Archwilio Cymru
Audit Wales

Commissioning Older People's Care Home Placements – North Wales Councils and Betsi Cadwaladr University Health Board

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Partners are working individually and collectively to provide care home placements for vulnerable service users, this is made more difficult by complex national processes, resulting in a significant focus on costs, which causes division amongst partners and has the potential to impact adversely on service users and their families. Strengthening accountability and developing a regional strategy and delivery plan has the potential to drive positive change and better partnership working, especially in relation to complex and more specialist care.

Summary report

Background

1 The Social Services and Well-being (Wales) Act 2014 (the Act) came into force on 6 April 2016. The Act provides the legal framework for improving the wellbeing of people who need care and support and for transforming social services in Wales.

2 Across Wales, the costs of care home commissioning for older people run into several hundreds of millions of pounds each year and many thousands of people are affected.

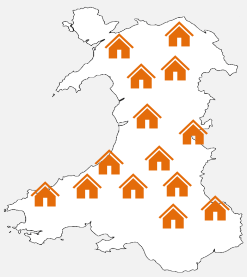
Exhibit 1: key facts about care home commissioning

The exhibit sets out some key facts about adult care home services in North Wales.

4,353

People aged over 65 receiving adult care home services in North Wales from local authorities in 2018-19.

Of these, 1,034 are also receiving nursing services.



2016 data[1] indicates 6,048 care home residential places in North Wales, made up of:

- 2,636 residential places
- 1,194 residential Elderly Mentally Ill (EMI) places
- 1,555 general nursing places
- 663 EMI nursing places

£74.2 million

North Wales Local Authority spend on nursing and residential placements aged 65 and over in Wales in 2019-20. (Stats Wales)

£98.8 million

Health Board continuing healthcare and funded nursing care costs in 2019-20. (Annual Accounts)[2]

[1] Market Shaping Statement: Care homes for older people in North Wales

[2] Data sourced from Health Board Annual Accounts. The majority but not all Continuing Healthcare costs relate to care home placements.

3 The Act requires councils and health boards to work together to assess the care and support needs of the population in their area. Partners are to identify what services are needed and to use their resources effectively; for example, by establishing and maintaining pooled fund arrangements in relation to the exercise of their care home accommodation functions.

4 The Act established Regional Partnership Boards (RPBs) to prioritise the integration of services including for older people with complex needs and long-term conditions, including dementia. In North Wales, the RPB includes the statutory partners – Isle of Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd and Wrexham Councils and Betsi Cadwaladr University Health Board.

5 In early 2020, we identified strategic commissioning of care home placements for older people was a risk to both councils and the Health Board for the following reasons:

- high level of spending on these services;
- forecast increases in numbers of older people expected to need support;
- recruitment and retention competition between health, social care providers and parts of the independent sector as well as retail and hospitality employers; and
- potential untapped benefits of strategic commissioning across North Wales public sector bodies.

6 During 2020-21, the COVID-19 pandemic has highlighted the fragility and issues around capacity of the care market and the need to plan strategically on a regional level.

About this report

7 This report sets out the findings from the Auditor General's review of care home commissioning arrangements across North Wales. The work has been undertaken as a part of our statutory programme of local audit work at each of the local authorities in North Wales and the Betsi Cadwaladr University Health Board. Reflecting the cross-sector focus of this review we have presented our findings as a single report that includes recommendations for strengthening the pan-North-Wales approach to care home commissioning and associated partnership working. We have used the term care homes to reflect all types of residential and nursing care homes in a generic sense although where we specifically refer to one type we have noted that in the text.

Key messages and overall conclusions

8 Care home commissioning requires collaboration between councils, the Health Board, and providers to ensure that service users are accommodated in suitable placements.

9 **In overall terms, our review found that partners are working individually and collectively to provide care home placements for vulnerable service users; this is made more difficult by complex national processes, resulting in a significant focus on costs, which causes division amongst partners and has the potential to impact adversely on service users and their families. Strengthening accountability and developing a regional strategy and delivery plan has the potential to drive positive change and better partnership working, especially in relation to complex and more specialist care.**

10 Whilst some of the significant issues and challenges for care home commissioning that we identify in this report may be unique to North Wales, many exist because of the frameworks, policy and legislation which are nationally set out. While there is need for regional improvement, there is real opportunity to consider both the extent of these issues in other regions, and how national reform may help provide a platform for sustainable services. We have reported separately to the Welsh Government, recommending action that they should take to improve the framework within which regional partners operate. Private sector care home providers are not audited by the Auditor General per se, but public money paid to such providers is subject to the Auditor General's examination as part of the audit of public bodies. As part of commissioning and procurement activities, the Welsh Government and local authorities should consider how private sector providers can be encouraged further to support public bodies to improve care home provision. The findings that underpin the above conclusions are considered in the following sections.

Partners are working together to provide care for vulnerable service users but are carrying significant risks associated with market stability, workforce, and pre-placement agreements, along with a reliance on spot purchasing

11 At an operational level, officers continue to work through and around the complexities of the national funding structure to get the best they can from the care home market. When commissioning care home placements, operational managers work hard to ensure service users receive the best care to meet their needs, but those with budget responsibilities must also balance this against costs.

12 Sustainability of the care home market is a key issue for North Wales. There are publicly and privately owned care homes and income is dependent on demand and fee rates. The funding approach is short term in nature and does not address the longer-term financial viability of the market. Nor does it properly anticipate long-term changes in need and how to adapt the market to meet that need.

13 In business it is essential that supply and demand are closely aligned, and in North Wales, care home provision does not reflect demand. Managers told us that there is a lack of some specialist provision such as for people with dementia and some

parts of the region have an oversupply of care homes that are not specialist in focus. Where there is an under supply of suitable care homes in an area, a person may be placed some way from their home and local community, or it could result in a delayed discharge from hospital. If a placement was made, this could be in other parts of Wales or sometimes outside Wales altogether. Placement outside of Wales may well be sensible for residents of more easterly counties and at times, a placement away from where the resident lived is the correct decision: for example, to be nearer to relatives or to ensure that the resident can live in a home where the staff are predominantly Welsh speaking. However, this can also lead to relatives having long journeys to visit their relatives.

14 The care home market in North Wales also has some vulnerabilities. Some care-home owners are nearing retirement and will want to sell their businesses. Some homes do not currently meet the environmental standards required under the regulations[3]. Once sold, the new owners may need to comply if the homes are unoccupied at the point of sale. This will affect the marketability of their businesses, and the cost of building work to comply with the standards may not be reflected sufficiently in the fee toolkit methodology. Officers continue to contract with these care homes even though they do not fully meet the environmental standards, as without using them capacity would be too limited.

15 Partners, through the Care Home Operational Group, have supported care homes to improve quality standards such as practice development nursing support, monitoring officer support in development processes and improvement action plans and business continuity plans, recruitment and advertising vacancies, environmental health support with food hygiene, health and safety officers and Welsh learning courses for care home staff.

16 In addition, partners provide support to help people to stay well, be self-caring and to prevent escalation to managed care. This support includes falls prevention services and community wellbeing programmes.

17 Commissioners and providers continue to work together despite the obvious challenges posed by the current complexities of the market. Managers meet regularly with providers, and the Chief Executive of Care Forum Wales which represents providers is now the chair of the RPB. Frustrations are mainly around the process and fee structure, but providers and commissioners continue to work through this imperfect arrangement.

18 The social care workforce is another vulnerability and one that has been clearly documented in the North Wales Social Care and Community Health Workforce Strategy 2018-2021, developed by the North Wales Workforce Board (NWWB), which sets out its priorities as:

- stabilising the workforce – recruitment and retention;

[3] The Regulated Services (Service Providers and Responsible Individuals) (Wales) Regulations 2017

- learning and development – develop a workforce across the sector that has the skills, knowledge, and competencies to deliver high quality personalised services; and
- workforce planning and development in the care home sector.

Whilst the NWWB reports to the RPB and has undertaken work to begin delivery of these priorities, these are not part of a comprehensive regional delivery plan.

19 In line with other regions in Wales, the challenges that currently exist include a high turnover of staff, vacancies in both the health and social care sectors, variable pay in identical posts within the Health Board and councils, the impact of BREXIT, qualification requirements and the large sums paid out for agency staff by providers. The NWWB is working on the Foundation Economy Challenge Fund project which is developing a business model for a not-for-profit staffing agency to help tackle the workforce challenges across North Wales around recruitment, retention and training of the region's social care and health workers.

20 The Social Care Workforce Development Partnership circulates information on training and recruitment which informs and encourages staff and potential recruits to get involved across North Wales. And Flintshire is working on value-based recruitment to attract people who want to work in the care sector.

21 The region is currently in the process of agreeing a new North Wales pre-placement agreement (PPA) and has extended the current version where these are in place, until the new version can be introduced. However, some placements are not covered by a PPA because those providers have decided not to sign the agreement. PPAs cover things like registration requirements, quality monitoring, reference to payment processes and payments after death. Service specifications are also not in place across the region. In working to introduce a new version of the PPA, partners should be aiming to limit and ideally eliminate instances where providers refuse to sign the new PPA. Not having these agreements and specifications in place poses a significant risk to the service users' placement especially where disputes arise.

22 Councils and the Health Board commission on a spot purchase basis, generally within a pricing framework. Whilst this means that they only pay for the services they use, it also means that if there are potential financial benefits from block contracts or cost and volume contracts, they are not realised. As a result, service users and partners could be paying more than they should.

The Regional Partnership Board's 2018 Market Shaping Statement set out some aspirations for care home commissioning which were added to by the RPB's response to 'A Heathier Wales' in 2019, however, neither of these have driven the development of a clear regional strategy for commissioning care home placements for older people in North Wales or a delivery plan to take forward the aspirations that have been identified

23 The Social Services and Well-being (Wales) Act 2014 'codes and guidance' state that local health boards and councils should, in relation to care homes, agree an appropriate integrated regional market position statement and regional commissioning strategy. These should specify the outcomes required of care homes, including the range of services required. There should also be an agreement on the methods of commissioning (for example, some services may require a block contract, step up, step down intermediate care services, respite care, etc).

24 Partners in North Wales hold considerable data locally on their service users, the range of services across the region such as service users in care homes, those receiving domiciliary care support, extra care housing provision and other support services. Whilst the Statement projects potential increased care home placements based on current numbers and population forecasts, it does not provide any data or projections of the impact of preventative services on care home placements.

25 In North Wales, partners' preferred model of care home provision for older people differs. The demographics across the region vary considerably, which means that demand and commissioning needs vary. Some councils have retained their in-house care homes whilst others rely on the independent sector for care home placements. Those remaining councils have a mix of in-house and independent provision. Some parts of the region have an oversupply of some types of care home places although others lack capacity in specialist areas such as dementia care. Whilst some partners may prefer larger, newer care homes others prefer smaller care homes, but choice is largely down to what is actually available, or what could be supported in the locality. Most see extra care housing replacing some of the current care home capacity.

26 Despite these differences, to comply with the Act, North Wales regional partners developed their Market Shaping Statement – **Care homes for older people in North Wales** (the Statement) in 2018 based on its population assessment. The statement commits to tackling a range of issues including workforce skills, the Welsh language, and the fee methodology. The Market Shaping Statement stated

that: ‘There may need to be a rationalisation of provision across North Wales; for example, in some areas there is a shortage of residential care provision and in others there is an over-supply – this will require joined-up strategic development to ensure that home owners are aware of projected future demand and that commissioners and owners work together to develop the workforce to meet the anticipated needs (dementia and complex physical health conditions).’ Whilst it set out some of the issues, and aspirations for care, it did not provide a clear regional strategy or delivery plan for care for older people in care homes in the future.

27 Of course, a regional strategy does not mean that everything must be done on a regional footing. A regional approach may be appropriate where there is an explicit need for services to be commissioned and delivered consistently or where demand is low for very specialised services. A regional approach may also provide the platform for a North Wales solution and prevent costly and sometimes poor service-user experiences from out of area placements. There may also be opportunities to create economies of scale through regional commissioning and delivery. On the other hand, a sub-regional approach could be achieved where partners want to work together to shape and adapt services to meet local circumstances. A local approach could continue where things work well, but could benefit by alignment with regionally agreed standards, processes, and fee structures. Whilst national policy assumes a regional approach, partners will need to agree how a regional approach can benefit North Wales and what remains best managed locally. In North Wales, partners operate with a mix of regional, sub-regional and local arrangements but the merits and limitations of each have not been formally considered by the RPB.

28 Partners will need to be bold if they are to shape the care home market. This starts with an agreed vision, an understanding of the shape of the care market in the future and transparency in how they will deliver the transition, engaging meaningfully with providers.

29 Although the Market Shaping Statement committed to publishing a delivery plan to underpin it, this work has not been completed. Whilst the COVID-19 pandemic had major capacity implications for social care and health partners during 2020 and to date, it should be noted that the Statement was approved in 2018. Partners could therefore have been developing a delivery plan during 2018 and 2019 to set out how the important issues it raised would be addressed.

30 While the RPB through its response to ‘A Healthier Wales’, in 2019, talks about the potential changes needed in the volume and type of care home placements needed for older people, it did not capture this in an overall care home commissioning strategy or a delivery plan to explain how it will get from where it is now to where it needs to be.

31 We observed the North Wales Commissioning Board meeting on 24 February 2021 as part of this review. At this meeting attendees agreed the Board’s priorities for 2020-2022 in respect of planning for the next iteration of the Market Shaping Statement. This gives the RPB an opportunity to update the Statement and

develop a clear strategy and delivery plan, to shape the market and pattern of care home provision especially in relation to the more complex and specialist care, which for some users is currently provided out of region.

As previously reported, the current pooled fund arrangement does not provide value for money or any of the intended benefits associated with the pooled fund model

32 As referred to earlier in this report, partners are required under the Act to establish and maintain a pooled fund arrangement to support the delivery of their care home accommodation functions. In 2020, Audit Wales raised concerns about how the six North Wales councils and Health Board had sought to meet these obligations. We concluded that whilst the current pooled fund arrangement meets the minimum technical compliance, as agreed by the Welsh Government, it does not provide value for money. The Auditor General wrote to each North Wales council and the Health Board in September 2020, proposing that they should review the current pooled fund arrangement for residential care for older people, to ensure that transfers of funds between public bodies have a tangible benefit such as better, more integrated commissioning of residential and nursing home care. The Auditor General also wrote to the Welsh Government raising his concerns.

33 The RPB was also advised about recommendations made in a separate Welsh Government commissioned report[4] on pooled budget arrangements for older people's residential care across Wales. All RPB chairs have been asked by the Welsh Government for their improvement plans detailing how they will address the nine recommendations set out in that report, including how they will use the Association of Directors of Social Services Cymru toolkit, which has been available since summer 2019, to support the development of pooled funds. These plans were expected to strengthen pooled fund arrangements and identify the steps which can be taken at an all-Wales level to share learning. To support this approach, the Welsh Government asked the National Commissioning Board to work with RPBs to develop regional commissioning and pooling of resources.

34 The RPB chair replied to the Welsh Government on 1 March 2021 setting out partners' reasons for delaying any progress with the pooled fund arrangement until the Welsh Government had considered responses to the White Paper – **Rebalancing Care and Support** because of its potential impact on the role and function of the RPB. The RPB has clearly stated its view that pooled budgets should be based locally and not on a larger regional footprint. It is understood that

[4] Welsh Government, Welsh Government Pooled Budgets Evaluation Framework focusing on the use of pooled budgets relating to care home accommodation for people aged over 65, June 2020.

the RPB is in ongoing dialogue with the Welsh Government on the best way to implement the Act more broadly, and not just in relation to the use of pooled budgets.

35 Whilst the stance of partners on pooled budgets at the regional level up to this point is noted, there has been a recent Ministerial Statement setting out the next steps following the consultation on the White Paper. The Statement sets out an expectation of effective partnership working at all levels, including regionally. It also highlights the benefits of a regional approach in providing care to service users with complex needs. With that as context, the existing recommendation we made to all North Wales RPB partners in respect of pooled budgets remains in place. This stated that RPB partners should review the current pooled budget arrangement for residential care for older people, to ensure that transfers of funds between public bodies have a tangible benefit such as better, more integrated commissioning of residential and nursing home care.

Whilst the RPB network brings partners together to 'think regionally', its structures, largely set out by the Welsh Government, are extensive and complex, and lines of accountability need to be strengthened

36 The Act sets out RPB membership; it can comprise a councillor from one council in the region, Directors of Social Services, a Local Health Board member, a council housing and an education representative, a registered social landlord, a member of the public and a carer. Additional members can be co-opted as necessary such as members from the Wales Ambulance Service, Fire Service and Police. With the North Wales RPB comprising six councils and the Health Board, this routinely results in over 30 people attending each meeting.

37 The RPB structure has evolved over time; whilst it is subject to local context, much is as set out by the Welsh Government. The North Wales RPB is supported by a Regional Leadership Group and Regional Collaboration Team. Four Transformation Boards covering Learning Disabilities, Community Services and Children and Young People and the Together for Mental Health Board underpin the work of the RPB. There are three Local Implementation Teams, specific to mental health and three Area Integrated Service Boards operating sub regionally, covering Wrexham and Flintshire, Gwynedd and Anglesey, and Conwy and Denbighshire. The establishment of these boards and Local Implementation Teams shows that partners recognise the benefits of sub-regional working and have developed arrangements that cover local differences whilst supporting the regional approach. The RPB is further supported by groups, boards and networks as follows:

- Carers Operational Group
- Commissioning Board

- Workforce Board
- Mwy na Geiriau Forum
- Dewis Cymru network
- Pooled Budgets Group
- Welsh Community Care Information System Board
- Social Value Steering Group
- Integrated Care Fund Operational Group
- Research Innovation and Improvement Hub
- Integrated Autism Service Strategic Group

Appendix 1 sets out these groups in an organisation chart.

38 The establishment of these groups shows that partners come together to address some of the detailed aspects of RPB business. Attendance at these meetings can be considerably time consuming but demonstrates commitment to partnership working across the region. Although this shows that the RPB is maturing in the way it conducts its business, the scale of the RPB structure and operation makes it quite unwieldy and presents challenges for the way it operates.

39 The Welsh Government has set out its expectations for integrated services clearly in legislation and supplementary guidance, which includes the role of the RPB in delivering this change. We identified barriers to more regional integration in North Wales as follows:

- organisational difference – priorities, approaches, and accountability;
- perceived reduction in accountability presented by the additional layer of governance;
- funding source and additional costs;
- local control versus regional control;
- scale and diversity of the region;
- lack of willingness to share resources; and
- lack of trust amongst some partners.

40 When taking part in RPB meetings, officers, and councillors, may not have delegated authority to commit their own organisation's resources or decide on policy and strategic direction. Whilst RPB members are accountable within their own organisational governance arrangements, there is no evidence to demonstrate decisions are taken back for approval, or that the RPB business is subject to formal scrutiny to hold it to account or challenge its proposals.

41 The Regional Leadership Board is briefed by members of the RPB on the activities and proposals made. However, this Board does not have the delegated authority to commit individual councils' resources or decide on policy and strategic direction. In addition, the RPB is not held to account for delivering impact or meeting legislative requirements by partners or the Welsh Government.

Nationally set fee structures are complex and result in a significant focus on cost which causes division amongst partners and has the potential to impact adversely on service users and their families

The fees paid for care home placements fluctuate depending on the service user's own resources, which public body makes the placement and contractual arrangements with providers, and fee rates do not necessarily reflect the complexity of residents' care needs

42 The funding arrangements for care homes are complex. At a high level, responsibility for care home fees is straightforward. A person can choose to move to a care home at their own expense if they have the resources to pay. If a person has primary health needs, then the health board is responsible for meeting the full costs. If a person has social care needs, the council is responsible for meeting these costs, but the service user will be assessed to determine how much they should pay towards their care. And if a person has a combination of health and care needs then the council and health board will share the costs. However, the detail that sits behind how this works in practice is complex and confusing.

43 For example, if a council contracts for the placement, the maximum amount a service user pays for their care per week varies depending on where they live. For example, a person with over £50,000 capital, living in Anglesey or Gwynedd, receiving the lowest level of care in a care home would pay £586.32 per week if they were placed in Anglesey or Gwynedd. However, if the same person were placed in Conwy, they would pay £611 per week, a difference of £1,283 per year. Alternatively, if placed in Wrexham, they would pay £608.72 per week, a difference of £1,164 per year. Some people may choose to move into a care home outside their area; but if the decision is made because of limited local care home capacity, service users are directly affected financially by market capacity.

44 Councils and the Health Board negotiate with providers each year to agree fees for residential care and nursing home placements. Councils pay an enhanced rate in each category for people with mental health problems.

45 The fees are calculated using a toolkit originally adapted in 2013 for North Wales. This toolkit is designed to set out the costs that have been considered in the calculation of the care home fees. It provides transparency in the process and should provide a fair fee structure, although some providers do not routinely share their business accounts to support the process. We were told during the review that over a third of providers consider that their costs are not covered by the toolkit

assumptions, so they renegotiate their fees separately with each council. One council told us that a provider in their area had six homes all with different fee rates and around 20% of providers in that area had renegotiated their fees in 2019-20. If a council places one of its residents into the home in a neighbouring council, it will pay the rate set by that council, whether it be higher or lower, not the rate it has agreed with that provider for in-county placements.

46 Where councils commission the placement, these should be at the agreed rates or the individually renegotiated weekly rate. Service users will be financially assessed in line with Welsh Government guidance to determine how much they should pay per week towards their care costs, and if they are able to pay the full cost themselves then they will pay the rate agreed by the council. Under the Welsh Government's COVID-19 hardship fund, a £50 per week per resident temporary fee uplift was awarded for council commissioned residential care and in-house residential care provision; this is in addition to the care home fees.

47 If a service user chooses a care home where the provider will not accept the prices agreed with the councils, another person, normally a relative or a friend may agree to pay a third-party top up which is the difference between the care home fees and the amount the Council would normally pay. If the third-party ceases to pay the top up amount there are three choices:

- the care home accepts the lower agreed rate;
- the service user moves to a care home that accepts the agreed fees; or
- the Council agrees to pay the top up in addition to the fees it has agreed to pay.

We understand that often councils agree to pay the top up to avoid disruption to the service user.

48 If the service user is entitled to Funded Nursing Care[5], the Health Board pays £179.79 per week in addition to the Council's agreed fees. And if the Health Board makes a placement under its Continuing Health Care (CHC) arrangements, it will pay different fees again.

49 In 2019, the Health Board had started to review its fees and the method used to set the CHC rate. The review of fees is set to take up to three years. If the service user has higher than average complex care needs, the Health Board will assess the additional costs and agree a rate above the standard CHC rates.

50 In some cases, councils and the Health Board will agree to jointly fund a placement. This sometimes increases the complexity of the placement process. In such cases this may require a separate agreement with a different fee.

51 In some cases, the Health Board may place a person in a nursing home and their health might improve, resulting in the Health Board no longer being liable for the

[5] NHS-funded Nursing Care (FNC) is funding provided by the NHS to cover the cost of care by a registered nurse in a care home or nursing home. The rate is set nationally.

costs. In these cases, councils may come under pressure to pay the same rates as agreed with the Health Board, which may exceed the agreed standard rate.

52 The Health Board has also been allocated additional COVID-19 hardship funding and has been able to use some of this funding to speed up discharge from hospital. Having another funding stream adds further complexity to the care home fee structures. However, it may in turn add further pressures to councils where they take over responsibility for the placement for which providers have been receiving a higher weekly rate but now need to drop to agreed rates.

53 When a service user's needs change, this can result in changes in funding packages, at which stage responsibility for funding may change from council to health board. In line with national policy, care funded by a health board is free to the service user. The Health Board is planning work to support care homes to help the homes better identify and evaluate when changes to care packages are needed.

Providers consider the fees paid to be unfair and inequitable

54 The public sector in Wales has been dealing with the consequences of financial austerity for many years. The emphasis has therefore been on providing and commissioning services at the lowest possible cost. For care homes this has resulted in scrutiny of their fees to set affordable rates balanced against the need for providers to remain viable as businesses. In North Wales, this is done using the fee setting toolkit.

55 Providers we spoke to during this review raised concerns about the toolkit used to calculate the fee levels. The size of the homes differs considerably, therefore economies of scale may vary. Providers accepted that there needs to be a transparent process to agree fees but questioned the extent to which the toolkit satisfies this need, and we noted that many providers do not share their accounts. The need for change is recognised within the Statement where in 2018, partners committed to 'Reviewing the true (full) cost of council homes & cost of care at home in relation to value for money comparisons and to develop an urgent response procedure to react to changes in the cost of running homes or when the providers identify a financial problem.' The Unit Cost and Financial Modelling Subgroup which includes providers' representatives has begun work to assess the true cost of care in line with the Welsh Government's 'Let's Agree to Agree' Framework.

56 Some providers have several homes in different parts of North Wales where the agreed fees are different for what they see as the same service level and infrastructure costs. And some providers may have homes in other parts of Wales where fees are higher than in North Wales. While in many cases this will be because of local differences in costs, in some cases these variations could

potentially result in other councils effectively cross subsidising the lower care home fees paid by North Wales councils and the Health Board.

57 Providers recognise that they compete when recruiting staff but raised the perceived inequalities in the toolkit calculation. The toolkit includes carer costs based on the minimum wage[6] whereas councils and the Health Board pay their own staff the living wage[7] or above.

Commissioners consider they have little control over the fees they pay

58 Care home costs are considerable. For example, basic care in a Denbighshire or Gwynedd care home would cost £30,489 per year, increasing to £48,776 for nursing home care with continuing health care in Conwy or Denbighshire. In some cases, councils are sometimes left with no choice other than to accept responsibility for commitments made by the Health Board or relatives or friends who discontinue third-party top up payments at higher rates than those described here. This is a symptom of two separate national funding models across Health and Social Care as well as an interface between partners that is not truly integrated. It is unsurprising therefore that public sector bodies have such a keen focus on managing cost.

Partners need to do more to demonstrate they are meeting their statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act, when commissioning care homes provision and making individual placements

The Well-being of Future Generations (Wales) Act 2015 is not fully embedded in practice

59 The Well-being of Future Generations (Wales) Act 2015 (WFG Act) places a well-being duty on public bodies. To do this, they need to consider the sustainable development principle, acting in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. The WFG Act requires public bodies to implement five ways of

[6] A 23-year-old and over would be entitled to £8.91 per hour living wage.

[7] The UK Living Wage is £9.50 per hour for 2021-22.

working in respect of their future decision making. Our observations on the five ways of working in respect of care home commissioning is as follows:

- **Long-term**. Partners are facing considerable growth in the North Wales older population as referred to in the Shaping the Market Statement, but partners have not yet set out their plans for meeting the consequential increasing care home needs.
- **Prevention**. Under the WFG Act, public bodies are required to deploy resources to prevent problems occurring or getting worse. In the case of older people's need for care home placements, partners face a clear challenge with the forecast increases in the older population in North Wales. The Market Shaping Statement lacks detail about how partners plan to reduce the demand for care home placements by investment in preventative services, although preventative action is evident through the RPB demonstrating that partners are meeting the prevention obligations under the Act.
- **Integration**. Whilst the precise wording of well-being objectives varies across public sector bodies in North Wales, there is commonality around care for vulnerable people, suitability of where people live and addressing inequalities. North Wales partners have developed a Dementia Strategy and a Carers Strategy, which demonstrates integrated planning in these areas, however, the lack of a strategy or delivery plan linked to the Shaping the Market Statement indicates that integrated planning to meet the needs of older people requiring care home accommodation is in its early stages.
- **Collaboration**. The WFG Act states that a public body must take account of how acting in collaboration with others could assist the body to meet its well-being objectives or assist another body to meet its objectives. Partners meet in a range of settings to consider the challenges they face in relation to the increasing older population, however, what is less clear is how partners are 'acting' collaboratively to address the challenges within the commissioning process.
- **Involvement**. In North Wales, the RPB includes a carer, and they can contribute to the business based on their experiences. However, in practice many discussions take place outside the RPB meetings between statutory partners or in sub-groups, forums or boards which will not generally involve the carer representative. North Wales partners have processes in place to seek the views of people living in the care home. Whilst those involved in the commissioning of care home placements are aware of service users' experiences, such as the costs they bear through third-party top ups, partners do not collate, report, or quantify these experiences and have not acted effectively as partners to learn from this feedback.

Service user language requirements are sometimes not protected, leading to communication difficulties

60 The Welsh Language Act 1993 put the Welsh language on an equal footing with the English language in Wales, and the Welsh Government has subsequently set legally binding standards[8] to improve the bilingual service that the people of Wales can expect to receive from certain public and statutory bodies. The Language Standards are divided into five different categories that include service delivery and policy making. Partners are working with providers to improve access to care services in the service user's language of choice.

61 The North Wales More Than Just Words Regional Forum was awarded a special commendation for their work which promotes collaboration, to fulfil the requirements of the Welsh Government's strategic framework relating to the quality and availability of the Welsh Language in social care and health settings.

62 However, as described earlier in this report, the shape of the care home market in North Wales sometimes results in service users being placed in other parts of Wales or in England, because the specialist nature of the care is not available locally or to accommodate family links elsewhere. For relatives and friends this can mean long journeys to visit the service user and for people whose preferred language is Welsh, this makes communication difficult if the home does not employ Welsh-speaking staff, with potential consequences for the quality of care for the individual. This also represents a break in culture and a sense of place.

[8] www.welshlanguagecommissioner.wales/public-organisations/welsh-language-standards

Recommendations

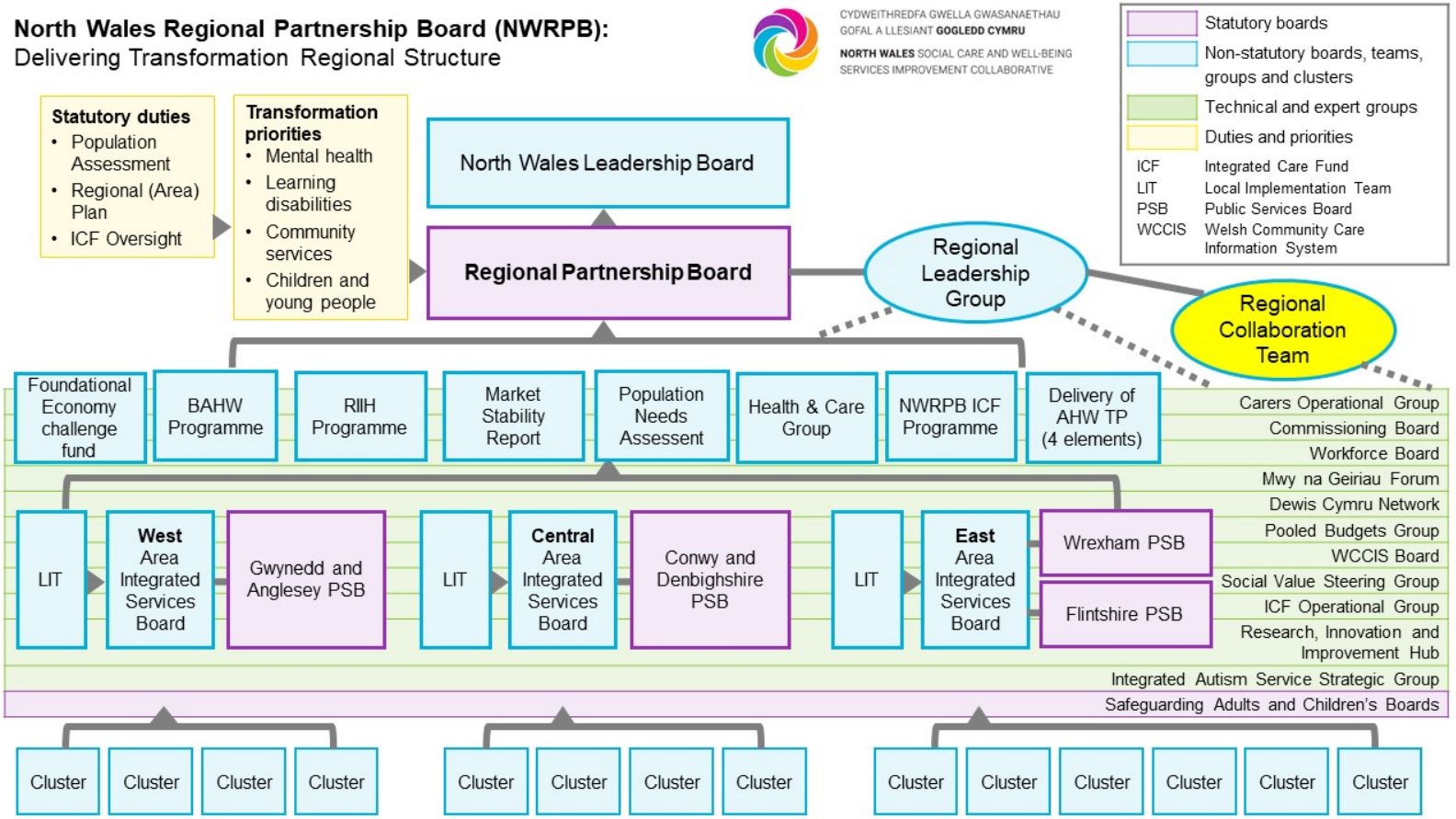
Exhibit 2: recommendations

Exhibit 2 sets out recommendations for North Wales councils and Betsi Cadwaladr University Health Board arising from this review.

Recommendations	
R1	North Wales councils and Betsi Cadwaladr University Health Board need to ensure the consistent use of pre-placement agreements across the region.
R2	The current approach for commissioning care home places can cause tensions between partners and result in poor value and poor service user experience. North Wales councils and Betsi Cadwaladr University Health Board need to work together to review local arrangements for commissioning care home placements to eliminate avoidable adverse impacts on service users, and each other.
R3	Accountability is a cornerstone of public sector decision making. Governance arrangements need to scrutinise decisions and hold decision makers to account. North Wales councils and Betsi Cadwaladr University Health Board need to strengthen their partnership governance arrangements to ensure proper accountability and effective scrutiny.
R4	North Wales councils and Betsi Cadwaladr University Health Board through the Regional Commissioning Board need to develop a regionally agreed care home commissioning strategy and following this, develop an associated delivery plan.
R5	North Wales councils and Betsi Cadwaladr University Health Board need to review their commissioning arrangements for care home placements to ensure they fulfil their statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act.

Appendix 1

Regional Partnership Board structure chart



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