

WGDB25-26(6)54 Pobl Care & Support,

Senedd Cymru | Welsh Parliament

Y Pwyllgor Cyllid | Finance Committee

Cyllideb Ddrafft Llywodraeth Cymru 2025-26 | Welsh Government Draft Budget 2025-26

Ymateb gan Pobl Care & Support, | Evidence from Pobl Care & Support,

1. What, in your opinion, has been the impact of the Welsh Government's 2024-2025 Budget?

Please outline your reasons for your answer to question 1 (we would be grateful if you could keep your answer to around 500 words).

The Welsh Government's commitment to pay the Real Living Wage (RLW) to Social Care workers is not being honoured by some commissioners both Local Authorities and Health Boards. Some Commissioners directly note that there is not an obligation to pay RLW nor to fund it. Furthermore, that they do not have a sufficient budget to pass on the funding for the RLW onto commissioned services. Funding increases and uplifts were not sufficient to cover the cost to track and pay the RLW. As an organisation we have honoured the commitment but the under recovery of the cost to pay RLW has left a deficit for our Social Care commissioned and regulated services.

2. How financially prepared is your organisation for the 2025-26 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

Please outline your reasons for your answer to question 2 (we would be grateful if you could keep your answer to around 500 words).

The gap or deficit in funding the RLW in the current year will be compounded by the increase costs directly caused by the changes in employers national insurance and further increases to the National and Real Living Wage. Although we fully support increased salaries for the social care workforce and believe we should go further as part of driving the professionalisation of the workforce and sector, these costs may be crippling for commissioned providers who provide much of the provision across Health and Adult Social Care. Due to the service nature of the sector, relevant low salaries, and part time nature of the workforce we see a disproportionate financial impact on Social Care Services, both in terms of total sum and percentage increase. The increase cost for NI and RLW alone for our Care Inspectorate Wales Registered

Services is in excess of £1.3m for 2025/26 excluding the current 2024/26 year's shortfall and in maintaining salary differentials between supervisory roles.

We need Welsh Government's commitment to the Real Living Wage to be re-iterated and furthermore strengthened as a legal obligation for Social Care Workers registered with Social Care Wales.

Sufficient budgets need to be provided to Local Authorities and Health Boards to fund the commitment to the RLW and the additional Employer National Insurance contributions and to explicitly include commissioned services. Furthermore, funding the commitment and increase costs regarding RLW and National Insurance needs to be ringfenced for commissioned services to ensure that it goes where it is intended and critically needed.

3. What action should the Welsh Government take to:

- help households cope with inflation and cost of living issues;
- address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and in supporting economies within those communities?

(We would be grateful if you could keep your answer to around 500 words).

Welsh Government's commitment to the Real Living Wage needs to be re-iterated and furthermore strengthened as a legal obligation for Social Care Workers registered with Social Care Wales. Additional funding needs to be provided and ringfence to enable this, including for commissioned services.

4. Have Welsh Government business support policies been effective, given the economic outlook for 2025-26?

(We would be grateful if you could keep your answer to around 500 words).

5. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

(We would be grateful if you could keep your answer to around 500 words).

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

(We would be grateful if you could keep your answer to around 500 words).

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?

(We would be grateful if you could keep your answer to around 500 words).

Welsh Government's commitment to the Real Living Wage needs to be re-iterated and furthermore strengthened as a legal obligation for Social Care Workers registered with Social Care Wales. Additional funding needs to be provided and ringfence to enable this, including for commissioned services.

How could the budget further address gender inequality in areas such as healthcare, skills and employment?

(We would be grateful if you could keep your answer to around 500 words).

The Social Care Workforce is disproportionately female, as a sector it is relatively low paid, has high turnover and sickness levels, and basic terms & conditions. A re-iteration and strengthening of the position that all roles registered with Social Care Wales MUST be paid the Real Living Wage as a minimum would contribute to addressing the gender pay differentials.

Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

(We would be grateful if you could keep your answer to around 500 words).

How should the Welsh Government explain its funding decisions, including how its spending contributes to addressing policy issues?

(We would be grateful if you could keep your answer to around 500 words).

How can the documentation provided by the Welsh Government alongside its Draft Budget be improved?

(We would be grateful if you could keep your answer to around 500 words).

How should the Welsh Government prioritise its resources to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

(We would be grateful if you could keep your answer to around 500 words).

Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

(We would be grateful if you could keep your answer to around 500 words).

Has there been adequate investment from the Welsh Government in basic public sector infrastructure.

(We would be grateful if you could keep your answer to around 500 words).

How should the Budget support young people?

(We would be grateful if you could keep your answer to around 500 words).

How is evidence and data driving Welsh Government priority-setting and budget allocations, and is this approach clear?

(We would be grateful if you could keep your answer to around 500 words).

Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?

(We would be grateful if you could keep your answer to around 500 words).

Local Authorities and Health Boards commission the third sector to deliver a large proportion of Adult Health & Social Care. These commissioned services are impacted heavily and disproportionately by the direct costs relating to the changes in employers National Insurance contributions and increases to the National and Real Living Wage. These costs and its compounding nature is likely to have a devastating impact on both the third and social care sector.

The increase cost for NI and RLW alone for our Care Inspectorate Wales Registered Services is in excess of £1.3m for 2025/26 excluding the current 2024/26 year's shortfall and in maintaining salary differentials between supervisory roles.

Immediate action is required, namely providing ringfenced funding for commissioned health and social care to meet the increased costs associated with National Insurance contributions and Real Living Wage. As there is a shortfall in meeting the real living wage in 2024/25, this funding needs to include re-instating the Real Living Wage as well as tracking the year-on-year increase.

What are the key opportunities for the Welsh Government to invest in supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations (Wales) Act 2015?

(We would be grateful if you could keep your answer to around 500 words).