

Agenda – Children, Young People and Education Committee

Meeting Venue:

Committee Room 1 – The Senedd

Meeting date: 6 June 2018

Meeting time: 09.15

For further information contact:

Llinos Madeley

Committee Clerk

0300 200 6565

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Private Pre-meeting

(09:15 – 09:30)

1 Introductions, apologies, substitutions and declarations of interest

(09:30)

2 Childcare Funding (Wales) Bill – evidence session 6

(09:30 – 10:15)

(Pages 1 – 21)

Estyn

Claire Morgan, Strategic Director

Mererid Wyn Williams, Assistant Director

Jane Rees, HM Inspector

Attached Documents:

Research Brief

CYPE(5)-17-18 – Paper 1

3 Childcare Funding (Wales) Bill – evidence session 7

(10:15 – 11:00)

(Pages 22 – 28)

Care Inspectorate Wales and Social Care Wales

Gemma Halliday, Workforce Development Manager – Social Care Wales

Kevin Barker, Head of Childcare and Play Inspection – Care Inspectorate Wales



Gill Huws-John, Senior Manager Childcare and Play Inspection – Care Inspectorate Wales

Attached Documents:

CYPE(5)-17-18 – Paper 2

CYPE(5)-17-18 – Paper 3

Break

(11:00 – 11:15)

4 Childcare Funding (Wales) Bill – evidence session 8

(11:15 – 12:00)

(Pages 29 – 32)

Welsh Local Government Association and Association of Directors of Education in Wales

Esther Thomas, Director of Education and Lifelong Learning, RCT County Borough Council – ADEW

Catrin Edwards, Head of Service Transformation RCT County Borough Council – ADEW

Catherine Davies, Lifelong Learning Policy Officer (Children) – WLGA

Sarah Mutch, Education Lead for Early Years and Partnerships – Caerphilly County Borough Council

Attached Documents:

CYPE(5)-17-18 – Paper 4

5 Paper(s) to note

(12:00)

5.1 Letter from the Cabinet Secretary for Education – level of engagement between the Welsh Government and Professor Ainscow

(Pages 33 – 34)

Attached Documents:

CYPE(5)-17-18 – Paper to note 1

5.2 Letter from the Minister for Children, Older People and Social Care – further information following meeting on 16 May

(Pages 35 – 40)

Attached Documents:

CYPE(5)-17-18 – Paper to note 2

5.3 Letter from the Cabinet Secretary for Education – Support for Minority Ethnic, Gypsy, Roma and Traveller Learners

(Pages 41 – 42)

Attached Documents:

CYPE(5)-17-18 – Paper to note 3

6 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the remainder of the meeting.

(12:00)

7 Childcare Funding (Wales) Bill – consideration of the evidence

(12:00 – 12:10)

8 Inquiry into Targeted Funding to Improve Educational Outcomes – consideration of the draft report

(12:10 – 12:45)

(Pages 43 – 169)

Attached Documents:

Private Paper

Document is Restricted

Children Young People and Education Committee
Estyn response to consultation on the Childcare
Funding (Wales) Bill

Terms of reference

To consider:

1. The general principles of the Childcare Funding (Wales) Bill and whether there is a need for legislation to deliver the Bill's stated policy objectives;

Estyn does not have a view on the technical aspects of the Bill or on the need for legislation. However, the policy objectives as stated in the Explanatory Memorandum do not make clear the importance of providing high quality education and affordable childcare and the impact that this will have on the future life chances of children in Wales. There appears to be a missed opportunity to stress the importance of good quality early childhood experiences and the positive impact that these have on child development.

2. Any potential barriers to the implementation of the key provisions and whether the Bill takes account of them;

Estyn does not have a view on the barriers to the implementation of the key provisions.

3. Whether there are any unintended consequences arising from the Bill;

Estyn does not have a view on the technical aspects of the Bill, but we would like to highlight possible unintended consequences of the Offer.

The Childcare Offer is based on the premise that parents will access the full 30 hours a week through a combination of childcare and foundation phase education. In simple terms, the Offer could be taken up by parents as 10 hours of foundation phase with a top up of 20 hours of childcare. If parents decide not to take up the foundation phase education provision they will only be entitled to 20 hours of childcare (not the full 30 hours).

Funding for the foundation phase is determined at a local level and local authorities fund at different rates. If local authorities maintain funding for education in settings at the current rate, the childcare element of the Offer will be funded at a higher rate than the education element in many local authorities. Although the childcare element of the Offer will be funded at a consistent rate across Wales, the education element will not.

Estyn encounters an increasing number of settings funded for education that request some form of additional fee from parents to ensure that their provision is sustainable. As the childcare element of the Offer is funded at a higher rate we are concerned

that settings may decide to offer the childcare part of the Offer only. This could have an impact on parental choice as there could be fewer settings offering funded education.

Estyn is concerned that some parents may decide to accept 20 hours of childcare, but not take up the additional entitlement to funded education. Where education and care are provided on different sites, parents may find it logistically difficult to transfer their child during the day. If a setting does not offer education, some parents may prefer to pay for additional care in one setting so that their child has continuity of provision. Where children do not receive their entitlement to good quality funded education there could be an adverse impact on child development.

Estyn is concerned that schools have not had enough opportunities to engage fully in dialogue about the Offer. The explanatory memorandum (4.2) refers to significant engagement with parents, providers and local authorities, but does not refer to engagement with schools. As more children receive their funded education in schools than settings, schools will be a vital partner in the Offer and need to consider how best they can link with existing childcare providers or provide childcare themselves to support the implementation of the Offer. These important links should aid school transition and help schools and settings to share important information to support children and families, for example if children have additional needs.

Estyn has noted that in a number of schools built under the 21st century schools programme there has been additional accommodation planned to facilitate wrap around care. This is not true for all schools built under this programme. This additional accommodation would allow schools to engage with the Offer and to provide both education and care on their premises. This may be done through a co-location arrangement with a childcare provider and schools would not necessarily take on the childcare role, but could facilitate it through a separate arrangement.

There is a shortage of childcare settings operating through the medium of Welsh. Parents may therefore choose to access the childcare element in an English-medium setting. They may also choose to access education in an English-medium setting to avoid the need for children to travel between sites. Estyn is concerned that this could affect the number of children taking up a place at a Welsh-medium school or setting that provides funded education. Parents may decide not to transfer to Welsh-medium education at a later date.

Section 10 of the explanatory memorandum outlines the arrangements to carry out a post implementation review. It does not make clear if the quality of the provision is to be reviewed or the impact that the Offer will have on early childhood experiences for children in Wales.

4. The financial implications of the Bill (as set out in Part 2 of the Explanatory Memorandum, and

Estyn does not have views on the financial implications of the Bill

5. The appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the Explanatory Memorandum).

Estyn does not have a view on the technical aspects of the Bill

6. It would be helpful to the Committee if respondents could identify how the Bill could be amended to improve any aspects which they identify as inadequate.

Consultation on the Childcare Funding (Wales) Bill call for evidence response

Social Care Wales is a Welsh Government sponsored body. Our vision is that every person who needs support lives the life that matters to them. We aim to achieve this vision by working with people who use care and support and a broad range of organisations to:

- set standards for the care and support workforce
- develop the workforce
- work with others to improve services
- set priorities for research
- share good practice
- provide information on care and support

Social Care Wales has a responsibility for supporting the training and development of the social care workforce (including the early years and childcare workforce). We are responsible for producing a list of recognised qualifications for the workforce. We facilitate an early years and childcare network which provides us and Welsh Government with a range of views from the sector. We are collaborating with Qualifications Wales on the development of new children's care, play, learning, development and qualifications. We are also responsible for the regulation, development and improvement of the social care workforce, which includes those who provide social care and support for children and their families. We are responding to this consultation from the perspective of our expertise and knowledge in these areas.

The general principles of the Childcare Funding (Wales) Bill and whether there is a need for legislation to deliver the Bill's stated policy objectives

We welcome the Bill's approach to providing affordable, accessible, quality early years childcare. Childcare provides key opportunities for child development and enables parents to work or access training. This in turn supports increased economic growth, tackles child poverty and reduces inequalities¹. Quality childcare also supports intervention and prevention within early years for children at risk of Adverse Childhood Experiences² (ACEs). It provides safe and stimulating environments in which children can play, learn, develop and grow. In this respect children from disadvantaged areas would benefit from receiving the childcare offer in line with

¹ <https://gov.wales/docs/caecd/research/2017/171031-childcare-capacity-en.pdf>

²

[http://www2.nphs.wales.nhs.uk:8080/PRIDDocs.nsf/7c21215d6d0c613e80256f490030c05a/d488a3852491bc1d80257f370038919e/\\$FILE/ACE%20Report%20FINAL%20\(E\).pdf](http://www2.nphs.wales.nhs.uk:8080/PRIDDocs.nsf/7c21215d6d0c613e80256f490030c05a/d488a3852491bc1d80257f370038919e/$FILE/ACE%20Report%20FINAL%20(E).pdf)

Flying Start, but it is often in these areas that parents are unable to afford to pay for childcare, or are not able to meet the eligibility criteria in respect of working hours³.

In this context, consideration might be given to how the eligibility criteria in the Bill might align to other programmes such as Parents Childcare and Employment (PaCE) where childcare is a barrier to those seeking work/training. Currently the eligibility proposed in the Bill would exclude any non-working parents, who are likely to be the poorest people. Childcare costs are a genuine concern to parents and there are areas in Wales where parents cannot afford to pay for childcare due to low household income and higher levels of unemployment, such as the South East Valleys⁴. Evidence from the Welsh Index of Multiple Deprivation and Census data suggest that in the South East Wales there is a high density of children, but that parents may not need or be able to afford to make use of childcare. A comparison to the evaluation of take up in the Early Implementer areas in England with those in Wales, in relation to the most deprived areas would be useful to establish if this has an effect on those accessing the offer.

Unintended consequences arising from the Bill

Three recent reports have reported under capacity in the Welsh childcare system^{5 6 7}, contrary to the position experienced in England, following the evaluation of their introduction of a similar 30 hours funded child care scheme⁸.

The current estimates are that there are roughly 175,000 children up to the age of four living in Wales. For all ages, there are just less than 80,000 childcare places, of which 45,000 are full day places. Therefore, there are not enough places for all children to attend childcare full time⁹.

Roughly 40 percent of these children are either three or four years old, i.e. 70,000 children¹⁰. If all of those who are eligible (around 66% across Wales), took up the offer, it would mean that an addition of just over 24,000 full time equivalent places¹¹ would be required¹². The estimation is that around 87% of eligible parents would use this service, this means that just over 21,000 FTE¹³ additional places would be required.

³ <https://gov.wales/docs/caecd/research/2017/171031-childcare-capacity-en.pdf>

⁴ Source –Welsh Government Welsh Index of Multiple Deprivation 2014.

⁵ Public Policy Institute for Wales: Childcare Policy Options for Wales, Cardiff, Dec 2015

⁶ <https://gov.wales/docs/caecd/research/2017/171031-childcare-capacity-en.pdf>

⁷ Review of Childcare in Wales, Welsh Government and Government Social Research Social Research: Number 2/2018 Publication Date 10/1/2018: Cardiff

⁸ Gillian Paull, Ivana La Valle. Evaluation of Early Implementation of 30 Hour Free Childcare, Research Report. Department of Education and Government Social Research. London. July 2017

⁹ <https://gov.wales/docs/caecd/research/2017/171031-childcare-capacity-en.pdf>

¹⁰ <https://gov.wales/docs/caecd/research/2017/171031-childcare-capacity-en.pdf>

¹¹ This allows for an additional 20 hours for 38 weeks (on top of the 10 hours early education during term times) and 30 hours for 9 weeks during school holidays (52.1% FTE or 36 hours childcare per week).

¹² Review of Childcare in Wales, Welsh Government and Government Social Research Social Research: Number 2/2018 Publication Date 10/1/2018: Cardiff

¹³ Public Policy Institute for Wales: Childcare Policy Options for Wales, Cardiff, Dec 2015

Based on the *National Minimum Standards (NMS) for Regulated Childcare for children up to the age of 12 years*¹⁴ ratio for children aged 3 years to 7 years, of one adult to 8 children, the extra workforce capacity needed for 21,000 places would be 2637 workers across Wales over the roll out of the offer to 2020. There is not a surplus of qualified staff waiting to join the sector.

Many people joining the workforce undertake apprenticeships and last academic year (2016-17) Social Care Wales certificated a total of 675 level 3 childcare apprenticeships¹⁵. To meet the potential shortfall, it would mean a 700% increase in the number of childcare apprenticeships being recruited and completed over the next two years. There is no indication that learning providers have the capacity to deliver this level of increase. Based on the cost of a Level 3 child care apprenticeship in Wales, a total cost of approximately¹⁶ £11.3 million which would need to be found in future workforce and education plans.

The alternative would be to expect colleges to offer an additional 1100 places (a 38% increase per year) between intakes of 2018-2020 and 2019-2021. In 2016 (last available figures) just over 1500 places are offered across all colleges in Wales for Level 3 Childcare learners¹⁷ and even if this increase could be achieved, the additional staff would not be available to join the workforce until summer 2021. There is no evidence that colleges have the additional capacity to meet this demand. The cost of recruiting and training additional staff to meet the estimated under capacity in the workforce to deliver this policy, is not specifically noted in the costings around childcare funding.

Central Application and Eligibility.

The proposals for central application and eligibility checking is advantageous in terms of a consistent approach across Wales and alleviating capacity issues for Local Authorities. However, the Trade Union Congress report¹⁸ carried out following out the role of Universal Credit indicates a five week wait between application for funding and receipt of first payment could cause financial hardships. If a similar time scale applies to the offer there could be delays in parent's ability to access the full offer. An evaluation of the offer in England¹⁹ indicated that Local Authority teams delivering the offer had expressed concerns around the delay in eligibility checking and accessing the offer; in this case the term after the application was accepted; and how this could affect take up.

The English evaluation also indicates that for some providers, delivering the extended hours will be financially sustainable while not for others. Delivery may also be more profitable for some providers and less profitable for others. This will largely

¹⁴ <http://careinspectorate.wales/docs/cssiw/publications/160303regchildcareen.pdf>

¹⁵ Apprenticeship certification Wales database

¹⁶ The average time for completion of a level 3 childcare apprenticeship is just over 18months.

¹⁷ It should be noted that a level 3 child care course in college takes 2 years to complete

¹⁸ <https://www.tuc.org.uk/sites/default/files/BenefitsDelayed2014.pdf>

¹⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/628938/Evaluation_of_early_implementation_of_30_hours_free_childcare_-_Brief.pdf

depend on fees rates and this should be a consideration when deciding on amendments to rates for the offer.

From discussions with the sector during Social Care Wales' Early Years network meetings, there is a disparity between the rate being paid for Foundation Phase, Flying Start and the 30 hour offer childcare currently across Wales. This differentiates between local authorities however, for the larger long term role out of the 30 hour offer parity in payment rates would be welcomed.

It should also be noted that the reports from the Public Policy Institute for Wales: *Childcare Policy Options for Wales 2015*, notes that the effect of the implementation of the National Living Wage will have a disproportionate effect of child care providers. The Alma Economics childcare survey²⁰ estimates that only 12% of child care staff earn over £9.00 per hour gross, which suggests that the plans to increase the National Living wage to £9.00 by 2020 is likely to have a major impact on the costs²¹. The introduction of the National Living Wage needs to be considered in line with any consideration of changes to the rate of the offer. Current evidence suggests that the costs of delivery are around £4 per hour per child²², but these may rise in the future, particularly with the implementation of the National Living Wage. National Day Nurseries Association (NDNA) indicate²³ that in England this relates to a ten percent increase in payroll for providers which when considered in line with pension and national insurance contributions could cause sustainability issues within the sector.

²⁰ Review of Childcare in Wales, Welsh Government and Government Social Research Social Research: Number 2/2018 Publication Date 10/1/2018: Cardiff

²¹ <https://gov.wales/docs/caecd/research/2018/180110-review-childcare-sector-en.pdf>

²² Recent estimates for England indicate an average hourly cost per child for three and four year olds of £4.25 for private settings, £3.81 for voluntary settings and £4.37 for primary schools with nursery provision Department for Education. (2015b). Review of childcare costs: the analytical report: An economic assessment of the early education and childcare market and providers' costs. DFE00295-2015, November

²³ http://www.ndna.org.uk/NDNA/News/Press_releases/2015_press_releases/National_Living_Wage_funding_factor_is_vital_ahead_of_30_hour_free_childcare_offer.aspx

Thank you for the invitation for Care Inspectorate Wales (CIW) to submit evidence to support the Committee’s inquiry into the general principles of the Childcare Funding (Wales) Bill.

To help inform the Committee’s considerations, we have set out below the context in which CIW registers, regulates and inspects Childcare and Play in Wales. We have detailed some basic information about the sector and our activity within it.

We have commented on the terms of reference for the inquiry where appropriate for CIW to do so.

The role of CIW

We register, inspect and take action to improve the quality and safety of services for the well-being of the people of Wales. We decide who can provide services; take action to ensure services meet legislative and regulatory requirements; and investigate concerns raised about regulated services. We carry out our functions on behalf of Welsh Ministers. Our independence is protected through a Memorandum of Understanding between the Chief Inspector and the relevant Welsh Ministers.

The sector

Childcare and Play services regulated by CIW as at 31 March 2018

	No. of Services	No. of Places
Childcare and Play	4,167	83,817
Child Minder	2,212	16,261
Children’s Day Care	1,955	67,556
Crèche	27	657
Full Day Care	757	31,605
Open Access Play Provision	50	3,534
Out of School Care	419	15,984
Sessional Day Care	702	15,776

Childcare and Play services: inspections performed by CIW (1 April 2017 – 31 March 2018)*

	No. of Inspections
Childcare and Play	1,474
Child Minder	633
Children’s Day Care	841
Crèche	7
Full Day Care	441
Open Access Play Provision	17
Out of School Care	150
Sessional Day Care	226

* Please note that the number of inspections does not include Registration inspections.

The current frequency for inspections is set out below:

	Inspection frequency
Child Minder	36 Months
Children’s Day Care	
Crèche	36 Months
Full Day Care	24 Months
Open Access Play Provision	36 Months
Out of School Care	36 Months
Sessional Day Care	36Months

The committee should note the CIW will begin to publish ratings for all new inspections of Childcare and Play services in early 2019 against each of the four inspection themes. The themes are:

- Well-being;
- Care and Development;
- Environment; and
- Leadership and Management.

The ratings for each theme will be:

- Excellent;
- Good;
- Adequate; or
- Poor.

There will be no overall rating for the service.

We view it as extremely positive that parents and carers will increasingly be able to make choices based on a clearly expressed judgement about the quality of performance against our four inspection themes.

Terms of reference

1. The general principles of the Childcare Funding (Wales) Bill and whether there is a need for legislation to deliver the Bill's stated policy objectives.

The primary purpose of the Bill is to provide funding for childcare that supports the Welsh economy, by helping parents, particularly mothers, to return to work or increase the hours they work. The primary concern of CIW is the quality and safety of Childcare and Play services and the outcomes they achieve for children. Consequently, we are not in a position to comment on the major policy objective of the Bill. The Bill has a number of additional purposes, including improved childhood experiences. There is a wealth of evidence that highlights the positive impact of good quality care for children. Achieving positive outcomes will be dependent on the take up of the childcare offer; the choices made by parents and carers; and the quality of the services that they use.

2. Any potential barriers to the implementation of the key provisions and whether the Bill takes account of them.

Successful implementation of the key provisions of the Bill will largely rest on the availability of the right kind of childcare, at the right time and in the right place, for those parents and carers who want to take up the funding available.

3. Whether there are any unintended consequences arising from the Bill.

Care will need to be taken to ensure the implementation of the Bill does not undermine the delivery of the Foundation Phase in funded non maintained settings, for example, by incentivising providers to respond to the demand for the offer at the expense of the Foundation Phase.

4. The financial implications of the Bill (as set out in Part 2 of the Explanatory Memorandum).

No comment.

5. The appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the Explanatory Memorandum).

No comment.

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three national park authorities and the three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.

Consultation response

3. The WLGA welcomes the opportunity to respond to the Children, Young People and Education Committee's consultation on the general principles of the Childcare Funding (Wales) Bill. This is a joint response with the Association of Directors of Education Wales (ADEW).
4. The purpose of the Bill is to enable Welsh Government (WG) to deliver the commitment made in the 2016 Welsh Labour Manifesto 'Together for Wales' to provide 30 hours per week of government funded early education and childcare to working parents of 3 and 4 years old in Wales for up to 48 weeks per year.
5. Local government fully acknowledges that access to good quality childcare and early years education plays a crucial role in child development and is a key contributor to tackling child poverty. Local authorities are responsible for providing appropriate and affordable childcare to enable parents or carers to work or take up training. Many local authorities provide over and above the statutory 10 or 12 hour Foundation Phase Nursery Provision that makes up part of the Childcare Offer.
6. The WLGA and local government welcome the way in which WG has worked closely with the Early Implementer Local Authorities (EILAs) to develop the arrangements for the operation of the Childcare Offer in Wales. The WLGA welcomes the ongoing commitment by WG to learning the lessons from early implementation and to continue working closely with the EILAs and the other 15 local authorities as the early implementation programme is expanded, towards full national roll-out in 2020-21.

General principles of the Bill

7. Unlike Foundation Phase Nursery provision, the additional Childcare Offer is not a universal offer: to be eligible, parents must live in a designated pilot area and meet specified income criteria. This means there needs to be some way of checking and verifying parents' eligibility for funding. Individual EILAs have made their own arrangements for doing this and, while WG have provided funding to help meet the costs under the early implementation programme, it is a considerable administrative burden on authorities, requiring them to check identity documents, proof of earnings etc submitted by parents.

8. The Regulatory Impact Assessment (RIA) sets out the four options WG have considered for the application receiving and eligibility checking function when the Childcare Offer is rolled out to all 22 local authorities. WG's preferred Option 2 is to develop a Welsh application and eligibility function within the HMRC tax-free childcare platform. The Bill provides the necessary statutory basis to take this forward, giving the Welsh Ministers the power to provide funding for qualifying children of working parents and to make regulations about the arrangements for administering and operating such funding.
9. Having looked at the four options considered by WG, the WLGA recognises the advantages of Option 2 as set out in the RIA, namely that it:
 - enables eligibility checks to be made against real-time data, providing a consistent system and approach across Wales;
 - provides quick decisions to parents about their eligibility;
 - reduces the risks around data security and fraud, and;
 - builds on the experience of HMRC in administering similar eligibility checks for the English Childcare Offer.
10. The WLGA and local government welcome Option 2 and the fact that it will remove the administrative burden of receiving applications and checking eligibility from local authorities, and will offer parents a single, consistent, application process across Wales. The RIA states that the HMRC system will be fully bilingual and meet the Welsh Language Standards. WG will also require HMRC to offer a bilingual customer and telephone support line.
11. Under Option 2, local authorities will remain responsible for administering their systems for the provision of 10 hours of early years education entitlement. This means parents will have to apply separately to their local authority and to HMRC to access the full, combined, 30 hours of Foundation Phase Nursery provision and childcare. It will be important that the separate systems work together seamlessly for parents.

Financial implications

12. The WLGA has not done its own analysis of the estimated costs set out in the RIA for each of the four options considered by WG for the application and eligibility checking function. Recognising the advantages of WG's preferred Option 2, the WLGA welcomes WG's commitment to fully meeting the developmental and ongoing costs of HMRC's delivery of this function, subject to passage of the Bill. WG has budgeted £80m 2017-18 to 2019-20 to meet the costs of the Offer itself, ie payments to providers. Funding for the full roll-out in 2020-21 is outside of WG's current budget round and WG are still modelling what the potential annual costs will look like.
13. The Bill as drafted is a framework Bill that does not put any new statutory duties on either the Welsh Ministers or local authorities. There is a power in Section 7 for the Welsh Ministers to make regulations 'to confer powers or impose obligations upon a local authority in connection with funding under Section 1', and that such regulations 'may require a local authority to have regard to any guidance issued by the Welsh Ministers under the regulations'. Any regulations made under Section 7 would be subject to the affirmative procedure in the NAW.

Appropriateness of the powers in the Bill

14. The WLGA is not in a position to comment on the appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation. Where such legislation is made that may impact on local government, the WLGA hopes that WG will consult with local government on the details as and when appropriate. Should such legislation impose any new obligations on local authorities, the WLGA hopes that WG will ensure any financial implications are fully costed and appropriately funded.
15. Alongside the Bill and regulations, WG will also be publishing an administrative scheme which will describe how and where the hours of childcare can be taken up and who will be able to deliver the childcare for the purposes of the scheme. The scheme will build on the existing non-statutory guidance for EILAs, taking into account their experience of early implementation of the Childcare Offer.

Other comments

16. The WLGA recognises that WG will continue to have discussions with local authorities, childcare providers and other stakeholders over the coming months on the details of arrangements for implementation of the Bill and full roll out of the Childcare Offer. The WLGA would flag up at this stage that the following issues - which are important to local authorities, parents and providers - have yet to be decided and it is not yet clear whether they will be picked up in regulations or the administrative scheme:
 - how and when local authorities will be told which parents have been granted funding by HMRC for childcare. Under the process set out in the RIA, eligible parents would be given a code to take to their childcare provider. However, authorities will need to have this information for the purposes of planning and managing their childcare provision and completing their Childcare Sufficiency Assessments (CSAs);
 - who will be making payments to providers. As above, local authorities will need to know which providers are receiving payments for childcare places under the Offer so they can note trends and areas of development in line with their statutory obligations under the CSA requirements, and;
 - as noted above, ensuring local authorities' systems for parents applying for Foundation Phase nursery provision and applying to HMRC for childcare funding work together seamlessly.
17. More generally, it is important to emphasise that should the Bill be passed, local authorities will continue to play an important part in the success of the Childcare Offer in terms of promotion, childcare development and local knowledge. HMRC's function in respect of the offer must not be detrimental to the relationships that Family Information Services (FIS) are able to have with parents seeking childcare in their authority, whether or not they are eligible for the Childcare Offer or for help under other schemes such as Flying Start or PaCE, and with local childcare providers. The FIS can support parents who may not be eligible to look at alternative options for childcare and/or signpost them to other services to help them get access to training or employment opportunities which may make them eligible for the Childcare Offer. Parents who apply to HMRC for funding should still be able to access FIS services for help and support with the application process if needed.

Conclusion

18. The WLGA recognises that the Childcare Funding (Wales) Bill is largely a technical Bill to enable WG to deliver its preferred option for HMRC to undertake the function of receiving applications and checking parents' eligibility for the Childcare Offer. Local government recognises the advantages that the Bill would bring in terms of administration of the offer, both for authorities and parents. Local government looks forward to continuing to play its role in delivery of childcare for families in Wales, and to ongoing partnership working with WG and other stakeholders to ensure the smooth roll out of the Childcare Offer nationally in 2020-21.

Kirsty Williams AC/AM
Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education

Ein cyf/Our ref: MA-P/KW/1793/18

Lynne Neagle AM
Chair
Children, Young People and Education Committee

18 May 2018

Dear Lynne,

Thank you for your letter requesting clarification on the level of engagement between myself and/or my officials and Professor Ainscow since March 2017. I can confirm my official's account is accurate and there is no conflict with the summary we gave on 11 April.

The Committee asked about the level of engagement between Welsh Government and Professor Ainscow after March 2017, chiefly, to ensure lessons were learned and benefits shared across the system. In the Committee session, I gave evidence on the discussions I'd had with other leaders in the programme, the regional consortia, the local authorities and the schools involved. I did not say I had met with him since March 2017. My point was that Professor Ainscow was not the only source of knowledge from the programme.

Mr Davies indicated at that session that he believed he had engaged with Professor Ainscow after March and said he would check following the evidence session. Darren Millar AM asked "*Since last March, I literally have had no contact at all with anybody from Welsh Government, he was telling porky pies, was he?*"

My previous response outlined the engagement between officials and Professor Ainscow. I confirm and clarify these below:

- Steve Davies and Owen Evans met with him in March 2017;
- Officials corresponded with Professor Ainscow regarding the Schools Challenge Cymru evaluation report during June 2017. The evaluation report specifically related to what worked, didn't work and lessons learned which would help knowledge transfer; and
- Senior officials met with Professor Ainscow during the celebration event with schools in July 2017.

Bae Caerdydd • Cardiff Bay
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Therefore, I can confirm that the Welsh Government had been in contact with Professor Ainscow up until July 2017, when the programme formally ended. I am satisfied that we have taken steps to ensure the experience from Schools Challenge Cymru programme is transferred into the school improvement activity of the regional education consortia.

I hope this satisfies your query.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kirsty Williams', written in a cursive style.

Kirsty Williams AC/AM

Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education

Huw Irranca-Davies AC/AM
Y Gweinidog Plant, Pobl Hŷn a Gofal Cymdeithasol
Minister for Children, Older People and Social Care



Llywodraeth Cymru
Welsh Government

Our ref MA-L/HID/0186/18

Lynne Neagle AM
Chair
Children, Young People and Education Committee
National Assembly for Wales
Ty Hywel
Cardiff Bay
CF99 1NA

24 May 2018

Dear Lynne,

Childcare Funding (Wales) Bill – Response to Committee questions raised on 16 May 2018

Thank you for inviting me to the first of your Committee sessions to scrutinise the Childcare Funding (Wales) Bill on 16 May.

A number of queries were raised by committee members and I agreed to write with further information.

The Committee has requested:

1. A note to highlight the family incomes of those accessing childcare support under the current pilot
2. A copy of guidance for Early Implementer Local Authorities
3. My view on any legislative competence-related concerns or practical challenges that could emerge if the words “working parents” were to be removed from the face of the Bill or if the Bill were to be amended in a way to ensure the childcare offer is available to all parents
4. The details of the analysis undertaken by the Welsh Government of the sufficiency of support available to children of non-working parents not covered by the current proposed childcare offer (in terms of e.g. their development, school readiness and socialisation)
5. The details of the number of non-working parents who have entered work following their take up of childcare support under the current pilot

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6. The details of how childcare providers are going to be paid under the proposed arrangements

I have set out my responses to the above queries in the attached note.

I look forward to my next committee appearance on 14 June. However, should the Committee have any additional queries in the meantime, please do not hesitate to get in touch with my office.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Huw', with a horizontal line underneath it.

Huw Irranca-Davies AC/AM

Y Gweinidog Plant, Pobl Hŷn a Gofal Cymdeithasol
Minister for Children, Older People and Social Care

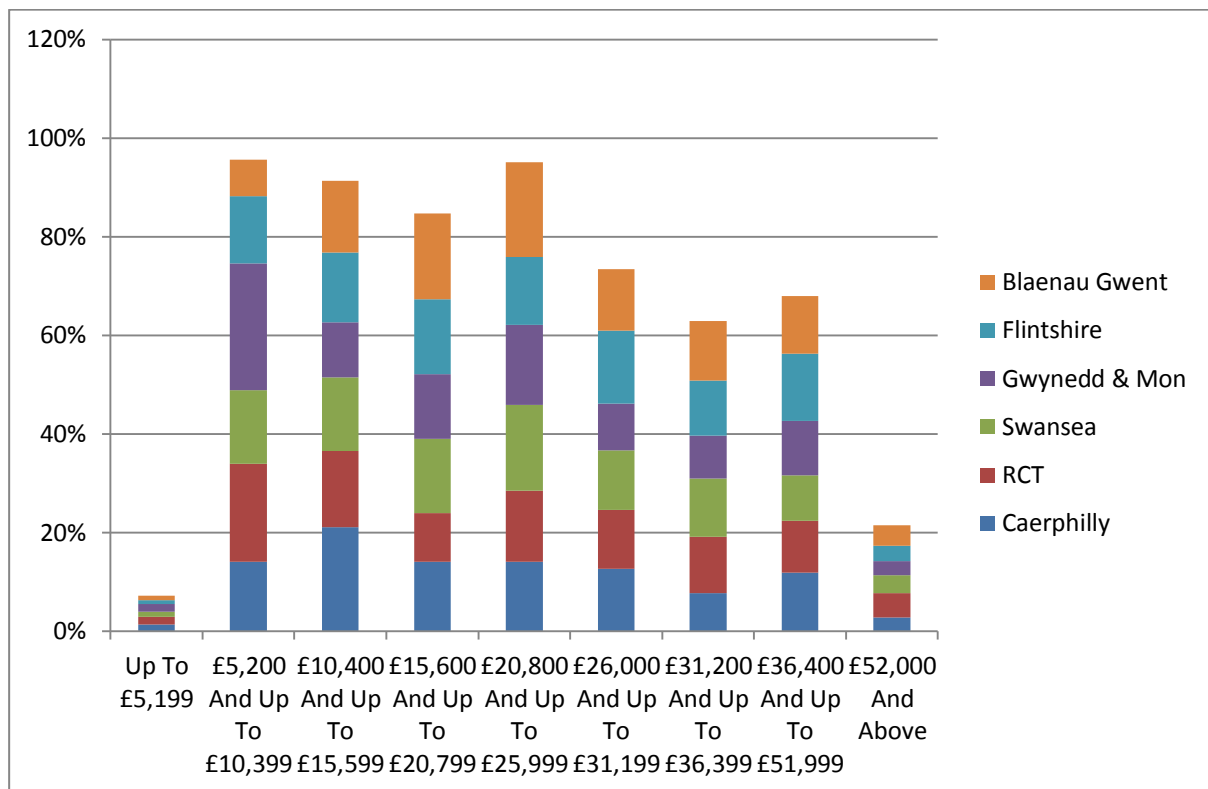
Childcare Funding (Wales) Bill

Note to the Committee addressing some of the issues raised on 16 May 2018

1. Information on the family incomes of those accessing childcare support in the current pilot phase

When parents apply for the childcare offer, the parent¹ who is completing the application form is asked how much both parents earn, within specified salary bands. If both parents are living together with the child, the salary bands of both parents are provided. If the parents are not living together, it is only the salary of the applying parent that is captured. Local authorities are required to report this to the Welsh Government on a termly basis. The figure below presents this information.

Figure: Self-reported salaries of parents taking up the childcare offer



Source: Parent application forms for the childcare offer reported by local authorities in termly data set received period up to 31 Jan 2018.

Across the early implementation local authorities, at least 60% earn less than the median average salary in Wales (£26,000)², and no more than 5% earn more than £52,000.

We will continue to monitor parent salaries as the offer is rolled out. The independent evaluation will also explore parent disposable income, before and after accessing the offer, based on the parent survey data. This will report in Autumn 2018. We also have longer term plans, working with the Secure Anonymised Information Linkage (SAIL) Databank, to try and link Childcare Offer monitoring data to government administrative records. This could help us understand parent employment pathways and any changes in parents' incomes as a result of the childcare offer.

¹ Or guardian

² <https://gov.wales/statistics-and-research/annual-social-need-earnings/?lang=en>

2. A copy of guidance for Early Implementer Local Authorities (EILA's)

This guidance is accessible online and links are provided below. The current version (November 2017) is being refreshed and an update is expected to be published shortly.

<u>Cymraeg</u>	<u>https://gov.wales/docs/dsjlg/publications/cyp/171204-childcare-offer-for-wales-cy.pdf</u>
<u>English</u>	<u>https://gov.wales/docs/dsjlg/publications/cyp/171204-childcare-offer-for-wales-en.pdf</u>

3. The Minister's view on any legislative competence-related concerns or practical challenges that could emerge if the words "working parents" were to be removed from the face of the Bill or if the Bill were to be amended in a way to ensure the childcare offer is available to all parents.

The purpose of the Bill is to provide the legislative basis to enable the Welsh Ministers to make arrangements for an application and eligibility checking system to support a targeted offer and to ensure that applicants satisfy the definition of "working parent". This is in line with the Government's manifesto commitment to help parents to undertake paid work and forms part of the wider programme of support for employment which is set out in the Welsh Government's five-year strategic plan *Taking Wales Forward*.

The practical and legislative challenges that could emerge would depend on what the new policy would look like and whether there would be any requirement for eligibility checks in respect of the parent or child accessing the Offer. It may be that extensive revisions would be required to the Bill as currently drafted, given that it provides the legislative basis necessary to integrate with HMRC's Childcare Service. It could be that there would be no need for a Bill at all.

Competence

The manifesto commitment to deliver the offer is intended to increase employment options for working parents and therefore has economic development as its primary objective. Competence has therefore been considered on the basis that the main purpose of the Bill is to support the Welsh economy by helping parents to return to work or to increase the hours they work.

If the intention were to provide for universal access to the funding, then the main purpose of the legislation would need to be considered afresh as would the legislative competence of the Assembly (in the event that a Bill would continue to be necessary), particularly in light of the reservation for social security schemes in section F1 of Part 1 of Schedule 7A to GOWA. The F1 reservation prevents the provision of financial assistance for social security purposes. Social security is not defined in the Government of Wales Act but the reservation does not prevent the Assembly from legislating in relation to the provision of financial assistance for purposes that are within competence, such as social welfare, education etc.

4. Details of the analysis undertaken by the Welsh Government of the sufficiency of support available to children of non-working parents not covered by the current proposed childcare offer.

There is a range of support available to children from both working and non-working households across Wales.

The 30 hour Offer is made up of the universal education entitlement delivered to all 3-4 year olds and additional hours of childcare for working parents. Children from non-working households will continue to be able to benefit from their early education entitlement, which is specifically aimed at supporting child development and school readiness.

Flying Start is currently being delivered to over 37,000 children under 4 years of age living in some of the most deprived areas in Wales. Robust evaluation has provided evidence which shows Flying Start is making a real, positive impact on children – when they go to school they are ready to learn and are more confident at mixing with other children. The programme has led to better and earlier support for families, while contact with health visitors and other Flying Start professionals has led to parents being better informed and more confident.

Our key family support programme Families First provides holistic, multi-agency support to families with children of all ages. This family-focussed approach to assessing and tailoring family support is making a real difference to families and life chances are being improved as these families become more confident, resilient and independent.

There are also a range of programmes available to support parents with childcare costs including PaCE (Parents, Children and Employment Programme), Tax Free Childcare and financial support for parents accessing working tax credits and universal credit.

We recognise that the range of different programmes available to different sets of parents, both at a national and a local level can be potentially confusing to parents. Reflecting the commitment in the National Strategy to create “a more joined up, responsive system that puts the unique needs of each child at its heart”, we have established a programme of work which is exploring how we can develop a coordinated single approach to early years, which will ensure that services are delivered in a more collaborative and integrated way; both locally and nationally.

5. Details of the number of non-working parents who have entered work following their take up of childcare support under the current pilot.

This is an offer for working parents, at the point of application parents must be in work. The independent evaluation of the Childcare Offer will consider if, and how, the offer has supported parents' employment choices. This will report in Autumn 2018.

Longer term, and working with the Secure Anonymised Information Linkage (SAIL) Databank, we plan to try and link monitoring data to government administrative records to analyse and understand employment patterns of parents who applied for the offer against the general population. This could tell us, for example, if a parent moved into work just before taking up the offer.

When I appeared before Committee on 16 May, I mentioned the positive work being undertaken by local authorities in joining up different initiatives for the benefit of families. In one authority, for example, a Team around the Family (TAF) Manager has supported a

mother into a 16 hour a week post in the café of a local supermarket and helped her find suitable childcare to enable her to work. Her application for the offer was 'fast tracked' to ensure she had funded childcare available for the first day of work and the authority and the TAF Manager are providing continued support to the mother to ensure that she, and her child, benefit from the offer.

6. Details of how childcare providers are going to be paid under the proposed arrangements.

Currently, the Welsh Government provides a grant to Early Implementer Local Authorities, who in turn pay childcare providers for delivering the Offer. This is similar to the payment process operated in England for the English Childcare Offer.

This approach is currently under review and we are considering a number of options ahead of full roll out of the Offer, including:

- Local Authorities continuing to make payments to providers;
- Welsh Government making payments to providers directly;
- a third party making payments to providers.

Our engagement with stakeholders has highlighted to us that quick and timely payments are essential for providers to effectively manage their cash-flow. This is a key consideration as we consider our options going forward.

The payment system will not involve HMRC and will be developed separately to the application and eligibility checking system which we are aiming to deliver through the Bill.

Kirsty Williams AC/AM
Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education



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Welsh Government

Ein cyf/Our ref: MA-P-KW-1878-18

Lynne Neagle AM
Chair
Children, Young People and Education Committee
National Assembly for Wales
Ty Hywel
Cardiff Bay
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25 May 2018

Dear Lynne,

Thank you for your letter of 14 May regarding support for our Minority, Ethnic and Gypsy, Roma and Traveller learners.

I note the concerns of the Committee that the changes to the funding arrangements supporting these groups of learners is seen as a departure from the position outlined in the Committees' inquiry report. I do not believe this is the case. In my letter to you of 17 April, I emphasised that funding for these learners is now a core provision and that I have received assurances from the WLGA that local government will continue to prioritise that support. I welcome these assurances.

My letter of 17 April also provided detail about the £5 million allocated for 2018-19 to the urban authorities of Cardiff, Newport and Swansea, all of which have particularly significant challenges with regard to the numbers of this group of learners located in their authorities. It also explained I have allocated £2.5 million in 2018-19 to facilitate sustainable development of the service on a regional basis.

I have continued to listen to the concerns raised by various stakeholders about the impact of the changes to funding arrangements to support these groups of learners. I have therefore agreed a total of £8.7million in the 2018-19 financial year to support all Local Authorities. This funding recognises that transitioning the service takes time.

The position for 2019-20 will be reviewed as part of setting our firm plans in the autumn. It is however my intention to provide a further £8.7million to all 22 Local Authorities in 2019-20 to support the continuing development of a sustainable model from April 2020. This funding will be conditional on evidence of working progress towards more sustainable models of delivery. My officials wrote to all Chief Executives on Friday 18 May 2018 with their funding allocations for 2018/19.

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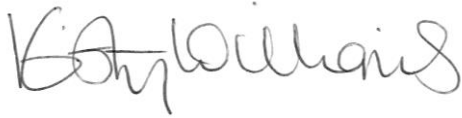
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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I do hope that this information will provide you with further assurances regarding the support for these groups of learners and the priority the Government places on supporting all learners to reach their full potential.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kirsty Williams', written in a cursive style.

Kirsty Williams AC/AM

Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education

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