ADSS Cymru
Yn arwain Gwasanaethau Cymdeithasol yng Nghymru
Leading Social Services in Wales

Autumn 2026

Removing profit from the care of children who are looked after in Wales

The Association of Directors of Social Services (ADSS) Cymru is the professional and strategic leadership organisation for social services in Wales.

This briefing provides an update on our work to support local authorities to implement the Health and Social Care (Wales) 2025 Act, which will impact the way local authorities find homes for the children and young people we have a duty to look after.

These updates may of interest to Regional Partnership Boards, Safeguarding Boards and other colleagues across Wales who interact with children and young people day-to-day. This may be in education, justice, health, or other sectors.

The most up-to-date information about removing profit is on the Welsh Government website.

You can also sign up the ADSS Cymru quarterly newsletter which includes removal of profit updates.

Sufficiency planning

Drafting of Annual Sufficiency Plans (ASPs) by local authorities is now at an advanced stage ahead of the 1 December deadline for submission of initial drafts to Welsh ministers. Support for councils from ADSS Cymru and the Children's Commissioning Consortium Cymru (4Cs) is ongoing in relation to narrative on regional and national priorities, cover reports for internal decision-making, demand and financial forecasting and data extraction and verification.

The Sufficiency Planning Regulations, which were subject to Welsh Government consultation earlier in the year, have been laid before the Senedd and are expected to come into force on 26 October, subject to scrutiny by Senedd members. Further substantive changes are not anticipated, meaning that by following the current template and guidance local authorities can be confident they will be meeting their statutory obligations in relation to their ASPs.

Response to Welsh Government consultation

A composite local government response to the Welsh Government consultation on restrictions to additional not-for-profit provision from April 2027 and transitional arrangements for foster carers enabling continuity of care was submitted in September. The response was broadly in support of the proposed arrangements, although it called for maximum flexibility in transitional arrangements to prevent placement and market instability, and reiterated the need for close collaborative monitoring of the impact of changes by all relevant agencies so that unintended consequences and risks can be mitigated quickly and effectively.

Developing sufficiency in children's residential care

Work has continued with local authorities to strengthen the evidence supporting local sufficiency planning. Updated Forecasting Future Demand reports are now being issued to colleagues, bringing together historic placement activity, current local data and future scenarios to provide a clearer picture of how demand may change over the coming years. The process is also helping to improve understanding of local data, identify where assumptions need to be tested, and support more informed planning for residential care, fostering and other forms of provision.

Developing the fostering cost model

Further work has been undertaken with Foster Wales to develop a national fostering cost model. A core logic model is now established, providing a framework for understanding the costs associated with recruiting, approving and supporting foster carers. The work is also helping to identify where greater consistency and improved data will strengthen future planning. The next stage will be to refine the model further with Foster Wales and develop the evidence base around ongoing costs and investment requirements.

Sharing learning with English colleagues

In September, ADSS Cymru's removal of profit team presented to a well-attended session hosted by the Association of Directors of Children's Services, sharing the Welsh experience of implementing the removal of profit reforms and the wider work underway on sufficiency and market development. The discussion generated a wide range of practical questions from English colleagues, particularly around implementation, cross-border placements and provider transition.

Lunch and learn webinars

ADSS Cymru hosts quarterly removal of profit webinars for children's social care teams across Wales. The content and discussions may be relevant to others working with children and young people in care. You can read bilingual summaries of recent events on our website.

The next webinar will take place on **Tuesday 12 January**, at 12noon. It will focus on supporting people to have confident conversations about removal of profit with teams and foster carers. If you are interested in joining, please email removalofprofit@adss.cymru and your request will be considered.

Frequently asked questions

A set of FAQs has been drafted to respond to some recurring questions raised and support further understanding of the removal of profit agenda. These represent a point in time – October 2026 – and are available on our website.

Partner removal of profit newsletter

The Welsh Government produces a quarterly newsletter including updates from all partners involved in the delivery of the removal of profit agenda. You can read the latest issues on the Welsh Government website.

Working together

Our highest priority is to ensure continuation and quality of care for the children we look after. Local authorities across Wales are working together to implement the changes necessary to

respond to the legislation. The transition requires substantial resources and planning, as well as effective communication, consultation, and engagement with all our stakeholders.

As your teams may be engaging with some of the same children and young people, we want to make sure your teams are aware of the policy changes and the preparation happening.

We will continue to update you as work progresses. In the meantime, if you have any queries for ADSS Cymru, please email: removalofprofit@adss.cymru