Final stage impact assessment

Title: Inclusion of Combined Authorities, Combined County Authorities and Greater London Authority in Section 75

Type of measure: Primary Legislation

Stage: Final

Source of intervention: Domestic

Department or agency: Department of Health and Social Care (DHSC)

Other departments or agencies: wider engagement with the Ministry of Housing, Communities and Local Government (MHCLG)

IA number: DHSCIA9726

RPC reference number: N/A

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Date: 28/08/2026

Summary: Intervention and Options

Cost of preferred (or more likely) option

Total net present social value (in £m): N/A

Business net present value (in £m): N/A

Net cost to business per year (in £m): N/A

What is the problem under consideration? Why is government action or intervention necessary?

- To enable integrated working between NHS bodies and local authorities, section 75 agreements are commonly used to pool funding and resources. However, while strategic authorities can currently enter section 75 agreements as NHS bodies where they carry out an NHS function (and subject to regulations), DHSC is not aware that any have done so.
- Following enactment of the English Devolution and Community Empowerment Act 2026 (the Devolution Act), strategic authorities may be given duties relating to the wider determinants of health.
- Without changes to section 75 legislation, strategic authorities may not be able to enter into these agreements in order to improve integrated working. In addition, NHS bodies and local authorities must currently interpret the legislation themselves. Amendments to the legislation are required to enable statutory guidance to be issued for section 75 agreements.

What are the policy objectives of the action or intervention and the intended effects?

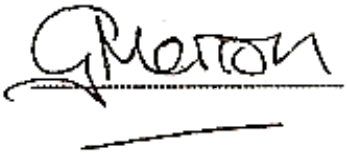
- The wider policy objective is to support the government's vision for a greater role for integrated working between the NHS and strategic authorities in health and care.
- Therefore, this proposal aims to future-proof pooled funding agreements by ensuring that all types of strategic authority are better enabled to enter into voluntary section 75 agreements with NHS bodies, which supports ambitions for more integrated working.
- The proposal also aims to support further uptake of section 75 agreements by widening the statutory guidance making powers, so that more useful guidance can be provided to NHS bodies and local authorities.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

- **Option 1 (business as usual)** – the current section 75 primary legislation remains in place, and strategic authorities can only enter into agreements where they carry out an NHS function and are named in regulations. The Greater London Authority remains excluded from these agreements.
- **Option 2 (preferred option**) – amend primary legislation to include combined authorities, combined county authorities and the Greater London Authority in section 75, but on the local authority side of the partnerships. These bodies will be prescribed in regulations as 'local authorities' with 'health-related functions' for the purposes of section 75 agreements, which means they will be able to enter in partnership with at least one NHS body. Statutory guidance making powers will also be widened.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: **TBC**				
Is this measure likely to impact on international trade and investment?		No		
Are any of these organisations in scope?	Micro No	Small No	Medium No	LargeNo
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)		Traded: N/A	Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:  Date: 8-9-26

Summary: Analysis & Evidence

Policy Option 1

Description: Inclusion of Combined Authorities, Combined County Authorities and Greater London Authority in Section 75

Full economic assessment

Price Base Year N/A	**PV Base Year** N/A	**Time Period Years** N/A	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	**High:** N/A	**Best Estimate:** N/A

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low				
High				
Best Estimate	N/A		N/A	N/A

Description and scale of key monetised costs by 'main affected groups'

N/A

Other key non-monetised costs by 'main affected groups'

- Section 75 agreements are voluntary so there are no direct costs to the legislative changes
- A strategic authority and NHS body may face some administrative costs to set up the agreement, for example legal resource to draft the agreement

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low				
High				
Best Estimate	N/A		N/A	N/A

Description and scale of key monetised benefits by 'main affected groups'

N/A

Other key non-monetised benefits by 'main affected groups'

- Section 75 agreements are voluntary so there are no direct benefits to the legislative changes
- Section 75 agreements can enable partners to align funding and resources, supporting the integration of local government and the NHS
- The broadened statutory guidance will enable the Secretary of State for Health and Social Care (Secretary of State) to provide better advice and support to Section 75 partners, supporting uptake and usage.

Distributional impacts N/A	
Key assumptions/sensitivities/risks	Discount rate N/A
• Section 75 agreements are voluntary so there is minimal risk associated with enabling strategic authorities to enter into these agreements • Enabling more organisations to enter into section 75 agreements could risk making them more complex	

Business assessment (Option 1)

Direct impact on business (Equivalent Annual) £m:		
Costs: N/A	Benefits: N/A	Net: N/A

Evidence Base

Problem under consideration and rationale for intervention

Section 75 (s.75) agreements are voluntary legal agreements allowing NHS bodies and local authorities to voluntarily pool funds, staff, goods and services, and agree to carry out the other's functions or do so jointly to support delivery of integrated health and social care services.

To enter into these agreements, 2 legal tests are applied:

1. Is the body or organisation a prescribed body for s.75?
2. Does it have the relevant functions that are set out in s.75 regulations?

Separately to this bill, the Devolution Act introduces the category of 'strategic authorities'. This role will be fulfilled by:

- combined authorities
- combined county authorities
- the Greater London Authority, and
- in some cases, single local authorities

These types of strategic authority are not currently able to enter into s.75 agreements with NHS bodies because they are neither treated as local authorities, nor prescribed bodies, in s.75 legislation.

Among strategic authorities, the best-developed and highest performing are able to seek 'established mayoral authority' status, which introduces additional rights and powers. Established mayoral authorities have the 'right to request' functions be assigned to them in line with the devolution framework, which includes the competency 'health, well-being and public service reform'.

If a request for a 'health-related function' is approved by the Secretary of State, an established mayoral authority would not be able to enter into a s.75 arrangement involving this function under current legislation.

10 Year Health Plan for England ambitions

The 10 Year Health Plan announced that "*to achieve the scale of ambition in this plan for integrated, personalised services and real progress on prevention, the NHS will need to work in much closer partnership with local government and other local public services*". In developing this approach, the government will expect integrated care boards (ICBs) to seek close collaboration with local government partners, including mayors and strategic authorities.

Therefore, the current legislation does not sufficiently enable the government's ambition for strategic authorities to have a greater role in health and care. These changes are required because there is not currently a means to effectively pool funding and share resources, staff and facilities with all types of strategic authorities in partnership with NHS bodies. This change will also enable local authorities and NHS bodies to use these agreements where they see fit and where it leads to an improvement in the way those services are delivered to the public.

Updating s.75 to more helpfully include strategic authorities would enable them to support integration within their current role.

Evidence on the use of section 75 agreements

The use of s.75 is relatively common, in part because the Better Care Fund (BCF) requires systems to pool funds using s.75 agreements (and all systems have to have a BCF). The use of s.75 beyond the BCF is more uncertain as there is no standardised data on the number and type of agreements. However, many agreements appear in council board papers, and a DHSC literature review in 2024 identified 37 non-BCF published agreements across 28 councils (19% of all councils), although more councils may have non-BCF agreements not uncovered through this review[1].

However, because agreements are not mandatory, more s.75 agreements being in place is not necessarily an indicator of success. Success is defined by enabling the relevant bodies to use s.75 agreements, where doing so improves how services are delivered to the public. Evidence from the Local Government Association highlights Derbyshire's approach to integrating care. Here, a s.75 agreement for sexual health services helped join up responsibilities split across local authorities, NHS England and ICBs, resulting in improved service and staff stability and collaborative working[2].

A recent DHSC call for evidence found overall support for s.75 agreements, including broad agreement that more organisations should be able to enter into them[3]. Respondents highlighted the value of these partnerships for integration and joint working, with 48% agreeing that combined authorities should be included. 38% of respondents were not sure on the inclusion of combined authorities, and 13% were not supportive. The reasons for opposition were due to the risks associated with the complexity of s.75 agreements and financial issues.

However, findings from the Health and Care Act 2022 post implementation review showed many staff were unclear about what was being paid into pooled budgets and how the funds were being used[4]. This, alongside a lack of widespread understanding of the potential to use s.75 beyond the BCF, may be limiting the effective use and uptake of s.75 agreements and preventing their potential from being realised. A lack of statutory guidance may be contributing towards this limited understanding.

Description of options considered

Option 1: business as usual

This option assumes the current s.75 primary legislation remains in place. This means that the Greater London Authority would not be able to enter into these voluntary agreements and that all other strategic authorities would only be able to enter them as NHS bodies in partnership with local authorities and subject to regulations. Therefore, it was not deemed the preferred option.

[1] DHSC literature review of published council board papers on individual council websites, looking for mentions of section 75 and whether they related to the BCF or not.

[2] Local Government Association (2023), Derby and Derbyshire: Tackling the fragmentation of the sexual health system | Local Government Association (viewed July 2026)

[3] DHSC (2024), Section 75 call for evidence: summary of responses - GOV.UK (viewed July 2026)

[4] Sanderson, M., Hammond, J. and others (2025), Outputs | Policy Research Unit in Health and Social Care Systems and Commissioning, (filter by 'System design, governance and accountability' and year published '2025') to find: Post Implementation Review of the Health and Care Act 2022 Phase 1: Interim Report (Working Paper), page 117 (viewed July 2026)

Option 2 (preferred option): amend primary legislation to include combined authorities, combined county authorities and the Greater London Authority in Section 75

Amend section 75 to allow all categories of strategic authorities to formally enter a partnership arrangement with at least one NHS body (where they carry out a prescribed health-related function).

Policy objective

The policy objective of this proposal is to enhance and future-proof s.75 partnership agreements and support the government's vision for a greater role for strategic authorities in health and care. Amending s.75 to enable all types of strategic authority to participate will enable them to play a greater role in supporting the integration of health and care, where they carry out a prescribed health-related function.

The broader statutory guidance making power will enable Government to issue advice (which those setting up s.75 agreements would have to have regard to) supporting the uptake and use of s.75 agreements.

S.75 agreements are not mandatory, and the purpose of this legislative change is to enable local authority organisations and NHS bodies to use these agreements where they see fit. This means reaching a target number of s.75 agreements is not necessarily an indicator of success. Rather, the measure of success is that combined authorities, combined county authorities and the Greater London Authority will be able to enter s.75 agreements to meet local needs in a more effective way.

Summary and preferred option with description of implementation plan

Via the Devolution Act, strategic authorities have been given duties in relation to population health and health inequalities and may be given further functions in the future. Most strategic authorities will cover larger geographical footprints than local authorities.

This proposal future-proofs the pooled funding agreements set out in Section 75 of the National Health Service Act 2006. S.75 will be amended to allow all categories of strategic authorities to formally enter a partnership arrangement with at least one NHS body (where they hold a prescribed health-related function). Through regulations combined authorities, combined county authorities, and the Greater London Authority are planned to be added to the list of prescribed local authorities for the purposes of s.75.

Also, new wider statutory guidance making powers will allow the Secretary of State to set out in guidance who, how, or why s.75 should be used (based on primary legislation and regulations). All bodies entering into these voluntary agreements would have to have regard to this guidance.

When these types of strategic authority hold, or are given, health-related functions, or where established mayoral strategic authorities obtain additional devolved functions via the "right to request", the use of s.75 will support them in delivering integrated health care. These changes to legislation ensure all types of strategic authority will be able to make use of s.75 without further delay.

The changes set out in this impact assessment interplay with wider changes being made as part of the Health Bill. For example, the bill proposed to include strategic authority mayors on ICB boards. This strengthens the working relationship between ICBs and strategic authorities, so

may make their use of s.75 agreements more likely. Please see the Impact Assessments Summary document for further information on this wider bill proposal.

Monetised and non-monetised costs and benefits of each option

The costs or benefits have not been quantified in absolute terms as this section focusses on the differences between the business-as-usual option and the preferred option.

This impact assessment provides a proportionate assessment of costs and benefits based on the best available evidence and in line with HMT Green Book guidance. However, these proposals depend on future policy decisions regarding the application of the powers and therefore, as those policy decisions have not yet been made, it is not possible to quantify costs and benefits at this stage.

Furthermore, s.75 agreements are voluntary, so the proposal has minimal direct impacts, but the potential costs and benefits of entering an agreement are considered below. Ultimately, strategic authorities (once given relevant health-related functions in future) could enter into s.75 agreements where the potential benefits outweigh the administrative costs. This would depend upon local needs and whether the use of s.75 would lead to an improvement in the delivery of those services to the public.

Costs

There are no direct costs arising from these legislative changes. However, if strategic authorities and NHS bodies decide to enter into an agreement, they would face some administrative costs to set up the agreement. This would be assumed to include consideration of s.75 guidance published under the new wider guidance making powers. Evidence suggests s.75 agreements can be complex to establish[5], and many agreements are drafted by legal teams, so there would be an opportunity cost for that legal resource. However, clear guidance delivered under the new wider statutory guidance making powers may reduce this opportunity cost.

Benefits

There are no direct benefits from this change to legislation, as it depends on the use of these voluntary agreements. However, if strategic authorities enter into s.75 agreements with NHS bodies, this could support integration with a greater focus on prevention. s.75 agreements can enable partners to align resources to meet agreed aims, while retaining separate accountability for their respective funding streams.

The 2023 Call for Evidence showed broad support for s.75 agreements, with 55% of respondents agreeing they enable effective commissioning and 62% agreeing they support closer integration and more personalised services, noting that s.75 enables collaboration. Nearly half of respondents also reported that s.75 agreements had improved local service delivery, citing reduced duplication and shorter hospital stays as examples[5].

Also, introducing wider statutory guidance making powers could support wider 10 Year Health Plan ambitions. Clearer guidance issued under these powers could encourage wider use of s.75 by explaining more directly how and when it can be best to set up agreements. At present, NHS bodies and local authorities must interpret the legislation themselves, so accessible guidance could lower barriers such as administrative effort and cost.

[5] DHSC (2024), Section 75 call for evidence: summary of responses - GOV.UK (viewed August 2025)

Direct costs and benefits to business calculations and impact on small and micro businesses

There are no direct costs and benefits to businesses as a result of this measure.

Risks and mitigations

There is minimal risk to enabling strategic authorities to be included in s.75 agreements as such agreements are voluntary. Enabling more organisations to enter into s.75 agreements could risk making them more complex to agree with local partners, however this could be mitigated by the new wider guidance making powers.

Monitoring and Evaluation

Monitoring and evaluation for this proposal will be considered as part of the wider approach covering all the Health Bill proposals, please see the Impact Assessments Summary Document for more details.