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Mark Drakeford AM  
Minister for Health and Social Services  
Welsh Government  
Tŷ Hywel  
Pierhead St  
National Assembly for Wales  
Cardiff  
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**Dear Mark Drakeford AM,**

CC: First Minister Carwyn Jones, Andrew RT Davies, Leanne Wood, Kirsty Williams, Nick Ramsay, Elin Jones

**The impact of the National Living Wage on the care sector in Wales**

As a group of representative organisations for both commissioners and providers we are writing out of very real concern for the future viability of the care sector and other sectors that utilise support services.

Please find enclosed our initial report for your consideration.

This report draws out the key concerns for the care sector in particular, but also other sectors that operate on a similar level, such as Supporting People providers.

We are very clear that plans to introduce a National Living Wage are a positive step to acknowledge the vital role care workers play in caring for people using services. However, our concern lies in how the sector can continue to pay for the proposed increase during a period of austerity.

Our attached report aims to be positive, but also to clearly set out the very real concerns we have about the viability of service provision in many areas of Wales.

**Wales is facing the very real risk of a Southern Cross style collapse in specific sectors. There is very real uncertainty around the sustainability of the care sector currently.**

We have identified some potential ways forward we can take together. But we are clear that the sector needs support and leadership from the Welsh Government in order to meet these very real concerns.

We hope you will see this report in the constructive spirit in which it is intended. Many providers are very worried about the immediate future. Action is needed, quickly.

We look forward to hearing from you.

Yours,

**Dave Street, Vice-President, Association of Directors for Social Services Cymru (ADSSC)**



**Peter Randall, National Provider Forum / United Kingdom Homecare Association**



**Mario Kreft, Care Forum Wales**



**Auriol Miller, Cymorth Cymru**



**Simon Hatch, Carers Trust**



**Anne Jones, Age Cymru**



**Jim Crowe, Learning Disability Wales**



With support from the Expert Reference Group Domiciliary Care, Welsh Reablement Alliance and Wales Alliance on Mental Health.