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Dr Andrew Goodall CBE
Director General – Health and
Social Services Group/Chief Executive
NHS Wales.
Welsh Government

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Dear Andrew

Regional pooled funds in relation to care home places for older people

My staff have recently completed two reviews looking at residential and nursing care in North Wales, specifically in Conwy County Borough Council and Denbighshire County Council. As part of this work my team spoke with Welsh Government officials in your Social Services and Integration Directorate to inform the work, and again during the clearance of the reports. Copies of these reports are attached.

Whilst these reports look primarily at local arrangements, they also raise some specific concerns about the North Wales regional pooled fund in relation to care home places for older people. This regional pooled fund is a partnership between all six North Wales councils and Betsi Cadwaladr University Health Board.

We found that whilst funding from the relevant organisations is initially deposited into a pooled fund administered by Denbighshire County Council, each contributor gets their funding returned to them 24 hours later. From speaking to Welsh Government officials, we understand that this meets the minimal technical requirements under the Social Services and Well-being (Wales) Act 2014. However, for obvious reasons we have concluded that this neither offers value for money, nor any of the intended benefits of a pooled fund.

Whilst Audit Wales has not tested the arrangements in other regions, we understand they are of a similar nature. This may have been picked up in your review of the implementation of pooled budgets as part of the Pooled Budgets Evaluation Framework, which we understand is due to report shortly.

I wish to highlight this matter with you because it raises some significant concerns around the practical application of pooled budgets for care home provision in North Wales, and potentially more widely in Wales. What we have observed in North Wales appears to fall some way short of the wider benefits of pooled budgets envisaged through the Social Services and Well-being Act (Wales) 2014.

In that regard I would welcome an indication of the actions the Welsh Government plans to take to address these concerns and any specific recommendations that have arisen from work undertaken as part of the Pooled Budget Evaluation Framework.

The sums of public money involved in these arrangements across Wales will amount to several hundred million pounds. You will therefore appreciate that I am looking for some assurance that the necessary arrangements are in place to allow the Welsh Government to deliver its ambition for these pooled funds in ways that represent value for money and deliver the intended benefits for the end service user.

I look forward to receiving your response.

Yours sincerely



ADRIAN CROMPTON
Auditor General for Wales

cc: Albert Heaney, Director - Social Services and Integration, Welsh government
Local Authority and Health Board Chief Executives