



Ein cyf/Our ref: MA - P/CS/7633/16

Lynne Neagle AM
Chair
Children, Young People and Education Committee
Tŷ Hywel
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29th November 2016

Dear Lynne,

Thank you for your letter dated 16 November following the Committee's meeting on 2 November to discuss the draft budget proposals for my portfolio. I address your points below.

Families First, Flying Start and Communities First

The Prevention and Early Intervention Budget Expenditure Line (BEL) has been created from merging three existing revenue budget lines: Flying Start, Families First and Community Purposes. The latter budget funds a number of different activities, namely Communities First, Communities for Work (C4W) and Lift. This new combined budget line reflects my focus on early intervention. More detailed allocations within this new BEL have yet to be decided but I have previously confirmed that Flying Start and Families First revenue budgets will remain cash flat in 2017-18.

This new revenue budget allocation shows a reduction of £1.15million in 2017-18. This is the amount my portfolio has contributed to the austerity cuts for the year and I have chosen to reduce the Prevention and Early Intervention BEL, it being the largest and most flexible to manage in-year. To assist the Committee with its scrutiny, Annex 1

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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.

provides a breakdown of 2016-17 allocations reconciled to the new 2017-18 Prevention and Early Intervention BEL allocation.

Whilst savings are required, we will be working with partners, to consider how greater alignment between programmes could reduce the potential impact on front line services. This will also provide Local Government with more flexibility to achieve outcomes in line with programme priorities.

I share the Committee's concerns to ensure value for money. Integrated service delivery reflects a more citizen centred approach and will I believe help to increase the effectiveness of our programmes and enhance value for money. Scrutiny processes may need to adapt to reflect this increasing integration, as none of us would wish scrutiny arrangements to curtail improvements to the quality of services received by our citizens.

Many local authorities working with their partners have sought to align Families First and Flying Start and other community-based programmes, to improve service integration and better support families in need. In doing so their aim is to enhance their capacity to prevent and intervene earlier. This is an approach I support wholeheartedly and is vital in addressing Adverse Childhood Experiences. My move to merge preventative budgets signals encouragement for greater alignment and the priority I place on a relentless focus on early intervention..

I am concerned that area based programmes result in those in need missing out on vital support and so there has to be some flexibility. This is what the Flying Start outreach work has sought to address. The new approach to evaluation we are piloting should allow us to gain a better understanding of the programme, including outreach. In the meantime, outreach is subject to the same Account Management oversight as the rest of the programme. Likewise, the ongoing evaluation of Families First evidences the effectiveness of multi-agency systems to support for families across all Local Authority areas.

In my statement on resilient communities on 11 October, I signalled that I was minded to close Communities First. Since then we have begun a broad programme of engagement on the new approach to building resilient communities, including detailed consideration of the impact on people, communities, community buildings and other organisations. As part of our engagement process, we are working closely with delivery partners to gain an understanding of the implications of any decision.

The engagement programme will provide a broad evidence base to inform my decision. There has already been a considerable response to "Talk Communities", our online survey, and we are drawing on the expertise of the WCVA to ensure we understand how any potential changes to Communities First might impact on Third Sector organisations and individuals.

I cannot pre-empt the outcomes of the engagement programme so I am unable to provide firm budgets and plans at this stage. I will make a further statement after the first phase of engagement has concluded in the New Year.

I am happy to provide the committee with further information on Children's Zones in due course.

Childcare

I welcome the support of the Committee for our childcare offer. As you note, this is an ambitious programme and is in its very early stages and I am grateful for your recognition of the challenges this poses.

There are a range of factors that will influence the costs of our new childcare offer. These include the number of children born in any year, the number eligible to receive the offer and the numbers of hours of childcare a family may choose to access. The rate payable for the childcare and the likely behaviour change the programme will drive are also critical factors. At this point we are modelling a number of assumptions.

Our modelling will be informed by the research being undertaken by Alma Economics which has been appointed to provide evidence on the economic value of the childcare sector. I would be happy to return to Committee and discuss that work with you in more detail when the report has been published.

The Public Policy Institute for Wales modelled costs for both a targeted offer, available to working parents, and a universal offer, available to all families. The cost range of £125m to £228m referred to in your letter, was PPIW's estimate for a universal offer available to all families. We are committed to an offer aimed at working parents. PPIW's cost range for a targeted offer was £53m to £97m.

Our modelling and analysis builds on the work undertaken by PPIW to estimate the cost of the childcare offer. However, there are differences in the data sources, assumptions and methodologies used. For example, while PPIW did look at holiday periods, the work assumed that 20 hours a week would be provided rather than the full 30 hours when the Early Years Foundation Phase offer is not provided. Another difference is the data sources used. The PPIW work used Family Resources Survey data from 2005/06 to 2013/14 to produce its eligibility estimates. Our modelling uses Annual Population Survey data with an average for the 2013-15 period, which shows there have been successive increases in the proportion of 3 and 4 year olds who are eligible for the offer.

We are currently working with the Wales Institute of Social and Economic Research Data and Methods to assess and analyse the capacity of the sector and we will be extending this analysis to assess workforce capacity in the coming months. We are using information from both the recent Self Assessment Statement of Service (SASS) undertaken by the Care and Social Services Inspectorate for Wales and work commissioned by CWLWM to better understand the composition of the workforce. My colleague, the Minister for Lifelong Learning and Welsh Language, will be publishing our 10 year plan for the childcare, playwork and early years workforce in the spring, picking up on many of these issues.

We are committed to ensuring there is sufficient provision available in the Welsh Language and see the childcare offer as an important contribution to the goal of growing the number of Welsh speakers to one million by 2050.

While the work with early adopter Local Authorities will be important, there are a number of other strands of work which we will be undertaking. For example, the Welsh Language Commissioner has recently commissioned research into Welsh medium childcare provision in Wales which will be important in informing the current position and the expansion required to meet parental demands. We will also be utilising SASS data, and the Childcare Sufficiency Assessments currently being undertaken by Local Authorities, to undertake capacity modelling in relation to Welsh language provision. This will look at existing places, the current workforce, demand and the gaps in services across Wales. We will also be working closely with Mudiad Meithrin to develop a plan to support the Welsh medium childcare sector to expand to meet demand and offer proactive choices for parents.

Since my attendance at Committee I have made a statement to plenary providing details of the authorities we will be working with as early adopters, and I hope this has provided some of the information on the forward timetable you are seeking. In the coming months we will be working very closely with Gwynedd and Anglesey, Blaenau Gwent, Flintshire, Rhondda Cynon Taff, and Swansea in developing their pilots. Key decisions need to be made over the spring including where they will run, the numbers of children involved and the data to be collected.

We anticipate that the majority of the £10m available in 2017-18 will be allocated to the Local Authorities to pay for government-funded childcare, and this should allow us to test with at least 3,800 children in the first instance. Some of the funding will be needed for administrative costs and to commission an independent evaluation of the scheme. Learning from these early implementers will help us fine-tune policies and systems prior to a wider roll-out across the rest of Wales. The pilots themselves will be running from September 2017 and over the following 12 months we will monitor and evaluate them, expanding them to additional areas from September 2018.

During this period my team will also be progressing the work around the capacity of the sector and the workforce, working with the findings from Alma Economics and the support of CWLWM. Our Talk Childcare campaign will continue in its current guise until the late spring at which point I would hope to be able to play back some of the key messages we have received from parents and consult on some more detail around the offer itself. I have also instructed my team to look closely at the work underway in other parts of the UK. My officials have good working relationships with other administrations in the UK, including their counterparts in England and Scotland who are also developing childcare offers, and it will be important to share information, approaches and the learning as things progress.

During the Committee session, I made it clear my commitment to the delivery of 30 hours of free early education and childcare for working parents of 3 and 4 year olds, for 48 weeks of the year. Given the significance of this commitment and the associated complexity, I would be happy to return to Committee and discuss key aspects of work as the programme develops and expands over this Assembly term.

Positive parenting and costs associated with legislation to remove the defence of reasonable punishment

I would be happy to provide the Committee with the results of the evaluation of our social media and wider positive parenting campaign when it becomes available.

The Committee also asked for further information on the proportion of funding allocated to deliver projects within the positive parenting programme. There are no standalone projects funded under the positive parenting programme which comprises a public awareness campaign and advice available direct to parents via our website Facebook page, booklets and leaflets.

In terms of the preparatory work for the proposed legislation to remove the defence of reasonable punishment, I should clarify that this work is being managed within current resources through the newly established Parenting team within the Welsh Government.

Looked after Children, Adoption, CAF/CASS Cymru

First, I would like to clear up the location of the budget, an issue you raise at the beginning of your letter. Some of the Ministerial responsibility post creating the new Government changes took some time to unpick and the elements related to 'looked after children' and adoption were examples of such. The 2017-18 budget amounts are being transferred to my portfolio within the Draft Budget and the amounts for 2016-17 will be formalised in the forthcoming Supplementary Budget. To be clear, the budgets have belonged to me from the start and I have acted accordingly; the physical budget transfer has taken a bit more time to action.

I have tasked the Ministerial Advisory Group to develop a national approach for looked after children that will help reduce the numbers of children taken into care and improve outcomes for those already in care, or who have had experience of care. The group is building on work already undertaken in phase one to identify what preventative and early interventions can be undertaken.

The solutions to these challenges are complex and require closer working across health, housing, education, family justice and social services. The Group's phase two work programme covers a broad spectrum of areas, linking with partners across local government, the third sector and Welsh Government. It covers areas where an immediate impact can be felt, from looking at improvements to professional practice to piloting projects which support young mothers to help prevent them having their children

taken into care, as well as importantly, developing a longer term strategy for improved outcomes.

I look forward to the Group's findings which will inform the development of a national approach that will help raise ambitions for looked after children in Wales and look to deliver the transformational changes that are needed to support these vulnerable children to more successful futures.

The Committee also seeks reassurance that, should demand continue to increase, the service CAFCASS Cymru delivers is sustainable. CAFCASS Cymru's management information systems and its close working relationship with the courts and local authorities, enables it to effectively respond to increases in workloads and deploy its resources accordingly. The senior management team and Chief Executive of CAFCASS Cymru will continue to monitor and review the management information every month to ensure the service is able to respond to fluctuations in demand across Wales. These arrangements have to date enabled CAFCASS Cymru to ensure that no child has had to wait for a service.

Children's Rights, Participation and Play

The Draft Budget has again taken an integrated approach to impact assessment, focusing on making informed strategic decisions based on the analysis of supporting evidence about protected groups and children. This has again enabled us to give full consideration to socio-economic disadvantage, Welsh language and sustainable development, in addition to the focus on equality, tackling poverty and, of course, children's rights.

Impact assessments are a key element of our policy making principles and are conducted as part of our ongoing policy development and review. This means, in the context of the budget allocations, evidence and understanding of equalities and other impacts will have been considered from the outset and throughout the course of our budget preparations. I provided you with some of my specific CRIAs, but none of these impacted on the budget for 2017-18.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Carl Sargeant'.

Carl Sargeant AC/AM

Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children

Reconciliation of current year (2016-17) BEL allocations to the proposed Prevention and Early Intervention BEL allocations for 2017-18.

2016-17 Final Budget Allocations	
Flying Start	£ 76.89m
Families First	£ 42.58m
Community Purposes**	£ 36.06m
2016-17 Total Allocations	£155.53m
Less: 2017-18 reduction	£ 1.15m
2017-18 Draft Budget merged BEL Prevention and Early Intervention allocation	£154.38m

*****This budget line includes Communities First, C4W and Lift funding.***