

# AGENDA ITEM

8

**Title/Subject:** Following the Public Pound  
**Meeting:** Audit Committee  
**Date:** 17 December 2018  
**Submitted By:** Chief Finance Officer  
**Action:** For Decision

## 1. INTRODUCTION

- 1.1 The purpose of this report is to propose a reporting structure in line with 'Following the Public Pound' requirements and to provide the Audit Committee with information about organisations that received funding from Falkirk's Integration Joint Board, via Falkirk Council and NHS Forth Valley during the period 2016 – 2018.

## 2. RECOMMENDATION

The Audit Committee is invited to:

- 2.1 approve the proposed Following the Public Pound process at 4.1 that will provide the Integration Joint Board with necessary assurance regarding the allocation to use resources by arms length and external organisations.
- 2.2 note monitoring and performance information for each of the organisations as set out in Appendix 1.
- 2.3 approve the contents of this report and refer to the Integration Joint Board

## 3. BACKGROUND

- 3.1 It is important that the Integration Joint Board (IJB) has a clear understanding that the public money, for which it is accountable, is used properly and achieves value for money. It must be possible to trace funds allocated via the Council and Health Board, to where they are ultimately spent – in other words, to 'follow the public pound' across organisational boundaries. 'Following the Public Pound' (FPP) became a mandatory requirement for all Local Authorities in 2005. The principles are however relevant to all public bodies. The application of a combined FPP framework for funds discharged by the IJB will ensure that there is proper accountability for public funds, across the Partnership.
- 3.2 FPP applies to funds that are allocated to arms length and external organisations out with a formal procurement process. These arrangements are generally governed through a contract called a Joint Working Agreement or Service Level Agreement.

3.3 The IJB should have reassurance that budgets are appropriately allocated and that funds are effectively used thereafter. Scrutiny should be commensurate with the level of funds allocated and associated risk. As a minimum, Officers should be able to provide the following information:

- The level of funding /support provided to each external organisation and how this is being used;
- The reason for entering into an agreement with each external organisation;
- The extent to which the external organisation is delivering services or projects which help achieve HSCP priorities;
- The extent to which performance standards are being met and outcomes achieved;
- Whether the service should continue to be provided by an external body or whether better value for money could be achieved via an alternative mode of delivery;
- The risk arising from working with individual external organisations, in terms of governance,
- If applicable, how strands of funds add value or complement each other without duplication;
- Financial and performance risks and the measures that are in place to mitigate these risks; and
- Any potential landscape changes that could affect the need for the service or the method of service delivery in the future e.g. legislative requirements.

#### 4. PROPOSED FOLLOWING THE PUBLIC POUND PROCESS

4.1 In recognition that the role of the IJB is to lead and direct the activity of the HSCP, the following process (figure 1) is proposed, which will provide an adequate level of scrutiny and assurance that funds allocated are being used effectively.

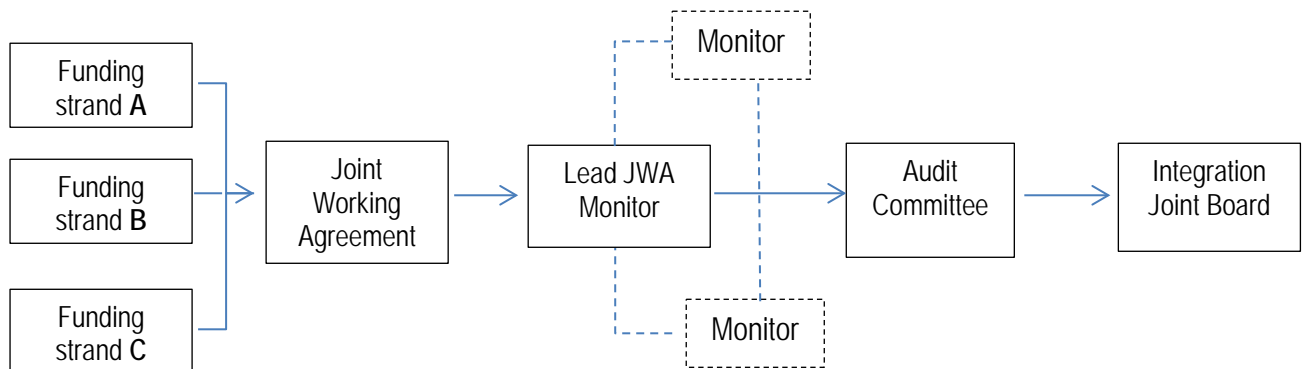


Figure 1

4.2 It is suggested that a lead monitoring officer is identified for each organisation. The lead will be responsible for overseeing a Joint Working Agreement that draws together all strands of funds (where appropriate) allocated via the HSCP. The lead will establish a regular monitoring framework with the organisation that will demonstrate the progress towards outcomes. The lead will scrutinise monitoring information and

prepare an annual summary report. The annual report will include a summary of performance and an opinion regarding outcomes being achieved for individuals, the HSCP and value for money. The report will include any recommendations or key points of note arising and be presented to the Audit Committee and then the IJB.

- 4.3 It should be noted that the purpose of the annual FPP report is to provide retrospective information about financial and operational performance and impact. This should help inform recommendations regarding future commissioning and budgets. The Audit Committee do not have delegated authority to alter or stop funding. Recommendations should be referred to the IJB.

## 5. ORGANISATIONS SUPPORTED IN 2016/17 AND 2017/18

- 5.1 During the financial years 2016/17 and 2017/18, the IJB approved funds via Falkirk Council and NHS Forth Valley, to a number of external and arms length organisations. Approval was through the IJB's annual budget setting process and also the Partnership Funding governance process. Through the strategic commissioning process, time has been taken to gather clarity about the purpose and impact of all funding. With approval of the proposed reporting arrangement, the process will be phased in line with ongoing commissioning work.
- 5.2 Officers within Falkirk Council have been operating within an FPP framework for a significant amount of time. In order to pilot the reporting format and structure, the focus of this report is on organisations funded by Falkirk Council on behalf of the IJB, some of which also have funding from NHS Forth Valley and Partnership Funds. Table 1, below provides an overview of organisations included within this report:

Organisation	Purpose of Funding	Funding Source		
		FC	NHS	PF
Alzheimer Scotland	Core Funding, Day Care, Post Diagnostic Support	✓		✓
Forth Valley Sensory Centre (at paragraph 5.5)	Contribution towards total service operating costs	✓	✓	
FDAMH	Core Funding, Drop-in service, Family Support, Crisis Support, Social Prescribing, Social Spark	✓	✓	✓
Independent Living Association	Contribution towards SDS information service for people with a disability	✓		
Falkirk & Clackmannanshire Carers Centre	Core Funding, Carer Training, Engagement, Short breaks, Support Planning	✓	✓	✓
Citizens Advice Bureaux (Falkirk, Grangemouth & Bo'ness, Denny & Dunipace)	Contribution towards income Maximisation	✓		

**Key:** FC: Falkirk Council, NHS: NHS Forth Valley, PF: Partnership Funding

*Table 1: Summary of organisations*

- 5.3 Appendix 1 provides a summary of the purpose and performance for each of the above organisations. Conclusions and recommendations have also been provided, which have been prepared by Council Officers currently identified as leads for Falkirk Council funds. Additional information has been included regarding Partnership Funds or other funds, where known and validated by NHS Forth Valley and/or Partnership Funding leads.
- 5.4 No significant concerns or issues are noted in relation to services provided by funded organisations during the period 2016-2018. Monitoring Leads have however highlighted a number of areas of development. These areas are highlighted within Appendix 1. Monitoring leads will continue to work with organisations, with the support of other expertise within the Partnership to address development needs. Key issues highlighted relate to the pace of service change demand across the Partnership, coupled with multiple funding arrangements and agreements. This creates a challenge for organisations to be agile within the changing service provision landscape.
- 5.5 It should be noted that the funding relationship in place with Forth Valley Sensory Centre (FVSC) differs from other organisations. The resource provided is a partnership arrangement whereby all partners provide an annual contribution towards the total service cost. In addition, HSCP Officers are Board Members. FVSC has been included within this report to ensure visibility for public funds. The monitoring position will be reviewed during the coming year.

## **6. CONCLUSIONS**

- 6.1 It is important that the IJB are able to maintain a clear understanding of how the resources for which they are responsible, are being used across the system. This report proposes an FPP compliant reporting structure that will provide the IJB with assurance that appropriate and effective monitoring and scrutiny is in place. The process identifies clear roles and responsibilities in the process. This includes a lead officer monitoring and reporting to Audit Committee, who will then review and refer to the IJB.
- 6.2 Performance information is also provided for eight organisations (including 3 Citizen Advice Bureaux), for the period 2016/2017 and 2017/2018. No significant concerns or issues are noted in relation to services provided by funded organisations, however areas of development have been identified. Monitoring leads will continue to work with organisations, with the support of other expertise within the Partnership to address development needs. From here on in, reporting will be presented annually.

### **Resource Implications**

There are no additional financial resource implications arising. It should be noted that in order to constructively and effectively work with and support partner organisation, there is a significant resource implication on staff within the HSCP. This includes development work, monitoring, financial management and administrative support. In

order to maintain a positive relationship with partners, it is important that the Partnership acknowledges and commits the necessary staff resource.

### **Impact on IJB Outcomes and Priorities**

The alignment to, and impact on IJB outcomes and priorities is included within Appendix 1.

### **Legal & Risk Implications**

Nil

### **Consultation**

Lead Officers have worked with each of the individual organisations to generate all information contained in the performance summary report. Full information is available on request.

### **Equalities Assessment**

No EPIA has been completed at this time as no service or policy change is proposed.

---

Approved for Submission by: Chief Finance Officer

**Author:** Lesley MacArthur

**Date:** 5 December 2018

### **List of Background Papers:**

- 'The Code of Guidance on Funding External Bodies and Following the Public Pound', COSLA and the Accounts Commission in 1996
- Full Following the Public Pound reports for organisations listed within 4.1.

## Falkirk Health &amp; Social Care Partnership: Funding Overview 2016/17 and 2017/18

Organisation	Purpose of Funding	HSCP Priority Align	Funding Source				Conclusion & Recommendation
			Y/r	FC £	NHS £	PF £	
Alzheimer Scotland	Support for people with dementia & their carers: Day Care & Post Diagnosis Support	✓	17/18	180,261	-	163,996	Services have been delivered in line with requirements, however there is need for review of provision, particularly in relation to day services to ensure alignment with HSCP direction regarding day services. A single Joint Working Agreement and reporting framework is currently being developed.
			16/17	180,261	-	135,374	
Forth Valley Sensory Centre	Contribution towards total service operating costs	✓	17/18	63,840	82,717	6,807	The service delivers a valuable service, which is evidenced by monitoring information provided. The nature of the support provided requires review in terms of reporting requirements. The Monitoring Lead is currently a Board Member, which is a potential conflict of interest. This arrangement is however appropriate for partnership arrangement in place.
			16/17	60,135	82,717	-	
FDAMH	Contribution towards operating costs and specific delivery e.g. Drop-in, Social Prescribing, Family Support, Counselling	✓	17/18	177,777	35'857	154,932	FDAMH has effectively developed services and supported people in line with the outcomes of the HSCP. The demand on the service significantly outweighs capacity. Historical funding arrangements have been challenging for FDAMH in being able to cope with demand making use of specific ring-fenced allocations. This is now being reviewed to allow provision in line with evidenced need. A single Joint Working Agreement and reporting framework is currently being developed.
			16/17	177,777	35,857	139,932	
Independent Living Association	Costs towards service providing information, advice & planning to be people with disabilities about Self Directed Support.	✓	17/18	38,124	-	-	The organisation has continued to provide a skilled and comprehensive service across the Falkirk area to service users, carers and Partnership staff. They are increasingly aware of the changing landscape of support and the need for the service to evolve to meet the challenges ahead. This includes reshaping the approach to training and support for people managing their own support and employing staff. They continue to engage positively with the Falkirk Council and Falkirk HSCP to understand the needs of Falkirk residents accessing their support and services.
			16/17	38,124	-	-	

Falkirk & Clackmannanshire Carers Centre	Contribution towards operating costs and specific services e.g. Carer Training, Engagement, Short breaks, Support Planning	✓	17/18	141,898	163,208	197,608	The Carers' Centre is a key strategic partner and plays a vital role in supporting large numbers of carers in our community. Without which the burden for supporting these carers and the people they care for would fall to the council, at significant cost. The centre has been central to developing our capability to respond to the requirements of the Carers (Scotland) Act, and continues to provide a responsive, high quality service as well as positively contributing as partners to the wider health and social care agenda. A single Joint Working Agreement and reporting framework is currently being developed.
			16/17	141,898	163,208	178,804	
Citizens Advice Bureaux (Falkirk, Grangemouth & Bo'ness, Denny & Dunipace)	Contribution towards Income Maximisation Services	✓	17/18	28,872	-	-	The role of advice services has significantly increased over recent years, along with the changes to welfare benefits and the impact on wellbeing. The service is currently monitored via Falkirk Council's Corporate Services. This requires review to ensure alignment with HSCP current and future priorities.
			16/17	28,872	-	-	
			17/18	631,702	263,854	523,343	
			16/17	630,772	263,854	454,110	
			Total	1,262,474	527,707	977,453	

Key: FC: Falkirk Council, NHS: NHS Forth Valley, PF: Partnership Funding