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Iechyd a Gwasanaethau Cymdeithasol
Health and Social Services



Llywodraeth Cymru
Welsh Government

23rd May 2022

Dear colleagues,

Eliminating Profit from Care

Welsh Government's vision for services for looked after children and care leavers is an important part of the Government's wider plan for Children and Young People. The Plan, published on St David's Day, clearly sets out what the Government will do to make Wales a wonderful place for children and young people to grow up.

I am sure you will be familiar with the eight Programme for Government commitments in place to improve the lives of care experienced children and young people and families on the edge of care. Taken together, these commitments will help transform the way care is provided for looked after children in Wales. The Programme for Government, which incorporates the Co-operation Agreement with Plaid Cymru can be found here -

<https://gov.wales/sites/default/files/publications/2022-01/programme-for-government-update-december-2021.pdf>

Whilst we have the duration of this Senedd Term to deliver these Programme for Government commitments (up to April 2026), there is much work to do to. Considerable activity is already underway to take forward our commitment to eliminate private profit from the care of looked after children. Welsh Ministers are clear with their views that profit should not be made from caring for vulnerable children and their families.

Our aim is to ensure that public money invested in accommodation for care experienced children does not lead to profit, but instead any surpluses are reinvested into children's services to deliver better outcomes, service improvement and further professional development. This means that the care of looked after children in Wales will be provided by public sector, charitable or not for profit organisations.

You will already have been involved in discussions about our shared approach to delivering this priority and some colleagues will be members of the Programme Board or associated work streams overseeing its progress. I would like to take this opportunity to express my gratitude for the active and helpful engagement so far.

To help inform our transitional planning towards a transformed not for profit system of care in Wales, we are working with 4Cs to gather existing local authority provided



data, drawn from your Quarterly Baseline Data Returns compiled by Data Cymru for 4Cs, about existing foster care and residential care placement requirements. The Sufficiency Module of the Children's Commissioning Support Resource (CCSR) was part funded by Welsh Government in 2020 to enable full monitoring of local authority placement capacity, supply and demand, to inform a more accurate view of overall sufficiency. Utilising this data return will avoid the requirement for duplicate requests for information from you. We will of course share the data gathered and its analysis with you. It is imperative there is a full return for financial end of year 21/22. If your authority has not submitted its return please ensure it is done by end of May.

As well as mapping the current profile of residential and foster care provision across Wales, we are also at the stage where we need to undertake modelling and forecasting of future placement requirements, to inform our transition to a not-for-profit system which can meet the needs of each child in care.

To do this, we would like each local authority to review their existing Placement Commissioning Strategies. Particular focus should be given to projecting future demand to your plans to upscale existing provision and the type of models of care required. The plan should consider:

- the future shape of residential and foster care provision which will best meet the needs of your looked after children population.
- how you plan to deliver this (developing own provision, expanding current not for profit provision, buy-out of independent provision)
- future financial modelling to deliver including bids for financial support from our 30m fund.
- development of foster care services in line with Foster Wales' ways of working.
- workforce capacity and capability requirements to support future profile.

There will be a number of considerations you may want to explore and include in your plan, including whether there are existing local not for profit providers who would want the local authority to take over ownership of their organisations. Please can you also set out milestones and timescales to deliver against your plans for development and/or expansion. Placement Commissioning Strategies (PCS) should be regularly updated and considered a live document. The PCS template introduced by 4Cs in 2018 is the preferred template and is attached to this letter. We will seek updates on the plan on a six monthly basis.

The information you provide will be used by the Programme Board to enable members to work through the journey needed to transition to a not-for-profit system.

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It will also determine how the £10m fund available each year for the next 3 years can be used to its maximum potential.

I would be grateful if each local authority could complete and return your Placement Commissioning Strategies to the Programme Team by 30 June. If you have any queries or concerns, please do not hesitate to contact the Programme Team by e-mailing PlantSynDerbynGofal@llyw.cymru

Yours sincerely

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Albert Heaney CBE
Chief Social Care Officer for Wales