



Llywodraeth Cymru
Welsh Government

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Removing profit from the care of looked after children: briefing July 2024

July 2024 update of the work of the programme board.

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Background

Our programme for government contains a number of commitments that set out our vision for children's services in Wales. Our ambition is for whole system change and, at its heart, we want to see more children and young people being enabled to live with their families and in their home neighbourhoods with many fewer needing to enter care. We also want to ensure the period that young people are in care is as short as possible.

We are committed to keeping families together. Our vision is to redesign how we look after children and young people so we can do the best for our young people, their families and communities by providing services that are locally based, locally designed and locally accountable.

The initial focus of our proposals is on the private provision of residential care for children, alongside independent sector foster care and secure accommodation.

A multi-agency programme board has been established to progress the technical and development work to support our legislative options, shape our future approach and deliver market stability.

Summary of programme board discussion, 24 May 2024

Progress

The new First Minister and Minister for Social Care had been appointed in March with the First Minister making clear his support for all the programme for

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government commitments within the remit of children's social services.

Both the First Minister and Minister for Social Care would be signing the care experienced declaration.

The Minister for Social Care had conducted visits to various services and met with care experienced young people at Voices from Care Cymru the previous week.

On corporate parenting, 40 corporate parents had signed up, with around half of local authorities having signed up.

Fostering Fortnight had been celebrated in Wales, with the Minister for Social Care attending several events with foster carers and care experienced foster children.

Work had been continuing on the national practice framework.

The Health and Social Care (Wales) Bill 2024 had been introduced on 20 May and members were provided with an update on the key elements of the bill:

- the bill sets out the legislative changes that will be required to support delivery of the commitment to remove profit
- it imposes a requirement on a registered provider of these services (other than a local authority) to be a “not-for-profit entity”; a not-for-profit entity will be defined as:
 - a charitable company limited by guarantee without a share capital
 - a charitable incorporate organisation
 - a charitable registered society
 - a community interest company limited by guarantee without a share capital

In addition, a not-for-profit entity will also be required to have objects or

purposes that primarily relate to the welfare of children or such other public good as the Welsh Ministers determine.

Unreasonable or inappropriate payments made by a not-for-profit entity can be taken into account by Welsh Ministers when deciding if a provider is a fit and proper person to be registered.

Transitional arrangements will allow a registered for-profit provider of a restricted children's service (a legacy provider) to continue operating after the provisions have come into force, subject to conditions imposed by regulations. Welsh Ministers will have a power, exercised through regulations, to bring the registration of legacy providers to an end at an appropriate time.

The bill will place a requirement on a local authority to secure sufficient accommodation provided by not-for-profit entities either within or near to its area.

A local authority will also be required to prepare an annual sufficiency plan setting out how it will take steps towards reducing or removing dependence on for-profit providers. This plan will be subject to approval by the Welsh Ministers and must be published.

It will require a local authority to place a child in accommodation provided by a not-for-profit entity unless it considers that is inconsistent with a child's well-being. Where that is the case, it will be able to place the child in a "supplementary" (for-profit) placement. However, this will require the approval of Welsh Ministers.

There will be similar approval requirements applying to placements with providers in England (other than placements with local authority run facilities).

The intention is for the relevant provisions of the bill to be brought into effect so that new providers registering with Care Inspectorate Wales will have to have

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not-for-profit status from 1 April 2026.

Existing for-profit providers will be subject to the transitional provisions from 1 April 2027.

The bill had been referred to the Health and Social Care Committee to consider and report on the general principles, with a series of oral scrutiny sessions planned, with the first due to take place on 6 June.

The bill will also be considered by the Legislation, Justice and Constitution Committee and the Finance Committee.

Communications

A general briefing document had been circulated to members prior to the meeting for amendments and comments. No comments had thus far been received.

This messaging includes much of the detail regarding the effects of the bill and was a universal set of key points which would be accompanied by targeted communications for different stakeholder groups in the future.

It was requested that when the document had been finalised and circulated to members they circulate as widely as possible. It would also be published on the dedicated removing profit webpage.

Phase 2 workstreams

The workstreams had not met recently due to awaiting the final detail of the

Health and Social Care (Wales) Bill.

The future role and work programme of the workstreams would be considered in light of the bill's provisions.

Risk register

The risk register for the programme board had been reviewed and some updates made.

Since publication of the bill, further refinements and reviews were underway.

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