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Llywodraeth Cymru
Welsh Government

Our ref: MA/JMHSC/0182/26

Peter Fox MS
Chair – Health and Social Care Committee

26 January 2026

Dear Peter,

Thank you for the Committee's report on the 2026-27 Welsh Government Draft Budget, published on the 15 December, outlining 21 recommendations for the Welsh Government.

We acknowledge the work undertaken by the Committee on their scrutiny of the Draft Budget and welcome this report. Please find enclosed the Welsh Government response to recommendations, in advance of the vote on the Final Budget on 27 January.

Yours sincerely

A handwritten signature in black ink, appearing to be 'J. Miles', with a wavy line above the name and a short horizontal line below it.

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Cabinet Secretary for Health and Social Care

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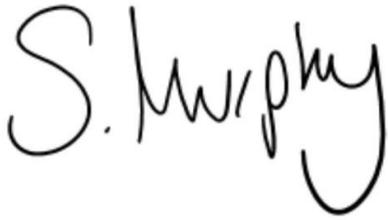
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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Dawn Bowden AS/MS

Y Gweinidog Plant a Gofal Cymdeithasol
Minister for Children and Social Care



Sarah Murphy AS.MS

Y Gweinidog Iechyd Meddwl a Llesiant
Minister for Mental Health and Wellbeing



Welsh Government response to the Health and Social Care Committee (HSC)

Report of the Welsh Government Draft
Budget 2026-27

Summary

This report sets out the Welsh Government response to the Health and Social Care (HSC) Committee's Report on the Scrutiny of the Welsh Government Draft Budget 2026-27.

It provides responses to the 21 recommendations made in the Committee's Report.

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Introduction

The Welsh Government Draft Budget for 2026-27 was published in two stages. The outline draft budget 2026-27 was published on 14 October 2025 with the detailed draft budget 2026-27 published on 3 November 2025. It set out revenue and capital spending plans for the period April 2026 to March 2027.

As part of the budgetary process written evidence was provided by the Cabinet Secretary for Health and Social Care, Minister for Children and Social Care and Minister for Mental Health and Wellbeing in relation to budgets in the Health and Social Care MEG to inform scrutiny of the Draft Budget 2026-27. These papers provided information to the Health and Social Care (HSC) Committee on budget allocations.

An oral evidence session was held on the 27 November 2025 where the HSC Committee took evidence from the Cabinet Secretary for Health and Social Care; Minister for Children and Social Care; and Minister for Mental Health and Wellbeing.

The Committee published its report on 15 December - [Health and Social Care Committee: Report on the Welsh Government Draft Budget 2026-27](#). We thank the Committee for the report.

The Welsh Government has considered the Committee's report and responds to the recommendations below.

Recommendation 1

We recommend that the Welsh Government prioritises securing additional funding for the Health and Social Care Main Expenditure Group in the Final Budget. This is essential to maintain core NHS services and deliver statutory functions, given the Cabinet Secretary's assessment that the draft budget falls significantly short of forecast pressures.

Response: Accept

The financial climate in the NHS remains challenging as it continues to manage rising demand, long treatment backlogs and inflationary and staffing pressures. These issues were once again raised by the Senedd during the scrutiny process and during our discussions with stakeholders. The pressures facing the NHS was a core part of the cross-party discussions on the budget. As a result of those negotiations, we have been able to secure an extra £180m in fiscal resource funding for the Health and Social Care MEG. This funding will support the NHS in continuing to manage the unavoidable impacts of inflation and demand.

This means that the Health and Social Care resource budget sees an increase of £441m from 2025-26 which equates to a 3.6% uplift. This gives us a total resource budget of £12.6bn.

This additional allocation is part of the budget agreement between the Welsh Government and Plaid Cymru.

Recommendation 2

The Welsh Government should provide a short written update to this Committee on the work of the Value and Sustainability Board, including key efficiencies implemented and opportunities identified, no later than one week before the Final Budget 2026-27 debate. This update should be provided even if the full annual report is not yet available.

Response: Accept

An interim update for 2025-26 was issued to the Committee on January 20th.

Recommendation 3

The Welsh Government highlights preventative spending as a core principle in health policy, with investment in early intervention and public health programmes, but accountability and impact measurement remain poor. We recommend that the Welsh Government scopes the feasibility of establishing a national preventative health outcomes dashboard. This scoping exercise should assess:

- The potential benefits of tracking key indicators such as reductions in avoidable hospital admissions, improvements in mental health and lifestyle outcomes, and long-term cost savings linked to prevention;
- The costs and practical implications of developing such a dashboard, including the extent to which existing data sources could be utilised to minimise additional burden.

Response: Accept

Prevention and population health is a key strategic priority in the NHS Planning Framework for 2026-2029 and we are investing in early intervention and public health programmes including vaccination, screening, Healthy Weight Healthy Wales and the Tobacco Control plan. I provided examples to the Committee on evaluation work that showed introduction of the RSV vaccination in 2024 had resulted in a decrease in hospital admissions in the eligible adult cohort.

We recognise the need to take a more outcomes focussed approach to measure impact including preventative health. The Chief Medical Officer has already initiated work to develop a health outcomes framework that will include tracking of indicators and measures to monitor progress. This work will also scope the practical implications of developing an outcomes dashboard using existing data sources. The first phase of this work is due to be shared for consultation and engagement during spring 2026.

Recommendation 4

In his response to this report, the Cabinet Secretary should indicate when he expects work on the preventative spend analysis to resume, and details of any timelines or key milestones.

Response: Accept

To develop a clear and meaningful baseline for preventative spend across the health system it needs to consider both the core Welsh Government budget for Health and Social Care, and how the NHS utilises its resources.

In terms of the work to undertake analysis on the core budget allocation for the Welsh Government Health Social Care and Early Years (HSCEY) group budget, a methodology for the work (including definitions, principles, a pro-forma and planned workshops) has been developed and agreed.

Despite the initial methodology work having been completed; timelines for progression of the budget review are dependent on moving complexities in coding and identification.

Officials have been liaising closely with NHS Wales Performance and Improvement in order to develop an approach to the analysis within the NHS. This is a significant undertaking given the complexity of the separate NHS organisations and systems. The way expenditure is coded or categorised both in the NHS and within Welsh Government is aligned to the way in which the system has operated for a number of years. In addition, NHS bodies are in the process of implementing a new costing system which has the potential to prospectively support producing NHS spend data in the necessary categories but will require development post the system implementation being delivered.

Performing retrospective analysis on such complicated budgets and activity is a far more intensive task than originally appreciated, and a clear preventative spend category cannot be easily assigned to every entry, which will always result in a modest level of uncertainty. This makes it challenging to identify the investment that has been made or includes preventative activity due to the way it has been historically recorded.

We will continue to progress with this important work in the months ahead but cannot currently commit to a delivery timepoint yet due to the level of complexity and interdependencies on system implementation.

Recommendation 5

Ahead of the debate on the Final Budget, the Cabinet Secretary should provide a short update on the external NHS analysis that is being undertaken in relation to preventative spending, including details of the work that has been commissioned and who is undertaking it.

Response: Accept

One of the NHS bodies in Wales has been working closely with the Future Generations Commissioner, in co-ordination with officials, to develop a methodology for the analysis within the NHS and has undertaken a baseline analysis of its own ledger, based on that agreed approach. This work has taken over 6 months and officials expect a draft of that work to be completed soon.

Recommendation 6

Our successor committee should consider undertaking post-legislative scrutiny of the Health Impact Assessment (HIA) regulations to Welsh Government Draft Budget 2026-27 assess how effectively government departments are embedding prevention in policy and budget decisions.

Response: This is a recommendation to the successor committee.

As set out in the explanatory memorandum for the Regulations, which were passed in the Senedd on the 19th of November 2025, an independent evaluation will be carried out to assess the effectiveness of the Regulations. It is anticipated that this will be an ongoing process both before and after the Regulations come into force. It is expected that the evaluation will consider whether the overall objectives of the Regulations (which includes to improve the health and well-being of the people of Wales, and to position Wales as a world leader in the application of public health policy and legislation), have been (or can be) achieved, and assess whether the Regulations:

- provide clarity (insofar as possible) to relevant public bodies on the circumstances in which HIAs are legally required;
- ensure public bodies are suitably supported in conducting HIAs;
- ensure greater consistency in the approach of public bodies in undertaking HIAs;
- avoid the HIA process being excessively bureaucratic or burdensome for relevant public bodies;
- avoid engendering a perception that HIAs are only to be carried out when they are mandatory and to continue to encourage their use more generally as a matter of good practice.

In addition to a formal evaluation process, PHW will undertake ongoing monitoring to collate information from public bodies on the number and type of HIAs that have been conducted. This will enable a more comprehensive picture to be built of the changing HIA landscape in Wales.

Recommendation 7

The Welsh Government should ensure that the ring-fenced allocation for spending on mental health is accompanied by a set of clearly defined, measurable outcomes that reflect the Welsh Government's strategic priorities.

Response: Accept

The all-age Mental Health and Wellbeing Strategy and accompanying delivery plan, published in April 2025, already includes an action to establish and monitor a set of measurable indicators to track progress at a population and programme level. Health boards are required to align their activity with the strategy and delivery plan, and specifically vision statement 4 in relation to mental health service provision. An update on progress against the delivery plan will be published from May 2026.

Recommendation 8

By the end of February 2026, the Minister for Mental Health and Wellbeing should write to us with details of the findings of the evaluation of the sanctuary model pilots, including any possible next steps.

Response: Accept

We can confirm that we will write to the committee, detailing the findings of the evaluation of the sanctuary model pilots, and proposed next steps, following our receipt and consideration of the evaluation.

Recommendation 9

The Minister for Children and Social Care should write to the Committee with details of:

- the findings of the stage 1 work on the National Care Service, including the information she intends to publish following the completion of stage 1, and when she will do this; and
- information about the work that will be undertaken at stage 2, including the timescales and milestones for this.

Response: Accept

Before the end of the Senedd term I will make an announcement to update on the progress of delivering the Stage 1 Initial Implementation plan. Within this announcement I will also outline what the next Stage 2 Implementation plan should include based on the recommendations made by the Expert Group in their report Towards a National care and Support Service for Wales.

Recommendation 10

Given the lack of contingency in the draft budget, the Cabinet Secretary should set out the actions the Welsh Government plans to take in the event that health boards fail to meet their financial expectations for 2026-27, including how patient safety and service continuity will be safeguarded.

Response: Accept

I issued my Ministerial expectations to the NHS in Wales via the annual NHS Wales Planning Framework 2026-29 on 19th December, which for the first time included the NHS financial allocation details in one document. This builds on last year's planning framework and I have set out my clear expectations for delivery and performance, along with a range of enabling actions that were mandated based on the principle of 'adopt or justify'.

The planning process is fully underway with final plans expected to be submitted by 31st March 2026.

There are well embedded processes for monitoring and escalation that each NHS organisation is subject to. The planning process for 2026-27 is ongoing.

We continue to hold a small amount of funding within the HSC MEG which is in place to cover the Target Control Totals that were set. This is in line with the approach we have taken in recent years and has been previously explained in evidence papers to the committee.

NHS organisations will need to take actions and realise savings in order to support the delivery of their overall financial position.

Should there be cause for further action, escalation mechanisms would be implemented to identify further deliverable actions by NHS bodies to achieve improvements, reviewing all commitments and plans within the whole HSC MEG, and further engagement within Welsh Government through routine financial management arrangements to include engagement with the Cabinet Secretary for Finance, and treasury officials.

- Welsh Government, working in partnership with NHS Performance and Improvement (NHS P&I), is developing a national patient safety plan. This will build on existing systems and structures to strengthen safety culture,

support proactive improvement, and foster a system-wide culture of learning and resilience across NHS Wales.

- In line with the duty of quality, WG expects the NHS to embed patient safety and quality considerations at the heart of all financial decision-making. WG will monitor financial performance alongside quality and patient safety indicators.
- A relentless focus on quality and patient safety, whilst maintaining financial balance is expected across all NHS organisations.

Recommendation 11

The Cabinet Secretary should provide details of discussions with health boards about any areas or services being considered for possible future reduction as a consequence of the current draft budget allocation. This should include details of criteria used to prioritise services, the timeline for any decisions and information about how the outcomes of these decisions will be communicated publicly.

Response: Agree in Principle

I issued my Ministerial expectations to the NHS in Wales via the annual NHS Wales Planning Framework 2026-29 on 19th December, which for the first time included the NHS financial allocation details in one document. The Framework set out the following key 3-year priorities:

- Timely Access to Care
- Population Health and Prevention
- Community by Design
- Mental Health Access
- Women's Health
- Quality and Safety

To provide NHS organisations with a clear and consistent direction for the period ahead, the Framework builds on last year's Framework and again has a strong focus on the key strategic priorities, with clear delivery expectations for Year 1 (2026-27) of plans. Whilst Quality and Safety is always at the forefront of everything the NHS in Wales does, I have decided to add Quality and Safety as a specific priority. In addition, the Planning Framework sets out a range of enabling actions which must be delivered on the basis of "adopt or justify". Delivery of these will improve efficiency, productivity and value across the system.

NHS organisations are required to develop balanced Integrated Medium Term Plans and these will be submitted for Ministerial approval by the end of March 2026. A robust assessment process will then follow. As in previous years, the intention is for recommendations on the approval/ non-approval of IMTPs to be made in May, noting the timing of this will follow the Senedd elections

This year's approach remains consistent with last year, with a continued focus on prioritising the services set out in the Planning Framework. To stay within their financial allocations, organisations may need to make difficult decisions about improvements to services outside the framework. In my Planning Framework letter to NHS Wales Chairs, I emphasised that "health board plans will need to make hard choices and not include many improvements which would otherwise be desirable, outside the six areas of focus in the framework."

Health boards are best placed to make these decisions, as they hold responsibility for planning, commissioning and/or delivering services for their local populations. Where changes are considered, we expect robust integrated impact assessments and exploration of alternative delivery options to maximise effectiveness, sustainability, and patient safety. Any changes to service access or delivery must comply with national service change guidance and relevant legislation, including the Health and Social Care (Quality and Engagement) Act 2020, and involve Llais appropriately.

Health boards in Wales are also required to take a longer-term strategic approach to service development and improvement, with all advancing their Clinical Services Strategies and Plans. These plans aim to strengthen service sustainability, ensure services are fit for purpose and deliver value for money, improve quality, and enhance patient experience and outcomes. In addition, health boards are considering services that are better delivered on a regional footprint—a priority highlighted in this year's Planning Framework. Beyond individual regional planning, two Ministerial-directed joint committees have been established: one in West Wales (H DUHB and S BUHB) and one in East Wales (C TMUHB, C VUHB, A BUHB). These committees will identify and deliver services that benefit from regional solutions, driving greater efficiency and effectiveness across the system.

NHS organisations are all required to submit Board approved, financially balanced Integrated Medium Term Plans by 31st March 2026. These will set out how the requirements of the NHS Wales Planning framework 2026-29 are to be achieved, including an indication of potential services changes over the coming three-year period. As Board approved plans, these will be published and publicly available documents.

Recommendation 12

In his response to this report, the Cabinet Secretary should set out:

- the specific measures that will be taken to sustain any gains in planned care recovery and to prevent further deterioration, especially in those health boards struggling with long waits and pressured specialties;
- whether he intends to make the case for additional funding in the Final Budget to respond to sudden increases in demand for specific services or Welsh Government Draft Budget 2026-27 specialties. This should include timelines, accountability mechanisms, and how regional collaboration and clinical optimisation frameworks will be embedded to secure long-term sustainability.

Response: Agree in Principle

The investment into planned care and the considerable improvement we have seen this year by addressing backlogs are bringing the planned care system back into balance and sustainability. Welsh Government officials are working with colleagues in NHS Performance & Improvement (P&I) to assess the impact of the investment this year on the sustainability of planned care services and waiting times in NHS Wales, by speciality.

There remains only a small number of challenged specialties which will require some limited recovery investment in the coming year, and a retained budget will be available to support further reductions in waiting times in these areas.

BCUHB remains challenged with eliminating the longest waiting times for several service areas and will retain £34m of recovery funding into 2026/27 to support the ongoing recovery and reduction in waiting times.

The Cabinet Secretary has set out in the planning guidance a clear requirement for health boards to implement fully the enabling actions which support longer term sustainability and transformation of planned care services. These remain into next year and alongside the full delivery of the optimisation frameworks are the key deliverables for the NHS in Wales in maintaining waiting time improvements.

Health boards with support from NHS P&I report each quarter through existing accountability mechanisms their progress in delivery of these actions and the impact on their waiting lists.

A decision on additional funding to either mitigate sudden increases in demand or a new set of performance measures will be for the new Senedd term.

Recommendation 13

By the end of February 2026, the Cabinet Secretary should update the Committee on the findings of the Resilience Survey into the NHS estate, including details of any actions the Welsh Government plans to take as a result of it.

Response: Accept

NHS Wales Building Resilience surveys have been submitted by each organisation. There is some outstanding background information that is being chased including risk registers and related documentation.

The survey will help Welsh Government, in discussion with its advisors NHS Shared Services Partnership – Specialist Estate Services (NWSSP-SES), to identify any gaps in terms of resilience that need to be addressed. The completed surveys are currently being reviewed by NWSSP-SES who will provide feedback to officials by the end of January.

The outputs from the resilience exercise will inform further targeted investments across NHS Wales – with the continuing focus on patient safety and business continuity. This investment will also contribute towards addressing backlog maintenance across the NHS Wales estate.

Recommendation 14

In his response to this report, the Cabinet Secretary should set out the Welsh Government's view on the matter of digital maintenance contracts and, in particular, the reliance by some health boards on long-term internationally-based contracts and the effect of such contracts on digital integration and connectivity across the NHS in Wales.

Response: Accept

While outsourcing offers access to specialised expertise and short-term cost efficiencies, health boards must balance this with investment in local digital capability, workforce upskilling, and robust governance frameworks. Welsh Government strategies, including the Digital and Data Strategy for Health and Social Care, emphasises building internal capacity and reducing fragmentation to avoid systemic dependency on external vendors.

Despite their autonomy as public bodies, health boards in Wales are fully bound by procurement law obligations, just like any other contracting authority. Under the Procurement Act 2023 and the Wales Procurement Policy Statement, they must ensure value for money, transparency, equal treatment, and public benefit in all procurement activities. This includes compliance with social value requirements under the Social Partnership and Public Procurement (Wales) Act and, for clinical services, the Provider Selection Regime. In short, health boards cannot bypass procurement rules; they are legally required to demonstrate fair competition and optimal use of public resources in every procurement decision.

Recommendation 15

The Cabinet should publish the workforce risk and mitigation plan alongside the Final Budget, setting out how potential pay review body outcomes above current assumptions will be funded or managed. This plan should include contingency options and timelines for implementation.

Response: Reject

The increase in forecasts for wage growth and inflation in 2026-27 have been considered by Cabinet and there have been further allocations of additional funding to all departments to mitigate these pressures as part of the Final Budget.

In the HSC MEG, we are now planning on up to 3.2% in line with the approach being taken across Government and as detailed in the Final budget.

We have also commissioned the Pay Review Bodies to make recommendations and await their reports. Those reports are due later in the spring.

We are not holding any contingency within the HSC MEG.

Recommendation 16

In her response to this report, the Minister for Children and Social Care should outline how the draft budget will deliver the Welsh Government's objectives and priorities for social care.

Response: Accept

Social care is at the heart of our commitment to communities, and we continue to prioritise investment in this vital service. The majority of funding for social care is delivered through the annual un-hypothecated local government settlement of over £6.1bn. Under our budget agreement with Plaid Cymru, councils will receive an extra £112.8 million in 2026–27, a 4.5% uplift, with every authority guaranteed more than 4%. This additional funding supports councils to deliver essential services, including social care, during a period of significant financial pressure and ensures continued investment in social care priorities, including workforce development, fair pay, and capital improvements.

We will also allocate over £175m to deliver our social care and social care policy goals. Of this, the great majority is distributed out to the social care sector, including £45m to local authorities to fund development of the social care workforce, £20m (as part of our wider children's social care transformation grant) invested in our long-term goal to eliminate profit from the sector and over £10m is granted to a wide range of third sector partners. In addition, £70m will be invested across the social care sector on capital programmes.

The £30m Pathways of Care Transformation Grant funding for 2025-26 has been baselined into the 2026-27 budget. This grant is made to local authorities across Wales to support improvements in hospital discharge processes and strengthen community capacity to prevent avoidable admissions. The funding supports activity focused on timely assessments and the provision of care packages to ensure individuals can leave hospital when they are clinically optimised. This is helping to reduce the level of delayed hospital discharges, whilst also supporting people to stay well at home through strengthened community-based support services.

Recommendation 17

By the end of February 2026, the Minister for Children and Social Care should:

- update us on the findings of the independent evaluation of the Real Living Wage (due to be published this autumn), and provide details of the steps the Welsh Government intends to take as a consequence of that evaluation;
- set out her response to the suggestion that the Welsh Government should consider ringfencing the funding for the Real Living Wage for social care workers, given the ongoing concerns about inconsistent implementation and funding shortfalls.

Response: Accept

The full findings from the Real Living Wage (RLW) Evaluation can be found here:

[Real Living Wage for social care workers: process evaluation \(summary\) \[HTML\]. GOV.WALES](#)

Encouragingly the report showed that 84% of social care workers are now paid the RLW and that this has had a positive impact on pay equity and morale. However, we recognise that the evaluation also highlighted challenges, and there is still work to do to ensure the policy achieves its full potential, particularly in reaching the remaining 16% not receiving the uplift and addressing ongoing workforce pressures.

Welsh Government remains committed to funding the difference between the National Living Wage (NLW) and the RLW, and the provisional local government settlement has included a baseline of funding for local authorities added in previous years, to reflect this ongoing commitment.

Separately, each year, Health Boards have been provided with an additional in-year allocation based on the assessed impact of the RLW through their Continuing Healthcare contracts. This amount varies, year to year, as the gap between the NLW and RLW has changed.

While the evaluation recommended ring-fencing this funding, having considered the matter, and discussed with Ministerial colleagues, we do not consider removing it from the settlement for a hypothecated grant to be

appropriate at this time, given local government's responsibility for social care and the spirit of the Strategic Partnership Agreement agreed earlier this year with local authorities and the Welsh Local Government Association.

We will, however, strengthen transparency and accountability and have explicitly referenced the RLW allocation within the provisional local government settlement letter for 2026–27 which issued on 24 November 2025. Welsh Government has made it clear in this letter that the expectation is for this funding to be used for its intended purpose—to support the provision of the RLW for social care workers in line with our shared commitment to this vital workforce. This was not a simple or routine step. The Minister for Children and Social Care met with both the Cabinet Secretary for Housing and Local Government and the Cabinet Secretary for Finance and Welsh Language to collectively agree this approach. This introduces a level of transparency and accountability that is distinct from other policy areas within the settlement. However, it preserves local flexibility while still being clear that Welsh Government has listened to the evaluation findings and is acting on them.

The evaluation provided valuable insights and several other recommendations that will help us strengthen the implementation of the RLW, and we will take forward a number of actions in response. We will improve communications around RLW uplifts and expectations, reinforcing these through targeted engagement with providers and local authorities. We will work closely with local authorities to identify and address gaps where RLW is not being paid, focusing efforts on the 16% identified in the evaluation. We will also consider how the forthcoming research by Social Care Wales on pay levels, as part of the Pay and Progression work, can inform our approach to pay alignment and progression.

In addition, for 2026–27 we will resume formal monitoring arrangements that were in place prior to the evaluation, and we will strengthen these mechanisms by working with local authorities and our commissioning office team to ensure that monitoring forms are practical, meaningful, and clearly reflect how RLW is being implemented across local authority areas. These steps will ensure transparency and accountability, with the aim to improve delivery.

We are also working towards the introduction of a Fair Pay Agreement using the powers in the UK Government's Employment Rights Act to improve enforcement.

Recommendation 18

In her response to this report, the Minister for Children and Social Care should set out her anticipated timescales for publication of the social care checkpoint data Welsh Government Draft Budget 2026-27.

Response: Accept

Work has been undertaken over the last few years with the data leads from the 22 Local Authorities to improve on the quality and consistency of the data being collected. As such, the data is now of sufficient robustness to be published.

Welsh Government intends to publish the checkpoint data on StatsWales in phases.

The initial phase of publication is scheduled for Spring 2026 which will include data on the number adults being supported by social services departments each month.

The second phase is planned for Summer 2026. This phase will include safeguarding and children's services data.

Lastly, in Autumn 2026, we intend to publish data on the number of adults waiting for social services support, and how long they have been waiting.

In order to be able to publish the data, local authority data owners will need to consent to their data being made public by Welsh Government. Once consent has been provided, Welsh Government will provide a four-week pre-announcement before the first publication.

It is planned that the first publication will include all the data collected from January 2025 up to the most recent data available.

Recommendation 19

The Welsh Government should provide increased, sustainable funding for respite care in recognition of the demand and level of unmet need identified by unpaid carers.

Response: Agree in Principle

We established the Welsh Government Short Breaks scheme in 2022. The purpose was to promote a more flexible and individualised approach to breaks for carers. This can include hobby equipment, leisure memberships, activity sessions and outings. While it was not intended to replace the duties on local authorities to provide respite, from 2022-2025, it delivered over 50,000 short breaks, significantly exceeding the target of 30,000. The scheme is delivered by Carers Trust Wales and Regional Partnership Boards. Our annual investment is £3.5m and we have announced continuation of the scheme to 2029; an overall funding commitment of £24m.

In addition, we provide £360,000 annually to the Take a Break programme through our Family Fund grant. This provides support to unpaid carers and disabled and seriously ill children. The fund provides sensory and play equipment and family breaks. In 2024-25, the programme supported more than 1,000 carers of disabled children.

We wrote to all Leaders of Councils in December 2025 to emphasise the importance of their duties under the Social Services and Wellbeing (Wales) Act regarding respite and requested councils review their respite provision and suggested they consider taking a regional approach through the Regional Partnership Boards. Further additional funding is supplied via the Regional Integration Fund, through the requirement that a minimum of 5% (£7.34m) annually is spent on carers services.

Recommendation 20

In his response to this report, the Cabinet Secretary should set out:

- the contingency measures that will be implemented if the £16m funding gap created by increased employer National Insurance Contributions is not resolved;
- how the Welsh Government will support NHS bodies and third sector providers to manage these additional costs without compromising service delivery; and
- whether further engagement with the UK Government or alternative funding options are being pursued.

Response: Accept

The Cabinet Secretary for Finance and Welsh Language continues to raise this with the UK Government; however, they have been clear this is the UK Government's position. The additional funding for the increase in employers' national insurance for public sector employees, including the additional funding from WG reserves over and above the funding provided by the UK Government, has been made recurrent for the HSC MEG for 26-27.

We are proceeding on that basis and are asking NHS organisations to plan on that basis. We are not holding any contingency measures within the HSC MEG.

We have, however, allocated £3m recurrently to support the hospice sector, recognising the financial challenges it faces across a number of areas, including from employers' NICs.

Recommendation 21

We believe there is a compelling case for additional funding for vital palliative and end of-life care services, and we recommend that the Cabinet Secretary makes the case for this in his negotiations on the Final Budget.

Response: Agree in Principle

Palliative and end-of-life care is a vital part of our health system, and we recognise the compassion and professionalism shown by those who deliver it. Even in a challenging financial climate, we remain committed to ensuring that people receive dignified, person-centred support at the end of life. Recent debate around the Terminally Ill Adults Bill has only reinforced how essential it is that people have access to high-quality palliative care as a genuine alternative.

However, when resources are tight, it is essential that we first examine how existing funding is being used. We need to understand whether current spending is delivering the highest-value care, reduce duplication, and avoid low-benefit interventions or unnecessary hospital admissions that patients often do not want. This is about ensuring that every pound is directed toward care that genuinely improves comfort and quality of life.

Health boards and hospices also have a responsibility to drive innovation and efficiency. That includes exploring new models of care, improving coordination across services, and adopting best practice consistently. By working together to use resources more effectively, we can strengthen palliative and end-of-life care within current budgets while continuing to protect the compassion and quality that patients and families rightly expect.