



Llywodraeth Cymru  
Welsh Government

POLICY AND STRATEGY, DOCUMENT

# Removing profit from the care of children: update

Overview on our transition towards not for profit care for children.

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# Background

The Programme for Government sets out our commitment to transforming children's services in Wales. It explains how we will provide services for:

- children and young people
- their families
- communities

Our co-operation agreement with Plaid Cymru commits to ending 'private profit from the care of children looked after'. We will start by focusing on care home services for children and foster care.

## Programme Board

The duties of the Board include:

- supporting the work to develop legislation shaping how the commitment is implemented
- helping to deliver market stability

Representatives come from a variety of different agencies including:

- private sector children's care homes and fostering organisations
- public and third sector providers
- Welsh Government
- service commissioners
- Care Inspectorate Wales
- Children's Commissioner for Wales
- trade unions

- Voices from Care

## Workstreams

Four workstreams sit under the Programme Board to consider key challenges in more detail.

### Workstream 1

Identify and recommend to the Board action to:

- expand and develop local authority children's care home and foster care placements
- address services operating without registration and improve care home recruitment

### Workstream 2

Identify and recommend to the Board action to:

- expand and develop not for profit children's care home and foster care placements
- address barriers to expansion or entry into the not-for-profit market

### Workstream 3

Identify and recommend to the Board action to:

- support existing independent and private sector providers to transition to a not for profit model

## Workstream 4

Identify and recommend to the Board action to:

- minimise the impact of the proposed changes on individual children and young people

## Consultation

Welsh Government consulted on proposals for primary legislation to support this policy in 2022. A [summary of the responses was published in June 2023](#).

There was strong support for the proposals, but also concerns about unintended consequences.

## Next steps

- Further policy development on transitional provision or exceptions.
- Progress development of Local Authority Placement Commissioning Strategies.
- Development of new local authority provision, supported by £68m funding over the next three years.
- Workshop with for-profit providers to discuss future not-for-profit models and support for transition.
- Further development of edge of care services to keep more families together

if safe to do so.

- Introduction of Social Care (Wales) Bill in 2024.

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