



Children, Young People & Education Committee

Evidence Paper on Draft Budget 2026-27 – Health and Social Care Main Expenditure Group (MEG)

19/11/2025

Summary

This document is a response to the Children, Young People & Education Committee's request for information to inform scrutiny of the Draft Budget 2026-27.

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1. Allocations for children and young people

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

- Draft Budget 2026-27.
- Final Budget 2024-25 allocations.
- 2025-26 First Supplementary Budget.
- Any indicative budgets set for beyond 2026-27.

A description of any changes to baselines used in the Draft Budget 2026-27 from the First Supplementary budget June 2025.

Response:

Budget Expenditure Line - REVENUE	2025-26	2025-26	Changes for 2026-27	2026-27
	Final Budget	First Supplementary Budget	Draft Budget	Draft Budget
	£m	£m	£m	£m
<i>A Healthier Wales</i> – (Early Years) – BEL 60	6.850	6.850	0.000	6.850
Support for Childcare and Play – BEL 310	88.778	88.163	-0.615	88.163
Support for Children’s Rights – BEL 311	1.445	1.449	0.004	1.449
Supporting Children – BEL 410	3.865	3.867	0.002	3.867
Care Exp Children Change Fund Repayment - BEL 6665	0.000	0.000	7.603	7.603
Care Exp Children Change Fund - BEL 6666	0.000	0.000	-5.835	-5.835
Supporting Families and Children – BEL 1085	5.535	5.551	0.016	5.551
Children and Communities Grant – BEL 1087	222.083	222.083	0.195	222.278
Cafcass Cymru – BEL 1268	16.677	17.025	0.348	17.025
TOTAL	345.233	344.988	1.718	346.951

Budget Expenditure Line - CAPITAL	2025-26	2025-26	Changes for 2026- 27	2026-27
	Final Budget	First Supplementary Budget	Draft Budget	Draft Budget
	£m	£m	£m	£m
Care Exp Children Change Fund Repayment - BEL 6665	0.000	0.000	-1.618	-1.618
Care Exp Children Change Fund - BEL 6666	0.000	0.000	1.057	1.057
TOTAL	0.000	0.000	-0.561	-0.561

The budget responsibility and future management of the Invest to Save (I2S) Looked After Children (LAC) fund (Care Exp Children Change Fund Repayment and Care Exp Children Change Fund BELs 6665 and 6666) have transferred from the Central Service and Administration MEG to the Health and Social Care MEG as part of the Draft Budget process to better align with wider policy objectives and service delivery.

The increased National Insurance Contribution budget changes actioned as part of the second supplementary budget process for 2025-26 have been baselined into the Draft Budget for 2026-27. This has resulted in the following additional allocations for the budgets above:

- £0.029m BEL 310 Support for Childcare and Play
- £0.004m BEL 311 Support for Children's Rights
- £0.002m BEL 410 Supporting Children
- £0.016m BEL 1085 Supporting Families and Children
- £0.348m BEL 1268 Cafcass Cymru

In addition to the changes noted above, a £0.195m transfer from BEL 310 Support for Childcare and Play to BEL 1087 Children and Communities Grant has been completed to fund the Balance of Rate Review. A £0.449m transfer from BEL 310 Support for Childcare and Play to the Education MEG has been completed to fund the nursery element of the additional £30m received for the Childcare Offer for Wales, which was part of the Final Budget 2025-26 agreement.

In light of the Cabinet Secretary for Finance and Welsh Language's announcement on 1 July that the 2026-27 budget will increase departmental budgets by inflation, rather than reflecting new policies and priorities, how the Cabinet Secretary and Ministers have been able to take account of emerging

and escalating issues for children and young people since the 2025-26 budget was set.

Response:

The Draft Budget is the starting point of the Welsh Government's budget process - not the end of it. The Draft Budget 2026-27 is built on the strong foundation of last year's budget, which included £1.6bn of new spending commitments, enabling public services to start planning for the 2026–27 financial year. It allocates 98.6% of available funding, leaving room for further investment in Wales' priorities and public services by the Final Budget in January.

It is our firm ambition to secure a Final Budget which uses all the resources available for 2026-27. The government remains open to collaboration with other Senedd parties to agree a budget, emphasising the shared responsibility to pass a budget to benefit Welsh citizens.

The Health and Social Care (HSC) MEG has had a recurrent fiscal resource baseline increase of £186m in relation to 2025-26. This reflects the additional allocation towards the impact of the increase to employers' National Insurance Contributions (NICs) and public sector pay funding from 2025-26. The allocation for NICs leaves a shortfall in funding of circa £16m for the HSC MEG – this is in line with the approach taken across the Welsh Government.

The new budget allocations made in 2025-26, which provided an additional £30m for pathways of care in social care and £30m for childcare, have both been made recurrent and baselined for the HSC MEG in 2026-27.

The revised fiscal resource baseline for the HSC MEG is £12.162 billion. The approach being taken in this Draft Budget means that the HSC MEG will receive an inflationary uplift for 2026-27 of £259m, which gives a total budget of £12.422 billion on fiscal resource.

This additional budget allocation provides for a 2.2% increase for the expected pay uplifts required within the MEG and a 2% uplift on non-pay fiscal resource. While this represents a starting position at the Draft Budget and there is an expectation that there will be change by the time the Final Budget is published in January 2026, this is an exceptionally challenging position, at this stage, for the main NHS allocation and the wider HSC MEG.

The additional funding will be held for the NHS pay uplift for 2026-27, the other pay commitments within the MEG and the recurrent impact of existing commitments which are largely workforce related.

As in previous years, we have worked with colleagues in NHS Performance and Improvement to assess the inflation and demand growth pressures the NHS will face next year. Coupled with the other known pressures across the wider MEG, this draft budget settlement is not sufficient to meet the estimated cost pressures and issues we are forecasting for the NHS, and the wider HSC MEG, for 2026-27.

The draft budget allocation does not provide funding for the continuation of additional waiting time initiatives, which was funded at £100m in 2025-26. None of the options considered for allocating the additional funding for 2026-27 include planned care initiatives, however the £20m agreed at the outset of 2025-26 from within the MEG is available.

At this stage, all the additional revenue funding for the HSC MEG has been allocated to the main NHS BEL.

The Integrated Medium Term Planning framework will shortly be issued to the NHS, and, at this stage, NHS organisations will be asked to plan on no funding uplift for any issues beyond pay inflation for 2026-27. This will be an extremely challenging position for NHS Wales given the expected levels of inflation in healthcare, the costs of new treatments and the general demand growth for services.

While we are planning to meet the impact of pay uplifts for directly-funded staff across the MEG – up to 2.2%, in line with the Office for Budget Responsibility estimates – we are not currently planning on any further investment in any other budgets at this stage of the budget planning process, beyond the uplifts made in 2025-26. This will potentially impact budgets directly funding children and young people.

Any emerging and escalating issues for children and young people since the 2025-26 budget was set will need to be considered within the context set out above.

2. Impact assessments

- Combined CRIA across all portfolios: The overall Child's Rights Impact Assessment (CRIA) undertaken to inform allocations in the Draft Budget 2026-27.
- CRIA for Health and Social Services MEG: The CRIA for the Health and Social Services MEG for 2026-27.
- 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:

Detailed impact assessments, including Children's Rights Impact Assessments (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 believe 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.

A Healthier Wales sets out our approach to place a greater focus on prevention and early intervention, which we continue to support through both universal and 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 the wellbeing goals, and specifically 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 also enables parents to work and train and lifts families out of poverty.

Our Childcare Offer specifically supports the Welsh Government's wellbeing objectives to:

- Support people and businesses to drive prosperity

Welsh Government evidence paper on the Health and Social Care MEG Draft Budget Proposals for 2026-27 Children, Young People & Education Committee.

- 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, focusing on positive interventions which protect and build on existing foundations, including our commitment to children's rights. It is important to note that following publication of the Draft budget for 2026-27, funding will be allocated to health boards will be given an allocation.

Health boards undertake integrated impact assessments of all major spending decisions, including the implementation of savings and efficiency programmes. They are also required to comply with the Welsh Government Code of Practice for Funding the Third Sector, and the requirements of the Well-Being of Future Generations (Wales) Act. Any service changes are also impact assessed to ensure the Welsh language is fully considered and they are required to keep a record of the cost of delivering the service in Welsh. Funding decisions within health boards take account of the population needs assessments for care and support needs, as part of the requirements of the Social Services and Wellbeing (Wales) Act 2014.

A refreshed set of 35 actions for *A Healthier Wales* were published in December 2024. These have been categorised under a set of themes which demonstrate what an effective and efficient health and care system should look like in terms of delivering more equal health outcomes for the population of Wales. The actions include a specific focus on prevention, equality of access, experience and outcomes and sustainability. Furthermore, the central organising themes will continue to support our work with stakeholders and partners to deliver the relevant goals and actions in our Anti-racist Wales Action Plan, the LGBTQ+ Action Plan and the Disabled People's Rights Plan.

In embedding equality actions at the centre of our Programme for Government commitments we have ensured 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.

A narrative update of the progress of the following, included on page 4 of your response to our report on the Draft Budget 2025-26:

Welsh Government officials are currently undertaking a review of the SIIA, the first review since its introduction in 2015-16, to ensure it remains fit for purpose and consider where improvements might be made in the future. It is anticipated the

Welsh Government evidence paper on the Health and Social Care MEG Draft Budget Proposals for 2026-27 Children, Young People & Education Committee.

review will conclude in 2025. Welsh Treasury are leading on this review with input from the Budget Improvement and Impact Advisory Group (BIIAG).

Response:

We have recently undertaken a detailed review of the Strategic Integrated Impact Assessment (SIIA). It examined the SIIA from inception to its current form and considered its purpose, strengths, impact and audience.

The SIIA is widely recognised as a valuable tool that brings together multiple statutory and strategic considerations into a single process, supporting better-informed and more balanced spending decisions.

Three key areas have been identified to evolve and improve the SIIA:

- **Process** – There is an opportunity to improve the way we undertake the SIIA. The review found a need for greater clarity and consistency in how the SIIA is developed across the Welsh Government. We will be trialling a new workshop-based approach, bringing together colleagues from across government and putting the evidence at the centre of these discussions to support accountability. This will continue to embed the SIIA more meaningfully into budget process.
- **Content** – By building the SIIA through engagement workshops we will be able to draw on a wider base of colleagues, gather a deeper level of information through conversations and thereby improve the depth of the SIIA.
- **Presentation** – Improving how the SIIA is structured, written and shared will be key to increasing its accessibility, usefulness and overall influence.

We will now move to the next stage of this work. Our intention is to run a series of interactive workshops this autumn for the 2026-27 SIIA which will accompany the next Budget. These workshops will feature contributions from our evidence and analytical units, key stakeholders as well as policy and finance colleagues to gain a truly integrated perspective. The sessions will be designed to be collaborative, creating a space where a wide range of experiences can feed into the SIIA.

3. Programme for Government

Allocations in the Draft Budget 2026-27 and the latest position on funding in the context of the latest Welsh Government Annual Report for:

3.1 Advocacy Services

The Programme for Government 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 2026-27.

Response:

Parental advocacy providers in Wales were allocated £803,399 of Welsh Government funding in 2025-26: £506,000 from the Change Fund and £297,399 from the SSID third sector grant budget.

Independent parent advocates are available through NYAS Cymru (Gwent, Cardiff and the Vale); and TGP Cymru (North Wales, Mid and West Wales and Cwm Taf Morgannwg). Both services work with families in the child protection arena and NYAS say they work with families on a care and support plan.

Current costs for the professional independent advocates are:

- NYAS Cymru **£474,399** for seven local authorities.
- TGP Cymru **£236,000** for 14 local authorities .

Parent advocacy networks Cymru runs parent cafes in West Glamorgan to provide peer advocacy support to parents with children in the child protection arena. Current costs for the are £93,000.

For 2026-27 we are in discussion with providers about how we can make the national offer fairer. To ensure consistency we would propose that funding is allocated more equally to:

- Provide a national offer of independent professional advocates for parents with a child, or children, in receipt of statutory services; primarily focusing on those in child protection and edge of care services. This should be a pan-Wales service. This is currently provided through NYAS or TGP Cymru in all areas, other than Swansea and Neath Port Talbot, so there is a need to extend the service to cover these two authorities. Further consideration about

how this funding is allocated needs to be considered and how much uplift would be needed to provide this service to Swansea and Neath Port Talbot.

- To support the rollout of Parent Advocacy Networks (PAN) Cymru – Be Strong Families Parent Café model across Wales. PAN has submitted a three-year proposal to rollout training and accreditation to 22 local authorities , as well as national coordination, at a cost of £133,600 a year (£400,800 for three years) so this will need an additional £40,600 per year.

3.2 Regional Residential Services

Programme for Government commitment: Fund regional residential services for children with complex needs. Allocations and accompanying narrative setting out desired outputs and outcomes for 2026-27.

Response:

The Welsh Government continues to make significant investments in therapeutic residential care and specialist services for children and young people with complex needs, delivered through Regional Partnership Boards (RPBs).

Monitoring data across Wales identified a baseline in 2021-22 of 24 residential in-house children's homes providing 105 beds for children with complex needs. Over the following two years, this grew with the addition of 21 new in-house homes, offering a further 67 beds. In addition, during 2024-25, 13 new in-house homes with 39 beds were opened and in 2025-26 we are expecting 16 new in-house homes with 64 beds to open.

For 2025-26, the Housing with Care Fund (HCF) has a budget of £60.5 million, with children with complex needs identified as one of its priority groups. We aim to maintain similar investment into 2026-27.

The Integration and Rebalancing Capital Fund (IRCF) continues to support this work with an annual allocation of £70 million to 2026-27.

Alongside this we established a Good Practice Forum with a membership of more than 150 practitioners across the sector, which is contributing to develop a good practice toolkit.

3.3 Eliminating Private Profit

Welsh Government evidence paper on the Health and Social Care MEG Draft Budget Proposals for 2026-27 Children, Young People & Education Committee.

Programme for Government commitment: Eliminating private profit from the care of children looked after. Allocations and accompanying narrative setting out desired outputs and outcomes for 2026-27.

Response:

£68m was awarded to local authorities and regions between 2022-23 and 2024-25 via the eliminating profit and radical reform grants to support them to eliminate profit and help reduce the number of children in care and support children who are looked after and their families. A further £75m funding has been awarded between 2025-26 and 2027-28 via the now-combined eliminating profit and radical reform grant. This breaks down broadly equally across each financial year with approximately £24.9m funding awarded for 2026-27.

Alongside the eliminating profit and radical reform grant 2026-27 funding has also been allocated as follows:

- Approximately £285k to Cwmpas to support 'for-profit' children's care providers that are considering re-establishing as one of the not-for-profit models specified under the Health and Social Care (Wales) Act 2025.
- Approximately £600k to Care Inspectorate Wales for implementation costs relating to eliminate.

Indicative funding has also been allocated to the Association of Directors of Social Services to continue their work supporting implementation of eliminate, focusing on coordinating local authority planning.

3.4 Support for Complex Needs

Programme for Government 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 2026-27.

Response:

Through the Regional Integration Fund (RIF), we are investing circa £19 million a year in therapeutic specialist services for children with complex needs. This helped support 6,600 children and 3,200 families during 2024-25.

The insights gained from implementing these services has helped to define a national practice guidance for therapeutic support for care experienced children who may be in or on the edge of care. These services will continue to receive similar funding through the RIF in 2026-27.

3.5 Childcare Fund

Programme for Government 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 2026-27.

Overall impact and allocations to support increases in the hourly rates paid to Childcare Offer providers from April 2025 of £6.40 an hour. How this Draft Budget reflects the Welsh Government's decision to review this rate annually from now on.

Response:

Budget allocation for 2026-27

It is not possible to provide this information currently. The Childcare Offer for Wales is a demand led budget. Officials monitor expenditure throughout the year to ensure that financial support meets the demand levels of the programme. 2026-27 budgets will need to consider demands from 2025-26 and any agreement following a review of the hourly rate paid to childcare settings. We committed to undertake these reviews on an annual basis with 2026-27 being the first year affected.

Desired outputs and outcomes

The Welsh Government recognises that affordable, available and accessible childcare enables parents to work, our Childcare Offer supports our drive to increase economic growth and seeks to assist our efforts to tackle poverty and reduce inequalities. Well-paid work is the best route out of poverty, and the greatest protection against poverty.

The Childcare Offer for Wales enables eligible parents of three- and four-year-olds to access up to 30 hours of government-funded nursery education and childcare for children for 48 weeks a year which includes holiday provision – the most generous offer in the UK. It is also available to parents in training and education.

For the academic year 2023-24, the programme has supported more than 21,200 children, representing 58% of the estimated eligible population. Figures for the academic year 2024-25 are currently being prepared.

Allocation to support an increase to the Childcare offer for 2025-26.

£5.637m was allocated to increase the hourly rate of the Childcare Offer which was based on a range of assumptions regarding the anticipated demand from parents in

Welsh Government evidence paper on the Health and Social Care MEG Draft Budget Proposals for 2026-27 Children, Young People & Education Committee.

2025-26 and is aligned with the Office for National Statistics forecast on corresponding birth rates in Wales

How the Draft Budget reflects the Welsh Government's decision to review the hourly rate annually

The Welsh Government committed to review the hourly rate paid to childcare settings and for nursery education on an annual basis instead of the previous three-year cycle. The annual rate review allows the Welsh Government to be more responsive to financial pressures affecting the delivery of our funded childcare programmes, such as changes to National Insurance contributions and the National Minimum Wage.

This review is informed by several economic factors as well as wider Welsh Government strategic policy decisions and engagement with the sector through the annual survey. As such any uplifts to the rate paid for the Childcare Offer will vary from year to year.

Officials are currently analysing findings from stakeholder engagement that has taken place during the summer to inform options on what an uplift, if any, should look like for 2026-27. Any decisions will need to be made in the context of the final financial settlement provided to the HSC MEG.

3.6 Expansion for the Early Years Provision

Programme for Government commitment: Phased expansion of early years provision to include all two-year-olds, with a particular emphasis on strengthening Welsh medium provision. (We note that in the response to our report on the Draft Budget 2025-26 you said: "continued expansion beyond 2025-26 will depend on further funding being made available in future Welsh Government budgets and the capacity of the sector to respond to the requirements of further expansion.")

Allocations and accompanying narrative setting out desired outputs and outcomes for 2026-27

- The percentage of two-year olds offered and taking up Flying Start childcare 12.5 hours by local authority.
- Confirmation that this Draft Budget 2026-27 includes funding of Flying Start childcare to all two-year olds.

Response:

As we set out previously for the committee, ongoing expansion of the Flying Start childcare expansion programme requires additional funding in 2026-27.

This draft Budget maintains the current funding allocation for the Flying Start childcare expansion programme in the CCG, which makes use of the additional allocation for childcare in the Budget 2025-26. This comprises:

- £25.055m for Phase 2 expansion (non-ring-fenced)
- £25.18m for Phase 3 expansion (ring-fenced)

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 and percentage of two-year-old population
Core programme (now includes phase 1 expansion)	9,137*	9,137 (30%)
Phase 2 expansion	6,528**	15,665 (51%)
Phase 3 expansion (expected)	4,471	20,136 (66%)

These figures are estimates – analysts have used the most up to date mid-year population estimates available (for 2024) – this is the closest estimate that can be calculated.

*Source: Flying Start official statistics: <https://statswales.gov.wales/v/QTad>

**Source: [Number and percentage of children offered Phase 2 Flying Start childcare, by local authority](#)

3.7 Flying Start

Programme for Government commitment: Flying Start (the four entitlements). Allocations and accompanying narrative setting out desired outputs and outcomes for 2026-27 (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 babies, children, young people and adults in our communities through a range of early intervention, prevention and support mechanisms.

Welsh Government evidence paper on the Health and Social Care MEG Draft Budget Proposals for 2026-27 Children, Young People & Education Committee.

The programmes 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 2026-27 is £222.278 million, which funds eight related programmes delivered by local authorities. This includes £25.181 million of ring-fenced funding for the expansion of early years provision via Flying Start (Phase 3).

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. We exceeded our delivery target in 2023-24, ensuring that more than 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 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 Childcare and Early Years capital programme continued into 2025-26 and will operate as a three-year funded programme until March 2028 with a total budget of £75 million. It aims to improve and expand new and existing childcare provisions, with a particular emphasis on strengthening Welsh-medium settings. The funding criteria remains unchanged and supports the Welsh Government funded childcare programmes.

In the previous three-year round (2022-25), the programme awarded £26.7 million to support 53 childcare projects. Of this, £26m was allocated to local authorities to support 51 Flying Start provisions.

4. Children's social care

4.1 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.

Response:

The Welsh Government supports the foundations for a sustainable and professional social care workforce, with significant investment of approximately £28 million through Social Care Wales. This supports Social Care Wales to lead on recruitment, retention, and workforce development, to encourage and highlight the opportunities for social care to be considered as a career for life, with a range of progression opportunities.

Key initiatives relating to children's social care include investment in:

- Maintaining our commitment to the increased student social worker bursary providing £1.4 million annually, making the degree more financially accessible and attractive to new social worker students.
- The £10.9 million Social Care Wales Workforce Development Programme (SCWWDP), which funds local authority training initiatives such as the successful 'Grow Your Own' scheme. Participation in this continues to grow year on year, and we are considering how we can build on these opportunities.
- We have continued our commitment to provide £45 million via the Workforce and Sustainable Social Services Grant to all 22 local authorities. This recurrent funding to local authorities supports pay increases and other measures to strengthen service delivery and meet rising demand.
- We continue to provide funding through the local government revenue support grant to pay the Real Living Wage to social care workers, where eligibility includes children's care workers.

While the full impact will take time to be felt within the sector, these programmes are a promising step forward for the future of children's social care in Wales and we are planning to maintain a similar level of investment in 2026-27.

4.2 Sustainable Social Services Grant Scheme

Welsh Government evidence paper on the Health and Social Care MEG Draft Budget Proposals for 2026-27 Children, Young People & Education Committee.

The latest position on the Scheme and a breakdown of all grants relevant to children and young people if allocations have been made in this Draft Budget 2026-27.

Response:

All current Sustainable Social Services Grant projects will end on 31 March 2026. They will be replaced by a range of single standalone grants which are intended to be agile and respond to the Welsh Government's current social care policy priorities. Policy leads are discussing the arrangements with third sector partners.

The overarching priority is for grants to promote the wellbeing of people who need care and support and carers, within the context of the Social Services and Well-being (Wales) Act 2014. This will apply particularly in relation to people who need care and support (or support) who are:

- Black, Asian and Minority Ethnic people
- Carers who need support
- Children and young people
- Disabled people (including both physical and sensory impairments)
- Neurodiverse/Neurodivergent people
- Older people
- People with a learning disability

Early intervention and prevention; meeting care and support (or support) needs; and assistance to Welsh Government in discharging its social care policy functions will be prioritised.

The total value of funding allocated via the Sustainable Social Services Grant Scheme in 2025-26 was £9,301,738 of which £2,912,429 targeted the needs of children and young people. While the replacement arrangements are still in development, we intend the replacement grants overall will maintain similar levels of investment as in 2025-26.

4.3 Care Experienced Children Change Fund

The latest position on the Care Experienced Children Change Fund and whether the Fund has come to an end in the current year.

Response:

The Looked After Children Change Fund was created in 2021 from the residual Invest to Save Fund. It was designed to support the Welsh Government's Programme for Government agenda relating to looked after children and young

Welsh Government evidence paper on the Health and Social Care MEG Draft Budget Proposals for 2026-27 Children, Young People & Education Committee.

people. Further detail about the areas supported between 2022 and 2026 is set out below.

	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

The fund will continue in 2026-27 with indicative funding of £1.7m. This is an approximate figure as the fund is supported by repayments from previous investments made by Invest to Save and therefore subject to change.

5. Children's health

Allocations in the Draft Budget 2026-27 and the latest position on funding for:

5.1 Tackling NHS paediatric waiting times

Response:

An additional £120m has been allocated for 2025-26 to eliminate all long waits over two-years for referral to treatment (RTT) pathways by March 2026, this includes paediatrics.

We have already seen a significant improvement, because of the investment of £50m in health board plans, which was made in October 2024 to reduce over two-year waits and increase appointments, tests and treatments. At the end of October 2024, there were 1,149 paediatric RTT pathways waiting more than two years. At the end of March 2025 this had reduced to 639 paediatric RTT pathways waiting more than two years because of this investment and other action taken by health boards.

The quarter one position at the end of June 2025 saw a further improvement with the number of paediatric pathways waiting more than two years reducing to 592.

Sixty four percent of the over two-year waits, in July 2025 (the latest available figures at the time this evidence paper was compiled), were across two specialities – ENT and orthodontics – and both are reducing. All long waits for orthodontics are in one health board - in Betsi Cadwaladr University Health Board, which has a plan to clear these and to build a more sustainable orthodontic service across North Wales.

The paediatric network has identified paediatric waits as a priority for its plans. It has started work with the clinical leads from the planned care programme to increase the focus on paediatric pathways. They are working to ensure paediatric clinical pathways form part of the national optimisation frameworks to build sustainability and consistency in delivery of pathways for children.

Consideration will be given for existing planned care transformation funds continuing into 2026-27 and this would allow for the embedding of children's pathways into the optimisation planned care speciality plans to deliver sustainable services.

5.2 Improving children's dental health.

Response:

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Children's oral health is a core public health priority in Wales and there are a suite of existing and ongoing targeted initiatives focused on prevention, access, and equity. At the heart of this is the nationally recognised Designed to Smile (D2S) programme, which continues to deliver measurable reductions in dental decay through evidence-based, community-embedded interventions.

D2S prioritises oral health education, supervised toothbrushing, and fluoride varnish application, targeting schools and nurseries in areas of greatest need, as identified by the Welsh Index of Multiple Deprivation. It is underpinned by evidence-driven research, which has seen a shifting of resources from fissure sealants to fluoride varnish and has been informed by cost-effectiveness studies and ongoing evaluation (WHC/2017/23). With an annual budget of £4 million, maintained in 2026-27, D2S supports supervised brushing, fluoride applications, and distribution of home care packs across NHS Wales.

D2S is delivered by a successful integrated workforce model, which leverages a skill mix of dental professionals and non-dental health workers, enhancing reach and effectiveness in early years' settings. It also actively involves parents, educators, and health professionals, aligning with national guidance (Delivering Better Oral Health) to embed oral health within broader wellbeing efforts.

Governance and evaluation are provided by Public Health Wales, which is funded to provide robust monitoring, combining quantitative and qualitative data to ensure accountability and continuous improvement, and publish an annual evaluation report. At the time of writing this evidence, the report for the 2024-25 academic year is currently going through the final steps for publication. This report will be provided to the committee separately when available. The 2023-24 report is available at: [Designed to Smile Annual Report 2023-2024 - Public Health Wales](#).

The Dental Epidemiology Programme for Wales measures the extent, severity and impact of dental disease for year 1 children (five-year-olds), year 7 children (12-year-olds) and adult groups living across Wales.

This helps us to determine the current oral health and well-being status of the population and describes inequalities across the life-course. It also helps us to understand the impact of poor oral health on general health and wellbeing and enables us to inform how NHS Wales can better plan and deliver dental services in the future to meet these needs.

The most recent report for five-year-olds was published in January 2024 and found:

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- Prevalence – the percentage of children examined who have decayed, missing or filled teeth has reduced by a third from 47.6% in 2007-08 to 32.4% in 2022-23.
- Severity – the average number of teeth per child which are decayed, missing or filled – has fallen by 44% from 1.98 in 2007-08 to 1.11 in 2022-23.
- Areas of inequality – the prevalence of decayed, missing or filled teeth is higher in the areas of highest deprivation. The prevalence rate in the most deprived areas is 43.4% (down from 57.6% in 2007-08) compared to 20.7% (down from 34.5% in 2007-08) in the least deprived areas.

The most recent survey of 12-year-olds was published in January 2025 and found:

- Prevalence – the percentage of children examined who have decayed, missing or filled teeth has reduced by 40% from 42.5% in 2008-09 to 25.3% in 2023-24.
- Severity – the average number of teeth per child which are decayed, missing or filled – has fallen by 50% from 0.98 in 2008-09 to 0.5 in 2023-24.
- Areas of inequality – the prevalence of decayed, missing or filled teeth is higher in the areas of highest deprivation. The prevalence rate in the most deprived areas is 32.5% (down from 52.4% in 2008-09) compared to 19% (down from 30.53% in 2008-09) in the least deprived areas.

Both surveys confirm that both prevalence and severity of tooth decay in children have reduced significantly since 2008 but there is still work to do to tackle oral health inequalities and the gap between the oral health of children from the most deprived and the least deprived families in Wales.

Oral health improvement is guided by current policy and NHS dental contract reform. A new general dental services (GDS) contract has been negotiated and announced (launching April 2026) which will incentivise early engagement by offering enhanced payments for practices seeing children from infancy.

The Health and Care Research Wales evidence centre is currently investigating barriers to primary care access for children, including dental services, to inform future policy.

The majority of children receive their dental care from the general dental service (GDS). The table below shows the investment in dentistry since 2018 which has increased annually. The 2025-26 GDS budget is yet to be finalised due to a delay in commencing pay negotiations with the dental profession's representatives. We expect investment to be made this year, which would then set the provisional budget for 2026-27.

Year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Overall dental funding (£m)	140.278	142.184	146.282	150.947	158.538	167.298	177.732

In terms of activity just under half (48.5%) of Welsh children received care and treatment from GDS in 2024-25. This equates to around 29% of all patients seen.

From a strategic perspective, Wales is advancing a prevention-led, equity-focused model for children’s oral health. Sustained investment, cross-sector collaboration, and data-informed policy will be critical to addressing persistent disparities.

Opportunities for further impact include expanding outreach in areas with low attendance and brushing rates, plus embedding oral health more deeply within school-based health and wellbeing curricula.

5.3 Obesity strategy, including evidence of a joined-up, cross-government approach to tackling the determinants of obesity.

Response:

We continue to invest in our *Healthy Weight Healthy Wales* strategy to tackle overweight and obesity. A new delivery plan for 2025-27 has been published with a clear focus on supporting children and young people.

The allocation for 2026-27 remains at £4.042m and will provide continuation of funding for key support programmes and activities, such as our children and family pilots, and whole system approach work across all health board areas. The pilots (branded PIPYN) are established in Cardiff, Merthyr and Anglesey and include a “nested intervention”, which provides one-to-one support to families with young children, aged three to seven, 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 part of a wider systems approach to provide healthier settings and environments for young children and their families. Whole system approach teams in each health board, led by Public Health Wales, are embedding a cross sectoral approach at regional level to enable long term, sustainable outcomes.

5.4 Mental health services, including:

- Child and adolescent mental health services
- Urgent mental health support including NHS Wales 111 press 2 and the development of mental health hubs/sanctuary services
- Services to support perinatal mental health and parent-infant relationships
- Eating disorder services

Response:

We are continuing to ringfence mental health funding for the NHS and for 2026-27, this will be more than £840m, thus sustaining our investment in mental health services and our plans for spend remain unchanged.

We are not planning significant changes to service allocations in 2026-27, but we will be mainstreaming funding to health boards in relation to services such as 111 press 2, which is currently held nationally. This represents a move to this work becoming business as usual.

The [Mental Health and Wellbeing Strategy](#) and its associated delivery plan was published in April and centres on early intervention, prevention and person-centred care and ensuring people are referred to the most appropriate form of support, at the right time and without delay. The strategy sets out our commitment to develop same-day, open-access services so everyone can get the right support they need when they need it. The Strategic Programme for Mental Health (SPMH), which is part of NHS Performance and Improvement, has prepared guidance for health boards, which sets out clear expectations for the remainder of the year, and will provide the groundwork we need for such a transformative change.

We continue to invest £2.2m annually in NHS Performance and Improvement for the Strategic Programme for Mental Health, which provides a dedicated resource to NHS Wales to drive improvements in performance, quality and safety. The programme has developed is a child and adolescent mental health (CAMHS) specification, which will ensure there is consistency in the service offer. Through the focus on CAMHS performance, we are now seeing improvements in waiting times.

We continue to support a number of 'sanctuary pilots' – these were originally part of the Co-operation Agreement between the Welsh Government and Plaid Cymru. They look at different ways to provide mental health support for young people in crisis. They are being evaluated which will be used to inform future service provision.

As part of the Mental Health and Wellbeing Strategy we are continuing our support for parent-infant mental health and wellbeing and we intend to strengthen this, if possible. Parent-infant relationships are important in protecting and supporting

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mental health and need to be supported by wider approaches across the Welsh Government, for example through our focus on the first 1,000 days and Families First, rather than through a strictly healthcare approach. We will continue to work across government to support this.

We expect all health boards to provide specialist, multi-disciplinary support for people with eating disorders and health boards continue to make progress towards achieving the National Institute for Health and Care Excellence (NICE) standards for eating disorders services, earlier intervention and to ensure no one is waiting longer than four weeks for an assessment. The focus on specialist services is only one element of our broader approach. We continue to invest in a range of tier 0/1 support to provide early access to help and advice – this includes our continued investment in the Beat Wales helpline and services.

Work is underway between the Royal College of Psychiatrists, NHS Wales and Beat to review the landscape of eating disorder services across Wales. This will be used to model and assess capacity and demand across Wales.

5.5 Suicide prevention as it relates to children and young people

Response:

We took an all-age approach to develop the new 10-year [Suicide Prevention and Self-harm Strategy](#), to ensure we have a system, which will support everyone, and that it promotes better integration across support.

The strategy and its associated delivery plan were published in April 2025. It sets out that our services need to be needs-led and person-centred rather than age-led. However, the strategy does highlight specific issues faced by children and young people and the delivery plan includes specific actions which will meet their needs. For example, working with online safety experts to provide resources for Hwb to support schools and teachers and families in discussing harmful online content with children and young people and in identifying support and reporting services.

5.6 Neurodevelopmental services

Response:

The Neurodivergence Improvement Programme (NDIP) sets out the intentions and priority areas for children and adults.

In February 2025, the Minister for Mental Health and Wellbeing announced a two-year extension of the programme to March 2027 and a further £13.7m. In 2025-26

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the overarching priority is to reduce long waiting times for children's assessments, while the programme's work continues to transform services.

The focus on reducing long waiting times for children's assessments in 2025-26 builds on a £3m allocation to health boards in winter/spring 2024-25 to eliminate four-year waits for children's neurodevelopmental assessments. More than 2,100 additional assessments were undertaken by March 2025.

In June 2025, the Minister for Mental Health and Wellbeing, announced £5.6m from the NDIP funding allocation of £13.7m was being re-directed to focus on reducing children's neurodevelopmental assessment waiting times, setting a target to eliminate all three-year waits across Wales by March 2026. NHS Performance and Improvement are working closely with health boards with the boards submitting monthly data on children's waiting times. Health boards have submitted their delivery plans and the funding allocation per health board has been re-confirmed. Some health boards have already made significant progress to transform assessment pathways and have lower waiting times as a result.

The Centre for Digital Public Services will be conducting a pilot with Cwm Taf Morgannwg University Health Board to explore and test the use of an AI scribe tool called Magic Notes. Magic Notes captures an assessment in real-time and can use existing reports to provide a detailed assessment and add efficiencies to the process, alongside seeing more children. This pilot phase will report in autumn 2025.

The Code of Practice for the delivery of autism services is being reviewed and amended. A consultation on a new Neurodivergence Code of Practice will be carried out in summer 2026.

An adult ADHD roundtable was held in July 2025 by the Minister for Mental Health and Wellbeing with clinicians, academics and policy leaders from across the UK. It has shone a light on innovation, best practice and a collaborative commitment to improving adult ADHD services across Wales. A task group is being set up to take forward 10 recommendations, which include strengthening transition protocols to prevent young people from having to restart a referral on entering adult services and expanding training to GPs, psychiatrists, and allied health Professionals to enhance their understanding and management of ADHD.

The NDIP is central to the development of sustainable, integrated services. The National Neurodivergence Team, funded through the Welsh Government, will continue its work to raise awareness and acceptance across the system, provide a range of resource and training, and drive improvements in the Integrated Autism Service.

5.7 Public health as it relates to children and young people, including vaccination

Response:

Two of the key areas are through the *Healthy Weight Healthy Wales* delivery plan and the childhood vaccination programmes.

The *Healthy Weight Healthy Wales* delivery plan for 2025-27, published in September, is focused on supporting children and young people to lead healthier and more active lives to support their life chances and embed healthy habits early. This will include using the £4.042 million allocated for the plan in 2026-27 on infants and children, including building on PIPYN. For example, this includes engaging and supporting families and trial innovative approaches in schools and leisure centres to encourage and enable healthier food choices and more active lifestyles as well as collaborating with local government to create environments that better facilitate healthier behaviours, such as healthier advertising or reducing hot food takeaway density.

Funding is provided by the Welsh Government to NHS Wales on an annual basis to support the delivery of childhood immunisations, with increases year-on-year in line with inflation and additional resources to incorporate the delivery of new programmes or changes to existing programmes. Health boards are expected to efficiently manage the funding allocated to them, while ensuring they meet the targets set out in Welsh Health Circulars and in the NHS Planning Framework. From January 2026, there are changes to the children's routine vaccination schedule to support the introduction of varicella vaccination, this includes an additional allocation of £0.3 million this financial year and £2 million in 2026-27.

5.8 Substance misuse, including vaping among children and young people

Response:

As part of the Draft Budget for 2026-27, we will continue to invest in our substance misuse agenda. This totals more than £67m, of which more than £41m goes to 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

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Action Fund, the Welsh Government invests £6.25m ring-fenced annually 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 to 24 who are not in employment, education or training (NEET) into education, training or employment. Between October 2022, when the current service commenced, and June 2025, almost 2,800 young people aged 16 to 24 have enrolled with the service. Of these:

- 895 have gained a qualification or work related certificate.
- 267 have entered further learning.
- 448 have completed work experience or volunteering opportunities; and
- 252 have entered employment.

Vaping

Resources to support parents, teachers, carers and others working with secondary school-aged young people have been developed by Public Health Wales (PHW).

The UK Government's Tobacco and Vapes Bill, if passed, will limit the colourful packaging, advertising and flavourings that appeal to children and younger people. The Bill is in its final stage in the House of Lords, and work on developing secondary legislation in this area is planned for 2026 onwards.

Our national stop smoking service, Help Me Quit, offers one-off sessions with advisors for children aged 12 or over to help stop vaping. A digital journey is available which helps vapers build a 'quit plan' online to support them on their journey. We are exploring how the service can move from a tobacco cessation to a nicotine cessation service, to offer a more comprehensive package of support for vapers who wish to stop. The service is funded from PHW's core allocation.

6. Cost of living and National Insurance changes

General commentary about the impact of cost of living on:

6.1 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.

Response:

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 in 2025-26. Health boards received a 1.77% uplift in 2025-26 for demand growth and inflation. NHS organisations also received significant funding for pay uplifts that met the pay awards for NHS staff for 2025-26. We will be retaining funding to cover a pay uplift for NHS staff for 2026-27.

The financial planning and delivery team at NHS Performance and Improvement has produced an assessment about the impact of demand and inflation in 2026-27. There are a range of cost drivers that feed into this modelling, but inflationary pressures and growth in demand for services will be prevalent. While we cannot disaggregate the position for children's NHS services, they will inevitably be subject to these same impacts and pressures.

6.2 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.

Response:

The majority of Welsh Government financial support for social and children's services is delivered through the un-hypothecated local government revenue support grant, although there are also significant specific grant funding streams.

The local government settlement for 2025-26 saw an increase of 4.5%, including funding of £8.24m to secure a floor in the settlement at 3.8%. The local government settlement for 2026-27 is yet to be finalised. Available funding will be used to support local authorities and the final settlement will be known later in this budget cycle.

Local authorities are experiencing inflationary pressures and significant demand increases across the breadth of their functions. 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 financial year ahead as part of their overall budget-setting process. Local authorities will set their own budgets for each service prior to 10 March 2026. Details on local authority expenditure by service is published annually. The trend over recent years continues to be that social services and education are allocated an increasing proportion of the total revenue expenditure by local authorities, with social services having seen the largest increase in percentage of total expenditure in the past five years, from 24.06% to 35.6%.

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

The Welsh Government provides additional funding to local authorities through the annual £146.8 million Regional Integration Fund (RIF) to support health and social care collaboration and integrated working. The RIF focuses on delivery of models of care with more than £77 million provided directly to local authorities and specific funding to children's services to support families and therapeutic support for care experienced children. The RIF also supports Regional Partnership Boards in strategic planning and commissioning and alignment of grant funding to maximise outcomes.

The Health and Social Care Integration and Rebalancing Capital Fund (IRCF) directly supports the Programme for Government commitments to invest in a new generation of health and social care hubs, providing capital funding to develop 50 integrated health and social care hubs across Wales, to help facilitate the rebalancing of the residential care market and to eliminate profit from the provision of children's residential care. To date, 18 projects led by local authorities have received funding from the programme, with an investment value of circa £38m.

6.3 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:

The Cabinet Secretary for Health and Social Care has regular conversations with Cabinet colleagues about matters which impact on children's health and social care.

The Carers Support Fund runs until March 2026, pending a decision to extend. More than 2,000 young carers accessed the scheme in 2024-25 which provides emergency financial support to buy essential items, including food. Young carers are less likely to go on to further or higher education, impacting their long-term earning

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potential. Colleagues in education are currently exploring how young carers' educational achievement and wellbeing could be monitored within schools.

We will publish a new National Strategy for Unpaid Carers in 2026, which will have a greater focus on the pressures on young carers and their personal outcomes.

The Cabinet Secretary has met recently with Regional Partnership Board (RPB) chairs and the Children's Commissioner for Wales to discuss delivery of joint health and social care support to children and young people; and best practice. RPBs are required by law to prioritise the integration of services for children with complex needs and all RPBs have a children and young people's sub-group; and the facilitated discussion provided an opportunity for the Children's Commissioner to scrutinise delivery and prioritise key areas.

Other health and social care policies, such as free prescriptions, Designed to Smile, Flying Start, funded childcare and Healthy Start vouchers – which support pregnant women and families with children under four to buy healthy food, milk and vitamins – all contribute towards tackling child poverty.

6.4 National Insurance contributions: an update to the information provided on pages 10 and 11 of your response to our report on the Draft Budget 2025-26. To include how this Draft Budget reflects changes in employer National Insurance contributions and your assessment of the impact of this on the provision of health and care services to children and young people.

Response:

The UK Government announced an increase in employers' National Insurance contributions at the Autumn Budget 2024. It indicated it would provide funding to cover the rise for public sector employers. However, Wales subsequently received a Barnett consequential of the additional costs to devolved public sector employers in England, rather than the actual costs.

The UK Government provided £184m recurrent funding for Wales, compared to the £257m cost. The Welsh Government provided £36m from reserves in 2025-26 towards the additional employers NICs costs. £220m of additional baseline funding has therefore been provided to meet the increased employer National Insurance contributions. All public sector employers will receive circa 85% of the estimated increased National Insurance costs they face in 2025-26.

The Health and Social Care MEG's allocation was £98.5m and this element of budget has been made recurrent for 2026-27. The estimated impact of the NIC

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increase in the NHS, and across the MEG, is circa £115m, so there is a £16m budget pressure impacting the HSC MEG.

Whilst we cannot disaggregate the position for children and the services the NHS provides, they will inevitably be subject to these impacts.

The approach the UK Government has taken leaves us with a significant shortfall. Welsh Ministers have repeatedly challenged this decision, arguing the costs should be fully funded.

7. Costs of legislation relevant to the portfolio.

7.1 Costs of implementing to Health and Social Care (Wales) Act 2025 as relevant to children and young people

Response:

All the costs directly associated with children and young people arising from the Health and Social Care (Wales) Act 2025 are concerned with implementing the eliminating profit commitments. Anticipated costs were described in the [Regulatory Impact Assessment for the Act](#) with the specific budgetary commitments for 2026-27 set out above, within the Programme for Government section (section 3).

7.2 Financial implications or anticipated in of any subordinate legislation relevant to children and young people within the H&SC portfolio.

Response:

Potential financial implications of amendments to the Regulated Services (Registration) (Wales) Regulations 2017 and Regulated Services (Annual Returns) (Wales) Regulations 2017, as proposed in the [consultation](#) about implementing the removal of profit from children's care from 1 April 2026, will be considered within the regulatory impact assessments to be prepared for each set of amendment regulations. These are expected to be finalised by early 2026 following the review of consultation responses.

The subordinate legislation currently under consultation covering adoption, fostering, kinship care, and corporate parenting will be supported by Regulatory Impact Assessments (RIAs). These will evaluate the implications of the proposed changes and initial assessments suggest that any associated costs will be minimal. Final RIAs will be completed by early 2026, following a thorough review of consultation responses.

7.3 Information on the financial impact of any relevant UK Parliament legislation including the Welsh Government's associated LCM on the Children's Wellbeing and Schools Bill.

Response:

The LCM for the Children's Wellbeing and Schools Bill outlines the specific legislative consent requested from the Senedd due to the Bill's potential impact on devolved areas, particularly those concerning health and social care provision in Wales. The LCM explains how the Bill's clauses regarding ill-treatment of children in

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health and social care settings, which are not currently covered by existing offences in Wales, necessitate consent for them to apply.

There are no financial implications for Wales in relation to these clauses, either for the Welsh Government or for local authorities other than in respect of administration costs.