

## NORTHUMBERLAND COUNTY COUNCIL

### HEALTH AND WELLBEING OVERVIEW AND SCRUTINY COMMITTEE

At a meeting of the **Health and Wellbeing Overview and Scrutiny Committee** held in **The Cheviot Suite, Holiday Inn, Seaton Burn, Newcastle upon Tyne, NE13 6BP** on Tuesday, 18 August 2021 at 1.00 pm

#### PRESENT

Councillor J. Reid  
(Chair, in the Chair)

#### COUNCILLORS

Bowman, L.	Humphrey, C.
Dodd, R.R.	Hunter, I.
Ferguson, D.	Nisbet, K.
Hill, G.	Wilczek, R.
Homer, C.R.	

#### CABINET MEMBERS

Horncastle, C.	Cabinet Member
Pattison W.	Cabinet Member
Riddle, J.	Cabinet Member
Sanderson, G	Cabinet Member

#### OTHER MEMBERS

Bawn, D.	Jackson, P.
A Dale	Jones, V.
C Dunbar	Oliver, N.
Dale, A.	Richardson, M.
Ezhichelvan, P.	Swinburn, M..
Flux, B.	Taylor, C
Hardy, C.	

#### ALSO IN ATTENDANCE

Angus, C.	Scrutiny Officer
Angus, K.	Executive Director of HR and Deputy Chief Executive
Bowers, H.	Democratic Services Officer
Bridges, A.	Communciations
Greally, R.	Democratic Services Assistant
Lally, D	Chief Executive
Masson, N.	Solicitor
McEvoy-Carr, C	Executive Director of Adult Social Care and Children's Services
Morgan, L.	Director of Public Health

Roll, J.	Head of Democratic Services
Taylor, M.	Business Development Director
Willis, J.	Executive Director of Finance (Section 151 Officer)

## 24. CHAIR'S INTRODUCTION

The Chair welcomed everyone to the meeting to consider the call in for the dissolution of the Council's partnership with Northumbria Healthcare and explained that members should only consider the recommendations (1) to (9) in the report to Cabinet dated 3 August 2021.

## 25. DISSOLUTION OF THE COUNCIL'S PARTNERSHIP WITH NORTHUMBRIA HEALTHCARE

The Chair explained the meeting procedure for the call in.

Councillor Jackson explained the concerns surrounding the dissolution of the partnership and the effect on the health and care to residents across the county. The relationship with the Health Care Trust was valued and hoped it would continue into the future. There had been a formal partnership with Northumbria Healthcare Trust for 10 years and the relationship had been excellent throughout that time.

He continued that the purpose of scrutiny was to examine Cabinet decisions and reasons and ensure the Council were open and transparent and acted in the best interests of the Council and residents in Northumberland.

He outlined the main considerations:

- Seamless care for residents
- Single assessment system with residents not being passed from one health care system to another
- Concentrate on care in the home, seen across the country as a lead in that area with Vanguard status
- He referred to a Council report of 2020, which stated that service levels of health and social care was likely to be beneficial to those with a long term disabling health condition, with coherent services from a range of support service over an extended period which Northumberland had excelled at
- Financial issues and the financial effect on the Council
- Governance issues which need to be explored
- Transfer of staff numbers
- Public reports were scant in detail and more details had been requested and not answered

Councillor Jackson continued that Corporate Service Scrutiny and the Chair of Northumbria Trust, Mr Alan Richardson, had made an open offer to have a discussion and now considered dissolution would be detrimental to services. He also referred to a statement from Northumbria Healthcare about extra costs, extra TUPE risks, and pension scheme and governance concerns that were very serious.

Regular meetings between Council and Trust had been cancelled regularly and not taken place since 2017. Board reporting had been reduced and infrequent with members being unable to explain reports and regular changes to management.

There had been no detail about risk and financial implications not been fully reported to Cabinet. Governance issues raised by NHCT had not been identified, and asked what confidence was there with other future partnerships.

He referred to the consultation taking place about the proposed partnership with Harrogate and District NHS Foundation Trust (HDFT) regarding the 0-19 public health services being transferred. His colleagues who had signed the report were not aware that there was another offer on the table.

He requested that Cabinet reconsider the decision in the best interests of the county.

The Chair sought clarification of which part of the recommendation was to be reconsidered and specifically to recommendation 9 in the Cabinet report of 3 August 2021.

Councillor Jackson clarified that a request was being sought to reconsider the decision report and the reasoning behind it.

Councillor Taylor stated that she had signed the call-in document as she had not been aware of the background of the report and felt she needed more information. Officers had reached out to her and after receiving information before the meeting, she would no longer be challenging the decision.

Councillor Bawn commented that Trust officers had been selective in reaching out to some members and not others and said that the Trust had hoped to work constructively to resolve issues and he urged members to think about the decision.

Councillor Homer stated that Cabinet had been asked to note the most appropriate viable option for adult social care functions was for them to be operated by the Council. She did not have confidence in that information because of costs and asked what financial information did Cabinet receive? She also referred to recommendation (h) in the report of the call-in decision regarding unnecessary costs and stated that these were unknown as there had been a discrepancy between financial information from Scrutiny and the Health Care Trust.

Councillor Hill stated that there had been no balanced approach and that she would have liked the Trust to have provided a response. She had no confidence in them, even though they were prepared to negotiate and referred to the process. She was unclear what was being called in as the decision had been made by the Trust.

The Chair advised that the call-in was a result of the decision of the Cabinet and not about a relationship breakdown between the Trust and the services offered by Council.

The Leader explained that the decision involved the most important people – clients, patients and staff. Scrutiny had a valuable role to play in Local Government and felt it was very important to hold the Executive to account as appropriate.

He referred to the letter circulated to members earlier which had indicated that there had been problems in 2017 and 2019. He had been Leader since October 2020 and if there

had been previous issues these should have been picked up earlier. He had however, approached the Chair of Northumbria Healthcare NHS Foundation Trust who had informed him of issues, and he had also asked Councillors Jones and Dodd to meet with Council and Trust officers and Alan Richardson to discuss issues and how to resolve these and had requested a date for matters to be resolved. After two weeks, Councillor Sanderson had been informed by officers of the Trust that they had wanted to terminate the partnership without any formal notification to him as the Leader or Cabinet Members. The Council had to act quickly to ensure services continued and had been informed later by the Trust that they had wished to retain the 0-19 services and effectively it had been too late to repair any damage.

The Trust had stated at the scrutiny meeting that they wanted a meeting, but, regrettably the Chief Executive of the Trust, Chair, nor the Deputy Chair had attended and the meeting was held with three Board members. It had been asked at the meeting what had changed so dramatically and substantially to want to commence renegotiations and the answer he had been given was because the Trust had reflected on it. There was not felt to be a potential plan and therefore, negotiations could not be delayed just because the Trust "had reflected on it". Very important decisions had to be made, if there had been issues around evidence, then he requested to see that.

He also requested evidence regarding the noted finance issues; if more funding was required then it was not the Council's fault. The Trust gave notice to terminate the relationship with the Authority.

He continued that it was completely wrong to be judgemental about personalities and if there was proper evidence that there had been maladministration or inappropriate behaviour, again, he requested evidence.

He had wanted to continue with the consultation and assure patients and clients of the same, or a better level of care going forward.

Finally, Councillor Sanderson stated that the staff who were embroiled in the matter must not be forgotten and would personally see that the Council had behaved appropriately.

Jan Willis, Executive Director of Finance (Section 151 Officer) was in attendance virtually and informed members that Neil Bradley, Service Director was responsible for adult social care finance, currently jointly funded by the Council and the Trust and had been unpicking the financial implications in dissolving the partnership in conjunction with officers from the Corporate Finance team.

She referred to Recommendation (g) of the Cabinet report and stated that a significant amount of work done had been done to understand the implications and identify potential costs and potential savings to the Council, but that was not yet complete. She found it quite disturbing that a letter should suddenly materialise, which she had not been copied into which mentioned figures not previously discussed with any of her officers or herself. She stated that she was not in a position to give any assurances about the validity of figures in the latest email. She did not believe they presented a complete view of the financial position and that the Trust had cherry picked those areas where there were likely to be additional costs and had not factored in areas of savings. Those numbers had not been discussed with her finance team or Neil Bradley. She did not think that the figures were reliable at the present time.

She outlined the areas where she saw additional costs, some of which the Council would have had to bear whether the partnership continued or not.

It had been recognised for some time that in order to address issues around equal pay, there would have to be some regrading of the adult social care social workers to bring them into line with social workers working in children's services. There would be significant costs associated with that, but that would have had to be done anyway and was not a financial consequence of the partnership ending.

A Direction Order would be issued allowing staff transferring back to the Council to remain in the NHS pension scheme. The Employer's Contribution Rate for the NHS pension scheme was increasing and transitional arrangements had been in place for the last three years. Under the transition arrangements, the 6.3% increase in the employer's rate was being funded centrally by the NHS and it was unclear whether those transitional arrangements would continue beyond the end of the financial year. If they didn't, then the that 6.3% increase would fall on employers. It was also unclear whether even if those transitional arrangements continued, notwithstanding that a Direction had been issued for Council staff to remain in the NHS pension scheme, the Council would benefit from the reduced rate as an Admitted Body. Clarity was being sought on this point. If the Council did bear those costs the contribution rate would come into line with the Council's Pension Fund.

The Trust had suggested that the Council would have to bear the cost of the IT licences if the partnership was devolved which would be in the region of £400,000 rather than £500,000, as suggested by the Trust, and again this had been known about for some time and she was satisfied the Council would have to bear those costs regardless.

What had not been mentioned by the Trust was that there would be some savings to the Council associated with the staff who would continue to be employed by the Trust, e.g. physiotherapists. There were a whole host of issues being worked through with the Trust finance team around capital asset valuations, leases and property.

With regard to the joint equipment service, in latest correspondence from the Trust it had been stated that there was a deficit of around £0.75m. This was new information that had not previously been flagged up by the Trust or the CCG. She was completely at a loss to explain where the figure had come from. If there was a deficit of this magnitude she would have expected Trust officers to have alerted the Council to this issue before now.

She was not able to give any assurance to the Committee about the reliability of the figures. She stated that there was every prospect that as officers continued to work through the figures that the final financial position would be very substantially different to that presented by the Trust and she urged the Committee to be extremely cautious about recommending action to the Cabinet on the basis of figures which had not been validated.

Councillor Oliver stated that they were unaware of what was going on and proper information had not been given to make a decision. When he first heard about this he had been a member of Cabinet and he had asked for detailed financial analysis and of the impact on residents and users of services and staff. The Section 151 Officer still did not know the answer to those questions, and he asked how anyone could make a safe decision when they did not have the information to make those decisions. He had also asked questions in the last Scrutiny meeting about this and again had received no answer. He had also asked in Cabinet and had given the Council every chance and had been

curious to find out the answer. As a result, he had asked the Trust those questions and he was mystified as to why the Council had made the decision to end the relationship, he felt that the Trust had been boxed into a corner as they did not have the proper information. There was a clear statement from the Chairman of the Health Trust that he made verbally in a Scrutiny meeting that he thought there was something worth saving. It wasn't a political party matter but a matter of doing right for the residents and users of the services in Northumberland. The Council should be doing everything in their power to try and save that service and he asked the Leader if he thought the service was worth saving and if he would demand that the Chair and Chief Executive of the Trust get around the table and salvage something from the situation. It was unknown what impact this would have on staff pensions, residents and service users and certainly on the finances of the Council.

The Leader stated that the decision had been made by the Trust and this had prolonged the agony to front line staff, members and officers. The matter was taking an inordinate amount of time, he would not change his mind and would support the decision made by Cabinet.

Councillor Pattison commented that her main focus was the health and wellbeing of Northumberland residents and staff. She explained that she had been fully briefed by The Director of Public Health and Executive Director of Adult Social Care and Children's Services who were excellent officers and her understanding was that the Trust had given six months' notice which meant that the Council had to act quickly.

It was possible that the Trust could have reversed their decision however, the Council could not take that chance and therefore she had taken advice from the Director of Public Health who had advised that it was the correct decision for the group to take and she was very happy to support the decision of Cabinet.

Councillor Nisbet was unhappy with the processes that the decision had gone through and that so many staff had been caught up. The report had been through the correct process and said she would support the Leader.

Councillor Hill stated that there were certain members of the Council and the Trust who had behaved inappropriately and would support the Cabinet.

Councillor Homer requested further clarity on the number of staff to be transferred and suggested that the Committee recommend that Cabinet go back to talk again to the Trust and explore again what opportunities there might be. She felt that there had not been a thorough assessment and moved a recommendation to Cabinet to take a step back and reconvene with negotiations. This was seconded by Councillor Humphrey.

Councillor Hunter stated that there were residents who need to be looked after. Staff had duty of care, and the Council should work with the information that they had and move forward as there was no certainty for the staff.

Councillor Ezhilchelvan added that at no point in time did Mr Richardson explain the cause for the U-turn and what it had done to the management of the Trust. He requested committee members to bear that in mind. The U-turn itself was not professional and the Trust had not given any clarity as to what they had done and how could the Council trust them?

Councillor Dodd stated that he had attended the meeting with Councillor Jones which the Leader had alluded to earlier and stated that they had done their level best at the meeting. He had retained the notes from the meeting and would retrieve them.

He referred to the processes of the Trust and felt they were wrong. They had asked the Trust what had gone wrong and what their version of events were. He had every confidence that the Council were given “Hobson’s Choice” and the Trust had made the decision to go alone. The Council had to react quickly for staff and end users and fully supported Cabinet and the Leader. It was only a matter of days before the contract ran out.

Councillor Humphrey stated that information should have been made available at the first meeting and that had been his reason for signing the call-in document.

Councillor Dale had listened to the debate and stated that the Council should look forward to opportunities in the future. The services that were in place were excellent and this should be continued and moved forward.

The Chair explained what had been proposed and seconded, but that the call in was about the decisions that cabinet had made, i.e., putting in new arrangements for a service that Cabinet did not want to change. The Trust had been very selective with who they had shared information with, which should have been shared with everyone. Officers had had six months to pull a report together in order that the service could continue after September.

The Committee were informed that the usual procedure would be to vote on the call in and if it passed recommendation would be made to Cabinet and any recommendations that failed to get votes would be minuted.

Neil Masson, Solicitor clarified that there had been a proposer and seconder for the motion for the Council to take a step back and reconvene the negotiations with the Trust.

Upon being put to the vote, two voted for the motion and eight voted against and therefore the motion fell.

A point was raised that members should be voting on whether the call in was valid or invalid.

Councillor Dodd proposed that the matter should not be referred to Cabinet which seconded by Councillor Hill.

Upon being put to the vote, seven voted in favour, two voted against with one abstention.

It was therefore **RESOLVED** that the call in should be rejected.

**DATE** \_\_\_\_\_