



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 8TH JANUARY 2019

SUBJECT: CHILDCARE OFFER FOR WALES

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

1.1 This report presents an annual update of the first year of implementation of the Childcare Offer across Caerphilly borough.

2. SUMMARY

2.1 The Welsh Government recognises that childcare is one of the biggest challenges facing working families in Wales and developing an enhanced childcare offer was a top priority. Supporting families with quality, flexible and affordable childcare aims to support economic regeneration, can reduce pressures on family income and help parents to participate in or extend work, thus reducing a family's risk of poverty. It also supports the wellbeing of children through positive and rich childcare experiences.

2.2 The Welsh Government manifesto in 2016 launched a new Childcare Offer for working parents of 3 and 4 year olds in part time Foundation Phase education. The Welsh Government is working towards nationally providing 30 hours of funded early education and childcare per week for working parents of 3 and 4 year olds in part time Foundation Phase provision, for 48 weeks per year by the end of their term in Government 2020/21.

2.3 Caerphilly joined the Early Implementers for the Childcare Offer phase 1 in March 2017 with implementation of the first funded childcare places in September 2017 and full roll out across the borough by April 2018.

2.4 This report highlights the key statistics from year 1 for Caerphilly borough as well as highlighting some of the key headline statistics from the Year 1 Welsh Government external evaluation.

2.5 A Childcare capital bid of £6.357 million has been submitted to Welsh Government, and a decision on which projects have been successful is anticipated by Christmas 2018 for delivery 2018-2021.

3. LINKS TO STRATEGY

3.1 The Childcare Offer contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2016:

- *A prosperous Wales* – the Childcare Offer will support working families across the borough, to increase their disposable household income through the funded childcare places to enable them to work. The offer aims to remove childcare as a barrier to gaining employment for those who are not currently working, as well as support parents to be able to increase their working hours if wished thereby improving the household income.
- *A resilient Wales* – the Childcare Offer aims to support community based childcare provision to become sustainable businesses embedded in their local environment, as well as improve the quality of provision. The Offer will support local jobs and improve the childcare market, thereby increasing the availability and flexibility of childcare offered locally for families.
- *A healthier Wales* – childcare settings offer healthy snacks through the healthy snack award scheme and are supported to be part of the Healthy and Sustainable Pre School Scheme locally known as HEY (Healthy Early Years) which assures parents of the settings' commitment to children's health.
- *A more equal Wales* – part of the Childcare Offer is to encourage and support parents living in poverty to access employment without the barrier of affordable childcare. Employment will reduce the risk of children growing up in poverty and a potential gap in attainment.
- *A Wales of cohesive communities* – children will be accessing local childcare provision whose ethos is embedded in community based delivery and access to community resources. This pilot will seek to connect community based childcare provision with their local schools to ensure cohesion of services for families and consistent support for the young children accessing the offer.
- *A Wales of vibrant culture and thriving Welsh language* – under the national minimum standards for regulated childcare, settings are required to support children's understanding of the Welsh language and culture. In addition there will be sufficient places developed and offered through Welsh medium providers to meet parental demand.
- *A globally responsible Wales* – wellbeing of children and families will be monitored as part of the Offer to ensure that the impact of longer formal childcare provision and any potential transition between different providers is not detrimental to the wellbeing of the children.

4. THE REPORT

- 4.1 Welsh Government recognises that childcare is one of the biggest challenges facing working families in Wales and developing an enhanced childcare offer is a top priority. Supporting families with quality, flexible and affordable childcare supports economic regeneration, can reduce pressures on family income and help parents to participate in work, thus reducing a family's risk of poverty. It also supports the wellbeing of children through positive and rich childcare experiences.
- 4.2 The Welsh Government is providing 10 hours of funded early education and up to 20 hours of funded childcare per week for working parents of 3 and 4 year olds in part time Foundation Phase provision, plus up to 9 weeks of childcare in the school holidays per academic year by the end of their term in Government 2020/21.
- 4.3 The current eligibility criteria for the Childcare Offer is that parents in the household must be earning the equivalent of 16 hours per week minimum wage or more. In dual parent households both parents must be earning the equivalent of 16 hours each or more, up to £100,000 each. This may be reviewed after the evaluation of year 2 implementation.
- 4.4 Within Caerphilly borough we offer Foundation Phase places in both maintained (school nursery) and non-maintained childcare (private, voluntary sector) providers. Following the full roll out of the Offer, we anticipate that more childcare will be needed across the borough to offer the additional 20 hours per week but especially during the additional holiday provision required. To date more than 150 childcare providers have signed up to deliver the Childcare Offer from across Caerphilly borough and neighbouring boroughs, and all display the Window Sticker to promote their offer to parents as well as promoting through their social media pages.

- 4.5 The number of applications has increased significantly during the first year of implementation increasing from 98 applications for funded places in autumn term 2017 to a cumulative total of 1036 applications by end of August 2018. All places are funded at £4.50 per hour as a universal rate set across Wales for year 1 and 2. The cost of places for September was £17,759.25 which increased to £206,100 for the month of July 2018 bringing substantial funding into the childcare sector and impacting family household incomes.
- 4.6 During the year the data has been analysed and returned to Welsh Government. Of the 1036 applications, 933 were approved of whom:
- 14 (2%) children had Additional Learning Needs
 - 572 (75%) parents found it somewhat difficult or very difficult to afford childcare
 - 129 (17%) parents wished to access Welsh medium childcare provision
 - 50 (7%) wanted bilingual provision
 - 96 (13%) were from Flying Start areas
 - 505 (66%) were accessing their Foundation Phase place
 - 526 (69%) of the declared main parents earnings' were below £25,599
 - 318 (42%) of the second parent earnings were below £25,599
 - Only 44 of 1364 parents (3.2%) earned more than £52,000
 - 167 (22%) families were single parents.
- 4.7 The Welsh Government also commissioned an external evaluation of the Childcare Offer delivery in the first year, which was published on 22/11/18 on the Welsh Government website. Some of the headlines are:
- 4101 children accessed the childcare element of the Offer
 - 743 childcare providers delivered the childcare element of the Offer
 - 92% of parents reported the application process was straightforward
 - Submitting evidence of employment was a particular challenge for parents self-employed, on zero hour contracts or working irregular flexible hours
 - 40% childcare providers reported an increase in the number of children since the previous year
 - 72% childcare providers reported improved profitability
 - 76% reported improved sustainability
 - The median earnings of those accessing the Offer are comparable with the median earnings of the general population £20,800-£25,999
 - 37% of parents accessed Welsh medium childcare
 - 88% parents report having more disposable income
 - 67% parents now have more opportunity to increase earnings
 - 66% feel work related decisions are more flexible
 - Interviewed parents reported reduced stress and anxiety
 - 60% parents were earning the equivalent or below the Wales median salary
 - 30% were earning £15,999 or less.
- 4.8 During this initial year of implementation it has been critical to work in partnership across departments in Caerphilly Council including Council Tax, procurement, information governance, admissions, Statutory ALN team, Communications, IT, legal, translation team and printing. Council Tax links have allowed us to confirm families' home addresses and situations as well as supported lone parents to access the single person's allowance which they had not realised they were entitled to apply for.
- 4.9 A childcare capital bid of £6,357,000 for 13 projects has been submitted to Welsh Government for 2018-21 and a decision on any successful projects is anticipated prior to Christmas.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 This proposal contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act. The long term strategy is to reduce the in-work poverty faced by families due to childcare costs, as well as encourage parents to gain employment by removing the barrier of childcare costs. Prevention of poverty through increasing opportunity to access employment will support children's long term outcomes. In addition quality childcare provision will positively impact on children's development and may contribute positively to long term attainment outcomes for children through increased access to quality learning opportunities.
- 5.2 During the course of initial implementation it is anticipated that the funding may primarily benefit those already working and using formal childcare provision, but in doing so aims to encourage other families in the long term to take up employment support programmes and gain access to employment opportunities. It will also create a stable and more sustainable childcare sector with the potential to create further local employment opportunities.
- 5.3 Working in collaboration with employment support programmes, childcare providers, schools and training providers, this pilot project will also provide support for those wishing to train for jobs in the childcare sector, as well as create sustainable businesses for the longer term. If all providers and the local authority officers work in collaboration with families and stakeholders, the offer can be developed in a holistic, bespoke but sustainable way to ensure that providers and families are able to make a workable solution for delivery.
- 5.4 Integration of maintained and non-maintained provision to enable a flexible offer for parents will be critical to the success of the childcare offer through increasing take up as well as potentially having a greater beneficial impact for children. Much of the Foundation Phase offer in Caerphilly borough is currently through maintained school nurseries and so this needs to be carefully considered to ensure that children continue to access their Foundation Phase entitlement as well as being able to access wraparound provision to meet parental working hours' requirements within reason.
- 5.5 Involvement and active participation of all stakeholders will be critical to ensure the learning from and during the pilot phase enables dissemination across the Early Implementers and wider regionally prior to roll out of the offer across Wales.

6. EQUALITIES IMPLICATIONS

- 6.1 As a Welsh Government initiative, the team have considered the potential equalities implications. During this initial phase the early implementers will need to identify any barriers and work with Welsh Government to ensure that parental choices and needs of families are considered and met on an individual basis including but not limited to:
- Welsh medium provision
 - Support for children with ALN
 - Working families who may access childcare provision outside of the initial area set
- 6.2 The learning from the Early Implementers across Wales will inform the full equality impact assessment.
- 6.3 In Caerphilly parents have been supported to have their choice of childcare provision to meet their and their child's needs, including support for the setting to become inclusive and support a child with additional learning needs, wider support to the sector to develop inclusive practice, access to all Welsh medium provision in the borough and working with the sector to develop flexible hours of work to meet the needs of shift workers, longer hours, etc.

7. FINANCIAL IMPLICATIONS

- 7.1 The Childcare Offer is funded by Welsh Government grants for infrastructure staff, SEN grant and childcare places grant. There has been recognition that the finance did not fully cover the time taken to develop and implement full delivery and was slightly increased by Welsh Government.

8. PERSONNEL IMPLICATIONS

- 8.1 There are 2.5 staff employed on fixed term contracts under the annual Childcare Offer infrastructure grant – Administrator and Development Officer.
- 8.2 The grant is complemented by core funded Management posts to support implementation and delivery across the borough.

9. CONSULTATIONS

- 9.1 All responses from consultations have been incorporated in the report.

10. RECOMMENDATIONS

- 10.1 The recommendation is to note the contents of the report and the implementation to date.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To note the contents of the report and the implementation to date.

12. STATUTORY POWER

- 12.1 Childcare Act 2006 (Local Authority Assessment) (Wales) Regulations 2016.

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