tendering exercises to assess the merits of alternative providers. This was based on our assumption at the time that the Partnership Agreement was a long-term arrangement, which might develop further over the years, but would remain in place for the foreseeable future.

I am disappointed that you now appear to regard the addition of these services to the Partnership Agreement as an unfortunate development, and seem to be implying that your board would not have

**Daljit Lally, Chief Executive, Northumberland County Council**

County Hall, Morpeth, Northumberland, NE61 2EF

T: 01670 622682 E: daljit.lally@northumberland.gov.uk

[www.northumberland.gov.uk](http://www.northumberland.gov.uk)



agreed to it if their meeting in early March 2018 had gone ahead. I do not think that that is the case. There was a full discussion of the changes to the Partnership Agreement at a later meeting of your board in September 2018, the minutes of which note that “Daljit Lally summarised the key amendments to the partnership agreement between the Trust and Northumberland County Council to the Board, including the addition of public health services; she emphasised the focus on children’s services in particular.” The only relevant comment from other board members which is recorded is that “Following the partnership update, Jim Mackey stressed to Board members the need to ensure that the positive impact of the work between the Council and the Trust is not undervalued. Discussion followed amongst Board members on the need to maximise the benefits of the partnership and clarify the ambitions for the partnership over the next 12 to 24 months.”

I am also surprised by your suggestion that the receipt of the report about the extension of the Partnership for the cancelled board meeting scheduled for 1 March 2018 is evidence of wider issues about the governance of the partnership. As a former member of the Trust’s board, I know that, at that time at least, it operated in a style significantly different from the standard local authority model, with most meetings held in private, and significant papers frequently circulated shortly before the meeting or tabled on the day. The report concerned had been considered in advance by the Trust’s Executive Management Team and then forwarded as a final version in advance of the Board meeting which was subsequently cancelled. On being advised of the cancellation of the meeting on the day before it was due to take place, I circulated an email to all board members advising them of its significance and the need for urgent approval. The report was pre-circulated and could not have been tabled on the day as you state, as the Board meeting on that day was cancelled the day before it was due to be held. So far as I am aware, no concerns were raised.

The substance of the proposal to include 0-19 services in the partnership agreement had been known to the Trust considerably earlier; the Council and the Trust had jointly consulted about the intention to move from a contractual to a partnership arrangement in January and February 2017.

We will bring your specific comments about the proposed partnership with Harrogate and District NHS Foundation Trust (HDFT) to the attention of the Cabinet when they consider their final decision on that proposal, either in the form in which they appear in your letter or as presented in any further consultation response which the Trust makes. But I will make some immediate comments on the remarks in your letter:

- I see no reason why a change of employer should mean that health visitors and school nurses will cease to work in an integrated way with other child health professionals who will remain employed by Northumbria. (Indeed, in the different case of integrated working between adult social care professionals and Northumbria staff, the Trust has itself expressed a similar view.)
- It seems still less obvious why a change of employer would be expected to disrupt the relationships between health visitors and school nurses and the other partners outside Northumbria which you mention, such as GPs, schools and third sector organisations.
- In the specific case of shared IT systems, my understanding is that the health visitors and school nurses do not in fact use the same IT systems within Northumbria for clinical recording as most of the other professionals you mention.

**Daljit Lally, Chief Executive, Northumberland County Council**

County Hall, Morpeth, Northumberland, NE61 2EF

T: 01670 622682 E: daljit.lally@northumberland.gov.uk

[www.northumberland.gov.uk](http://www.northumberland.gov.uk)



- HDFT have developed a special focus on 0-19 public health services, which they already provide on behalf of seven other local authorities, six of them in the north-east. Your suggestion that they will not be able to offer specialist support to health visitors and school nurses is therefore surprising. HDFT are discussing their safeguarding arrangements with the Northumberland Strategic Safeguarding Partnership, to ensure that they are in line with expectations in Northumberland.

I know that staff in the health visiting and school nursing services have been anxious about the prospect of a change of employer. I think the main reason for that is that the staff in those services have until recently had no opportunity to discuss with managers from HDFT how that trust intends to operate in Northumberland. That has at least in part been a consequence of Northumbria's response to the prospect of the services transferring to another organisation. Many of the concerns that have been raised with us by staff in the services have been based on misunderstandings, and I hope that they are now feeling less anxious having had an opportunity to put questions to a senior manager from HDFT during the consultation process about the proposed partnership.

I am aware that Northumbria have recently suggested they would be open to the possibility of having a new Section 75 partnership specifically for the 0-19 public health services. However, the events of the past year have made it clear that the Trust's conception of partnership working is very different from the Council's. In the context of the events of the past year, I do not expect to be able to recommend to the Council that Northumbria Healthcare would be a credible partner to take forward the joint development of an integrated multi-agency system of early help services for children, young people and families, and I am not sure how the "pause" that you suggest would achieve more than prolonging the period of uncertainty for staff.

I do, however, hope that the differences between our organisations which have crystallised over the past year will not prevent us from continuing to work closely together in the many areas of work where the NHS services for which the Trust is responsible interface with adult social care and public health services. I do have a concern that it may become more difficult to respond quite as flexibly as we have over the past decade to challenges which affect us both, but I am sure that both organisations will remain focused on achieving the best and most seamless services that we can for patients and service users. I welcome your confirmation that the Trust is still committed to working in partnership.

Yours sincerely



**Mrs Daljit Lally**  
**Chief Executive**  
**Northumberland County Council**

Copies to:

- Cllr Glen Sanderson, Leader, Northumberland County Council
- Cllr Jeff Reid, Chair, OSC Health and Wellbeing



**Daljit Lally, Chief Executive, Northumberland County Council**  
County Hall, Morpeth, Northumberland, NE61 2EF  
T: 01670 622682 E: daljit.lally@northumberland.gov.uk  
[www.northumberland.gov.uk](http://www.northumberland.gov.uk)



- All Board Members of Northumbria Healthcare NHS Foundation Trust
- Mr Peter Bower, Lead Governor of Northumbria Healthcare NHS Foundation Trust, via email: [foundationteam@northumbria-healthcare.nhs.uk](mailto:foundationteam@northumbria-healthcare.nhs.uk)
- All Members of Northumberland County Council
- Mr Ian Lavery MP
- Mr Ian Levy MP
- Rt Hon Anne-Marie Trevelyan MP
- Mr Guy Opperman MP

**Daljit Lally, Chief Executive, Northumberland County Council**  
County Hall, Morpeth, Northumberland, NE61 2EF  
T: 01670 622682 E: [daljit.lally@northumberland.gov.uk](mailto:daljit.lally@northumberland.gov.uk)  
[www.northumberland.gov.uk](http://www.northumberland.gov.uk)

