Royal College of Paediatrics and Child Health Cymru

Leading the way in Children's Health

Royal College of Paediatrics and Child Health Wales response to the Finance Committee's call for information – Welsh Government Draft Budget proposals 2027-28

September 2026

The Royal College of Paediatrics and Child Health (RCPCH) Wales welcomes the opportunity to respond to the Finance Committee's call for information ahead of publication of the Welsh Government's Draft Budget 2027-28.

Summary

- We reiterate our call for the Welsh Government to complete a Children's Right Impact Assessment (CRIA) on the draft budget which sets out the impact of spending decisions on children and young people in Wales. This would demonstrate leadership in children's rights and ensure spending decisions reflect the needs of children and young people.
- We welcome the new Welsh Government's focus on cutting waiting times, building a health and care service fit for the future, supporting families with the cost of living and tackling child poverty. However, our members remain concerned that children's health continues to receive insufficient strategic focus and investment. We believe reducing waiting times for babies, children and young people should be given greater priority, recognising the lifelong consequences that delays can have for health, development and future life chances. Action to reduce waiting times for children should be shaped by meaningful engagement with children, young people and their families, alongside child health clinicians, to ensure it genuinely meets their needs.
- We also urge the Welsh Government to consider a Child Health Investment Standard to ensure children's services receive sustained investment.
- Our latest *State of Child Health*[1] report shows that, unless children's health is prioritised and backed by adequate funding, Wales risks raising one of the unhealthiest generations in decades. Across almost all key indicators, outcomes have either deteriorated or stagnated, with children living in the most deprived communities experiencing the poorest outcomes. An equitable approach to funding is therefore essential to address the unacceptable gap in child health outcomes between the most and least deprived communities in Wales.
- RCPCH Wales supports increased investment in prevention and early intervention and welcomes the Welsh Government's exploration of a Prevention Departmental

[1] State of Child Health 2026, RCPCH (September 2026): https://www.rcpch.ac.uk/sites/default/files/2026-09/soch26_wales-digital_final.pdf

Expenditure Limit (PDEL)[2]. However, for this reform to achieve its full potential, it must be accompanied by a clear definition of preventative spending, a commitment to increasing preventative investment over time, robust protection from in-year budget reallocations and a strong focus on interventions that support babies, children and young people, particularly in the first 1,000 days of life. Only then will it provide a meaningful mechanism for shifting public spending towards prevention and delivering better long-term outcomes for the people of Wales.

How should the Welsh Government prioritise funding based on its stated priorities, and what areas of current spending could be de-prioritised?

RCPCH Wales welcomes the Welsh Government's focus on reducing NHS waiting times, tackling child poverty and helping families with the cost of living[3]. Given the constrained fiscal environment, we believe funding decisions should prioritise interventions that improve outcomes against these priorities.

We believe the Welsh Government should place a greater emphasis on reducing waiting times for babies, children and young people. Although waiting times remain a challenge across NHS Wales, long delays for children have distinct and potentially lifelong consequences. Unlike adults, children should be thriving with rapid physical, cognitive and emotional development. Delays to diagnosis and treatment can therefore have lasting impacts on educational attainment, social development, mental health and future life chances[4] including their future contribution to society.

Recent data demonstrates the scale of the challenge. While total pathways involving children (0-18 age group) fell during 2025, the number has begun rising again, increasing from 52,302 in March 2026 to 54,362 in June 2026. Particularly concerning is the rise in long waits. Between March and June 2026, the number of 0-18 pathways waiting more than 52 weeks increased by 3.7%, from 5,452 to 5,655. By contrast, across NHS Wales as a whole, pathways waiting more than 52 weeks fell by almost 1% over the same period. This suggests that children and young people are not benefiting from waiting-list reductions to the same extent as the wider population[5].

Pathways involving children now account for a larger share of overall NHS waiting pathways than they did a year ago, rising from 7.1% of all pathways in June 2025 to almost 7.8% in June 2026. While children represent a minority of patients on waiting lists, the consequences of

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[2] The First 100 Days Plan included a commitment to "Instruct Welsh Treasury officials to explore the feasibility of establishing a designated Preventative Departmental Expenditure Line (PDEL) within the Welsh budget for 2027-2028" – The First 100 Days Plan: May to August 2026, July 2026: https://www.gov.wales/first-100-days-plan-may-august-2026-html

[3] Statement by the First Minister: The First Minister's Priorities, Record of Proceedings, 19 May 2026: https://record.senedd.wales/Plenary/16053#A106372

[4] Worried and Waiting: A Review of Paediatric Waiting Times in Wales (2024), RCPCH Wales: https://www.rcpch.ac.uk/sites/default/files/2024-02/Worried-and-waiting-Wales-English.pdf

[5] NHS waiting lists: pathways waiting 26 weeks, 36 weeks, one year and two years, StatsWales (date accessed: 16 September 2026) - https://stats.gov.wales/en-GB/3ef3a1d8-1467-4afe-ad60-4fc3d92228a1/filtered/hwqjdtnenpm5?page_size=25#dataset-nav

delays are often more serious. Long waits can result in missed developmental opportunities, worsening physical and mental health conditions, poorer educational outcomes and increased pressure on health, education and social care services later in life. Prioritising children's waiting times should therefore be viewed not simply as additional NHS expenditure, but as an investment in prevention and early intervention. By acting earlier, the Welsh Government can prevent needs from escalating into more complex and costly issues, reducing future demand on public services and delivering better outcomes for children and families.

Alongside investment to reduce waiting lists, we believe the Welsh Government should explore whether current waiting time targets sufficiently reflect the needs of babies, children and young people. Delays during childhood can have significant developmental consequences that differ from those experienced by adults. Consideration should therefore be given to a dedicated paediatric waiting time standard to ensure children's needs are appropriately prioritised within NHS planning and performance management. Such an approach would better reflect the principle that every child should have the best possible start in life.

More broadly, we believe tackling child poverty should be at the heart of the Draft Budget. Child poverty is both a social and economic challenge that drives poorer health, educational and employment outcomes. In Wales, around one-third of children live in poverty, rising to almost half of children aged under five. Poverty is strongly associated with poorer physical and mental health outcomes and increased demand on public services throughout a person's life. Funding decisions should therefore prioritise measures that reduce child poverty, improve family incomes and strengthen support in the early years.

Given the uncertainty surrounding future funding settlements, the Welsh Government should prioritise expenditure that delivers long-term value, prevents future demand and improves outcomes for future generations. In practical terms, this means protecting and prioritising investment in early years services and wider child health services, such as health visiting, school nursing, speech and language therapy and mental health. By contrast, RCPCH Wales would be concerned by any further erosion of preventative and community-based services to fund short-term pressures elsewhere in the system. Such an approach may provide temporary relief but risks storing up greater costs and poorer outcomes in the years ahead.

How could the budget be allocated more efficiently?

RCPCH Wales believes that the most efficient use of limited resources within the health MEG is to prioritise prevention, early intervention and timely access to services. The prevailing approach, which sees spending concentrated on managing crisis and acute demand rather than allocating an appropriate level of funding towards preventing problems from escalating, is neither financially sustainable nor consistent with the Welsh Government's ambitions to improve health outcomes and reduce inequalities.

Investment in children delivers the greatest long-term return because childhood is the period when health, wellbeing and life chances are shaped. Early action can prevent minor health concerns developing into more complex conditions, reducing future demand on the NHS, education system and social care services. Conversely, failing to intervene early stores up greater costs for the future and risks poorer outcomes throughout adulthood.

The evidence increasingly suggests that Wales is at risk of raising a generation of children with worsening health outcomes. RCPCH's latest State of Child Health findings show concerning trends across a number of indicators, including obesity, oral health and emotional wellbeing[6]. Our assessment is that outcomes have either worsened or stagnated across many measures, with the greatest impact felt by children living in deprived communities.

For this reason, the Welsh Government should allocate resources towards services that support children at the earliest possible stage, including health visiting, school nursing, speech and language therapy, community paediatrics, mental health support and neurodevelopmental services. These services help identify needs early, provide support before problems escalate and reduce demand for more expensive specialist interventions later. Protecting and strengthening these services would represent a more efficient use of public funds over the longer term rather than continually responding to avoidable crises.

The Welsh Government should also ensure that spending decisions actively contribute to reducing child poverty. Poverty is one of the strongest determinants of poor health and is associated with higher demand for public services throughout life. Targeting resources towards measures that improve children's health, wellbeing and family circumstances will deliver benefits across multiple portfolios, including health, education, social care and economic development.

In practical terms, budget efficiency should not be judged solely on short-term savings. It should be assessed by whether spending reduces future demand, improves outcomes and delivers long-term value. Prioritising babies, children and young people achieves all three objectives. Investment in prevention and early intervention offers one of the strongest opportunities available to the Welsh Government to improve population health, support economic prosperity and secure the long-term sustainability of public services.

RCPCH Wales therefore recommends that the Welsh Government prioritise spending that:

- protects and strengthens early years services and family support;
- ensures babies, children and young people can access timely, high-quality care that meets their needs and improves outcomes, with greater emphasis on prevention and early intervention alongside reducing waiting times
- expands access to community-based physical and mental child and adolescent health services;
- supports safe and sustainable staffing levels across paediatric and child health services
- targets resources towards areas of greatest deprivation and need; and
- improves child health data and digital infrastructure to support more effective service planning

[6] State of Child Health 2026: about our report: https://www.rcpch.ac.uk/resources/state-of-child-health

What is the single biggest issue in the budget that would make a difference to your organisation?

RCPCH Wales continues to support calls from Senedd Committees, the Children's Commissioner for Wales and children's organisations for the Welsh Government to undertake and publish a dedicated Children's Rights Impact Assessment (CRIA) as part of the budget-setting process. Despite repeated recommendations over many years, no such assessment has yet been produced. RCPCH Wales believes the production and publication of a CRIA of its Draft Budget 2027-28 proposals would be the single biggest action the new Welsh Government could take to improve children's health and wellbeing outcomes in Wales.

The Children, Young People and Education Committee in the Sixth Senedd adopted a pragmatic approach and recommended that the Welsh Government at least trial a CRIA focused on allocations within the Health and Social Care Main Expenditure Group (MEG)[7]. Given the significant proportion of health spending allocated through the Core NHS Allocations budget line, and the difficulty in identifying how much funding ultimately reaches children's health services, this represented a proportionate and practical first step towards improving transparency and accountability. Even this first step was rejected.

The previous Welsh Government consistently argued that the use of the Strategic Integrated Impact Assessment (SIIA) as part of the Draft Budget process provides a comprehensive assessment of budget impacts, including on children and young people. While we acknowledge the value of the SIIA, we remain of the view that this is not an adequate substitute for a dedicated Children's Rights Impact Assessment. Children and young people are affected by decisions across virtually every area of government spending, yet their interests can easily be overlooked when considered alongside a wide range of other competing priorities and impact categories. A standalone CRIA would provide a more systematic assessment of how budget decisions advance or undermine children's rights under the United Nations Convention on the Rights of the Child (UNCRC), helping ministers, officials and external stakeholders understand the likely consequences of spending choices for babies, children and young people.

A dedicated CRIA would also help address a longstanding weakness in budget scrutiny. As the Sixth Senedd's Children, Young People and Education Committee has previously highlighted, it is often impossible to determine from published budget documents what proportion of health spending is directed towards services that support children and young people. Without greater visibility of how funding decisions affect children's health, wellbeing and life chances, there is a risk that more services for children become deprioritised in favour of more immediate pressures elsewhere in the system. A CRIA would provide an important mechanism for ensuring that children's interests are explicitly considered during budget development, rather than assessed retrospectively.

This is particularly important given the persistent health and wellbeing challenges facing children and the child health workforce in Wales. Our recent State of Child Health report shows that too many children continue to experience the effects of poverty, poor physical and mental

[7] Welsh Government Draft Budget 2026/27: Report by the Children, Young People and Education Committee, December 2025: https://laiddocuments.senedd.wales/cr-ld17630-en.pdf

health, unequal access to services and worsening health outcomes[8]. Paediatricians across Wales see daily the impact that these challenges have on children and families. Budget decisions made today will shape whether Wales succeeds in improving vaccination uptake, reducing childhood obesity, tackling oral health inequalities, supporting children's mental health and ensuring all children have the best possible start in life. A CRIA would help ensure that these long-term considerations are fully reflected in financial decision-making.

As the new Welsh Government considers how to strengthen preventative spending, improve public service outcomes and embed long-term thinking within the budget process, there is a clear opportunity to revisit this issue. Undertaking and publishing a Children's Rights Impact Assessment, initially on the Health and Social Care MEG if necessary, would demonstrate a tangible commitment to the UNCRC and help ensure that the needs of babies, children and young people are given proper consideration in decisions about public spending. It would also provide a valuable foundation for more transparent scrutiny of how public resources are being used to improve children's health and wellbeing across Wales.

Allied to the necessity of a publicly available CRIA for all future Welsh Government budgets is the need for a Child Health Investment Standard. We note that the Welsh Government is committed to rebalancing NHS spending towards primary care. This would primarily be achieved by increasing the proportion of health board budgets devoted to primary care by 0.5% annually from 2027-28 whilst also strengthening community-based healthcare[9]. We support efforts to improve the interface between primary and secondary care and recognise that a stronger primary care system has an important role to play in prevention, early intervention and improving access to services.

However, while the Welsh Government has rightly identified an imbalance in how NHS resources are currently allocated between different parts of the healthcare system, there has been no equivalent recognition of the longstanding imbalance in investment between adult and children's health services. Children account for around one-fifth of the Welsh population, yet children's health services often struggle to secure the visibility, strategic focus and investment afforded to other parts of the NHS. Too often, services for babies, children and young people are viewed as a lower priority because children are generally healthier than adults and have less immediate political visibility within a health system facing significant pressures. However, the latest evidence from our *State of Child Health* report challenges this perception, showing poor and deteriorating health outcomes among a significant proportion of children in Wales.

RCPCH Wales therefore supports the introduction of a Child Health Investment Standard. Modelled on the Mental Health Investment Standard[10] used in England, this would require

[8] State of Child Health in Wales, RCPCH (2026): https://www.rcpch.ac.uk/work-we-do/state-of-child-health/wales

[9] The Welsh Government included a commitment to bring health leaders together to agree to increase health board spending on primary care by 0.5% each year from 2027-28: https://www.gov.wales/new-welsh-government-announces-145-million-boost-nhs-wales

[10] Since 2016, the NHS in England nationally has met its commitment to achieve the Mental Health Investment Standard (MHIS). This sets a minimum rate of growth in annual spend on mental health

health boards to increase spending on children's health services at a faster rate than growth in their overall budgets. The purpose is not to create additional bureaucracy but to ensure that children's health services receive sustained investment as part of annual budget decisions.

The case for such a measure is reinforced by longstanding concerns about transparency and accountability within the NHS budget. The Sixth Senedd's Children, Young People and Education Committee repeatedly highlighted the difficulty of determining how much health spending is directed towards children and young people[11]. Given that the vast majority of NHS funding is distributed through large, unhypothecated allocations to health boards, there is currently limited visibility of whether children are receiving a fair share of investment, how spending decisions are affecting outcomes, or whether progress is being made in addressing gaps in service provision.

This lack of transparency makes effective scrutiny extremely difficult. It also limits the ability of policymakers, clinicians and the public to understand how resources are being used to improve child health. As the Committee concluded in its Legacy Report, there is a need for greater clarity around planning, resourcing and accountability for children's health, alongside better use of data on children's health needs and treatment pathways. Without this information, it remains difficult to assess whether investment decisions are aligned with the needs of babies, children and young people or whether public spending is delivering the outcomes that Wales wants to achieve.

A Child Health Investment Standard would help address this challenge by creating a clear expectation that children's health should be prioritised within NHS planning and investment decisions. Crucially, it would also require more robust reporting and monitoring arrangements, helping to improve transparency around how resources are allocated and what outcomes those resources are delivering.

The introduction of a Child Health Investment Standard would complement, rather than replace, our calls for a Children's Rights Impact Assessment and stronger preventative spending arrangements. Together, these measures would provide a more coherent framework for ensuring that the interests of babies, children and young people are systematically considered during budget development and implementation. While a Children's Rights Impact Assessment would strengthen decision-making and accountability, a Child Health Investment Standard would provide a practical mechanism for ensuring that investment follows those priorities.

Ultimately, if the Welsh Government is serious about improving long-term population health, reducing future pressure on public services and tackling health inequalities, it must recognise that investment in children's health is not simply another spending pressure but one of the most effective long-term investments available to government. The earlier we intervene to support children's health and wellbeing, the greater the benefits for individuals, public services and the

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services in England for all Integrated Care Boards (ICBs). https://www.england.nhs.uk/mental-health/taskforce/imp/mh-dashboard/

[11] Children, Young People and Education Committee Legacy Report, Welsh Parliament (March 2026): https://laiddocuments.senedd.wales/cr-ld18024-en.pdf?IId=37402

Welsh economy. A Child Health Investment Standard would provide a clear, measurable and accountable mechanism for translating that principle into action.

Should budget allocations change to invest more in preventative initiatives that reduce future demand for services? If so, how?

RCPCH Wales continues to believe that preventative spend should be classified as a strategic priority and as such is supportive of proposals to consider introducing a Prevention Departmental Expenditure Limit (PDEL) which would ringfence funding for preventative measures and allocate more funding to preventative and early intervention programmes and activities over the longer term. Investing earlier to improve health outcomes and prevent avoidable illness is one of the most effective ways to reduce future demand on the NHS and wider public services, while also improving outcomes for individuals, families and communities.

While prevention is frequently acknowledged as a policy priority, experience suggests that preventative spending is often vulnerable to being diverted to address short-term operational pressures elsewhere in the system. This approach is ultimately counterproductive. Failure to invest in prevention and early intervention increases the likelihood of poorer health outcomes, higher demand for services and greater costs to the public purse over the longer term.

We therefore welcome the Welsh Government's commitment to explore the feasibility of establishing a Preventative Departmental Expenditure Line (PDEL) within the Welsh budget from 2027-28[12]. If designed and implemented effectively, a PDEL could represent a significant step forward in embedding long-term thinking into budgeting and decision-making. It has the potential to strengthen accountability, improve transparency around preventative spending and provide greater assurance that investment in prevention will be sustained over time.

However, the success of any PDEL will depend on its design. At present, there is limited information available about how such a mechanism would operate in practice. A key issue will be determining which areas of expenditure qualify as preventative spending. If the definition is too broad, there is a risk that resources will be spread too thinly and the impact diluted. If it is too narrow, important preventative interventions may be excluded. The Welsh Government should therefore establish clear criteria, grounded in evidence, to identify and prioritise expenditure that demonstrably improves long-term outcomes and reduces future demand for public services.

There is also a risk that a PDEL could become largely a relabelling exercise if existing spending is simply reclassified as preventative without changing investment decisions or increasing the resources available to preventative programmes. RCPCH Wales would like to see the Welsh Government move beyond identifying and tracking preventative expenditure and commit to growing preventative investment over time. A successful PDEL should provide a mechanism not

[12] The First 100 Days Plan: May to August 2026: https://www.gov.wales/first-100-days-plan-may-august-2026-html

only for greater transparency but also for shifting resources towards interventions that deliver long-term social, health and economic benefits.

RCPCH Wales also believes that any consideration of a new approach to preventative spending must explicitly recognise the importance of investing in the health and wellbeing of babies, children and young people. The evidence is clear that interventions in the earliest years of life generate some of the greatest returns for both individuals and society. Supporting healthy development during childhood improves health, educational attainment and economic outcomes across the life course, while reducing future demand on health, social care and other public services[13]. Equally, childhood often represents a critical window in which action can prevent poor health outcomes from becoming entrenched, leading to lifelong consequences and higher costs later on.

As the Welsh Government develops its approach to preventative spending, it should therefore ensure that services and programmes supporting babies, children, young people and families are recognised as a core component of any preventative investment strategy. This includes sustained investment in Flying Start, the Healthy Child Wales Programme, health visiting services, mental health support in schools and communities, vaccination programmes and wider public health interventions.

We also welcome the Welsh Government's commitment to shift NHS resources towards primary care and to increase the proportion of health board budgets dedicated to primary care over time[14]. A stronger primary and community care system has an important role to play in prevention and early intervention. Investment in services for babies, children and young people must not be overlooked within this broader agenda, particularly given the substantial long-term benefits associated with improving child health outcomes.

About the Royal College of Paediatrics and Child Health (RCPCH)

RCPCH works to transform child health through knowledge, innovation and expertise. The RCPCH is responsible for training and examining paediatricians. We also advocate on behalf of members, represent their views and draw upon their expertise to inform policy development and the maintenance of professional standards. We have over 25,000 members with around 600 members in Wales.

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[13] Rand Health Quarterly (2018): https://pmc.ncbi.nlm.nih.gov/articles/PMC6075808/ and Geelhoed E, Mandzufas J, George P*, et al*
Long-term economic outcomes for interventions in early childhood: protocol for a systematic review *BMJ Open (*2020): https://bmjopen.bmj.com/content/10/8/e036647.citation-tools

[14] The First 100 Days Plan: May to August 2026: https://www.gov.wales/first-100-days-plan-may-august-2026-html