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Chief Executives of:  
Flintshire County Council  
Gwynedd Council  
Isle of Anglesey Council  
Wrexham County Borough Council  
Betsi Cadwaladr University Health Board

**Reference:** AC/212/caf

**Date issued:** 30 September 2020

Dear Annwen

### North Wales regional pooled fund in relation to care home places for older people

My staff contacted you on the 30th July 2020 inviting comments on extracts from local reports to Conwy and Denbighshire councils which contained some references to your organisation. The responses we received were helpful and we have now finalised the reports. Copies of these final reports are attached.

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

We found that, in practice, the North Wales pooled fund is no more than a transfer of funds back and forth between the pooled fund host and its contributors. We concluded that the pooled fund does not offer value for money and does not deliver any of the intended benefits of a pooled fund.

In respect of the pooled budget arrangement we proposed to both councils that they **should engage with partners to review the current pooled budget arrangement for residential care for older people, to ensure that transfers of funds between public bodies have a tangible benefit such as better more integrated commissioning of residential and nursing home care.**

I feel it important to draw this to your attention as Conwy and Denbighshire councils cannot action this proposal for improvement alone. This proposal is applicable to all partners contributing to the pooled fund and as such all partners need to play their part in driving improvement.

I have also written to Welsh Government seeking assurance from them over the actions they intend to take to better support delivery of pooled funds in Wales.

As part of our ongoing activities we intend to monitor how North Wales councils, the Health Board and Welsh Government address our concerns about the pooled fund.

If you wish to discuss any aspect of this work, please contact Jeremy Evans or Andrew Doughton

Yours sincerely



**ADRIAN CROMPTON**  
**Auditor General for Wales**

cc: Iwan Davies, Chief Executive, Conwy County Borough Council  
Judith Greenhalgh, Chief Executive, Denbighshire County Council  
Albert Heaney, Director - Social Services and Integration, Welsh Government

Huw Rees, Dave Thomas, Directors, Audit Wales  
Jeremy Evans, Audit Manager, Audit Wales  
Andrew Doughton, Audit Lead, Audit Wales

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

**Reference:** AC/211/caf

**Date issued:** 30 September 2020

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