

**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/0321/18

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

27 June 2018

Dear Lynne,

### **Childcare Funding (Wales) Bill**

Thank you for inviting me to attend the Children, Young People and Education Committee on 14 June to further discuss the Childcare Funding (Wales) Bill.

During the session, Committee Members were particularly interested in learning more about Foundation Phase early education, which forms part of the 30 hour childcare and early education offer for working parents.

As I explained at the meeting, it is the Cabinet Secretary for Education who has lead responsibility for early education. However, I said I would follow up with a more detailed note to the Committee on the particular issues raised, particularly the legislative framework; guidance to local authorities and funding arrangements for early education.

The attached note is provided by the Cabinet Secretary for Education and I would suggest that any further queries in relation to Foundation Phase early education be directed to the Cabinet Secretary.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Huw', with a horizontal line underneath.

**Huw Irranca-Davies AC/AM**  
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**Minister for Children, Older People and Social Care**

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
0300 0604400

[Gohebiaeth.Huw.Irranca-Davies@llyw.cymru](mailto:Gohebiaeth.Huw.Irranca-Davies@llyw.cymru)  
[Correspondence.Huw.Irranca-Davies@gov.wales](mailto:Correspondence.Huw.Irranca-Davies@gov.wales)

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.

## **Note from the Cabinet Secretary for Education to the Children, Young People and Education Committee, following the committee meeting on 14 June to discuss the Childcare Funding (Wales) Bill**

### **Guidance on the 10 hours of Foundation Phase for three and four year olds**

The Foundation Phase (FP) is a flagship policy to provide developmentally appropriate curriculum for 3-7 year olds modelled on Scandinavian approaches. Foundation Phase early education refers to the provision for three and four year olds in Wales.

The statutory guidance for the delivery of the Foundation Phase for three and four year olds is issued under section 118 of the School Standards and Framework Act 1998 ("the 1998 Act").

Section 118(1) of the 1998 Act provides that Local Authorities must secure the provision of sufficient part-time and full-time nursery education for children in their area who have not attained compulsory school age or such age as may be prescribed in Regulations by the Welsh Ministers.

Under section 118(2) of the 1998 Act in determining whether nursery education provision is sufficient for its area local authorities must have regard to guidance issued by the Welsh Ministers. Setting the minimum of 10 hours part-time provision was initially set out in statutory guidance (see page 11 - Circular 7/99 - *Guidance for Local Early Years Development and Childcare Partnerships in Wales*). This guidance was expressly time-limited for the period of the childcare plans i.e. 1999 to 2003 although many local authorities continue to follow it.

We have not received any evidence of Local Authorities currently delivering less than, or intending to deliver less than 10 hours, with many Local Authorities offering over the 10 hours.

### **Funding to deliver Foundation Phase**

Local Government Settlement: A large proportion of the funding for the Foundation Phase (age 3-7) is provided within the block funding provided to Local Authorities through the local government settlement. This is not ring-fenced as it relates to funding for a mainstream function. An additional £17m (one-off) was transferred into the settlement in 2008-09 for "Early Years". Funding for schools education has been protected in settlements from 2011-12 to 2016-17.

Education Improvement Grant (EIG): The EIG is administered by the Regional Educational Consortia and a minimum of 80% of it must be delegated directly to schools. As part of the grant terms and conditions, funding must be used to support Foundation Phase practitioners in non-maintained settings to deliver high quality education provision and to ensure that providers have the appropriate level of practitioner and learner ratios.

Local Authorities must be able to confirm that the distribution formula for the funding supports schools and settings to deliver the Foundation Phase in accordance with the ratios.

Prior to the EIG, funding for the Foundation Phase was provided through a grant to individual Local Authorities. In 2014/15 the grant was £97m. Since 2015/16, funding for Local Authorities to work towards the staff to learner ratios necessary to deliver the Foundation Phase (1:8 for nursery and Reception and 1:15 in Year 1 and Year 2) has been included within the EIG.

Local Authorities have the discretion to determine the pay rate they award Foundation Phase providers. Data is limited but suggests that the hourly rate varies across Local Authorities from £2.50 to £4.47 an hour per child, with a median of £3.00. Also, some pay a different rate to maintained and non-maintained settings.

Evidence from the existing Childcare Offer pilots, and others to be introduced in the autumn, will help inform the future implementation. We are looking closely at the possible impact on Foundation Phase provision – including structural and financial issues that might impact on effective delivery and the quality of provision.

I recognise that there are risks and opportunities presented by the introduction of the Childcare Offer. Officials across the Welsh Government have been working closely to ensure that these are explored fully and well understood as we continue to roll out the Childcare Offer across Wales. I am firm in my commitment to the provision of excellence in Foundation Phase for three and four year olds and will continue to ensure that is key in the development of any new arrangements. I will be looking closely at how we can strengthen practice – including through more effective guidance – to strengthen the position of the Foundation Phase.