

Julie Morgan AS/MS
Y Dirprwy Weinidog Gwasanaethau Cymdeithasol
Deputy Minister for Social Services



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-06-1359 & P-06-1362
Ein cyf/Our ref JMSS/00678/23 & JMSS/00681/23

Jack Sargeant MS
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19 November 2023

Dear Jack,

Thank you for your further correspondence of 26 October 2023 regarding the petitions from Jade Richards and Madelaine Hallam asking the Welsh Government to expand childcare support in Wales to match the proposals that the Chancellor announced in his Spring Budget. I understand that both petitioners have requested further information following my first response, and that the Committee has also received representation from Oxfam Cymru regarding the content of those petitions.

Developing high quality support for children and families in the early years has been a long-standing priority for the Welsh Government. High quality learning and care in the early years supports child development and plays an important role in supporting school readiness and addressing the attainment gap to maximise child development outcomes to support the best start in life, particularly for our most disadvantaged children.

In 2021, Welsh Ministers published the Programme for Government which reflected our strong commitment to children. The Children and Young People's Plan, launched on 1st March 2022, shows what the Welsh Government will do to make these commitments a reality for children. The plan sets out Welsh Government's ambition for children and young people to:

- have the best start in life.
- be treated fairly.
- be supported through education and training and beyond.
- be supported to help them feel mentally and emotionally strong.
- be supported to have a fair chance in life.
- have a good and secure home to live in.

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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.

- receive the support they need to stay together or come back together with their family, if possible.

The Plan is important because Welsh Ministers want the best for children in Wales no matter what their backgrounds are, where they come from or where they live. This means making Wales a happy, healthy, and safe place to grow up, live and to work, now and in the future - a place where children feel listened to and valued.

The Children and Young People's Plan acknowledges how the Welsh Government's plans affect children and their rights. The plan includes policies about education, safeguarding, and how Welsh Government listens to children. This means one clear vision for what Welsh Government's most senior decision makers will do to make sure children's rights are recognised and respected.

Within the updated Programme for Government (PfG) and following the Co-operation Agreement the Welsh Government has committed to:

- maintain the Flying Start programme; and
- deliver a phased expansion of early years provision to include all two year olds in Wales, with a particular emphasis on strengthening Welsh medium provision.

Flying Start continues to make a real difference to the lives of children in some of our most disadvantaged communities. From independent evaluation evidence, we can see the Flying Start programme is having a positive impact on families' lives and has been life-changing for some families in greatest need. There is also a strong body of evidence showing us that access to high-quality early years provision supports child development and helps to ensure that every child has the best start in life and enjoys and fulfils their potential. The provision of funded, high quality, part-time childcare for 2-3 year olds is integral to Flying Start and this is why we have chosen to focus on expanding the provision of early years childcare services via this programme

The Welsh Government and its partners are making significant progress in realising these aims. Phase 1 of the expansion (offering all four elements of Flying Start) is now complete. As at the end of March 2023, 127%, or 3,178 children of the target number of 2,500 additional beneficiaries had been reached across Wales. This included 772 children who have been offered a childcare place.

Phase 2 of the expansion programme began in April 2023 and is focussing specifically on expansion of Flying Start childcare to more 2 year olds. During 2023-24 and 2024-25 we are investing £46m in expanding Flying Start childcare to support long-term, positive impacts on the lives of those children and families across Wales facing the greatest challenges. We expect to support more than 9,500 extra two-year-olds across Wales to access quality Flying Start childcare during Phase 2 during 2023-24 and 2024-25. By the end of September 2023, over 3,200 additional 2-year-old childcare places had been offered to parents in Wales. This equates to 66% of the Phase 2 target for 2023-24.

We know that deprivation can take many forms. Focusing resources on our most disadvantaged communities, in the first instance, ensures that support reaches families in greatest need at the earliest opportunity. Ultimately, our ambition is for Flying Start childcare services to be available for all 2 year olds in Wales and we would ideally like to go further and faster in the rollout of services. We are working with the sector to gradually build capacity to ensure that any increase to provision is sustainable.

Expansion guidance issued to local authorities to inform their expansion plans provided flexibility for prospective childcare providers to work towards the enhanced standards expected of Flying Start provision. This flexibility was written into the guidance to recognise the ambitious timescales for delivering the expansion and to ensure that as many providers as possible were in scope of the expansion of Flying Start childcare services in Wales.

The Flying Start Childcare Guidance also stipulates that, where possible, settings should be within “pram pushing” distance of the child’s home. For practical reasons this is considered to be a walk of around 10-15 minutes. Local solutions must be identified and agreed by the Welsh Government where this isn’t possible. If a family lives in a Flying Start area there will be a list of registered Flying Start childcare settings which can be found by contacting the Family Information Service. Flying Start childcare providers are expected to offer higher quality childcare provision than most childcare provision.

Ms Hallam raised a query about whether a Welsh parent can access the support provided by the Childcare Offer for Wales if they use a setting in England due to a possible lack of provision in their Local Authority. This is permissible under the Childcare Offer, however, the setting must be registered with OFSTED and also register as a provider on the Childcare Offer for Wales National Digital Service. Those parents will only be able to access provision in line with the scope of the Childcare Offer for Wales and will not be able to access any expansion to the English Childcare Offer as this is determined by rules set by the UK Government.

The Welsh Government is facing the toughest financial situation we have faced since devolution. This means we need to prioritise the finite resources we have. You will be aware of the written statement, which was issued by the First Minister in early August, about the significant financial pressures Welsh Government is currently facing. Unfortunately, this means that we are not currently in a position to confirm any new developments to childcare and how we will support families with childcare costs in the future.

We drew on all our available resources to protect frontline services and provide targeted cost-of-living support to people when we set the budget for this financial year (2023-24). Our settlement in 2023-24 was worth considerably less in real terms than expected at the time it was first set in October 2021 (over £900m and is worth £2bn less than it would have been if it had grown in line with GDP since 2010).

We had £12.1m in 2023-24 and £128.4m in 2024-25 in consequentials as part of the UK Spring Statement. Changes to funding in England on programmes which are devolved in Wales result in changes to our block grant via the Barnett formula. However, those changes do not determine what the block grant should be spent on. It is for Welsh Ministers, with the Senedd’s approval, to decide how to allocate the Welsh Government’s budget which includes funding from the block grant, devolved taxes, and capital borrowing. Where there is a case for using the consequential funding for similar purposes, Welsh Ministers will deploy in line with its priorities.

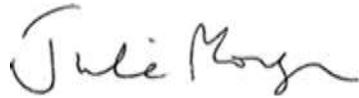
The 2023-24 consequentials were included in the Welsh Government’s spending plans published in the first supplementary budget in June 2023. The allocations for 2024-25 will be managed through the Draft Budget which will be published on the 19th of December.

While I recognise that parents may struggle to afford childcare in the current financial climate, in the last evaluation of the Childcare Offer (September 2012 – August 2022) over a third of respondents (37%) noted that without the Offer they would be working fewer hours and a further 10% said they would be in a job with fewer career progression opportunities. The same proportion, 10%, said they would not be working at all and a further nine per cent

thought they would be working in a job with lower pay, so the support that the Welsh Government is providing is having a real, positive impact on many families.

The Welsh Government continues to face significant financial pressure but remains committed to supporting parents with childcare costs and continue to review how we can best deliver this to have the greatest impact for families in Wales.

Yours sincerely,

A handwritten signature in black ink that reads "Julie Morgan". The signature is written in a cursive style with a large initial 'J'.

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