



Children, Young People & Education Committee's request for evidence

Evidence to inform the scrutiny of the Draft Budget 2025-26

December 2024

This document is a response to the Children, Young People & Education Committee's request for information to inform scrutiny of the Draft Budget 2025-26.

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1. Allocations for Children & Young People

Allocations in the Health MEG by Action, and Budget Expenditure Line (as directly relevant to children and young people):

- Draft Budget 2025-26;
- Final Budget 2024-25 Allocations;
- 2024-25 First Supplementary Budget;
- 2026-27 indicative budget (if set);
- A description of any changes to baselines used in the Draft Budget 2025/26 from the First Supplementary budget June 2024.

Response:

The Draft Budget for 2025-26 has been framed around key priorities in areas identified by Cabinet as being critical for delivery. For the Health & Social Care (HSC) MEG our priority is 'lechyd da' - *A Healthier Wales*.

There is £435m of additional Resource funding and £175m of additional Capital funding for the HSC MEG to assist in the ongoing work to reduce long NHS waiting times, improve access and improve services for women's health. This is building on the additional funding already agreed for 2024-25.

The Housing and Local Government MEG is receiving an increase to boost access to social care via the Revenue Support Grant to Local Authorities (RSG).

Children and young people are captured within our priority area, 'lechyd da' / *A Healthier Wales*.

We are supporting a number of areas for waiting times improvements that impact children and young people, including for mental health, and also for those families waiting for an assessment in relation to neurodivergence.

We are also continuing our support for families to access the Childcare, Flying Start and Families First programmes.

Budget Expenditure Line	2024-25 Final Budget	2024-25 First Supplementary Budget	Changes for 2025-26 Draft Budget	2025-26 Draft Budget
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	£m	£m	£m	£m
<i>A Healthier Wales</i> - (Early Years) - BEL 0060	6.850	6.850	0.000	6.850
Support for Childcare and Play - BEL 310	82.378	82.378	20.000	102.378
Support for Children's Rights - BEL 311	1.445	1.445	0.000	1.445
Supporting Children - BEL 410	3.865	3.865	0.000	3.865
Supporting Families and Children - BEL 1085	5.535	5.535	0.000	5.535
Children and Communities Grant - BEL 1087	179.583	179.583	0.000	179.583
Cafcass Cymru - BEL 1268	15.873	15.873	0.804	16.677
TOTAL	295.529	295.529	20.804	316.333

Support for Childcare and Play: BEL 310 - £20m Increase

In line with our commitment to the childcare sector, Officials have undertaken a review of the hourly rate for the Childcare Offer for Wales. This included field research and analysis of evidence to inform what a revised rate could look like. The current rate is £5 and from April 2025 this will increase to £6. The £20m is to deliver this increase in the hourly rate for the Childcare Offer, which includes the nursery Education component and a corresponding uplift to two-year-old childcare as part of the Flying Start Programme. In the table above this amount is shown in BEL 0310, the elements of this funding relating to nursery education and Flying Start will be allocated to the relevant BEL lines in due course. Alongside a proposed uplift, the scope of the review considers the regularity of future rate reviews and proposes an uplift to permissible food charges of 20 per cent.

Cafcass Cymru - BEL 1268 - £0.804m Increase

A budget increase of £0.804m which relates to the baseline adjustment for the 2024-25 pay award and associated pension impacts from SCAPE for Cafcass staff.

2026-27 Indicative Budget

The one-year budget settlement is for 2025-26 only, so no budgets have been set for 2026-27.

2. New Ministerial Portfolio: Children and Social Care

Narrative explanation of the role of the new portfolio holder of Minister for Children and Social Care in respect of budget allocations for children across government.

Response:

The new portfolio includes lead responsibility for children's rights. The Welsh Government's work on children's rights is based on our commitment to the principles of the United Nations Convention on the Rights of the Child (UNCRC). Under the Rights of Children and Young Persons (Wales) Measure 2011, Welsh Ministers are subject to the following four duties:

- to have due regard to the UNCRC when exercising Ministerial functions;
- to produce a Children's Rights Scheme setting out arrangements for complying with the due regard duty;
- to publish a "compliance report" on how Ministers have complied with the due regard duty, every two and a half years;
- to take appropriate steps to promote public understanding of the UNCRC.

The Children's Rights BEL supports all Welsh Ministers to fulfil these duties, including grant funding *Children in Wales* to operate *Young Wales*. *Young Wales* provides a representative participation model for children and young people to have their voices heard in the policy/legislation and decision-making process.

Early Years Childcare and Play

The new portfolio includes responsibility for: early years and childcare policy and legislation; Welsh Government funded childcare programmes; family and parenting support; lead for Adverse Childhood Experiences and Trauma-Informed approaches; and play policies for all children, extending beyond their early years. We are committed to:

- Support the development of a more joined up and responsive early years system in Wales.
- Support accessible, inclusive, high-quality play, learning and care experiences in Welsh, English or bilingually.

- Support a valued, thriving and diverse childcare and play work sector.
- Break cycles of disadvantage by focusing our resources on our most disadvantaged communities through our flagship, targeted Flying Start Programme.
- Increase awareness that Speech Language & Communication (SLC) is 'everybody's business' and ensure interventions are delivered universally at the point of need.
- Support families with meeting the cost of childcare through government funded childcare (the Childcare Offer for Wales and Flying Start Childcare).
- Supporting parents and families through parenting policy and our national campaign *Parenting. Give it time* and Families First and Family Information Services.
- Mitigate Adverse Childhood Experiences (ACEs) and their impact and champion a **Trauma-Informed Wales**.
- Protect and champion playfulness that all children in Wales have sufficient opportunities to **play** in their local area.

3. Impact Assessments

- **Combined CRIA across all portfolios:** The overall Child's Rights Impact Assessment (CRIA) undertaken to inform allocations in the draft Budget 2025-26.
- **CRIA for Health and Social Services MEG:** The CRIA for the Health and Social Services MEG for 2025-26.
- **Other impacts:** Details and/or examples of any changes made to allocations within the Health and Social Services MEG following considerations of equalities, sustainability, the Welsh language, and the Wellbeing of Future Generations.

Response:

3.1 Combined CRIA across all portfolios

Detailed impact assessments, including a Children's Rights Impact Assessment (CRIA) are undertaken as part of our ongoing policy development and review. A Strategic Integrated Impact Assessment (SIIA) is one of a suite of documents published as part of the draft Budget and is critical to identifying key trends, strategic and cumulative impacts at portfolio level, across a range of areas, including giving due consideration across the statutory requirements.

We continue to maintain that the integrated approach underpinning the SIIA enables us to better understand the intersectional and unintended impacts of spending decisions and to maximise the impact of available funding, reducing the disproportionate effect on any one specific group or area. To consider an area of impact in isolation risks unintended consequences such as the negative impact in one area being driven by a positive impact in another.

3.2 CRIA for Health and Social Services MEG

While we expect the financial outlook for the NHS, next year, to continue to be very challenging. We are investing a further £435m resource funding in Health and Social Care in 2025-26. This brings the total annual resource funding for Health and Social Care to £11.915bn.

Over £400m of this new funding will support a range of additional allocations to the NHS, including activity to cut NHS waiting times, women's health, workforce training, digital investments and staff pay - building on the additional funding provided in 2024-25.

We are providing an additional capital funding to Health & Social Care, bringing our total capital investment in this draft Budget to £614m. This investment will maintain and improve the NHS estate infrastructure, further invest in the latest digital technologies, as well as the availability of fit for purpose, modern, reliable equipment to support the prevention of productivity loss within the NHS and help reduce waiting times through addressing infrastructure fragility and sustainability. This funding aims to help offset the most severe impacts across all parts of Wales and provide protection for everyone, including children, disabled, older and vulnerable people.

The majority of the funding within the HSC MEG goes to the NHS and is a discretionary allocation. Health Boards formulate their plans to meet the needs of their population and in doing so will complete impact assessments, which will include consideration of impacts on children and young people. In policy areas outside of the main NHS funding, for example in Children and Early Years, CRIs are completed when developing new policy or legislation. These help to ensure that the best interests of children are taken into consideration during the policy and legislation development process and what the impact of those choices will be.

3.3 Other impacts

The vision under *A Healthier Wales* is to place a greater focus on prevention and early intervention which we continue to support through universal, as well as more targeted support. Within the HSC MEG, funding is allocated to support our Programme for Government commitments on Early Years and Childcare.

Our support for the early years, childcare and play contributes to all of the well-being goals, and specifically to those relating to a prosperous and healthier Wales. Investment in quality childcare and play can help young children develop into healthy, active adults. It develops their cognitive and social and emotional wellbeing and mitigates the harmful effects of adverse childhood experiences. Childcare can also enable parents to work and train and lifts families out of poverty.

Our Childcare Offer specifically supports the Welsh Government's well-being objectives, in particular to:

- Support people and businesses to drive prosperity
- Promote good health and well-being for everyone
- Support young people to make the most of their potential
- Build ambition and encourage learning for life

We have continued to frame our budget allocations in line with preventative activities, focussing on positive interventions that protect and build on existing

foundations, including our commitment to children's rights. It is important to note that following agreement of the draft budget for 2024-25, Health Boards will be given an allocation. Impact assessments will be undertaken by the Health Boards on everything in due course.

To ensure Health and Social care in Wales achieves its vision to provide an equitable whole system approach, through a motivated and sustainable health and social care workforce, delivering more equal health outcomes for the population of Wales.

We will do so by continuing to work with Stakeholders and Partners to deliver the relevant Goals and Action's within our current and future National Equality Diversity and Inclusion plans, including those described within the Anti-racist Wales Action Plan, the LGBTQ+ Action and the proposed Disability Action Plan.

In embedding equality actions at the centre of our PfG commitments we have ensured that our strategies and policies, consider the diverse needs of the people of Wales. Integrated Impact Assessments being carried out by individual policy areas will continue to ensure an ongoing and strengthened focus on equalities and Welsh language.

4. Programme for Government

Allocations in the Draft Budget 2025-26 and the latest position on funding in the context of the latest Welsh Government Annual Report for:

4.1 Advocacy Services

PfG commitment: Advocacy services for parents whose children are at risk of coming into care.

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Response:

Funding of £506,000 has been allocated from the Looked After Children Change Fund in 2025-26 to support the continued roll out of independent, professional advocacy support for parents whose children are on the edge of care, with the aim of reducing the numbers of children entering the care system in Wales. The total funding allocated to this commitment across the four years 2022-23 and 2025-26 is £1,606,400.

We remain committed to parental advocacy and continuing the good progress that has been made by advocacy providers to date in developing an outcomes framework, establishing referral pathways and provision across all areas of Wales. Parents have been supported with a range of issues including mental health, support with care proceedings, child protection conferences, housing and physical health. This has enabled an increased understanding of processes, awareness of parental rights, parents feeling they are well-equipped to self-advocate in future meetings, feelings of parents being listened to and taken seriously and a greater understanding of how decisions are made and who is making them. We will also be establishing a National Forum for Parental Advocacy in order to bring together providers and stakeholders to discuss consistency of practice and share learning.

4.2 Regional Residential Services

PfG commitment: Fund regional residential services for children with complex needs.

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Response:

Care experienced children have often gone through adverse childhood experiences, and many have unresolved trauma that resurfaces in escalating behaviours and difficulties in personal attachments. As a result, a care experienced child may have several placement breakdowns in succession due to their unmet needs. If these needs are not addressed, it can culminate in a secure home or a specialist placement that is far from the people they know and often out of Wales. Early intervention is crucial to break this cycle with a therapeutic, trauma informed approach that ensures better outcomes for the child.

Welsh Government continues to invest heavily in the development of therapeutic residential accommodation and specialist services for children and young people with complex needs through the Regional Partnership Boards (RPBs). RPBs are accessing relevant capital funding streams such as the Housing with Care Fund (HCF) or Integration and Rebalancing Capital Fund (IRCF), and revenue funding from the Regional Integration Fund or the Eliminate Profit from Care Fund.

RPBs are developing accommodation-based models of care to meet the needs of this population. This type of accommodation can be generally described as:

- Specialist step-up or step-down provision, providing therapeutic support and trauma informed, often bespoke to the child needs.
- Purpose is to aid behavioural regulation and to prevent escalation to and facilitate de-escalation from secure home or tier four mental health inpatient provision.
- It aims to fill gaps in local provision to avoid children being placed out of county or out of Wales or to bring them back closer to home.

In 2024-25 so far, five new residential services for children with complex needs have opened providing 18 new beds, and development is underway of a further 25 homes for children with complex needs which are expected to complete by March 2025 providing an additional 88 beds.

We have an indicative HCF budget of £60.5m in 2025-26. Children with complex needs are one of several priority groups that are served by the HCF. We will continue to support this user group through the HCF in 2025-26 however it should be noted that RPBs are ultimately responsible for determining priorities within their regions.

From discussions with our regional partners there are HCF projects in the pipeline for children with complex needs in 2025-26 and beyond, and we will assess these applications once they are finalised and submitted. We will also continue to liaise with the IRCF team to ensure that both funding streams are maximised to deliver for this priority group.

The IRCF has an annual budget of £70m per year until 2026-27. The fund has three funding priorities, one of which is to support projects that will eliminate profit from the care of children looked after and support the growth of not-for-profit children's residential care provision. As part of their Strategic Capital Plans RPBs are asked to identify projects that support the eliminate agenda, which will inform the funding requirement for 2025-27. This can then be considered alongside the other priorities that the fund supports.

Local Authorities Children's Services tell us care-experienced children appear to have complex presentations more frequently than ever before. Due to insufficiency issues, these children will often be cared for out of area or out of Wales in expensive private provision. Therefore, RPBs are prioritising the development of accommodation for children with complex needs, which in practice also supports the eliminate profit agenda and will ensure children are cared for closer to home.

4.3 Eliminating Private Profit

PfG commitment: Eliminating private profit from the care of children looked after.

A breakdown of the £68m commitment over 2022-23, 2023-24 and 2024-25)

- Allocations and spend by year
- Outputs / new placements by local authority at the end of the three-year period

Response:

Annual Breakdown of £68m commitment			
	2022-23	2023-24	2024-25
Eliminating Profit	£10m	£16m	£20m
Radical Reform	£3m	£10m	£9m
Total	£13m	£26m	£29m

As per the evidence paper submitted for last year's exercise in 2022-23 local authorities were asked to submit three-year bids for funding (2022-23 and 2024-25) to support them to deliver the commitment to eliminate profit and help them reduce the number of children in care and support children who are looked after and their families. Funding was split across two grants for this - the eliminating profit grant and the radical reform grant.

Bids were assessed by officials and used to determine the allocation of the £68m over the three years to local authorities in Wales. The bids were clearly focused on building in-house or non-for-profit residential and foster care provision, on moving children out of residential care back into a family setting, on providing locally based designed services, including specialist provision for children with more complex needs and above all improving outcomes for children. Some examples of these types of proposals received were:

- Better support for foster carers, including the development of specialist support services.

- Enhancing the range of foster care options for children.
- Increased recruitment and assessment of local authority foster carers.
- Step Down foster placements.
- Building in-house residential care provision and resilience, including upskilling of local authority staff and practitioners.
- Developing in-house short breaks respite services.
- Converting Placements with Parents to Special Guardianship Orders.
- Development/Expansion of Crisis Support Teams.
- Discharge of Care Orders.

In both 2022-23 and 2023-24 the allocated funding was fully spent on these activities to support the Welsh Government's commitment to eliminate profit. Officials have recently completed monitoring meetings with each of the 22 local authorities to check in on current progress and it is forecast that funding will once again be fully utilised in 2024-25.

Regarding outputs funding has been used for a variety of individual purposes given individual local authorities plans in respect of eliminate. However most have utilised funding towards supporting their foster care and residential care provision within their areas. In particular, the funding has supported staffing costs associated with developing new in-house local authority residential provision, and in supporting the development of their fostering services with initiatives such as expanding foster care counselling and wellbeing support and expanding engagement to target prospective foster carers.

This funding will be maintained for 2025-26.

4.4 Support for Complex Needs

PfG commitment: Specialist support for children with complex needs who may be on the edge of care.

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Response:

In response to feedback from care experienced young people about the need for improved mental health and wellbeing support officials are currently working on a draft service specification for delivering therapeutic support for care experienced children. Engagement work has been carried out with the sector, families and different policy areas to inform the specification and further engagement work will be undertaken with

child and young people. The service specification will aim to ensure equity and quality of provision for therapeutic support for care experienced children throughout Wales. This work will be progressed in early 2025.

Using the Regional Integration Fund, Regional Partnership Boards work to the 'Supporting families to stay together safely, and therapeutic support for care experienced children' model of care. To support this work, we have established a Community of Practice that is focussing jointly on the further development of NYTH/NEST implementation, together with the supporting families to stay together safely model of care. The Community of Practice facilitates the sharing of best practice and encourages joint learning across the Welsh regions.

The total projected 2024-25 allocation by year end is £ 21.3m which we anticipate will be similar for 2025-26. The allocation is divided as follows:

Cardiff & The Vale - £2.7m

- Right support, right time, right person
- CYP with complex needs – community

Cwm Taf Morgannwg - £100k

- Systemic Change Model
- Supporting Change & Systematic Practice

Gwent - £3.1m

- Children's Emotional Health & Development
- Children's Early Intervention & Resilience

North Wales - £10.4m

- Early intervention
- Repatriation & prevention services
- Building Family resilience to prevent escalation
- Intensive residential support for children with complex needs
- Specialist support for children with complex / specialist needs
- Intensive support teams for children with complex needs

Powys - £754k

- Edge of care
- Powys Together

West Glamorgan - £2.7m

- Children and Young People programmes

West Wales - £1.4m

- Grown your own
- Edge of Care
- Complex Needs.
- Early Years
- Children Young People emotional health and wellbeing

4.5 Childcare Fund

PfG commitment: Fund childcare for more families where parents are in education and training or on the edge of work.

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Response:

In April 2022, the Childcare offer for Wales eligibility was expanded to include parents in education and training. The expansion of the Offer allows parents to access the programme if they are

- Enrolled on a Higher Education (HE) undergraduate or postgraduate course that is at least 10 weeks in length. This includes courses delivered by distance learning.
- Enrolled on a course that is at least 10 weeks in length and which is delivered at a Further Education (FE) institution.

There are no current plans to expand eligibility further the focus for 2025-26 will be on raising awareness of eligibility and simplifying systems.

4.6 Expansion for Early Years Provision

PfG commitment: Phased expansion of early years provision to include all 2-year-olds, with a particular emphasis on strengthening Welsh medium provision.

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26.

Flying Start Childcare: An estimate of the current of 2 years old offered the 15 hours by local authority.

A Flying Start Childcare: timeline for roll out of to 2026 across each local authority, from the current baseline.

Response:

Flying Start childcare offers 12.5 hours of high-quality childcare provision for two-year-olds.

The table below sets out the number of children reached by each phase of Flying Start expansion.

Flying Start and Expansion Programme Phase	Childcare places offered	Cumulative Childcare Numbers
Core FS programme (This now includes phase 1 expansion)	9137 (Note 1)	9,137
Phase 2 Expansion	5,522 (Note 2)	14,659

Notes: Please note that these figures are estimates – analysts have used the most up to date mid-year population estimates available (for 2023) – this is the closest estimate that can be calculated.

- **Note 1** – Source: FS official statistics. See: <https://statswales.gov.wales/v/QTad>
- **Note 2** - Phase 2 is still being rolled out so analysts have used the target figure of funded places available for the Phase 2 expansion (5,522).
- The actual number of Flying Start childcare places offered in each year is likely to be higher. In the first year of rollout (2023-24), the target was 4,919 but the number of childcare places offered was 6,885. See: <https://www.gov.wales/flying-start-april-2023-march-2024-html>

The tables below break down this information by LA.

Isle of Anglesey	176
Gwynedd	297
Conwy	258
Denbighshire	209
Flintshire	286
Wrexham	361
Powys	222
Ceredigion	142

Pembrokeshire	298
Carmarthenshire	509
Swansea	843
Neath Port Talbot	577
Bridgend	377
Vale of Glamorgan	326
Cardiff	1060
Rhondda Cynon Taf	736
Merthyr Tydfil	340
Caerphilly	598
Blaenau Gwent	359
Torfaen	322
Monmouthshire	68
Newport	773
Wales	9,137

Target number of childcare places for Flying Start phase 2 childcare places offered 2024-25

Anglesey	109
Blaenau Gwent	163
Bridgend	241
Caerphilly	379
Cardiff	747
Carmarthenshire	279
Ceredigion	80
Conwy	163
Denbighshire	156
Flintshire	214
Gwynedd	161
Merthyr Tydfil	184

Monmouthshire	85
Neath Port Talbot	282
Newport	413
Pembrokeshire	187
Powys	133
Rhondda Cynon Taf	499
Swansea	443
Torfaen	194
Vale of Glamorgan	185
Wrexham	224
Wales	5,522

Phase 3 of the expansion will involve the further expansion of childcare provision from the position reached at the end of Phase 2 (end March 2025) until provision is available to all two-year-olds.

It is not possible to provide a fixed timeline for Phase 3 of the expansion. Each Local Authority started from a different position and faces different challenges in implementing the expansion programme. We are working closely with local authorities and the childcare sector to ensure that we expand provision sustainably and that the appropriate infrastructure is in place to support effective delivery.

To inform further progress in this area, we commissioned all local authorities to prepare expansion plans for Phase 3 of the rollout - covering the remaining areas of their local authority. Officials are currently reviewing these plans in discussion with LAs. These plans for the next phase will help them to deliver further expansion quickly and effectively when funding becomes available.

4.7 Flying Start

PfG commitment: Flying Start (the four entitlements).

Allocations and accompanying narrative setting out desired outputs and outcomes for 2025-26 (revenue and capital).

Response:

Flying start is funded through the Children and Communities Grant (CCG) which seeks to address the support needs of the most vulnerable children and adults in our communities through a range of early intervention, prevention and support mechanisms. The programmes within this grant seek to mitigate or remove disadvantage to vulnerable people to enable them to have the same life chances as others, thereby contributing to a

more equal Wales. The CCG allocation for 2025-26 is £179.583M which funds eight related programmes delivered by local authorities. In the table at 1.1 above an additional £20m is shown in BEL 0310, this includes an element of funding relating an uplift in funding to nursery education and Flying Start this will be allocated to the relevant BEL lines in due course.

We continue to invest in Flying Start, which includes four core elements: fully funded quality childcare, parenting support, intensive health visitor support, and support for speech, language, and communication (SLC). We exceeded our delivery target in 2023-24, ensuring that over 41,000 children and families received support from the programme.

We have just begun a three-year evaluation of the Flying Start Programme, in which we have included an impact evaluation of Flying Start. We also continue to work with Local Authorities and Health boards to submit individual level Flying Start data into the Secure Anonymised Information Linkage (SAIL) databank and plan to use this data for the impact analysis. Our aim is to show the long-term outcomes of the Flying Start programme in helping those in the most disadvantaged areas of Wales.

Childcare and Early Years Capital programme

The £70m Childcare and Early Years Capital Programme was implemented in October 2022 and will run to Spring 2025 (spanning the three financial years 2022-23, 2023-24 and 2024-25). The purpose of this capital funding is to support the Welsh Government funding criteria for this term and to maintain and improve new and existing childcare (including Flying Start) infrastructure.

The programme has two elements: Small grants and major capital builds. The Small Grant Funding is allocated to local authorities to allow all registered childcare and play providers (including Flying Start settings) to come forward with applications for minor capital projects. The Major Capital funding is open to local authorities to improve, expand and strengthen childcare infrastructure (including Flying Start settings) having regard to their childcare sufficiency assessment.

The majority of submissions for major capital funding made by local authorities during the current programme is to support Flying Start provisions.

The Childcare and Early Years Capital Programme will have a budget allocation of £25m for FY2025-26. The Programme will continue to support the current Flying Start infrastructure with particular emphasis on Phase 3 expansion.

5. Children's Social Care

- **Children's Social Care workforce:** Any allocations associated with additional support to local authorities to address the instability of the workforce in children's social care, such as vacancy rates and the use of agency staff.
- **Sustainable Social Services Grant Scheme:** The total amount for the Scheme and a breakdown of all grants relevant to children and young people.
- **Care Experienced Children Change Fund:** The total amount for the Fund and a breakdown of all allocations.

Response:

5.1 Children's Social Care Workforce

As a government we continue to work on creating a firm foundation to build our social care workforce. Our significant funding of approximately £28m through Social Care Wales aims to lead and support improvement in social care through recruitment and retention of a quality and professional workforce. Areas of work with allocated funding that relate to children's social care include:

£10m over three years investment in the social worker bursary to make the social work degree financially attainable and an attractive career.

The Social Care Wales Workforce Development Programme (SCWWDP). This allocation of grant is available to support local authorities and offers opportunities to fund excellent programmes such as the 'grow your own scheme' which supports paid employment and funded social work training. Take up for this scheme has increased each year.

In recognition of the important role that local authorities play in delivering core social services, the Welsh Government has provided recurrent funding to the sector in the form of a Workforce and Sustainable Social Services grant. The criteria for the use of the grant have been broadly set. Local authorities have been able to use the funding to support increases to pay, but also for other interventions aimed at supporting the delivery of sustainable social care services to ensure that they were better placed to meet increased or unexpected demand. The allocation to local authorities for 2025-26 is £45m.

These positive programmes of work come with the realism that it will take time to feel the impact within the workforce, but this is promising for the future of children's social care.

5.2 Sustainable Social Services Grant Scheme

The total value of funding allocated via the Sustainable Social Services Grant Scheme in 2025-26 is £9,301,738 of which £2,912,429 relates to grants relevant to children and young people

The breakdown of these grants is as follows:

Organisation Name	Project Title – and project aim	Indicative award 2025-26
Action for Children	Skills PLUS (Skills+): Skills+ is a service for Care-Experienced Young People (CEYP) aged 14-24. The project will deliver bespoke Pathways that support CEYP's transition to adulthood, through a range of interlinked interventions designed specifically to reduce their vulnerabilities and equip them with the resilience, skills/tools to help them to cope positively with the challenges of independent living.	£599,747
Cyfannol Women's Aid	Ar Trac: Ar Trac will support children and young people who have experienced or witnesses domestic abuse, and who are exhibiting difficulties with their family and peer relationships. By addressing these difficulties and building upon strengths within childhood, Ar Trac aims to minimise the impact of the adverse childhood experiences associated with domestic abuse and improve physical and mental well-being later in life. The project is delivered by locally based domestic abuse agencies who have a wealth of experience and understanding of their local communities and will be able to shape the project locally to better meet the needs of children and young people.	£619,762
Ethnic Youth Support Team Wales	Supporting BME Children & Young People in Wales: The service aims to improve the wellbeing outcomes of BME Children and Young People with social care needs, through a race-, faith- and culture-sensitive, person-centred and rights-based support service, building on and connecting to EYST's work with BME Children and Young People in Swansea. The services are a referral-based service for BME Children and Young People aged zero to 25 with 'additional' or 'multiple' support needs, working directly	£138,552

	with them through early intervention and prevention to achieve specific wellbeing outcomes: securing rights and entitlements, improving physical and mental health, supporting transition to independent adulthood, and protecting from abuse and neglect.	
Lucy Faithfull Foundation	Keeping Children Safe from Sexual Abuse - public education, training and resources to improve the ability of parents, carers, and those who work with children and families to prevent sexual harm and take appropriate action if they have a concern	£94,612
Lucy Faithfull Foundation	Early intervention for vulnerable or at-risk families: a child sexual abuse and exploitation early action and prevention project: Keeping children safe from sexual abuse - public education, training and resources to improve the ability of parents, carers, and those who work with children and families to prevent sexual harm and take appropriate action if they have a concern	£97,153
National Youth Advocacy Service	Parent Advocacy Programme: To support Welsh Government's plans for providing family intervention support with the aim of reducing numbers of children entering the care system in Wales. The project's key aim is preventative intervention whilst ensuring the rights of the child are fully upheld.	£297,399
National Youth Advocacy Service	Project Unity: To break the cycle of children of care-experienced mothers being taken into care and the prevention of children becoming subject to child protection processes. By providing intensive wraparound support and building peer support networks.	£343,707
Platform (formally - Gofal)	Young People's Project 13-16 years old: Platform's Young People's Project, in collaboration with Vibe Youth and Barod, will provide a safe space for young people aged 13-16 years to pause, breathe and connect. Through the provision of a 12-week wellbeing programme, peer support and one-to-one support, young people will be given the opportunity to explore what mental health and wellbeing means to them. Young people will have the opportunity to meet others facing similar challenges, share stories of recovery and everyday strategies for wellbeing. The project will provide the opportunity for young people to train to become peer mentors and will give young people a platform to shape the direction of the project.	£362,397
The Fostering Network	Fostering Communities: Fostering Communities is a whole systems approach to supporting looked after children and their foster families, throughout Wales. At its heart is a ground-breaking, co-production model, facilitating a shared power approach to programme	£279,429

	design, delivery and evaluation. The project will empower the fostering community to improve wellbeing outcomes for looked after children and young people within the national wellbeing framework	
Whizz-Kidz	Moving On: To increase life satisfaction and happiness of young wheelchair users in Wales through sports and movement-based skills programmes in health and education settings.	£79,671

5.3 Care Experienced Children Change Fund

	2022-23	2023-24	2024-25	2025-26	Total
Roll-out of Parental Advocacy	£88,400	£506,000	£506,000	£506,000	£1,606,400
National Adoption Service proposals	£340,042	£638,639	£669,492		£1,648,173
Foster Wales Additional Funding	£181,048	£1,890,829	£2,074,999	£199,756	£4,346,632
Fostering Network Step Up Step Down project		£263,300	£301,300	£314,800	£879,400
Fostering Well-Being project	£225,129	£284,170	£269,062	£272,753	£1,051,114
Total Cost	£834,619	£3,682,938	£3,920,853	£1,293,309	£9,731,719

6. Children's Health

Allocations in the Draft Budget 2025-26 and the latest position on funding for:

- Tackling NHS paediatric waiting times
- Public health as it relates to children and young people, including vaccination
- Obesity strategy
- Mental health services, including child and adolescent mental health services, and services to support perinatal mental health and parent-infant relationships
- Eating disorder services
- Suicide prevention as it relates to children and young people
- Substance misuse, including vaping among children and young people
- Neurodevelopmental services
- Any changes in WG funding arising from the new arrangements for mental health at Hillside Secure Unit. *You recently confirmed to us in writing that from February 2025 a Service Level Agreement (SLA) will be in place between Hillside and Swansea Bay "enabling a more holistic approach to the mental health needs of the young people residing at Hillside."*

Response:

6.1 Tackling NHS Paediatric Waiting Times

All RTT waits, Diagnostic and therapy waits can be reported by age broken down to zero-16 years and 17-under, 18 years and 18 years and over.

This data has shown an improvement in access to paediatric planned care services.

- Paediatric RTT waits over two years have reduced from 5,043 end of April 2022 start of recovery to 1,154 a **77 per cent improvement** higher than total

all age reduction.

- The number of specialities with over two-year waits has reduced from 26 in April 2022 to 13 in September 2024.
- All health boards have shown an improvement this varies from 38 per cent BCU to 98 per cent Swansea Bay.
- **Paediatric outpatient waits over 52 weeks** - overall there has been a 33 per cent improvement in September 2024 compared to April 2022. There is a 74 per cent improvement in the reduction of outpatient waits over two years.
- **Paediatric diagnostic waits over 8 weeks** - have increased overall by 127 waits the main impact being at Cardiff and Vale, but as a percentage of waits over eight weeks it has reduced from 37 per cent to 35 per cent.
- **Paediatric therapy waits over 14 weeks** - there has been an overall improvement In September 2024 compared to April 2022 of 69, five health boards showed an improvement with only Aneurin Bevan and Hywel Dda increasing their over 14 week waits.
- A new Paediatric network is being established with a new network manager in post.
- New Joint commissioning board will be able to provide more specific information on specialist paediatric surgery access in England. We only have detail of Welsh providers.

Neurodivergence waits

The exponential growth in demand for neurodivergence assessment is evidenced in the *Review of the Demand, Capacity and Design of Neurodevelopmental Services: Full Report*, (Holtom and Jones, 2022).

To inform the Neurodivergence Improvement Programme, the NHS Executive undertook a review of the children's neurodevelopmental services delivered by Local Health Boards in 2023 with findings shared in February 2024

The Children and Young Person's Neurodevelopmental Services; All Wales Review, (NHS Exec, 2024) evidence efforts by children's neurodevelopmental services to manage demand, however, continued increases in referrals have resulted in a critical position increasing the fragility of services.

As of September 2024, there were 20,770 children on the waiting list. Indicative projections provided by the NHS Executive are signalling an unsustainable and

concerning trend. Modelling, using demand and activity data up to March 2024, suggests that this number is projected to continue to grow at the same, if not a greater rate without further intervention.

To tackle longest waits across Wales, Cabinet has agreed to release up to £3m to support Health Boards to deliver waiting list reduction plans during the remainder of 2024-25. Health Boards have submitted plans and will receive funding based on the likelihood of plan delivery. Allocation letters were sent to Health Boards in November 2024.

Actions Being Taken:

- Delivery will be closely monitored by WG and the NHS Executive.
- Weekly touchpoint meetings are being arranged with each Health Board to track progress, discuss challenges etc.
- Health Boards will be required to submit monthly data reporting on actual activity.
- All Health Boards have been contacted, advised of the monitoring arrangements and asked to provide a named responsible contact.
- Funding will only be released to Health Boards once confirmation of delivery is received.

There are associated risks to delivery which may mean that projected impact may not be fully achieved. Risks include procurement processes for external contractors, staff absence, availability of skilled staff etc. It is also projected that referral demand will continue to increase in this time, so the overall picture is unlikely to significantly change in terms of the level of challenge and numbers of children waiting. The greatest positive impact will be felt by those families who have been waiting the longest.

This is only part of the solution and longer-term solutions are required to address the current backlog and redesign pathways.

Further work to tackle the continued referral demand and waiting times is happening i.e. the Accelerated Design Event 27 and 28 November 2024. Health Boards are expected to engage with this new work alongside current arrangements under the Neurodivergence Improvement Programme.

6.2 Public Health

Vaccinations

NHS organisations are responsible for managing the funding and ensuring it is appropriately used to provide an equitable vaccination offer to all those eligible, in line with the principles set out in the National Immunisation Framework.

Vaccination Programme Wales (NHS Executive) is responsible for ensuring all programmes are planned and delivered in line with nationally agreed ambitions and principles. Funding for vaccination programmes will increase by £2m for 2025-26.

The Healthy Child Wales Programme

The Healthy Child Wales Programme (HCWP) is a key Welsh Government commitment, setting the strategic direction for health boards to deliver a universal health visiting programme to all families in Wales.

The HCWP spans from the handover of maternity services to the first years of schooling, with services tailored to meet individual needs. It plays a crucial role in improving health outcomes and promoting the well-being of children in Wales.

The Welsh Government publishes quarterly data on the HCWP and expects health boards to review their operations and delivery mechanisms to ensure improved coverage at every contact point.

Officials are exploring options to review the programme's founding principles and current constraints.

Welsh Government has published a new unified operating model to underpin the existing school nursing frameworks in Wales. The operating model will extend the Healthy Child Wales programme universal public health offer to all compulsory school-aged children, regardless of setting. NHS Wales will have two years to fully implement the model across Wales.

Flying Start and Speech Language and Communication (SLC)

Flying Start is funded through the CCG. The CCG allocation for 2025-26 is £179.583m which funds eight related programmes delivered by local authorities. Children and families living in Flying Start areas are eligible for an enhanced level of health visiting support. The promotion of key public health messages and of healthy lifestyles is a key part of the additional Flying Start health support offered by health visitors and the wider workforce.

Flying Start delivery data for 2023-24 shows that 41,328 children benefited from Flying Start services, which is approximately 35 per cent of children under four years old in Wales and is 17 per cent higher than 2022-23.

In addition to the support for SLC for children in Flying Start areas we take a strategic approach to speech language and communication through the Talk with Me delivery plan. The budget allocation for this in 2025-26 is £1.1m (from BEL 0310).

6.3 Obesity Strategy

We continue to invest in our Healthy Weight Healthy Wales strategy to tackle overweight and obesity, with £4.042m allocated to support programmes and activities, such as our three Children and Family pilots, and whole system approach work across all health board areas.

The Children and Family pilots (branded PIPYN) are established in Cardiff, Merthyr and Anglesey. The pilots include a 'nested intervention' which provides one-to-one support to families with young children (aged three-seven years) who are living with obesity. Families can also take part in free and fun local events, delivered in partnership with the PIPYN team, to get active and learn about healthy eating. The programme is also part of a wider systems approach to provide healthier settings and environments for young children and their families.

Whole system approach teams in each local health board, led nationally by Public Health Wales, are embedding a cross sectoral approach at regional level to enable long term, sustainable outcomes.

6.4 Mental Health Services

We continue to ringfence mental health funding for the NHS and in 2025-26 this will be over £820m, including an uplift for demand and inflationary pressures, thus sustaining our investment in mental health services. We have also continued to invest in developments like 111 press 2 to and alternatives to admissions which are key components of our future priorities.

We are investing £2.2m annually in the NHS Executive for the Strategic Programme for Mental Health which is providing a dedicated resource to NHS Wales to drive improvements in performance, quality and safety. This is part of our significant programme of work to improve mental health and well-being, for instance through our Whole School Approach, NEST/NYTH and our Strategic Mental Health Workforce Plan.

Following the publication of our consultation summary reports for the mental health and wellbeing and suicide and self-harm prevention strategies, the Welsh Government are continuing to develop the final strategies and delivery plans. Vision statement four, outlines our vision for seamless mental health services – person-centred, needs led and guided to the right support first time, without delay. This includes child and adolescent mental health services, and services to support perinatal mental health.

As these strategies will set policy direction for the next 10 years, it is vital that they incorporate the views provided at consultation and reflect the broader policy context in which they will operate. To achieve this, it is anticipated that publication will be aligned with the new 2025-26 financial year.

The strategies have been developed in the current financial context and aim to provide direction to the system to better target resources and are not dependent on new / additional funding. The published strategy will be accompanied by a series of delivery plan, which over the life of the strategy will be renewed and refreshed. This will provide the opportunity to identify new investments should the economic position change.

Also, through the development of the mental health and wellbeing strategy we have confirmed our commitment to strengthen support for parent-infant relationship work in Wales. We are looking to publish the final strategy and associated delivery plan in the new year., aligned with the new financial year. The delivery plan will include our priority actions that we will deliver over the next three-years.

We acknowledge the particular importance of the first 1,000 days of a child's life to their lifelong well-being and the positive impact which early preventative intervention, during this relational period, can have on future physical and mental health and wellbeing.

Our NEST framework sets out shared principles for those working with babies and their families to adopt a whole system approach to mental health and wellbeing throughout childhood.

Our Regional Integration Fund funds projects working with parents and infants on bonding, attachment and mental health and we are committed to continuing this work as it demonstrates important short- and long-term improvements for children's and families' lives.

Our **Flying Start** and **Families First** programmes provide interventions to help give children the best possible start in life; build their resilience and confidence; and achieve positive wellbeing. The programmes place an emphasis on early help and prevention and tailor support to meet the needs of children and their families. Flying Start and Families First staff, in collaboration with other multi-agency professionals (as part of a team around the family approach), are essential in the early identification of concerns relating to adverse childhood experiences and trauma and can play a crucial role in mitigating their impact on children.

Both Flying Start and Families First sit within the Children and Communities Grant (CCG) which seeks to address the support needs of the most vulnerable children and adults in our communities through a range of early intervention, prevention and support mechanisms. The CCG allocation for 2025-26 is £179.583m which funds eight related programmes delivered by local authorities.

The programmes within this grant seek to mitigate or remove disadvantage to vulnerable people to enable them to have the same life chances as others, thereby contributing to a more equal Wales. The Early Intervention Parenting Support Grant, also within the CCG, provides funding to local authorities to help meet increased demand and enhance their delivery of parenting support services. This is by increasing the skills and knowledge of the parenting and wider workforce, as well as increase the headcount of parenting support workers, to support parents in the main as well as to support healthy relationships and manage inter-parental conflict.

The support through CCG plays a pivotal role in developing healthy secure bonding and attachment relationships between infants and parents. The programmes are designed to provide comprehensive support to parents and families, particularly those facing challenges, which can lead to increased parental confidence, self-esteem and social support and ensure that every child has the best possible start in life.

Recognising the critical importance of mental wellbeing during and after pregnancy, the Families First programme offers support for expectant/new mothers and fathers experiencing mental health challenges. Through multi-agency collaboration, professionals work with families to provide early intervention and tailored support, helping to mitigate the impacts of perinatal mental health issues. This focus on mental health ensures that parents and their families receive comprehensive care that promotes overall family wellbeing and resilience.

Our Parenting. Give it time campaign provides positive parenting information, advice and support to parents with children up to the age of 18 on all aspects of parenting, including practical advice on parenting techniques to support bonding and attachment to develop the parent-infant relationship, as well as emotional support for the parents themselves. The campaign links up with our family and parenting umbrella campaign, Teulu Cymru.

6.5 Eating Disorder Services

As per response to 6.4, vision statement four, within the mental health and wellbeing strategy, outlines our vision for seamless mental health services – person-centred, needs led and guided to the right support first time, without delay. This includes eating disorder services. The NHS Executive for the Strategic Programme for Mental Health which is providing a dedicated resource to NHS Wales to drive improvements in performance, quality and safety also includes a focus on eating disorder services. This is supported by a clinical implementation network

6.6 Suicide Prevention

We have taken an all-age approach to develop both the suicide and self-harm prevention and mental health and wellbeing to ensure we have a system which will support everyone, and that it promotes better integration between services.

Whilst it takes an all-age approach, it does draw out where we need a specific focus on young people or older adults, and our consultation analysis has provided feedback to how we can strengthen this approach. But what is crucial in our approach is that our services need to be needs led and person centred, rather than being age led. As part of the consultation, we also published draft impact assessments and have provided the opportunity through the consultation to ask whether it was clear about how the Suicide and Self-harm Prevention Strategy and the Mental Health and Wellbeing Strategy deliver for all age groups. This information is now being used to gather further evidence of impact in these areas and this in turn will inform the final impact assessments and delivery plans / strategies.

There is a strong association between exposure to childhood adversity and trauma, the development of health harming behaviours during adolescence, and poorer physical and mental health and wellbeing. We will maintain our current investment in the development of ACE and trauma-aware services and the adoption of trauma-informed practice in 2025-26 (£1m).

6.7 Substance Misuse

As part of the Draft Budget for 2025-26, we will continue to invest in our substance misuse agenda. This totals £67m, of which over £41m goes to our Area Planning Boards (APBs) through our Substance Misuse Action Fund.

Support for children and families is a priority within our Substance Misuse agenda as we know through the work on Adverse Childhood Experiences (ACEs) that children who are raised in homes where substance use is an issue are, potentially, more likely to have adverse outcomes in later life. Through the APB Substance Misuse Action Fund, the Welsh Government invests £6.25m ring-fenced money for children and young people.

The Welsh Government has published a Substance Misuse Treatment Framework (SMTF) for Children and Young People. The SMTF summarises evidence and best practice to guide those supporting Children and Young People with substance misuse issues. We have also published child friendly versions of the SMTF.

Out of Work Service

The Out of Work Service supports people recovering from substance misuse and/or mental ill-health aged 25 or older towards and into employment, or young people aged 16-24 who are Not in Employment, Education or Training (NEET) into education, training or employment.

Between October 2022, when the current service commenced, and September 2024, over 2,000 young people aged 16-24 have enrolled with the service. Of these:

- Over 550 have gained a qualification or work related certificate;
- 170 have entered further learning;
- Almost 300 have completed work experience or volunteering opportunities; and
- 160 have entered employment.

£13m has been invested in delivering the Out of Work Service between 2022-23 and 2024-25 including £5.4m in 2024-25. By March 2025, the Service will have supported up to 10,000 people.

The Service delivers against several Welsh Government strategic commitments in respect to supporting people with substance misuse and/or mental health conditions, not only through structured treatment and healthcare, but also through a range of other measures. This is set out in a range of Welsh Government key strategies including Stronger, Fairer, Greener Wales – a Plan for Employability and Skills and delivering the Young Person's Guarantee.

We will be considering options to extend the current contracts which end in March 2025 into 2026-27.

6.8 Neurodevelopmental Services

To support delivery of improvements to neurodivergence services, £11.5m was made available from 2022-25, this includes support for the National Neurodivergence Team and provides advice and support for families and carers. We are also implementing the Autism Code of Practice published in September 2021, including updating the code to

include other ND conditions. In 2022 a further £12m was made available for an ND Improvement programme to address the critical fragility in ND services as demand is far exceeding capacity to respond. This programme is making good progress in supporting innovation and service improvement, this includes, for example, working in collaboration with the NHS Executive to arrange a children's ND service re-design event on 27-28 November, with 170 professionals and people with lived experience.

A further £3m has been allocated to health boards in 2024-25 to reduce the longest waiting times for children's ND services, providing up to 2,000 additional assessments by end of March 2025. This work and the outcomes from the ND programme, including the children's ND service re-design event in November 2024 will provide evidence for ND policy planning and delivery post 2025.

Continuation of the existing baseline funding for ND is being considered, this would support the National Neurodivergence Team and complete the updated Statutory Code of Practice on ND Services currently in development. Proposals are also being considered for extending the ND Improvement Programme for a further two years up to March 2027.

6.9 Hillside Secure Unit

Welsh Government has provided a significant amount of capital funding to Neath Port Talbot Council to enhance Hillside Secure Children's Home over the last decade. In terms of funding towards services (running costs) provided at Hillside this is something that the Welsh Government does not contribute towards - costs are covered by Neath Port Talbot Council from the revenue generated from the "bed prices" that the Youth Custody Service and Local Authorities pay them.

7. Cost of Living

General commentary about the impact of cost of living on:

- **Health boards:** the delivery of services to children and young people by the Health Boards in Wales and the impact of the rising costs of energy on this provision.
- **Social services:** the provision of all social service activities of Local Authorities in Wales and any associated discussions with the Cabinet Secretary for Housing and Local Government.
- **Child poverty:** details of what discussions have taken place with other relevant cabinet colleagues in respect of allocations which have a significant impact on children's health and social care, for example the Cabinet Secretary for Social Justice, Trefnydd and Chief Whip in terms of the budget of the Children's Commissioner for Wales and broader policy issues such as child poverty.

Response:

7.1 Health Boards

As with other public sector organisations, inflationary pressures on non-staff budgets, including energy costs, have been a significant challenge for the NHS in recent years including 2024-25. Local Health Boards were given an uplift for 2024-25 for demand growth and inflation. They have also faced significant pay pressures and periods of industrial action.

The plans they submitted earlier this year detailed a combined deficit position of £220m. There are a range of cost drivers that sit behind the planning deficit, but inflationary pressures and growth in demand for services will be prevalent. Whilst we cannot disaggregate the position for children and the services the NHS provide for them, they will inevitably be subject to these impacts.

7.2 Social Services

The bulk of Welsh Government financial support for social and children's services is delivered through the un-hypothecated local government revenue settlement, although there are also significant specific grant funding streams. The Local Government settlement for 2023-24 saw an increase of 7.9 per cent, following an increase of 9.4 per cent the previous financial year.

The level of support for 2024-25 is £5.688bn, an increase of 3.1 per cent. Local Authorities will have experienced significant inflationary, and demand increases across the breadth of their functions in 2023-24, a significant proportion of which will be baselined since they relate to staff costs whether in-house or through commissioned services.

The Welsh Local Government Association, on behalf of local government, collectively provides its assessment of the pressures, priorities and opportunities for local authorities each year for discussion at the Finance Sub-Group. Local Authorities will also be considering the level of council tax each wishes to set for the next financial year. Local Authorities will set their own budgets for each service prior to 10 March 2025.

Details on local authority expenditure by service is published annually. The trend over recent years has been for social services and education to be allocated an increasing proportion of the total revenue expenditure by local authorities, with social services having seen the biggest increase in expenditure in 2022-23.

Pressures, including in relation to social care, are regularly discussed between Ministers, including with the Cabinet Secretary for Housing and Local Government.

7.3 Child Poverty

The Cabinet Secretary for Health and Social Care has regular conversations with Cabinet colleagues on matters which impact on children's health and social care. For example, he recently met with the Cabinet Secretary for Social Justice, Trefydd and Chief Whip to discuss the cross-government priorities of tackling inequality and poverty; specifically progress on the commitments that fall within the health and social care portfolio in the refreshed ARWAP, the outcome of the Disability Rights Taskforce, and the Child Poverty Strategy.

8. Cost of Legislation

- Financial implications or anticipated in of any subordinate legislation relevant to children and young people within the Minister's portfolio.
- Information on the financial impact of any relevant UK Parliament legislation

Response:

8.1 Financial Implications

No subordinate legislation involving relevant costs has been identified.

8.2 Financial Impact

No financial impacts of UK Parliament legislation have been identified.