

Section 1. What action is the Welsh Government considering and why?

This impact assessment relates to the proposal to bring forward a code of practice which sets out requirements on local authorities when exercising their social services functions under the Social Services and Well-being (Wales) Act 2014 ('the 2014 Act'). The Code of Practice also includes guidelines and guidance for local authorities when exercising these functions. The Code of Practice is underpinned by Directions to Local Health Boards and NHS trusts made by the Welsh Ministers under the National Health Service (Wales) Act 2006 ('the 2006 Act').

The Code of Practice on Quality Assurance and Performance Management, Escalating Concerns, and Closure of Regulated Care and Support Services ('the Code of Practice') will replace the Escalating Concerns with, and Closures of, Care Homes Providing Services for Adults 2009 statutory guidance ('the 2009 guidance'). The 2009 guidance deals with the management of escalating concerns, and closures of, adult care homes registered with Care Inspectorate Wales (CIW). The 2009 guidance sets out the roles and responsibilities of local authorities, Local Health Boards and NHS trusts in Wales where there is an accrual of operational issues or the care home is at risk of closure. Since 2009 there have been legislative changes in this area, most notably the 2014 Act and the Regulation and Inspection of Social Care (Wales) Act 2016 ('the 2016 Act').

In 2020 the Centre for Innovative Ageing at Swansea University undertook a review of the 2009 guidance, at the request of Welsh Government, following the recognition that current legislation and practice had changed.

The Code of Practice has been developed in conjunction with the National Commissioning Board Wales, now part of the National Office for Care and Support. A stakeholder group was established in October 2023 and met five times to consider the review recommendations, the approach and draft versions of the Code of Practice. A toolkit has been developed to complement the Code of Practice to provide examples of good practice templates. The toolkit will be published on the [National Framework for the Commissioning of Care and Support in Wales Toolkit \(Standard 5 - Measuring Value\)](#). This is part of the Social Care Wales hub and will enable the toolkit to be built upon and updated easily. The stakeholders provided valuable insight into current practice which has informed the development of the Code of Practice and toolkit.

The Code of Practice will reflect the legislative changes introduced via the 2014 Act and 2016 Act for person-centred care and support, individual voice and control, and continuous improvement. The Code of Practice will apply to all commissioned regulated care and support services registered with CIW under the 2016 Act. The Code of Practice sets out requirements to ensure consistency at a national level whilst supporting flexibility for local and regional processes.

The Code of Practice provides guidelines and guidance on the quality assurance and performance management of commissioned regulated services, promoting the importance of embedding a culture of continuous learning and improvement. The

Code of Practice includes guidelines and guidance on decommissioning services and emphasises the importance of ensuring service continuity to meet people's care and support needs and support their well-being. The Code of Practice provides clarity about the role and responsibilities of local authorities, Local Health Boards and NHS trusts in Wales.

A 12-week [consultation](#) was undertaken between 7 April 2025 and 30 June 2025 on the draft Code of Practice. The consultation was drawn to the attention of key stakeholders including local authorities, Local Health Boards and NHS trusts in Wales, Regional Partnership Boards, sector representative bodies, Older People's Commissioner, Children's Commissioner, Care Inspectorate Wales and Social Care Wales. The consultation was highlighted through social media and the Care Inspectorate Wales newsletter.

Impact

The Code of Practice will reflect the legislative changes introduced via the 2014 Act and 2016 Act for person-centred care and support, individual voice and control, and continuous improvement. The Code of Practice is intended to be considered alongside *The National Framework for the Commissioning of Care and Support in Wales: Code of Practice* which sets out the principles and standards for commissioning practices.

The Code of Practice has greater reach as it applies to Local Health Boards and NHS trusts in Wales, as well as local authorities. The Welsh Ministers will direct Local Health Boards and NHS trusts in Wales to exercise their functions in accordance with the relevant provisions of the Code of Practice, thereby providing comparable legal force with local authorities. The Code of Practice will apply to all regulated care and support services registered with CIW under the 2016 Act.

The Code of Practice will provide guidance and guidelines to support a consistent approach across Wales whilst enabling flexibility for local and regional processes. Local authorities, Local Health Boards and NHS trusts in Wales will be required to comply with a single Code of Practice as opposed to several different local authority interpretations of the existing statutory guidance. Similarly, a single Code of Practice will provide clarity and certainty for regulated service providers including those operating across different local authority or Local Health Board areas, and those providing other regulated services.

The Code of Practice includes requirements, guidance and guidelines on the quality assurance and performance management of commissioned regulated services, promoting the importance of embedding a culture of continuous learning and improvement. The Code of Practice sets out the requirements and good practice to mitigate issues within a service expediently and efficiently prior to reaching the escalating concerns stage.

The Code of Practice includes requirements, guidance and guidelines on decommissioning services and emphasises the importance of ensuring continuity of service to meet people's care and support needs and support their well-being. The Code of Practice acknowledges the importance of maintaining the skills, knowledge

and experience of staff. The Code of Practice recognises there can be more than one commissioner of a service and supports effective and efficient decommissioning management.

The Code of Practice provides clarity on the roles and responsibilities for the commissioners of services, the regulated service providers, Care Inspectorate Wales and Social Care Wales. This will contribute towards more efficient working practices and minimise duplication.

Cost and savings

Local authorities, Local Health Boards and NHS trusts in Wales and service providers will need time to become familiar with the content of the Code of Practice and to review their policies and procedures. We anticipate this will include Heads of Adult and Children's Social Services, senior commissioning managers, contract managers, contract monitoring officers, quality assurance leads, and legal and procurement officers. At an organisational level local authorities, Local Health Boards and NHS trusts in Wales will need to review their policies and procedures in order to comply with the requirements of the Code of Practice.

It is estimated it will take approximately 396 hours per statutory organisation, with a staff time cost of £7,260. There are 22 local authorities, seven Local Health Boards, the Joint Commissioning Committee (incorporating any commissioning activity by NHS trusts in Wales) and the Children's Commissioning Consortium Cymru. This equates to an approximate cost of £236,260 overall to implement the Code of Practice.

There will also be a cost for registered service provider managers and Responsible Individuals in terms of their time for familiarisation with the Code of Practice. The estimated cost is £550 per organisation, refer to the table below:

Occupation	Hourly gross pay (Wales, median, 2024)	Hourly gross pay including on- costs (30%)	Cost for RIs and managers to familiarise themselves with ratings (assumes 10 hours)
H&SS Managers and Directors	£20.87	£27.13	£271.30
Managers and Proprietors in Health and Care Services	£21.45	£27.89	£278.90

Earnings and hours worked, region by occupation by four-digit SOC: ASHE Table 15

- Office for National Statistics

The table below states the number of services registered with Care Inspectorate Wales under the 2016 Act as of 23 October 2025.

Service type	Number of services
Adoption Service	6
Adult Placement Service	8
Advocacy Service	2
Boarding School	12
Care Home Service	1424
Adults and Children Without Nursing	19
Adults With Nursing	248
Adults Without Nursing	780
Children's Home	377
Domiciliary Support Service	769
Fostering Service	22
Further Education College	3
LA Adoption Agency	20
LA Fostering Service	22
Residential Family Centre	5
Residential Special School	3
Secure Accommodation Service	1
Special School Residential Service	4
Total	2301

We anticipate a proportion of these costs will be offset in the future through clarity of roles and responsibilities, more efficient work practices and minimising duplication. The Code of Practice is not expected to result in any significant changes in working practices and therefore there are no additional ongoing costs for local authorities, Local Health Boards and NHS trusts in Wales.

The resources required for the development of the Code of Practice have already been met through existing resources and are considered sunk costs and can be disregarded. The Code of Practice will be published on the Welsh Government website at no additional cost. The Directions will be published on the NHS management section of the Welsh Government website at no additional cost.

Collaboration and involvement

The Welsh Government, in collaboration with Commissioning Care Wales (now part of the National Office for Care and Support), has engaged with commissioners, service providers, Care Inspectorate Wales, Social Care Wales and representative sector bodies on the proposed Code of Practice. A public [consultation](#) was undertaken between 7 April 2025 and 30 June 2025 on the draft Code of Practice. The consultation was drawn to the attention of key stakeholders including local authorities, Local Health Boards, NHS trusts in Wales, Regional Partnership Boards,

sector representative bodies, Older People's Commissioner, Children's Commissioner, Care Inspectorate Wales and Social Care Wales. The consultation was highlighted through social media and the Care Inspectorate Wales newsletter.

In total, the Welsh Government received forty-one consultation responses, of which three were from individuals, and thirty-four responses were on behalf of organisations, with the remainder not specifying.

Section 8. Conclusion

8.1 How have people most likely to be affected by the proposal been involved in developing it?

The Welsh Government has undertaken a public [consultation](#) on the draft Code of Practice. The consultation documents were published bilingually and in an easy read format on the Welsh Government's website and contained a response form which could either be submitted via email or in hard copy.

Below is a list of stakeholders invited to respond to the consultation:

- Local Authority Lead Members for Social Care
- Local Authority Chief Executives
- Directors of Social Services
- Heads of Children's Services
- Heads of Adults' Services
- NHS Chairs
- NHS Chief Executives
- NHS Board Secretaries
- NHS Wales Joint Commissioning Committee
- NHS Executive
- Welsh NHS Confederation
- Welsh Local Government Associated (WLGA)
- Association of Directors of Social Services Cymru (ADSSC)
- Regional Partnership Board Chairs and Vice Chairs
- Regional Partnership Board Leads
- Care Inspectorate Wales (CIW)
- Social Care Wales (SCW)
- Children's Commissioner for Wales
- Information Commissioner's Office (ICO)
- Older People's Commissioner for Wales
- Welsh Language Commissioner for Wales
- Future Generations Commissioner for Wales
- Public Service Ombudsman for Wales
- Audit Wales
- Care Forum Wales
- National Provider Forum
- Welsh Council for Voluntary Action (WCVA)
- Children in Wales

- Equality and Human Rights Commission
- Disability Wales
- Llais (Citizen Voice Body)
- Ministerial Advisory Forum on Ageing
- Regional Safeguarding Boards Chairs
- Regional Safeguarding Boards Business Coordinators
- Regional Safeguarding Boards Business Managers
- Children's Homes Association
- Children's Commissioning Consortium Cymru (4Cs)
- Homecare Association
- National Adoption Service Cymru
- Foster Wales
- Shared Lives
- Code of Practice stakeholder group

8.2 What are the most significant impacts, positive and negative?

The most significant impacts will be experienced by local authorities, Local Health Boards and NHS trusts in Wales as commissioners of regulated care and support services registered with Care Inspectorate Wales.

The Code of Practice will reflect the legislative changes introduced via the 2014 Act and 2016 Act for person-centred care and support, individual voice and control, and continuous improvement. The Code of Practice is intended to be considered alongside *The National Framework for the Commissioning of Care and Support in Wales: Code of Practice* which sets out the principles and standards for commissioning practices.

The Code of Practice has greater reach as it will apply to Local Health Boards and NHS trusts in Wales as well as local authorities. The Welsh Ministers will direct Local Health Boards and NHS trusts in Wales to the Code of Practice thereby providing comparable legal force with local authorities. The Code of Practice will apply to all regulated care and support services registered with CIW under the 2016 Act.

The Code of Practice applies to all commissioned regulated care and support services for adults and children registered with Care Inspectorate Wales. The previous statutory guidance related solely to adult care homes.

The Code of Practice will provide guidance and guidelines to support a consistent approach across Wales whilst enabling flexibility for local and regional processes. Local authorities, Local Health Boards and NHS trusts in Wales will be required to comply with a single Code of Practice as opposed to several different local authority interpretations of the existing statutory guidance. Similarly, a single Code of Practice will provide clarity and certainty for regulated service providers including those operating across different local authority or Local Health Board areas and those providing other regulated services.

The Code of Practice includes requirements, guidance and guidelines on the quality assurance and performance management of commissioned regulated services,

promoting the importance of embedding a culture of continuous learning and improvement. The Code of Practice sets out the requirements and good practice to mitigate issues within a service expediently and efficiently prior to reaching the escalating concerns stage.

The Code of Practice includes requirements, guidance and guidelines on decommissioning services and emphasises the importance of ensuring continuity of service to meet people's care and support needs and support their well-being. The Code of Practice acknowledges the importance of maintaining the skills, knowledge and experience of staff. The Code of Practice recognises there can be more than one commissioner of a service and supports effective and efficient decommissioning management.

The Code of Practice provides clarity on the roles and responsibilities for the commissioners of services, the regulated service providers Care Inspectorate Wales and Social Care Wales. This will contribute towards more efficient working practices and minimise duplication.

There are no significant negative impacts identified.

8.3 In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
- **avoid, reduce or mitigate any negative impacts?**

The Code of Practice supports the delivery of the Programme for Government – Healthier and More Equal well-being goals by ensuring the regulatory framework aligns with the aspirations within the 2014 Act and the 2016 Act.

No actions are required to avoid, remedy, or mitigate a negative impact as no negative impacts have been identified.

8.4 How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

The impact of the Code of Practice will be monitored by the National Office for Care and Support.