

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay AM
Chair
Public Accounts Committee
National Assembly for Wales

Our Ref: AG/MJ/SD

11 March 2020

Dear Mr Ramsay,

WAO report for the Integrated Care Fund

Further to the Public Accounts Committee considering the WAO report for the Integrated Care Fund (ICF) on the 16th September 2020, I am writing to you to provide an update on progress made in addressing the six recommendations made in the WAO report.

Recommendation R1: Timeliness of guidance and decision-making

We have made good progress with enabling Regional Partnership Boards (RPBs) to have more time to review ICF guidance. The 2019-20 ICF guidance was issued in February 2019 prior to the start of the new financial year, and an updated version of the ICF guidance for 2020-21 was sent to RPBs on the 6th February 2020.

Also following the draft budget and issue of the NHS allocations to health board Chief Executives on 16th December 2019, the RPBs were formally advised of their ICF allocations for 2020-21 by a letter from Welsh Government. The letter also advised the RPBs of that there would be no major changes included in the forthcoming refreshed ICF guidance to allow time for planning for the next financial year.

Recommendation R2: Multiple short-term funds available for health, social care and housing

In line with our commitment in *A Healthier Wales*, we have been working to align discretionary funds. To aid partners in making effective use of resources a document mapping all Welsh Government funding streams across health and social care was issued to stakeholders on 11 September 2019.

The RPBs have been in contact collectively in response to a letter issued on the 11th September and have expressed a wish to enter into further dialogue about how discretionary funds can be better managed.

The RPBs are expected to work collaboratively and make joint decisions on how to use funding that has been made available to them. This was integral to the recent (October 2019) allocation of additional funding to RPBs to help winter pressures.

The regional population needs assessments and area plans should set a shared and agreed strategic framework against which a range of core and discretionary funds should be aligned.

ICF funding can and in some cases is already being used alongside other funding streams to bring about maximum benefit for people and this is possibility made clear in the ICF guidance.

We have been pleased to see how many of the Transformation Fund projects have grown from ICF funded projects, showing a clear pathway of upscaling and acceleration between the two funds.

RPB Chairs and Leads met with the Deputy Minister for Health and Social Services on the 16th January 2020 to discuss the future direction of RPBs, including what effective future regional funding could look like. This discussion was further progressed in the recent learning event held on the 12th February 2020 at which all RPBs were represented.

A cross policy RPB reference group meets regularly to plan and co-ordinate work on integration. A future funding paper has been drafted and shared with directors to explore options for the future including bridging arrangements. A paper is due to be taken to Executive Directorate Team by April ahead of shaping ministerial advice on future funding options.

Recommendation R3: Project Board arrangements

There have been two new members appointed to the Board – Deputy Director of Local Government, Transformation and Partnerships and Deputy Director for Children and Families to ensure there is independent challenge from Senior Civil Servants who are not directly involved in the running of the ICF.

Recommendation R4: Regional Partnership Board scrutiny arrangements

Each RPB has a signed written agreement setting out the governance arrangements to oversee the effective use of ICF funds. These arrangements were reviewed by Welsh Government officials prior to the start of financial year 2019-20. Since then RPBs have been asked and have provided brief information on the scrutiny arrangements they currently have in place. They will also be asked to reflect this in their 2019-20 RPB annual reports.

The 2020-21 ICF guidance requires RPBs to review their existing three year written agreements by July 2020. A template has been provided setting out all the key issues to be included in the agreement including the arrangements for sovereign bodies to scrutinise decisions made by the RPB.

Arrangements for sovereign body scrutiny and approval are agreed locally but do vary. Whilst RPB and ICF activity is reported through to some sovereign bodies it is recognised

that more needs to be done to ensure there is a more consistent and routine approach taken across Wales.

The issue was discussed at the ICF Board on 26th November 2019 and has been referred to the cross-department RPB reference group for further consideration and development. A guide on what effective scrutiny would look like is currently being drafted.

RPB Chairs and Leads met the Deputy Minister for Health and Social Services on the 16th January 2020 and recommendations from the WAO report, specifically in relation to scrutiny arrangements and mainstreaming was discussed.

ICF Leads meet with Welsh Government officials on a quarterly basis and progress towards WAO recommendations, both regionally and nationally is a standing item on the agenda.

A workshop was held with ICF and RPB Leads to consider 'what good looks like' in terms of sovereign body scrutiny of RPB activity. A good scrutiny guide for RPBs is being drafted and is due for circulation by end of March. WAO input into this guide is also being sought.

Recommendation R5: Project monitoring

Use of information gathered by Welsh Government as part of the quarterly monitoring process is made clear to RPBs as part of our regular engagement meetings with each of the regions. The issue was discussed at the ICF Leads meeting on 18 November 2019 and RPBs have been closely involved in the development of the 2018-19 ICF annual report and as such have become much more aware of the purpose of data collected by Welsh Government and the need for robust monitoring and reporting regionally.

There are new more robust monitoring arrangements introduced in 2019-20 to ensure outcomes (using a Results Based Accountability (RBA) methodology) for each ICF project are identified and reported to Welsh Government on a six monthly basis, to allow adequate time for programme delivery, with financial information still being provided on a quarterly basis.

On the 16th January 2020 the Deputy Minister for Health and Social Services launched the first ever ICF annual report which provides information on how the ICF fund has been invested both nationally and regional as well as providing case studies that show impact of the ICF at a project level. The next annual report for 2019-20 is due to be published in October 2020.

Close working is established across both the ICF and Transformation Funds to ensure consistent outcomes, measurements and methodologies are being developed. Through the Transformation programme RPBs have been given additional resource to build evaluation capacity which is also benefiting the ICF programmes locally. RBA training has also been provided to RPBs in October and November 2019 to assist them in demonstrating impact in a more effective and consistent way.

At the most recent ICF Leads meeting on the 4th February 2020, a workshop was held to share learning and consider some common outcome measures that can be used across all regions. This work continues with the network and the forthcoming evaluation will make impact and outcome judgements in key thematic areas e.g. community connectors, support at home services.

The outcomes for the fund are expected to be developed within the context of the current NHS performance Framework and Social Services Framework. A Healthier Wales commits Welsh Government to develop an integrated measurement framework based on the four points of the “quadruple aim”. Within the framework shared performance measures jointly owned by health and social care leaders will be a key element of that approach. We are developing a more consistent approach to RBA and theory of change methodology being used as key measurement tools/processes.

A new ICF capital application process was put in place for the three year programme spanning 2018-19, 2019-20 and 2020-21. The programme is being deployed via a Main Capital Programme for projects over £100,000 in value and a Discretionary Capital Programme for projects below that value. Some amendments have been made to those processes following feedback from RPBs.

Recommendation R6: Shared learning and mainstreaming projects

The Minister for Health and Social Services brought RPB leaders together on 12 February 2020 to reflect their views of the funding streams and what can be done to improve shared learning and the challenges around mainstreaming.

The ICF guidance for 2020-21 includes a reminder to regions the need to consider how learning from ICF funded projects can influence, shape and even replace current core service delivery models and practices.

The ICF Leads Network which meets quarterly with Welsh Government also provides a platform to share learning and for regional leads to gain peer support.

The 2018-19 ICF Annual Report, published on 16 January 2020, contains numerous case studies across both ICF revenue and capital which will facilitate further sharing of learning across Wales.

Mainstreaming continues to be a challenge in the current financial climate but 2019–21 projects have been required to set out exit strategies from the outset meaning that they are thinking about the potential for mainstreaming from the outset. There are a small number of projects that have been successfully mainstreamed, and these will be gathered as case studies to share with other regions as good practice.

With many of the ICF funded projects having provided a sound foundation for the development of Transformation Fund projects we are now seeing an upscaling and acceleration of models developed through the ICF. Communities of practice are being developed to provide front line project leads with the opportunity to share learning and practice.

Yours sincerely,



Dr Andrew Goodall CBE

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