WHITE PAPER

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Rebalancing the Care Market in Wales: Using capital investment to gain control of cost

Insights from 31ten's
Senior Leaders Virtual Roundtable

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Introduction

Councils across Wales face rising demand for care, escalating placement costs and an increasingly fragile provider market. At the same time, Welsh Government's rebalancing care agenda, and its commitment to removing profit from the care of looked-after children, is asking local authorities to rethink their relationship with the care market.

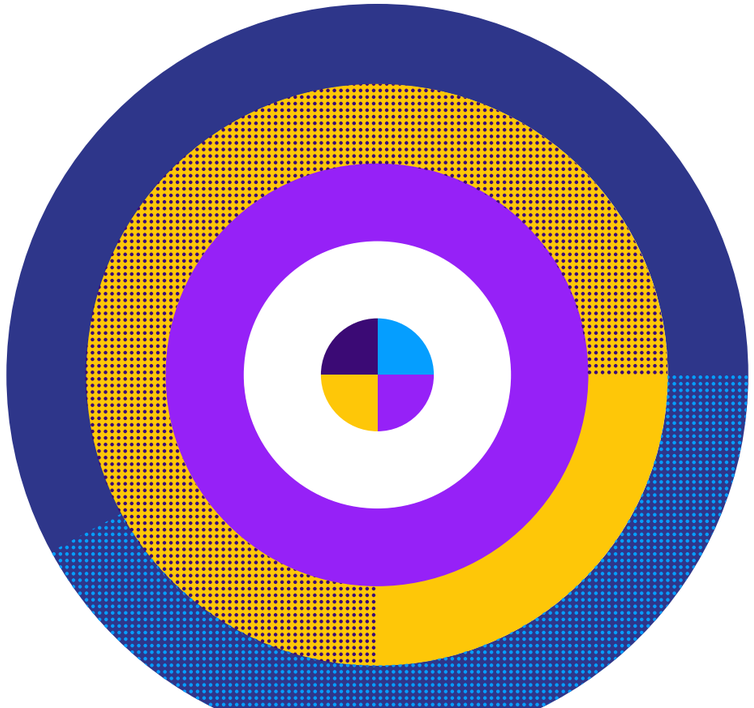
Capital investment, done well, is a really powerful lever available to local authorities to shift that balance. But it raises a critical question:

How can councils use capital and existing assets to reshape their local care market, and make sure the building acts as an enabler to deliver the transformation, rather than the building becoming the end goal?

31ten convened a virtual roundtable bringing together senior leaders from Carmarthenshire County Council, Pembrokeshire County Council and the West Wales Regional Partnership Board, who have used Welsh Government's Integration and Rebalancing Capital Fund (IRCF) to bring more accommodation-based care services in-house.

With future funding arrangements for the IRCF now confirmed, to provide greater stability and certainty for partners, learning from these experiences is timely for any Welsh council considering market intervention.

The principles also apply beyond Wales. With councils across the UK facing similar challenges and budget pressures, the lessons learnt in Wales are applicable to all local authorities who are keen to play a greater role in shaping their local care market.



At the roundtable, a clear consensus emerged:

> *These projects are not just delivering buildings. Their success depends far less on the construction project itself and much more on joined up planning, management, delivery, and ultimately improved outcomes for residents.*

Session speakers



Alex Williams (Chair)
Head of Capital Projects
Carmarthenshire County Council



Marco Hernandez
Service Manager
Pembrokeshire County Council



Laura Beale
Capital Project Lead
West Wales Regional Partnership Board



Bernie Lally (Host)
Principal Consultant
31ten

All quotes included in this paper are anonymous at the request of attendees.



> *The programme will take the council's local market share from zero to over 50%, with projected savings and cost avoidance of up to £4.5 million*

The West Wales experience

Two recent capital projects were discussed at length during the virtual round table:

Case study: Plas y Bryn Care Home, Carmarthenshire.

After acquiring a closed residential home, Carmarthenshire County Council is developing a 60-bed, dual-registered nursing home for older people, bringing nursing registration that no Welsh local authority currently holds. It will increase the council's share of the local market from 16% to 20%, with an ambition to reach 30% by 2035.

https://www.31tenconsulting.co.uk/project/business-case-to-secure-capital-funding-for-a-new-care-home-for-carmarthenshire

Case study: In-house children's homes, Pembrokeshire.

With residential placements accounting for nearly half its children's services budget, Pembrokeshire County Council is developing six children's homes providing 24 beds. The programme will take the council's local market share from zero to over 50%, with projected savings and cost avoidance of up to £4.5 million.

A regional view was shared by the West Wales Regional Partnership Board.

The Regional Partnership Board supports partners from early feasibility through to full business case, providing programme management, assurance and critical friend challenge across multiple IRCF schemes.

https://www.31tenconsulting.co.uk/project/business-case-to-secure-capital-funding-for-a-new-childrens-home-in-pembrokeshire

Lessons from the frontline

Our speakers shared their first-hand experience of working through large social care programmes. Key themes can be summarised as:

1 Capital investment as a tool for market rebalancing

Capital investment can enable local authorities to reshape care markets, increase public sector control and reduce dependence on private providers. It supports Welsh Government's rebalancing agenda and the removal of profit from care services, acting as an enabler of service transformation rather than simply funding buildings.

2 In-house provision strengthens resilience

Expanding in-house provision helps councils respond to provider failure and pressures such as those experienced during the pandemic. It also gives greater control over placement availability and costs, particularly for people who are difficult to place, while broadening the range of care that councils can provide directly.

3 Service models and operational readiness must lead design

Successful capital projects depend on a clearly defined care model, workforce development and operational planning, not simply the delivery of a building. Leadership, governance and realistic preparation must underpin the service transformation.

4 Leadership and governance underpin delivery

Leadership and governance provide the foundations for delivering strategic capital projects. The closing remarks of the round table panel identify both as essential to success, alongside partnership working, realistic planning and a clear service model.

5 Dedicated project resource enables strategic delivery

Carmarthenshire's investment in a dedicated capital projects role has helped the council take greater control of strategic projects. Dedicated capacity allows sustained attention that busy operational teams may struggle to provide and can offer a spend-to-save benefit by reducing costs elsewhere.

> *"It will always take longer than you think. You have to build that in, and you have to manage expectations."*

6 Partnership working is a critical success factor

Strong relationships within the council, with external partners and with Welsh Government are essential. Open and honest dialogue, particularly when problems arise, helps resolve misunderstandings and build a shared understanding of what social care projects need to deliver.

7 Regulation and operational requirements must shape design

Social care regulations and operational requirements must be built into the design from the outset so that provision can be registered on completion. Dialogue with Welsh Government and NHS shared services helps distinguish the requirements of care settings from those of acute hospitals.

8 Financial sustainability and cost control must drive investment

A robust business case should establish financial viability early, with cost controls maintained at key stages throughout delivery. Green Book methodology can feel lengthy but provides valuable discipline and helps avoid later cost increases.

9 Skills and business case capability need investment

Teams need the knowledge, training and expertise to develop and scrutinise robust business cases. Green Book training can help build capability in a sometimes unfamiliar area; the importance of investing in these skills alongside project delivery was emphasised in this session.

10 Long-term strategic planning must come first

Investment should follow a clear strategy informed by population needs assessments and market stability reports, rather than reactive purchasing decisions. Capital investment is most effective when it enables planned service transformation and long-term financial sustainability.

Finance must be a key driver for decisions

Participants were clear that financial sustainability and cost control must underpin every investment decision because capital funding most certainly isn't an open chequebook.

Speakers highlighted the need to:

- Ensure the operating model is affordable long after construction ends
- Be precise about the difference between savings and cost avoidance
- Ask how many projects the council can afford to resource and run, not just how many it can secure funding for
- Apply Green Book discipline, which pays dividends down the line
- Use Welsh Government's 10% cost tolerance between business case stages to keep costs under control

> *The business case feels like a painful, lengthy process, but it really does provide that robustness.*

Savings are not what IRCF is designed to drive, but they represent a real opportunity. As the removal of profit agenda develops, open dialogue with Welsh Government about how financial benefits are framed will become increasingly important.

Getting the foundations of delivery right

Strong governance and dedicated capacity were consistently described as the difference between projects that progress and projects that stall.

> *As the project manager, your job is to politely and delicately hold everyone to account.*

Speakers recommended putting in place:

- A dedicated project manager and a named Senior Responsible Officer
- A structured project timeline with buy-in across all key stakeholder
- A risk register that sets out mitigations, not just risks
- Clarity on what is within your control, and what is not
- Tight management of scope creep, which can put funding eligibility at risk
- Using IRCF's ability to capitalise eligible costs to fund dedicated posts and supporting resource

Partnership and people

Partnership working, both inside and outside your organisation, was described as a critical success factor. That includes Welsh Government, health boards, commissioning teams and existing providers, who need reassurance that your council is shaping the market, not competing with it.

Equally important is putting the right people around the table. Operational colleagues, therapists, social workers and care staff should shape design from the outset, and engaging service users early pays off too. In one project, children currently in residential care visited the new home and identified scenarios the team hadn't considered.

Having the right people also means having the right expertise. Many social care teams have limited familiarity with Green Book business case methodology, and participants were candid that it can feel like a lengthy process. But they were clear that it pays dividends. It gives bids the robustness to get through Welsh Government scrutiny and keeps costs under control. Those who brought in specialist business case support early described it as essential.

Workforce planning must also start early. Recruitment, training and career pathways need to run in parallel with construction, not follow it.

> *Capital investment can create opportunities for genuine service redesign, rather than just a relocation of existing services.*



What senior leaders should do now

Based on their lived experience of these programmes, speakers suggested there are actions you can take now to be well prepared and best placed to obtain funding and run a successful programme.

Key next steps are:

1 Start with strategy.

Use your population needs assessment and market stability report to guide investment, rather than reacting to opportunities as they arise.

2 Define your care model first.

Be clear about who the service is for and how it will operate before designing any building.

3 Understand your assets.

Undertake a review of your public sector assets to understand opportunities to pivot their use or develop underused sites.

4 Build a robust financial case.

Understand the true costs early and make sure the operating model is affordable for the long term.

5 Invest in dedicated capacity.

A dedicated project manager and named SRO are, in effect, spend to save.

6 Plan for operational readiness early.

Workforce, registration and operational planning take longer than expected.

7 Keep Welsh Government close.

Regular, honest communication builds the trust needed when plans change.

8 Tailor to local needs.

There is no one size fits all. Design flexible buildings that can be repurposed as needs change.



Conclusion

Capital investment is increasingly being used as a strategic lever to reshape care markets, increase public sector control and improve long-term financial sustainability.

The strongest message from this discussion was that the building is only one part of the story. The councils most likely to succeed will be those that:

- Put a clearly defined care model at the centre
- Let financial sustainability drive decisions
- Invest in leadership and dedicated delivery capacity
- Build trusted partnerships
- Plan realistically, from strategy through to operational readiness

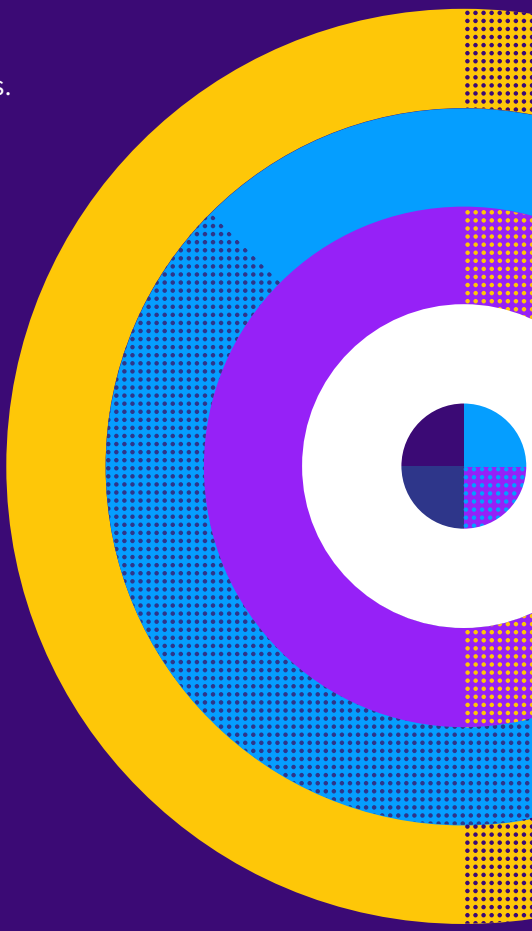
With IRCF funding confirmed to continue, councils now have a window to plan strategically, and to use capital investment as an enabler of lasting service transformation.

About the virtual roundtable

This paper summarises the key themes emerging from a senior leaders' roundtable convened by 31ten in October 2026. The discussion brought together practitioners with direct experience of capital investment, market shaping and in-house service development across adult and children's social care in West Wales.

31ten's role was to facilitate the conversation, capture lessons from live IRCF programmes and support a constructive discussion about how councils can use capital investment to rebalance their local care markets.

31ten has previously worked with Carmarthenshire County Council to deliver the business case for IRCF funding for Plas Y Bryn nursing home, and to deliver a business case for a children's home, and with Pembrokeshire County Council to deliver a business case for a children's home. 31ten is currently supporting Pembrokeshire County Council with a further children's home business case.



Book a chat with Bernie Lally, author of this paper:

https://meetings-eu1.hubspot.com/bernie-lally

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