

**Internal  
Audit**

**Grant Audit  
Summaries**

**2022/23**



## COVID-19 Bus Services Support Grant and Bus Recovery Grant

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#### Statement of Grant Usage assurance

##### **Covid Bus Services Support Grant (CBSSG)**

We confirmed the allocated grant funding was received into the council's Oracle financial system and was used in accordance with grant conditions. For the period 17 March 2020 to the 31 August 2021 the grant was fully utilised to support income shortfalls and allowable expenditure.

##### **Bus Recovery Funding (BRF)**

We confirmed that grant funding was received into the Oracle financial system and was used in accordance with grant conditions. For the period 1 September 2021 to the 5 April 2022 there was a surplus of £158,273. At the audit report date, the council is in discussion with the Department for Transport (DfT) to establish whether the surplus grant is required to be repaid or whether it can be offset against other associated expenditure.

We produced grant certificates for both grants confirming compliance with grant conditions, and these were signed off by the Head of Internal Audit, and the CBSSG certificate was also signed off by the Chief Executive. Signed certificates were submitted to the DfT.

#### Background and Context

In 2020 the DfT announced funding of £254m for COVID-19 Bus Service Support Grant (CBSSG) to support local authorities. Funding allocated to Local Transport Authorities (LTA) was based on reported levels of income required to meet funding gaps faced in maintaining tendered service networks. LTA's were required to agree with local bus operators which commercial services would continue to operate during the COVID-19 outbreak to meet local needs and to compensate revenue shortfalls.

In July 2021 the Government announced bus recovery funding of £226.5m for the period of September 2021 to April 2022. BRG allocations assisted LTAs to continue to support tendered services, helping communities where buses are vital in providing access to work, education and preventing isolation, and to maintain service levels needed to help key workers get to work and the public to access essential services.

#### Financial Information

The total LTA CBSSG funding received by the council was £2,098,464. This was paid to the council in nine instalments under the 2020/21 No's 31/5023, 31/5032, 31/5049, 31/5120, 31/5198, 31/5563, 31/5621, 31/5652 and 31/5767. The total LTA BRG funding received by the council was £268,474, paid to the council in seven instalments.

## Adult Weight Management Grant

### Adult Weight Management Grant

#### Grant certification and verification

We have examined the 2021-22 Adult Weight Management Grant funding claims for the period 1st April 2021 to 30th June 2022 which have been submitted by Lancashire County Council to the Department of Health and Social Care, Office for Health Improvement and Disparities (OHID) (formerly Public Health England). We have examined the records and obtained such information and explanations and carried out such tests as we considered necessary to enable us to certify that we can provide reasonable assurance that the Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in the Grant Period in accordance with the definitions and conditions issued by the Department of Health and Social Care, Office for Health Improvement and Disparities.

We reviewed the transactions submitted to us by our Public Health Practitioners and can confirm that the expenditure claimed totalling £605,235 is in accordance with the Grant Funding Agreement specified in Annex A of the grant Terms and Conditions, and that the expenditure incurred during the period 1st April 2021 to 30th June 2022 was specifically related to the project described within the Grant Offer Letter dated 26th March 2021 from the Department of Health and Social Care, Office for Health Improvement and Disparities. The initial offer letter from OHID stated the grant offer period was from 1st April 2021 to 31st March 2022, however this was later extended to 30th June 2022.

#### Background

This audit has been undertaken following a request received on 04 August 2021 from the council's Public Health team. The terms and conditions of the grant requires Internal Audit to provide reasonable assurance that the Statement of Grant Usage (SOGU), in all material respects, fairly presents the eligible expenditure incurred in the Grant Period. The review was conducted in conformance with the Public Sector Internal Audit Standards.

#### Context

The grant was issued based on the understanding that the funding of £605,235 would be used to expand the Local Authority's Adult Behavioural Weight Management Service (tier 2), through uplifting or extending the existing tier 2 service provided. From the £605,235 grant funding, £600,000 was allocated across the 12 districts within Lancashire, who were commissioned to provide the service, calculations to support individual district allocations were based on the levels of obesity versus deprivation within each district. In accordance with the grant Terms and Conditions the remainder of the £5,235 was used to procure a service evaluation, which is currently in progress. Additionally, Lancashire County Council appointed Active Lancashire to contract manage the providers for this service. Lancashire County Council regularly submitted progress reports and weight management data to OHID to provide details of eligible expenditure incurred to date and the progress against the anticipated budget.

## Inpatient Detoxification Treatment

Inpatient Detoxification Treatment
<p><b>Grant certification and verification</b></p> <p>We have examined the 2021-22 Inpatient Detoxification treatment grant funding claims for the period 1st April 2021 to 30th June 2022 which have been submitted by Lancashire County Council to the Department of Health and Social Care, Office for Health Improvement and Disparities (formerly Public Health England).</p> <p>We have examined the records and obtained such information and explanations and carried out such tests as we considered necessary to enable us to certify that we can provide reasonable assurance that the Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in the Grant Period in accordance with the definitions and conditions issued by the Department of Health and Social Care, Office for Health Improvement and Disparities.</p> <p>We reviewed the transactions submitted to us by our Public Health Specialists and can confirm that the revenue expenditure claimed totalling £372,000 and capital expenditure totalling £58,100 is in accordance with the Grant Funding Agreement specified in Annex A of the grant Terms and Conditions, and that the expenditure incurred during the period 1st April 2021 to 30th June 2022 was specifically related to the project described within the Grant Offer Letter dated 22nd April 2021 from the Department of Health and Social Care, Office for Health Improvement and Disparities.</p>

### Background

This audit has been undertaken following a request received on 02 August 2021 from the council's Public Health Practitioner (Substance Use & Criminal Justice). The terms and conditions of the grant requires Internal Audit to provide reasonable assurance that the eligible expenditure incurred in the grant period, is in accordance with the definitions and conditions of the grant. The review was conducted in conformance with the Public Sector Internal Audit Standards.

### Context

The grant was issued based on the understanding that the funding of £372,000 (revenue) and £58,100 (capital) would be used over a period of one year, to enable the consortium, comprising Lancashire County Council, Cumbria County Council, Blackburn with Darwen Borough Council and Blackpool Borough Council to start to commission additional inpatient alcohol and drug detoxification provision, which would increase the capacity within the treatment system and numbers of medically managed inpatient detoxification episodes.

The funding would also enable the consortium to provide additional commissioning/coordination capacity which focuses on developing and implementing the delivery plan and any strategic plan for inpatient detoxification going forward.

Lancashire County Council (LCC) already provides an Inpatient Detoxification Treatment service, and therefore this grant provided additional funding from OHID to enable expansion of the service. LCC already had contracts in place with CAIS and Delphi and in the interests of transparency LCC agreed contract variations with these two providers.

## Universal Drug Grant

### Universal Drug Grant

#### Grant certification and verification

We have examined the 2021-22 Universal Drug Grant funding claims for the period 1st April 2021 to 30th June 2022 which have been submitted by Lancashire County Council to the Department of Health and Social Care, Office for Health Improvement and Disparities.

We have examined the records and obtained such information and explanations, and carried out such tests as we considered necessary to enable us to certify that we can provide reasonable assurance that the Statement of Grant Usage, in all material respects, fairly presents the eligible expenditure in the Grant Period in accordance with the definitions and conditions issued by the Department of Health and Social Care, Office for Health Improvement and Disparities (formerly Public Health England).

We reviewed the transactions submitted to us by our Public Health Specialists and can confirm that the expenditure claimed totalling £872,000 is in accordance with the Grant Funding Agreement, and that the expenditure incurred was specifically related to the project described within the Grant Offer Letter.

## Background

This audit has been undertaken following a request received on 5 July from the council's Public Health Behaviour Change team. The terms and conditions of the grant requires Internal Audit to provide reasonable assurance that the eligible expenditure incurred in the grant period, is in accordance with the definitions and conditions of the grant. The review was conducted in conformance with the Public Sector Internal Audit Standards.

## Context

The grant was issued based on the understanding that the funding of £872,000 would be used to either incrementally add or complement existing services or offer new services in relation to delivering reductions in the rate of drug related deaths or offending and prevalence of drug use. Lancashire County Council submitted proposals to the OHID to identify how the grant funding would be allocated across each of the categories below in order to meet the requirement of the grant terms and conditions:

<b>Category</b>	<b>Revised Proposal in Oct 21</b>	<b>Actual Spend</b>
Systems coordination and commissioning	£20,304	£18,310
Harm reduction	£143,269	£130,783
Treatment options	£211,306	
Increased integration / improved care pathways	£382,719	£125,500
Enhanced recovery support	£85,227	£85,227
Other interventions	£29,175	
Payments to provider Change Grow Life which covers multiple categories	£0	£512,180
<b>Total</b>	<b>£872,000</b>	<b>£872,000</b>

## Contain Outbreak Management Fund

### Contain Outbreak Management Fund

#### Statement of Grant Usage assurance

We can confirm that use of grant funding complied with grant conditions.

The COMF grant was paid in six instalments during 2020-21 and we have been able to verify receipt of these payments against the specific grant determination letters: No's 31/5260, 31/5304, 31/5411, 31/5518, 31/5341 and 31/5456. The total COMF grant received by the council amounted to £30,929,847.

In 2020/21 the council spent £8,789,655 against the grant and a further £717,702 was spent up to 30 June 2022. Our review of this spend confirmed that this is consistent with the underlying grant conditions and can be verified against the list of activities identified by the DHSC. We verified the spend against supporting evidence and confirmed input and approval from the Director of Public Health. The DHSC has allowed the carry forward of unspent funding which on 30 June 2022 was at £21,422,490 although the majority of this balance has been committed in 2022/23. Assurance is also taken from the periodic grant returns completed by the council which provided information to the government on how the grant has been used.

A grant certificate containing the COMF grant income received and spent in the reporting period was produced and signed off by the Head of Internal Audit and submitted to the Chief Executive's office for sign and subsequent submission.

## Background

The Contain Outbreak Management Fund (COMF) provided support to local authorities to prevent, contain and manage outbreaks of Covid-19. A further £400 million has been allocated for the COMF for the financial year 2021 to 2022 to continue to help reduce the spread of coronavirus and support local public health initiatives. This will take total COMF support across 2020 to 2021 and 2021 to 2022 to over £2 billion.

In March 2021, the government published an updated Covid-19 contain outbreak management framework for local areas, which set out how national and local partners will continue to work with the public at a local level to prevent, contain and manage outbreaks. Letters from the Department of Health and Social Care (DHSC) contained grant conditions and funding allocations which confirmed that the COMF remains ring-fenced for public health purposes to tackle COVID-19, working to break the chain of transmission and protecting the most vulnerable. While the DHSC provided local authorities flexibility in determining specific public health activities that can be funded, they did provide a general list of activities that this funding may be used for and required input from the Director of Public Health.

## Context

The total funding received by the council was £30,929,847. This was paid to the council in six instalments under the 2020/21 Grant Determinations No's 31/5260, 31/5304, 31/5411, 31/5518, 31/5341 and 31/5456.

## Social Care Digital Pathfinders Project

### Social Care Digital Pathfinders Project

#### Statement of Grant Usage assurance

The objective of this review was to perform such procedures, as to obtain information and explanations which we consider necessary, in order to provide us with sufficient appropriate evidence to express a positive conclusion that Lancashire County Council (LCC) has used the grant funding for the delivery of the Social Care Digital Pathfinders Project in accordance with the conditions outlined within Schedule 1 of the Grant Agreement.

We reviewed the transactions submitted to us by the Subject Matter Expert/Specialist Advisor and can confirm that for the Discovery Stage the service was successful in meeting the two milestones set out within the grant agreement and in doing so received £50,000 funding. As for the Implementation Stage LCC have received a total of £318,500, from which LCC has spent £105,361 and holds £263,138 within reserves.

We found that there is no written confirmation from NHS England that LCC can retain any of the grant monies following the end of the grant period. However, we are informed that this was a topic of discussion throughout the programme between the Subject Matter Expert/Specialist Advisor and NHS England. NHS England have no mechanism to reclaim any unspent funds, thus it was agreed that LCC would retain any remaining grant monies with the intention that the funding be used to further enhance digital collaboration between LCC and the NHS.

We noted that work is still on-going and recently there has been discussions between the Subject Matter Expert/Specialist Advisor, Finance Team and the Director of Adults Community Social Care in relation to revised governance arrangements for the Pathfinder programme and how the money held within reserves will be used.

## Background

NHS Digital in collaboration with NHS England was offering support to local partnerships over a two-year period in the form of a 'Social Care Digital Pathfinders' grant. The core aim of the project was to deliver a range of products and services through technology to provide improved services and greater efficiency within the Adult Care Sector. The funding for the project was split into two phases, the first stage was the development phase for the period August to October 2019 to be followed by an implementation phase over the period December 2019 to January 2021. However, this was formally extended to 30th September 2021.

Following successful evaluation of the development phase, up to 12 local participating partners progressed to the implementation stage from August 2019 to March 2021. NHS digital was seeking to work with successful applicants to support information sharing between Health and Adult Social Care settings and use data for prevention and early intervention in adult social care.

## Context

For the Pathfinder grant there was grant funding of £50,000 for the development stage upon LCC being successful in meeting two milestones, one was for signing the grant agreement whilst the other was for submitting the end stage report. On the 19<sup>th</sup> November 2019 LCC received confirmation from NHS England that they were successful in progressing to the Implementation Stage of the Pathfinder Programme. The maximum claim for the implementation stage was set at £350,000.

## Bus Service Operators Grant

### Bus Service Operators Grant

#### Grant certification and verification

We confirmed that funding was received by Lancashire County Council for the full amount of £1,866,269 on the 22 June 2021. Grant conditions state that funding may be used only for the purposes of supporting bus services (including community transport services run under a section 19 permit), or for the provision of infrastructure supporting such services in that authority's, or a neighbouring authority's, area. We confirmed that all expenditure incurred has complied with grant conditions. A survey is required to be completed which reports how the authority has made use of the devolved funds. The Department for Transport (DfT) is expected to provide this survey in late September and the authority will ensure that this survey is completed and published on the internet page, in line with grant conditions. The council has published its most recent survey on its internet page which relates to the 2020/21 grant funding.

#### Background

This audit has been conducted to provide assurance to the DfT the Internal Audit Service considers information and evidence provided by the Public Transport team in support of grant claims submitted for 2021-22 is complete, accurate and that grant terms and conditions have been complied with. The audit covers the 2021-22 financial year and has been conducted in conformance with the Public Sector Internal Audit Standards. Our audit work was completed during September 2022.

#### Context

Grant funding was allocated to Lancashire County Council by the DfT to provide support to the authority towards expenditure lawfully incurred relating to bus services or the provision of infrastructure supporting such services.

In line with the grant determination letter, full funding totalling £1,866,269 was received by the council in June 2021. This funding has been spent in full throughout the 2021-22 financial year, supporting bus station operations through employment of staff and payment of business rates, as well as contributing towards private contractor and agency costs.