

Dawn Bowden MS

Minister for Children and Social Care

18 October 2024

Dear Dawn,

Committee report: Their Future: Our Priority? Follow up inquiry into childcare provision in Wales

Welcome to your new role. I am writing in relation to the Welsh Government's response to our report on childcare provision, which we considered at our meeting on 16 September 2024.

The Committee strongly believes that childcare should be a priority area for additional investment where the funding settlement allows, and we hope that the findings and recommendations in our report will inform the direction of policy going forward. We also appreciate the budgetary challenges that the Welsh Government faces, and that any decisions that would require significant additional investment would not be possible to make within the timescales for responding to our report.

However, having taken these issues into account Members were disappointed with the response received to a number of our recommendations. I look forward to the opportunity to debate the report in Plenary in due course, but in the interim Members agreed that we would write to outline our concerns and seek further clarification on a number of issues.

Recommendation 1:

Our inquiry highlighted the need to address the long-standing concerns regarding the overly complicated and disjointed provision of early childhood education and care and support programmes, and the impact this has on parental awareness and take-up of support.

We are concerned that the response does not outline any decisive action to increase take-up of support, particularly in relation to the Childcare Offer in Recommendation 1. Whilst we welcome the recent development of the Teulu Cymru website and the work undertaken by Family Information Services, we believe a greater focus is required on this area.

We would appreciate detail on the work that has been done to promote Teulu Cymru to parents and would be grateful if you could set out what analysis has been undertaken on its impact since its launch.

We understand the impact of budgetary constraints, and we feel that developing an integrated application service for the different early childhood education and care streams as part of the Teulu Cymru website could deliver a more cost-effective service that was easier to navigate.

It was a consistent theme from witnesses to our inquiry, including childcare providers such as NDNA Cymru and local authorities, that the number of different support schemes in operation were a major concern for parents and providers, and that streamlining these was a priority. Consequently, we were surprised to read in your response that consolidating the funding streams would be likely to create additional costs and workforce pressures that are not currently feasible for the sector. We would be grateful if you could clarify what

discussions the Welsh Government has had with the sector on this issue in order to come to this conclusion. What consideration has been given to developing an integrated application service as part of the Streamlining Welsh Benefits work?

Recommendation 3:

Low pay is one of the main barriers to recruitment and retention in the childcare sector, and consequently the Committee recommended that the Welsh Government ensure that settings are given enough funding to pay the Real Living Wage to all staff working in the sector. We note the interest taken by the previous Minister for Mental Health and Early Years, Jayne Bryant MS, in the approach taken by the Scottish Government to pay all childcare workers the Real Living Wage.

We are therefore disappointed by the Welsh Government's response to this part of recommendation 3, in particular the assertion that the Welsh Government cannot directly influence pay rates in the sector. This contrasts with the approach the Welsh Government has taken to ensure that social care workers are paid the Real Living Wage, and we do not believe that the current approach will help to address the recruitment and retention challenges that the sector faces.

The Committee would therefore be grateful if you could set out what consideration has been given to applying the approach taken to support social care workers to the childcare sector, and what the financial implications of this would be. We would also appreciate clarification on whether the Childcare and Play work Social Partnership Fair Work Forum that is due to be established later this year will be looking at ways to ensure that all staff working in the sector are paid at least the Real Living Wage.

Recommendation 5:

As you will be aware, the Committee received troubling evidence on the significant barriers children with additional needs and their families experience in accessing childcare. We recommended action to ensure sufficient childcare spaces and funding are available for all children with additional or complex needs, where early intervention in high quality early years provision is likely to have the most cost effective long term impact on outcomes. We appreciate the detail provided in the response about the current work the Welsh Government is doing, but on its own this will not be enough to address the issues raised in our inquiry. We would be grateful if you could set out the additional steps the Welsh Government intends to take to address this issue, and how you intend to respond to the challenges highlighted on how non-maintained settings access additional resources to support additional needs.

Recommendation 8:

The Committee recommended that the Welsh Government prioritise the expansion of Flying Start to all 2-year-olds by allocating sufficient funding to roll this out as quickly as possible. We appreciate that the Welsh Government will need to know its budget settlement to confirm details of phase 3 of the Flying Start expansion. However, the Committee would like to know how the Welsh Government anticipates delivering its Programme for Government commitment on Flying Start childcare expansion, and when you expect to be able to confirm plans for commencing phase 3.

Recommendation 9:

The Early Years Wales survey highlighted that 28% of providers who responded said they were unlikely to survive another year if the hourly rate paid to Childcare Offers remained the same. We are concerned that, without urgent action to increase the hourly rate to a more sustainable level from April 2025, many providers may cease to operate.

The Committee appreciates that the timescales of the ongoing review of the rate means the Welsh Government will not be in a position to make an announcement on the hourly rate for 2025-26 by the end of October, but we would welcome clarity on when you could make that announcement.

We welcome the acceptance for the need for annual reviews of the hourly rate paid to Childcare Offer providers as a positive step.

We recognise your commitment to improving and increasing childcare provision, but your response left many unanswered questions about how some of the challenges highlighted will be addressed. We are grateful to you for continuing to engage with us on this important matter and would welcome a response by 11 November.

Yours sincerely,

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

Jenny Rathbone MS

Chair of the Equality and Social Justice Committee

Welsh Parliament

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Senedd Cymru
Welsh Parliament