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Llywodraeth Cymru
Welsh Government

Y Pwyllgor Plant, Pobl Ifanc ac Addysg
Children, Young People and Education Committee

21 Rhagfyr/December 2022

Annwyl/Dear Jayne,

Gweler ynghlwm ein hymateb i'r materion penodol a godwyd gan Aelodau yn eich gohebiaeth 28 Hydref 2022, cyn sesiwn graffu ddrafft y Gyllideb Llywodraeth Cymru a drefnwyd ar gyfer 11 Ionawr 2023.

Please see attached our response to the specific issues raised by Members in your correspondence of 8 November 2022, prior to the Welsh Government Draft Budget scrutiny session scheduled for 18 January 2023.

Yr eiddoch yn gywir/ Yours sincerely,

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Children, Young People and Education Committee

Date: 18th January 2023

Venue: Senedd Cardiff Bay

Title: Scrutiny of Health and Social Services Draft Budget 2023-24

Contents

Purpose	3
Introduction	3
Budget Overview (whole HSS MEG)	3
Transparency of budget presentation.....	4
Approach to Budget proposals	4
Children’s rights and the allocation of ‘the maximum available resources’ for children and young people	6
Impact Assessment	7
Action and BEL allocations in the Health and Social Services Major Expenditure Group	8
Budget Changes by BEL	9
CAFCASS Cymru	11
Policy and legislation allocations Draft Budget 2023-24	12
Children’s Health	12
Healthy Weight: Healthy Wales	13
School Health Research Network (SHRN) Student Health and Wellbeing survey.....	14
Budget.....	14
Value of SHRN	15
Health and Care Research Wales	16
Children and Young People’s Mental Health Services	17
Eating disorder services	18
Suicide prevention as it relates to children and young people.....	19
Substance misuse as relevant to children and young people.....	19
Neurodivergence services (Autism services)	21
Patient Experience	21
Programme for Government (PFG)	22
PFG - Early Years and Childcare.....	22
Children’s Social Care	23
Children’s Rights	23

Early years, childcare and play, including the Childcare Offer and workforce	23
Safeguarding services	24
Advocacy services	25
Adoption services	25
Fostering services	26
Policy and oversight of the provision of all social service activities of Local Authorities in Wales	26
Young carers and young adult carers	26
Families First	27
Early Years Integration Transformation Programme	27
Early Childhood Education and Care	28
Flying Start for children under 4	28
Speech, Language & Communication – Early Years	29
Detailed information on allocations in respect of children looked after and associated prevention and support measures	30
The Social Care Reform Fund	30
Eliminating profit from the care of looked after children	31
Radical Reform	32
Cross-government/sector working on prevention	32
Early Years Integration Transformation Programme	33
Speech, Language & Communication – Early Years	33
Real Living Wage	34
Costs of legislation	34
2023-24 anticipated expenditure:	36
Impact of the cost of living on Draft Budget 2023-24 allocations	37
Cost of Living	38
Real Living Wage	40

Purpose

The Minister for Health and Social Services, the Deputy Minister for Social Services and the Deputy Minister for Mental Health and Wellbeing have agreed to attend the Children, Young People and Education Committee on the 18 January 2023 to give evidence on their Draft Budget proposals.

Introduction

This paper provides information for the Children, Young People and Education Committee on the Health and Social Services (HSS) Main Expenditure Group (MEG) future budget proposals for 2023-24 and also provides an update on specific areas of interest to the Committee as outlined in a letter from the Chair of the Committee dated 8th November.

Budget Overview (whole HSS MEG)

Figure 1 – Budget Overview

	2023-24
Revenue	£m
Revenue Baseline as @ Final Budget 2022-23	9,793.30
Baseline Adjustments	(4.3)
Budget Reprioritisation	(23.7)
MEG allocation	457.80
Transfer in of existing budget (CCG grant)	160.20
Revised DEL as @ Draft Budget 2023-24	10,383.30
Capital	
Capital Baseline as@ Final Budget 2022-23	339.3
Additional Allocation	35.7
Revised DEL as @ Draft Budget 2023-24	375
Overall Total HSS MEG Draft Budget 2023-24	10,758.30

The table above does not include Annual Managed Expenditure (AME), which is outside the Welsh Government's Departmental Expenditure Limit (DEL).

Information to inform scrutiny of the Draft Budget 2023-24 by Health & Social Care Committee.

1. Transparency of budget presentation

Our predecessor committee emphasised the importance of presenting the Draft Budget transparently to enable full and thorough scrutiny. To continue this approach, we request a transparent narrative explanation (and numeric depiction) of the following in respect of the Health and Social Services MEG:

- reductions/removal or increases/additions relating to specific areas of the draft budget compared to previous financial years (e.g. grants being reduced or ceasing to exist altogether/being increased or introduced);
- what proportion any changes to the overall amount previously allocated represent; and
- where exactly this change is being made in the draft budget, and whether money will be returned to/taken from central reserves or allocated to/from other budget lines.
- that Ministers ensure that resources relating to children and young people are presented clearly so that we can identify the assigned resources, assess the extent to which they are being prioritised, and understand how they will deliver value for money.

Approach to Budget proposals

The Health and Social Services Main Expenditure Group (MEG) contains the core revenue and capital funding for NHS Wales, as well as funding to support public health, social care and supporting children. It supports our well-being objectives to provide effective, high quality and sustainable healthcare, and to protect, re-build and develop our services for vulnerable people. It also supports the ongoing implementation of A Healthier Wales, our long-term plan for health and social care.

This budget covers a two-year period from 2023-24 to 2024-25. The MEG settlements have been assessed through the budget setting process with agreement by Cabinet to, as far as possible, protect front line core services.

The HSS MEG will increase from the adjusted revenue baseline of £9.789billion up to £10.383billion for 2023-24 and £10.613billion for 2024-25.

The HSS MEG settlement provides for increases in budget as follows:

- NHS (including TTP) an increase of £415m for 23-24
- Mental health increase of £25million for 2023-24, building on the £50m allocated in 22-23 and increasing to £90million by 2024-25
- Social care increase of £10m, building on the £45m allocated in 22-23 and increasing to £60million by 2024-25 and;
- Childcare & early years £28million allocated in 2022-23, increasing to £30million in 2023-24 and recurrent for 24-25.

From the funding initially allocated to the NHS above, we are also allocating an additional £10million to support the expansion of Flying Start to help meet the Programme for Government commitment to deliver a phased expansion of early years provision to include all two-year-olds (Phase One), with a particular emphasis on strengthening Welsh medium provision. This is also a key element of the cooperation agreement with Plaid Cymru.

There have been some budget reductions in the MEG as part of a cross Government reprioritisation exercise, £23.7m reduction shown in the main Budget Expenditure Line (BEL) table. **None of the budget areas reduced in the HSS MEG related to Children & Early Year's policy areas.**

Further information is shown below, in section 3, illustrating the budgets relating to Children & Young People and the relevant budget moves, by BEL.

2. Children’s rights and the allocation of ‘the maximum available resources’ for children and young people.

As we recommended last year, and as our predecessor Committee continually advocated, we believe a Child Rights Impact Assessment (CRIA) should be undertaken for the Draft Budget as a whole and published as a standalone document, prior to being incorporated in the overall Strategic Integrated Impact Assessment.

We believe this is vital to demonstrate that the Welsh Government is meeting the requirements of the Rights of Children and Young Persons (Wales) Measure. Publishing a CRIA is in line with the arrangements the Welsh Government itself has put in place, which has established the CRIA as 'the agreed' mechanism to support Ministers to meet the duties under that Measure in both the Children's Rights Scheme itself and the associated Children’s Rights Scheme: manual for Welsh Government staff.

In line with assessing whether ‘due regard’ has been given to article 4 of the UNCRC and the Welsh Government’s duties under the Rights of the Child and Young Persons (Wales) Measure the Committee:

- Requests a copy of the overall Child’s Rights Impact Assessment (CRIA) undertaken by the Welsh Government to inform the allocations in the draft Budget 2022-23 **across all its portfolios**,
- If a specific CRIA has not been undertaken, the reasons for this.
- A copy of any alternative integrated impact assessment as well as assurances that this assessment demonstrates that the duty of “due regard” to the United Nations Convention on the Rights of the Child has been exercised.

In respect of the Health and Social Services MEG, the Committee request:

- A copy of the completed Children's Rights Impact Assessment template: guidance for staff.
- template for this draft Health and Social Services MEG for 2023-24 which sets out how children’s rights are put into effect in these budget allocations, with

reference to specific articles in the United Nations Convention on the Rights of the Child as relevant.

- Details of what discussions have taken place with other relevant Ministers in respect of allocations which have a significant impact on children's health and social care, for example the Minister for Social Justice in terms of the budget of the Children's Commissioner for Wales and broader policy issues such as child poverty.
- Information about how the Wellbeing of Future Generations (Wales) Act 2015 has influenced allocations to budget lines within the MEG.
- Information about how equalities, sustainability and the Welsh language have been considered in budget allocations.
- Information about how you have taken gender budgeting into account in budget allocations
- Details and/or examples of any changes made to allocations within the Health and Social Services MEG following considerations of children's rights, equalities, sustainability, the Welsh language, or the Wellbeing of Future Generations.

Impact Assessment

The vision we have established in A Healthier Wales is to place a greater focus on prevention and early intervention which we continue to support through universal, as well as more targeted support. This includes information, advice and support for parents through Parenting. Give it Time which has been expanded to support parents of children aged 0-18; ongoing support for speech, language and communication (SLC) through the Talk with me SLC plan and campaign; and further investment to reduce or mitigate the impact of adverse childhood experiences (ACEs).

Within the HSS MEG allocation, the budget for Early Years and Childcare have been protected with £10m additional funding in 2023-24 and 2024-25 for the expansion of Flying Start. Funding will be allocated to support our Programme for Government commitment on Early Years and Childcare, which includes supporting more families with the costs of childcare where parents are in education and training, and to increasing early year's provision to include all two year olds, with a particular

emphasis on strengthening Welsh medium provision. Alongside the impacts on early years, we have also recognised the disproportionate effect on gender particularly linked to childcare. Our Childcare Offer already provides 30 hours of funded education and childcare to working parents of 3 and 4 year olds for 48 weeks a year.

Our support for the early years, childcare and play contributes to all of the well-being goals, and specifically to those relating to a prosperous and healthier Wales. Investment in quality childcare and play can help young children develop into healthy, active adults. It develops their cognitive and social and emotional wellbeing and mitigates the harmful effects of adverse childhood experiences. Childcare can also enable parents to work and train and lifts families out of poverty.

Our Childcare Offer specifically supports the Welsh Government's well-being objectives, in particular to:

- Support people and businesses to drive prosperity
- Promote good health and well-being for everyone
- Support young people to make the most of their potential
- Build ambition and encourage learning for life

We will continue to frame our budget allocations in line with preventative activities, making positive interventions that protect and build on existing foundations, including our commitment to children's rights.

3. Action and BEL allocations in the Health and Social Services Major Expenditure Group

The Committee requests a breakdown of the 2023-24 Health and Social Services MEG allocations as relevant to children and young people by Spending Programme Area (where applicable), Action and Budget Expenditure Line (BEL) to include:

- a. Commentary on each of the Actions within the Health and Social Services MEG, including an analysis and explanation of changes from:
 - the Draft Budget 2022-23 to the First Supplementary Budget June 2022; and
 - the First Supplementary Budget June 2022 to the Draft Budget 2023-24.

- b. A description of any changes to baselines used in the Draft Budget 2023-24 that has been made from the First Supplementary budget June 2022.
- c. Indicative 2024-25 Health and Social Services MEG allocations as relevant to children and young people and any additional indicative allocations which can be provided.

Budget Changes by BEL

The tables below (figure 2) illustrate the budget moves from the Final budget in 2022-23 to the Draft Budget for 2023-24 and 2024-25 and captures the changes in funding for Childcare & Early Years related areas.

Figure 2 – Budget Changes by Budget Expenditure Line for 2023-24 and 2024/25

ACTIONS	Delivery of Targeted NHS Services & Supporting Children		
	2022-23 Final Budget	Change	Draft Budget 2023-24
BEL	£m	£m	£m
A Healthier Wales - Bel 060 (Early Years)	7.1	0	7.1
Support for Childcare & Play - BEL 310	96.851	3.000	99.851
Support for Children's Rights – BEL 311	1.020	0	1.020
Supporting Children BEL - 410	4.865	-1.000	3.865
Support for Families & Children - BEL 1085	6.720	-1.01	5.710
Children & Communities Grant (CCG) BEL 1087	0	171.045	171.045
Total	116.556	172.035	288.591

BEL 60 in the Delivery of Targeted NHS Services Action contains the original funding allocation made to support A Healthier Wales (AHW). As part of this budget provision there was baseline of £7m to support the Early Years (as at 1st sup budget 2021). This funding supports Speech, Language & Communication for Early Years, including specialist SLT Services, Early Years Transformation and Adverse Childhood Experiences.

The bulk of funding in the Supporting Children Action supports the childcare offer (which is subject to scrutiny by the CYP&E Committee). This action also contains funding for the Looked after Children Transition Grant (LACTG) which provides funding for a number of initiatives which improve outcomes for looked after children so that all children in care have the same life chances as other children. It also contains the Vulnerable Children budget which supports children who have been adopted to ensure they and their family have the necessary access to support services to begin their family life.

Changes in budget (above) for 23-24 are all included in the Supporting Children Action, a total budget increase of £172.035m, described as follows:

- £3m (net) increase in Support for Childcare & Play - BEL 310, relates to a net increase in budget from the planned £10m baseline increase, less £7m deduction for one-off funding from 22-23 (transfer from Reserves) which related to cost of living pressures.
- £1m decrease in Supporting Children BEL – 410, relates to removal of for one-off funding from 22-23 (transfer from Reserves) which related to cost of living pressures.
- £1.01m decrease in Support for Families & Children - BEL 1085, relates to the movement of budget into the CCG grant of £0.810m plus a net movement of £0.2m budget from reallocations to other Children's policy areas.
- £171.45m for Children & Communities Grant (CCG) BEL 1087. This predominantly relates to the transfer into the HSS MEG of the majority of the existing CCG grant, from the Local Government MEG. This was £160.235m. Also included here are

- £0.810m moving from the Support for Families & Children - BEL 1085, as described above and;
- £10m allocated from the Delivery of Core NHS Services Action, to support the expansion of Flying Start to help meet the Programme for Government commitment to deliver a phased expansion of early years provision to include all two-year-olds (Phase One), with a particular emphasis on strengthening Welsh medium provision.

CAFCASS Cymru

Figure 3 – CAFCASS Cymru 2022/23 Final Budget and 2023/24 Draft Budget

ACTION	Cafcass Cymru		
	2022-23 Final Budget	Change	2023-24 Draft Budget
BEL	£m	£m	£m
Total Cafcass	14.725	0.470	15.195

Cafcass Cymru is a demand-led operational service delivers a statutory service to the Family Court in Wales on behalf of Welsh Ministers. Cafcass Cymru practitioners work with nearly 11,200 of the most vulnerable children and young people in the family justice system, ensuring our interventions promote the voice of the child, is centred on their rights, welfare and best interests to achieve better outcomes for the child involved in the Family Justice System in Wales.

The organisation seeks to influence the family justice system and services for children in Wales, providing high quality advice to Ministers and ensuring the needs of Welsh families and children are reflected in process and policy developments.

Aside from staffing and running costs for the organisation, the budget provides grant funding to support separated parents, when directed by the Family Court, to have contact with their children. The budget also funds the provision of the Working Together for Children programme which supports parents who have separated, or

are separating, to better manage their own behaviour to ensure the emotional, practical and physical needs and best interest of their children are paramount.

Changes included with the Health and Social Care MEG in relation to

CAFCASS Cymru Action:

- Budget increase for 2023-24 of £0.470m in relation to salary cost increases for CAFCASS staff.

4. Policy and legislation allocations Draft Budget 2023-24

An update on allocations within the Health and Social Service MEG in the following areas of interest to the Committee including:

- Allocations to deliver all **Programme for Government** and **Co-operation Agreement** commitments relevant to children and young people and the CYPE Committee portfolio.
 - a. Details of the assessment made of the value for money and affordability of delivering these priorities and objectives and how their cost-effectiveness will be monitored.
 - b. Allocations across the Ministerial Portfolio as listed below and as relevant to children and young people and the CYPE Committee portfolio

Children's Health

- c. Public health as it relates to children and young people, including vaccination
- d. Obesity strategy
- e. Research and development in health and social care as it relates to children and young people specific
- f. Children and young people's mental health services, including perinatal mental health services
- g. Eating disorder services
- h. Suicide prevention as it relates to children and young people
- i. Substance misuse, including any assessment and associated costs in terms of reported rises in vaping among children and young people
- j. Autism services
- k. Patient experience, involvement and the citizen's voice

Public health as it relates to children and young people

Healthy Weight: Healthy Wales

The delivery of Healthy Weight: Healthy Wales is being supported in 2022-24 by an allocation of £6.6m per annum. Across this period, children, young people, and adults will be supported in achieving and maintaining a healthy weight through a range of evidence-based programmes which have been developed with evaluation built in to monitor success. Specifically, we are investing £2.9m into delivery of the All-Wales weight management pathway and are asking all Health Boards to develop a targeted pathway for children and young people. We have also allocated £600k to Public Health Wales to develop and support Children and Families Pilots which are taking place in three areas - Cardiff, Merthyr Tydfil and Anglesey. A core part of this approach is the implementation of a secondary prevention Home Based Intervention for families of children in the early years from 3 – 7 years of age in line with the foundation phase.

In addition, we have reprioritised the £7.2m annual **Prevention and Early Years funding** from April 2022, which is used by Directors of Public Health across all LHBs to specifically support interventions in the obesity and tobacco policy areas in line with our HWHW and Tobacco strategies.

Public Health Wales (PHW) have recently developed proposals to optimise **Welsh Network of Healthy Schools Scheme (WNHSS)** potential within the context of the new Curriculum for Wales and the health and education policy landscape. In October 2022 these proposals were tested and refined during a roundtable with regional and national strategic leaders across health and education.

The objectives of the roundtable were:

- To consider the role of schools in promoting the health and wellbeing of children and young people in Wales
- To review proposals for the future of the WNHSS and make recommendations for adoption or change

- To consider the inter-relationship between the scheme and other programmes of work relating to health and wellbeing in education settings in Wales and make recommendations for strengthening alignment and avoiding duplication.

A timetable for next steps includes two distinct next phases to build on the stage one review:

Transformation of the WNHSS is a large process of change for schools, local and regional systems and national architecture of the programme and needs to be managed sensitively and carefully. The process will be evolutionary and, to ensure it is right, will take time. The proposed plan for transformation is described across three phases

- **Phase One (August 2022- December 2022): Testing review findings and scoping a programme of change.**
- Phase two (January 2023 – September 2023): Co-producing a new operational model with schools and other key stakeholders.
- Phase three (September 2023 – March 2024). During this phase PHW will focus on implementation of the new operational model

School Health Research Network (SHRN) Student Health and Wellbeing survey

The SHRN Student Health and Wellbeing Survey, which takes place every two years, provides high quality data on the health and wellbeing of young people aged 11–16 in Wales. More than 120,000 students took part in the survey in 2021/22. A feasibility study is currently also being undertaken on extending SHRN and the associated survey to the primary school sector.

Budget

- Earlier this year, the Minister for Education and Welsh Language and Deputy Minister for Mental Health and Wellbeing agreed to jointly make available:
 - £433,019 in the 2022-23 financial year and £257,210 in the 2023-24 financial year for work on the SHRN Student Health and Wellbeing Survey in secondary schools

- £438,982 in the 2022-23 financial year and £455,370 in the 2023-24 financial year for completion of a feasibility study on extending SHRN and the associated Student Health and Wellbeing Survey to primary schools
- The budget is split between BEL 0231 Health Improvement & Healthy Working and the Whole Schools Approach programme within BEL 0270 Mental Health.

Value of SHRN

- High quality data:
 - to monitor a range of health and wellbeing indicators (e.g. mental wellbeing, healthy lifestyles), used not only by Welsh Government but schools, local authorities and a range of partners such as Estyn, as well as for international comparisons
 - for schools to plan and monitor their own health and wellbeing policies and activities, particularly important in light of curriculum change in Wales
 - to inform the evaluation of Welsh Government priorities, such as the Whole School Approach to Emotional and Mental Wellbeing.
- A data infrastructure to facilitate data linkage studies and to assist with attracting research funding to Wales (e.g. the Wolfson bid had a theme designed around SHRN).
- Investment has allowed us to expand the reach of study, with the large sample size allowing further analysis of protected characteristics, something not possible with many existing data sets of this nature.
- The ability to extend this work to the primary school sector is helping to tackle a longstanding evidence gap.
- Working across policy areas in a joined up way is seen as being particularly important, given the important role school plays in the health and wellbeing of young people.

The Healthy Weight National Implementation board, which is chaired by the Deputy Minister for Mental Health and Wellbeing, has representation from the Youth Parliament to ensure that the actions and delivery mechanisms associated with Healthy Weight: Healthy Wales align with the needs of Children and Young people across Wales.

Health and Care Research Wales

Health and Care Research Wales (HCRW) is investing heavily in research affecting children and young people. We fund CASCADE, which focuses on children's social care research, including looked after children, and DECIPHer, the public health research centre of excellence which focuses on the well-being and health behaviour of children and young people and incorporates the Schools Health Research Network (SHRN).

As part of the Health and Care Research Wales research development infrastructure, RDD has made increased investments in children's research through research centres such as the CASCADE Partnership, DECIPHer.

The Children's Social Care Research and Development Centre Partnership (CASCADE-Partnership) undertakes research related to looked after children and issues affecting children in social care. It currently receives annual funding from RDD of £0.515m.

The Centre for the Development and Evaluation of Complex Interventions for public health improvement (DECIPHer) undertakes research into healthy behaviours and the prevention of ill-health in children and young people, and runs the School Health Research Network (SHRN), an all-Wales. DECIPHer currently receives annual funding from RDD of £0.526m.

Through Research and Development Division (RDD) officials, Health and Care Research Wales remains open to active engagement with paediatric researchers to continue looking for ways to support capacity building in this important research area.

RDD also administers a range of Health and Care Research Wales-branded open and competitive funding schemes (offering PhDs, Fellowships, project-based funding and research time). The schemes, most of which have both health and social care arms, are aligned with Welsh Government policy priorities, with applications initially assessed on the basis of policy, practice and public need.

All funding schemes are open to child health and care researchers. Our most recent assessment shows that since 2014/15, Health and Care Research Wales has invested £3.7 million across 18 projects specifically related to children and young people's research (though these figures have almost certainly increased).

In order to stimulate paediatric research in Wales, Health and Care Research Wales fund Dr. Phillip Connor as a Wales-wide Research Specialty Lead for Children. Dr Connor's role is to champion paediatric research across the NHS, stimulating interest in uptake of research and bringing paediatric research studies to Wales

In addition, our National Centre for Population Health and Wellbeing Research has an early years and primary school focus as one of its two core work streams. A number of other research development infrastructure groups, such as clinical trials units, health economists and health informaticians (SAIL), are funded to collaborate with research groups seeking to win research funding from high-quality research funders (public, charitable and commercial) from across the UK and beyond.

Children and Young People's Mental Health Services

We will continue to prioritise investment in mental health and wellbeing, demonstrated by the fact that despite ongoing budget pressures, we have protected the mental health and wellbeing aspects of the budget.

We will prioritise the implementation of the mental health workforce plan, for all age services, which includes NHS, local authorities and the voluntary sector. The development of this long-term plan for the mental health workforce is a key action in our Together for Mental Health Delivery Plan to support service improvements and to ensure a stable and sustainable mental health workforce.

Within the NHS Planning Framework 2023-2026, mental health and CAMHS has been defined as one of the Ministerial priorities and this will enable a vehicle for us to assess the impact of allocations.

Improving access to support, implementing the recommendations from the Delivery Unit's review of CAMHS and improving transitions from children and young people's mental health services to adult services will be a priority. We will also continue the roll-out and further development of 111 press 2 for urgent mental health support (all age). Will also continue to improve perinatal services in line with the Royal College of Psychiatry Standards and improve access to psychological therapies.

Following preparatory work with health boards, we will also implement a number of pilots to deliver the commitment in Co-operation agreement to test sanctuary provision for young people in crisis.

We will continue to invest in our whole system approach to improve mental well-being in schools. We will also continue to prioritise the NEST/NYTH Framework is a planning tool for RPBs to develop services based on what is needed for children and young people in their area. This Framework provides us with the tools to implement a Whole System Approach and is helping us deliver on our commitment to prioritise service redesign to improve prevention, tackle stigma and promote a no wrong door approach to integrated mental health support.

The budget will also support the continued implementation of the Liberty Protection Safeguards and preparatory work in the reform of the Mental Health Act.

Eating disorder services

Welsh Government is committed to continued service improvement and an additional £2.5 million was allocated from 2022/23 to deliver eating disorder services and this ongoing funding will allow the consolidation of these services. This will support earlier intervention and achieving a 4 week wait for assessment. Welsh Government has also commissioned WHSSC to review eating disorder provision in Wales and to explore options for a specialist unit in Wales. The focus on specialist services is only one element of our broader approach. We continue to invest in a range of tier 0/1 support to provide early access to help and advice.

Suicide prevention as it relates to children and young people

Our Together for Mental Health Strategy and our Suicide and Self-Harm Prevention Strategy are cross government and recognises the importance of the wider determinants that are protective of good mental health.

We have convened a new cross-Government Suicide and Self-Harm Prevention group to drive cross-Government working. The group has met three times this year.

In September 2019 we published 'Responding to issues of self-harm and thoughts of suicide in young people - guidance for teachers, professionals, volunteers and youth services'. Building on this we have commissioned Swansea University to explore issues of cyberbullying and the links with online expressions of suicide and self harm. Work has involved extensive consultation with children and young people to produce a cyberbullying 'toolkit' to support young people and teachers.

Using new data and information from the Real Time Suicide Surveillance System, we will continue to drive improvements in preventative work.

Over the next 12 to 18 months there is a commitment to engage further with children and young people to identify and develop resources for ongoing support so that we maximise our efforts to meet the needs of young people in this vital area. This work will inform the successor to Talk to me 2 strategy.

Substance misuse as relevant to children and young people

Support for children and families is a priority within our Substance Misuse Delivery Plan 2019-22. In particular, we know through the work on ACEs that children who are raised in homes where substance misuse is an issue are, potentially, more likely to have adverse outcomes in later life. The Welsh Government is committed to ensuring that our services provide early intervention and prevention so that longer-term harms are prevented, before they occur.

Children of those affected by ACEs are at increased risk of exposing their own children to ACEs, creating a cycle of harm, which early intervention needs to focus on breaking. We have set clear actions to ensuring services are joined up and effective for families, in particular those who are "on the edge of care". The NSPCC

have published data which shows a significant increase (72%) of referrals from their helpline in relation to parental substance misuse. New data by the children's charity reveals it made 572 referrals about this issue in the last 10 months to agencies in Wales – a monthly average of 58 referrals, which is 72% higher than pre-lockdown last year (6 January – 22 March 2020).

At an early stage in the pandemic we sought assurance from all Substance Misuse Area Planning Boards (APBs) that services and support for children and families remained in place, and significant work is being undertaken across government to alleviate the impact of Covid-19 on children and young people.

Through the APB Substance Misuse Action Fund the Welsh Government invests £2.75m ring fenced money for children and young people. Recognising the rise in demand for support, an additional £1m was allocated in 2022-23 increasing this allocation to £3.75m. In addition, this amount will increase to £5.25m and £6.25m in 2023-24 and 2024-25 respectively.

The Welsh Government also plans to continue investment of £1.98m per annum in the Wales Police Schools Programme, match funded by the four Welsh Police Forces. The programme delivers education on substance misuse and wider community and personal safety issues at all key stages of the curriculum amongst a range of other lessons.

The recent evidence from the charity Action on Smoking and Health which indicates that e-cigarette use by young people in the UK is increasing with use among children aged 11-17 rising from 4% in 2020 to 7% in 2022. In July, we published our new Tobacco strategy *A smoke-free Wales* where we set out our ambition for Wales to become smoke-free by 2030. We have historically had a cautious approach to e-cigarettes products in Wales given that the evidence on their long-term effects is developing and their potential appeal to children and young people. We are clear that e-cigarettes should never be used by children, young people and non-smokers.

In taking forward our strategy, we have made it clear that we intend to work closely with those affected by tobacco, including young people, to understand their motivations for smoking or for using e-cigarettes and what interventions and communications methods will work, for example in education settings. We are currently looking at the messages we share with young people on smoking and e-cigarettes as part of the new curriculum and the JustB programme which is targeted at secondary school pupils in the areas with highest smoking prevalence.

Neurodivergence services (Autism services)

We continue to prioritise improvements in neurodivergence services, on 6 July I announced an additional £12m funding over three years up to March 2025, £4.5M is available in 2023-24 to deliver an improvement programme taking a whole systems approach focussing on early intervention, family support and sustainable assessment and support services. We will separately continue to support and develop the successful Integrated Autism Service and the National Autism Team which is supporting delivery of our improvement aims.

Patient Experience

We are committed to ensuring that the people of Wales have a say in the way their health and social services are designed and delivered. We are supporting this commitment by ensuring the newly established Citizen's Voice Body for Health and Social Services, Wales (Llais), is allocated an operating budget of £5.5m per annum to effectively establish the organisation to meet the aims of representing the interests of the public in respect of health services and social services. Llais will be expected to involve the full range of citizens of Wales, including children and young people, in its activities and in a way that best suits the need of those communities. In addition, Llais will provide a complaints advice and advocacy service directly to children and young people that wish to complain about NHS services (complaints about social services functions will continue to be provided by the Local Authorities pursuant to section 178 of the Social Services and Well-being (Wales) Act 2014). With the £5.5m operating budget is specific funding for additional training in the area of working with children and young people.

Programme for Government (PFG)

Our four main PFG commitments supporting children and young people are as follows:

- Fund childcare for more families where parents are in education and training.
- Continue to support our flagship Flying Start programmes.
- Roll out baby bundles to more families.
- Prioritise investment in mental health.

All of these commitments are referenced in this paper and all are benefitting from increased funding allocations as part of this Draft Budget. All have been protected from any budget cuts and further investment is being made in the expansion of Flying Start.

These PFG commitments all have extensive monitoring and evaluation arrangements in place, many in line with existing Welsh Government Grant monitoring arrangements. Childcare and Flying start especially, are well established programmes with embedded monitoring and reporting mechanisms already in place. Each PFG commitment has a Deputy Director allocated to lead on its implementation and delivery. There will also regular reporting requirements against the full PFG programme.

PfG - Early Years and Childcare

Within the HSS MEG allocation, the budget for Early Years and Childcare has been protected, with £10m additional funding in 2023-24 and 2024-25 for the expansion of Flying Start. Funding will be allocated to support our Programme for Government commitments on Early Years and Childcare, which includes supporting more families with the costs of childcare where parents are in education and training, and increasing early years provision to include all two year olds, with a particular emphasis on strengthening Welsh medium provision. Alongside the impacts on early years, we have also recognised the disproportionate effect on gender particularly linked to childcare. Our Childcare Offer already provides 30 hours of funded education and childcare to working parents of 3 and 4 year olds for 48 weeks a year.

5. Children's Social Care

- a. Children's and young people's rights and entitlements, including the UN Convention on the Rights of the Child
- b. Safeguarding, including any implications arising from the publication of the final report by the Independent Inquiry into Child Sexual Abuse and the Welsh Government's 2019 National Action Plan on preventing and responding to child sexual abuse
- c. Adoption and fostering services
- d. Children and young people's advocacy
- e. Early years, childcare and play, including the Childcare offer and workforce
- f. Early childhood education and care
- g. Flying Start for children 0-3
- h. Families First and play policies

Children's Rights

We are committed to the principles of the United Nations Convention on the Rights of the Child (UNCRC). Children's rights underpin our ambition for each and every child to have the best start in life and to fulfil their potential.

Early years, childcare and play, including the Childcare Offer and workforce

The **Childcare Offer for Wales** revenue budget in 2023-24 has been protected, including the PfG commitment on expanding funding Parents in Education and Training, improving take-up rates, and a rate rise from April 2022. This commitment recognises the value of education and training in supporting parents to improve their employment prospects. Findings from the latest evaluation report indicate that the Offer continues to have a positive impact, helping parents financially and enabling them to balance the demands of work and family life.

ESF funding will come to an end in 2023 but the need to support the **workforce** to upskill will continue, particularly given the expansion of government funded childcare to all 2 year olds planned for this Senedd Term. A replacement scheme will need to be developed to provide the same level of support to the sector during this period of

growth. The £2m for 2023-24 and for 2024-25 reflect this continuing need and the end of ESF funds.

The **CWLWM** consortium comprises five organisations representing different parts of the childcare and play sector in Wales. Along with **Play Wales**, they are key partners in terms of delivery of Welsh Government priorities and provide invaluable support to their members and non-members in the form of guidance, training and information on all matters relating to play, national standards for regulated childcare, registration and regulation and sustainability/setting management. Both received budgetary increases in 2022-23 which have been maintained to reflect their continuing importance.

Following a successful pilot, the Programme for Government includes a commitment to roll out of the **baby bundle** to more families in Wales. This project aims to provide a universal gift from the Welsh Government to expectant parents living in Wales of a bundle of key items for their new-born baby. The budget is £6m in 2023-24.

Safeguarding services

Funding for Safeguarding primarily supports the implementation of the Social Services and Well-being (Wales) Act 2014 and promotes a preventative agenda to improve well-being outcomes for children and adults at risk, reflecting the need to adopt a child-centred approach built on collaboration to meet the care and support needs of children, support them to stay with their families where it is safe to do so and to protect children from abuse and neglect. In order to promote these aims funding supports Safeguarding Policy Development and Implementation across a range of child protection areas including child sexual exploitation and child sexual abuse, Reducing Restrictive Practices, and continued work to support Covid-19 recovery through information, advice and support for children and young people, parents/carers, practitioners and the public.

Safeguarding funding also supports the work of the National Independent Safeguarding Board, which provides support to the Regional Safeguarding Boards and advice to Ministers about the effectiveness of safeguarding arrangements in Wales. Together, the operation of the regional and National boards secures that

measures are in place to support consistent evidence-based practice to safeguard children across agencies and across Wales.

Advocacy services

The National Approach to Statutory Advocacy (NASA) is a standardised approach to statutory advocacy services being delivered by the six Regional Social Services Collaboratives, reinforcing and securing a consistent offer and experience for children and practitioners. It has been in place since June 2017. The implementation of NASA is monitored by Regional Fora which follows the footprint of the Regional Safeguarding Boards, overseen by a National Forum chaired by Welsh Government and a Local Authority Head of Children's Services. The funding element from Welsh Government will continue (up to £550k each year).

MEIC is the national information, advice and advocacy helpline providing children and young people with a single point of contact via Freephone, instant messaging and text. The Welsh Government does not deliver this activity directly but contracts with Pro-Mo Cymru. Following a procurement exercise in June 2022, a new Contract was issued to Pro-Mo Cymru to cover the period 1 July 2022 to 30 June 2026.

Adoption services

Investment will be directed towards local authorities and third sector organisations to continue to strengthen the provision of adoption services in Wales. Providing effective and tailored adoption support to adoptive families is paramount in supporting the prevention of adoption disruptions and breakdowns, thus reducing the possibility of children re-entering the care system, as far as possible. Investment will also be directed at increasing the number of adopters, contact, keeping siblings together, enhancing matching and placement processes to ensure children who cannot return to live with birth families, are placed as soon as possible, with suitable 'permanent families' that meet their specific needs.

Fostering services

Funding will continue to be directed at supporting the fostering sector to deliver a programme of work which will empower the fostering community to improve well-being outcomes for looked after children and young people within the national well-being framework. Investment will also be directed to support the Programme for Government commitment to support the national fostering scheme in Wales - Foster Wales. Funding will be utilised to implement a number of recruitment campaigns which will be targeted to meet service needs, as well as further embedding the programme of work undertaken during 2021. The recruitment of foster carers is key to the success and development of local authority fostering and the brand will help local authorities to eliminate profit and improve on the quality of placement of choice for children in care.

Policy and oversight of the provision of all social service activities of Local Authorities in Wales

Local authority social service provision continues to be monitored on a monthly basis via the Social Services Checkpoint report. This provides data around the number of contacts, the number related to safeguarding, children receiving care and support, and children looked after.

In addition to this, the 'measuring activity and performance' data of the Performance and Improvement Framework for social services will be published on 21st December 2022. This data provides an annual summary of the activity of local authority social services across Wales.

Young carers and young adult carers

Both young carers and young adult carers will be able to benefit from the £1.245m of funding annually, which we are committing to support unpaid carers of all ages in 2023-24. This will support delivery of actions in the Unpaid Carers Strategy for Wales and its associated Delivery Plan, which was launched in 2021. This will be

alongside funds in the Sustainable Social Services Third Sector grant scheme (2020-25), and support via Regional Partnership boards and their funding streams.

Families First

Families First is designed to improve outcomes for children, young people and families. It places an emphasis on early intervention, prevention, and providing support for whole families, rather than individuals. The programme works with the whole family to stop problems from escalating towards crisis.

The programme promotes multi-agency working to ensure families receive joined-up support when they need it. This is known as the 'Team Around the Family' (TAF) approach. An evaluation of Families First showed that TAF was one of the key successes of the programme, enabling families to feel more empowered to take control to improve their family outcomes.

Families First is one of six programmes within the Children and Communities Grant (CCG) which focus upon early intervention and prevention (Flying Start is also included in the CCG).

Prior to the introduction of the CCG in April 2019, Families First received a dedicated annual financial award of £37.6m in 2018-19.

We have provided an additional £40m revenue up to 2024-25 for early help and support including for Families First recognising the importance of supporting more children and families across Wales.

Early Years Integration Transformation Programme

The Early Years Integration Transformation Programme is focussed on developing a more joined-up, responsive early years system that puts the unique needs of each child at its heart, which covers the period of life from pre-birth to the end of the Foundation Phase (0-7).

We have been working with PSBs across Wales to explore how to deliver early years services in a more systematic way, applying the lessons from our existing programmes such as Flying Start and Families First.

The majority of the PSBs are now engaged in the programme as pathfinders. We are investing £6m in 2023-24 to support PSBs across all Health Board regions in Wales, as they test the core components for an early years system and pilot different multi-agency delivery models and approaches, building on what works well in existing programmes such as Flying Start and Families First. The budget tapers in FY2024-25 in line with the work-programme for the pilot.

The learning from the work being taken forward by the pathfinders PSBs will help inform the development of a national framework, which will set out the key components for an early years system and will provide a solid foundation for the future delivery of all our early years programmes and policies.

Early Childhood Education and Care

Our **Early Childhood Education and Care (ECEC)** vision for Wales means removing the artificial divide between education and care settings, ensuring all settings which deliver ECEC contribute to a child's wellbeing and development on an equal basis – one single system with the child at the heart. This means looking at the quality of the provision, how we can ensure as many children as possible can access high quality provision and what we need to do to support our workforce. The Welsh Government is embarking upon a journey to adopt an Early Childhood Education and Care (ECEC) approach in Wales for children aged 0-5.

Flying Start for children under 4

Flying Start is a Programme for Government (PfG) Commitment. The Flying Start programme was developed based on evidence of 'what works' in providing children with the best start in life. There are four core components including funded, part-time, high-quality childcare, enhanced health visiting, parenting support and speech, language and communication support.

Our Programme for Government commits us to continue our support for our flagship Flying Start programme. And, in line with the Co-operation Agreement with Plaid Cymru, we have extended this commitment to deliver a phased expansion of early years provision to include all two-year-olds, with a particular emphasis on strengthening Welsh-medium provision

The roll out of phase one of the expansion has now started, and includes all Flying Start services being offered to around 2,500 additional children under four. This is the first step towards our ambitious commitment to expand funded childcare to all two-year-olds, as set out in the Co-operation Agreement between the Welsh Government and Plaid Cymru.

We expect Phase 2 to support thousands more additional 2-year-olds with access to high quality childcare. Draft guidance for Phase 2 has been shared with local authorities for comment. They will be required to share their plans for delivery with us in January 2023.

Speech, Language & Communication – Early Years

We know Speech, Language and Communication (SLC) development is an important predictor of later progress in literacy. Children's poor SLC skills have an impact on a wide range of outcomes including behaviour and mental health, wellbeing and employability. That is why we have prioritised children's speech, language and communication skills as they are essential for positive long term outcomes. The Talk With Me: Speech, Language and Communication (SLC) Delivery Plan, seeks to drive improvement in the way in which children in Wales are supported to develop their SLC skills.

We are protecting our investment in 2023-24 to support the commitments in Talk with me the Speech, Language and Communication Delivery Plan to deliver our overarching commitment to improve outcomes for children through a fresh approach to promoting and supporting children's speech, language and communication needs.

6. Detailed information on allocations in respect of children looked after and associated prevention and support measures

The Committee requests detail information on the allocations within the overall Draft Budget 2023-24 as relevant to our recently launched inquiry Services for care experienced children: exploring radical reform, including:

- Before care: Safely reducing the number of children in the care system. Including allocations for family support, edge of care services and parental advocacy.
- In care: Quality services and support children in care. Including discussions with the Minister for Finance and Local Government about the potential rising costs of children's social care and mitigating any impact on children
- After care: On-going support when young people leave care including the latest position on the basic income pilot and on funding for When I am Ready in foster care.

The Social Care Reform Fund

The Social Care Reform Fund was introduced in April 2022 to support activity to promote reform and improvement in social care, to complement the funding provided in the Local Government settlement. The Social Care Reform Fund is used to support the reform of Social Care, to improve delivery and increase the sustainability of services across the social care sector. The funding will be used to help deliver the Programme for Government commitments to reform social care for looked after children and to protect, re-build and develop our services for vulnerable people.

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. It is about putting in place the right type of care for each child: reforming and joining up services for looked after children and care leavers, providing additional specialist support for children with complex needs and better supporting those who care for children.

The increase in the Social Care Reform Fund of £10m to £52m in 2023-24 and reallocation of the total available funding will be used to enhance the support provided to the Programme for Government Commitments to deliver our vision for children's services in Wales. Funding has been awarded to Local Authorities to support proposals to deliver these commitments.

Eliminating profit from the care of looked after children

As part of the Co-operation Agreement between the Welsh Government and Plaid Cymru, there is a clear commitment to 'eliminate private profit from the care of children looked after' as a key component of this radical agenda.

The allocation in the Social Care Reform Fund for eliminating profit from the care of looked after children has increased from £10m in 2022/23 to £16m in 2023/24.

Feedback from children and young people suggests they have strong feelings about being cared for by privately owned organisations that make a profit from their experience of being in care. The Welsh Government does not believe there should be a market for care for children, or that profits should be made from caring for children facing particular challenges in their lives and intends to bring forward legislation to end this. This means the future care of children that are looked after in Wales will be provided by public sector, charitable or not-for-profit organisations.

Our aim is to ensure that public money invested in the care of children looked after does not profit individuals or corporate entities, but instead is spent on children's services to deliver better experiences and outcomes for children and young people, addressing service development and improvement and further professional development for staff. We intend to focus, in the first instance, on children's residential care and foster care.

Over the remainder of this Senedd term we need to focus on working with care experienced children, local authorities and partners to increase public and not for profit provision so there is a strong foundation to make a transition to not-for-profit care that meets the needs and entitlements of children and young people

Radical Reform

The allocation in the Social Care Reform Fund for radical reform of children's services has increase from £3m in 2022/23 to £10m in 2023/24.

We have committed through our Programme for Government to explore radical reform of current services for looked after children and care leavers in order to deliver a new vision and ambition for children's services, based on consistent practice, less risk averse behaviours and national restorative approaches adopted across Wales. Achieving this vision is not solely the responsibility of local authorities; it requires partnership working across public services and third sector organisations.

The programme will deliver preventative interventions for families with children on the edge of care including parental advocacy services, family group conferencing, Family Justice reform and a national practice framework. It will also require greater intervention and support for local authorities who are not delivering on our ambition to substantially reduce the number of children in care and this has been the focus of recent Ministerial visits to local authorities and will continue to be so for the remainder of these visits.

Cross-government/sector working on prevention

Maintaining our flagship Flying Start programme is a Programme for Government (PfG) Commitment. The Flying Start programme was developed based on evidence of 'what works' in providing children with the best start in life. There are four core components including funded, part-time, high quality childcare, enhanced health visiting, parenting support and speech, language and communication support.

We are continuing to invest in our flagship Flying Start programme which reaches around 36,000 children under four, living in some of the most deprived areas across Wales. The evidence shows it is making a difference to those children who access the programme. Core revenue budgets have been protected for early help and support including for Flying Start, recognising the importance of supporting more children and families across Wales and to ensure we support our youngest children to have the best start in life. However, as planned we are seeing the end of additional funding for the Child Development Fund and our Early Help initiative. This funding was provided as a short term intense response to the pandemic and is ending in line with workplans.

Within the updated Programme for Government (PfG) and following the Co-operation Agreement the Welsh Government has committed to deliver a phased expansion of early years provision to include all two year olds, with a particular emphasis on strengthening Welsh medium provision. Phase 2 of the expansion will take place during 2023-24 and 2024-25. It will build on the expansion of Phase 1, where we are extending Flying Start provision to an additional 2,500 children, with the additional provision beginning in September 2022. Further expansion is planned within 2023-24.

Early Years Integration Transformation Programme

The Early Years Integration Transformation Programme is focussed on developing a more joined-up, responsive early years system that puts the unique needs of each child at its heart, which covers the period of life from pre-birth to the end of the Foundation Phase (0-7).

We have been working with PSBs across Wales to explore how to deliver early years services in a more systematic way, applying the lessons from our existing programmes such as Flying Start and Families First.

The majority of the PSBs are now engaged in the programme as pathfinders. We are investing £6m in 2023-24 to support PSBs across all Health Board regions in Wales, as they test the core components for an early years system and pilot different multi-agency delivery models and approaches, building on what works well in existing programmes such as Flying Start and Families First.

Speech, Language & Communication – Early Years

We know Speech, Language and Communication (SLC) development is an important predictor of later progress in literacy. Children's poor SLC skills have an impact on a wide range of outcomes including behaviour and mental health, wellbeing and employability. That is why we have prioritised children's speech, language and communication skills as they are essential for positive long term outcomes. The Talk With Me: Speech, Language and Communication (SLC)

Delivery Plan, seeks to drive improvement in the way in which children in Wales are supported to develop their SLC skills.

We are protecting our investment in 2023-24 to support the commitments in Talk with me the Speech, Language and Communication Delivery Plan to deliver our overarching commitment to improve outcomes for children through a fresh approach to promoting and supporting children's speech, language and communication needs.

Real Living Wage

The Real Living Wage allocation will be around £70m in 2023-24. The uplift will apply to registered workers in care homes and domiciliary care (both adults and children's services) and registered domiciliary care workers in supported living settings. It will also be received by all personal assistants funded through a local authority direct payment.

7. Costs of legislation

- Implementation of the Children (Abolition of Defence of Reasonable Punishment) (Wales) Bill in its first year in force and any adjustments to allocations made in light of the first year of implementation.

2022-23 update

The Children (Abolition of Defence of Reasonable Punishment) (Wales) Act 2020, came into force on 21 March 2022.

During the 2022-23 financial year to date, the implementation work has focused on awareness raising; administration of the Out of Court Parenting Support Grant; and data collection, monitoring and social research to inform the post-implementation review of the legislation.

Awareness raising: As briefed for budget scrutiny last year, the budget allocation for the ending physical punishment campaign in 2022-23 is £400,000, and we expect to spend the full allocation. This is a significant reduction from the budget allocation for 2021-22, when a focus was required on extensive awareness raising, and

engagement with under-represented groups, before the law change came into force. Sustained awareness raising is still important to help deliver the policy objective of reduced incidence of physical punishment of children, and an increase in support for the principle that all physical punishment of children is unacceptable. We continued engagement with under-represented groups (which had been part of our engagement strategy for the previous three years) in the early part of the financial year, but have gradually reduced these engagement levels and will review the findings from our engagement to inform future activity.

In addition, £400,000 has been allocated to the *Parenting. Give it Time* campaign to increase the capacity to communicate messages about positive parenting and positive alternatives to physical punishment. The *Parenting. Give it Time* campaign has and continues to provide parenting information, advice and support through a dedicated website, digital advertising and social media channels. Following the lifting of Covid related restrictions, a *Parenting. Give it time* roadshow has also visited various locations across Wales, working with the local parenting workforce to reach and provide information and advice to parents and carers in the local area.

Out of Court Parenting Support: We worked closely with the police, local authorities and other key stakeholders to work up proposals for a diversion scheme which would enable the police to refer individuals to local authorities to offer tailored parenting support, as a condition of an out of court disposal. The Welsh Government has allocated £810,000 grant funding to enable local authorities to provide this support. Data is being collected to understand more about how the grant is utilised, including numbers of referrals through the scheme, and this will be published when available and quality assured. Comprehensive guidance was produced in consultation with local authorities and the police, and this can be found here:

[Out of Court Parenting Support Grant: guidance | GOV.WALES](#)

Data collection, monitoring and evaluation: Our arrangements for data collection and monitoring do not incur a budget cost, as data collections and analysis are being managed by Welsh Government staff, with input from our partners in local authorities, police forces and Crown Prosecution Service.

We have commissioned research to track awareness levels and attitudes towards physical punishment, through the Beaufort omnibus (fieldwork carried out November 2022); estimated cost of this survey and report is less than £10,000 in 2022-23.

2023-24 anticipated expenditure:

The forward work programme will continue to focus on awareness raising and engagement; out of court parenting support; and data collection, monitoring and evaluation.

The budget allocation for the implementation work in 2023-24 is up to £1,260,000, made up of:

- Up to £400,000 for awareness raising and engagement
- Up to £810,000 for out of court parenting support grant
- Up to £50,000 for research and evaluation, including the regular awareness tracking survey and report, and possible additional qualitative research which will explore the impact of the legislation on those potentially affected by it.

Awareness raising and engagement: Up to £400,000 has been allocated in recognition of the importance of ensuring that as many people as possible across Wales are aware of the law change.

Regular tracking of awareness levels carried out by our communications agency via omnibus survey, indicates that our *Ending Physical Punishment* has been successful in attaining high levels of awareness. In light of this, we are considering whether we can make some savings in funding earmarked for general awareness raising, but will continue to carry out targeted communications in specific areas and for specific groups. For example, we know from other countries that it is important to continue to ensure information and advice is available to new parents, and to newcomers to the country. It is possible, therefore, that the expenditure on awareness raising and engagement will be less than £400,000, as targeted communications generally costs less than mass communications, but we will be monitoring the situation carefully.

Out of court parenting support: Indicative funding of £810,000 per year has been allocated for out of court parenting support through to 2024-25, to enable us to

review whether the funding has been pitched at the right level to help make the diversion scheme successful.

It is too soon as yet to reach any conclusions about this. The scheme needs some time to bed down, and we need to collect a few years' data to assess the outcomes of the scheme.

It should be noted that if the additional parenting support procured through the grant is more than required to support the out of court parenting support delivered alongside an out of court disposal offered by the police, then that additional capacity is available to support the wider parenting support offered by the local authority. As such, the grant supports the policy objectives of the law change by promoting positive parenting, including how to provide guidance and discipline through positive alternatives to physical punishment.

Research: Up to £10,000 of the £50,000 budget allocation for research will be used for the annual omnibus tracking survey and report. The remainder will be available to support the possible procurement of qualitative research with practitioners to explore how the change in law has affected frontline delivery, if at all.

- Financial implications or anticipated in 2022-23 and 2023-34 of any subordinate legislation relevant to children and young people within the Minister's portfolio.
- Information on the financial impact of any relevant UK Parliament legislation.

8. Impact of the cost of living on Draft Budget 2023-24 allocations

Information on the anticipated impact of the cost of living on the Health and Social Services MEG in 2023-24 and the Minister's broader policy responsibilities for:

- The delivery of services to children and young people by the Health Boards in Wales and the impact of the rising costs of energy on this provision.
- Policy and oversight of the provision of all social service activities of Local Authorities in Wales and any associated discussions with the Minister for Finance and Local Government, specifically:

- The impact of the costs of living on children’s safeguarding services both in terms of potential increased needs and any increased costs associated with service delivery
- Impact of the costs of living in terms of the delivery of children’s social care, for example the increased costs of residential and foster care; the increased costs of living for households supporting Kinship Care arrangements or Special Guardianships.

Cost of Living

The Welsh Government recognise the impact of the cost-of-living crisis on the health and well-being of the population, and we are doing everything we can to support people through this cost-of-living crisis by providing targeted help to those who need it the most and through programmes and schemes which put money back in people’s pockets. In this financial year, this is worth some £1.6bn across the totality of the Welsh Government budget.

The draft budget allocations will continue to offer support to those in the most need, through a variety of gross government programmes and schemes. For example, we will continue to offer Healthy Start vouchers to provide extra support to purchase healthy fruit and vegetables during pregnancy and for parents of young children. We will also continue to invest in our whole system approach to improve mental well-being in schools and easy to access mental health support, for instance our CALL helpline and online therapy.

Cabinet have agreed in the draft budget to maintain funding for the Discretionary Assistance Fund at current levels for the next two financial years (£38.5million), providing an additional £18.8million per annum on to the baseline budget. The Minister for Social Justice is exploring policy options regarding the current flexibilities and the operation of the new contract beginning in April 2023 and will make an announcement when plans are finalised. Partners report this fund is an essential lifeline, particularly during the cost-of-living crisis. Since April 2022 it has provided nearly £20million of support to our most financially vulnerable, which includes support for off-grid fuel payments.

There will continue to be collective efforts to put money back into people's pockets, through programmes like the free childcare offer, universal free school meals as well as maintaining existing support, such as free prescriptions.

We recognise the impact being out of work can have on the well-being of the workforce, and our draft budget will enable us to provide continued In-Work Support until March 2025 that builds upon the current European funded In-Work Support Service to expand the support from its current delivery in North and Southwest Wales to all of Wales from April 2023. This will enable a greater number of people who are absent from work, or at risk of becoming absent due to their physical or mental ill-health, to receive free occupational health support to remain in work.

We are also providing continued employability support for people who are recovering from mental ill-health and/or substance misuse and who are out of work. This peer mentoring support is being provided until March 2025 and will help the most marginalised people furthest from the labour market into sustainable employment, raise household income and provide a route out of poverty bringing security to individuals, families and communities.

The draft budget provides for the continuation of our successful Carers Support Fund. Established in 2020, the fund aims to mitigate the financial impact of the rising cost of living on unpaid carers via direct grants and the development of local support services. The fund has proven successful in reducing immediate financial hardship whilst also linking more unpaid carers to ongoing support. Since its launch it has benefitted over 10,000 unpaid carers. In 2021- 22, 33 per cent of beneficiaries were previously unknown to services. In some areas this figure was as high as 70 per cent. Therefore, via this scheme, more unpaid carers are accessing preventative support to improve their mental health and well-being.

The cost-of-living crisis is having a real impact on the carers of our vulnerable families in Wales. There have been several press articles and a campaign by the Fostering Network outlining that many foster and kinship families could be forced to give up the children in their care up if they are not given extra support.

Welsh Government welcomes the Fostering Network research around the full costs of caring for a child in foster care. We believe that those who care for our care experienced children should be adequately resourced to cover the costs of the

children in their care. We commissioned a comprehensive review of the National Minimum Allowance, which is the basic core allowance that foster and kinship carers receive to cover the costs involved in looking after the children in their care. It is intended this will set a benchmark for payment rates to all foster and kinship carers. The review included looking at the actual costs associated with caring for a child, and the impact on a foster family's ability to earn or meet the needs of all children within the house. We are currently considering the findings from the review in order to determine future payment rates.

Working alongside Foster Wales we are looking at how we can harmonise the support available to foster and kinship carers so there is a consistent offer of support for carers across Wales. This will include looking at how local authorities can support some financial commitments such as providing council tax reductions and accessing leisure facilities to further support families.

We have recently undertaken a review of the core offer of support, including financial support, available to Special Guardianship families in Wales. We are currently reviewing these findings and will be setting up a Strategic Implementation Board to take the recommendations forward from 2023/24.

Real Living Wage

Introducing the Real Living Wage for social care workers has been a priority for the Welsh Government and a key commitment in our programme for government to build an economy based on the principles of fair work, sustainability and the industries and services of the future. Delivering improved pay through the uplift of the Real Living Wage included in our draft budget will help to address low pay associated with the sector, support the cost-of-living crisis and increase the attractiveness of social care work. The Real Living Wage makes a difference to lives and livelihoods and it is the difference that ensures work pays and living costs can be met.

Children, Young People & Education Committee - Date: 18th January 2023

Commentary on each of the Children's budgets Actions within the Health and Social Services MEG, including an analysis and explanation of changes between the Final Budget 2022-23 and the Draft Budget 2023-24.

Action: Delivery of Targeted NHS Services BEL 060 – AHW Early Years allocation					
Final Budget 2022 (2023-24) £m	Change £m	Draft Budget 2023-24 (2023-24) £m	Final Budget 2022 (2024-25) £m	Change £m	Draft Budget 2023-24 (2024-25) £m
7.1	-	7.1	3.8	-	3.8

BEL 60 in the Delivery of Targeted NHS Services Action contains the original funding allocation made to support A Healthier Wales (AHW).

As part of this budget provision there was a baseline of £7m to support the Early Years (as at 1st sup budget 2021).

As part of the £28m uplift in Draft budget for Childcare & Early Years set out in 22-23, £11.5m was initially allocated to BEL 60. There have been various budget transfers out to the Children & Communities Grant, now part of the HSS MEG, and the budget for 24-25 represents the balance remaining.

Action: Supporting Children					
Final Budget 2022 (2023-24) £m	Change £m	Draft Budget 2023-24 (2023-24) £m	Final Budget 2022 (2024-25) £m	Change £m	Draft Budget 2023-24 (2024-25) £m
111.256	170.235	281.491	112.106	177.685	289.791

The bulk of funding in this action supports the childcare offer (which is subject to scrutiny by the CYP&E Committee). This action also contains his action funding for the Looked after Children Transition Grant (LACTG) which provides funding for a number of initiatives which improve outcomes for looked after children so that all children in care have the same life chances as other children. It also contains the Vulnerable Children budget which supports children who have been adopted to ensure they and their family have the necessary access to support services to begin their family life.

Explanation of Changes to the Supporting Children Action

MEG to MEG transfers (Recurrent)

- **£160.235m (23-24) and £167.685m (24-25)** – Recurrent transfer of Children & Communities Grant funding into HSS MEG.

Budget adjustments within HSS MEG for 23-24 and 24-25

- **£10.000m** – Additional funding allocated to Flying Start to support expansion. Recurrent adjustment Action to Action within HSS MEG.

Action: CAF/CASS Cymru					
Final Budget 2022 (2023-24) £m	Change £m	Draft Budget 2023-24 (2023-24) £m	Final Budget 2022 (2024-25) £m	Change £m	Draft Budget 2023-24 (2024-25) £m
14.725	0.470	15.195	17.725	0.470	15.195

Cafcass Cymru is a demand-led operational service delivers a statutory service to the Family Court in Wales on behalf of Welsh Ministers. Cafcass Cymru practitioners work with nearly 11,200 of the most vulnerable children and young people in the family justice system, ensuring our interventions promote the voice of the child, is centred on their rights, welfare and best interests to achieve better outcomes for the child involved in the Family Justice System in Wales.

The organisation seeks to influence the family justice system and services for children in Wales, providing high quality advice to Ministers and ensuring the needs of Welsh families and children are reflected in process and policy developments. Aside from staffing and running costs for the organisation, the budget provides grant funding to support separated parents, when directed by the Family Court, to have contact with their children. The budget also funds the provision of the Working Together for Children programme which supports parents who have separated, or are separating, to better manage their own behaviour to ensure the emotional, practical and physical needs and best interest of their children are paramount.

Explanation of Changes to the CAF/CASS Cymru Action

Budget adjustments within HSS MEG for 23-24 and 24-25

- **£0.470m** – Budget increase for staff related costs. Recurrent technical adjustments Action to Action within HSS MEG (budget commitment realignment).