



# Internal Audit Report

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## Better Care Fund (2021/22)

### Final Report

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Prepared for: Surrey County Council

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**1. Introduction**

- 1.1. The Better Care Fund (BCF), introduced in the Government's 2013 spending round, is a local, pooled budget that enables integrated working between health, social care, and wider partners. The BCF in Surrey commenced in April 2015 and is underpinned by Section 75 agreements to facilitate jointly commissioned health and social care services.
- 1.2. The BCF is intended to support the council and its health partners to comply with their respective statutory duties while placing people's wellbeing at the centre of health and care services. There are three strategic aims of the BCF in Surrey:
- (i) Enabling people to stay well;
  - (ii) Enabling people to stay at home; and
  - (iii) Enabling people to return home sooner from hospital.
- 1.3. Each year, NHS England (NHSE) publishes BCF guidance and planning requirements, although this was suspended during 2020/21 due to the pandemic. The 2021/22 planning requirements were published in late September 2021, and Surrey's BCF plan set out 206 schemes, including 10 new schemes, to be funded through the BCF, which were expected to impact and help deliver the strategic aims above.
- 1.4. Seven Local Joint Commissioning Groups (LJCGs), one for each of the former boundaries of Clinical Commissioning Groups (CCGs) in Surrey, provide a joint commissioning framework for the delivery and implementation of the BCF plan. The remit of LJCGs includes oversight of the performance of schemes. Whilst Surrey Heartlands CCG was created from the merger of four CCGs in 2020, and Frimley CCG was created from the merger of three CCGs from 2021, the LJCGs remain across the previous seven boundaries to enable local, place based decisions.
- 1.5. The total pooled BCF budget for 2021/22 was £109m, comprising:
- £10.2m Disabled Facilities Grant from the Ministry of Housing, Communities and Local Government, paid to borough and district councils;
  - £80.6m minimum contributions from CCGs;
  - £11.0m Improved Better Care Fund, including the Winter Pressures Grant;
  - £2.0m additional local authority contribution from SCC; and
  - £5.1m additional CCG contribution.
- 1.6. Previous internal audits of the BCF have reviewed the planning, submission and approval process; compliance with internal and external reporting requirements; and the management of CCG-managed schemes. This review considers how the BCF funded schemes are reporting on their outcomes and practices, and how these are reviewed and understood across Surrey.
- 1.1. This review is part of the agreed Internal Audit Plan for 2021/22. This report has been issued on an exception basis whereby only weaknesses in the control environment have been highlighted within the main body of the report.

**2. Scope**

2.1. The purpose of this audit was to provide assurance that controls are in place to meet the following objectives:

- There are plans in place to ensure BCF spend and outcomes align with the LJCJs, Surrey-wide, and national priorities;
- A robust governance structure is in place to support good practice across the county; and
- There are effective reporting arrangements in place that promote and enable the sharing of good practice.

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**3. Audit Opinion**

3.1. **Substantial Assurance** is provided in respect of **Better Care Fund 2021/22**. This opinion means that controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.

*Appendix A provides a summary of the opinions and what they mean and sets out management responsibilities.*

**4. Basis of Opinion**

We have been able to provide **Substantial Assurance** over the controls operating within the area under review because:

**Governance**

- 4.1. There is a clear governance structure in place for the BCF. The Health & Wellbeing Board (HWB), membership of which includes both officers and councillors from NHS and SCC partners, is responsible for the Joint Health and Wellbeing Strategy, which the BCF contributes to. There is a Committee-in-Common in place, the remit of which includes oversight of BCF commissioning. The LJCJs are underpinned by a comprehensive Terms of Reference, which has recently been updated.
- 4.2. Surrey's BCF represents collaborative working, not only between SCC and NHS colleagues, but also with all eleven borough and district councils, five acute hospitals, and numerous providers including those in the voluntary and community sector (VCS). Conversations with NHS and council colleagues from each of the LJCJs included comments on the collaborative nature of LJCJs, supported by open and honest conversations and integrated decision-making. The Co-Chairs of Frimley LJCJ were particularly keen to highlight how these positive working relationships have had a positive, direct impact on BCF spend and outcomes.
- 4.3. We are aware that a full review of the existing BCF programme is currently being developed in recognition of the fact that there have been minimal changes since the new CCGs were created. This joint review with NHS partners will incorporate consideration of the strategic purpose of the programme and the strategic framework for allocating funding, as well as a

review of each scheme. This should ensure that spend is optimised to address wellbeing needs across the county.

### **Alignment of spend with priorities**

- 4.4. The BCF plan was developed in consultation with LJCGs, with input from their local areas, and is designed to deliver the three strategic BCF aims across Surrey. Minutes from the HWB meeting held in December 2021 confirmed the national planning conditions were met in 2021/22. The plan also addresses national priorities, such as ongoing health inequalities that have been further highlighted by the pandemic.
- 4.5. Almost three-quarters of BCF spend is on core, county-wide schemes, such as equipment services and carers. Some health colleagues expressed a level of disconnect from these schemes, both in terms of decision-making and reporting at place level. This appears to be, in part, due to limited understanding of how funding is allocated between areas, and both NHS and SCC colleagues acknowledged the need to improve wider communication with LJCGs. Management may wish to consider including this in the BCF review.
- 4.6. LJCG members welcome the flexibility that the BCF offers to support place-based planning, and the carry forwards of underspent funds following the pandemic have enabled more flexibility to implement additional, local schemes. These place level schemes are implemented based on local knowledge, and LJCGs shared examples of successful schemes that addressed local needs, such as Growing Health Together and Tech to Connect. While we recognise the necessity and benefits of certain schemes being managed centrally, we believe that some degree of flexibility should be maintained to enable benefits to be realised at place level.

### **Outcomes**

- 4.7. Overall outcome metrics for the BCF are reported to NHSE quarterly using a template. However, at LJCG level there is no consistent approach to assessing the progress or success of schemes. We acknowledge that a proportionate approach is required, such that a small, VCS-led project that received seed funding does not have the resources to produce monthly reports. Further, the limitation of quantitative data in reflecting the full impact on local communities, and the difficulty of measuring qualitative benefits, is recognised.
- 4.8. Some areas are making use of existing health baseline data to contribute to the evaluation of outcomes, and their impact on communities, pre- and post-intervention. Other areas are reliant on surveys capturing ‘before and after’ information. Outcome frameworks have been developed for some VCS schemes and include overlaying place based and Surrey-wide information. The fact that different LJCGs reported different methods for measuring success suggests that good practice in this area is not being shared.

### **Sharing practice**

- 4.9. Historically, LJCG Chairs sat on a BCF board, which provided a forum for sharing good practice. However, this stopped in early 2020, at the beginning of the pandemic, and has not been reinstated. Current networking is on an ad hoc basis and, while there is no formal

mechanism to share good practice between all LJCJs, most have a link with at least one other LJCJ with whom they work closely.

- 4.10. The LJCJ for East Surrey is in the process of introducing biannual networking events for all partners where good practice and experiences from schemes can be shared. We advocate this being introduced for other LJCJs both individually and as a group.

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## **5. Action Summary**

- 5.1. The table below summarises the actions that have been agreed together with the risk:

Risk	Definition	No	Ref
High	This is a major control weakness requiring attention.		
Medium	Existing procedures have a negative impact on internal control or the efficient use of resources.		
Low	This represents good practice, implementation is not fundamental to internal control.	2	1, 2
<b>Total number of agreed actions</b>		2	

- 5.2. Full details of the audit findings and agreed actions are contained in the detailed findings section below.
- 5.3. As part of our quarterly progress reports to Audit and Governance Committee we track and report progress made in implementing all high priority actions agreed. Medium and low priority actions will be monitored and re-assessed by Internal Audit at the next audit review or through random sample checks.

## **6. Acknowledgement**

- 6.1. We would like to thank all officers who provided assistance during the course of this audit.

## Internal Audit Report – Better Care Fund (2021/22)

### Detailed Findings

Ref	Finding	Potential Risk Implication	Risk	Agreed Action
1	<p><b>Progress reporting</b></p> <p>All LJCGs receive regular updates on progress of schemes but reporting arrangements are inconsistent. For example, one LJCG has an outcomes measurement tool, while some are using questionnaires pre- and post-intervention, and others rely solely on quantitative data.</p> <p>While we acknowledge that not all schemes require the same level of scrutiny, greater consistency in the approach to reporting could promote better understanding of the impact of schemes at both place and county level.</p> <p>County-wide schemes have more formal monitoring and reporting arrangements, but the updates shared with LJCGs include minimal detail at a place level, limiting full consideration of the benefits to residents within the local area.</p>	Inconsistencies in reporting of scheme progress may limit assessment of the impact of schemes at place and county level.	Low	This will be addressed as part of the review of the BCF.
<b>Responsible Officer:</b>		AD – Commissioning	<b>Target Implementation Date:</b>	30 September 2022

## Internal Audit Report – Better Care Fund (2021/22)

### Detailed Findings

Ref	Finding	Potential Risk Implication	Risk	Agreed Action
2	<p><b>Sharing practice</b></p> <p>All LJCGs have informal, ad hoc mechanisms through which good practice (and lessons learnt from failed schemes) is shared. This is through a combination of networks within individual organisations, forums such as the Local A&amp;E Delivery Board, and the fact that some officers are part of multiple LJCGs.</p> <p>However, there is no formal mechanism in place for LJCGs to share practice across the county.</p>	Inconsistencies in the sharing of practice across all LJCGs may result in a feeling of disconnect with Surrey-wide priorities and limits the sharing of good practice or lessons learnt.	Low	This will be addressed as part of the review of the BCF.
<b>Responsible Officer:</b>		AD – Commissioning	<b>Target Implementation Date:</b>	30 September 2022

# Appendix A

## Audit Opinions and Definitions

Opinion	Definition
<b>Substantial Assurance</b>	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Reasonable Assurance</b>	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Partial Assurance</b>	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
<b>Minimal Assurance</b>	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

## Management Responsibilities

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

This report, and our work, should not be taken as a substitute for management's responsibilities for the application of sound business practices. We emphasise that it is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

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