



Department  
for Work &  
Pensions

# Accountability System Statement

## Department for Work and Pensions

Accounting officers in government departments are accountable to Parliament for the proper stewardship of the resources allocated to the department. Details of the requirements to ensure regularity, propriety and value for money are set out in HM Treasury's guidance *Managing Public Money*.

Sir Bob Kerslake, then Permanent Secretary of the Department for Communities and Local Government, proposed in his report *Accountability: Adapting to decentralisation*, published in September 2011, that in future departmental accounting officers should publish accountability system statements explaining how they achieve accountability for the funds they distribute to local bodies. This allows accounting officers to demonstrate that, as the government moves to decentralise power to local communities, the appropriate accountability mechanisms are in place.

This document sets out our accountability system, and is signed by Robert Devereux as accounting officer and Permanent Secretary.

October 2016

## **Contents**

1.	Introduction	Page 3
2.	Conclusion	Page 3
Annex One		Page 4
○	Regular funding arrangements	
○	Minor funding arrangements that support Departmental business	
Annex Two – Other local authority funding streams		Page 15
Annex Three – Other local authority funding streams		Page 16

## 1 Introduction

1.1 As accounting officer, I am accountable to Parliament for the proper stewardship of the resources allocated to the department and am required to ensure regularity, propriety and value for money as set out in the HM Treasury Guidance 'Managing Public Money'.

1.2 This statement explains how I meet my responsibilities in relation to the resources we allocate to local authorities and other local bodies outside my direct control. This statement only applies to allocations that are not governed by contractual arrangements, because they are grants, are a benefit or benefit subsidy, or fund transactions undertaken by local organisations (including local authorities) on our behalf.

1.3 It covers 10 separate funding streams (see Annexes One and Two) in place for the financial year 2016-17. It has been signed by me as the Accounting Officer.

1.4 Two of the funding streams to local authorities – the individual City Deals (see Annex Two) – are not ring-fenced. With these, therefore, I am relying significantly on the core system of local authority accountability for which the accounting officer at the Department for Communities and Local Government is responsible. This is the framework within which local authorities spend all of their resources. It ensures resources are spent with regularity, propriety and value for money. I have though, recorded in this statement relevant information about our involvement in the pilots.

1.5 For the remaining 8 funding streams, the arrangements in place are guided by four principles, whose application is proportionate to the funds involved. These principles, broadly in line with those set out by NAO in their recent report<sup>1</sup>, and based on a new HM Treasury approach, are that it is clear there is:

- 1) a well-defined understanding of what **resources** were provided, for what intention, and what, if any, discretion the recipient has
- 2) a mechanism in place for assessing the **outcomes** expected from the resources
- 3) a robust **check** of spending and performance data and transactions
- 4) an efficient process to **challenge** those responsible for delivering the outcomes and spending the resources

1.6 For each funding stream, where applicable, we specify in writing how these principles are applied in practice.

1.7 Included at Annex Three is a template of *all* our accountability arrangements

## 2 Conclusion

2.1 Recognising that some of our short term funding arrangements will be bespoke, I believe there to be sufficient supporting evidence to show compliance with each principle, and have a robust framework on which I can rely as accounting officer, for each of the funding streams described here.

**Robert Devereux**  
**Accounting Officer – Department for Work and Pensions**

---

<sup>1</sup> 'Accountability to Parliament for taxpayers' money' – February 2016

## Annex One

### Regular funding arrangements

<b>Housing Benefit</b> We provide approx. £24 billion to local authorities in support of Housing Benefit, and an administration subsidy of £261.75 million contributing towards delivery costs.	
<b>Principle 1</b> – It is clear that there is a well-defined understanding of what <b>resources</b> were provided, for what intention, and what, if any, discretion the recipient has	<p>Housing Benefit is an income related benefit paid to help those who are entitled to meet costs for their rent. Provisions in the Social Security Administration Act 1992 and other enactments set out the framework for entitlement within which local authorities deliver it. This legislation also provides the arrangements for us to pay subsidies to local authorities for the benefit they pay out and to contribute towards their administration costs. We take caseloads into account when making payments towards local authorities' administration, with different weightings for different case types, such as private or local authority housing. We also make adjustments to compensate for regional variations in accommodation and labour costs.</p> <p>During the year we may also make additional payments to cover the administration of 'new burdens' arising from policy or procedural changes in respect of Housing Benefits.</p> <p>Our accounts include estimates of amounts due from and to local authorities. We recognise that the basis of this estimate is subject to uncertainty and may need adjustment in a subsequent year on receipt of final audited claims.</p>
<b>Principle 2</b> – It is clear that there is a mechanism in place for assessing the <b>outcomes</b> expected from the resources	<p>We manage our relationship with local authorities in respect of the administration of the benefit through the Housing Benefit subsidy returns they are required to make and by collecting other data from them. This enables us to publish data at a local level on caseload, speed of processing claims, overpayments and fraud, and helps us provide appropriate support (see <a href="http://www.gov.uk">www.gov.uk</a>).</p>
<b>Principle 3</b> – It is clear that there is a robust <b>check</b> of spending and performance data and transactions	<p>To help ensure propriety, regularity and accuracy with regard to the expenditure incurred by local authorities, the appointed auditor certifies the final claim from each local authority.</p> <p>We reimburse local authorities in full where they pay the benefits accurately. Where it's not, or in relation to specific types of cases, the subsidy paid can be at a lower rate or not paid at all. We recover any benefit subsidy that has been overpaid.</p>
<b>Principle 4</b> – It is clear that	<p>We use the data we receive from local authorities (including that which is published and listed under</p>

<p>there is an efficient process to <b>challenge</b> those responsible for delivering the outcomes and spending the resources</p>	<p>Principle 2) to inform our engagement and support working with them. This includes the offer of consultancy support to help performance improvement. We adjust subsidy payments, if necessary, following receipt of the final audited accounts.</p> <p>To help reduce loss due to fraud and error, we have improved the way we provide information to local authorities on changes linked to qualifying benefits. We are making more use of real time information data. We have introduced an incentive scheme (see below) with local authorities to encourage them to find as many changes of circumstances as possible which reduce entitlement, with a particular focus on the high value changes.</p> <p>Housing Benefits awards paid by local authorities are made in accordance with relevant legislation. Appropriate assurance is obtained primarily from the grant certification arrangements that are in place. Further assurance is provided through the Accountability System Statement from the Accounting Officer from the DCLG, who is accountable for the core system by which local authorities manage their funds.</p>
---	---

<b>Discretionary Housing Payments</b> In 2016-17 we are providing £150 million in Discretionary Housing Payment funding to local authorities.	
<p><b>Principle 1</b> – It is clear that there is a well-defined understanding of what <b>resources</b> were provided, for what intention, and what, if any, discretion the recipient has</p>	<p>Discretionary Housing Payments is a scheme that allows local authorities to make awards to people in need of further financial assistance with housing costs. A claimant can qualify for a payment if they are entitled to Housing Benefit or the housing costs element of Universal Credit. Each local authority has overall responsibility to administer the scheme and make awards, taking account of the guidance we issue.</p>
<p><b>Principle 2</b> – It is clear that there is a mechanism in place for assessing the <b>outcomes</b> expected from the resources</p>	<p>Local authorities submit a voluntary 6-monthly monitoring return, detailing the amount of the payments awarded, as well as recording if a successful Discretionary Housing Payment claimant has been affected by one of the welfare reforms (e.g. removal of the spare room subsidy, or the benefit cap) and to record the main outcome expected from that award. In addition, local authorities have to submit mandatory returns on estimated expenditure and the final outturn, at set points in the financial year.</p>
<p><b>Principle 3</b> – It is clear that there is a robust <b>check</b> of spending and performance data and transactions</p>	<p>The audit requirement for the payment's expenditure is based on self-certification by the local authority that includes a certificate signed by the Section 151 Officer (Section 95 in Scotland) on the accuracy of the claim. This certificate also confirms that the local authority maintains adequate records which can be subject to our verification should the need arise.</p>

<b>Principle 4</b> – It is clear that there is an efficient process to <b>challenge</b> those responsible for delivering the outcomes and spending the resources	At the end of each financial year we request that local authorities provide details of expenditure for financial accounting purposes and any underspend on a local authority's annual allocation is recovered. Further assurance is provided through the Accountability System Statement from the Accounting Officer from the DCLG, who is accountable for the core system by which local authorities manage their funds.
--	---

### **Fraud and Error Reduction Incentive Scheme (FERIS)**

This voluntary scheme was originally introduced in November 2014 with the aim of reducing fraud and claimant error in local authority Housing Benefit caseloads and to help us achieve our NET monetary value of fraud and error target of 1.7%. It was redesigned to take account of lessons learnt from the first scheme and FERIS 2 was launched in April 2016 (running through to March 2018). The scheme includes:

- Incentive payments available for local authorities that achieve reductions (through measures to tackle fraud and error) to NET weekly entitlement of Housing Benefit, which exceed one or more set thresholds. The total amount set aside is based on performance assumptions that take into account reductions in Housing Benefit recorded since FERIS was implemented
- Maintenance funding to provide money up front to help local authorities to continue to invest in extra resources or any other additional activities that will contribute to reducing fraud and error.
- Additional maintenance funding for London local authorities to deal with the higher level of fraud and error in this region – significantly more than in other parts of the UK

The available funding for local authorities is £25 million for 2016-17.

<b>Principle 1</b> – It is clear that there is a well-defined understanding of what <b>resources</b> were provided, for what intention, and what, if any, discretion the recipient has	<p>The scheme clearly sets out the levels of performance that each local authority needs to achieve to 'trigger' an incentive payment.</p> <p>The requirements for applying for the maintenance fund are set out in the application form and local authorities are notified of the maximum amount of funding each can apply for. To apply for the additional funding they complete and return an application form detailing how the additional activities that they will fund will contribute to reducing fraud and error. They have to clearly document what the additional activities will be and how much these will cost.</p> <p>All applications are scrutinised to ensure they provide value for money and target a reduction in fraud and error.</p>
<b>Principle 2</b> – It is clear that there is a mechanism in place for assessing the <b>outcomes</b>	The awards linked to exceeding thresholds and incentive payments are only made once these have been passed – so the payments are clearly linked to achievements. For maintenance funding, local authorities are required to clearly set out activities, costs, and how they expect this to tackle fraud and

expected from the resources	<p>error in their applications, which we use to demonstrate value for money.</p> <p>We monitor local authorities' performance, engage with, and offer support to those who do not appear to be realising the expected benefits in respect of their funding. We also collate and share FERIS best practice.</p> <p>FERIS 1 is subject to a full formal evaluation. As FERIS 2 is an extension of this the evaluation will be lighter touch but will look at whether it was carried out as planned, including engagement with local authorities, their performance, and what savings were achieved.</p>
<b>Principle 3</b> – It is clear that there is a robust <b>check</b> of spending and performance data and transactions	We maintain fully auditable records of payments made. To help ensure propriety, regularity and accuracy with regard to expenditure incurred by local authorities, we also monitor their performance monthly, providing us with a means to ensure the expenditure under the scheme is being used correctly. Our fraud, error and debt team provide additional assurances through the fraud, error and debt programme who have delegated authority to approve payments.
<b>Principle 4</b> – It is clear that there is an efficient process to <b>challenge</b> those responsible for delivering the outcomes and spending the resources	<p>Appropriate assurance is obtained primarily from the local authority application for funding, our monitoring of performance against these, and the data we collect to determine achievement against the individual thresholds.</p> <p>We have an agreed understanding with local authorities that we will assess their performance against the scheme expectations and provide support to those who appear not to be realising the expected benefits.</p>

### Flexible Support Fund

We make funds available annually to support jobseekers through the Flexible Support Fund – in 2015-16 we spent £65.2 million and expect to spend a similar amount this year. This fund enables our operational districts to support locally identified claimant needs, which reflect the requirements of local labour markets. Jobcentre Plus District Managers make decisions locally on how best to improve future employment outcomes for individuals and disadvantaged claimant groups in communities facing the most complex and intractable barriers to work, which helps them to move closer to the labour market and where possible, into jobs. Some of the spend is through conventional contractual arrangements, but some is spent in partnership with local bodies. It is the latter which falls within the scope of this statement.

<b>Principle 1</b> – It is clear that there is a well-defined understanding of what <b>resources</b> were provided, for	The fund has a clear framework within which District Managers are free to use it to contribute to create effective local solutions. Finance and where appropriate, commercial business partners, provide appropriate professional advice. The fund is split into a number of separate 'categories, each of which has a set of criteria which govern how the funding from that particular 'pot' should be spent:
---	---

<p>what intention, and what, if any, discretion the recipient has</p>	<ul style="list-style-type: none"> <li>• <b>Ad hoc contracts</b> are used to source ‘Welfare to Work’ related training or support, such as soft skills, mentoring or ‘in work support’, which is not covered by existing Welfare to Work contracts or non-contracted local provision</li> <li>• <b>Grant funding</b> currently allows relatively small provision to be sought and put into delivery quickly involving local partners. It can also be used to support local public body partnerships, including Community Budgets. District Managers are encouraged to use this where they believe it would benefit our objectives and where a multi-agency approach would be most beneficial</li> <li>• FSF also funds the <b>rapid response service</b>, which is used to address the effects of job losses on individuals and on the local community.</li> </ul> <p>The fund also supports training to meet local vacancy needs and other barriers to work for claimants in the local community, in most cases without any conditionality on individuals benefiting from the funding. Grants from the fund to organisations are supported by written statements that describe any discretion they have around what the grant funding can be spent on.</p>
<p><b>Principle 2</b> – It is clear that there is a mechanism in place for assessing the <b>outcomes</b> expected from the resources</p>	<p>The grant letter specifies the assurances required of the recipient. This includes each partnership’s lead accountable body providing information and evidence of delivery of the partnership’s aims and objectives, and assurance that it is meeting the required minimum requirements for outcomes, targets and indicators. A further statement is required setting out how the grant has been spent so that we can monitor and report expenditure.</p> <p>Lead accountable bodies within each partnership are required to ensure that sound internal financial controls are in place with any partner that will be involved in the delivery of the specified minimum requirements agreed for the grant. This ensures that our funds are used solely to pay for the delivery of agreed objectives. Jobcentre Plus districts work with lead accountable bodies to ensure grant conditions are met and that expected performance meets actual outturn.</p> <p>In respect of ‘ad hoc contracts’, a ‘minimum standards framework’ for Districts is in place to provide assurance that set provision and performance targets are being delivered appropriately.</p>
<p><b>Principle 3</b> – It is clear that there is a robust <b>check</b> of spending and performance data and transactions</p>	<p>Grants are made to a recognised lead accountable body within each partnership, which manages and is accountable for the use of the funds on behalf of the partnership. The body is responsible for working with other identified partners to distribute the funding. It must be a legal entity with auditable accounts, and must be determined as eligible for the fund based both on our financial viability and risk assessment, and evidenced by an incorporation document. It is required to keep accurate financial records for audit purposes.</p>



	Both lead accountable bodies and their partners are currently subject to EU State Aid rules, which set maximum amounts of state aid they can receive. No fund grants, which constitute State Aid, can be awarded if the award would mean that the organisation breaches these limits. This is also the case if all or part of the award from the fund is passed on. A national register is in place to maintain a record of State Aid awarded through fund grants and to enable us to establish whether any organisation has reached the EU State Aid limits. District finance business partners carry out regular checks of the information held in the register to ensure that entries are up-to-date and accurate.
<b>Principle 4</b> – It is clear that there is an efficient process to <b>challenge</b> those responsible for delivering the outcomes and spending the resources	<p>Prior to the award of a fund grant, checks are also undertaken to assess and monitor the financial stability of our suppliers.</p> <p>Once assurance has been gained that the supplier is financially viable, we agree monitoring requirements with the lead accountable body before formal award of a grant, to ensure value for money considerations are maintained during delivery. A performance management process identifies spend or activities outside that which the grant was awarded for, with district managers taking action if they find discrepancies. If necessary, they have the capacity to write formally to the body to explain the need to recover, reduce, suspend or withhold future grant payments, although this action is very rare. Further recourse can include the sale of fixed assets funded by the grant where they are recovered. Unless the district manager approves otherwise, any allocated grant funding which remains unspent at the end of the grant period is repaid.</p>

## Minor funding arrangements that support departmental business

### Fit for Work Scotland

An independent review of sickness absence in the UK (by Dame Carol Black and David Frost CBE) identified a lack of access to occupational health advice as one of the obstacles to people returning to work. In response the government introduced an independent assessment service in December 2014 to help employees on sick leave get back to work. In Scotland this is not a devolved service but delivered on our behalf by the Scottish government. Fit for Work provides both a supportive occupational health assessment and general health and work advice to employees, employers and doctors (GPs), to help individuals stay in or return to work.

The budget available for delivery of this service in 2016-17 is £2.3. This will be allocated once agreement on a final figure has been reached with the Scottish government in October 2016.

<b>Principle 1</b> – It is clear that there is a well-defined	Agreements reached between the Secretary of State and Scottish ministers to deliver Fit for Work Scotland have defined the respective roles and responsibilities of all parties, and that our funding is for
---	--

understanding of what <b>resources</b> were provided, for what intention, and what, if any, discretion the recipient has	delivery within the service design. The agreements are documented in an agency agreement, supported by Heads of Terms, drawn up under Section 93 of the Scotland Act 1998.
<b>Principle 2</b> – It is clear that there is a mechanism in place for assessing the <b>outcomes</b> expected from the resources	<p>The Scottish government provide us with a monthly forecast and actuals finance report for the given financial year, in an agreed format and level of detail. The amount payable to the Scottish government takes account of any deductions if Fit for Work Scotland's performance does not meet the agreed Service Level Agreements.</p> <p>At the end of each financial year, the Scottish government provides us with a final report for that year, and a forecast for expenditure for the next. Both organisations will discuss the reconciliation of total actual expenditure against the forecasts supplied previously. We will request evidence from the Scottish government of their expenditure to enable reconciliation with forecasting.</p>
<b>Principle 3</b> – It is clear that there is a robust <b>check</b> of spending and performance data and transactions	<p>We have developed, with the Scottish government, an independent programme of audit and inspection of the service that will be carried out in accordance with our agreements. This provides both parties with accurate and reliable information, and ensures:</p> <ul style="list-style-type: none"> <li>• the economical and efficient use of resources</li> <li>• the integrity, regularity and reliability of financial, performance, and other information and data</li> <li>• the safeguarding of assets and interests from losses of all kinds, including those arising from corruption, fraud or irregularity</li> <li>• the service delivers according to the aims of Fit for Work</li> </ul>
<b>Principle 4</b> – It is clear that there is an efficient process to <b>challenge</b> those responsible for delivering the outcomes and spending the resources	<p>The agreements reached specify the actions to take by both parties on discovery of any irregularity. On discovery, the other party is notified immediately and we discuss whether an investigation is appropriate, the process to be followed and the investigator to be appointed. Where an investigation is carried out, copies of the subsequent report are made available to both parties.</p> <p>It has been agreed that where any loss due to fraud and error is incurred by the Scottish government, due to the negligence of the Scottish government and / or its providers, we shall either:</p> <ol style="list-style-type: none"> <li>1. not be liable for this loss when agreeing funding for the given financial year, or</li> <li>2. (if funding for the given financial year has already been agreed), take into account this loss when agreeing funding for the following financial year</li> </ol>

### Disabled Peoples User Led Organisations (DPULOs)

These organisations support disabled people to have more choice and control over their lives. The Journey to Employment initiative provides a peer based approach for supporting sick and disabled people into employment, offering a more personalised and flexible employment support package. £360,000 has been allocated for this activity in 11 Jobcentre Plus areas in 2016-17 to build capacity of the DPULOs involved.

<b>Principle 1</b> – It is clear that there is a well-defined understanding of what <b>resources</b> were provided, for what intention, and what, if any, discretion the recipient has	<p>The Journey to Employment initiative is a series of peer support job clubs that offer a unique combination of personalised activities to enable disabled people to move into employment by building relationships with local employers, and encouraging social inclusion</p> <p>These look to deliver a return in investment across all welfare spend. Key to this will be the role of the community employment specialist who has a dual role to work within both the job club and the Jobcentre. This unique role provides valuable lived experience and an understanding of the issues unemployed disabled people face in finding and staying in employment.</p>
<b>Principle 2</b> – It is clear that there is a mechanism in place for assessing the <b>outcomes</b> expected from the resources	Payments are made to DPULOs, by our Disability and Employment Directorate using the DWP Funding Voluntary Organisations Guidance. To make sure they fit the criteria of an eligible body the DPULO has to supply comprehensive information about the nature of their organisation (as part of the application process). They are reimbursed on production of an invoice and associated receipts.
<b>Principle 3</b> – It is clear that there is a robust <b>check</b> of spending and performance data and transactions	<p>Funding can only be agreed and made to a DPULO that has auditable accounts. We monitor and record all payments made and ensure that the appropriate financial governance procedures are followed. They also monitor monthly spend against the budget and share this analysis with us.</p> <p>We seek to recover any funding that has been used to pay for illegal or fraudulent activity or goods.</p>
<b>Principle 4</b> – It is clear that there is an efficient process to <b>challenge</b> those responsible for delivering the outcomes and spending the resources	<p>If a problem arises after funding has been awarded, we reserve the right to recover any funding that has been fraudulently claimed. A fraudulent claim for these purposes includes submitting false receipts, submitting receipts for purchases that are not associated with the Personalisation Pathfinder initiative, or submitting receipts that are not duly reflected in the auditable accounts.</p> <p>The decision to award funding may be revoked if the DPULO closes before funding is awarded, or where an invoice is not submitted within an appropriate timescale of the decision notification (with no reasonable explanation for the delay).</p>

### Work and Health Unit Innovation Fund

The cross-government Work and Health Unit was established to test, implement and evaluate (through trialling) different approaches

<p>aimed at improving work and health outcomes for working age people who have, or may acquire, long-term health conditions or disabilities. The trials will evidence what interventions work best to help people with health conditions and disabilities get in, or stay in, work and will be delivered by local authorities or clinical commissioning groups. Bids have been evaluated, and seed funding to design the trials will be grant funded in financial year 2016-17 up to a value of £600,000, although this is likely to only be up to a value of £320,000.</p>	
<p><b>Principle 1</b> – It is clear that there is a well-defined understanding of what <b>resources</b> were provided, for what intention, and what, if any, discretion the recipient has</p>	<p>The grant will be awarded to local authorities or clinical commissioning groups to deliver broad outcomes that benefit the wider public. The recipient will have the flexibility to deliver the outcomes as it sees fit, provided it meets the conditions of the grant. The grant will cover actual costs only and will not include provision for profit.</p> <p>It has been a competitive bidding process, inviting expressions of interest from 11 areas that meet the criteria and providing them with seed funding to design their trials. Around 6-8 of the strongest proposals will be awarded seed funding to set up their trials.</p>
<p><b>Principle 2</b> – It is clear that there is a mechanism in place for assessing the <b>outcomes</b> expected from the resources</p>	<p>An initial lump sum will be awarded up front for local authorities and clinical commissioning groups that meet our criteria for seed funding. Further funding will not be provided until the trial designs have been evaluated and a decision has been made on which trials to progress to the next phase.</p> <p>Seed funding will be set at a level that will allow the grant recipients to produce something meaningful. This will help to deliver better value for money in the longer term as it reduces the risk of taking forward a proposal that will not succeed, although areas may be funded that will not be taken forward.</p>
<p><b>Principle 3</b> – It is clear that there is a robust <b>check</b> of spending and performance data and transactions</p>	<p>For the seed funding we will only take forward those trials that can deliver in terms of performance and are the best value for money. Funding will be awarded only after completion of the competitive, staged process for selecting areas to work with to design and deliver health-led employment trials. This includes reviewing and scoring areas' performance against our assessment criteria, including performance, commitment, deliverability, and value for money. The exact arrangement will be specific and documented in a new grant agreement and 'memorandum of understanding' with each local authority or clinical commissioning group.</p>
<p><b>Principle 4</b> – It is clear that there is an efficient process to <b>challenge</b> those responsible for delivering the outcomes and spending the resources</p>	<p>Before committing any further funding, we will rigorously assess the value for money of the trial proposals. We will only fund those trials for which there is a strong value for money case and agreed deliverability of the policy for Mental Health.</p> <p>Further assurance is provided through the Accountability System Statement's from the Accounting Officers from the DCLG and DoH, who are accountable for the core system by which local authorities and clinical commissioning groups receive central government funding respectively.</p>

### English Forums on Ageing

In 2016-17 we are providing £62,100 for English Forums on Ageing (£6,900 for each of the nine forums) to primarily cover operating cost through transition following cessation of annual government funding. The funds enable the forums to continue to function and respond to government consultations, contribute to policy development, and enable forum members to join alliance working groups, while sourcing a new income stream. Each forum is then better focused on the issues which matter to older people because older people are directly involved in developing the solutions to these issues. The payment will also provide a source of income as they approach other bodies for financial support.

<b>Principle 1</b> – It is clear that there is a well-defined understanding of what <b>resources</b> were provided, for what intention, and what, if any, discretion the recipient has	Forums are given clear guidance on appropriate use of the funding. We have regular contact with forum chairs, helping them to identify issues which need addressing, and providing practical support in developing and delivering their plans. The forums can also access additional funding from other sources including local authorities, Primary Care Trusts, and local businesses.
<b>Principle 2</b> – It is clear that there is a mechanism in place for assessing the <b>outcomes</b> expected from the resources	The funds are distributed in accordance with transition activity plans agreed with each forum. These show how the funding we provide will be used to support transition and the engagement of older people at local level. Each forum submits a plan when applying for funding specifying the outcomes it aims to achieve, with individual activities identified, priced and timed. Forum funds are held by forum members, for example a local civil society organisations. At the end of the financial year each forum is required to provide us with a list of activities that were undertaken and any initial views of the success or otherwise of that programme. These are supported by evidence from discussions via the minutes of their quarterly meetings.
<b>Principle 3</b> – It is clear that there is a robust <b>check</b> of spending and performance data and transactions	We check that plans are consistent with the objectives set out in ‘Empowering engagement: a stronger voice for older people’ <sup>2</sup> before funding is released. The organisation distributing the funding is in turn responsible for their audit in line with their standard procedures (for example the Charity Commission specifies audit requirements for member organisations that are charities). A further requirement is a statement from the auditors (or independent examiner who is a qualified accountant) for each forum on an annual basis.
<b>Principle 4</b> – It is clear that there is an efficient process to <b>challenge</b> those responsible	An operating framework has been agreed with the forums to set an appropriate balance of accountability and governance with local flexibility. Each forum’s expenditure is monitored by its members and scrutinised by us through engagement with the chair. Each forum is informed that any

<sup>2</sup> Published 2009 - <http://www.dwp.gov.uk/docs/empowering-engagement-stronger-voice-older-people.pdf>

for delivering the outcomes and spending the resources	unspent expenditure will be recovered. Records of forum activities, expenditure, and accounts are available for public scrutiny on request.
--	---

## Annex Two

### Other local authority funding streams

#### **Working Well pilot – Salford City Council**

In February 2014 we released an initial instalment of £5.35 million of funding for Working Well. Throughout the 2 year referral period we were provided with monthly performance updates including referral volumes, attachment rates and job outcomes against profile. In March 2016, having discussed performance with Salford City Council at length, we were satisfied the programme was on track to deliver the expected outcomes and therefore agreed to fund the balance of our funding contribution (£1.38million) ensuring Salford City Council was able to continue funding the programme. We continue to receive performance updates from Salford City Council and the net impact evaluation will be available in Autumn 2017.

An expanded Working Well programme (the Personalised Support Service) started taking referrals in April 2016, through initially to March 2017. The total contract value is £12.3 million with match funding from the Greater Manchester Combined Authority. HM Treasury agreed to fund the contract value, via us, to a maximum of £6 million for the entire programme on a payment by results basis. In May 2016 we granted Trafford Borough Council, lead accountable body for Greater Manchester Combined Authority, £1.4 million for financial year 2016-17. The process will be repeated with differing amounts for the 2017-18 and 2018-19 allocations subject to ministerial approval and performance profiling, outcomes and associated savings being met. The two year programme (for each participant) therefore runs through to March 2021.

#### **Working Matters pilot – Glasgow City Council**

In March 2015 we grant-funded Glasgow City Region £4.5 million (50% of the costs) to support a local welfare proposal that was agreed in the Glasgow City Deal. Working Matters is a pilot co-funded by ourselves and the eight Local Authorities which comprise the Glasgow and Clyde Valley Region. The pilot targets claimants in receipt of Employment and Support Allowance to improve their employment outcomes.

Our Central Scotland District receives monthly updates on performance for Working Matters which confirm progress across the 5 stages moving towards employment and the number of people moving into jobs. In addition the district monitors the level of referrals and engagements against profile (4000 over the life of the programme) taking remedial action where there are shortfalls. In terms of ensuring financial compliance, an annual financial return is produced which outlines spend against the key categories we have agreed to pay for, and confirmation of the accuracy of this spend is signed off by the Glasgow City Council Chief Executive. We will be taking forward a full evaluation of the programme, which will include bi-monthly reports, with the first of these due in Autumn 2016

## Annex Three

### Map of departmental accountability relationships

