Llywodraeth Cymru
Welsh Government

WG 55409

Welsh Government

Consultation – summary of response

Removing profit from children's care

Health and Social Care (Wales) Act 2025 Implementation:

Removing profit from children's care – Moving children's social care to a not-for-profit model

10 November 2026

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Overview

This document summarises responses to the consultation on proposals to support implementation of the removal of profit from children's care in Wales. That consultation sought views on proposals to:

- restrict the further expansion of existing for-profit children's services by preventing the addition of new beds in for-profit children's homes and the approval of new foster carers by for-profit fostering service providers; and
- enable continuity of foster carer approvals by allowing, in limited and clearly defined circumstances, foster carer approvals to be treated as transferred where a for-profit fostering service re-establishes as a not-for-profit fostering service

Action Required

This document is for information only.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

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Additional copies

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation: Moving children's social care to a not-for-profit model | GOV.WALES

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Background

On 24 March 2025, the Health and Social Care (Wales) Act 2025 ("the 2025 Act") became law in Wales. The 2025 Act includes provisions intended to restrict the extraction of profit by providers of children's home services, secure accommodation services and fostering services. These are known collectively as 'restricted children's services'.

The 2025 Act sets out a series of arrangements which started to take effect from 1 April 2026, that will ultimately restrict the provision of restricted children's services (except where provided by local authorities) to 'not-for-profit' entities registered with Care Inspectorate Wales (CIW).

The Law Wales website provides an overview of the 2025 Act and its development. This includes links to the consultation on proposed changes to primary legislation, undertaken by the Welsh Government in 2022 and an Explanatory Memorandum that offers a detailed explanation of the legislative changes made by the 2025 Act, along with an assessment of the regulatory and other impacts identified.

From 1 April 2030, it is intended that children will only be placed with for-profit providers in exceptional circumstances, and subject to Ministerial approval.

The Regulation and Inspection of Social Care (Wales) Act 2016 ("the 2016 Act") provides the statutory framework for the regulation and inspection of care services in Wales, including children's homes, secure accommodation and fostering services.

The 2016 Act was amended by the 2025 Act, which introduced a range of measures to support the Welsh Government's commitment to remove profit from the care of children who are looked after. As part of those reforms, the 2025 Act inserted Schedule 1A into the 2016 Act. Paragraph 3(1) of Schedule 1A confers regulation-making powers on the Welsh Ministers to place restrictions on certain activities of providers of restricted children's services.

Implementation

Proposed restrictions on the expansion of for-profit children's services

The Welsh Government considers that continued expansion of for-profit restricted children's services may undermine the effective delivery of the reforms introduced by the 2025 Act. Further for-profit market expansion could make it more difficult for local authorities to meet their sufficiency duty and to plan, commission and develop sustainable not-for-profit provision within or near to their areas. The proposed regulations therefore are intended to:

- stabilise the current landscape of children's services provision
- prevent further expansion of for-profit services during the transition period
- support local authorities in planning for sufficient not-for-profit provision, and
- ensure that public funding and system capacity are focused on improving outcomes and stability for children and young people.

The consultation set out proposed regulatory changes to restrict the expansion of existing for-profit restricted children's services. These proposals would prevent the addition of new beds to existing for-profit children's homes and prohibit the approval of any new foster carers by existing for-profit fostering service providers. The intention of regulations (to be made under Schedule 1A to the 2016 Act) is to prevent further growth of for-profit provision, while wider reforms to children's care and support services are implemented.

These proposed restrictions are prospective in nature and would apply only to future expansion, from 1 April 2027. They would not:

- require existing for-profit providers to cease operating
- affect existing placements or children and young people currently receiving care
- affect foster carers already approved by for-profit fostering services, or
- reduce the existing registered capacity of children's homes or approved capacity of fostering services

Continuity of foster carer approvals

The consultation also set out proposed amendments to **the Fostering Panels (Establishment and Functions) (Wales) Regulations 2018** to allow, in limited circumstances, the deemed transfer of foster carer approvals from for-profit to not-for-profit fostering service providers, with appropriate safeguards in place to minimise disruption for children, foster carers and families.

The consultation

A 12-week consultation was undertaken between 1 July and 23 September 2026. Respondents were invited to submit their views via an online form, by email or post. Notification of the consultation was sent via email to a range of stakeholders with an interest in the proposals and the Deputy Minister for Social Care, Mental Health and Women's Health announced the start of the consultation via a Written Statement.

Consultation response

In total, the Welsh Government received 48 consultation responses. These were submitted by a range of stakeholders, including individual local authorities, representative bodies for local government, trade unions, organisations representing children's home and fostering service providers, and organisations representing the interests of children and young people. Not all consultees responded to every chapter of the consultation.

The following summary considers the two proposals separately: (i) restrictions on the further expansion of existing for-profit children's services; and (ii) continuity of foster carer approvals.

Proposed restrictions on the expansion of for-profit children's services

Question 1- Do you agree that the proposed use of regulation-making powers within paragraph 3(1) of Schedule 1A to the 2016 Act, with restrictions taking effect from 1 April 2027, is appropriate and proportionate?

Summary of responses

Some respondents commented directly on the proposed use of regulation-making powers, while others focused more on the wider removing profit policy, including broader views on for-profit and not-for-profit models of care and the role of for-profit providers.

Of those that expressed a clear view, a small majority agreed that the proposed use of the regulation-making powers was appropriate and proportionate, with some recognising them as an important part of the overall phased approach to implementation.

Some respondents opposed the principle that the proposed restrictions would apply to all for-profit provision regardless of quality of care. Concerns focussed on how the restrictions would operate in practice, and how those restrictions would support a stable transition to a not-for-profit care system. Several respondents called for a clear and workable route for providers seeking to move to a permitted not-for-profit model.

A common concern among respondents who opposed, or qualified their support for, the proposed restrictions was that the restrictions would take effect immediately after local authorities' publication of their initial annual sufficiency plans. Some respondents argued that this would leave insufficient time to assess the evidence in those plans, particularly whether enough suitable not-for-profit provision would be available for children with complex needs or requiring specialist care. Consequently, some respondents stressed the importance of ensuring that the broader local authority planning was embedded and that there was sufficient and suitable not-for-profit provision available prior to introducing any restrictions. This was felt to be the case for specialist services and children with more complex needs in particular.

Many respondents emphasised the need for continued intelligence and oversight of market capacity, workforce availability, foster carer numbers, provider re-establishment activity and placement sufficiency if the proposed restrictions were introduced. It was felt such arrangements would identify and manage any emerging risks and support stability during the transition period.

Welsh Government response

The broader policy rationale for removing profit from children's services was the subject of consultation in 2022 and extensive scrutiny during the passage of the 2025 Act. While the policy is now settled, we continue to recognise the strength of feeling expressed in many of the responses, both to this consultation and previous

exercises. We will continue to engage with the sector throughout its implementation to ensure all views are heard and taken into account.

We note the support expressed for the proposed use of the regulation-making powers. Having reviewed all consultation responses, we consider the proposed restrictions from 1 April 2027 to be an appropriate and proportionate part of the phased implementation of the reforms introduced by the 2025 Act.

We recognise the concerns raised about applying the restrictions to all additional beds added or foster carer approvals made by for-profit providers, including where a provider is delivering high-quality care or a local authority identifies a particular need within its area. However, the purpose of the restrictions is to prevent further growth of for-profit provision and provide a clear and consistent basis on which local authorities and providers can plan. Introducing exceptions based on individual providers or local commissioning decisions would be inconsistent with that purpose and could create uncertainty about how the restrictions should operate. As set out in the consultation, the proposed restrictions apply only to future expansion and will not require existing providers to cease operating or directly affect existing places, foster carer approvals or placements.

We also recognise the need for clear and workable implementation arrangements. We will continue to fund Cwmpas to support providers considering a move to a permitted not-for-profit model and will work with CIW to provide clarity on the regulatory requirements.

We acknowledge concerns about the timing of the restrictions. The first drafts of local authority annual sufficiency plans are due by 1 December 2026 and will provide an early evidence base on demand, capacity and planned provision, across Wales, ahead of final publication by 1 April 2027. Building on existing planning, this will support local, regional and national oversight of whether sufficient and suitable provision is being developed as intended.

We agree that continued monitoring will be essential. We will draw on the sufficiency plans, market intelligence and provider re-establishment activity to monitor placement and workforce capacity, identify emerging risks and keep the impact of the restrictions under review, as part of their implementation.

Question 2 - What impacts, if any, do you anticipate the proposed restrictions may have on children, foster carers and families?

Summary of responses

As with the previous question, many respondents chose to focus on the broader removing profit policy rationale rather than reflecting specifically on the potential impacts of the proposed restrictions.

The predominant concern was that restricting new beds and foster carer approvals before alternative provision is available could reduce capacity and choice, increasing the likelihood of children being placed further from home and use of emergency, unsuitable or unregistered placements. Some respondents highlighted particular risks for children with complex or specialist needs, disabled and Welsh-speaking children, and sibling groups. Potential impacts highlighted included disrupted family contact, education, healthcare and support networks.

Concerns were also raised around the potential impact on fostering capacity. Some respondents considered that restricting for-profit fostering services from approving new carers could affect recruitment, increase carer uncertainty and the loss of experienced foster carers. Given this, some respondents emphasised the need for proportionate transfer arrangements, clear communication and continuity of support to maintain established child-carer relationships.

Some respondents considered that the wider policy and anticipation of further restrictions were already having an impact with children being moved from stable for-profit homes into local authority settings. Separately one respondent raised concerns about workforce turnover in local authority provision.

A number of respondents noted that the proposed restrictions would not directly require existing placements to end. However, some noted that children and families could still be affected indirectly if providers reduced their services or left the Welsh market.

Some respondents identified potential longer-term benefits from the wider move to not-for-profit provision, including greater reinvestment in care, workforce development and improved outcomes for children. They emphasised that these benefits would depend on maintaining sufficient placements and managing the transition without unnecessary disruption.

Welsh Government response

As with the previous question we recognise the continued strength of feeling regarding the overall policy and will continue to engage with the sector throughout implementation.

We recognise the importance of maintaining sufficient and appropriate placements, particularly for children with complex or specialist needs. The local authority sufficiency planning and commissioning arrangements described in response to Question 1 will support consideration of those needs.

We recognise that insufficient local or regional provision could affect children's access to family relationships, education, healthcare and established support networks, and create additional practical pressures for individuals and families. These factors will need to be considered through sufficiency planning and individual placement decisions.

We also recognise that recruitment, retention and continuity of support are essential to promote and protect fostering capacity. The proposed transfer arrangements (covered in the second part of this summary document) would allow existing foster carer approvals to continue, in limited circumstances, where a for-profit service re-establishes as a not-for-profit service. This will reduce unnecessary disruption, although wider recruitment and retention trends will continue to require close monitoring.

As set out in our response to Question 1, the restrictions apply only to future growth. Existing services can continue to operate during the transition period, and the restrictions do not themselves require existing placements to end. We recognise, however, that provider decisions may indirectly affect capacity during the transition. We will therefore continue to monitor provider intentions, market activity and placement availability.

Question 3 - What impacts might the proposed restrictions have on service sufficiency and local authority commissioning arrangements?

Summary of responses

As with responses to previous questions, some responses addressed the wider removing profit policy rather than the specific sufficiency and commissioning impacts. However, the predominant theme was concern that the proposed restrictions could place additional pressure on service sufficiency unless sufficient local authority and not-for-profit capacity is developed in advance. Some respondents identified potential longer-term benefits for planning, commissioning and greater investment in not-for-profit provision, but those potential benefits were generally seen as contingent on replacement capacity being developed before implementation.

Some respondents were particularly concerned that if the proposed restrictions reduced placement availability and choice before suitable alternatives are available, this could increase reliance on commissioning emergency, higher-cost and out-of-area or cross-border placements. Several emphasised that sufficiency is not simply a question of the number of registered beds or approved carers, but whether placements are suitable for the individual child's needs, location, sibling relationships, education or therapeutic requirements.

Local authority commissioning impacts were a strong theme. Some respondents suggested that commissioners could face reduced flexibility, increased competition for available placements, longer placement searches, higher costs, greater reliance on emergency arrangements and additional procurement, contract management and market oversight pressures. Rural and border authorities were seen as particularly exposed, given local markets are limited with generally greater reliance on specialist or cross-border provision.

Workforce and fostering capacity were also raised. Respondents highlighted recruitment and retention challenges across several areas. Some respondents were concerned that restrictions on for-profit fostering services approving new carers, or a burdensome process for foster carer transfers could impact on assessment capacity and reduce the overall availability of foster placements.

Respondents also identified opportunities for more strategic and collaborative commissioning, supported by regional planning, reliable market intelligence, sustainable funding and clearer information about provider intentions. As with previous questions, respondents called for active monitoring and mitigation during implementation, including oversight of capacity, specialist and Welsh-language provision, workforce trends, placement availability, provider re-establishment, reduced investment or exit, commissioning impacts and children's outcomes. They also emphasised the need for stronger regional collaboration and mechanisms to respond where sufficiency risks emerge.

Welsh Government response

As with the previous questions, we consider the proposed restrictions to be a necessary and proportionate step in the phased implementation of the transition to a not-for-profit model.

We recognise the concern that placement availability could come under additional pressure if local authority and not-for-profit capacity does not develop at the pace required. We will continue to work with local authorities and sector partners to support the development of sustainable not-for-profit provision, build sufficient capacity and address implementation challenges. Local authority annual sufficiency plans will provide a more consistent evidence base on current and anticipated need, existing capacity, planned provision and identified gaps. Draft plans will be reviewed in December 2026, ahead of final publication by 1 April 2027, to support early identification of areas where further action or support may be required. Building on existing local and regional planning, the annual plans, alongside market intelligence and ongoing engagement with providers, will support early identification of emerging risks.

We also recognise that sufficiency is not solely about the overall number of registered beds or approved foster carers. Provision must be suitable for individual children, including those with complex or specialist needs, sibling groups, disabled children and Welsh-speaking children, and must take account of factors such as location, education, health, family relationships and therapeutic support. These considerations will need to be reflected in local and regional sufficiency planning and in individual placement decisions.

We acknowledge the potential pressures identified for local authority commissioners. We will continue to work with the Association of Directors of Social Services Cymru ("ADSS Cymru"), the Children's Commissioning Consortium Cymru ("the 4C's") and local authorities to strengthen local and regional planning, collaborative commissioning and market oversight. We recognise that rural and border authorities may face particular challenges because of more limited local markets and greater reliance on specialist or cross-border provision.

We recognise the importance of workforce capacity and stability across residential care, fostering, commissioning and social work. In relation to fostering, this is demonstrated through our proposal to enable continuity of foster carer approvals in defined circumstances where a provider re-establishes as a not-for-profit service. Further detail on this proposal is set out in the second part of this summary document.

As noted in response to previous questions, we also recognise the importance of transparency and effective oversight. Through local authority sufficiency plans, market intelligence, continued engagement with the sector, including the Not-for-Profit Children's Implementation Board ("the Implementation Board"), we will monitor key indicators, including placement availability, specialist and Welsh-language provision, workforce trends, provider re-establishment or market exit and commissioning impacts. We will work with partners to identify and address emerging risks to sufficiency during implementation.

Question 4 - What other impacts (including any costs or benefits) do you think the proposals might have on the care and support sector? Your views on how positive effects could be increased, or negative effects could be mitigated, would also be welcome.

Summary of responses

Respondents identified a range of potential impacts from the proposed restrictions. Some felt that, alongside growth in not-for-profit provision, the changes could enable greater reinvestment in services and improve transparency, accountability and public confidence.

However, many were concerned that reduced provider capacity could limit specialist provision, particularly for children with complex needs, leading to fewer placements, longer waits, greater instability and increased use of out-of-area or cross-border placements. Respondents therefore stressed the importance of maintaining capacity through adequate funding, workforce support, monitoring and effective oversight, alongside safeguards such as contingency planning, stakeholder engagement and continuity of care measures. Many also emphasised the need for a phased transition with realistic timescales and regular review.

Views on workforce impacts were mixed. Respondents highlighted opportunities for increased investment in training, development and improved employment conditions, but also raised concerns about recruitment and retention, workforce pressure and wellbeing, greater reliance on agency staff and uncertainty for existing for-profit providers. Some considered that restrictions could lead providers to reduce investment or leave the Welsh market, with potential consequences for innovation and service quality.

Views on costs were similarly mixed. Some respondents anticipated longer-term financial benefits from greater reinvestment or use of in-house or not-for-profit provision. Related to the wider policy, others highlighted significant legal, organisational, start-up and ongoing operating costs and noted that not-for-profit provision is not necessarily cheaper.

To maximise benefits and support market stability, some respondents called for clear guidance, specialist advice and funding for new providers, proportionate transfer arrangements and more collaborative, transparent and outcomes-focused commissioning. They also highlighted the importance of regional planning, partnership working, market intelligence and the sharing of good practice. Some respondents also called for effective financial and governance oversight to ensure the intended benefits of the policy were realised.

Welsh Government response

We agree that the proposed restrictions, as part of the broader transition to a not-for-profit model of care, could support greater transparency and accountability, while creating more opportunities to reinvest in the care of children who are looked after and those who care for them.

We recognise concerns raised around provider capacity, workforce impacts, market stability and the availability of specialist provision, particularly for children with complex needs. We also acknowledge concerns that reduced capacity could increase reliance on out-of-area or cross-border placements. The arrangements for monitoring and managing these risks are set out in response to Question 3.

We also recognise the importance of workforce capacity, stability and wellbeing. The wider reforms are intended to support reinvestment in workforce development and service quality. However, we acknowledge concerns that uncertainty could affect recruitment, retention, provider confidence and investment during the transition period. We will continue to work with local authorities, providers, CIW, Social Care Wales ('SCW') and other sector partners to monitor workforce trends, support implementation and identify emerging risks to service quality or capacity.

We note the mixed views on costs. While greater reinvestment and more strategic use of in-house and not-for-profit provision may offer longer-term benefits, we recognise that legal, organisational, start-up and ongoing operating costs will arise and that not-for-profit provision will not necessarily be less expensive. The Regulatory Impact Assessment for the Regulations will reflect both the potential benefits and risks identified through the consultation.

We agree that clear guidance, specialist advice, and collaborative commissioning will be important. As set out in our response to Question 1, support will remain available to providers considering re-establishment under a permitted not-for-profit model. Appropriate regulatory, financial and governance oversight will remain important to ensure that permitted models operate consistently with the policy intention.

Question 5 - Please specify on which bodies any impacts (benefits, disbenefits, costs, savings) arising from the proposed regulations might fall?

Summary of responses

Respondents identified a wide range of bodies and groups across the children's care system likely to be affected, including children and young people, local authorities, providers, foster carers, the workforce, regulators, the Welsh Government and wider public services. Impacts on the children's care and support sector were also raised extensively in response to Question 4 and are detailed in that section.

While views differed on the scale and nature of the impacts, respondents generally identified that children and young people would be most directly affected. Some considered that the restrictions could support greater reinvestment in services and increase public confidence. However, many raised concerns that any reduction in placement availability could lead to poorer matching, placement instability, reduced placement choice, delays in accessing suitable care and more placements further from home. Particular risks were identified for children with complex needs, disabled children, sibling groups and Welsh-speaking children.

Respondents anticipated significant financial and operational pressures for local authorities. These included increased commissioning and placement finding activity, additional market oversight, workforce and service development and the costs of creating or securing replacement not-for-profit provision. As a point about the broader policy, some highlighted that providers could incur restructuring, legal, governance and regulatory costs, while foster carers and fostering services could experience uncertainty, potential reassessment burdens and disruption to established support arrangements.

Additional responsibilities and resource pressures were also anticipated for Welsh Government and CIW in relation to implementing, monitoring and enforcing the restrictions. Respondents further highlighted roles for SCW, Regional Partnership Boards and commissioning bodies in supporting workforce planning, market development and service sufficiency. Some responses also identified potential indirect impacts on health, education and police services where placement changes affect access to local or specialist support.

Potential longer-term benefits identified included greater transparency, reinvestment in services and increased public confidence. However, respondents generally considered that financial savings should not be assumed, particularly in the short to medium term. They generally considered that any benefits would depend on maintaining sufficient high-quality placements, supporting workforce and service development, carefully managing implementation, and monitoring costs, capacity and unintended consequences.

Welsh Government response

We recognise that the proposed restrictions may affect a wide range of bodies and groups across the children's care system to varying degrees. The impacts on children and families, local authorities, providers, foster carers and the workforce are

considered in our responses to Questions 2-4. This response focuses on the additional bodies and public services that may be affected.

The well-being and wishes of children and young people remain central to these reforms. The wider policy is intended to support greater reinvestment in care and improved outcomes, but we recognise concerns that reduced placement availability could affect choice, matching, stability and proximity to home, particularly for children with complex needs, disabled children, sibling groups and Welsh-speaking children. Local authority annual sufficiency planning, market intelligence and individual placement decisions will help identify, manage and respond to these risks.

We recognise the financial and operational concerns identified for local authorities, providers, foster carers and fostering services. These impacts are addressed in our responses to Questions 3 and 4.

We also recognise the additional responsibilities and resource pressures for bodies including the Welsh Government and CIW, as well as the role of SCW, regional partnerships and commissioning bodies. We will continue to work with partners to support workforce planning, market development, service sufficiency and appropriate regulatory oversight. Impacts on related public services, including health, education and policing, will continue to be considered through the wider implementation and monitoring arrangements.

We note the potential longer-term benefits identified by some respondents. The potential costs, savings and wider benefits arising from the proposed restrictions are addressed in our response to Question 4.

Question 6 - Are there any unintended consequences arising from the proposed restrictions that the Welsh Ministers should consider before the regulations are made?

Summary of responses

A predominant concern was that the proposed restrictions could reduce placement and provider capacity more quickly than sufficient not-for-profit capacity is developed. Some respondents anticipated provider withdrawal, reduced investment or delayed development rather than a move to a permitted not-for-profit model. This could contribute to market contraction or consolidation, and the loss of local, specialist and Welsh-owned provision, with particular impacts on smaller providers and rural or border areas.

Some respondents considered that reduced placement availability could lead to fewer suitable options, poorer matching, increased placement costs and greater use of emergency, unsuitable, unregistered, out-of-area or out-of-Wales arrangements. Concerns were identified by some as being particularly acute for rural areas, smaller authorities and providers, and children requiring specialist, therapeutic, disability, sibling-group or Welsh-language placements. Additional pressure on local authority services, safeguarding teams, Child and Adolescent Mental Health Services (CAMHS) and community health services was also anticipated. A number of respondents also noted that uncertainty about future arrangements could itself affect children's stability and wellbeing.

Respondents also highlighted potential workforce consequences including disruption to the recruitment and retention of care staff and specialist professionals. Difficulties in recruiting and retaining foster carers were also raised by some as potential issues. Several stressed the importance of ensuring that foster carer transfers preserve continuity of support, records, delegated authority and established relationships, while avoiding unnecessary reassessment processes and providing appropriate support for carers and staff.

Some concerns were raised that reduced competition and constrained supply could increase placement costs and wider public expenditure. As a broader point, others questioned whether changes in ownership models alone would improve quality or value and argued that robust scrutiny would be needed to prevent continued profit extraction through alternative financial arrangements. Some respondents also identified a risk that restrictions could prevent existing providers from responding flexibly to particular local or specialist needs.

A number of respondents called for clear guidance, timely support for providers, continued investment in alternative capacity and workforce development and ongoing monitoring of placement availability, provider intentions, workforce trends, costs and children's outcomes. Contingency planning, early-warning arrangements and flexibility to respond where significant sufficiency risks emerged were commonly identified as important mitigations.

Welsh Government response

We recognise concerns that the proposed restrictions could affect placement sufficiency if local authority and not-for-profit capacity does not develop at the pace required, and a significant proportion of providers choose to leave the sector or relocate outside of Wales. The sufficiency and monitoring arrangements described in our responses to Questions 1 and 3 will be used to identify these risks, including pressures affecting specialist and Welsh-language provision and placements in rural and border areas.

We also recognise concerns regarding workforce stability and foster carer recruitment and retention. We will continue to work with providers, local authorities, CIW and SCW to monitor workforce trends and consider whether any further clarification may be helpful in relation to information sharing, records, delegated authority, support arrangements and responsibilities during transfer. Matters relating to the continuity of foster carer approvals and associated transfer arrangements are considered in the second part of this consultation summary.

We note the concerns raised regarding potentially increased placement costs, reduced competition and the possibility that alternative financial arrangements could undermine the policy intention. Clear regulatory requirements, appropriate regulatory oversight, ongoing monitoring and continued stakeholder engagement will be important in identifying and addressing risks as they arise. The reforms form part of a wider programme of change that includes investment in prevention, early intervention, workforce development and the growth of high-quality not-for-profit provision. Building on the monitoring arrangements described in our responses to Questions 1 and 3, we will keep provider intentions, placement availability, workforce trends, costs and outcomes for children under review and use implementation and contingency planning to address emerging issues.

Question 7 - What are your views on Sections 1 and 8 of the Integrated Impact Assessment for this proposal? Are there any specific areas where you feel further detail is required, or specific issues that may impact on a specific group?

Summary of responses

Some respondents broadly supported the way Sections 1 and 8 of the Integrated Impact Assessment (IIA) identified the intended benefits of the proposals and the broad areas of impact. However, the prevailing view was that further detail was needed to enable a fuller understanding of the impacts of the proposed restrictions. Some comments related to the broader removing profit principles and were therefore less directly relevant to the specific proposals or the question asked.

Several respondents identified areas where further detail could strengthen the assessment. Common themes included the need for more detailed consideration around placement sufficiency and market stability (including provider exit), the need for specialist provision and risks around reduced placement choice if capacity declined.

Respondents considered that the assessment should more fully examine impacts on children's rights, wellbeing and equality, particularly for groups with additional or specialist needs. Concerns centred on placement stability, continuity of care, access to education and health services, connections to families and communities, and disproportionate effects on disadvantaged families.

Issues relating to workforce capacity, recruitment and retention were also raised as important issues. Respondents highlighted particular potential pressures on residential and fostering workforces, local authority workloads and foster carer transfer arrangements and broader financial pressures on local authority commissioning and budgets. Some respondents also referred to the need to assess impacts on Welsh-language provision, the availability of suitably trained staff, and the interaction with specialist education and Additional Learning Needs provision. They also emphasised the need for ongoing engagement with children and young people, transparent monitoring, supporting evidence and effective mitigation of unintended impacts. Suggested areas for monitoring included placement sufficiency, specialist and Welsh-language provision, provider intentions and exits, workforce capacity, placement stability, out-of-area and out-of-Wales placements, costs, and children's outcomes and experiences.

Welsh Government response

We welcome respondents' views and note the support expressed for the way Sections 1 and 8 describe the policy intent and anticipated benefits. We also recognise the importance of reflecting the full range of potential risks and impacts associated with implementation of the proposed restrictions.

The feedback we have received through this exercise will inform the final IIA and the Explanatory Memorandum and Regulatory Impact Assessment that will accompany the proposed regulations when they are laid before Senedd Cymru. Together, these documents will provide a more detailed consideration of the impacts than those

published with the consultation document. This includes more detailed consideration of children's rights, equality, Welsh language, sufficiency, workforce, economic and regulatory impacts, as well as the associated costs, benefits, risks and mitigations.

Continuity of foster carer approvals

Question 8 - Do you agree with the proposed approach to allow the deemed transfer of foster carer approvals in the limited circumstances described, as a means of maintaining continuity of care for children and reducing the administrative and financial burden on providers? Please explain your view.

Summary of responses

The overwhelming majority of respondents supported the proposed deemed transfer arrangements, with only a small number of respondents expressing opposition or significant reservations.

Respondents generally agreed that the proposal would help maintain placement stability and continuity of care for children, reduce disruption for foster carers and fostering families, and avoid unnecessary administrative and financial burdens associated with the reassessment and reapproval of existing foster carers. Many respondents considered that requiring approved foster carers to undergo a full reassessment solely because a fostering service had re-established as a not-for-profit legal entity would be disproportionate where there had been no material change to the foster carer, the placement or the support arrangements in place**.**

A common theme was that approved foster carers are already subject to ongoing supervision, annual reviews, safeguarding oversight and statutory checks. Respondents therefore considered that the proposed arrangements would enable resources to be focused on supporting children and carers rather than duplicating existing approval processes. Several respondents also highlighted the potential for the proposal to support foster carer retention and reduce the risk of experienced carers leaving the sector during the transition to not-for-profit provision.

Many respondents stressed the importance of maintaining appropriate safeguards and ongoing regulatory oversight. Respondents highlighted the need for up-to-date reviews and statutory checks, effective information-sharing arrangements, continuity of support and supervision, and clear operational guidance to support implementation. Several respondents also emphasised the importance of ensuring the arrangements operate sufficiently flexibly to accommodate legitimate organisational restructuring while maintaining continuity and appropriate safeguards.

While there was broad support for the proposal, a small number of respondents questioned whether legislative change was necessary or raised concerns linked to the wider programme of reform. These respondents generally did not oppose continuity of care as an objective but expressed reservations about the broader policy context.

Welsh Government response

The Welsh Government welcomes the strong support expressed for the proposed approach. The responses received demonstrate broad agreement that the arrangements would help maintain continuity of care for children and avoid

unnecessary disruption where a fostering service re-establishes as a not-for-profit organisation.

We recognise the importance respondents placed on ensuring that children continue to experience stable placements and relationships throughout any organisational transition. We also note the view that existing approval, review and safeguarding arrangements should continue to provide assurance regarding the suitability of foster carers, avoiding unnecessary duplication where there has been no material change in circumstances.

The consultation also identified the need for clear supporting guidance and consistent implementation. We will consider the feedback received on operational arrangements, information sharing, organisational continuity and oversight requirements in finalising the Regulations.

We also recognise the importance of maintaining robust safeguarding and regulatory oversight, while avoiding unnecessary administrative burdens. The feedback received will help ensure that the final arrangements strike an appropriate balance between supporting continuity and stability for children, maintaining confidence in foster carer approvals, and ensuring proportionate regulatory safeguards.

Question 9 - Is the scope of the proposed transitional provision wide enough? Should it apply in any other circumstances?

Summary of responses

The majority of respondents considered the proposed scope to be broadly appropriate and proportionate for its intended purpose. Many respondents agreed that the arrangements should remain focused on circumstances where there is clear organisational and operational continuity and where children can continue to benefit from stable placements and support arrangements. However, some respondents suggested that the scope should be sufficiently flexible to accommodate a wider range of legitimate organisational restructuring arrangements. Examples included mergers, governance changes, service transfers, organisational restructures and other circumstances where continuity of care, support and safeguarding arrangements can be clearly demonstrated.

Regardless of whether respondents supported retaining the proposed scope or expanding it, there was widespread agreement that any use of the transitional arrangements should be supported by appropriate safeguards and regulatory oversight. Respondents consistently emphasised that flexibility should only apply where continuity of care, safeguarding arrangements, support structures and placement stability can be clearly demonstrated.

Welsh Government response

The Welsh Government welcomes the broad support for the proposed scope of the transitional arrangements. Responses demonstrated general agreement that the arrangements would support continuity of care for children and avoid unnecessary disruption for foster carers and fostering services during the transition to not-for-profit provision.

We note that a number of respondents suggested the scope should be broadened to apply to a wider range of organisational restructuring arrangements. While we recognise the rationale for this position, the purpose of these provisions is to address a specific and limited issue arising from the transition of a fostering service from a for-profit to a not-for-profit organisation. The provisions have therefore been intentionally designed to apply only where there is a high degree of organisational and operational continuity and where the circumstances can be clearly defined in legislation.

We do not consider it appropriate to extend the provisions more widely at this stage. Broadening the scope to encompass a wider range of restructuring, merger or transfer arrangements would introduce greater complexity and could reduce certainty about when the arrangements should apply. It could also create circumstances where changes are sufficiently significant to warrant a fresh assessment of suitability and safeguarding arrangements.

The Welsh Government remains of the view that the proposed scope strikes an appropriate balance between maintaining continuity and stability for children, reducing unnecessary administrative burden and ensuring robust safeguarding and regulatory oversight. The feedback received will, however, inform the development of supporting guidance to help ensure the provisions are implemented consistently and effectively in practice.

Question 10 - To what extent do you consider that the proposed factors provide a suitable basis for assessing organisational and operational continuity in these circumstances? Are there any additional factors that should be taken into account?

Summary of responses

The majority of respondents considered the proposed factors to provide a suitable basis for assessing organisational and operational continuity and generally supported the approach being proposed. Respondents considered the factors to provide an appropriate foundation for determining whether continuity exists between the outgoing and successor organisation.

A common theme was that assessments should focus on the practical continuity experienced by children and foster carers rather than solely on legal or corporate arrangements. Many respondents emphasised that continuity should be demonstrated through the maintenance of stable placements, support arrangements and safeguarding oversight.

Many respondents suggested additional factors that could be considered alongside the proposed criteria. Frequently cited examples included continuity of supervising social workers, safeguarding systems, support arrangements, staffing structures, policies and procedures, quality assurance arrangements, training provision, information-sharing arrangements and the maintenance of established relationships that are important to children and foster carers.

Several respondents considered that the factors should be applied flexibly and as part of a balanced assessment rather than a rigid checklist. Respondents highlighted the importance of recognising that providers may experience routine organisational changes, such as staff turnover, retirement, governance changes or succession planning, without materially affecting continuity of service.

A number of respondents also sought greater clarity regarding assessment arrangements, including evidence requirements, decision-making responsibilities and how consistency would be achieved across Wales.

Welsh Government response

The Welsh Government welcomes the broad support for the proposed factors and notes the general agreement that they provide an appropriate basis for assessing organisational and operational continuity.

We recognise the importance respondents place on ensuring that assessments provide assurance that continuity has been maintained in practice, while also allowing sufficient flexibility to reflect different organisational structures and circumstances. We also note the suggestions made regarding additional matters that could support decision-making and strengthen confidence in the process.

The consultation highlighted the importance of ensuring that the arrangements are clear, transparent and capable of being applied consistently. We will consider the feedback received as the Regulations are finalised, including the need for clarity regarding assessment criteria, evidence requirements and implementation arrangements.

The feedback received will help ensure that the final framework provides a robust and proportionate basis for assessing continuity while maintaining a clear focus on safeguarding, placement stability and positive outcomes for children and young people.

Question 11 - Do you agree that the proposed safeguards are sufficient to ensure appropriate oversight and protection for children where foster carer approvals are deemed to transfer? Please explain your answer, including any additional safeguards you consider necessary.

Summary of responses

The majority of respondents agreed that the proposed safeguards provide an appropriate and proportionate framework for ensuring oversight and protection for children where foster carer approvals transfer between organisations. Respondents generally considered that the safeguards strike an appropriate balance between maintaining continuity for children and foster carers while ensuring necessary regulatory and safeguarding protections remain in place.

Many respondents expressed support for safeguards relating to the prevention of dual approvals, the requirement for statutory checks and reviews to remain current, the continuation of support and supervision arrangements, and the maintenance of existing regulatory oversight. Respondents generally agreed that these measures would help preserve safeguarding requirements without creating unnecessary duplication of existing approval processes.

A common theme was the importance of maintaining up-to-date annual reviews, DBS checks, safeguarding records and continuous supervisory support. A number of respondents emphasised that the safeguards should focus on verification of existing compliance rather than introducing requirements that would effectively replicate a full reassessment process.

Several respondents identified areas where additional safeguards or clarification may be helpful. Suggestions included stronger information-sharing arrangements between organisations, clear notification requirements for placing authorities, communication with children and foster carers, explicit accountability arrangements during transition, and enhanced monitoring of placement stability and safeguarding following transfer. Some respondents also highlighted the importance of ensuring children's views are considered and that children continue to have access to advocacy and support throughout the process.

There was also a strong emphasis on the need for guidance to support consistent implementation across Wales. Respondents highlighted the importance of clarity regarding evidence requirements, governance arrangements, review processes and responsibilities for oversight.

Overall, respondents generally considered the proposed safeguards to be sufficient but identified opportunities to strengthen implementation through additional guidance, communication and clarification of operational processes.

Welsh Government response

The Welsh Government welcomes the broad support expressed for the proposed safeguards and notes the general agreement that the arrangements provide an appropriate basis for maintaining oversight and protecting children while supporting continuity of care.

We recognise the importance respondents place on ensuring that safeguarding arrangements remain robust throughout any organisational transition. We also note the feedback regarding information sharing, communication, accountability and the importance of ensuring that children and foster carers remain appropriately supported throughout the process.

The consultation highlighted the value of providing guidance to support consistent implementation. We will consider the feedback received as the Regulations are finalised, including the issues raised regarding evidence requirements, oversight arrangements and operational responsibilities.

Question 12 - Does the proposed mandatory review of transferred foster carer approvals within 12 months provide an appropriate level of assurance? Please give reasons for your response.

Summary of responses

The majority of respondents agreed that a mandatory review within 12 months would provide an appropriate and proportionate level of assurance following the transfer of foster carer approvals. Respondents generally considered that the proposed timeframe strikes an appropriate balance between maintaining oversight and avoiding unnecessary disruption for children, foster carers and providers.

Many respondents highlighted that foster carers are already subject to regular supervision, annual reviews and safeguarding oversight. In this context, respondents considered that a review within 12 months would provide an appropriate opportunity to confirm that support arrangements remain effective and that the transfer has operated as intended, without creating unnecessary duplication.

A recurring theme was the importance of aligning any review with existing annual review arrangements wherever possible. Respondents generally considered that this would enable reviews to be managed efficiently while reducing administrative burdens for providers, carers and fostering panels. Several respondents also suggested that earlier reviews should remain possible where safeguarding concerns or significant changes in circumstances arise.

Some respondents highlighted the importance of ensuring that the review remains proportionate and is not treated as a full reassessment process. These respondents emphasised that the purpose of the review should be to provide assurance regarding ongoing suitability and support arrangements, rather than duplicate previous assessment work where there have been no material changes.

A small number of respondents raised concerns regarding the proposed timescale, including whether it would generate additional pressures for providers or whether different arrangements may be more appropriate in certain circumstances. However, these views were outweighed by broad support for the proposed approach.

Welsh Government response

The Welsh Government welcomes the broad support expressed for the proposed review period. We note the general agreement that a review within 12 months provides an appropriate safeguard while supporting continuity and stability for children and foster carers.

We recognise the importance respondents place on ensuring that review arrangements remain proportionate and complement existing fostering processes. We also note the views expressed regarding the importance of aligning reviews with existing review cycles where appropriate and allowing sufficient flexibility to respond where concerns arise.

We will consider the feedback received in finalising the Regulations, including how the review process can be implemented consistently and effectively in practice.

The feedback received will help ensure that the review arrangements provide appropriate assurance while supporting continuity of care, maintaining safeguarding standards and minimising unnecessary administrative burdens.

Question 13 - Does the proposed 12 month review period provide sufficient flexibility for fostering service providers to manage review cycles effectively and avoid any undue concentration of reviews at a single point in time?

If not, what alternative approaches (or time frames) should be considered?

Summary of responses

The majority of respondents agreed that the proposed 12-month review period provides sufficient flexibility for fostering service providers to manage review cycles effectively while maintaining appropriate oversight. Respondents generally considered the proposed timeframe to be practical, proportionate and consistent with existing fostering review arrangements.

Many respondents highlighted that the review period would allow providers to align reviews with existing annual review cycles and spread activity across a 12-month period, helping to avoid a concentration of reviews at a single point in time. This was viewed as an effective way of balancing safeguarding assurance with operational practicality.

A recurring theme was that the review should be incorporated into existing annual review arrangements wherever possible rather than creating a separate reassessment process. Respondents considered that this would minimise administrative burdens for providers, fostering panels and social work teams while maintaining continuity for foster carers and children.

Several respondents emphasised the importance of retaining flexibility to undertake earlier reviews where concerns arise, particularly in relation to safeguarding, changes in circumstances or placement stability. Some respondents also suggested that the 12-month period should be regarded as a maximum timeframe rather than a fixed review point.

A small number of respondents suggested alternative approaches, including longer review periods or enhanced review arrangements, particularly where large numbers of carers may be subject to review following organisational transition. However, most respondents considered the proposed timescale to be appropriate, provided sufficient flexibility is retained within the process.

Welsh Government response

The Welsh Government welcomes the broad support expressed for the proposed 12-month review period and notes the general agreement that it provides an appropriate balance between oversight and operational flexibility.

We recognise the importance respondents place on ensuring that review arrangements are proportionate and can be managed within existing review cycles wherever possible. We also note the value respondents attach to retaining flexibility

to respond to safeguarding concerns or other issues should they arise before a review is due.

The consultation responses highlighted the importance of implementing the review process in a way that supports continuity and avoids unnecessary administrative burdens. We will consider the feedback received when finalising the Regulations, including how reviews are scheduled and integrated into existing fostering processes.

The feedback received will help ensure that the review arrangements provide appropriate assurance while remaining practical, proportionate and focused on safeguarding the welfare and best interests of children and young people.

Question 14 - What are the likely impacts of the proposals on children, foster carers and the wider fostering workforce, including any implications for placement stability, safeguarding, equality and carers' wellbeing? Please identify any groups that may be disproportionately affected and any mitigating actions that should be considered.

Summary of responses

Respondents generally considered that the proposals would have a positive impact where they support continuity of care and minimise unnecessary disruption for children and foster carers during organisational transitions. Many respondents identified placement stability, continuity of relationships and reduced uncertainty for children as the principal benefits of the proposals.

Respondents also highlighted potential benefits for foster carers and the wider fostering workforce. These included reduced administrative burdens, greater confidence during organisational change, improved retention of experienced foster carers and more effective use of professional resources by avoiding unnecessary reassessments and duplication of work. Several respondents considered that the proposals would allow social workers and fostering services to focus resources on supporting children and carers rather than repeating existing approval processes.

A recurring theme was that the success of the proposals would depend on effective implementation and communication. Respondents highlighted the importance of providing clear information to children, foster carers and professionals, maintaining continuity of support arrangements and ensuring that organisational changes do not create uncertainty or avoidable anxieties for those affected.

Many respondents also identified potential risks if the arrangements are not implemented effectively. These included uncertainty for children and foster carers, inconsistency in implementation, workforce pressures and the potential impact on fostering capacity if carers choose to leave the sector. Several respondents highlighted the importance of maintaining robust safeguarding arrangements, access to support services and appropriate oversight throughout any transition period.

A number of respondents highlighted groups that may be disproportionately affected by any disruption, including children with complex needs, disabled children, sibling groups, Welsh-speaking children, children who have experienced multiple placement moves, and those requiring specialist support or placements. Respondents emphasised the importance of ensuring continuity of support and maintaining access to services for these groups.

Suggested mitigating actions included clear communication and engagement, continuity of professional relationships where possible, robust information-sharing

arrangements, ongoing monitoring of placement stability and fostering capacity, and continued support for foster carer recruitment and retention.

Welsh Government response

The Welsh Government recognises the importance respondents place on maintaining stability and continuity for children throughout any organisational transition. We also note the importance of ensuring that implementation reflects the needs of children and young people, particularly those who may be more vulnerable to disruption.

The feedback received has provided valuable insight into the practical considerations that will need to be addressed during implementation. This includes ensuring that communication and oversight arrangements are clear and support consistent application across Wales.

We will take the responses into account in finalising the Regulations and will continue to work with stakeholders to support effective implementation and monitor the impact of the changes following commencement.

Question 15 - What impact do you think the proposed deemed transfer of foster carer approvals would have in practice for fostering service providers, foster carers, regulators and local authorities? This could include impacts on costs, workloads, use of staff time or existing processes, as well as any savings or efficiencies you expect the proposal to create.

Summary of responses

The majority of respondents anticipated that the proposed arrangements would generate significant administrative and operational benefits for fostering service providers, foster carers, local authorities and regulators. Respondents generally considered that avoiding the need for full reassessment of existing foster carers would reduce duplication, minimise bureaucracy and enable resources to be directed towards supporting children and fostering families.

Many respondents highlighted potential efficiencies arising from reductions in assessment activity, panel processes, administrative tasks and associated costs. Respondents suggested that social work and fostering service capacity could instead be focused on safeguarding, foster carer support, retention and recruitment activities. Several responses also emphasised the potential financial savings associated with avoiding large-scale reassessment exercises where there has been no material change in circumstances.

Respondents identified a range of practical benefits for foster carers, including reduced administrative burdens, increased certainty and continuity, and avoidance of unnecessary reassessment processes. Many considered that these benefits could contribute to improved foster carer retention and help minimise disruption to existing placements.

For local authorities and regulators, respondents anticipated reductions in workload associated with approval processes, fostering panels and placement instability. Several respondents considered that maintaining existing fostering capacity and reducing disruption to placements would support wider placement sufficiency and reduce pressures on commissioning arrangements.

While responses were generally positive, some respondents noted that implementation would still require planning, oversight and administrative activity, including assessment of organisational continuity, information sharing and ongoing monitoring arrangements. A number of respondents highlighted the importance of clear guidance and support to ensure the benefits of the proposals are fully realised in practice.

Welsh Government response

The Welsh Government welcomes the feedback received and notes the broad consensus that the proposals have the potential to reduce unnecessary

administrative burdens while supporting continuity and stability for children and foster carers.

We recognise the importance respondents place on ensuring that professional time and resources are focused on activities that directly support children and families. The consultation responses also highlighted the need for clear implementation arrangements and effective oversight to support the operation of the provisions in practice.

The feedback received will inform the development of the Regulations, including consideration of implementation processes, regulatory oversight and information-sharing arrangements. We will continue to work with stakeholders to support consistent delivery and ensure that the arrangements operate effectively across Wales.

Question 16 - What are your views on Sections 1 and 8 of the Integrated Impact Assessment for this proposal? Are there any specific areas where you feel further detail is required, or specific issues that may impact on a specific group?

This could include (but is not limited to) impacts relating to equality, children's rights and well-being, socio-economic disadvantage.

Summary of responses

Responses generally supported the objectives of the proposal and welcomed the emphasis placed on continuity, stability and minimising disruption for children during the transition to not-for-profit fostering services.

A common theme was the importance of children's rights, wellbeing and placement stability. Respondents highlighted the need for the assessment to recognise the benefits of maintaining stable relationships and avoiding unnecessary disruption for children and young people. Several respondents considered that the proposals have the potential to support children's welfare by preserving placements and reducing uncertainty during organisational transitions.

Many respondents also called for further consideration of workforce impacts, including fostering capacity, foster carer retention, recruitment challenges and the availability of social work and assessment resources. Several responses highlighted the importance of understanding the practical implications of implementation for fostering services and local authorities.

Respondents identified a number of groups that may require particular consideration, including children with complex needs, disabled children, Welsh-speaking children, children requiring specialist placements, children living in rural communities and those who may already face barriers to accessing appropriate support. Some respondents also highlighted the importance of considering socio-economic impacts and maintaining access to local placements, education and family relationships.

A number of responses suggested that the assessment could benefit from additional detail regarding monitoring arrangements and the practical operation of the transition arrangements. Respondents also called for greater consideration of children's rights, equality impacts and the experiences of groups who may be disproportionately affected by the reforms. Several respondents highlighted the importance of ensuring the assessment recognises both the benefits of maintaining continuity and stability for children and the need for ongoing evaluation and monitoring of impacts on children, foster carers and fostering services.

Welsh Government response

The Welsh Government welcomes the feedback received on the summary of our Integrated Impact Assessment, and recognises the importance respondents place on

ensuring that children's welfare, rights and best interests remain central to implementation.

The responses provide valuable insight into areas where stakeholders consider further analysis or clarification may be beneficial. These issues will be considered as part of the ongoing development of the policy and supporting implementation arrangements.

A range of statutory and policy-specific impact assessments will continue to be undertaken and updated, where appropriate, as part of the policy development process. These include consideration of impacts on children's rights and wellbeing, equality, the Welsh language and socio-economic disadvantage. The evidence and feedback gathered through this consultation will help inform those assessments and support implementation planning.

We will continue to review the supporting evidence and keep the impact of the proposals under consideration as implementation progresses, ensuring that the final arrangements continue to support positive outcomes for children, foster carers and fostering services.

Question 17 - What, in your opinion, would be the likely effects of the proposed regulations on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English.

Do you think that there are opportunities to promote any positive effects?
Do you think that there are opportunities to mitigate any adverse effects?

Summary of responses

Responses did not indicate a clear consensus that the proposals would directly affect the Welsh language. Some considered the effect likely to be neutral or limited, while others felt the proposals could reduce residential and fostering capacity in Wales, and increase the use of out-of-Wales placements, potentially affecting children's access to Welsh-language services, education, culture and community connections.

Some respondents highlighted the importance of maintaining sufficient Welsh-speaking carers, staff and services, and expressed concern that any reduction in provider capacity could affect children's ability to receive care through the medium of Welsh.

Conversely, some respondents considered that the Regulations could support the Welsh language where the transition strengthens locally based provision and enables children to remain connected to Welsh-speaking communities.

Suggested safeguards and mitigations included incorporating linguistic needs into local and national sufficiency planning, monitoring Welsh-language placement capacity and out-of-Wales placements and supporting the recruitment and retention of Welsh-speaking residential staff and foster carers. They also included protecting continuity for existing Welsh-speaking foster placements, avoiding unnecessary reassessment or administrative barriers during foster carer transfers, and ensuring that language, culture and community connections are considered in placement and transfer decisions.

Welsh Government response

We welcome respondents' views on the potential effects of the proposals on the Welsh language. These impacts have been considered throughout development of the Integrated Impact Assessment.

Many of the responses relate to broader implementation of the removing profit arrangements under the 2025 Act, rather than the specific proposals. The new local authority sufficiency planning framework and broader arrangements to take forward the 2025 Act will support ongoing assessment of future needs and service capacity, including Welsh language needs, alongside workforce and placement planning.

We recognise the importance of ensuring children can access care and support in their preferred language and remain connected to their communities. The proposed Regulations do not require existing placements to end and form part of a phased transition intended to minimise disruption.

The proposed continuity arrangements may also help maintain existing Welsh-speaking foster placements by allowing foster carer approvals to continue, in defined circumstances, where a provider transitions from a for-profit to a not-for-profit model. This will help avoid unnecessary reassessment and reduce the risk of disruption to existing placements, including where continuity of Welsh-language care and support is important to a child.

We also recognise the need for clear communication and guidance in English and Welsh on how the proposed restrictions will work in practice. We will work with our partners, through the Not-for-Profit Children's Implementation Board and supporting workstreams, to ensure consistent messages are communicated to providers.

Question 18 - In your opinion, could the proposals be formulated or changed so as to:

· have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English
· mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

Summary of responses

As with the previous question, respondents did not identify a clear need for significant changes to the proposals in relation to the Welsh language. However, many highlighted opportunities to strengthen Welsh-language considerations during implementation.

Respondents emphasised the importance of maintaining Welsh-speaking staff, foster carers and placements, and ensuring continued delivery of the Active Offer. Concerns were raised that reduced placement availability could result in children being placed further from home, including outside Wales, limiting access to Welsh-language services and support.

In relation to fostering, respondents stressed the need to retain and increase the number of Welsh-speaking foster carers. They suggested that transfer arrangements should minimise unnecessary reassessment, delay and disruption, and proposed measures such as bilingual processes and documentation, Welsh-language support during transitions, continued consideration of language in placement matching, and targeted recruitment, retention and training initiatives.

Respondents also highlighted the need to embed Welsh-language considerations within local and national sufficiency planning, transition arrangements and ongoing monitoring of Welsh-speaking carers, placements and services. Particular importance was placed on protecting existing Welsh-language placements and care arrangements during provider transitions.

Overall, respondents felt that Welsh-language considerations should be more explicitly reflected within the wider removing profit policy to ensure Welsh-speaking children continue to have access to care and support through the medium of Welsh, with Welsh treated no less favourably than English. Some also proposed greater regulatory flexibility where this was necessary to meet Welsh-language needs or avoid out-of-Wales placements.

Welsh Government response

We note the constructive suggestions from respondents on how the proposals could further support Welsh-language provision.

We agree that maintaining Welsh-language capability will be important to the successful transition to a not-for-profit model of care. We also note that the proposed restrictions do not alter existing duties relating to the Welsh language or the Active Offer. Given the administrative nature of the restrictions, we consider their direct

impact on the Welsh language to be limited and that there is limited scope to amend them in a way that would materially affect Welsh-language outcomes.

In relation to fostering, the proposed transitional arrangements are intended to support continuity by allowing existing foster carer approvals to continue, in defined circumstances, where a provider transitions from a for-profit to a not-for-profit model. By avoiding unnecessary reassessment, the arrangements may help retain existing foster carers, including Welsh-speaking foster carers, and maintain established Welsh-language care and support arrangements.

As with our response to the previous question, many of the issues raised by respondents relate to the local authority sufficiency planning arrangements. These arrangements will help ensure that provision is developed in response to identified need and support linguistic and wellbeing outcomes for children. We will continue to work with local authorities and sector partners to ensure that Welsh language considerations are appropriately embedded within sufficiency planning and implementation.

Question 19 - We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them?

Summary of responses

Respondents who commented on this question largely focused on the broader implementation of the 2025 Act and wider policy considerations, rather than proposing further changes to the regulations.

Some respondents reiterated concerns about placement capacity, including the availability of specialist and Welsh-language provision, as well as the potential for provider exits where organisations consider continued operation in Wales to be unviable. These issues have been summarised under earlier questions and are not repeated in detail here.

Others welcomed the overall direction of travel set by the 2025 Act but emphasised that significant work remains to realise the policy intention of removing profit from children's care. Key themes included the need for sufficient investment and transition support, alongside robust oversight and monitoring of implementation. Some respondents considered these measures should be in place before the restrictions take effect.

Across both restrictions, respondents called for early operational guidance, clear communication with children, foster carers, providers and commissioners, and ongoing monitoring of placement sufficiency, provider exits, workforce recruitment and retention, placement stability, costs and children's experiences. Continued stakeholder and multi-agency engagement was also seen as important to identify and mitigate emerging risks.

Overall, responses highlighted the importance of sufficient placement capacity, clear transitional arrangements and effective monitoring, with placement stability and positive outcomes for children remaining central throughout implementation.

Welsh Government response

We thank respondents for their additional comments and broader reflections on implementation of the 2025 Act and the transition to a not-for-profit model of care.

We recognise the concerns raised regarding placement sufficiency, provider sustainability, workforce pressures and the availability of local provision that meets children's needs. The proposed restrictions form part of a phased implementation approach, and these wider issues are being addressed through the broader programme of work supporting implementation of the 2025 Act, including arrangements for sufficiency planning, transition support, oversight and monitoring.

We agree that effective implementation will require clear communication, detailed operational guidance and continued engagement with local authorities, providers, foster carers and other partners. These matters will continue to be taken forward through the national implementation programme, including the work of the Implementation Board and its supporting workstreams.

We remain committed to working collaboratively with partners to ensure that the new arrangements are implemented in a proportionate and transparent way, with placement stability, sufficiency and positive outcomes for children and young people remaining central throughout the transition.

Next steps

We have considered the responses within our broader development of the proposed Regulations and their associated assessments of impact.

Both the Regulated Services (Providers of Restricted Children's Services) (Transitional Restrictions) (Wales) Regulations 2026 and the Fostering Panels (Establishment and Functions) (Wales) (Amendment) Regulations 2026 will be laid before the Senedd in November 2026.

Subject to approval by Senedd Cymru, the Regulated Services (Providers of Restricted Children's Services) (Transitional Restrictions) (Wales) Regulations 2026 will come into force on 1 April 2027.

Subject to completion of the Senedd's annulment process, the Fostering Panels (Establishment and Functions) (Wales) (Amendment) Regulations 2026 will come into force on 21 December 2026.

All of the draft documents will be available on the Senedd website: Subordinate Legislation (senedd.wales).

Under the Regulated Services (Providers of Restricted Children's Services) (Transitional Restrictions) (Wales) Regulations 2026, from 1 April 2027, the following restrictions on existing for-profit providers of children's homes and fostering services would be introduced:

- No additional beds may be added to existing for-profit children's homes.
- No new foster carers may be approved by for-profit fostering service providers.

Under the Fostering Panels (Establishment and Functions) (Wales) (Amendment) Regulations 2026:

- Existing foster carer approvals may transfer where a for-profit fostering service provider re-establishes as a not-for-profit fostering service, subject to specified conditions, without requiring foster carers to undergo a new approval process solely as a result of that change.

As part of the implementation of the 2025 Act, from 1 April 2030, it is intended that children will only be placed with for-profit providers in exceptional circumstances, and subject to Ministerial approval.

The impact of the regulations will be closely monitored. Officials regularly engage with partners across the sector to obtain market intelligence, including regular engagement with CIW and through the national body of work undertaken through the Implementation Board, alongside broader reporting to ensure equity and effectiveness. More broadly, the overall removing profit policy is expected to be subject to a formal evaluation over the coming years.

Any further arrangements associated with the legislation and these proposed regulations will be subject to further policy decisions and consultation.

Annex A: List of consultation respondents

List of respondents who completed the form and were happy to share their details:

1. Stepping Stones Care Services
2. Amberleigh Care Trustee Limited
3. TACT Fostering
4. Landsker Child Care
5. Woodlands Limited
6. Barnado's
7. Landsker Child Care Ltd
8. Codi Care & Support – Codi Group
9. Ceredigion County Council
10. Cardiff Council
11. Nationwide Association of Fostering Providers (NAFP)
12. Family Fostering Partners
13. The Children's Homes Association
14. Torfaen County Borough Council
15. UNISON Cymru
16. Action for Children
17. Children in Wales
18. Shaw Trust
19. ADSS Cymru, the Children's Commissioning Consortium Cymru (4Cs), Foster Wales and the Welsh Local Government Association (WLGA)
20. Llais
21. Children's Commissioner for Wales

27 respondents did not provide permission to share their details.