

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2025-26](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2025-26](#).

WGDB\_26-27 16: Ymateb gan: Tŷ Hafan and Tŷ Gobaith |Response from: Tŷ Hafan a Tŷ Gobaith

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Dear Chair,

We write to you to provide evidence and insight from Tŷ Hafan and Tŷ Gobaith Children's hospices for your current consultation on the Welsh Government Budget 2026-2027. We have answered the questions in your consultation letter that are relevant to our organisations, and we are happy to provide any further information you and your Committee team require.

**What, in your opinion, has been the impact of the Welsh Government's 2025-2026 Budget?**

Whilst we welcomed the publication of the Welsh Government's budget for the 2025-26 financial year, we have concerns about the speed at which allocations within the budget have been distributed.

Despite being nearly halfway through the current financial year, the Children's Hospices in Wales have yet to receive notice of our share of this pot. We are also yet to receive notice of the intended method of distribution of this allocation.

Despite this allocation being intended for use in the 25/26 financial year, we are concerned that its late arrival will not enable this, or only allow us to 'backfill' on monies already spent or allocated as part of our regular budgeting and forecasting process.

We therefore call on the Committee to recommend to Welsh Government that it improves the speed and processes for allocation and distribution of monies in the budget.

**How financially prepared is your organisation for the 2026-27 financial year, how confident are you that you can deliver planned objectives, and how robust is your ability to plan for future years?**

Tŷ Hafan has recently undertaken a comprehensive update of its long-term financial and business planning, covering the period from 2025/26 to 2029/30. This process included a rigorous review of our strategic objectives — namely, expanding our reach, enhancing service quality, investing in our people and growing and diversifying sustainable income streams — and assessed their financial implications in detail.

Our Board of Trustees has endorsed a planned period of strategic investment to enable delivery of these objectives. This investment phase commenced in 2024/25

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with the launch of our 'Big Ambition', which has already yielded positive outcomes: we have increased service delivery and seen encouraging growth in income.

Looking ahead to 2026/27, we anticipate a planned deficit of approximately £2.0 million including investment in our strategic objectives. However, we are currently outperforming financial forecasts for 2025/26, which will strengthen our reserve position and provide a more resilient financial foundation entering the 2026/27 financial year.

We remain confident in our ability to deliver our planned objectives, supported by robust financial governance, active performance monitoring and a clear trajectory toward sustainability. Our financial strategy is focused on growing sustainable income to achieve a break-even position by 2029/30, while increasing our reach to beneficiaries to meet unmet need. We believe this goal is achievable, but it is dependent both on raising more income through charitable giving, and on Welsh Government delivering on its commitment to securing a sustainable funding settlement for hospices in Wales.

In March 2023, following a rigorous and systematic review, Hope House and Ty Gobaith Children's Hospices set a new ambition and strategic objectives; namely, expanding our reach, providing professional care and support and growing and diversifying sustainable income streams to meet rising costs. The charity has focussed on aligning services and operations behind the new Purpose and developing services to best meet needs, overcome barriers to access and improve equity for children and families across Wales.

Looking ahead to 2026/27, we anticipate a deficit of approximately £200,000 including investment in our strategic objectives. However, we are currently outperforming a deficit budget financial forecasts for 2025, which will provide a more resilient financial foundation entering the 2026/27 financial year.

We remain confident in our ability to deliver our planned objectives, supported by robust financial governance, active performance monitoring and a clear trajectory toward sustainability. Our financial strategy is focused on growing sustainable income to achieve a break-even position in 2027, while increasing our reach to beneficiaries to meet unmet need. We believe this goal is achievable, but it is dependent both on raising more income through charitable giving, and on Welsh Government delivering on its commitment to securing a sustainable funding settlement for hospices in Wales.

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## **What action should the Welsh Government take to:**

**help households cope with cost of living issues;**

**address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and in supporting economies within those communities?**

For many families, having a child or young person with a life limiting condition means that one parent has to give up work. It is estimated that nearly two thirds of mothers of life limited children have had to give up work to care for their child, and around one quarter of dads.

This reality, along with added costs of raising a seriously ill child, results in financial difficulties being experienced by many families. It is estimated to cost an extra £581 per month for a family with a disabled child to have the same standard of living as a family without a disabled child, leaving families living with a life limited child at increased risk of experiencing poverty.

The 'Trends in Prevalence and Complexity report'<sup>1</sup> shows that there are geographical disparities in prevalence of life limiting conditions between Health Boards and more children and young people living in areas of higher deprivation than expected.

This report also shows that 64% of our families are in the bottom three groups of the deprivation index.

Our 'Family Voices' report shows that 52% of our families exist on a family income of less than £25,000 and 92% have told us that they have experienced financial hardship.<sup>2</sup>

This report has also told us that:

- 51% of families have an annual income of less than £25,000 with 21% of families relying on less than £12,000; 87% identified that they had experienced financial hardship and 54% of families incurred debt to cover expenses within the last two years.
- 59% of families identified they were unable to afford holidays and 44% days out.
- 38% of families experienced financial hardship regarding petrol/ transport costs.
- 29% of families have difficulty affording specialist equipment.

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<sup>1</sup> This report can be accessed [here](#).

<sup>2</sup> [Family Voices Project | Hope House Children's Hospices](#)

- Over 25% identified issues with household bills including rent/ mortgage.
- 25% of families identified difficulties affording birthday/ Christmas gifts.
- Over 20% families reported difficulties affording school uniforms and school trips.

It is clear from these statistics that, whilst the Welsh Government is taking steps to address cost of living issues, and to address the needs of people living in urban, post-industrial and rural communities, the support being provided is not reaching those who need it most.

Too often, our families are telling us that we are their only source of support. We are the place where they can turn to get advice, ask questions or vent frustrations. This has led to us taking on extra responsibilities, such as signposting, in order to ensure that our families are accessing the support they need, and in some cases, have a statutory right to receive.

Tŷ Hafan also maintains and operate a hardship fund that our families can apply to for support with financial pressures – we have even put together food packages so families can have a Christmas dinner.

We therefore call on the Committee to recommend that Welsh Government increase support for those who are most vulnerable in our society, and to work with organisations like ours who provide that support.

### **Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?**

As our answer to the previous question indicates, we strongly believe that not enough is being done to tackle the rising cost of living and support those living in income poverty.

It is vital that these voices are heard throughout the budget process and they must form a key part of any solutions proposed by Welsh Government as part of their work to tackle the cost of living crisis.

At Tŷ Hafan, we have both a Youth Board and a newly established Parents Group. Tŷ Gobaith also has excellent family support services who are willing and able to collect the views of the families we support. These voices must form a key part of any processes to design solutions to this issue.

We therefore call on the Committee to recommend that the Welsh Government develops closer links with organisations like ours, and take advantage of groups like Tŷ Hafan's Youth and Parent boards to ensure that solutions are robust, and meet the needs of those they are designed to support.

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## **How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?**

Whilst we welcome the Welsh Government's focus on the prevention agenda, we believe that more than can be done to reduce these waiting lists, and to provide services that meet need across Wales.

We hold the strong belief that prevention goes beyond the current definition of the word being used by the Welsh Government, and that we, as children's hospices, are a preventative service.

We work closely with families who are going through some of the toughest experiences life can throw at them, and who will eventually deal with the death of their child. Whilst this does not lend itself to the prevention agenda as defined, our work goes so much further than this.

We see families at times of crisis. We work with children unable to access education. We work with siblings going through some of the toughest mental experiences of their young lives. And we provide services to mitigate all of these impacts. We provide counselling, safe spaces, and a place for mam and dad to be mam and dad. We strongly believe that these services are preventative.

They prevent mental health crises, they prevent family breakdown, they prevent isolation and loneliness. And yet, the budget does not go far enough to provide for these services.

We also know that the cohort of children we work with are disproportionate users of healthcare. They account for 7 in 10 Paediatric Intensive Care Bed Days, and 2 in 10 hospital admissions. Whilst we cannot prevent all of these admissions, and nor do we seek to, we can prevent some of them. We can ease the burden on our health and social care services if we are properly funded and enabled to provide services in the community, closer to home.

We therefore suggest that the Committee recommend that Welsh Government widens its definition of prevention, and appropriately funds services that provide prevention in other forms.

## **How should the Budget support young people?**

Tŷ Hafan and Tŷ Gobaith believe that the budget should be an enabler for young people.

We believe that the goals of the Wellbeing and Future Generations Act should be at the forefront of Welsh Government minds when planning, executing and delivering a

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budget. However, in its current form, the budget does not support the young people we work with.

Access to health care is difficult, access to social care is non-existent outside of the services we provide, and access to education is patchy or difficult, depending on family circumstances.

As the statistics showcased in an earlier question show, the families we provide support to are often in financial difficulties, or distress. It is therefore incredibly difficult for them to enable their children, both those living with a life shortening condition and not, to live as well as possible.

We therefore believe that the Committee should recommend to the Welsh Government that future budgets focus on getting things right for the most vulnerable in our society. If you get it right for them, you get it right for everyone. Enabling those who cannot access services and experiences to access them will improve access for all.

**Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and additional costs following increases to National Insurance Contributions, sufficient?**

We strongly believe that the support provided to third sector organisations is not sufficient at all.

As the children's hospices, we have received no support towards increases in our National Insurance obligations. Despite receiving a 'one-off' payment at the end of the last financial year, this money was not specifically to counter the rises in National Insurance obligations. To this date, we have received no specific or 'ring fenced' funding to help us meet our increased obligations.

For this financial year, the impact on both organisations is currently around £550,000. This is a huge hit to our finances, at a time when finances are tight across the third sector in Wales.

Whilst we understand the budgetary pressures on the Welsh Government, any further rises in National Insurance contributions would add unnecessary pressure on, and increase uncertainty for, hospice services in Wales.

We therefore ask the Committee to recommend to the Welsh Government that a package of support be made available to the third sector in Wales in order to mitigate some of the impact of the National Insurance National Living Wage contributions.

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Finally, we would like to take the opportunity to thank the Committee for holding this inquiry, and for the opportunity to submit evidence.

We strongly believe that the more diverse voices that are heard as part of a process, the more robust and impactful the final recommendations will be.

We look forward to working with the Committee on further inquiries.

With kind regards,



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CEO Tŷ Hafan



Andy Goldsmith  
CEO Tŷ Gobaith

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