

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 46: Ymateb gan: Gweithau dros Blant | Response from: '5W\cb Zcf' 7\JXfYb'





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Peredur Owen Griffiths MS
Chair
Finance Committee

via e-mail

26 September 2025

Dear Peredur and Members of the Senedd Finance Committee,

Here at Action for Children we want every child and young person to have a safe and happy childhood, and the foundations they need to thrive. We offer practical and emotional support to families and we're working with decision-makers to make sure government policies protect and support children, now and in the future.

We became aware of your inquiry into the Welsh Government's Budget for the next financial year and wanted to share our views as a third sector organisation working across Wales.

Whilst we acknowledge and appreciate the continued investment into the services we deliver in the 2024-25 Welsh Government Budget - both those commissioned by local authorities and those directly funded by the Welsh Government - we have faced significant challenges. The lack of support to cover increased National Insurance contributions for the third sector has placed pressure on our financial sustainability. This has resulted in uplifts being sought from the Local Authority to continue to deliver the services, however this has been met with mixed results. At times this had led to a reduction in services, or challenges in maintaining the services altogether.

The lack of financial support has also made it difficult to plan for future service provision with confidence and has limited our ability to respond flexibly to emerging needs and to invest in long-term solutions.

For the 2026-27 financial year we have been able to secure funding from a variety of sources to deliver our planned priorities for the coming year. However, the absence of multi-year funding arrangements continues to hinder our ability to plan beyond a one-year horizon. This short-term arrangement absorbs significant staff time in sourcing new funding options and navigating complex reporting requirements, which in turn stretches management capacity and can impact the quality and consistency of service delivery. Staffing challenges have also been an unintended consequence of short-term funding, with staff often placed 'on notice' multiple times whilst continued funding is sought. This places significant worry on staff but also creates issues with recruitment & retention at a time when social care already faces staffing shortages.



In terms of what more can be done to tackle the cost of living crisis and poverty, we support the full implementation of the Welsh Benefits Charter by April 2026, and would urge the Welsh Government to include UK Government benefits within its scope. While a “one-stop shop” approach for accessing support like Council Tax reduction and discretionary assistance is helpful, it does not address the core issue of inadequate ongoing welfare support. Organisationally we reiterate our call for the removal of the two-child limit and the benefit cap, which continue to disproportionately affect the families we support.

Feedback from a recent lived experience exercise with families highlighted mixed views on existing support. Some found it helpful in mitigating daily poverty, while others struggled with access and delays. There is clear appreciation for Welsh Government efforts, but also a strong desire for increased financial support and improved awareness and accessibility of available help.

We recognise the Welsh Government’s stated commitment to preventative spending, but in practice, the benefits are not always realised. Funding rarely reaches the charitable sector, which is often better placed to deliver early intervention and preventative support. This sector is trusted by communities and can make a significant impact if adequately resourced.

Headline figures suggest investment in preventative measures, but the reality on the ground tells a different story. Services are overwhelmed by demand for crisis and reactive support, and funding allocations reflect this reactive position. The Welsh Government needs to better align – and invest in - its spending with its policy ambitions and be more transparent in how they communicate how funding decisions will address long-term challenges.

We firmly believe the budget must prioritise investment in babies, children, and young people to break cycles of poverty, trauma, and abuse. In our opinion this includes:

- Supporting early child development and parenting habits;
- Keeping families together where appropriate & ensuring access to timely support and intervention, whilst also providing safe and secure housing for those needing care outside the family; and
- Ensuring access to education, social development, and career pathways for all children and young people, to achieve the best in life.

Services must be delivered by the right person, at the right time, in the right environment to create the best possible chance of success.

We previously mentioned that the third sector is under immense pressure due to rising demand and increased operational costs, including the Real Living Wage and National Insurance contributions. Despite our ability to offer some financial support through corporate partnerships and help families access statutory support, this only gets them to a point where they can engage with our services.

Our services have not seen sufficient uplifts in grants to match these rising costs. Grants often remain static year-on-year, creating an environment where we have to do more with less, and unfortunately at times reducing our service offer to the detriment of both our families and our staff. This undermines our ability to deliver high-quality, sustainable support and places strain on our workforce.

With the potential changes to government spending afforded by the UK Government's approach to setting out multi-year spending plans, we believe that for the best possible outcomes, we need to see this trickle down through the Welsh Government to local authorities. This funding should then find its way through commissioning processes to the third sector to support in the delivery of the aims and ambitions of each level of government.

All levels of government should be utilising the public finances afforded to them by the UK and Welsh Treasuries, investing them into areas which can have the best possible impact to the benefit of our wider society and economy.

We hope this information is helpful, as the Committee considers the Welsh Government's budget for the forthcoming year.

Yours sincerely,

Ash

Ash Lister

**Cynghorydd Ymgyrchoedd, Dylanwadu a Pholisi
Campaigns, Influencing and Policy Advisor**