



Ein cyf/Our ref: MA - P/HID/1632/18

Jenny Rathbone AM  
National Assembly for Wales  
Cardiff Bay  
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3 May 2018

Dear Jenny,

Following my statement to Plenary on the laying of the Childcare Funding (Wales) Bill on 17 April, I thought it would be helpful to follow-up on some of the points you raised.

As you know, part of the purpose of the Bill is to allow HMRC to act on our behalf to check parent's eligibility for the Childcare Offer, using the existing Childcare Service system. This system draws on real-time information from HMRC on applicants earnings but also, as you suggested, data from DWP on an applicants access to certain benefits, including universal credit. This also enables an easier means of assessing those who are self employed or on variable hours including zero-hours contract, as it takes into consideration three months worth of average earnings.

You raised an important point about ensuring those parents considering returning to work are aware of the offer and the link with Job Centre Plus and a range of other employability programmes. As we roll-out the offer further, we will continue to work with partners to ensure the necessary signposting and awareness is in place.

You also commented on our Childcare Sufficiency Assessments (CSAs). Although local authorities are only required to carry out a full CSA every five years, they must complete an annual progress report. This report must include information on any significant issues or changes which have happened over the year which have impacted on or have influenced the childcare market in any way, for example new housing developments or employment opportunities.

Local authorities must carry out a full assessment of childcare provision in their areas in order to assist them in meeting their duty to secure sufficient childcare to meet the needs of their area. In compiling their CSAs, local authorities are required to draw upon numerous sources of data, both primary and secondary, to gain an understanding of the nature of the childcare market. This includes information from Care Inspectorate Wales (CIW) about the supply of registered child-minding and day care provision and data captured by Public

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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.

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Service Boards in developing their Assessment of Local Well-being, to help assess the demand for childcare provision within their area.

Our evidence tells us there are many challenges facing the childcare sector in the current economic climate, and that there is a need to invest in building capacity and capability across the sector to support providers to grow and operate sustainably. In recognising these challenges we have prioritised support for the sector. Our 10 year Childcare, Play and Early Years workforce and Economic Action Plans (published in December 2017), set out the actions we will take in this Assembly term to assist the sector to build the capacity and capability needed to support full roll out of the childcare offer and support wider economic growth.

In driving our ambition forward, we are currently working on the development of business support and skills assistance. We have already committed £100,000 over the financial years of 2018-19 and 2019-20 to support those childcare providers participating in the early implementer pilots and for those seeking to expand or start up a business in order to take advantage of the new opportunities provided by the childcare offer. To support the £100,000 business grant funding and assist childcare providers to balance their operating costs, we have from 1 April this year increased the amount of Small Business Rate Relief for the sector from £12,000 to £20,500 and will be exploring what additional support we can provide including consideration of the Barclay Review on Business Rates undertaken in Scotland in 2017.

In addition to this, we have a capital budget of £60 million to invest before the end of this Assembly term and consideration is currently be given to how we prioritise this funding. Encouraging the co-location of provision, particularly childcare and education, will need to be an important part of that funding to enable single site provision where possible.

Alongside this work we are working with our partners to introduce a new suite of qualifications for the sector focused on raising standards and skills and supporting our ambition to up skill and professionalise the sector. The qualifications will be introduced in September 2019 covering levels 2-5. Funding to support delivery of the new qualifications will be supported by our Apprenticeship programme. Under the Apprenticeship programme we will continue to prioritise support for the sector starting at the current entry level 2 and encouraging progression to higher levels. Our Progress for Success (PfS) programme (supported by the European Social Fund) provides training support to practitioners over 25 and enables them to up skill across levels 2-3. By October 2018, the programme will have supported at least 950 practitioners across Wales to up skill. Building on the achievements of PfS, we are preparing a business case to WEFO to potentially extend the operation until 2023. This will provide opportunities for the existing early years, childcare and play workforce to increase and broaden their knowledge and skills. The package of support we are proposing will complement and enhance the provision that is already available via Apprenticeships and other skills programmes.

I am very aware that the Offer has to be flexible and accessible for parents and in recognition of the broad and complex variation in family units in Wales, we have made a number of exceptions to our eligibility criteria. You raised a specific point about widening this access to include children identified as being at risk. Looked After Children (LAC) will be able to access the Offer as long as this is in accordance with their care plan and they meet the relevant eligibility criteria. LAC may also have access to other programmes that offer childcare, such as Flying Start, and will always have a statutory entitlement to a minimum of 10 hours per week of early education from the term after they turn 3.

In relation to the points you raised about the Foundation Phase Nursery provision and making it easier for providers other than schools to offer this provision, this is something we are exploring as we continue to test the Offer. Indeed, schools are already permitted to deliver the childcare element of the Offer but to do this they first need to ensure they are registered with the Childcare Inspectorate for Wales (CIW). The planning and delivery of Foundation Phase Nursery is a matter for local authorities based on a local assessment of need and they are required to make arrangements to secure the delivery of a minimum of 10 hours a week of FPN. This can be in either a maintained setting such as school-based nursery and/or non-maintained setting such as a day nursery, playgroup, Cylch Meithrin or a child-minder. The approach taken by local authorities varies across Wales.

Yours sincerely,

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

**Huw Irranca-Davies AC/AM**

Y Gweinidog Gofal Cymdeithasol a Phlant  
Minister for Children and Social Care