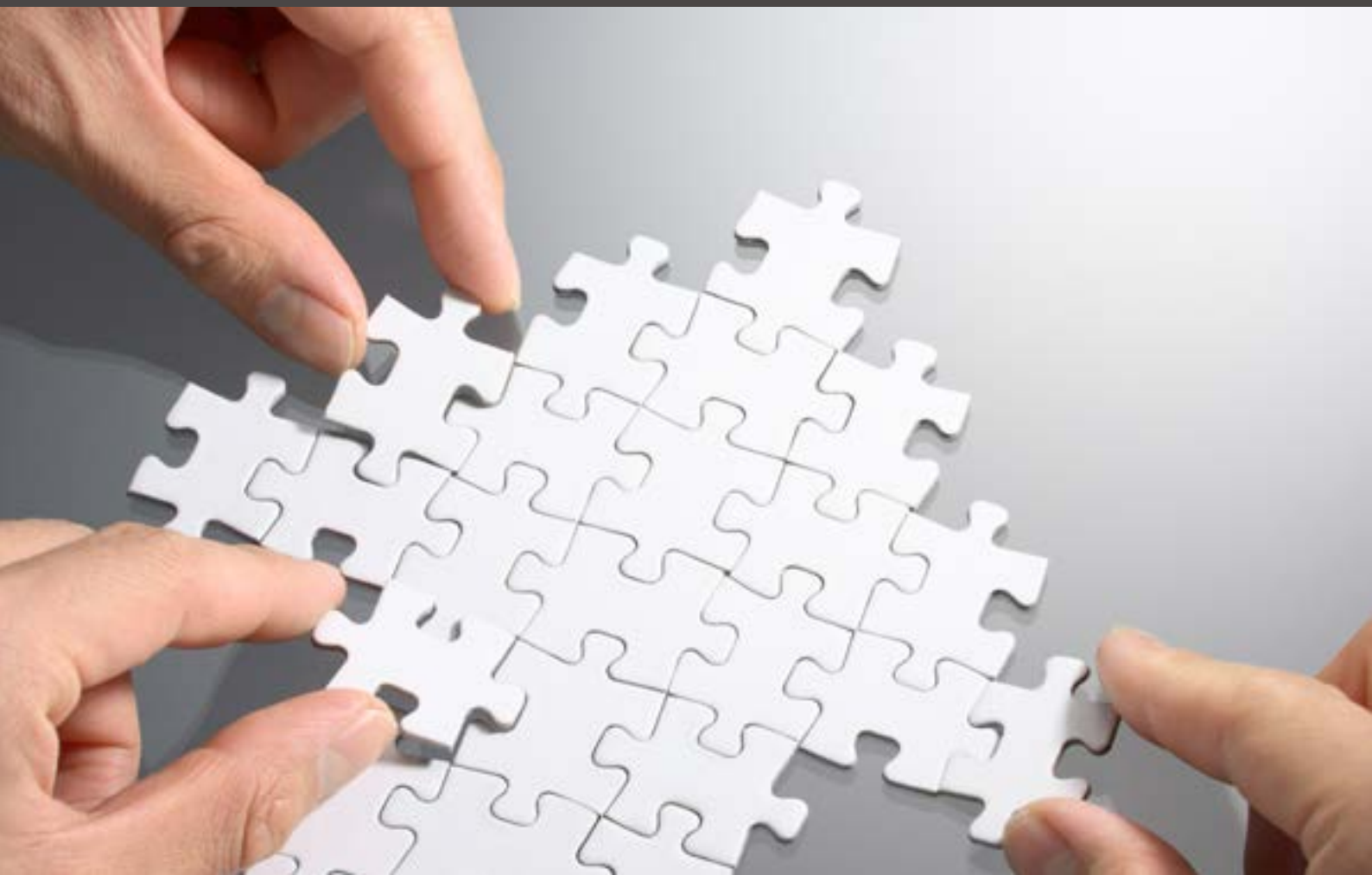
July 2019

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Integrated Care Fund

WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU



This report has been prepared for presentation to the National Assembly under the Government of Wales Acts 1998 and 2006, and the Public Audit (Wales) Act 2004.

The Wales Audit Office study team comprised Anne Beegan, Allison Rees, David Wilson, Fflur Jones, Matthew Brushett, Nathan Couch and Philippa Fido under the direction of Matthew Mortlock.

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

The Auditor General is independent of the National Assembly and government. He examines and certifies the accounts of the Welsh Government and its sponsored and related public bodies, including NHS bodies. He also has the power to report to the National Assembly on the economy, efficiency and effectiveness with which those organisations have used, and may improve the use of, their resources in discharging their functions.

The Auditor General also audits local government bodies in Wales, conducts local government value for money studies and inspects for compliance with the requirements of the Local Government (Wales) Measure 2009.

The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales. We welcome telephone calls in Welsh and English. You can also write to us in either Welsh or English and we will respond in the language you have used. Corresponding in Welsh will not lead to a delay.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

Summary 6

Recommendations 13

1 The fund has helped to bring organisations together to plan and provide services 15

Health and social care partnerships have been around for some time but integrated working prior to the fund was limited 16

The fund has provided an impetus for regional partners to develop integrated services and to move to joint funding arrangements in the context of wider policy and legislation 17

2 Aspects of the way funding has been allocated by the Welsh Government and used by regional partners have limited the potential of the fund to date 19

Changing expectations, issues with the timeliness of funding allocation processes and short-term horizons have hampered regional delivery 20

The Welsh Government is taking steps to address the annual nature of the fund and issued the 2019-20 guidance in a timelier way 29

Regional Partnership Boards can find it difficult to balance local population needs with the Welsh Government's indicative allocations for target groups 30

Regional Partnership Boards use their allocations in different ways, not all of which have supported a regional focus 32

3 Governance arrangements for the fund need to be further developed to strengthen central oversight and ensure greater consistency across the regions 35

The Welsh Government has established governance arrangements for the fund but needs to do more to consider how its actions impact on regional partners and integrate funding streams 36

The Welsh Government's staffing capacity to support regular and timely oversight of the fund has been limited 37

Regional Partnership Boards frequently delegate responsibility for the fund to a sub-group and there is limited scrutiny of the use of the fund by health boards and local authorities 38

The rigour of project management varies between regions and organisations, and few projects involve service users at the outset 40

4 Despite positive examples, the overall impact of the fund in improving outcomes for service users remains unclear, with little evidence of successful projects yet being mainstreamed 41

Regional Partnership Boards identify a range of positive case studies, but the Welsh Government's central monitoring arrangements do not yet provide a basis on which to assess the fund's overall impact 42

There is little evidence that successful projects have yet been mainstreamed and funded as part of public bodies' core service delivery, although the Welsh Government has re-emphasised its expectations 44

Appendices 48

Appendix 1 – Audit methods 49

Appendix 2 – Map of Regional Partnership Boards as at 31 March 2019 51

Appendix 3 – Distribution of the fund between 2014 and 2019 52

Appendix 4 – Breakdown of the number and scale of projects between 2014 and 2019 53

Appendix 5 – Key findings from our surveys of RPB members and project leads 55

Appendix 6 – Progress against a previous recommendation 57

Summary report

Summary

1 The Integrated Care Fund (the fund) is allocated by the Welsh Government across Wales. The aim of the fund is to drive and enable integrated working between social services, health, housing and the third sector and independent providers to develop sustainable services.

2 The Welsh Government first established the fund on a one-year basis for 2014-15 (as the Intermediate Care Fund[1]). At that time, the Welsh Government focused the fund on supporting older people and helping to avoid unnecessary hospital admissions, or inappropriate admission to residential care. It also focused on preventing delayed discharges from hospital and reducing the rates of delayed transfers of care.

3 After some continued funding in 2015-16, the Welsh Government extended the scope of the fund for 2016-17 to include:

a children and adults with complex needs;

b children and adults with learning disabilities; and

c the Integrated Autism Service (Exhibit 2).

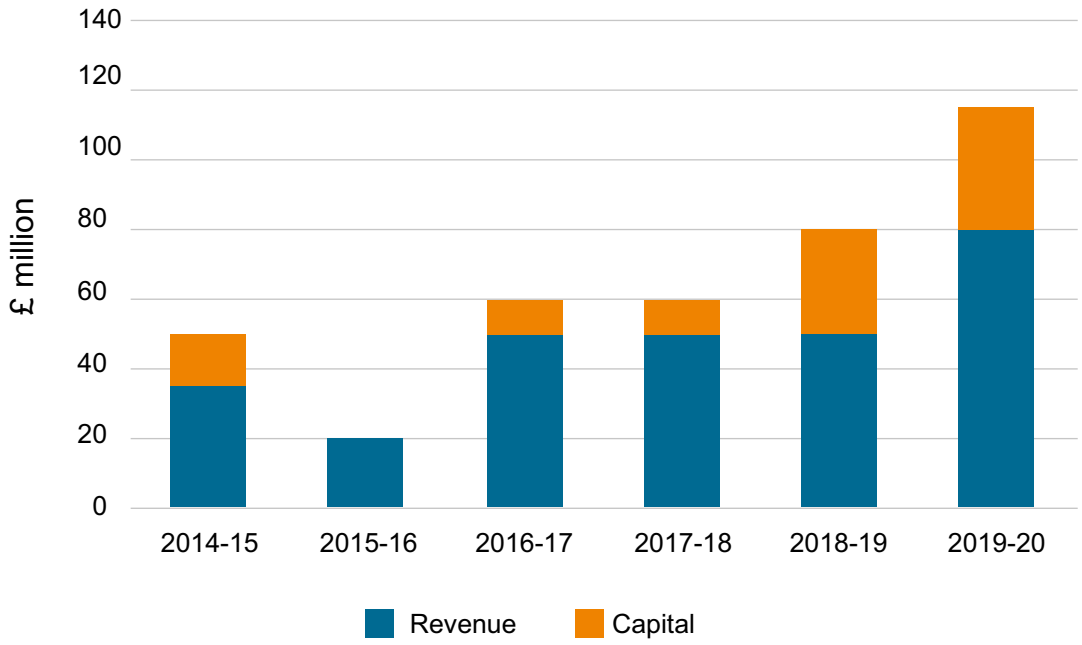
4 In 2017-18, the Welsh Government extended the scope of the fund again to include carers (of all ages), and the Welsh Community Care Information System[2] (Exhibit 2).

5 Since the inception of the fund, the Welsh Government has made a total of £270 million available up to March 2019. Except for 2015-16, there have been both capital and revenue-based allocations each year (Exhibit 1). For 2019-20, the Welsh Government has increased the capital allocation to £35 million. The revenue allocation has increased to £80 million, resulting in a total fund allocation of £115 million.

1 In 2017, the Welsh Government changed the name to the Integrated Care Fund to better reflect its aim of driving integrated working.

2 As part of our wider programme of work, we are taking forward a separate examination of the implementation of the system.

Exhibit 1: total funds available between April 2014 and March 2020



Note: Revenue funding supports spending on staffing and administrative expenses. Capital funding supports purchasing and improving assets, including land, buildings, equipment and vehicles.

Source: Wales Audit Office analysis of Welsh Government guidance.

6 The Welsh Government distributes the fund across Wales to the seven Regional Partnership Boards (RPBs)[3] based on a range of funding principles[4]. The RPBs, aligned geographically with the seven health boards (Appendix 2), are responsible for overseeing and managing the use of the fund in their area. The health boards receive the funds and act as the banker on behalf of the respective RPB. Appendix 3 provides a breakdown of how the Welsh Government has allocated the fund across the RPBs in the period from April 2014 to March 2019.

3 The **Social Services and Well-being (Wales) Act 2014** established RPBs in 2016. RPBs are responsible for ensuring that partner organisations work effectively together to identify needs within the regions' population (a population assessment). They are also responsible for developing and managing an area plan to address those needs.

4 The Welsh Government allocates the fund across the different strands of the programme, some of which is held centrally for the national initiatives. Funding focused on older people is allocated based on the 'Townsend' formula which is also used for the wider allocation of NHS Wales resources to health boards. Funding focused on children, and adults with learning disabilities, is based on a prescribing formula. Although a priority group, there is no discrete funding for carers.

7 The fund can support new initiatives (or projects), as well as the extension of existing initiatives to a broader area. The Welsh Government's intention is that successful initiatives are sustained but mainstreamed into organisations' core business and supported by other funding streams.

8 RPBs must use the fund in line with Welsh Government guidance. The RPBs approve revenue projects. They then submit an annual Revenue Investment Plan to the Welsh Government setting out how the fund will be used. The RPBs submit proposals for the use of capital funds to the Welsh Government for approval. The RPBs must demonstrate how the proposed projects complement key policies/legislation, including the Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015.

9 Exhibit 2 sets out some examples of funded projects. Appendix 4 provides further information about the number and scale of projects supported across Wales between April 2014 and March 2019.

Exhibit 2: examples of funded projects

(Older People)

'The Bay' Reablement Unit – (Cardiff and Vale RPB)

'The Bay' is a six-bed unit providing a bridge between hospital discharge and home for those who require additional time in a supportive environment to maximise their independence.

(Older People)

'Stay Well @ Home' – (Cwm Taf RPB)

'Stay Well @ Home' is a range of services developed to help keep people well and independent at home and prevent admission to hospital. Services include the Community Integrated Assessment Service, the Community Ward, Community Intra Venous Therapy and Reablement.

(Children with complex needs)

Multi Agency Placement Support Service (MAPSS) – (Western Bay RPB)

The regional MAPPS helps looked-after children with, or at risk of, mental illness and/or emotional and/or behavioural difficulties, by providing specialist placement support.

(Children with complex needs)

Egwyl Fer (Short Breaks) – (North Wales RPB)

This initiative developed and enhanced the provision of Short Breaks for disabled children with complex needs and/or learning disabilities. This initiative offers a variety of short-break options to meet the needs of children, young people, and their families following multiagency assessments.

(Learning disabilities)

The Social Zone Café – (West Wales RPB)

'Caffi Man Cwrdd' or 'The Social Zone Café' is a supported employment café which provides work experience, training and employment opportunities in catering, food and customer service for people with learning disabilities in Pembrokeshire.

(Learning disabilities)

Return to Home – (Powys RPB)

The Return to Home project supports people with learning disabilities to lead meaningful and valued lives within their own communities. The project has supported the development of assessment processes to support people to relocate back to Powys and has included the construction of a six-bed unit in Welshpool.

(Carer)

Supporting life alongside caring – (Greater Gwent RPB)

To help support life alongside caring and respite, the partnership has developed a Small Grants Scheme for carers. The aim is to support carers in different aspects of their caring role. The Carers Trust runs the scheme on behalf of the region. The scheme is open and accessible to all carers over the age of 16.

Integrated Autism Service – (all RPBs)

(IAS)

The Integrated Autism Service is part of the Welsh Government's commitment set out in its refreshed Autistic Spectrum Disorder Action Plan to improve services for individuals identified as autistic, and their families and carers. Rolled out across the regions over the three-year period 2016-17 to 2018-19, the service provides adult diagnostic assessment, support and advice.

Welsh Community Care Information System – (all RPBs)

(WCCIS)

The Welsh Community Care Information System is a computer system designed to help health and social care professionals work together to provide care closer to people's homes. The system is being rolled out across Wales over a three-year period starting from 2017-18.

Source: Wales Audit Office analysis of RPB monitoring returns to the Welsh Government.

10 On behalf of the Auditor General for Wales, we have examined whether the fund is being used effectively to deliver sustainable services that achieve better outcomes for service users. We have focused on whether the Welsh Government is effectively managing the fund to deliver against its intentions, as well as understanding whether RPBs are demonstrating effective use of the fund. We also considered whether the projects supported by the fund are making a clear difference at a local level.

11 Appendix 1 sets out our audit methods, which included a survey of RPB members and leads of projects supported by the fund. Appendix 5 provides more detail about responses to our surveys. We provided feedback about regional arrangements to each of the RPBs in autumn 2018. We also provided feedback on our emerging findings to the Welsh Government. We note in the main body of this report where the Welsh Government has already acted to address the issues we identified.

12 In 2015, we published a report[5] on the independence of older people. In that report, we made a recommendation to local authorities, health bodies, third-sector partners and the Welsh Government in relation to the fund. Appendix 6 sets out our assessment of progress against that recommendation.

5 Auditor General for Wales, **Supporting the Independence of Older People: Are Councils Doing Enough?** October 2015.

13 Overall, we have concluded that **the fund has had a positive impact, supporting improved partnership working and better integrated health and social care services. However, aspects of the way the fund has been managed at national, regional and project levels have limited its potential to date. There is little evidence of successful projects yet being mainstreamed and funded as part of public bodies' core service delivery.**

14 **The fund has helped to bring organisations together to plan and provide services.** Partnerships between health and social care bodies have been around for some time but integrated working prior to the fund was limited. The fund has provided an impetus for partners to develop integrated services and to move to joint funding arrangements in the context of wider policy and legislation. The feedback we received from RPB members and project leads reflected generally positive views in this regard.

15 **Aspects of the way funding has been allocated by the Welsh Government and used by regional partners have limited the potential of the fund to date.** The changing and expanding scope of the fund has created challenges for RPBs. Despite attempts by the Welsh Government to provide early information, the late issuing of guidance and notification of allocations has previously created difficulties for regional planning with knock-on impacts on the approval of capital bids and the subsequent allocation of funds. In addition, the annual nature of the fund in its early years has also led to a short-term approach, rather than promoting strategic planning of longer-term changes. The Welsh Government is taking steps to address the annual nature of the fund and issued the 2019-20 guidance in a timelier way.

16 RPBs can find it difficult to balance local population needs with the Welsh Government's indicative allocations for target groups. Other short-term funding streams from the Welsh Government focusing on the same target groups, but with differing criteria, also make it difficult for RPBs to take a combined approach. The RPBs use their allocations in different ways, not all of which have supported a regional focus. The Welsh Government has re-emphasised its desire for regional approaches in the 2019-20 guidance and as part of its scrutiny of investment plans. Other variations include the approach to funding central co-ordination, third-sector involvement and the approach to agreeing projects, with limited sharing and learning of the approaches used across Wales.

17 **Governance arrangements for the fund need to be further developed to strengthen central oversight and ensure greater consistency across the regions.** The Welsh Government has established governance arrangements for the fund. However, we found that through its project board, and in general terms, the Welsh Government could do more to consider how its own actions impact on regional partners and integrate funding streams. The Welsh Government's staffing capacity to support regular and timely oversight of the fund has also been limited. The Welsh Government has already made some changes to respond to these issues.

18 At a regional level, RPBs frequently delegate responsibility for the fund to an RPB sub-group. Each of the RPBs has in place a memorandum of understanding setting out their agreed decision-making process. However, our work has identified that there is very little scrutiny of the decisions made by the RPBs by health boards and local authorities, with a general lack of awareness across those organisations about how the fund is being used. At a project level, the rigour of project management varies between regions and organisations, and few projects involve service users at the outset.

19 **Despite positive examples, the overall impact of the fund in improving outcomes for service users remains unclear, with little evidence of successful projects yet being mainstreamed.** RPBs identify a range of positive case studies but the Welsh Government's central monitoring arrangements do not yet provide a basis on which to assess the fund's overall impact. RPBs undertake quarterly monitoring of projects but the information gathered has tended to focus on the outputs from the funding rather than outcomes for service users. The Welsh Government and the RPBs recognise the need to strengthen outcome reporting and the Welsh Government intends to commission some wider evaluation work having decided to postpone a previously announced evaluation given the plans for our own work. In addition, the Welsh Government intends to publish an annual report on the use of the fund in 2018-19 by September 2019.

20 There is little evidence that successful projects have been mainstreamed and funded as part of public bodies' core service delivery. RPBs have found it difficult to convince partner organisations to invest in projects, not helped by a lack of project evaluations but also in the context of wider funding pressures. The Welsh Government recognises the challenges that RPBs face in mainstreaming but has not previously provided any detailed guidance. The guidance for 2019-20 does now include a clear expectation that revenue investment plans include exit strategies for each project. However, further practical support would be helpful, building on an existing annual shared learning event.

Recommendations

21 Our recommendations are intended to help support the Welsh Government and the RPBs improve the arrangements for managing the fund. However, they may also be relevant to other Welsh Government funding streams, such as the NHS Transformation Fund[6]. In addition, we consider the recommendations that we made in our 2015 report on the independence of older people remain relevant (Appendix 6). Our feedback to RPBs on regional arrangements identified areas for improvement specific to individual regions to address local issues.

Recommendations

Timeliness of guidance and decision-making

R1 We recommend that the Welsh Government:

- keeps under review whether the earlier issuing of guidance has mitigated the issues raised in previous years in relation to the timeliness of decision-making in respect of project funding; and
- considers whether any further improvements in the process can be made.

Multiple short-term funds available for health, social care and housing

R2 Building on previous mapping work, we recommend that the Welsh Government review all the short-term funding streams available to health, social care and housing partners and the respective criteria and, where practical, makes appropriate changes to:

- minimise duplication;
- ensure that the purpose of the funding streams are complementary and that the collective allocations for specific groups of people align with the local population needs, as well as the Welsh Government priority areas; and
- ensure that the regional partner organisations, where relevant through the RPBs, can take a combined approach to the use of the funding streams available to them.

6 The Welsh Government's NHS Transformation Fund 2018-2020 must be used towards achieving the commitments made in **A Healthier Wales: our Plan for Health and Social Care**, June 2018.

Recommendations

Project board arrangements

R3 We recommend that the Welsh Government further strengthens its governance arrangements for the fund by reviewing the membership of its project board to include representation from outside of the departments directly involved in the fund to provide some independent challenge.

Regional Partnership Board scrutiny arrangements

R4 We recommend that the Welsh Government works with NHS bodies and local authorities to ensure that appropriate scrutiny arrangements are in place for decisions made by the RPBs on behalf of those bodies.

Project monitoring

R5 We recommend that the Welsh Government works with RPBs to:

- agree key outcome measures which are expected to be achieved, and monitored, for the different target groups in receipt of the fund. Where possible, these measures should align to wider outcome measures set out in national outcome frameworks already in place;
- make clear how the information gathered is used centrally; and
- streamline the reporting requirements for revenue and capital projects, where practical to do so.

Shared learning and mainstreaming projects

R6 We recommend that the Welsh Government increases its support for shared learning across the RPBs with a particular focus on:

- approaches to managing the fund, in the context of the variation highlighted in this report; and
- overcoming challenges to mainstreaming successful projects.

Part 1

The fund has helped to bring organisations together to plan and provide services

Health and social care partnerships have been around for some time but integrated working prior to the fund was limited

1.1 Health and social care partnership forums have existed for some time. In 2003, the Welsh Government required key public bodies to work together to set out how they would meet the needs of their local populations in a health, social-care and wellbeing strategy for their local area[7]. To drive this agenda forward, public bodies established partnership forums (or steering groups) across the different areas. These forums were established on the footprint of the 22 local authorities working with the 13 NHS trusts and the 22 local health boards that existed at that time. Following NHS reconfiguration in 2009, the integrated health and social-care partnership forums started to merge, forming seven partnership forums. Those partnership forums provided the basis of the RPBs that are in place today.

1.2 The previous partnership forums had no statutory basis. The only requirement that the Welsh Government placed on the partnership bodies was to produce the local health, social-care and wellbeing strategy. Partnerships explored the potential to pool funds to develop integrated services that would support the delivery of their local strategies. However, there were only a handful of Section 33 agreements[8] or jointly funded posts or services prior to the introduction of the fund in 2014. The willingness of key public bodies to release funds into joint arrangements was a key barrier.

7 Welsh Assembly Government, **Health, Social Care and Well-being Strategies, Policy Guidance**, February 2003.

8 Section 33 of the **National Health Service Act 2006** makes provision for NHS bodies and local authorities to enter into agreements which can include the establishment and maintenance of a fund which is made up of contributions of one or more NHS body, and one or more local authority, to provide a service or function.

The fund has provided an impetus for regional partners to develop integrated services and to move to joint funding arrangements in the context of wider policy and legislation

1.3 The introduction of the fund in 2014 provided a fresh opportunity for the partnership forums to develop integrated services and to start to build the willingness of public bodies to commit to working together, a key aim of the fund when first established. The requirement of the Social Services and Well-being (Wales) Act 2014 for the establishment of RPBs by April 2016 emphasised the need for partnerships to increase service integration. The Act also required RPBs to establish pooled funds by April 2016. These are now in place across the seven RPBs, focused on areas such as Integrated Family Support Services and Community Equipment Services. Pooled funds have also been in place since April 2018 for the commissioning of adult care home provision.

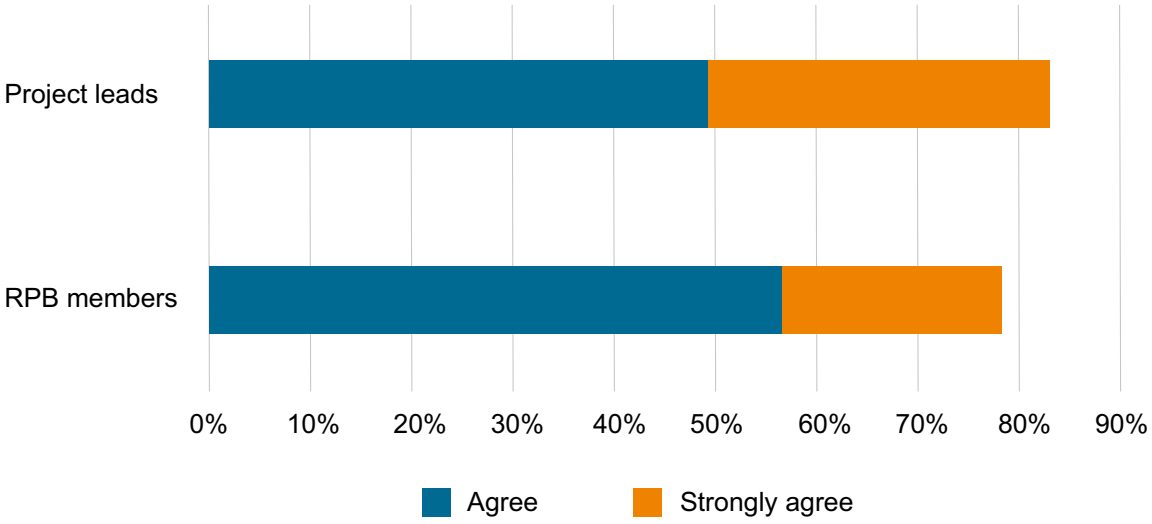
1.4 During our work, Welsh Government officials emphasised to us that the maturing of partnership arrangements because of the fund had provided a solid basis for taking pooled funding arrangements forward. This was echoed in the Health and Social Care Plan **A Healthier Wales** published in June 2018. The plan was positive about the way partnerships, and more specifically the RPBs, had created integrated models of care using the fund.

1.5 Several of the projects funded have also been supported by other funding sources, demonstrating the commitment by the partner organisations to ensuring the projects are successful, although such examples are not widespread. This has either included core funding or funds made available to individual organisations through additional revenue allocations from the Welsh Government, such as the NHS 'winter pressures' funding.

1.6 Feedback from those we met at a regional and project level also emphasised that the fund had been a catalyst to improved partnerships and joint working. Many individuals spoke about an increased commitment to partnership working since the creation of the fund. Importantly, they also commented on an increased focus on improved outcomes for the service users.

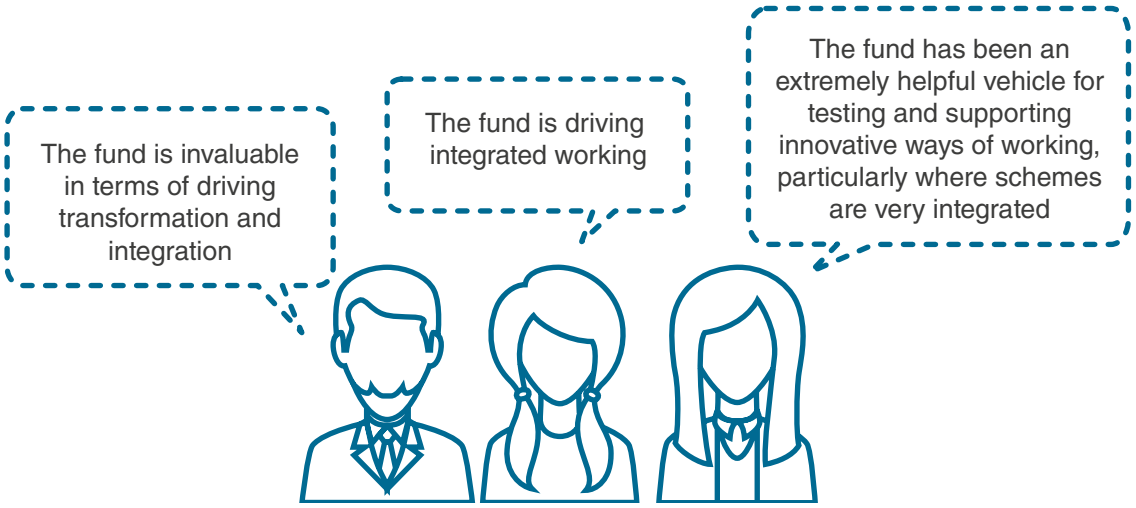
1.7 As part of our surveys of RPB members and project leads, we asked about the impact of the fund on partnership working. The responses we received confirmed generally positive views about the impact that the fund has had on strengthening partnership working (Exhibits 3 and 4).

Exhibit 3: percentage of people surveyed who agreed or strongly agreed that the Integrated Care Fund is helping to drive integrated working between key partners.



Source: Wales Audit Office survey of RPB members and project leads.

Exhibit 4: respondents to our survey told us that…



Source: Wales Audit Office survey of RPB members and project leads.

Part 2

Aspects of the way funding has been allocated by the Welsh Government and used by regional partners have limited the potential of the fund to date

Changing expectations, issues with the timeliness of funding allocation processes and short-term horizons have hampered regional delivery

The changing and expanding scope of the fund has created challenges for Regional Partnership Boards

2.1 The Welsh Government issues annual guidance for both the revenue and capital elements of the fund. Since the introduction of the fund in 2014-15, there have been annual changes to the criteria that the regional partners need to meet. The Welsh Government has emphasised to us that some of these changes have been informed by feedback from partner organisations and supported by an overall increase in funding.

2.2 When introduced in 2014-15, the focus of the fund was for a single year to support older people, particularly the frail elderly. The Welsh Government designed it to be used for new, innovative and integrated services which would help avoid unnecessary hospital admissions, or inappropriate admission to residential care. It also focused on preventing delayed discharge from hospital and reducing the rates of delayed transfers of care. Following positive feedback from the regional partners, the Welsh Government agreed to continue revenue funding for 2015-16. The purpose of the continued funding was to take forward existing projects deemed to be effective in linking out-of-hospital NHS care[9] and social care. Towards the end of 2015-16, the Welsh Government confirmed that the fund would be available for new projects for the financial year 2016-17.

9 Out-of-hospital NHS care is provided outside of a major hospital setting, usually by primary and community-based services such as GPs and district nurses.

2.3 During 2016-17, the Welsh Government made a commitment to make the fund available on an annual basis up to 2021. The focus broadened to provide support to additional distinct population groups: children with complex needs, and children and adults with learning disabilities. The Welsh Government also retained an element of the fund to support the development and implementation of an Integrated Autism Service, overseen through national arrangements. Revenue projects within the new population groups also needed to have a reablement[10] focus, reducing longer-term care and a reliance on services provided outside of Wales. The focus of capital funds also changed from small-scale housing adaptations to support independent living, to larger adaptations and development of reablement and step-down schemes[11]. The Welsh Government made a separate fund available to support housing adaptations previously supported through the fund[12].

2.4 For 2017-18, the fund was rebranded from the Intermediate Care Fund to become the Integrated Care Fund. This rebrand reflected the broadened focus and scope of the fund as a mechanism for RPBs to support delivery of the Social Services and Well-being (Wales) Act 2014. The focus on older people was realigned to those with long-term or complex needs, including dementia. The fund was also extended to include carers, including young carers. The Welsh Government retained an element of the fund to support the roll-out of the Welsh Community Care Information System (WCCIS).

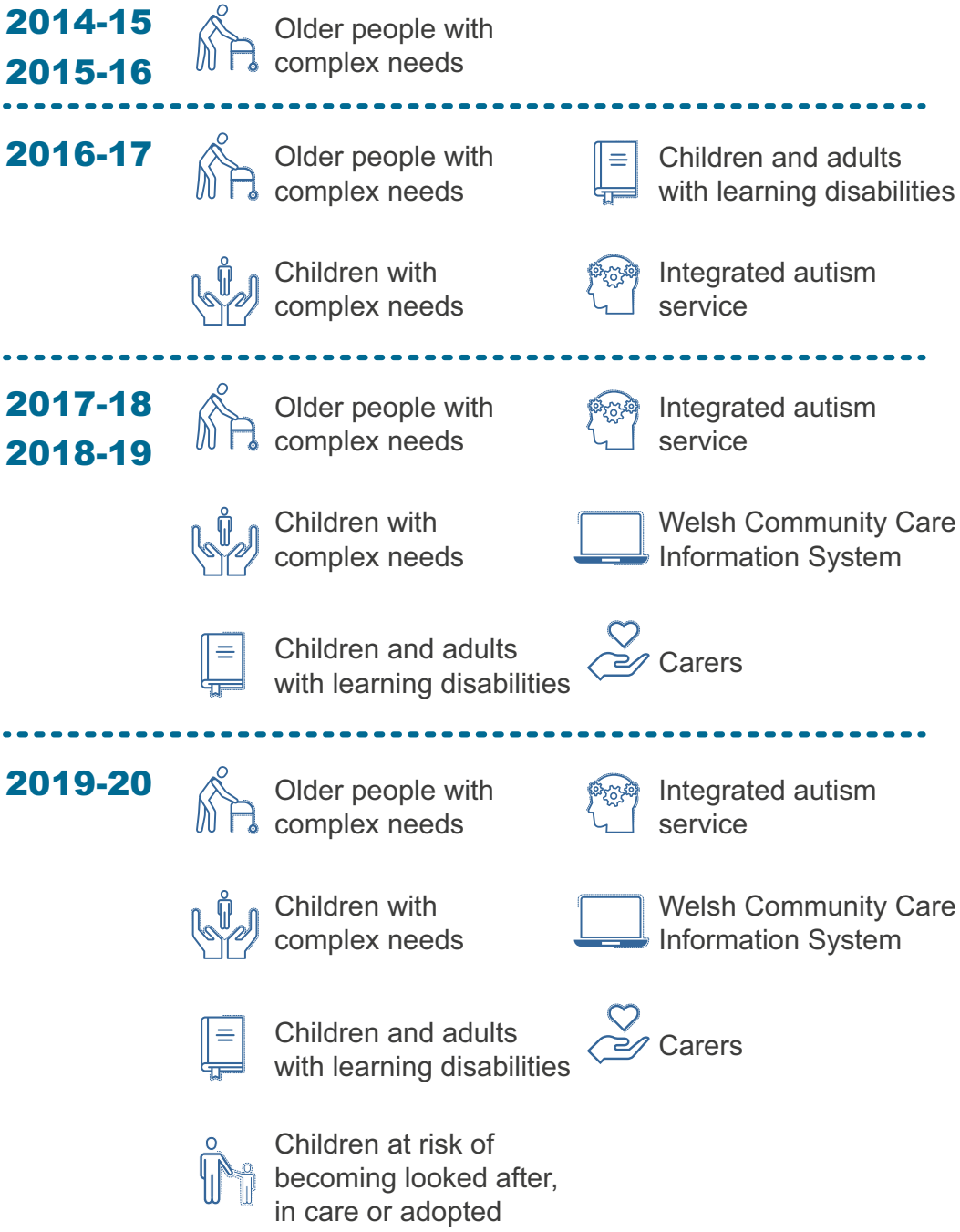
2.5 For 2019-20, the fund has now been extended to include children at risk of becoming looked after, in care or adopted. The Welsh Government allocated an additional £15 million allocation for this group as part of the overall £30 million increase in revenue funding (Exhibit 1). Exhibit 5 shows the priority groups in receipt of the fund from 2014-15 to 2019-20.

10 Reablement is defined as short-term care, usually provided at home, to aid recovery after hospital.

11 Step-down schemes provide low-intensive support for patients who are medically well and no longer require the care provided in an acute hospital ward, but who are not yet able to go home. Schemes usually provide short-term care and can be based within community hospitals or care homes.

12 The Welsh Government provided a separate allocation of £4 million to the enhanced adaptations system 'Enable – Support for Independent Living' from 1 April 2016. In February 2018, the Auditor General for Wales published a report on Housing Adaptations.

Exhibit 5: priority groups and projects in receipt of the fund, 2014-15 to 2019-20



Note: the total value of the fund – revenue and capital – has increased from £50 million in 2014-15 to £115 million in 2019-20 (Exhibit 1).

Source: Wales Audit Office analysis of Welsh Government guidance.

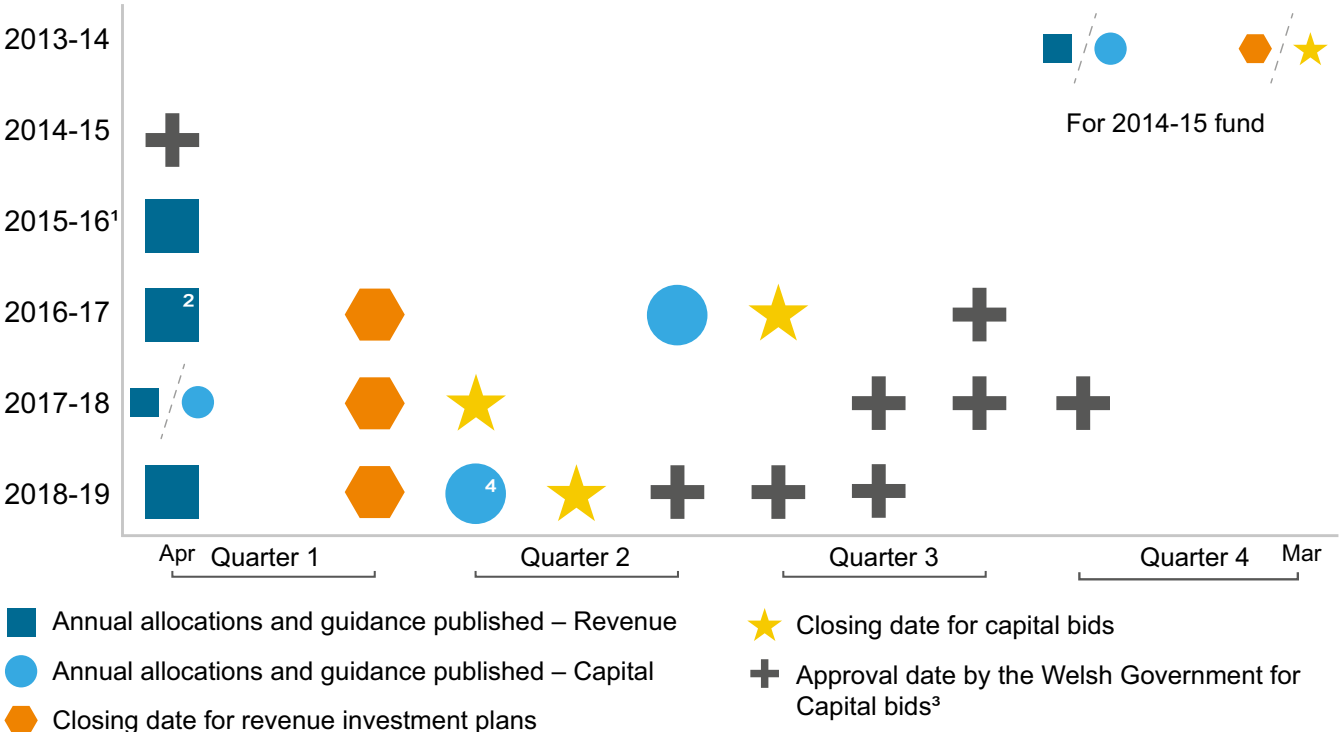
2.6 RPBs have welcomed the changes to the fund and the introduction of additional population groups. However, we identified that, over time, RPBs have felt that the criteria of the fund have become too prescriptive. They stated that they find it difficult to identify and approve revenue projects that continue to satisfy the range of criteria, particularly for population groups that have been supported for some time.

2.7 Changes in the Welsh Government's reporting requirements for RPBs have also presented challenges. These changes have required regional partners to adapt their reporting arrangements for projects that have run over more than one year. They have also meant that the ability to undertake year-on-year comparisons for these projects has been limited.

Despite attempts by the Welsh Government to provide early information, the late issuing of guidance and notification of allocations has previously created difficulties for regional planning

2.8 The timeliness of the Welsh Government's revenue and capital guidance, and the subsequent allocation of the funds, was consistently raised as an issue which affected the ability of the RPBs to use and manage the fund effectively. For 2014-15, the Welsh Government issued its guidance in January 2014. However, for 2015-16 to 2018-19 this did not happen until the beginning of, or months into, the relevant financial year (Exhibit 6). This has then had an impact on the timelines for submissions of plans by the RPBs, the approval process and subsequent release of funds. Except for 2014-15, capital funding has also not been agreed until quarter three or, in one case, quarter four of the financial year. This is despite the requirement for the RPBs to spend the money by the end of the financial year. The Welsh Government has worked to issue more timely guidance for 2019-20 (paragraphs 2.24 to 2.29).

Exhibit 6: timeline for the publication of guidance and allocations and funding approvals, 2014-15 to 2018-19



Notes:

1. In 2015-16, the Welsh Government issued a letter rather than formal guidance. This was due to the fund being used to extend existing successful projects for a further year or to extend good practice projects across Wales. Regional leads simply had to notify the Welsh Government where there was a significant change in their programme. There were no capital monies available in 2015-16.
2. In 2016-17, the Welsh Government held back £15 million from the revenue fund, notifying RPBs that the remaining fund would be used to support preventative services across the differing population groups. A total of £13 million was subsequently issued to the regions in September 2016 with the remaining £2 million held by the Welsh Government.
3. The Welsh Government does not approve the revenue bids, this is done by the RPBs. The Welsh Government instead satisfies itself that the revenue investment plans put together by the RPBs meet the criteria of the fund and make full use of the allocations available.
4. The Welsh Government has noted that the timings for an internal review of the ICF capital programme, which ultimately led to a three-year capital allocation (paragraph 2.24), did not allow for joint guidance to be issued for 2018-19.

Source: Wales Audit Office analysis of Welsh Government guidance, allocation and confirmation letters.

2.9 The Welsh Government provides early verbal indications to regional leads of their expected allocations and any intended changes to the use of the fund prior to issuing formal guidance, to enable them to start to plan. However, the RPBs told us that they have been reluctant to plan their use of the fund on a large scale prior to receiving formal notifications due to the changing expectations of the fund to date. In addition, some RPBs have received early indications of funding which later changed.

2.10 Some RPBs have begun an earlier planning cycle based on their indicative allocations. Nevertheless, these uncertainties and timing issues have impacted on the RPBs' preparedness and ability to plan an annual work programme which best uses their annual allocation. The Welsh Government has tried to address the uncertainty around the population groups by setting out in the guidance for 2017-18 that the priority areas would remain the same for the next three years. However, the priority areas have changed with the fund now extended to include children at risk of becoming looked after, in care or adopted, for 2019-20.

2.11 In 2018-19, the Welsh Government also made available a separate fund specifically for dementia which was administered through the Integrated Care Fund process and guidance. The separate fund to support the Dementia Action Plan for Wales 2018-2022 accounted for an additional £5 million, made available to RPBs. Although there was reference in the annual guidance for the fund, detailed guidance on the use of dementia monies was not made available until September 2018. That guidance indicated that dementia projects already supported through the fund could not be shifted across to the new dementia monies. Many RPBs identified that had they known that this restriction would be placed on them, they would have held off from submitting dementia-related projects as part of their general revenue investment plans, and instead focused their projects on other complex-need groups.

2.12 The guidance for the fund has continued to encourage the development of projects that combine revenue and capital funding[13]. However, even where the guidance and allocations have been published at the same time, the requirement for the Welsh Government to approve capital bids has added a substantial gap between the two funding-stream timelines. These issues have presented missed opportunities in making the most strategic use of the fund, with very few projects making use of both streams.

13 The 2018-19 guidance states that the fund can be used so revenue supports capital-funded projects, such as staffing for new-build provision.

The annual nature of the fund in its early years has not promoted strategic planning and effective use of the fund

2.13 The Welsh Government has been clear that the allocated funds must be used by the end of the financial year that they are intended for. Many of the RPBs have expressed their frustration at the short-term annualised focus on the fund which they say has led them to short-term planning and delivery, restricting their ability to plan more strategically over a longer timeframe. In practice, this has meant that many projects put forward are based on their ability to be initiated and concluded quickly, and not those that over a longer period could have a greater impact.

2.14 The annual guidance from the Welsh Government has clearly stated that the fund should be used to pump-prime new and innovative projects, which can include remodelling or upscaling previously funded projects. The guidance, however, has also stated that the projects should be sustainable beyond the year of the funding, with an expectation that the projects should run no longer than a year.

2.15 Given the late notification of allocations and guidance outlined in paragraphs 2.8 to 2.10, regional partners have often been unable to get projects up and running in a timely manner, and to then allow them to run for enough time to demonstrate their impact. Consequently, over the period of the fund being in place, many of the projects have, in practice, been allowed to roll forward into the next financial year.

2.16 Even with the decision to roll forward projects, the need to resubmit project proposals and wait for confirmation of the funding has meant that projects may stop and start. Public bodies have been able to get around this challenge by allowing some projects to progress or start ‘at risk’ while awaiting approval, and the funding to be released. Third-sector bodies do not generally have the resources to continue to run projects ‘at risk’ while awaiting funding confirmation.

2.17 Even once approved, there are several practical issues that can add delays to getting projects up and running within the one-year window, including:

a **recruitment:** processes can take a significant amount of time, often around three or four months, with some organisations reluctant for the recruitment process to start until the Welsh Government releases the funds.

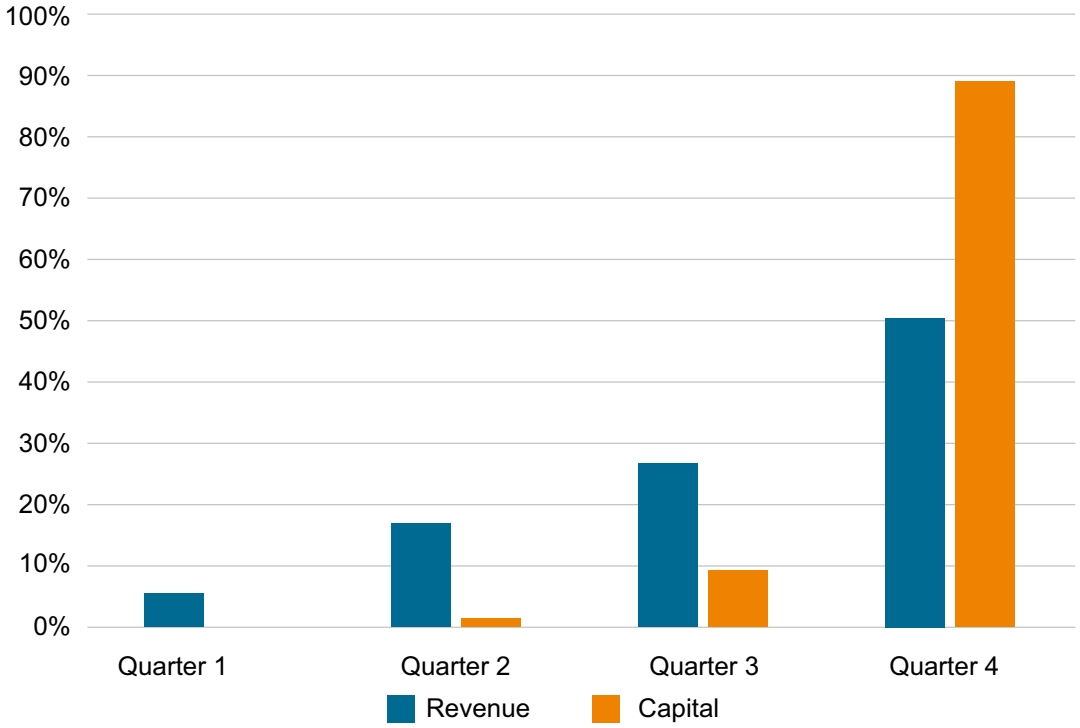
b **capability and skills:** lead organisations for projects find it difficult to attract suitable candidates for annual fixed-term posts, and often need to advertise multiple times before they can appoint a successful applicant. Retention of staff is also difficult due to the short-term nature of the funding, leading to frequent changes of staff year-on-year for the same projects.

c **procurement:** many capital projects will need to complete procurement processes, which can take a significant amount of time.

2.18 Because of the inbuilt delays in the funding process, many revenue projects do not begin or restart until the second or third quarter of the financial year. The profile of expenditure during the year reflects this, with a significant proportion of the revenue fund spent in the last quarter of the year.

2.19 Exhibit 7 sets out the profile of revenue and capital spend for 2016-17 and 2017-18. The capital-spend profile had been significantly worse than the revenue-spend profile, largely because of the late approval of capital bids for both the 2016-17 and 2017-18 financial years.

Exhibit 7: percentage of the revenue and capital fund spent by quarter in 2016-17 and 2017-18



Source: Wales Audit Office analysis of RPB monitoring returns to the Welsh Government.

2.20 The delays in getting projects up and running mean that underspends occur at year-end. The Welsh Government guidance clearly states that the funds cannot roll forward to the following year. Instead the health boards can retain any surplus revenue monies at the year-end, although this is not intended to be the default position. In the early years of the fund, we are aware that some health boards retained surplus monies which they were able to use towards their bottom line and which caused tension within the partnerships at that time.

2.21 The RPBs have since developed varying approaches for managing underspends. The most advanced process is within the West Wales region where a reserve list of projects is kept which can be supported if surplus funds become available. In other areas, the fund has been used on short-term projects which can be initiated and concluded quickly. We are also aware that, in 2017-18, the Welsh Government agreed that the Cwm Taf region could carry over a small amount of funding to be used in 2018-19.

2.22 The effective management of underspends remains an issue in some areas. However, this should start to improve in 2019-20 following a requirement by the Welsh Government for processes for minimising underspends to be articulated in revenue investment plans.

2.23 Underspend in capital funds has been more problematic. Delays in receiving the funds alongside the time it can take to work through procurement processes have meant that much of the capital fund has not been spent on what was intended. Instead funds have been used to support one-off equipment purchases or returned to the Welsh Government at the year-end.

The Welsh Government is taking steps to address the annual nature of the fund and issued the 2019-20 guidance in a timelier way

2.24 For 2018-19, the Welsh Government provided a three-year allocation for the capital element of the fund and introduced changes that split the stream in two:

a 25% of the total amount to be on small-scale one-year capital projects, with its use to be determined by the RPBs; and

b 75% of the total amount to be on transformational, long-term projects up to 2021, to be approved by a Welsh Government panel.

2.25 RPB members across Wales were positive about this change, and some have begun to develop three-year regional capital plans to ensure best use of the fund going forward. However, as of November 2018 some RPBs were still to receive approval for their capital projects.

2.26 Despite stating that 25% of the capital fund would be at the discretion of the RPBs, the Welsh Government considered these proposals through its capital panel before they could begin. As a result, several projects were not able to progress during 2018-19 given the time remaining and have subsequently been resubmitted in 2019-20. The Welsh Government expects this process to have improved for 2019-20.

2.27 After considering our initial feedback, the Welsh Government acted to provide an early indication of the revenue allocation for 2019-20 in December 2018 and to issue the guidance for 2019-20 in February 2019, covering both revenue and capital funding streams. Not only has this helped with the timeliness issues but it has also helped to ensure consistency of messages between verbal and written communication that had previously caused confusion over allocations.

2.28 For 2019-20, the Welsh Government has recognised the need for the RPBs to be able to also plan their use of the revenue funding on a longer-term basis. The Welsh Government has required the RPBs to set out their intentions over a two-year period. In developing its 2019-20 guidance, the Welsh Government has also made greater reference to the Well-being of Future Generations (Wales) Act 2015, although we acknowledge that the overall aim of the fund was already closely aligned with the five ways of working[14] set out in the Act.

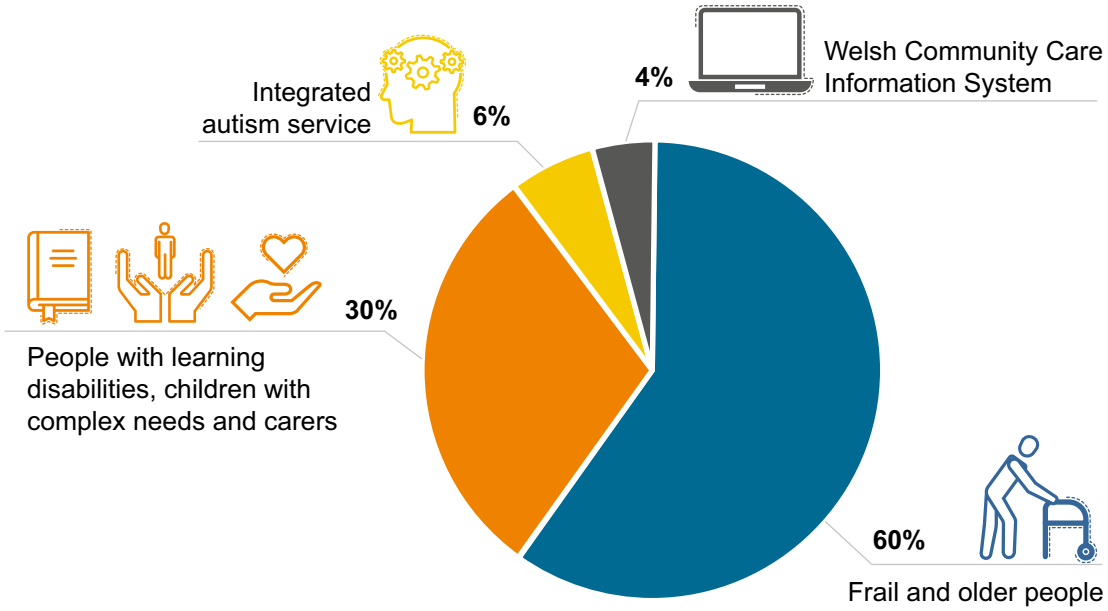
2.29 The earlier issuing of guidance which covers both revenue and capital funds will help address many of the issues raised by RPB members. Welsh Government officials responsible for revenue and capital funding are jointly scrutinising the 2019-20 funding. The Welsh Government expects the approval of projects will take place earlier in the financial year, and by no later than the end of July 2019. Timely approvals are, however, reliant on when the RPBs submit their capital investment plans and this has taken longer than the Welsh Government expected.

Regional Partnership Boards can find it difficult to balance local population needs with the Welsh Government's indicative allocations for target groups

2.30 The Social Services and Well-being (Wales) Act 2014 places a duty on the RPBs to undertake a population assessment to identify the needs of the region's local population, and an area plan to address the specific needs identified. Since 2017-18, the Welsh Government guidance has required that all projects supported by the fund must address the care and support needs identified within population assessments and area plans. Exhibit 8 shows how the Welsh Government allocated the 2018-19 revenue funding.

14 The **Well-being of Future Generations (Wales) Act 2015** sets out five ways of working needed for public bodies to achieve the seven wellbeing goals set out in the Act. The five ways of working are long term, integration, involvement, collaboration and prevention.

Exhibit 8: proportion of the 2018-19 revenue funding allocated to different population groups



Source: Wales Audit Office analysis of Welsh Government guidance.

2.31 Some RPB members noted that this approach to allocating specific amounts of the fund creates a tension for them to balance their use of the fund between the specified target groups and the needs identified within their population assessment. This tension is compounded when consideration is given to the other Welsh Government funding streams that the RPBs are responsible for which are also ring-fenced to specific groups of people. Examples include the Dementia Action Plan funding outlined in paragraph 2.11.

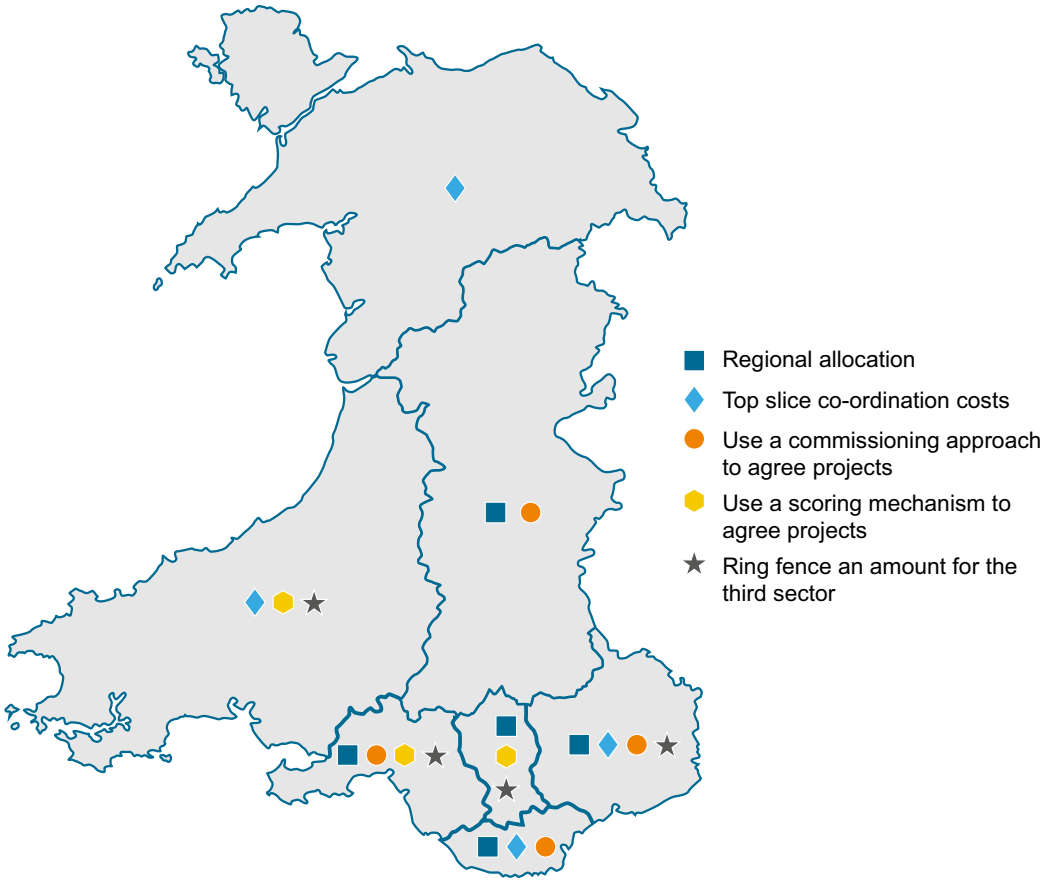
2.32 Different criteria for Welsh Government funding streams also make it difficult for RPBs to take a combined approach to using the funds available to them to meet the local population needs. Instead they have to submit and support separate projects for each fund. Consequently, many regional partners feel that there may be a risk of a disproportionate amount of funding collectively being allocated for specific population groups. They feel that this limits their ability to prioritise funding based on need. For example, some RPB members stated in response to our survey that:

- 'the way in which the fund is structured means that it can be difficult to align the funding to what needs doing for our local population'; and
- 'the ring fencing can be a hindrance as it can overly commit the partnership to an area that is not a big priority'

Regional Partnership Boards use their allocations in different ways, not all of which have supported a regional focus

2.33 While the Welsh Government allocates the fund on a regional basis, it is then up to each of the RPBs to agree through their revenue investment plans how to use the fund. The approaches to the use of the fund vary between the regions, with limited sharing and learning of the approaches used across Wales (Exhibit 9).

Exhibit 9: approaches applied to the allocation of funds 2014-2018 across the RPBs



Notes:

1. In North Wales, most of the fund is allocated across smaller footprint areas, such as Anglesey and Gwynedd; Conwy and Denbighshire; and Flintshire and Wrexham.
2. Before 2017-18, Powys RPB top-sliced an element of the fund to support communication and engagement costs.
3. In West Wales, most of the fund is allocated between the three local authority areas, although a small proportion is held at a regional level to support the delivery of agreed regional projects.

Source: Wales Audit Office fieldwork.

2.34 Five of the seven RPBs seek to allocate the funds on a regional basis except for North Wales and West Wales, where both RPBs allocate the funds to a lower level. This is either at a single local-authority level or across more than one local authority but not the whole region. This dilutes the intended focus on regional delivery and has resulted in some tensions between localities around the fairness of the allocation within the region. Our RPB member survey identified less positive views from North Wales and West Wales in relation to whether the process used to allocate the fund was fair. The Welsh Government has re-emphasised its desire for regional approaches in the 2019-20 guidance and as part of its scrutiny of investment plans. The Welsh Government has noted that while RPBs use their allocations in different ways, they are increasingly regional in their approach but with further progress needed in some areas.

2.35 Four RPBs have consistently used some of the fund to support management, oversight and co-ordination of the fund at a regional level. The sums 'top-sliced' during 2018-19 range from £60,000 (1%) in the Greater Gwent region to £400,000 (8%) in the West Wales region. This 'top-slice' is often used to contribute towards the funding of a specific post and in West Wales as programme management for identified RPB priorities. While this may be a good use of the fund at a local level, it is reducing the amount of funding which could otherwise be used for projects. All other RPBs have funded co-ordination through a different funding stream, or through core funding.

2.36 Most RPBs fund a high number of moderate-cost projects. The more projects there are, the greater the need for oversight and co-ordination. Appendix 4 sets out the scale and number of the projects since 2014 by region, with the Cwm Taf and Cardiff and Vale RPBs focusing on fewer, larger-scale projects compared with the North Wales RPB which has more, smaller-scale projects.

2.37 Four of the RPBs have adopted a 'commissioning approach' to developing their work programme for the fund. In effect, the RPBs are commissioning their sub-groups responsible for the various population groups, to identify work required within the area plans which would benefit from funding to support delivery of the local priorities. The commissioning approach helps to align the use of the fund with the priorities set out in the area plans, rather than seeking an open and potentially more scattergun invite for project proposals. However, there have been some concerns about representation at these sub-groups and, as a result, the ability of some partners to influence decision-making (paragraph 3.16).

2.38 On receipt of proposals, several RPBs use a structured scoring mechanism to assess which proposals the RPB want to take forward and set out in their revenue investment plan or capital plan. These scoring mechanisms vary slightly but largely focus on the extent to which the projects meet the needs of the fund, as well as alignment with regional priorities and the area plan. The other RPBs take a less rigid approach, focusing predominantly on whether the projects meet the fund criteria.

2.39 A key aim of the fund is to promote joint working between statutory and third-sector organisations. The third-sector representatives that we spoke to identified a range of challenges which have affected their ability to access the fund. To address this, some of the RPBs have ring-fenced some of the fund specifically for the third sector to use, predominantly through a grants-type approach. This has increased access for the third sector, particularly for small short-term projects. However, it has still left the third sector disconnected from the wider programme where they could equally have valid contributions to make to some of the larger-scale projects.

Part 3

Governance arrangements for the fund need to be further developed to strengthen central oversight and ensure greater consistency across the regions

The Welsh Government has established governance arrangements for the fund but needs to do more to consider how its actions impact on regional partners and integrate funding streams

3.1 The budget for the fund comes from two areas of the Welsh Government and as such the responsibility for oversight is shared:

- the policy and governance responsibility relating to the revenue stream of funding is with the Minister for Health and Social Services; and
- responsibility for the capital element of the fund rests with the Deputy Minister for Housing and Local Government.

3.2 The Welsh Government oversees the development and delivery of the fund through a formal project board. Representatives from across the Welsh Government's social services, health, housing and regeneration departments make up the board. The project board meets on a quarterly basis to:

a review progress;

b monitor each RPB's performance, outcomes and expenditure;

c where appropriate, clarify and seek agreement on the administrative management of the fund;

d ensure emerging issues are identified and addressed in a timely and proactive manner; and

e provide a strategic steer on the future direction of the fund.

3.3 While officials feel that working across portfolios has improved through this arrangement, they acknowledged that if key individuals were missing from project board meetings then the rigour and quality of discussion suffered. Our own observations of the project board identified opportunities for greater internal challenge on changes made to the fund and the impact that these may have on the regional partners. For example, there appeared to be little acknowledgement of the impact of issues related to the timing of guidance (paragraphs 2.8 to 2.10).

3.4 Since our fieldwork, a member of staff has been seconded into the Welsh Government from Powys RPB to support the management of the fund. This arrangement has brought some valuable insight from the RPBs into the project board and has already resulted in the Welsh Government having a better understanding of the impact of their processes and decision-making on the regional partners.

3.5 We also identified a lack of challenge on the information submitted through the RPB quarterly returns. Although the project board receives updates, drawing on the information submitted by the RPBs, we observed limited discussion focused on these reports.

3.6 The fund has the potential to overlap with other funds made available from the Welsh Government, such as the Primary Care Fund. However, there was limited evidence that the project board was clearly considering the overlaps and ensuring that the criteria complemented the other funding streams available. Some RPBs have begun to consider how they could more effectively use these funding streams together to benefit their populations, but there is currently no requirement for them to do so.

3.7 The project board has subsequently recognised the overlap between the fund and the new NHS Transformation Fund launched in 2018. For 2019-20, the Welsh Government has gone some way to articulate the linkages in the guidance. The Welsh Government has also made links with other relevant funding streams through changes to the membership of the project board and other work is underway to map out the wider funding landscape. Meanwhile, a new reference group is considering the co-ordination of policy and funding relevant to RPBs. In addition, learning from the Families First and Flying Start programmes has been considered following the introduction of 'children at risk of becoming looked after' as a priority group for 2019-20.

The Welsh Government's staffing capacity to support regular and timely oversight of the fund has been limited

3.8 Day-to-day oversight of the fund is by the Welsh Government through a small management team, consisting of three members of staff. The team is responsible for communicating with the regional leads, preparing annual guidance, and reviewing performance and delivery of the fund across the seven RPBs.

3.9 The RPBs reported a positive relationship with the central team for both the revenue and capital elements of the fund, with welcomed opportunity to engage through attendance at RPBs, one-to-one dialogue and meetings with the RPB chairs. However, the regional fund leads previously did not have the opportunity to come together on a regular basis with the central team. Since our fieldwork, a lead network group has been established which supports more frequent two-way dialogue between the team and those responsible for managing the fund in each of the regions.

3.10 The RPBs have identified frustration with the amount of information that they needed to provide on a quarterly basis to meet the Welsh Government reporting requirements. The Welsh Government considers that the requirements have been proportionate to the level of investment through the fund. However, capacity issues within the central team mean that there have been time lags of up to three or four months between the RPBs submitting their returns and the point at which they receive formal feedback from the Welsh Government on areas for improvement.

3.11 The RPBs have also expressed frustration that much of the monitoring information submitted is not being used for any obvious purpose. Welsh Government officials have acknowledged that the team did not have the capacity to examine each project in detail or to follow through on all the information, for example, by conducting site visits to gain a better understanding of the work. However, they have emphasised that the information is used not just to inform their feedback but to support the Welsh Government's own accountability, for example, in response to Ministerial questions. There have also been periodic visits at a regional level and to some projects.

3.12 The seconded member of staff from Powys RPB (paragraph 3.4) has helped provide some additional resource since late 2018, replacing a longstanding vacancy. Work is also underway to revisit the amount of information required through the reporting arrangements. Paragraphs 4.1 to 4.11 consider the arrangements in more detail.

Regional Partnership Boards frequently delegate responsibility for the fund to a sub-group and there is limited scrutiny of the use of the fund by health boards and local authorities

3.13 The Social Services and Well-being (Wales) Act 2014 required RPBs to be established on the footprint of the health boards and to include representation from social services, cabinet members, health boards including members, third-sector organisations and user and carer representatives. All the RPBs have representation from the statutory bodies, although the level of attendance from health board representatives can be variable, ranging from one to three. Health board representation is routinely through partnership and primary-care leads either at director or manager level, as well as independent members.

3.14 Membership from local authorities can also vary to up to three members from a single authority, resulting in large RPBs in areas with five to six authorities and a risk of local-authority representatives dominating the discussion. Local-authority representation is routinely through social-service directors and cabinet members, although the Welsh Government amended the Act in 2018 to require RPBs to have housing representation[15]. Representation from housing prior to the amendment to the Act was variable across RPBs. Third-sector organisations are represented on RPBs, although it can be challenging getting representation from service users and carers.

3.15 RPBs have responsibility for delivering area plans and using any funds made available to them. This requires them to make decisions on the use of the fund across the region, on behalf of the public bodies that they represent. Each of the RPBs has in place a memorandum of understanding setting out their agreed decision-making process. Our work, however, has identified that there is very little scrutiny of the decisions made by the RPBs. Although some RPB members seek ratification from their host organisation, this is not common practice across much of Wales. We also found limited evidence that representatives were routinely reporting back decisions made by RPBs to the boards and scrutiny committees of the relevant public bodies, with a general lack of awareness among health boards and local authorities about how the fund is used.

3.16 Within the RPBs, responsibility for the fund is largely delegated to sub-group arrangements. The RPBs receive recommendations from the sub-groups as to how the fund should be used, along with assurance reports during the year as to how the fund is spent. Representation on the sub-groups largely comprises directors or heads of service, with representation from other partners such as the third-sector, housing and carers often lacking. Third-sector representatives particularly raised concerns with us that while members of the RPBs, they are not always represented at sub-groups. As such, the ability for them to engage and influence the decisions surrounding the fund is limited. In some RPBs, we also raised potential conflicts of interest as an issue as the members on the sub-groups recommending the decisions for the allocation of the fund were managing the services that were also benefiting from the fund.

15 The amendment to the Act also included representation from housing associations.

3.17 Timing of RPB meetings can be an issue. The Welsh Government sets out in the annual guidance clear but often tight deadlines for submissions of revenue investment plans, capital plans and quarterly monitoring returns. We found that some RPB chairs were signing off monitoring returns outside of the RPB meetings because of the tight timescales between the end of the quarter and the submission dates. Some chairs felt uncomfortable doing this and refused to do so without reporting the returns through the RPB meeting. This has required realignment of some of the RPB meeting dates with the Welsh Government timescales.

The rigour of project management varies between regions and organisations, and few projects involve service users at the outset

3.18 Oversight and management arrangements of individual projects are largely based on the arrangements used by the host organisation. However, not all projects are supported by detailed project plans and the approach to managing project risks is inconsistent. Some projects have local risk registers which feed into organisational or area risk registers, but many do not have mechanisms in place to identify, manage and escalate risks.

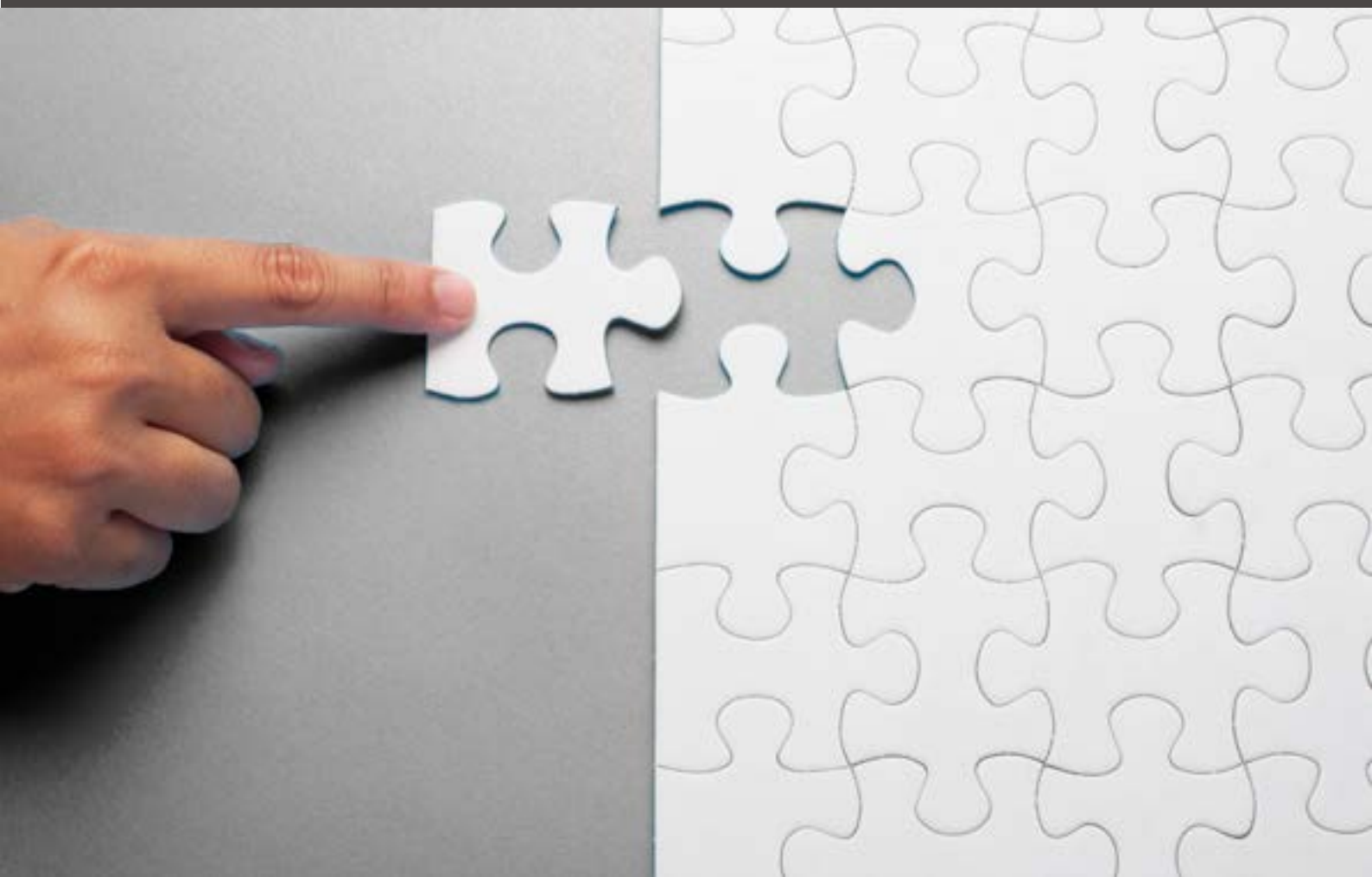
3.19 The leads for each of the projects frequently have wider responsibilities beyond the project. This can result in issues in terms of capacity to plan, manage and report on the projects as required, with many project leads struggling to meet the reporting deadlines set by the Welsh Government.

3.20 Few projects have involved service users at the outset due to the short timescales within which the regional partners have to develop their project proposals. However, regional partners seek to engage through the carer and user representatives on the RPB. There is a requirement in the Social Services and Well-being Act (Wales) 2014 for each RPB to establish a citizen's panel. Panel arrangements differ across the regions. In some cases, RPBs are using engagement mechanisms that public bodies already have in place to engage with service users and citizens. There is currently little evidence that regional partners are making use of these arrangements to engage citizens in planning projects supported by the fund.

3.21 Despite the intention of the fund to support the pump-priming of new and innovative projects, relatively few projects have had defined exit plans either to mainstream the project if successful or to terminate the project if it fails to deliver the intended benefits. Responding to our survey, 40% of project leads identified that they were required to include an exit strategy as part of their project plans. The inclusion of an exit strategy for each project is now a requirement of the fund for 2019-20, following our early feedback to the Welsh Government (paragraphs 4.12 to 4.17).

Part 4

Despite positive examples, the overall impact of the fund in improving outcomes for service users remains unclear, with little evidence of successful projects yet being mainstreamed



Regional Partnership Boards identify a range of positive case studies, but the Welsh Government's central monitoring arrangements do not yet provide a basis on which to assess the fund's overall impact

4.1 Since the inception of the fund, the Welsh Government has required the RPBs to report both financial and performance data on their revenue and capital use of the fund on a quarterly basis. Each year the guidance outlines reporting requirements. In 2016-17, the Welsh Government guidance also began including the reporting deadlines.

4.2 There are, however, different reporting formats for revenue and capital. The main reason for the difference is that the capital element of the fund is identified as a grant and, as such, has different reporting requirements. While the RPBs acknowledge this, they find the different approaches frustrating and would welcome a simplified process.

4.3 There are also separate reporting processes in place for the Integrated Autism Service and Welsh Community Care Information System strands of the revenue funding. Scrutiny and reporting of these schemes rest directly with the Welsh Government as part of the wider oversight of the Autistic Spectrum Disorder Action Plan and of the rollout of the information system across Wales.

4.4 The Welsh Government has outlined the reporting requirements for the RPBs with an emphasis on outcomes to measure the success of projects. This is instead of outputs which focus on the amount of activity undertaken. The Welsh Government set delayed transfers of care as a key outcome measure when the fund was first established. RPBs are not required to report their delayed transfer positions. Instead, the Welsh Government monitor the regional position through central mechanisms. All RPBs identified that with the increasing focus on preventative and admission avoidance services, as well as changes to the target population groups, delayed transfers of care do not now reflect the full scope of the fund.

4.5 The Welsh Government has not set any specific expectations about how the RPBs should measure or capture information about outcomes. Each RPB has developed its own processes. This approach has given the RPBs flexibility to use the tools they feel most appropriate to measure performance. But it has led to the Welsh Government receiving very different information about similar projects, making it difficult to collate or compare like-for-like information on outcomes at a national level. Within the different approaches to performance management that they have adopted, all regional partners also reported a difficulty in successfully quantifying outcomes.

4.6 In 2017-18, following consultation with the RPBs, the Welsh Government began including a reporting template within the guidance. Despite the emphasis on reporting outcomes, the template focuses mainly on what support has been provided through the fund, as well as spend. Regional partners have been encouraged to continue to collect any additional information that they felt was worthwhile to demonstrate project performance. This is in addition to that required to complete the template, and the RPBs often submit this additional information with their quarterly returns. Issues with capacity in the Welsh Government's central team (paragraphs 3.8 to 3.12) however, have meant that the Welsh Government does not have the opportunity to review all of the projects in detail.

4.7 Many regional partners have been capturing user experiences through case studies, believing that this best demonstrates the outcomes they are achieving and the impact that the fund is having on people's lives. However, the Welsh Government has encouraged RPBs to take a proportionate approach to the number of case studies submitted within their quarterly returns, focussing on good practice, given its limited capacity to analyse the information.

4.8 Many of the projects focus on prevention and earlier intervention. Regional partners, however, are unable to report decreases in service use elsewhere in the system and savings. This is due to increased demand on existing core services from a growing population with more complex needs, which is replacing the demand that the funded projects are now managing.

4.9 All RPBs recognise that measuring impact is an area that they could improve and are taking actions to better record outcomes. For example, the West Wales region is trialling the use of the Integrated Pathway for Older People[16]. As part of this, the regional partners are trying to link the local outcomes they achieve through the funded projects to the national outcomes identified as part of the pathway, although this is still in early development. In its latest guidance, the Welsh Government is encouraging RPBs to use Results Based Accountability[17] to measure outcomes, with three RPBs already using it to varying degrees of success.

4.10 Nevertheless, these issues mean that, to date, the Welsh Government has been unable to provide a national picture on the impact that the fund has had. In the meantime, the project board has received high-level assurance from the RPBs' information on spend and activities and used the information to inform Assembly Member site visits to different projects. The Welsh Government intends to publish an annual report on the use of the fund in 2018-19 by September 2019. The Welsh Government also intends to commission some wider evaluation work having decided to postpone a previously announced evaluation given the plans for our own work.

4.11 The RPBs have also found the requirement to report the same level of information for each quarter frustrating, particularly given that there has generally been a lower level of activity in the first quarter of the financial year. The Welsh Government has now recognised this and, for 2019-20, has introduced lighter touch reporting requirements for quarters one and three.

There is little evidence that successful projects have yet been mainstreamed and funded as part of public bodies' core service delivery, although the Welsh Government has re-emphasised its expectations

4.12 Since its inception in 2014, there has been a clear expectation from the Welsh Government that projects that are demonstrating impact should be mainstreamed into core budgets. In practice, many projects supported by the fund have rolled forward year on year (paragraph 2.15). Examples of this include:

16 The Integrated Pathway for Older People is a six-stage pathway developed by the Welsh Government to identify and understand what level of care older people need. The pathway has been updated in West Wales to include seven stages.

17 Results Based Accountability is an approach for measuring performance which focusses on how service users are better off to determine the success of a service rather than the more traditional focus on activity.

The North Wales community wellbeing support officers which support the wellbeing of citizens by signposting them to information and advice in the third sector.

The West Wales care and repair service which provides assessment and referrals for the Emergency Repair Assistance Grant. This enables elderly and vulnerable people to remain within their homes through the provision of essential repair and delivery of care packages carried out to improve housing standards and access roads that will safeguard their health and safety and maintain independence.

The Cwm Taf complex discharge team which provides a single point of contact for health and social care staff to facilitate fast access to discharge support.

The Cardiff and Vale first point of contact and single point of access service which provides information, advice and assistance to a wider range of services to reduce unnecessary admission, facilitate access to services and to accelerate discharge from hospital.

4.13 In the context of wider funding pressures, RPBs have found it difficult to convince the partner organisations that they represent to invest in these and other projects through core funding streams. Despite the requirement for the undertaking of project evaluations, very few projects, including those that have been in place since the introduction of the fund, have received any formal evaluation.

4.14 The intention is for RPBs to use evaluative information to assess the value of mainstreaming services supported by the fund. Information reported through the annual reports for RPBs and through case study material would indicate that many of these projects, however, are making a tangible difference (Exhibit 10). Further information is available in RPB Annual Reports, many but not all of which are published on their websites.

Exhibit 10: examples of positive impacts of projects funded by the Integrated Care Fund

'The Bay' Reablement Unit

(Cardiff and Vale RPB)

By increasing the confidence, physical and mental strength of each individual admitted to the Bay, the unit can demonstrate a significant reduction in ongoing support requirements once the service user returns home. By ensuring that the care provided to the person is appropriately based upon need, savings of c.£500,000 per annum have been achieved – **Cardiff and Vale Integrated Health and Social Care Partnership Annual Report 2017-18**

Eating Disorders for Children and Young People

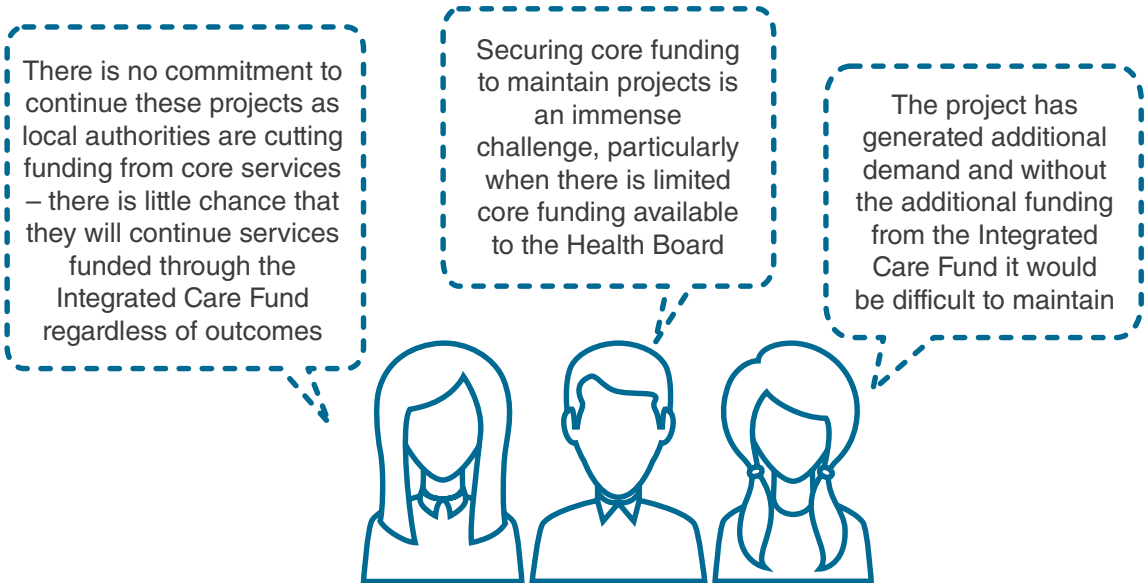
(Greater Gwent RPB)

This dedicated community eating disorder team can provide a routine Child and Adolescent Mental Health Service (CAMHS) assessment of a child or young person. This is leading to improved outcomes for children and young people and reduced admissions to Tier 4 beds – **Greater Gwent Regional Partnership Board Annual Report 2017-18**

Source: Wales Audit Office review of RPB Annual Reports.

4.15 Responding to our surveys, 91% of project leads agreed or strongly agreed that the projects that they were involved in were making a difference to service users. In addition, 87% of RPB members also agreed or strongly agreed that the projects funded in their region were making a difference to service users. Only 60% of project leads, however, identified that they had been able to demonstrate the impact of the project and 75% identified that there were challenges in mainstreaming the projects (Exhibit 11).

Exhibit 11: challenges identified with mainstreaming projects through our project-lead survey

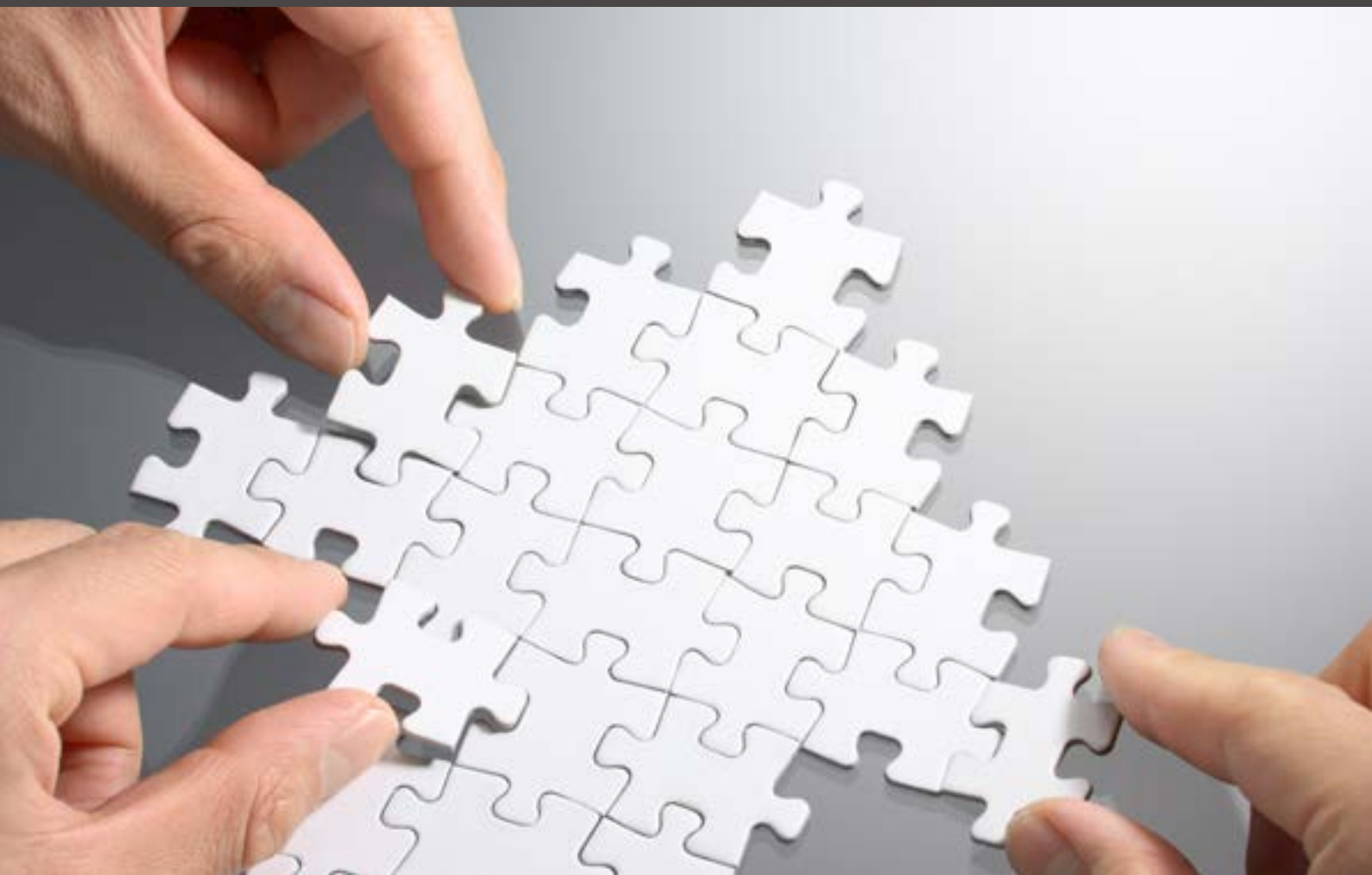


Source: Wales Audit Office survey of project leads.

4.16 Some of the projects, however, are now so embedded that they have in effect become a core service which, if stopped, would have a detrimental impact on wider service provision. In its latest guidance, the Welsh Government has emphasised that the fund should not be supporting projects that have become core services, and that other funding mechanisms should be sought. The Welsh Government recognises the challenges that the RPBs face in mainstreaming projects but has not previously provided any detailed guidance or support to help them address the issue. The guidance for 2019-20 does now include a clear expectation that revenue investment plans include exit strategies for each project (paragraph 3.21). However, this still lacks any practical examples about how regional partners can move to mainstream projects that are demonstrating impact. Regional partners may also have to make some difficult decisions to dis-invest from some services.

4.17 Once a year, the Welsh Government hosts an event to bring together RPB members and those directly involved in the funded projects. The aim of the event is to facilitate shared learning. Feedback from those who have attended identifies that the event is useful in understanding what projects are in place across Wales and showcasing projects that are working well. RPB members felt that the event would be more useful if there were wider opportunities to learn from the experiences of others, particularly in relation to overcoming challenges. The annual event could also be a useful mechanism for shared learning about mainstreaming.

Appendices



Appendix 1

Audit methods

Exhibit A1: audit methods used

Document reviews

We have reviewed central and regional documents including:

- Welsh Government guidance
- Strategic plans, including: local-authority corporate plans, health board integrated medium-term plans, public-service-board well-being plans
- Project plans
- RPB quarterly financial and performance monitoring returns
- Minutes from RPBs and sub-groups[18]

We have also reviewed relevant reports on health and social-care integration by Audit Scotland and the National Audit Office.

Surveys

We undertook surveys of RPB members and project leads responsible for projects during 2017-18.

We received responses from 71 of the 156 RPB members surveyed and 65 of the 243 project leads surveyed.

Interviews

We conducted interviews with:

- Regional leads for the Integrated Care Fund
- RPB members, including: elected members, officers, service users and third-sector representatives
- Project leads
- Welsh Government officials

Workshops

We held workshops with members of the relevant RPB sub-groups in each of the regions.

We also held workshops with a sample of project leads within each of the regions.

18 Each RPB has delegated responsibility for elements of the fund to one or more sub-groups.

We analysed financial and project performance data for the period 2014-2019.

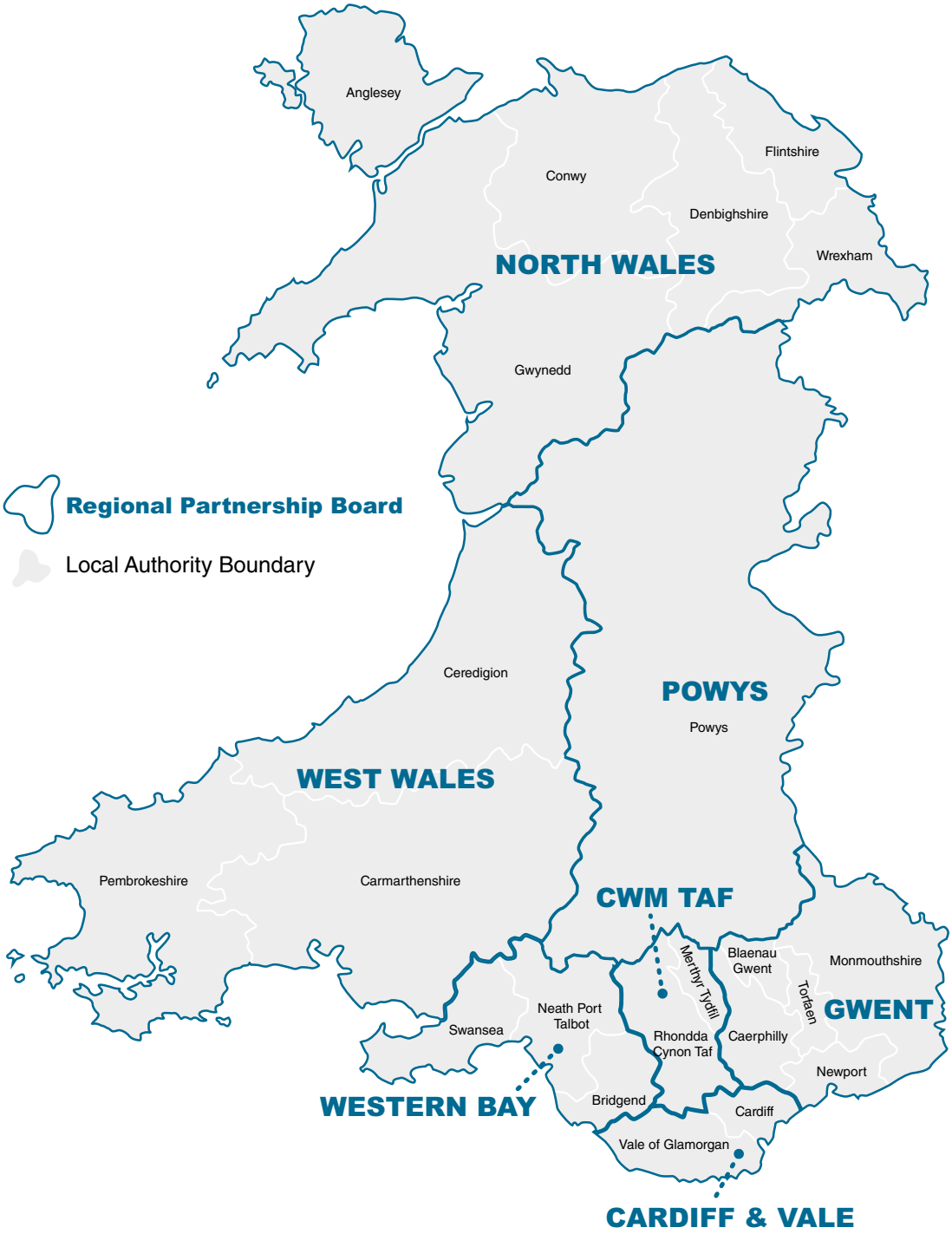
Data analysis

We observed governance arrangements in practice by observing the Welsh Government's project board. We also observed meetings of all the RPBs and the relevant sub-groups responsible for overseeing the fund.

Meeting observations

Appendix 2

Map of Regional Partnership Boards as at 31 March 2019[19]

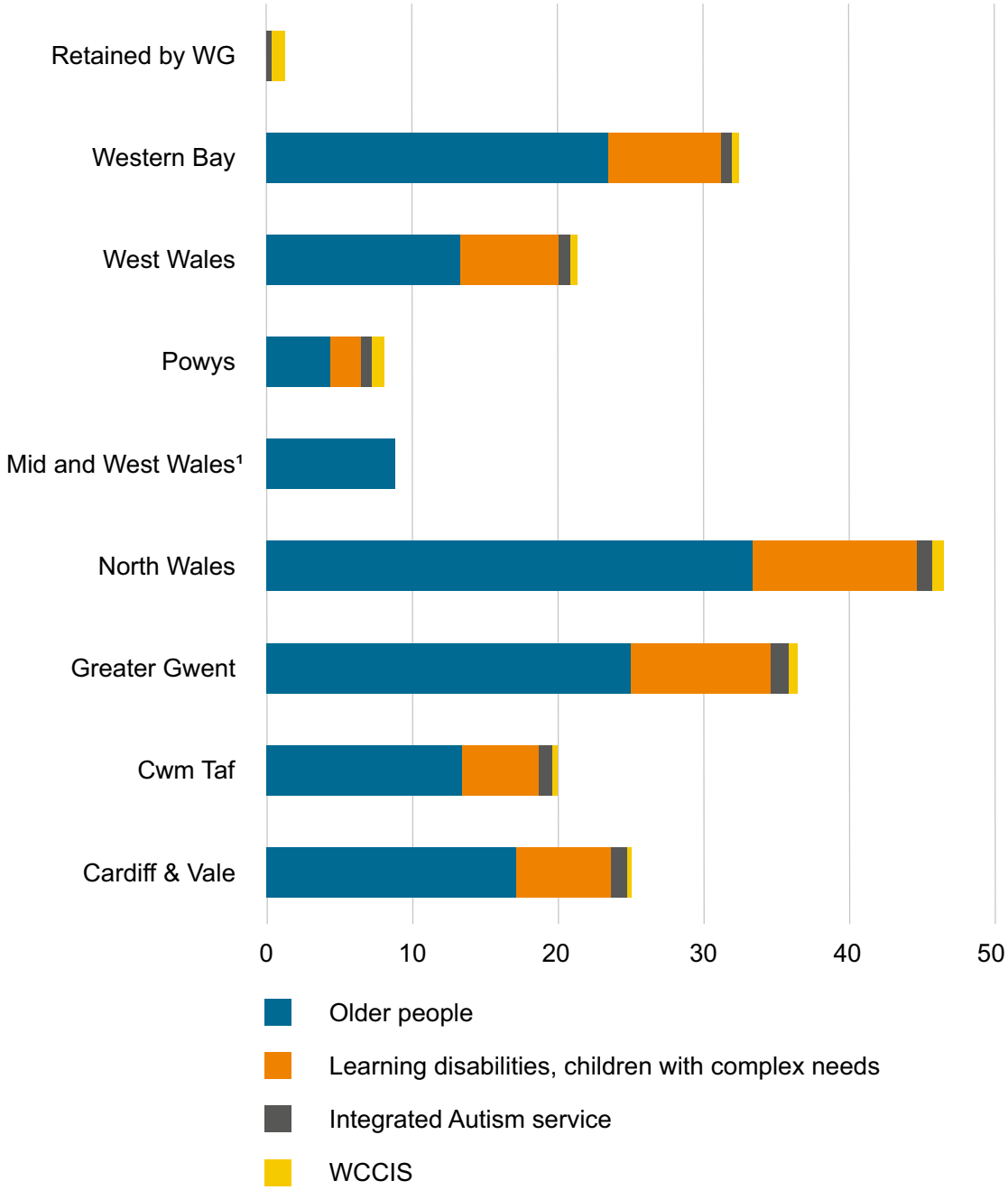


19 Following boundary changes relating to the Abertawe Bro Morgannwg University Health Board which came into effect on 1 April 2019, what is now Cwm Taf Morgannwg RPB includes Bridgend County Borough Council. The remaining partnership of Swansea Bay University Health Board, Swansea Council and Neath Port Talbot County Borough Council has been re-established as West Glamorgan RPB.

Appendix 3

Distribution of the fund between 2014 and 2019

Exhibit A2: distribution of revenue fund by region and area of scope, April 2014 to March 2019



Note:

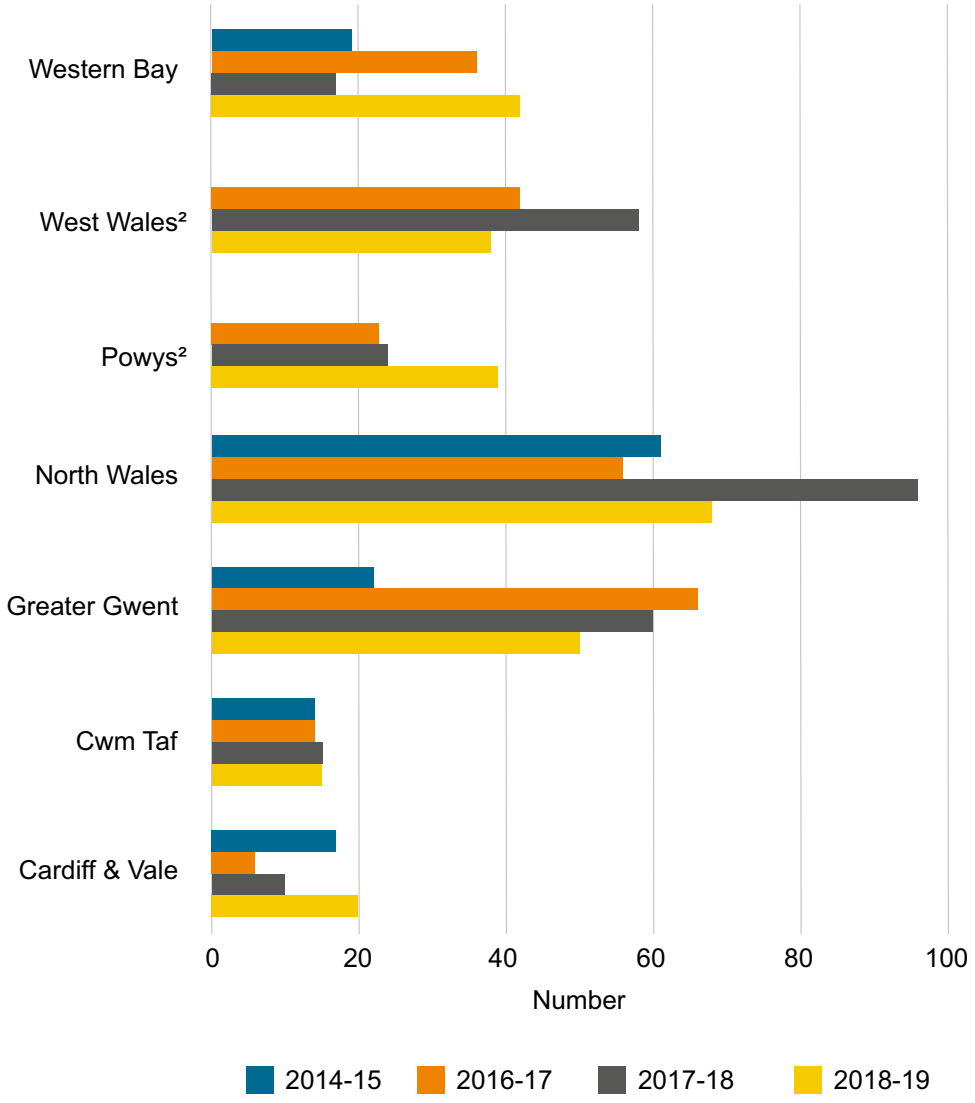
1. Between April 2014 and March 2016 West Wales and Powys were considered a single region and received a single allocation for Mid and West Wales.

Source: Wales Audit Office analysis of Welsh Government guidance and allocation letters.

Appendix 4

Breakdown of the number and scale of projects between 2014 and 2019

Exhibit A3: number of revenue projects by region, April 2014 to March 2019 (excluding 2015-16)[1]

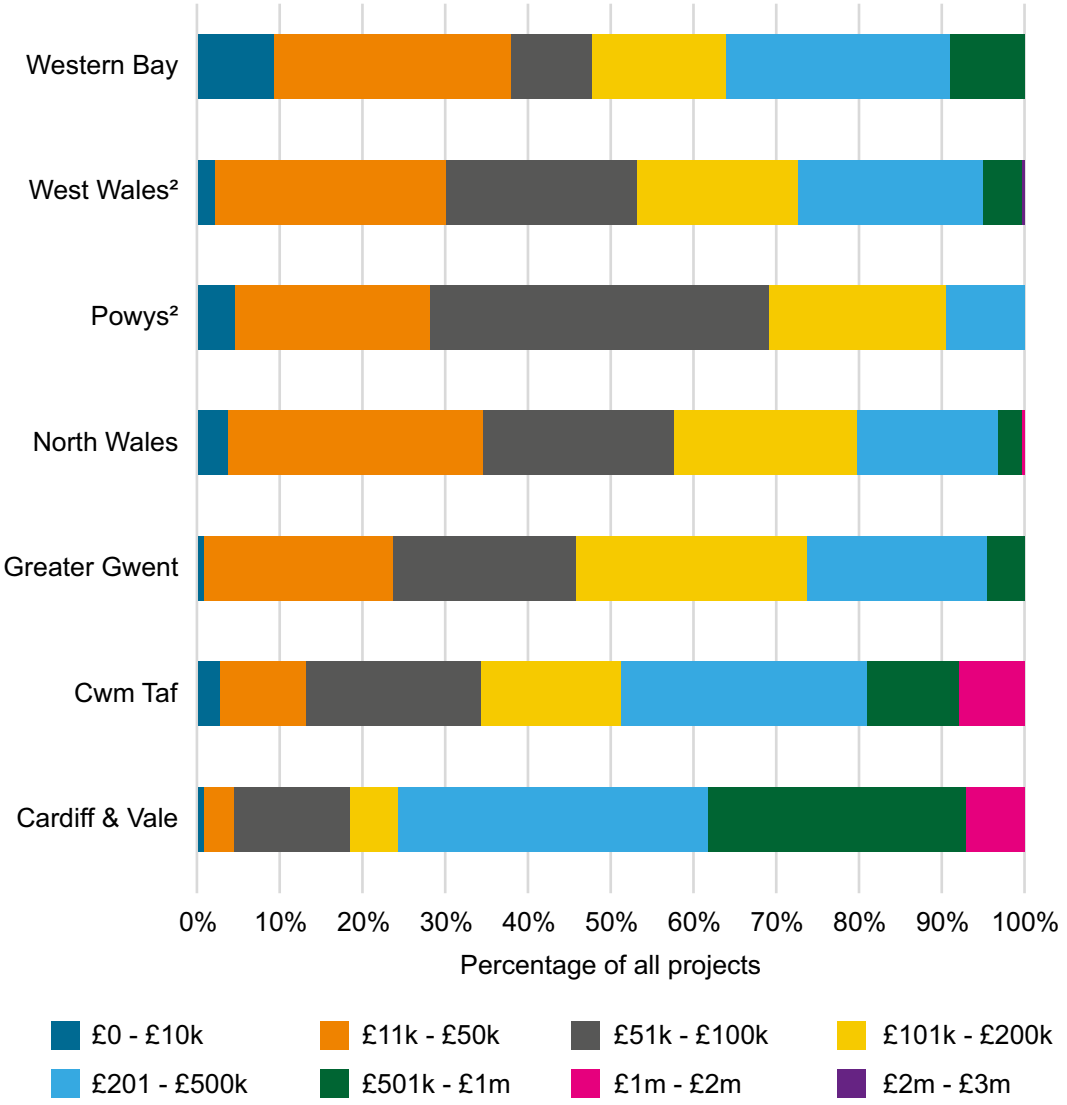


Notes:

1. Projects were rolled forward for 2015-16 and have therefore been excluded.
2. Between April 2014 and March 2016 West Wales and Powys were considered a single region and received a single allocation for Mid and West Wales. We have excluded the number of projects for the Mid and West Wales region for the period 2014-2016 from the comparison.

Source: Wales Audit Office analysis of RPB monitoring returns to the Welsh Government.

Exhibit A4: scale of projects by region, April 2014 to March 2019 (excluding 2015-16)[1]



Notes:

1. Projects were rolled forward for 2015-16 and have therefore been excluded.
2. Between 2014-2016 West Wales and Powys were considered a single region and received a single allocation for the Mid and West Wales region. We have excluded the number of projects for the Mid and West Wales region for the period 2014-2016 from the comparison.

Source: Wales Audit Office analysis of RPB monitoring returns to the Welsh Government.

Appendix 5

Key findings from our surveys of RPB members and project leads

Our survey of RPB members[20] identified that:

59 out of 70 (84%) agreed that partner organisations demonstrate a commitment to partnership working.

38 out of 68 (56%) agreed that there were appropriate links with other regional groups and forums, such as Public Service Boards, to ensure that there were no overlaps or gaps in responding to legislative requirements.

33 out of 62 (53%) agreed that the ring fencing of the fund for the national initiatives was helpful.

21 out of 61 (34%) agreed that the templates provided by the Welsh Government for quarterly reporting captures the right information.

37 out of 59 (63%) agreed that there was helpful ongoing communication between the RPBs and the Welsh Government to understand any changes to the fund.

57 out of 71 (80%) agreed that proposals put forward for the RPB to approve are generally good quality.

39 out of 69 (57%) agreed that the RPB sets enough time aside for effective scrutiny of the delivery of the projects supported by the fund.

49 out of 68 (72%) agreed that there is a clear process for monitoring and managing project underspends and overspends within the RPB structure.

47 out of 68 (69%) agreed that the RPB and its sub-group focusses on outcomes when scrutinising the projects.

45 out of 70 (64%) agreed that the fund is funding the right projects.

60 out of 69 (87%) agreed that the projects funded were making a difference to service users.

20 Not all members responding answered every question.

Our survey of project leads identified that:

46 out of 65 (71%) identified that their project(s) had received funding in previous years.

31 out of 65 (48%) identified that their project(s) received additional funding as well as the Integrated Care Fund.

60 out of 65 (92%) identified that their project(s) clearly linked to national strategic priorities, including the Well-Being of Future Generations (Wales) Act.

38 out of 65 (58%) identified that there was a risk management framework for their project(s).

58 out of 65 (89%) identified that they had received appropriate guidance from managers to support them in delivering the project(s).

27 out of 65 (40%) identified that they were required to include an exit strategy as part of their project plans.

51 out of 65 (78%) identified that there was a single point of accountability for delivery of the project(s).

21 out of 65 (32%) identified that their project(s) started on time.

26 out of 65 (40%) identified that there was a mechanism to measure the financial benefits of the project(s).

39 out of 65 (60%) identified that they had been able to demonstrate the impact of the project(s).

43 out of 65 (66%) identified that the fund is helping to provide sustainable and improved services in their region.

49 out of 65 (75%) identified that there were challenges in mainstreaming the project(s).

59 out of 65 (91%) identified that the project(s) was making a difference to service users.

Appendix 6

Progress against a previous recommendation

In the Auditor General's October 2015 report **Supporting the Independence of Older People: Are Councils Doing Enough?** we made the following recommendation to local authorities, health boards, third-sector partners and the Welsh Government. We have assessed progress against the recommendation (Exhibit A5).

Exhibit A5: progress against the previous recommendation relating to the fund

Recommendation – to improve the management and impact of the [then] Intermediate Care Fund by:	**Our assessment of progress**
Setting a performance baseline at the start of projects to be able to judge the impact of these over time.	There is no single approach to performance management of projects, this differs amongst the regions as well as sometimes within the region (paragraphs 3.18 to 3.20). There are examples of projects setting indicative performance during project planning, but it does not happen for all projects.
Agreeing the format and coverage of monitoring reports to enable funded projects to be evaluated on a like-for-like basis against the criteria for the fund, to judge which are having the greatest positive impact and how many schemes have been mainstreamed into core funding.	As outlined above, there is no single approach to project management or the ability to compare similar projects on a like-for-like basis (paragraphs 4.5). There is evidence of some regions beginning to take an approach that would provide information for comparison (for example the regional outcomes framework in West Wales), but this is still in early development and there is no data available currently to make judgements about which projects are having the greatest impact. Additionally, regions are struggling to capture positive impacts and evidence savings due to the preventative nature of the projects and there is little evidence that mainstreaming into core funding has taken place (paragraphs 4.12 to 4.17).
Improving engagement with the full range of partners to ensure as wide a range of partners are encouraged to participate in future initiatives and programmes.	The extent to which partners are engaged with the fund does differ by region, with some ongoing concerns raised by third sector partners (paragraph 3.16). However, the introduction of the RPBs since the inception of the fund has brought together a wider range of partners on a regional basis than was previously the case to contribute and participate in the programme (paragraphs 1.1 to 1.7).

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone: 029 2032 0660

We welcome telephone calls in Welsh and English.

E-mail: info@audit.wales
Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500
Ffacs: 029 2032 0600
Ffôn Testun: 029 2032 0660

Rydym yn croesawu galwadau ffôn yn Gymraeg a Saesneg.

E-bost: post@archwilio.cymru
Gwefan: www.archwilio.cymru