

Finance and Resources Committee

10.00am, Thursday, 23 March 2017

Provision of internal support services to the Edinburgh Integration Joint Board

Item number	7.5
Report number	
Executive/routine	
Wards	

Executive summary

Following the recent issuing of updated accounting guidance, approval is sought to formalise the Council's position with regard to charging for the provision of internal support services to the Edinburgh Integration Joint Board (EIJB).

Links

Coalition Pledges	P30
Council Priorities	CP13
Single Outcome Agreement	SO1 , SO2 , SO3 , SO4

Provision of internal support services to the Edinburgh Integration Joint Board

1. Recommendation

- 1.1 Members of the Finance and Resources Committee are requested to approve the provision of internal support services to the Edinburgh Integration Joint Board (EIJB) on the basis set out within the report.

2. Background

- 2.1 Formal delegation of functions and resources to the EIJB commenced on 1 April 2016, following approval of the Strategic Plan by the EIJB.

3. Main report

- 3.1 During its first full year of operation, a range of professional services has been provided to the EIJB, including financial, HR, ICT, internal audit and other administrative support. These costs are distinct from (and thus considerably lower than) those incurred by the Council in supporting the services directed by the EIJB.
- 3.2 Based on experience to date across all of Scotland's IJBs, updated technical guidance developed by the Local Authority Scotland Accounts Advisory Committee (LASAAC) was issued in early March 2017. This document sets out, in detail, appropriate accounting arrangements to be adopted across a number of areas, including those relating to the provision of support services.
- 3.3 The LASAAC guidance includes explicit provision for supplying these support services "in-kind" i.e. without an associated recovery of cost, to IJBs. On this basis, the vast majority of councils, as well as their partners in Health, have adopted this approach in order to maximise the level of resources available to the IJB to invest in the delivery of priority outcomes.
- 3.4 The LASAAC guidance additionally indicates that, in the spirit of transparency, the policy in this area should be approved by an appropriate Committee. Where significant, the amount of this in-kind support should also be included in the IJB's financial statements.

Links to Council's governance framework

- 3.5 Following its initial approval in September 2013, a number of changes have subsequently been incorporated in the Council's Corporate Debt Policy, with [the](#)

[most recent update](#) approved by the Corporate Policy and Strategy Committee on 23 February 2016.

- 3.6 While primarily concerned with recovery of sums already billed, the policy, along with related provisions in the Council's [Corporate Charging Policy Framework](#), states that in exceptional services and having regard to the delivery of best value, a recommendation may be made to waive sums otherwise due. Where these sums exceed £3,000, explicit approval from the Finance and Resources Committee is required. Committee's approval is therefore sought to provide the services on the basis outlined in paragraph 3.3 above.

4. Measures of success

- 4.1 Providing services on an in-kind basis will maximise the level of resources available to the EIJB to invest in the delivery of key outcomes.

5. Financial impact

- 5.1 Core budgetary provision for the staff time associated with IJB-related work has been made within the Council's approved revenue budget and, as such, the decision to waive any charge does not hasten a budgetary pressure. In addition, due to the EIJB's status as an independent body (and, as such, unable to recover VAT charged on the provision of professional services to it), the report's recommendations support the wider delivery of best value.
- 5.2 It is furthermore likely that any charge to the EIJB for support services would result in a request for additional funding from the Council to meet this cost.

6. Risk, policy, compliance and governance impact

- 6.1 Adoption of the policy on the basis set out in the preceding paragraphs complies both with relevant professional guidance and the provisions contained within the Council's own governance framework.

7. Equalities impact

- 7.1 There is no direct impact on equalities and rights of the report's contents.

8. Sustainability impact

- 8.1 There is no direct impact on carbon, climate change adaptation or sustainable development arising from the report's contents.

9. Consultation and engagement

- 9.1 The Interim Chief Financial Officer of the EIJB has been consulted on the proposal and is content with the arrangements proposed.

10. Background reading/external references

- 10.1 [Corporate Charging Policy Framework](#), Finance and Resources Committee, 5 June 2014
- 10.2 [Corporate Debt Policy Annual Report](#), Corporate Policy and Strategy Committee, 23 February 2016
- 10.3 [Corporate Debt Policy](#), as revised by above Committee decision

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Links

Coalition Pledges	P30 – Continue to maintain a sound financial position including long term financial planning
Council Priorities	CP13 – Deliver lean and agile Council services
Single Outcome Agreement	SO1 – Edinburgh’s economy delivers increased investment, jobs and opportunities for all SO2 – Edinburgh’s citizens experience improved health and wellbeing, with reduced inequalities in health SO3 – Edinburgh’s children and young people enjoy their childhood and fulfil their potential SO4 – Edinburgh’s communities are safer and have improved physical and social fabric
Appendices	None