

MEETING	Audit and Governance Committee
DATE	30 November 2020
TITLE	Letters from the Auditor General for Wales
PURPOSE	To present 2 letters from the Auditor General for Wales, dated 30 September 2020 – <ul style="list-style-type: none">• North Wales regional pooled fund in relation to care home places for older people (Appendix 1)• Regional pooled funds in relation to care home places for older people (Appendix 2)
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1. The first letter (**Appendix 1**) was sent by the Auditor General for Wales to the chief executives of Flintshire, Gwynedd, Isle of Anglesey, and Wrexham Councils, and Betsi Cadwaladr University Health Board, following receipt of comments on extracts from local reports to Conwy and Denbighshire councils which contained a reference to Gwynedd Council as one of the north Wales region's local authorities.
2. The second letter (**Appendix 2**) was sent by the Auditor General for Wales to Dr Andrew Goodall CBE, Director General for Health and Social Services / Chief Executive NHS Wales at Welsh Government, following the completion of two reviews looking at residential and nursing care in north Wales, specifically in Conwy and Denbighshire councils.
3. Audit Wales and Welsh local authorities have different views on this, and I emphasize that it is not a 'Gwynedd Council issue'. Along with other regions on each health board's footprints, the north Wales region has established a pragmatic solution to the pooled budget problem created by requirements of the Social Services and Well-being (Wales) Act 2014.
4. While appearing to be absurd out of context, the pragmatic action taken here allows this region's local authorities to meet our responsibilities under the Act. That legislation created concerns regarding accountability and a risk was identified that the pooled budget would be too large to be controlled effectively.
5. In practice, the quarterly exchange of funds provides value for money by avoiding handing over control of a significant part of our authorities' budgets. It also complies with the Act's requirements, and identifies the scale of relevant operations across the region. Unfortunately, the national legislation put the (pooled budget) cart before the horse (wholly integrated working and proper governance arrangements), while the regional response wisely minimises the risk.

6. I hope this explanation helps committee members to understand the reasons behind our region's pragmatic solution. Further, I trust that committee members will appreciate that before effecting any change we would need to reconsider agreements between local authorities and health boards in several Welsh regions, as well as re-igniting sensitive negotiations with Welsh Government Ministers and officials.

7. **RECOMMENDATION**

Members of the Audit and Governance Committee are asked to note the position of the region's local authorities and health board, further to the Auditor General's letters.