

## **Agenda – Equality and Social Justice Committee**

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Meeting Venue:	For further information contact:
Video Conference via Zoom	Claire Fiddes
Meeting date: 15 November 2021	Committee Clerk
Meeting time: 12.45	0300 200 6565
	<a href="mailto:SeneddEquality@senedd.wales">SeneddEquality@senedd.wales</a>

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- 1 Introductions, apologies, substitutions and declarations of interest**  
(12.45)
  - 2 Motion under SO17.42(ix) to exclude the public from items 3 and 8 of today's meeting**  
(12.45)
  - 3 Forward work programme**  
(12.45 – 13.30) (Pages 1 – 7)
- Break**  
(13.30 – 13.45)
- 4 Childcare and parental employment – evidence session 1**  
(13.45 – 14.30) (Pages 8 – 34)  
Catherine Fookes, Director WEN Wales  
Shavanah Taj, General Secretary of the Wales TUC  
Cerys Furlong, Chief Executive, Chwarae Teg
- Break**  
(14.30 – 14.45)
- 5 Childcare and parental employment – evidence session 2**  
(14.45 – 15.30) (Pages 35 – 39)  
Dr Gwenllian Lansdown Davies, Chief Executive, Mudiad Meithrin, CWLWM  
Jane O’Toole, Chief Executive Officer Clybiau Plant Cymru Kids’ Clubs,  
CWLWM



Sharon Davies, Head of Education, Welsh Local Government Association

## **Break**

(15.30 – 15.45)

## **6 Childcare and parental employment – evidence session 3**

(15.45 – 16.30)

(Pages 40 – 51)

Johan Kaluza, Senior Advisor of the Department of Policy Analysis, Swedish Gender Equality Agency

Alison Cumming, Director, Early Learning and Childcare, Scottish Government

## **7 Papers to note**

(16.30)

### **7.1 Additional information from the Minister for Social Justice regarding debt and the pandemic – 5 November 2021**

(Pages 52 – 56)

## **8 Childcare and parental employment – consideration of evidence**

(16.30 – 16.45)

# Agenda Item 3

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# Agenda Item 4

By virtue of paragraph(s) vi of Standing Order 17.42

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## Childcare and parental employment: the pandemic and beyond

November 2021

### Introduction

Chwarae Teg is Wales' leading gender equality charity. We work to secure a fairer Wales where all women achieve and prosper, ensuring that women enjoy economic equality, are fairly represented in all walks of life and are no longer at risk of poverty, violence and exclusion.

Childcare continues to be a significant barrier to women entering and progressing in work, resulting in persistent labour market and income inequality. This leaves women more vulnerable to financial hardship and poverty, and also comes at a wider economic cost.

Investment in childcare provision during the last Senedd term was very welcome, but there is still work to do to deliver the early childhood education and care system that Wales needs, to ensure good educational outcomes and support women in particular, in the labour market. Ambitions for an equal Wales will be difficult, if not impossible, to realise unless we solve the childcare issue.

### Key messages

1. A lack of affordable, accessible childcare continues to be a critical barrier to women entering and progressing in work. Currently, childcare in Wales is a patchwork of provision that is too often complex, inaccessible, inflexible and expensive.
2. The additional investment in childcare provision in Wales over the past five years through the Childcare Offer is very welcome, and it is valued highly by those who are eligible. Implementation of the Offer was a good starting point towards more universal provision, building on the existing Foundation Phase support and bringing new investment into the childcare sector. It's important that work continues this term to further strengthen the early childhood education and care system in Wales.
3. Wales needs an integrated early childhood education and care system that ensures high educational attainment while being affordable and accessible to support women to enter and progress in work. The ***aim should be to provide free, good quality full-time childcare for all children aged 0-4.*** We recognise this will take time and money, but in the long-run this will not only ensure a more equal Wales but will also result in economic benefits. There are a number of steps that could be taken this Senedd term towards this goal and to improve childcare provision. This includes:
  - a. Bringing early years education and childcare into a single department within government to provide policy coherence and strengthen Ministerial oversight.
  - b. Invest in childcare infrastructure to support the co-location of early years and childcare provision in a single setting.

- c. Extend the current childcare offer to children from age two and invest in wraparound childcare and holiday care to ensure it is available and affordable to all. Consideration could be given to placing costs on a sliding scale as hours increase.
- d. Develop a one-stop-shop for information so parents can get clarity on the childcare support available to them, regardless of whether it's a Welsh Government, UK Government or Local Authority administered scheme

## Detailed Response

1. **The extent to which current childcare provision in Wales sufficiently supports parents, particularly mothers, to enter, remain and progress in employment, and what changes might be needed to improve the effectiveness of childcare provision in doing this**
  - 1.1. A lack of affordable, accessible childcare continues to be a critical barrier to women entering and progressing in work. It is widely accepted that the “full labour participation of women requires childcare to be available full-time and to meet the demand of work during the parents’ working hours and school holidays.”<sup>1</sup>
  - 1.2. Currently, childcare in Wales is a patchwork of provision that is too often complex, inaccessible, inflexible and expensive. Eligibility is linked to the age of your child, whether you work and where you live. This creates confusion and there have been issues reported with parents being left with unexpected childcare bills as a result.<sup>2</sup>
  - 1.3. Cost of childcare is prohibitive for many who are not eligible for subsidised provision. Full-time childcare in Wales for children under two costs £227.64 per week.<sup>3</sup> Women’s average weekly income in Wales is £380, meaning that full-time childcare takes up 60% of their income.<sup>4</sup>
  - 1.4. Availability of childcare is also a challenge, with just half of Welsh local authorities reporting enough childcare to meet free early education entitlements.<sup>5</sup> Availability is worse for those with changeable or non-traditional work patterns, and the inflexibility of subsidised provision can lead to additional costs and pressures on women’s working lives.
  - 1.5. Wales needs an integrated early childhood education and care system that ensures high educational attainment while being affordable and accessible to support women to enter and progress in work. The aim should be to provide free, good quality full-time childcare for all children aged 0-4. We recognise this will take time and money, but there are steps that could be taken this term towards this goal and to improve childcare provision:
    - 1.5.1. Bring responsibility for early years education and care into a single department within Welsh Government to provide policy coherence and strengthen Ministerial oversight
    - 1.5.2. Align qualifications, regulation and inspections across early years and childcare provision

<sup>1</sup> European Commission Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions (2018) *Barcelona objectives on the development of childcare facilities for young people with a view to increase female labour participation, strike a work-life balance for working parents and bring about sustainable and inclusive growth in Europe*; OECD (2017), *Starting Strong 2017: Key OECD Indicators on Early Childhood Education and Care* [https://read.oecd-ilibrary.org/education/starting-strong-2017\\_9789264276116-en#page32](https://read.oecd-ilibrary.org/education/starting-strong-2017_9789264276116-en#page32) [ACCESSED 11 April 2019]

<sup>2</sup> BBC “Childcare Offer for Wales: Parents ‘shocked’ by bills” 5 January 2020 <https://www.bbc.co.uk/news/uk-wales-politics-50957390> Accessed June 2020

<sup>3</sup> Coram Family and Childcare (2021) *Childcare Survey 2021*

<sup>4</sup> ONS *Annual Survey of Hours and Earnings 2021 Provisional results* Accessed via Nomis 27.10.21

<sup>5</sup> Coram Family and Childcare (2021) *Childcare Survey 2021*

- 1.5.3. Create a clear progression pathway for those entering the early years and childcare workforce culminating in degree level qualifications
- 1.5.4. Invest in childcare infrastructure to support the co-location of early years and childcare provision in a single setting
- 1.5.5. Extend the current childcare offer to children from age two and invest in wraparound childcare and holiday care to ensure it is available and affordable to all. Consideration could be given to placing costs on a sliding scale as hours increase.
- 1.5.6. Develop a one-stop-shop for information so parents can get clarity on the childcare support available to them, regardless of whether it's a Welsh Government, UK Government or Local Authority administered scheme

**2. What impact the Childcare Offer in particular has had in achieving the Welsh Government's objective of "helping parents, particularly mothers, to return to work or increase the hours they work" Whether Welsh Government-funded childcare provision is flexible enough to support employment of parents, particularly mothers, in different demographic groups and experiencing different circumstances**

- 2.1. The additional investment in childcare provision in Wales over the past five years through the Childcare Offer is very welcome, and it is valued highly by those who are eligible. Evaluations of the Offer have shown that the additional childcare people are able to access is enabling some to return to work on a full-time basis and is leaving families with more disposable income, reducing financial pressure.
- 2.2. However, there are some challenges with the Offer that need to be overcome if it is to effectively support mothers to return to work or increase their hours.
- 2.3. Firstly, the support is focused around children aged three and four. By this point, many parents have already made decisions about how to change their working patterns to accommodate caring responsibilities. This often results in women reducing their hours or leaving the workforce entirely, as childcare for children under three remains prohibitively expensive.
- 2.4. Delivery of the Offer has been further complicated as a result of the two components – early years education through the Foundation Phase and formal childcare – being delivered in different ways across different local authority areas.<sup>6</sup>
- 2.5. These issues can be particularly acute for women on low incomes. Our research into women's poverty in 2019 found that up to the age of three, the costs of childcare are prohibitive for all but women with above average earnings.<sup>7</sup> We also found that for many women in low-paid occupations, working is not an option unless they have family to provide care, and that while the Childcare Offer is valued by women who work 30+ hours a week, with four out of ten women working part-time, it's not always a good fit and is simply not available for women on the lowest incomes.<sup>8</sup>
- 2.6. In some respects, the implementation of the Offer was a good starting point towards more universal provision, building on the existing Foundation Phase support and bringing new investment into the childcare sector. It's important that work continues this term to further strengthen the early childhood education and care system in Wales.

**3. The impact of limited childcare availability on Wales' productivity levels**

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<sup>6</sup> Welsh Government (2019) *Evaluation of the early implementation of the Childcare Offer for Wales: Year Two Executive Summary*

<sup>7</sup> Winkler, V. (2019) *Trapped: Poverty amongst women in Wales today*, Chwarae Teg

<sup>8</sup> Ibid.

- 3.1. We know that ineffective childcare hinders women ability to enter and progress in work. This has an economic impact. Research we undertook in 2018, estimated that £13.6bn could be added to Wales' economy by 2028, if we were to equalise women and men's employment rates, increase the average hours women work and increase the number of women working in high productivity sectors.<sup>9</sup> Better childcare provision is essential to realising this economic potential.
- 3.2. That being said, it's also important to look beyond traditional measures such as productivity and GDP/GVA. The unpaid work that is largely done by women, while not counted in traditional economic measures, has huge value to Wales and the UK. In 2016, the value of unpaid work done in the UK was valued at £1.24tr.<sup>10</sup> Without this unpaid work, many aspects of our daily lives and our economy simply could not function.
- 3.3. With a growing focus from the Welsh Government on wellbeing and equality, it's also important to consider how greater provision of childcare could help close gender gaps, and benefit people's wellbeing through improved financial security, more leisure time and reduced stress from balancing paid and unpaid work.

#### **4. How childcare arrangements have affected parental employment during the coronavirus pandemic, particularly in relation to mothers. What lessons might be applied to provide better support during any future lockdowns or increased restrictions**

- 4.1. Our report [\*One Big Juggling Act: Childcare and Homeschooling During the First Lockdown\*](#), found that as schools and nurseries closed, responsibility for childcare and homeschooling fell overwhelmingly to women, who were left exhausted, overwhelmed and undervalued as a result.<sup>11</sup> It's also critical to note that this crisis has not impacted all women equally. Many groups of women faced additional challenges and disadvantage, including single parents and women on low incomes, for whom the financial impact of the crisis is a significant cause for concern.<sup>12</sup>
- 4.2. Analysis from the IFS shows that during the first lockdown women were more likely to have quit or lost their jobs or been furloughed, mothers were spending less time on paid work and more time on unpaid work, with the average mother doing just 35% of the number of uninterrupted work hours as fathers.<sup>13</sup>
- 4.3. The pandemic demonstrated how precarious a system of childcare we have, that relies heavily on women's unpaid work. It also demonstrated that care is still seen as a woman's responsibility, evidenced by the way in which additional care fell to women as soon as usual formal and informal arrangements became unavailable.

#### **5. What Wales can learn from other models of childcare provision operating in the rest of the UK and internationally and emerging practice in terms of supporting parental employment, and the extent to which these models might be transferrable to the Welsh context**

- 5.1. The challenges associated with delivering childcare are similar in many countries. Cited issues often cover affordability, accessibility, flexibility and quality. In fact, the EU Commission in 2018 presented a

<sup>9</sup> Chwarae Teg (2018) *The Economic Value of Gender Equality*

<sup>10</sup> <https://www.ons.gov.uk/economy/nationalaccounts/satelliteaccounts/articles/householdsatelliteaccounts/2015and2016estimate> Accessed 27/10/21

<sup>11</sup> Chwarae Teg (2021) *One Big Juggling Act: Childcare and Homeschooling During the First Lockdown*

<sup>12</sup> *ibid.*

<sup>13</sup> IFS "How are mothers and fathers balancing work and family under lockdown" <https://ifs.org.uk/publications/14860> Accessed 27/10/21



comprehensive quality framework for early childhood education and care (ECEC) systems based on five principles<sup>14</sup>:

- Access and affordability for all families
- Qualification and CPD of the workforce
- Development of the curriculum with holistic teaching in a participatory way with children and parents
- Monitoring and evaluation of the ECEC services and facilities
- Governance and funding

5.2. Cost emerges as a key issue in many countries. Different countries have taken different approaches to tackle the cost of childcare, including<sup>15</sup>:

- Minimum levels of childcare for different age groups (e.g. Germany and UK)
- Subsidies for new parents (e.g. Belgium, the Netherlands)
- Tax breaks for families
- Means-tested childcare and capped fees (e.g. Sweden)
- Universal Access (e.g. Finland and Denmark)
- Fiscal incentives for companies (e.g. Austria allows a deduction from taxable income for companies that provide childcare services internally or give benefits to employees in the form of childcare services)

5.3. A number of lessons for Wales can be drawn from international practice:

5.3.1. Successful provision requires ongoing political commitment and investment. There is no reason why early childhood education and care can't deliver good outcomes for children while also effectively supporting parents to play a full and active role in the labour market.

5.3.2. It is clear that early childhood education and care policy cannot be considered in isolation. While a vital part of the solution to women's economic inequality, to support parents to effectively reconcile work and family life we must consider how early childhood education and care provision interacts with issues such as parental leave and flexible working.

5.3.3. There are clear benefits to seeing early childhood education and care as a single policy area and ensuring that responsibility for this sits within a single Government Ministry or agency. This supports a more coherent approach to design and delivery. Looking longer term at early childhood education and care and not particular age brackets can also support coherency and ensure that support is ongoing for parents of school age children.

5.3.4. The most successful nations have systems that support parents to work full-time. Nations that have prioritised part-time provision, such as the Netherlands, have seen more part-time maternal employment, which we know contributes to income inequality.

5.3.5. The co-location of childcare services can ease the pressure on parents who are balancing work and home, particularly in centres that offer childcare from 7.00-19.00.

5.3.6. A one-stop-shop for information, as being implemented in Canada can help address the confusion among parents around different provision and entitlements.

## **6. How financial and practical implications such as availability of childcare would need to be considered by the Welsh Government in any future policy developments to extend childcare provision**

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<sup>14</sup> EU Commission *Barcelona Objectives*

<sup>15</sup> *ibid.*

- 6.1. There is no doubt that providing the universal early childhood education and care system Wales needs will cost money, and will take time to deliver. Additional investment in childcare at the UK Government level that results in additional funds coming to Wales would be very welcome and we would urge Welsh Ministers to make this case strongly to Westminster. We support calls from the UK Women’s Budget Group and others for an increase in childcare spending in England to £15.5bn a year.<sup>16</sup>
- 6.2. However, there are steps that can be taken without this change in funding at the UK-level, and different decisions could be taken by Welsh Ministers to better prioritise investment in care, which we believe is essential to deliver the green, equitable and caring economy we desperately need.
- 6.3. We have outlined above (at 1.5) the steps we think should be taken on the journey towards universal provision and we support continued investment in childcare infrastructure and the childcare workforce, which is essential to growing this important part of our economy. Consideration should be given to the best models on which childcare is provided, with a good balance between private sector, social enterprise, not-for-profit and public sector.

For more information please contact:

Natasha Davies  
**Policy and Research Lead**



[Natasha.davies@chwaraeteg.com](mailto:Natasha.davies@chwaraeteg.com)



07837 284695

Tomos Evans  
**Policy and Public Affairs Partner**



[Tomos.Evans@chwaraeteg.com](mailto:Tomos.Evans@chwaraeteg.com)



07823 467466

#### Who are we?

Our vision is for a fairer Wales where all women can achieve and prosper. Our mission is to inspire, lead and deliver gender equality in Wales.

Chwarae Teg is committed to a Wales where all women are represented, empowered and able to prosper at all levels in the economy and public life regardless of their background or social status.

Chwarae Teg is registered charity. Charity number: 1084466 – FAIRPLAY (Workforce) Ltd.



<sup>16</sup> UK Women’s Budget Group (2021) *Comprehensive Spending Review 2021: A Joint Representation from the UK Women’s Budget Group*

## **Childcare and parental employment: the pandemic and beyond**

1. The extent to which current childcare provision in Wales sufficiently supports parents, particularly mothers, to enter, remain and progress in employment, and what changes might be needed to improve the effectiveness of childcare provision in doing this.

### **1.1 Funding**

- Existing funding schemes to support childcare affordability have a positive impact on those who are eligible and on the childcare sector itself
- Brevity of time frames for certain schemes (i.e. age range of Childcare Offer [CO]) and the eligibility requirements (must be working) can lead to some parents (often mothers) needing to limit their working hours, avoid progression opportunities or refrain from re-entering the workforce altogether; or resorting to unregulated/informal childcare options

**Action required: exploration of expansion of existing financial support schemes in terms of eligibility (including those not currently working, to support them into employment), and age ranges to ensure that long-term impact can be made on as many families as possible**

### **1.2 Closures and sustainability of provision**

- Need to ensure that there are sufficient, quality childcare opportunities available for all ages (early years and preschool, and to wrap around the school day for older children) and in the language of choice (welsh/English/bilingual – expanding Welsh medium in particular to reflect the 11% gap in provision noted by Arad) to meet the needs of working parents and children.
- 19% of Out of School Childcare Clubs have closed since March 2020 ([State of the Sector Report, Clybiau Plant Cymru Kids' Clubs, 2021](#))
- Closure of elements of services (e.g. out of school provision no longer offered by some Day Nurseries due to demand for EY places) may be masked in CIW statistics
- New provisions opening might be masking local impact of closures and the availability of childcare in specific communities.
- Specific concern given the decline in registered childminders in Wales in recent years
- Continued funding for Mudiad Meithrin's Cynllyn SAS required (Sefydla a Symud / Set Up and Succeed) to ensure new provision continues to meet demand and is sustainable.

**Action required: Ensure continued availability and accessibility of funding opportunities to mitigate impact of Covid-19 and other pressures on sustainability of Providers and to prevent further closures, with parity in support provided for all service Provider types.**

### **1.3 Location – School Sites**

- School based childcare (versus community venue-based options) preferable for parents/carers and more sustainable option for Providers (transport).
- Progression to Welsh medium education is also higher when Cylchoedd are based on school sites (96% versus 90%). Also refer to 1.7
- However, access to school sites by childcare providers is often hindered by:
  - Issues with opening up/locking up
  - Childcare not being sufficiently considered in the planning stages when building new schools
  - Increasing demand for school places leading to a lack of available room for onsite childcare
  - Issues around ownership/ management of Capital Build (for e.g. CO) premises on school sites, particularly where funding has been provided to facilitate childcare provision.
  - Increased rental costs charged by schools and Local Authorities
  - Continued concerns around Covid-19 and reluctance to allow mixing of year groups

**Action Required: Childcare on school sites needs to be considered from the early planning stages, engaging with relevant stakeholders to ensure the space is designed in a CIW registerable way and there needs to be continued partnership working between Education and Childcare to ensure that community needs can be met in terms of both education AND childcare. This needs to include consideration of local Childcare that is not able to be based on school-sites to ensure that displacement does not occur.**

#### 1.4 Inclusion

- Families with disabled children are more likely to live in poverty
- Local Authority Childcare Sufficiency Assessments identify that there is insufficient childcare provision for these children.
- Welsh Government's tackling poverty strategy must plan to and provide care opportunities with adequate and suitable early education for all children, regardless of the type of additional learning need or disability they may have.
- There must be sufficient childcare for children of all ages who have additional learning needs / disabilities, to ensure that opportunities are inclusive and to support parents/carers to enter/remain/progress in employment.
- Scrutiny of the impact of the Additional Learning Needs and Education Tribunal (Wales) Act is also essential, not only in terms of impact on children themselves but also on those who work with children and young people.

**Action Required: Ensure that there is funding available and support to develop and sustain provision for children with complex needs, as well as funding and support to ensure that all childcare provision can be inclusive and accessible.**

#### 1.5 Community led Childcare

- Every community is different, and a choice of childcare provision that reflects the variety in these communities supports community cohesion (service type, language type, management type).
- The number of community-led, voluntary run Settings has diminished year on year, particularly impacting rural/disadvantaged areas (where there is already reduced childcare availability), leading to lower income/rural families being disproportionately affected in terms of ability to enter/remain/progress in employment (where privately managed provision replaces these settings, it will often require higher fees to cover costs).
- PACEY Cymru notes that childminding can also be an option to support rural communities where other childcare provision is not sustainable, including atypical hours, but childminder numbers are declining (see 1.2).

**Action Required: Parents/carers and children have the right to access childcare that meets their needs and to be able to choose which childcare to use.**

#### 1.6 Atypical Hours

- Lower paid workers often work atypical shift patterns, and so the lack of availability of registered childcare during these hours can perpetuate this.

**Action Required: Establish and sustain atypical childcare models**

**Targeted, pre-registration funding to increase the numbers of registered childminders that is long-term, available and easily accessible across all areas of Wales to support atypical working patterns (see 1.2)**

#### 1.7 Welsh medium childcare

- Insufficient Care Inspectorate Wales registered Welsh medium childcare provision across Wales, for all age ranges (pre school and school age). Welsh medium Out of School Childcare is more likely to be unregistered (36% versus 17% of English medium, [Clybiau Plant Cymru Kids' Clubs Impact Report March 2021](#))
- The availability of early years and school age childcare on or close to school site can impact on parental choice of school, and so may result in parents opting for English medium education.
- This lack of availability may also lead parents/carers to remain economically inactive.

**Action Required:**

**Establish, register and sustain Welsh medium childcare. Extension of existing early years Welsh medium provision to include childcare for school age children.**

**Targeted recruitment of people with Welsh Language competency into the childcare and Playwork sector.**

**Continued support to the childcare sector to upskill staff in Welsh Language to enable more Providers to meet the Active Offer.**

**Continued funding for Mudiad Meithrin's Cynllyn SAS (Sefydlu a Symud / Set Up and Succeed) to ensure new provision continues to meet demand and is sustainable**

2. What impact the Childcare Offer in particular has had in achieving the Welsh Government's objective of "helping parents, particularly mothers, to return to work or increase the hours they work".

ARAD evidence on the Childcare Offer suggests that it has allowed for more flexibility, an increase in earnings for some families and more disposable income. However:

- Only 47% of the eligible population are using the offer, 3% of applications are for children with additional needs.
- 11-17% of parents said in CO surveys that they could not access Welsh medium childcare.
- Scheme does not currently support childcare costs before age 3 and after 4 when there is often still support required to ensure parents/carers are able to remain economically active.
- The costs of providing childcare are high because of the regulation and requirements in meeting ratios of qualified staff; however many of these childcare and playwork practitioners are on minimum wage.
- There is a need to enable and encourage individuals to train and apply to work in specific areas, for example early years care and education, childcare and playwork. Expanding the Childcare Offer to include parents in training or education would be a way of doing this.
- PACEY Cymru note that the Welsh Government has enabled childminders to receive Childcare Offer funding for the care of a child who is also a relative but who does not live with them, such as grandchildren. This has enabled those working parents to keep their children at the childcare setting of their choice, providing continuity of care and supporting parents to return or increase their hours in work.

**Action Required: There is a need to look at models of funded, registered childcare being provided when a child turns 2. This comes with associated recruitment challenges and further discussions on remuneration and skills gaps.**

**Support to ensure that existing provision (all Provider types and for all ages of children) is encouraged and supported to achieve registration with CIW (benefits of registration can be found [here](#)).**

3. The impact of limited childcare availability on Wales' productivity levels.

### 3. 1 Holiday Childcare

- Accessibility and cost of care during the school holidays in particular can be a challenge for working mothers.
- Other initiatives and programs used as unregulated childcare such as SHEP, Playworks Holiday Programme, can impact on the short-term viability and long-term sustainability of existing Care Inspectorate Wales (CIW) registered settings, particularly those offering holiday childcare, unless services collaborate when planning, and unless registered childcare is considered at a strategic level.

**Action: Ensure the [Exceptions Order](#) is reviewed and supports the sustainability of regulated childcare (see 8.1). Ensure a holistic approach is taken to existing and future schemes to support children's rights, wellbeing, the childcare sector and the economy.**

### 3. 2 Atypical Hours

See 1.6. Implications on take up of job roles that require atypical hours.

### 3. 3 Closures and sustainability of provision

See 1.2. If there is a lack of availability of childcare provision, this will impact the ability of parents/carers to gain/retain employment and thus have a negative impact on the local economy.

4. How childcare arrangements have affected parental employment during the coronavirus pandemic, particularly in relation to mothers. What lessons might be applied to provide better support during any future lockdowns or increased restrictions.

- Anecdotal reports - burden of childcare fell on mothers during lockdown, with many having to remain on furlough, reduce working hours or battle the increased stress and mental wellbeing implications of juggling childcare, homeschooling and working from home.
- Schools provided different criteria for access to school hubs. Equitable processes in any future instances of lockdown are needed.
- Need education and childcare to work together to ensure community needs can be met – collaborative solution finding that puts equal emphasis on both education and childcare.

### Parent/Carer quotes from the State of the Sector Survey (Clybiau Plant Cymru Kids' Clubs, 2021)

- “No childcare during lockdown meant I was forced to work full time whilst having my son with special needs at home the whole time. It affected my mental wellbeing and also his social skills were severely affected.”
- “Had to cut down hours at work significantly and claim certain benefits which I had never had to claim before.”
- “It has had a real impact on my mental health this year and potential to earn income. It has meant that the youngest child (4) has had limited interaction with children her own age.”
- “I desperately need my after school and breakfast club to reopen. I am losing at least £300 a month because my partner needs to work part time and I cannot do overtime. I experience in work poverty.”
- “School run holiday club has not run due to low uptake which makes it very difficult during holidays when I have to work.”

### 5. Whether Welsh Government-funded childcare provision is flexible enough to support employment of parents, particularly mothers, in different demographic groups and experiencing different circumstances.

- Limited registered Welsh language provision (see 1.7)
- Different perceptions towards childcare of different cultural groups within communities – Settings need to market in a way that is welcoming/accessible to all demographics in the community and to ensure their service meets the needs of all.
- There is a need to prioritise increasing the number of early years/childcare practitioners who are Black, Asian or Minority Ethnic. Putting plans in place will allow more children to see their race represented among their carers and role models.
- PACEY Cymru believe childminders have the potential to offer more flexibility to meet individual family's childcare needs and working patterns, however this depends on sufficient availability across all areas, including in rural and areas of deprivation.

### 6. The impact of high-quality formal childcare provision on reducing the attainment gap, and the potential benefits of extending childcare provision to tackle inequalities.

- Quality, affordable childcare enables parents/carers to access employment/training opportunities, lifting families out of poverty and breaking the often-generational link of poverty, educational attainment and career opportunities.
- Positive data around the impact of access to high quality childcare in mitigating attainment gaps at school entry (and [the importance of equity in this access](#)). If existing funded childcare opportunities (e.g. the Childcare Offer) were extended to children from low-income/non-working families, this could help to support school readiness and development opportunities
- Access to quality play experiences, such as those offered by childcare providers for school age children, is also linked to social, cognitive, emotional and physical development. Thus, exploration of additional affordability schemes to support equitable access to school age childcare would also benefit children.
- Efforts to widen access to these early years and school age childcare opportunities (including widening the regulated provider types that can offer these opportunities e.g. childminders) and to support affordability for parents/carers will be a positive investment and reduce reliance on costly and less effective school intervention programmes.

**Action required: Opportunities for universal access to funded provision across Wales explored.**

### 7. What Wales can learn from other models of childcare provision operating in the rest of the UK and internationally and emerging practice in terms of supporting parental employment, and the extent to which these models might be transferrable to the Welsh context.

- The Scottish Government - funded childcare for one- and two-year-olds, starting with those from low-income households. Plans for free ["wraparound" childcare](#) for the lowest-income families. Children in that bracket will receive free care before and after school and also over the holidays. This will address some of the issues outlined in 1.1
- [The OECD Building a high quality Early Childhood Education and Care workforce](#) seeks to:
  - Ensure that unfavourable working conditions do not accumulate on some ECEC staff and that the status and reward of ECEC professionals is aligned with staff responsibilities.



Working to address the need to improve the status of the Childcare and Playwork workforce, professionalising it and validating and rewarding working conditions.

8. How financial and practical implications such as availability of childcare would need to be considered by the Welsh Government in any future policy developments to extend childcare provision.

#### **8.1 Review of the exceptions order (National Minimum Standards)**

- A continued commitment to prioritise the review of the **exceptions order** ([National Minimum Standards](#)) and ensure that changes are made to support **quality services and safeguarding** of children. All children have the right to access quality, regulated childcare facilitated by qualified staff and where suitable policies and procedures are in place to safeguard them, and unregulated provision (e.g. sports camps and activity clubs) are having a negative impact on the sustainability of registered provision.

#### **8.2 Accessible Funding to support ongoing sustainability**

- Funding and support must be made available for all types of childcare (Out of School Childcare, childminders, day nurseries, playgroups/Cylch Meithrin) as well as all management types (limited companies, sole traders, unincorporated committees, charities and CIOs) to ensure that no one 'falls through the cracks' post Covid-19 and to prevent any further closures that will impact communities across Wales.

#### **8.3 Priority given to supporting retention and recruitment within the childcare sector**

- Requirements from funders such as Local Authorities and the Welsh Government are placing increasing workload pressures on childcare providers.
- We would like to see a continued commitment to recognise the professional status of the workforce (as outlined in the Childcare, Play and Early Years Workforce Plan, 2017) and consideration of ways in which pay could be brought in line to reflect this, as well as public promotion of the professional status of the workforce.
- Retention/recruitment issues are leading Settings to run at reduced capacity, temporarily close, consider de-registration or permanently close.

#### **8.4 Commitment to ensuring that the Early Childhood Education and Care (ECEC) approach considers barriers, as well as unintended consequences and is implemented in a way that supports children, families and the childcare sector itself.**

- We want to see the reinforcement of a commitment to moving to the ECEC approach and revised plans and timescales for this.
- Funded services need to include childminders universally across Wales, where meeting the criteria, in order for them to be available as a childcare choice for parents.
- Barriers including access to registerable venues, extension of existing provision and recruitment of suitably trained staff will need to be considered and addressed, to ensure that there are sufficient childcare places available to meet demand, and that provision of care within ECEC does not lead to reduced availability for younger and/or older children.
- Further exploration is required in terms of how Playwork provision, particularly holiday childcare that is not registered as education provision and does not (nor should not) provide education but rather is managed in line with the Playwork Principles, will fit within/alongside the ECEC framework. If ECEC leads to Playwork provision (such as CIW registered holiday clubs) being precluded from offering care to certain age ranges, and thus unable to access schemes such as the Childcare Offer, this is likely to decimate the sector.
- Consideration needs to be given to the quality measures to ensure that there is clarity to avoid confusion and unnecessary burden for childcare providers.

## CHILDCARE PROVISION AND LABOUR MARKET PARTICIPATION

This written evidence focuses on the questions regarding to which extent the current childcare provision system supports parents, particularly mothers, to enter, remain and progress in employment. This memo also tries to answer questions regarding the coronavirus pandemic and how the childcare provision has been affected by the pandemic.

To understand how preschools and other forms of childcare provisions support parents, particularly mothers, to enter, remain and progress in employment one needs to first understand women's position in the labour market. The Swedish labour market is largely constituted by both men and women, but it can be characterized as gender segregated. On average men work a bit more and women are to a larger extent part-time employed<sup>1</sup>. The policy focus has shifted towards the establishment of foreign-born women in the labour market, because of structural obstacles for the group to enter the work force. However, an overall high level of female participation in the labour market and women's financial contribution to the family has been a central goal for the Swedish gender equality policies over decades. Policies like abolishing joint taxation, expansion of the welfare state, the parental leave system, which by and large is gender neutral, and an extensive publicly funded preschool system are all vital policy initiatives that have paved the way for women joining the labour market.

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<sup>1</sup> Employment amounted to for men, 20-64 years, reaches 79 % and 78 % for women in 2020. Labour force participation amounted to 86 % for men and 84% for women.



## Childcare provision in Sweden

All children from the age of one have a right, to at least partially, partake in public preschool, subsidised by the government and with a payment ceiling. The right to childcare provision extends to the end of the spring semester the year a child turns 13<sup>2</sup>. As a norm, children from the age of six must attend school. After school hours children are offered care provision through the age of 13.

Preschool can be limited to three hours per day or 15 hours per week if parents are on parental leave or unemployed<sup>3</sup>.

## Preschool and childcare effect on employment

Sweden has a well-developed preschool system where a large majority of children are enrolled. In 2020, 85,4 % of children between the age of 1-5 were enrolled in the system, which is an increase from 2010, when 82,7 % of children were enrolled, even though Swedish-born children attend preschool to a larger extent than foreign-born children<sup>4</sup>. The development of the preschool system has been central policy for promoting both gender equality and increasing labour-market participation for both men and women. Studies and inquiries have shown that the Swedish preschool system has had a clear positive effect

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<sup>2</sup> This right can also be extended for children with disabilities.

<sup>3</sup> Some municipalities offer more than 15 hours per week for unemployed parents and parents on parental leave.

<sup>4</sup> Statens skolverk. Official Statistics of Sweden.

on labour market participation for both men and women, which also translates into a net positive effect on the national economy<sup>5</sup>.

The preschool system has gradually evolved from single-mother households to today's system with an extensive right to childcare provision. As unemployed parents were added into the system it had a direct effect on unemployment of women. Vikman<sup>6</sup> has shown that the reform increased the likelihood of unemployed women to get a job if the child went to preschool. The probability increased even more if the mother had two or more children. Largest effects were seen among women with primary school education and women with university level education (2+ years at university). No effects of the reform were found for unemployed men.

In the evaluation of the subsidies and payment ceiling, no clear effects were found on employment and labour market participation<sup>7</sup>. However, this was explained through the already large participation in preschool activities by children of employed parents (which also supports the aim of the preschool system to facilitate parents' labour market participation). However, a study conducted in Oslo concluded that free preschool had a positive effect on

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<sup>5</sup> Se i.e. SOU 2020:67. Förskola för alla barn – för bättre språkutveckling i svenska.; Prop. 1999/2000:129. Maxtaxa och allmän förskola m.m.; Gunnarsson, L., Korpi, B. M., & Nordenstam, U. (1999). *Early childhood education and care policy in Sweden: Background report prepared for the OECD thematic review*. Ministry of Education and Science in Sweden [Utbildningsdep.], Regeringskansliet.

<sup>6</sup> Vikman, U. (2010). Hur påverkar tillgång till barnomsorg arbetslösa föräldrars sannolikhet att få arbete?. *Arbetsmarknad & Arbetsliv*, 16(4), 45-54.

<sup>7</sup> Skolverket. 2007. Rapport 294. Fem år med maxtaxa: Uppföljning av reformen Maxtaxa och allmän förskola m.m.

employment for foreign-born mothers<sup>8</sup>. Even though, Sweden has an income-related preschool payment system, this is an interesting result because of the policy focus on increased establishment of foreign-born women in the labour market. Together with accessibility to preschools in close proximity to the home, which has shown to be an important factor<sup>9</sup>, the cost of enrolment can become an obstacle for these groups of women.

### **Cash for care system**

Sweden has in the past, both introduced and discontinued a cash-for-care system directed towards parents, on a part time basis, as an alternative to full-time preschool. In this regard Sweden differs from the rest of the Nordic countries which currently have different forms of cash-for-care-systems. The main reason for discontinuing the system has been its negative effects on female participation in the workforce. Last time the system was used in Sweden, only 7,9 % of the applicant parents were men and a similar uneven distribution can be found in both Norway and Finland<sup>10</sup>. Research on cash-for-care systems has shown that for women, especially women with low education or foreign-born women, who already have a weak connection to the labour

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<sup>8</sup> Drange, N. (2018). Promoting integration through child care: Lessons from Norway. *SNS Analys*, nr 50.

<sup>9</sup> Vandenbroeck, M., Lenaerts, K. & Beblavý, M. (2018): *Benefits of Early Childhood Education and Care and the conditions for obtaining them*. EENEE Analytical Report No. 32.

<sup>10</sup> Försäkringskassan 2013:5. Vårdnadsbidrag: En översikt av systemen i de nordiska länderna och sammanfattning av forskningen kring dess effekter.

market, this creates an obstacle for entering the work force<sup>11</sup>. Similar findings have also been recorded in the parental leave insurance.

## **Childcare provision and the Corona pandemic**

Sweden did not have a general lockdown, nor did preschools and other childcare facilities have a general closing during the pandemic. If a preschool closed it related to staffing issues, i.e. a large proportion of the staff infected with covid-19. Only 3,100 parents have used the special insurance within the temporary parental benefit system which was put into place to handle school shutdowns during the pandemic<sup>12</sup>. Instead, the Swedish strategy was based on maintaining childcare provision for parents to keep working and for social reasons and stability for the children.

Instead, recommendations were made to preschools to guarantee the safety of staff and children. These recommendations included not to partake in preschool activities if you had any symptoms. They also included extending the withdrawal period, which in turn increased temporary parental care. These policies were made possible mainly through a temporary parental benefit system which serves to temporarily compensate parents for loss of income (up to 80 % of income) when they care for a sick child. During 2020 this system was used to an extent that has not been seen before<sup>13</sup>. However, the pandemic and the increase in use of this system has placed additional constraints on

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<sup>11</sup> Försäkringskassan 2013:5; Segendorf, Å. O., & Teljosuo, T. (2011). Sysselsättning för invandrare: En ESO-rapport om arbetsmarknadsintegration.

<sup>12</sup> Försäkringskassan. Socialförsäkringsrapport 2021:1. Socialförsäkringen och coronapandemin: En översikt av nyttjandet av socialförsäkringen under coronapandemin 2020.

<sup>13</sup> Ibid.

parents, especially single parent households (mainly mothers), with low incomes. During 2020 there has therefore been a drastic increase in number of households with a low income standard, which has broken the previous positive trend<sup>14</sup>.

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<sup>14</sup> Försäkringskassan 2021. Barnhushållens ekonomi: Resultatindikatorer för den ekonomiska familjepolitiken 2021.

# WELSH PARLIAMENT – EQUALITY AND SOCIAL JUSTICE COMMITTEE

## INQUIRY ON CHILDCARE AND PARENTAL EMPLOYMENT

### WRITTEN EVIDENCE FROM THE SCOTTISH GOVERNMENT

#### SCOTLAND'S EARLY LEARNING & CHILDCARE INVESTMENT

## 1. Introduction

All 3 and 4 year olds and eligible 2 year olds in Scotland are now entitled to 1140 hours of funded early learning and childcare (“ELC”) under the provisions of the Children and Young People (Scotland) Act 2014 (“the 2014 Act”), as amended.

The Scottish Government first committed to almost doubling the entitlement to funded ELC from 600 to 1140 hours per year from August 2020 in the *One Scotland Programme for Government 2014-15*<sup>1</sup>. The Covid pandemic necessitated a one year delay to the full roll-out to 1140 hours to August 2021, although local authorities commenced phased implementation of the expansion from 2018 and so many families were able to benefit ahead of statutory roll-out.

The expansion to 1140 hours is intended to deliver three main benefits for children and families:

- children’s development improves and the poverty related attainment gap narrows;
- more parents will have the opportunity to be in work, training or study; and
- increased family wellbeing through improved health and wellbeing of parents and children.

The expansion required a significant joint effort of national and local government in Scotland. Underpinning legislation was passed by Parliament; total additional national investment of £2 billion over 5 years to 2021-22 is funding the required local capital programmes and expansion of the early years workforce; and policy frameworks are focussed on using the opportunity of the expansion to continually improve the quality of ELC experienced by children.

## 2. Expansion of Early Learning and Childcare in Scotland

### 2.1 Background

Early learning and childcare (ELC) was first defined in the 2014 Act as ‘a service, consisting of education and care, of a kind which is suitable in the ordinary case for children who are under school age, regard being had to the importance of interactions and other experiences which support learning and development in a caring and nurturing setting’.

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<sup>1</sup> <https://www.gov.scot/Resource/0046/00464455.pdf> (webarchive.org.uk)

The 2014 Act expanded the statutory entitlement from 475 to 600 hours, and introduced eligibility for 2 year olds in a targeted offer that seeks to provide early access to funded ELC for those children that the evidence suggests stand to benefit most from the overall expanded entitlement.

Statutory eligibility criteria for the 2 year old offer includes looked after children and children who are subject to a kinship or guardianship order, as well as children whose families receive certain qualifying benefits<sup>2</sup>, and children in families receiving support through an asylum claim. Local authorities have wide discretion to make the 2 year old offer available to families who they believe would benefit and we introduced a non-statutory eligibility for children with a parent who is care experienced alongside the 1140 hour statutory entitlement in August 2021.

Education authorities (local authorities) are under a statutory duty to ensure that funded places are available for all eligible children in their area. They can offer this through their own settings, and can commission providers in the private and third sectors, including childminders, to offer it (referred to as ‘funded providers’ or ‘partner providers’).

The 2014 Act also places duties on education authorities to consult with parents and carers on the delivery of funded ELC, and to have regard to the desirability of ensuring that ELC is made available in a way that is flexible and allows parents an appropriate degree of choice when deciding how to access the service.

## 2.2 Evidence base and rationale for investment

Accessing high quality ELC is associated with improved outcomes in language, cognitive and other essential skills and, importantly, these benefits have been found to be greater for children from disadvantaged backgrounds.

In summary, the evidence base on early learning finds:

- High quality early learning is associated with sustained improvement in children’s lifelong outcomes in education, employment, and health<sup>3</sup>;
- Children from disadvantaged backgrounds can benefit most from attending high quality ELC<sup>4</sup>;
- Increased time in ELC (number of years) is a predictor of level of attainment reached at later years<sup>5</sup>;
- Increased time in ELC (hours per week) is associated with higher levels of behavioural self-regulation and improved pro-social behaviour<sup>6</sup>;
- There is no social gradient in access to high quality ELC in Scotland<sup>7</sup>; and
- High quality ELC can address intergenerational poverty, with research finding second-generation effects on education, employment, crime, school suspensions and health<sup>8</sup>.

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<sup>2</sup> <https://www.mygov.scot/childcare-costs-help/funded-early-learning-and-childcare/>

<sup>3</sup> <https://www.oecd.org/education/starting-strong-2017-9789264276116-en.htm>

<sup>4</sup> <https://www.oecd.org/education/starting-strong-2017-9789264276116-en.htm>

<sup>5</sup> <https://www.oecd.org/education/starting-strong-2017-9789264276116-en.htm>

<sup>6</sup> <https://www.gov.uk/government/publications/early-education-and-outcomes-to-age-4> (SEED study)

<sup>7</sup> <https://www2.gov.scot/Resource/0052/00528287.pdf> (Growing up in Scotland Study)

<sup>8</sup> <https://heckmanequation.org/resource/perry-preschool-midlife-toolkit/>

Consistent across the international research evidence on the impact of ELC is the finding that for positive outcomes on children’s development to be secured, the experience must be of high quality.

### 2.3 Securing high quality ELC experiences

The Scottish Government has introduced a new National Standard<sup>9</sup> that all providers of publically funded ELC (across local authority and private and third sector settings) are required to meet in order to deliver the funded entitlement. Some flexibilities are currently being applied under interim guidance<sup>10</sup>, last updated in March 2021, to reflect the impact of the Covid pandemic on the ability of ELC settings or local authorities to demonstrate delivery against aspects of the National Standard.

The criteria of the National Standard focus on what children and their families should expect from their ELC experience, regardless of where they access their funded entitlement. It is one of the key mechanisms for ensuring the overall quality of ELC in Scotland continuously improves as the publically funded service expands.

The National Standard is at the heart of the “Funding Follows the Child” approach to implementing the 1140 hours expansion. Funding Follows the Child is focused on delivering high quality ELC and enabling choice for parents. It is ‘provider neutral’ with all providers who wish to deliver funded ELC required to meet the same National Standard, regardless of whether they operate in the public, private or third sectors. The National Standard also applies to childminding services, with some modifications to reflect the nature of those services.

Funding Follows the Child means that a family can access their child’s funded ELC entitlement from any setting which meets the National Standard, has a place available and is willing to enter a contract with their local authority. As at August 2021, around 32% of funded places were provided by the private and third sectors and childminding services, compared to a projection of 26% at the start of the expansion.<sup>11</sup>

Funding Follows the Child also creates new responsibilities for local authorities to set sustainable funding rates for partners and provide them with the same improvement support as their own settings.

In addition, Scottish Government and partners have delivered the actions set out in the 2017 *Quality Action Plan*<sup>12</sup>. These actions are broadly grouped around three areas: workforce development; pedagogical development; and parental and family learning and engagement.

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<sup>9</sup> [Funding follows the child and the national standard for early learning and childcare providers: principles and practice - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/funding-follows-the-child-and-the-national-standard-for-early-learning-and-childcare-providers-principles-and-practice/pages/1-10.aspx)

<sup>10</sup> [Funding follows the child and the national standard for early learning and childcare providers: interim guidance - update March 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/funding-follows-the-child-and-the-national-standard-for-early-learning-and-childcare-providers-interim-guidance-update-march-2021/pages/1-10.aspx)

<sup>11</sup> [Early Learning and Childcare Expansion Delivery Progress Report, September 2021 \(improvementservice.org.uk\)](https://www.improvementservice.org.uk/early-learning-and-childcare-expansion-delivery-progress-report-september-2021/)

<sup>12</sup> <https://www.gov.scot/publications/blueprint-2020-expansion-early-learning-childcare-scotland-quality-action-plan/>



## 2.4 Parental and family outcomes

Reducing child poverty itself is also a critical part of closing the poverty related attainment gap. The policy of expanding publically funded ELC is multi-faceted: intended to impact on parental and wider family outcomes, as well as directly on child outcomes. Expanding ELC supports parents to take up opportunities to train, study, or work – making a key contribution to wider Scottish Government commitment to significantly reduce child poverty by 2030.

*Every Child, Every Chance*<sup>13</sup> – the Scottish Government’s strategy on tackling child poverty – identifies three key drivers of the child poverty reduction targets: income from work; costs of living; and income from social security. The expansion of funded ELC contributes to two of these by increasing opportunities to increase income from work, and by reducing household costs. The 1140 hours offer saves families up to £4,900 per year for each eligible child taking up their full funded entitlement.

The Scottish Government has created a Parental Employability Support Fund (“PESF”) to provide support to low income families to increase their earnings through employment, by gaining and progressing in Fair Work, providing intensive, person-centred key worker employability support. Over £8.65 million will be invested in the PESF in 2021-12 and the Scottish Government has committed to invest at least a further £15 million across 2022-24.<sup>14</sup>

## 2.5 Delivery and funding

As of August, all 32 local authorities in Scotland are offering 1140 hours of funded ELC to all eligible children, making high quality early learning and childcare available to families. Up to 130,000 children are expected to benefit this academic year as new children become eligible and are enrolled.

Delivery progress data, collated by the Improvement Service and published in September 2021<sup>15</sup>, shows that 91,000 children were accessing funded ELC by the end of August 2021. Of these, 97% (88,122 children) were accessing more than 600 hours, and 87% (79,262 children) were accessing the full 1140 hours funded ELC.

The same publication shows that local authorities reported that 17,516 FTE are in place as at August 2021 to deliver the 1140 hours expansion. This is an increase of around 8,000 FTE (83%) from 9,576 FTE in academic year 2016/17. The Scottish Government supported the expansion of the workforce through:

- Working with colleges, skills bodies and training providers to increase enrolments on childcare courses by over 25% between 2017 and 2020, including a 41% increase in Modern Apprenticeship Starts;
- Investing over £11 million to create over 1,400 additional places on degree-level qualifications since 2017-18; and
- Securing fair work practices for all staff delivering the funded ELC entitlement through the National Standard, including a commitment to pay the Real Living Wage.

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<sup>13</sup> <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>

<sup>14</sup> [A Fairer, Greener Scotland: Programme for Government 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/a-fairer-greener-scotland-programme-for-government-2021-22/)

<sup>15</sup> [Early Learning and Childcare Expansion Delivery Progress Report, September 2021 \(improvementservice.org.uk\)](https://www.improvementservice.org.uk/publications/early-learning-and-childcare-expansion-delivery-progress-report-september-2021/)

The 1140 expansion programme is supported by a multi-year funding agreement between Scottish Government and Local Government. Under this agreement, £476 million is being invested in capital projects to deliver new, expanded and refurbished ELC facilities, creating around 22,000 additional physical spaces across over 900 projects. Additional annual revenue funding of £567 million was provided to local authorities in 2021-22 to deliver the expansion.

## 2.6 Monitoring and evaluation

A monitoring and evaluation strategy has been developed to measure progress on intended outcomes of the expansion of ELC, the centrepiece of which is a new study - The Scottish Study of Early Learning and Childcare (SSELC)<sup>16</sup>. SSELC is a cross-sectional and longitudinal study which collects information on child outcomes, family outcomes, and parent outcomes to evaluate the extent to which the expansion programme benefits have been achieved.

Data collection has been divided into a number of phases. In 2018 and 2019, baseline data was collected from children and parents accessing 600 hours of funded ELC. Over the next few years, data will be collected from those accessing 1140 hours of funded ELC. Measuring before and after the expansion allows for an evaluation of the extent to which the expansion's intended benefits have been achieved. Full findings will be published in due course.

## 3. **Covid 19 response**

At the beginning of the pandemic, in March 2020, the Scottish Government took the difficult decision to restrict access to ELC and childcare services, due to high levels of community transmission of COVID-19 and the need to reduce pressure on the NHS. Due to the emergence of the new variant of COVID-19 in late 2020, these restrictions were unfortunately needed again in January and February 2021.

When access to ELC and childcare has been restricted, we have worked with the sector to ensure access to childcare for key workers and vulnerable families and have always prioritised a return to ELC and childcare for all children, as soon as it is safe to do so, recognising that access to ELC and childcare is fundamental to our children's development and to family wellbeing, as well as parents' ability to work, train or study.

To support ELC and childcare services to operate safely during the pandemic, we have developed operating guidance, based on expert scientific advice, that reduces risk but maintains good experiences for children.

The Scottish Government has provided financial support to the childcare sector to mitigate the financial impacts of Covid. More than £22 million of dedicated support was made available to private and third sector nurseries and school age childcare services over the course of the 2020-21 financial year – through the Transitional Support Fund and the Temporary Restrictions Fund – and £3.2 million worth of business support for Childminding Services.<sup>17</sup>

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<sup>16</sup> [Scottish Study of Early Learning and Childcare: Three-year-olds \(Phase 3\) Report - Updated 2021 - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/publications/2021/03/20210303_sselc_report_updated_2021.pdf)

<sup>17</sup> [Financial sustainability health check of the childcare sector in Scotland - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/publications/2021/03/20210303_financial_sustainability_health_check_of_the_childcare_sector_in_scotland.pdf)

## 4. Further policy commitments

### 4.1 ELC for 1 & 2 year olds

The *2021-22 Programme for Government*<sup>18</sup> sets out the Scottish Government's ambition to provide funded early learning to all 1 and 2 year olds, starting in the course of this Parliament with low-income households. Work is underway to engage with families, the early learning sector and academic experts to design how the new offer will work in practice, focused on developing an offer that will contribute to supporting the wellbeing of the whole family.

### 4.2 Wraparound childcare for school age children

Parents have told us that the costs of childcare for their school age children presents a major barrier to them taking up or staying in good quality employment, or increasing their hours. Providing childcare for free to those on lowest incomes will help them enter or sustain employment, and help them lift their families out of poverty.

In 2019 the Scottish Government published a *Draft Framework for Out of School Care in Scotland*<sup>19</sup> for consultation to provide the foundation and structure for the creation of new policies around school age childcare. This was followed by a *Progress Report on School Age Childcare*<sup>20</sup> in March 2021.

The Scottish Government has now committed to expand access to childcare further, by building a system of wraparound school age childcare, providing care before and after school and in the holidays, over the life of this Parliament. Those on the lowest incomes will pay nothing.

In the next year we will publish a 5-year delivery plan setting out the phasing and timescales for delivering this to the end of the parliament.<sup>21</sup> We have also made commitments in our *Covid Recovery Strategy: For a fairer future*<sup>22</sup>, published in October 2021, to begin the early phasing in of community level systems of school age childcare in 2022-23, targeted to support the families most likely to be experiencing poverty.

**Scottish Government  
November 2021**

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<sup>18</sup> [A Fairer, Greener Scotland: Programme for Government 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/programme-for-government-2021-22/pages/introduction.aspx)

<sup>19</sup> [Out of school care in Scotland - draft framework: consultation - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/out-of-school-care-in-scotland-draft-framework-consultation/pages/introduction.aspx)

<sup>20</sup> [School age childcare: progress report - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/school-age-childcare-progress-report/pages/introduction.aspx)

<sup>21</sup> [A Fairer, Greener Scotland: Programme for Government 2021-22 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/a-fairer-greener-scotland-programme-for-government-2021-22/pages/introduction.aspx)

<sup>22</sup> [Covid Recovery Strategy: for a fairer future - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/covid-recovery-strategy-for-a-fairer-future/pages/introduction.aspx)

1. *To provide statistics of the number of cases where addiction was an underlying factor of debt. (p.19)*

The below response has been received from Citizens Advice Cymru, the lead organisation in the Single Advice Fund (SAF).

*“Unfortunately, we do not currently collect any performance management data on underlying factors of debt for SAF clients. Our Advice Partners will have case studies/client records which reference addiction as an underlying cause of debt, for example, if the client disclosed this or provided bank statements indicating that gambling was an issue. However, at present there is not a specific way of categorising such underlying factors of debt on our case management system.*

*I reaffirm that the Action on Gambling Harm project at Citizens Advice is improving our training for all advisers and volunteers to help them identify clients who show possible signs of gambling harm. We know there are other addictions that serve as an underlying cause of debt, but recognise that these are not straightforward to measure.”*

Officials will discuss with Citizens Advice Cymru the potential for the future collection of performance management data on underlying factors of debt.

2. *To provide more information on the sustainability and support given to energy advice projects.*

A number of third sector partners in Wales benefit from the industry initiatives element of the Warm Homes Discount (WHD) Scheme. The UK Government recently concluded a consultation on the next iteration of the scheme, in which the UK Government appeared to signal a reduction in this support. In our response, Ministers noted that continued investment in advice services and other support projects previously provided through the WHD scheme should continue to be available through the industry initiatives. Funding for projects should be confirmed at the start of the financial year to provide confidence to third sector partners to enable successful in year delivery. The proposal for Ofgem to recalculate and notify suppliers of their updated Industry Initiatives obligations on or before 31 October will result in many projects not being funded owing to the lateness of this in year decision making. An early decision on next year's funding however, would be the preference.

Further support is also provided through the energy redress scheme. The Energy Saving Trust was appointed by Ofgem in April 2018 to deliver the Energy Redress scheme, which distributes voluntary payments made by energy companies that may have breached regulations. Its core priority is to support energy consumers in vulnerable situations. A small proportion of the funding can also support projects that develop or trial innovative products or services that will support energy consumers. The funding is made available to charities in England, Scotland and Wales to deliver projects and services that meet the priorities of the scheme. Charities can register their interest the scheme at any time and if they pass a basic due diligence process, they can then submit applications when a funding round opens.

In Wales, we are running the advice services pilot to inform how energy efficiency advice and support services to householders could be improved. This will be included in the consultation on the next iteration of the Warm Homes Programme.

3. *To provide information on a strategy that pulls together the causes of debt and poverty, particularly relating to the national insurance increase, universal credit cuts and fuel poverty.*

We know the rising cost of living and the ending of the £20pw Universal Credit uplift payment means that some families on low incomes face a tough winter. A comprehensive assessment of the combined impact of the UK Government's Autumn Budget published by the [Resolution Foundation](#) notes:

*“The Chancellor’s answer to this winter’s cost of living crunch was a significant increase to the generosity of Universal Credit (UC) for working households. The move to ensure that those on the benefit can keep significantly more of each extra pound earned, and raising the amount that households with children can earn before their benefits start to be reduced. But, overall, these changes will be overshadowed by last month’s £6 billion cut to entitlement: three-quarters of families on UC will lose more from the £20 cut than they gain from the Budget changes. Even if we also take into account the impact of the faster-than-average-earnings increase to the National Living Wage, the poorest fifth of households will still be an average of £280 a year worse off overall.”*

Tackling poverty and inequality is a priority for this Senedd term. Through the Programme for Government we have set out our commitment to improve outcomes for low income households. This includes continuing to support our flagship Flying Start programme; a commitment to review eligibility criteria for free school meals; and additional funding for childcare where parents are in education and training. Our support for a more generous ‘social wage’ through initiatives such as our Childcare Offer, our Council Tax Reduction Scheme, our Warm Homes Programme and Free Prescriptions, has the effect of leaving more money in the pockets of Welsh citizens.

I continue to meet ministerial colleagues to discuss opportunities to prioritise tackling poverty in the development and delivery of their Programme for Government commitments, and within their policies and service delivery considerations. These discussions focus on evidence of what works in tackling poverty. They take on board the recommendations arising from the Child Poverty review, to ensure that Welsh Government funded programmes have maximum impact on the lives of children living in poverty. They will also be supported by findings from the research and analysis currently being undertaken by the Wales Centre for Public Policy into tackling poverty in Wales. This is considering international poverty alleviation strategies and effective poverty reduction programmes and policies.

In addition, poverty has once again been a cross-cutting theme in the budget planning process, with a ministerial budgetary thematic discussion recently taken place.

4. *To provide more information on the role of the equalities data unit.*

An Equality Data Unit will sit alongside a Disability Disparity Unit and a Race Disparity Unit. Each will be looking to improving use and availability of equalities evidence in Wales. The Welsh Government are in the process of developing a recruitment strategy for the Units at the moment. The scoping of the Units has identified some projects that the Units will look to focus on once the resource is in place. Once the Units are resourced we will look to develop the individual evidence programmes for each Unit. At this point we will be able to provide more details about the exact nature of the work and what the key priorities will be.

It is expected that the Equality Data Unit will explore innovative ways to produce gender analysis, working alongside other Welsh Government analysts. Gender will remain a priority for analysts across the organisation KAS will shortly be reviewing the information we publish on sex and gender to ensure we are reporting data with clarity. This will include drawing on the recommendations of the Inclusive Data Taskforce as well as other official statistics guidance.

Admin Data Research Wales is applying for funding to take forward a project to create a UK-wide research-ready dataset of individual / household-level deprivation indicators. This work would complement existing area-based indices of deprivation (such as the Welsh Index of Multiple Deprivation (WIMD)), which currently form the core evidence base for deprivation available to analysts and policymakers. It is expected that the Units will work with ADRU to ensure that this project considers aspects of equality in measurement of household deprivation, including gender. A funding decision is not expected until 2022.

5. *To provide more information on how the Welsh Government supports those in work who are pushed into debt, but do not qualify for government support.*

The Welsh Government is committed to helping all households struggling with their finances. We will continue to focus on our objectives to reduce the number of children living in workless households, increase the skills of parents, reduce inequalities in education, health and economic outcomes and action to increase household income. Activities that focus on supporting all households to maximise their income are briefly outlined below.

- a) The Self-isolation Support Scheme has financially helped those legally required to self-isolate, if they will experience a loss of income and this has helped to reduce the risk of households incurring debt\ further debt. From 7th August, the self-isolation support payment increased from £500 to £750 and the scheme has been extended until March 2022.
- b) The Tenancy Hardship Grant offers financial support to private sector tenants to clear rent arrears that accrued during the pandemic. The grants are ringfenced to tenants who are not in receipt of any financial support towards their housing costs from the social security system.
- c) The Discretionary Assistance Fund is available to support people in Wales experiencing financial hardship. Access to an Emergency Assistance

Payment not dependent on a household being in receipt of a social security benefit.

- d) The Welsh Government is committed to helping everyone in Wales to claim all the financial support they are entitled to and recently launched its second national '*Claim What's Yours*' welfare benefit take-up campaign. The campaign's creative messages are designed to communicate positively with people who have no previous involvement with the social security system.
- e) The Welsh Government's commitment to supporting advice services ensures that people across Wales can access free and impartial debt advice (and other social welfare advice). The Single Advice Fund service delivery model is founded upon the principle of early intervention that aim to reach people before a problem has developed to crisis.
- f) Welsh Government works very closely with credit unions and provides significant funding so they can promote access to affordable credit to all households and attract people away from using high cost lenders and illegal lenders. During 2020-21, we provided a total of £2.5 million to credit unions to support their important work.

6. *To send information of the Welsh Government view on debt bonfires.*

We know that the consequences for a household struggling with debt can be severe. A debt relief scheme, where Welsh Government purchases bad debt accrued as a direct consequence of the pandemic and cancels it for the most vulnerable in society, is a proposal that will require detailed and careful consideration. For example, such a scheme must ensure there is equality and fairness to households who were struggling financially because of the pandemic, but paid their financial commitments, perhaps by choosing to cut back on other household expenditure. The scheme would also need an objective and transparent eligibility criteria that is able to distinguish between those households who could pay their financial commitments, but choose not to pay and those households who could not pay.

It is important to note debt relief schemes do exist to help people manage debt that has accrued during the pandemic. For example, while a local authority has a duty to pursue council tax arrears from households who have the means to pay, they may write off arrears if they judge that there is not a reasonable prospect of recovering the debt. Personal finance creditors will also write off debt where there is compelling evidence that, due to the individual circumstances of their debtor, there is no prospect of the debt being recovered. (For information, during the period January 2020 to September 2021 the debt advice services delivered through the Single Advice Fund supported over 30,000 people to deal with 113,971 debt issues, with debts with a total value of £13,983,727 being written off by creditors.)

7. *To confirm whether the six month notice period currently in place is to be extended until the Renting Homes Act 2016 comes into force and what assessment has been made of what may happen if there is a gap until the Act comes into force.*

The measures in relation to residential tenancies in force under the Coronavirus Act 2020 relate to three of the overarching aims of the 2020 Act, these being: containing and slowing the virus; easing the burden on frontline staff; and, supporting people. Use of the powers needs to be justified on that basis, so it is possible that the measures may be ended before the Renting Homes Act is implemented.

However, since we intend to implement Renting Homes by summer recess next year, any reversion to the arrangements that applied before measures were enacted under the 2020 Act will be relatively brief. It is also important to note that the six-month notice period currently in force under the 2020 Act applies to all grounds for eviction, other than anti-social behaviour and domestic violence. Under Renting Homes, the six-month notice period will apply only to the landlord's notice issued under section 173, and under a landlord's break clause in a fixed term standard contract. Other notices, such as in relation to breach of contract and serious rent arrears, will be for shorter periods. Therefore, there will in any case be a change to the notice periods that apply under the 2020 Act. We will, of course, be continuing to work closely with stakeholders to ensure the transition to the new arrangements under Renting Homes is as smooth as possible.

8. *To provide more information on what the government is doing to support victims of domestic abuse who may have debt problems?*

We know that domestic abuse and sexual violence can have a severe and lasting impact on all aspects of life for victims. Financial abuse, mainly a form of coercive control is experienced by the vast majority of victims. Victims often find it difficult to access the support they need. It is imperative within all sectors to use all possible opportunities to detect abuse and to ensure those at risk have the chance to receive the support they need. We must see the whole picture for every victim, survivor and family so that those experiencing domestic abuse can be supported efficiently and effectively.

This year Welsh Government has increased the funding allocation to Third Sector specialist VAWDASV organisations by 4% to ensure they can respond to the increased demand as a result of the pandemic. Specialist organisations are able to work with victims on a strength-based, needs-led approach, which includes debt advice and signposting to specialist debt advisors where needed. Several organisations supporting those experiencing domestic abuse are Access Partners in the Single Advice Fund.

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