**Regulation and Inspection of Social Care (Wales) Act 2016**

**Frequently asked questions about market stability and market oversight**

1. **What are the requirements for local authorities in terms of market stability?**

Local authorities will be required to publish local market stability reports which review the sufficiency of care and support in their area and these reports must take account of the population assessment.

The aim is to provide local authorities with a snapshot of the sector. It will help them plan and shape services, including care for the future.

1. **What are the requirements for Welsh Ministers in terms of market stability?**

Welsh Ministers will be required to publish national market stability reports that review the sufficiency of care and support in Wales, having regard to local market stability reports.

The aim is to identify gaps in service provision across Wales, support forward planning, provide better market oversight of important providers and build public confidence in the stability of social care services.

1. **What are the requirements for Welsh Ministers in terms of market oversight?**

Welsh Ministers will be required to assess the financial sustainability of regulated service providers which meet criteria to be set out in regulations. Where a significant risk is identified, Welsh Ministers may require the service provider to plan to mitigate that risk or independently review the business.

Welsh Ministers must also inform local authorities if a service provider that meets the criteria is likely to become unable to provide a regulated service due to business failure.

Following the business failure of a care provider in a particular area, the local authority for that area is required under Section 189 of the Social Services and
Well-being (Wales) Act 2014 to meet people’s needs for care and support where these were previously met by that provider.

The aim is to be prepared for and to avoid the failure of significant care providers in Wales.