



Llywodraeth Cymru
Welsh Government

PUBLICATION

Expanding childcare support

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Decision required

Cabinet is asked to agree in principle the next steps in our journey towards our vision of universal early childhood education and care (ECEC) provision.

Summary

1. The **Programme for Government** sets out the key next steps to enhance access to high quality funded early years' provision in Wales. It reflects our commitment to early years provision which encompasses both children's development and their learning, recognising we need to ensure the highest quality offer to give the best start in life.
2. To support progress towards universal ECEC we will take a number of steps to increase the reach of our existing government funded support for early childhood education and care (ECEC) programmes over this Senedd term, focusing on delivering the commitments within the Programme for Government. Details of the proposed steps are in this paper and the associated annexes.
3. In the first 3 years, we will deliver a phased expansion of early years provision, to include all 2 year olds, with a particular emphasis on ensuring equity of access for our more deprived communities and our shared goal of achieving 1 million Welsh speakers by 2050.

Objective of the paper

4. In February 2019 Cabinet (CAB 19-20-33) agreed our vision of an integrated ECEC system, drawing together education and care provision in the early years (0-7), with an initial focus on pre-school provision (0-5). Our agreed vision states that a Welsh ECEC system will reflect our ambition for society to be more equal, as follows:

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- child development sits at the core of our approach, and our ECEC principles
- the impact of poverty on children’s life chances should be our guiding principle in considering priorities, and in particular breaking the poverty cycle, and
- we should build a Welsh childcare system based on progressive universalism, gradually expanding subsidised provision across the 0-5 age range.

5. This policy ambition remains. A universal ECEC system signals the importance Wales places on support in the early years and our commitment to equitable access. Developing such a system will require a particular focus on expanding Welsh Language childcare, which is critical in making progress towards the 2050 target. It will also enable us to ensure there is suitable provision for disabled children and for Black, Asian and Minority Ethnic children – access to culturally appropriate childcare provision was a theme in the responses to the recent consultation on the Race Equality Action Plan.

6. The overarching vision for ECEC, which Cabinet previously agreed, is ambitious and will require more settings, a significantly larger workforce, a greater focus on Welsh medium provision and more investment in government funded education and childcare services, free at the point of use for families. Noting that delivery over the next 3 years will need to be scaled relative to the budget settlement. Our updated Programme for Government contains 3 commitments related to our ECEC vision, and starting our journey, as follows:

- Continue to support our flagship Flying Start programme
- Fund childcare for more families where parents are in education and training or on the edge of work
- Deliver a phased expansion of early years provision to include all 2 year olds, with a particular emphasis on strengthening Welsh-medium provision.

7. The third of these specifically reflects the Cooperation Agreement, and to deliver against them we will:

- expand the Childcare Offer to parents in education and training, as a first step in expanding the Offer to a wider cohort of families
- provide funded childcare to all 2 year olds via Flying Start with a focus on

deprivation and expanding Welsh language provision

- provide all 4 elements of Flying Start as part of expanding funded childcare in 2022/23 and the experience will inform immediate decisions on how to approach the provision of funded childcare to all 2 year olds in the following 2 years. It will also inform the development of a plan towards universal provision of Flying Start, likely over a longer timescale, and the implications of that for the programme and wider early years provision
- develop a costed action plan to further deliver our ECEC vision over the next 10 years, recognising this will need to be seen in the context of wider priorities as part of subsequent budget rounds, also taking account of the need to increase capacity within the ECEC sector and workforce, with a particular focus on expanding Welsh language capacity.

8. More information on the specifics of each of the steps proposed under our updated Programme for Government, including within the next 3 years, is at Annex B. Additional information on the broader ECEC vision, the steps required over the next 10 years and the underlying principles is at Annex C.

9. Cabinet are asked to note these plans, the need to ensure a cross-government approach to delivery and the intention to report back to Cabinet within 12 months on progress in delivering this commitment.

10. In the longer term, to fully deliver our vision for ECEC we will need to consider further options to expand services which could include, the following options outlined in more detail in Annex D:

- expanding the Childcare Offer further
- standardising early education provision at either 12.5 or 15 hours per week, and
- providing support with childcare costs for children under 2.

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11. Cabinet are asked to note the intention to continue scoping these activities as part of the development of a 10 year plan for our broader ECEC vision. Noting that actions within the plan will need to be considered in the context of future budget rounds and the current 3 year settlement.

A focus on Welsh medium provision

12. Our PfG commits us to strengthening Welsh medium provision as part of our work to expand early years provision for 2 year olds. This sits alongside our commitments in Cymraeg 2050 in relation to increasing the number of Welsh speakers overall, and actions in respect of ECEC and the early years specifically. If we are to maximize the benefits from our investment in relation to both sets of commitments we need to align the actions taken forward, and look to increase the number of Welsh medium childcare places across the board. This should be used as a springboard to help more children go on and access Welsh medium education.

13. Increasing capacity in terms of both places and staff is an issue that faces the wider childcare sector, requiring government investment in new settings, training, and in recruitment and retention. However, in relation to Welsh medium provision there are the additional requirements of ensuring a balance of required childcare qualifications and appropriate language skills, along with maintaining investment in existing Welsh speaking communities and proactively driving demand in areas with few or no Welsh speaking communities. This will need to be done in the context of our work on Welsh in Education Strategic Plans and wider work on language planning.

14. There are currently around 3,300 childcare and play settings registered with CIW, providing over 76,000 places for children aged 0-12. Of these 14 per cent of settings report their main operating language as Welsh, offering around 15 per cent of all places. Data from the CIW Self-Assessment of Service (SASS) data collection from 2021 suggests some 15 per cent of staff working with in the

childcare sector speak Welsh. This share of the sector will need to increase, but it is not as simple as setting a single national target, or desired outcome. We know provision is already significantly skewed towards existing Welsh speaking communities, and what we need is to grow capacity in other parts of Wales if we are to see the language thrive.

15. Working with Mudiad Meithrin, the lead body for Welsh medium ECEC provision, we will need to:

- Continue work to open new cylch meithrin under our Sefydlu a Symud programme. We have committed to opening 60 new cylchoedd within this Senedd term, but will explore both scope to go further, and to align this with expansion of Flying Start childcare specifically
- Attract more Welsh speakers into the childcare sector. Working with Social Care Wales we will need to develop a specific strand to the We Care Campaign aimed at Welsh speakers, highlighting the opportunities and benefits of working in Welsh medium childcare
- Expand our existing training programmes to offer a broader suite of options. In addition to core childcare qualifications we will need to look at supporting conversion from other sectors, including education and social care, and ways of increasing work based learning provision and supporting trainees to gain the number of hours work experience needed to become practitioners
- Invest in more upskilling courses. This will be necessary to support existing providers to gain the higher qualifications required to deliver Flying Start childcare, but we will also need specific support programmes to help childcare practitioners learn Welsh and improve existing Welsh language skills.

16. Following discussions with the Plaid Cymru designated member we are working with Mudiad Meithrin to scope an Academi model, which would see Mudiad take the lead in coordinating and driving many of the learning and development opportunities in this space. This would also see Mudiad's regional settings become hub locations, training Welsh speaking childcare practitioners and supporting Welsh learners to improve their skills. Further work to model costs over this Senedd term is required and will be funded from within existing allocations. This provision would be accessible to children younger and older than those covered by the commitment to provide funded childcare to all 2 year

olds, and it will be essential that this is done in partnership with the development of a delivery plan for Flying Start to ensure that sufficient settings and staff are available in areas of expansion.

17. Cabinet are asked to note the challenges associated with increasing Welsh medium capacity, both in terms of the number of places and the size and skills of the workforce and intention to work with Mudiad Meithrin as the specialist body in relation to Welsh medium ECEC provision to tackle these issues.

Increasing capacity

18. Moving towards a universal ECEC offer will see an increase in demand for spaces. Current capital budgets for Flying Start and childcare sit within the Sustainable Communities for Learning Programme. Building on our commitment to community schools we want to see more investment in multi-use facilities, hosting Flying Start and ECEC provision, with options to also hold after school activities. This should include provision of inclusive play spaces, accessible outside of core school hours.

19. Increasing the number of spaces will also require a larger workforce. The childcare sector, which is part of the foundational economy, directly employs in the region of 17,000 people and contributes £1.2 billion to the Welsh economy. We are seeing widespread concerns around recruitment and retention, with specific challenges in relation to Welsh medium provision where the balance of childcare and language skills is proving difficult to address on a sustainable basis. We will shortly launch additional Welsh language training as part of our £11 million ESF funded Progress for Success training programme which should address some of these issues.

20. Building on the work underway through the 10 year childcare, playwork and early years workforce development plan, we are scoping a replacement for

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Progress for Success. An annual sum of £2 million has been allocated to this in the current budget round, starting in 2023/24, and further work will be required to maximise opportunities from existing programmes of investment in education, training and work based learning across the Education and Economy portfolios within this envelope.

21. We will also need to build on the work being taken forward on the Nurse Staffing Act when considering capacity of the health visiting sector; approaches to enhance the Speech and Language Therapists workforce; the work underway to enhance the professional status of the parenting workforce.

22. Cabinet are asked to note the challenges associated with increasing capacity, both in terms of the number of ECEC places and the size and skills of the ECEC and wider early years Workforce. Cabinet are asked to support a cross-government approach to addressing these challenges.

Impact

23. The intention of this Cabinet paper is to consider the expansion of funded childcare within this Senedd term and in turn support our longer term vision of ECEC for Wales via existing programmes including Flying Start, the Childcare Offer and our early education provision.

Communications and publication

24. Effective engagement with stakeholders will be essential to ensuring the successful rollout of any extended provision, including the ECEC and wider early years workforces. A comprehensive Communications and Engagement Plan will need to be developed and implemented as part of the roll out. This paper can be published 6 weeks after the meeting.

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Recommendation

Cabinet is asked to agree in principle the next steps in our journey towards our vision of universal early childhood education and care provision.

Julie Morgan MS
Deputy Minister for Social Services
February 2022

Annex A: Statutory, finance, legal and governance matters

Statutory requirements

Impact assessments in relation to the Childcare Offer, Flying Start and early education provision are in place, the latter contained within those for the Curriculum for Wales and the consistent funding rate for both elements within the Offer. These are live documents and will be updated to consider the potential changes considered as a result of this paper.

All policy proposals in relation to the expansion of early years programmes are taken forward collaboratively with a range of stakeholders including local authorities, childcare providers, schools, the Children's Commissioner, Future Generations Commissioner and Welsh Language Commissioner.

Legal colleagues have seen and noted this advice and the Cabinet paper. There are no legal obligations specifically arising from the paper, however, actions thereafter may be subject to legal advice.

The vires for Welsh Ministers' activity in this area is uncontroversial. The vires for the Flying Start grant scheme and the Childcare Offer is section 60 of the Government of Wales Act 2006. Early education is provided under section 118 of the School Standards and Frameworks Act 1998.

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Finance requirements and governance implications

This paper is seeking agreement in principle to the next steps that should be taken in our journey towards universal ECEC, and order of priorities for expansion. It is not seeking agreement to when those steps should be taken, and recognises that they may need to be scaled, or phased over longer time periods than those currently modelled subject to resources available beyond 2024-25. As a consequence, Cabinet is not being asked to agree additional funding at this stage, with commitments to be met from within allocations set out in draft budget up to 2024-25. Noting that some of these options could have significant financial implications that will need to be subject to future budget rounds and seen in the context of wider priorities in considering the priority order of the next steps it will be important to consider the potential financial implications and the need to scale ambitions relative to the funding envelope available.

The information in the following paragraphs looks at costs within the current settlement period from 2022-23 to 2024-25, but recognises delivery could start at a later point.

Childcare Offer for Wales

The Childcare Offer budget sits within the Health and Social Services MEG. The draft budget for the Offer over the next 3 years is as follows:

2022-2023	2023-2024	2024-2025
88.5m	92.5m	95m

In addition to the baseline budget of 75m in 2021-22 as a result of the allocations received as part of the 2022-23 budget further allocations are being made from within MEG settlements of:

- 4.5 million-10 million to expand the Offer to parents in education and training

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from September 2022. This is based on calculations undertaken in 2019 and shared as part of CAB(19-20)33. Indicative allocations suggest additional funding of £3.5 million in 22/23, £7.5 million in 23/24 and £10 million in 24/25 will be needed. Although in year 1 already plans have had to be scaled to the available envelope (by a reduction of £1 million), this should be manageable if rollout commences September 2022, rather than April 2022

- 10 million annually to support an increase in the hourly rate for the childcare funded under the Offer. This includes the funding required to increase the rates for early education (1.5 million annually) and Flying Start childcare (3.5 million annually)

The annual budget for the Offer within the HSS MEG does not include the associated capital costs, which sit within the Education MEG. A sum of £70 million has been allocated to cover the capital programmes for both childcare and Flying Start within the draft budget (£20 million in 22/23, £25 million in 23/24 and £25 million in 24/25). This will likely require scaling of plans recognising the challenging capital context across all budgets.

Funding for training programmes aimed at the childcare, playwork and early years workforce sits outside of the budget for the Childcare Offer and is currently linked to the ESF funded Progress for Success programme, which will close in 2023. The ESF allocation sits within the Economy MEG. On the assumption a Welsh Government funded successor would be put in place, with contracts tendered during 2023/24 as we close Progress for Success, a recurring £2 million in funding per annum for the HSS MEG has been made from 2023/24 onwards within which to deliver a successor programme.

Flying Start

Maintaining the current programme

The budget for Flying Start in 2022-23 forms part of the Children and Communities Grant within the Housing and Local Government MEG. The Children and Communities Grant (CCG) has an overall budget of £135.4 million in 2021-22.

Flying Start funding has remained static at £2,100 per child since the programme began to be rolled out in 2007. This, inevitably, has meant that the services delivered to eligible children and their families have been squeezed. During this budget round we have secured an uplift of £40 million over 3 years to the CCG. This includes an allocation to increase the amount per child available through the Flying Start programme.

The budget within the Children and Communities Grant does not include the capital costs associated with Flying Start, which sit within the Sustainable Communities for Learning Programme within the Education MEG. The capital allocation of £70m within this budget is provided for both the Childcare Offer and Flying Start. Given the challenging budget settlement for the next 3 years the level of funding is unlikely to meet the level of ambition requiring a likely scaling of plans and will need to be subject to future budget rounds.

Expanding the Flying Start programme (all 4 components)

Assuming any expansion were to take place from September 2022 as part of the period covered by the current budget round, the estimated additional funding needed by the end of 2024/25, is £25 million enabling approximately 10,000 more children aged 0–4 to access full Flying Start, of which around 2,500 2-3 year olds would be anticipated to access Flying Start childcare.

In addition administration costs would need to be covered of £2 million per annum for 3 years. All figures are based on our best estimates and would need to be reviewed during discussions with stakeholders and further modelling based on the final agreed criteria. Final roll out plans would be developed following agreement of the criteria and the final budget available noting these plans have been developed to be accommodated within the current budget settlement.

Expanding Flying Start Childcare only

Assuming any expansion were to take place from September 2022/23 as part of the period covered by the current budget round, the estimated funding needed by the end of 2024/25 is £25 million enabling approximately 2,000 to access full

Flying Start in phase 1 and approximately 8,000 more 2-3 year olds to access childcare only in phase 2 noting these plans have been developed to be accommodated within the current budget settlement.

Supporting younger children

No additional funding is being sought in the current budget round in relation to the work to scope support for children under 2 or to scope the timescales and actions required to move towards a childcare system based on the principles of progressive universalism. If Cabinet agrees to officials undertaking this scoping, further advice will be presented at a later date, setting out costed options over a series of timescales.

Any staff costs associated with developing proposals will be met from within the EPS Delegated Running Costs budget.

Annex B: Delivery of our Programme for Government

Our updated Programme for Government sets an ambitious agenda for change over this Senedd term. Our ambitions for our children are no less great than those for the wider country. In seeking to build a stronger, greener and fairer Wales, and to tackle the impacts of the pandemic on all our communities, but particularly the most disadvantaged, we recognise the importance of investment in the early years to support all children to have the best start in life.

Our Programme for Government, and the 3 year Cooperation Agreement with Plaid Cymru, contain a number of commitments in this regard and plans to deliver against them are in hand.

Commitment

“ Continue to support our flagship Flying Start programme ”

The Flying Start programme reaches around 36,000 children under 4 living in some of the most deprived areas across Wales. Funding per child has remained static since the programme began in 2007. This, inevitably, has meant that services have been squeezed. While the pandemic has had a significant impact on service delivery this target was missed for the first time 2020-21.

In order to deliver the PfG commitment to support the current Flying Start Programme, an additional £11.95 million in funding has been allocated over the next 3 years as part of the uplift to the Children and Communities Grant with any further inflationary uplift needing to be agreed for the final years of the Senedd term.

Commitment

“ Fund childcare for more families where parents are in education and training or on the edge of work ”

Increasing support with childcare costs for parents in education and training reflects the value placed on supporting those seeking to improve their employment prospects by gaining qualifications, retraining or changing career paths. An independent review published in March 2021 concluded that although there was a high degree of existing support with childcare costs for parents in education, a number of groups were potentially missing out or being inadequately supported.

While the review recommended gaps should be addressed by expanding existing schemes within the further and higher education sectors, there is scope to expand the Childcare Offer as a first step in better meeting the needs of these families and delivering on our PfG commitment. This expansion, which has been

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discussed and agreed under the terms of the Cooperation Agreement, will begin from September 2022 for parents in further and higher education, with additional cohorts of learners added over time.

Phasing the roll out across the different cohorts of parents in education and training is necessary both to ensure capacity within the sector to deliver the care, and alignment with wider programmes of support available to parents.

Alongside this expansion we would continue work already underway to scope support available through, or planned for, our HE/FE support programmes and our employability programmes, such as Communities for Work, Parents, Childcare and Employment and Re:Act scaling activities in line with budget allocations. Our current view is that these programmes, along with leveraging the support available from the DWP, may be more appropriate in supporting those on the edge of employment than the Childcare Offer, though this will remain under review. A communications campaign to raise awareness of support available will be undertaken.

Commitment

“ Deliver a phased expansion of early years provision to include all 2 year olds, with a particular emphasis on strengthening Welsh medium provision. ”

Following discussions with the Designated Lead Member it has been agreed that we will meet this commitment by expanding our Flying Start programme, moving towards universal provision of all 4 elements of support. This will be done on a phased basis as follows:

Phase 1

In this phase, informed by engagement with stakeholders, we will define the criteria and plans to deliver a phased expansion of early years provision, to include all 2 year olds, with a particular emphasis on ensuring equity of access

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for our more deprived communities and our shared goal of achieving 1 Million Welsh speakers by 2050. In the first phase, this will be via the expansion of Flying Start, including expanding the childcare element for 2 year olds, with rollout commencing from September 2022. The broad criteria for expansion will focus on deprivation, increasing availability of provision according to need and expanded Welsh Language provision – the precise detail for phase 1 will be developed over the next few weeks.

Phase 2

In this phase we will focus on the expansion of funded childcare via Flying Start. Decisions on the balance of expansion of the childcare only element of Flying Start or on all 4 elements of Flying Start will need to be taken before this point. More detailed plans will be developed over the next few months.

Phase 3

In this phase we will continue the phased roll out of Flying Start until funded childcare becomes available for all 2 year olds. Our joint, clear and ambitious clear intention will be that this is achieved within the period of the Cooperation Agreement. The way the programme looks and feels in less disadvantaged areas may be significantly different to more disadvantaged areas.

Our preliminary modelling shows that starting this journey with an additional investment of £5 million in phase 1 would mean approximately 2,000 children aged 0-4 being able to access full Flying Start, of which around 500 children aged 2-3 would be anticipated to access Flying Start childcare. During phase 2 further investment of around £20 million would mean around 8,000 more children aged 0-4 being able to access full Flying Start of which around 2,000 2-3 year olds would access Flying Start childcare or around 4,500 children aged 2-3 accessing Flying Start childcare only. Further incremental increases in funding beyond this date could build towards universal provision. In addition, funding to cover administration costs would be required in the region of £2 million per year.

It should be noted that capacity issues, both in terms of physical environments as well as the workforce available to deliver the programme, mean that the expansion of services will be gradual in the first year, and potentially subsequent years. A transitional period will be needed to enable delivery partners to reach the standards prescribed by Flying Start programme guidance. This will be discussed with stakeholders as part of the engagement process.

Alongside this we will undertake more detailed work, across government to determine how universal provision of all 4 elements of Flying Start could be delivered, including establishing firm costs, to inform future decision-making.

Annex C: The ECEC vision

In Wales we define the early years as the period from 0-7, covering the important pre-school years and the initial years in school. The experience children have in this period are the foundations for life – shaping the likely outcomes for each child in the short, medium and longer term. If missed, many children will never be able to fully gain those abilities, impacting their longer term life chances.

Developmental disadvantage is apparent before the age of three and by the time they start school children from the lowest-income families are on average 16 months behind those from higher-income families. This attainment gap increases over time, with the social, emotional and economic impacts lasting a lifetime. Investment in a broad range of support across the early years is needed to address these gaps and support transition into formal education. Early Childhood Education and Care (ECEC) provision is an important component of that support.

In its simplest form, an ECEC system would see us offer funded early education and care to all children in their early years. To deliver universal entitlement for all children aged 9 months to 5 years of age we would need to take a phased approach, delivered over a minimum of 10 years, ensuring we:

- Develop and build the sector to ensure there are sufficient ECEC places,

- including Welsh Language provision;
- Invest in the ECEC workforce to ensure that staff numbers are sufficient and that staff are confident and knowledgeable practitioners, including developing cultural competence and embedding anti-racist practice
 - Increase the number of ECEC practitioners who are confident in working using the Welsh Language
 - Raise the quality of provision by ensuring the pedagogy underpinning the Foundation Phase is spread throughout early years' provision
 - Ensure the growth and investment in the sector stimulates Fair Work practices.

The ECEC principles: what we will have in 10 years

The ECEC vision comprises of a number of principles. These have been grouped below into themes. Each aim has then been translated from vision to reality, outlining the potential end point in 10 years, if the vision is realised in its fullest form.

Quality-related aims

- All children should have a high quality stimulating learning and care experience in each and every education and care setting they attend, based on international evidence of quality ECEC
- We must retain and strengthen what we know works well, particularly the highly respected pedagogy of the Foundation Phase, and explore how we build on these strengths that already exist, and
- There should be a continuum of learning and provision from 0–16, with ECEC dovetailing into the new curriculum and an increased focus on transition to ensure continuity and progress through the learner journey.

Access and parental support aims

- Provision of support should be flexible and responsive to individual circumstances with a focus on settings best placed to deliver quality ECEC

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outcomes for children, moving away from artificial boundaries into a provider neutral system – all providers across the public, private and third sectors should be able to deliver all aspects of ECEC

- Increasing the flexibility of how ECEC is delivered will provide parents with more support and choice in order to support them to access routes into sustainable employment and out of poverty, and
- It should be easier for parents and families to navigate the complex and wide range of provision of support available to them (UK and Wales-specific) so they have choice and can access what is available to them.

Workforce/providers

- All professionals working within ECEC should be equally valued with a package of learning and support to reflect this, and
- We should explore a single funding model for all ECEC providers reflecting that they are all equally valued.

Annex D: Further opportunities for ECEC expansion in the longer term

Our immediate focus is on delivering the PfG commitments as outlined above but we are also developing our thinking for the longer term delivery of the ECEC vision. The possible next steps are set out in the following sections. These are areas for further exploration, not commitments at this stage and will need to be subject to further budget rounds.

The Childcare Offer for Wales was conceived to support working parents, with associated eligibility criteria. At the lower end, parents need to earn the equivalent of 16 hours per week at the relevant minimum wage. At the upper end they may not earn more than £100,000 per annum per parent. We have considered a number of options to adjust the parameters of the Offer over time noting these options have not taken into account current forecasted inflationary pressures and will need to be revisited likely resulting in higher costs subject to

when these costs would fall:

- Reducing the lower earnings cap to the equivalent of 12 hours per week could draw in around 1,000 additional families at an additional cost of around £1 million per annum. Removing the lower earnings cap would mean around 32,000 additional families/children would be eligible at an additional cost of circa £27 million per annum
- Moving from a per parent upper cap of £100,000 to a household cap of £120,000, as opposed to a per-parent cap, is arguably fairer for single parent households and would generate savings of around £1 million per annum
- Limiting the Offer to a term-time programme by removing the 9 weeks of holiday provision and aligning with the provision of Flying Start and early education could result in savings of around £14 million per annum. However, many settings are likely to still require payment for the holidays and this cost would fall to parents, regardless of whether they used the provision. This additional cost might dissuade parents, particularly those on lower incomes, from taking up the offer. Any reduction would attract criticism and would need a lengthy lead in time to enable parents to plan. We could consider this alongside the work on reform of the school day and the school year.

Our existing early education programme, delivered through Foundation Phase Nursery, provides all 3-4 year olds with a minimum of 10 hours per week of funded provision in term times. Some local authorities provide additional hours of funded early education, but not all. If we provide all children with 12.5 hours of funded Flying Start childcare at age 2-3, it would be iniquitous for the universal early education offer to remain at a lower level of 10 hours per week for 3-4 year olds.

Increasing provision of early education from 10 hours per week to 12.5 hours, to match the Flying Start childcare provision, would cost around £21 million per annum on a recurrent basis. Going further and increasing provision to 15 hours per week would increase that cost to around £44 million.

There is no leeway for this within existing education budgets and while this would generate some savings in relation to the childcare element of the Childcare Offer, it would not be cost neutral. Further modelling work would be, taking in account levels of provision and impacts on local authority policies.

Therefore any additional funding would need to be subject to the relevant budget round and seen within the context of wider priorities.

Finally, it is important to note that currently there is no support with childcare provision for children under 2. To fully realise our ECEC vision we need to consider how funded provision could be extended to this younger age group, particularly those aged 9 mths to 2 years old, and the steps which could be taken towards this during this Senedd term. No specific costings on this have been done to date.

These options will be scoped further in the development of our ten year ECEC action plan. Decisions on the delivery of the action plan would be dependent on wider discussions around future budget allocations, and taking into account any opportunity costs associated with a programme of investment.

The involvement of partners is critical to the co-production of an action plan, and transparency in discussions with them about ambitions and dependencies including budget constraints is a core part of that approach.

Annex E: Summary of existing programmes

There are 3 core early years programmes already in place in Wales:

- Flying Start
- the Foundation Phase, and
- the Childcare Offer.

These programmes were developed at different times, with different policy drivers. Extending provision of childcare would require revisiting these programmes and making potentially significant adjustments and/or changes. The implications this change would have on progress towards the ECEC vision would also need to be understood.

Flying Start

Flying Start is the Welsh Government's flagship early years programme. Historically a geographically targeted programme, Flying Start supports children and families in some of the most disadvantaged communities in Wales. The programme, which started in 2006, aims to make a decisive difference to the life chances of children aged under 4 in the areas which it runs. It includes four interrelated core elements, which are available to all parents and children under 4 living in Flying Start areas:

- High quality government-funded part-time childcare for all 2 -3 year olds
- Enhanced Health Visiting Service
- Parenting programmes and support, and
- Support for Speech Language and Communication development.

These elements combine to provide holistic, multi-agency support for Flying Start children and families as well as those living outside of Flying Start areas who are in receipt of outreach services. Childcare, Health Visiting, parenting support and support for speech language and communication (SLC) are essential to ensure children get the best possible start in life and, when delivered via the current Flying Start model, represent a multiagency support structure that is greater than the sum of its parts.

Within Flying Start areas, government-funded childcare is offered to parents of all eligible 2-3 year olds for 2.5 hours a day, 5 days a week for 39 weeks a year although local authorities have some flexibility. In addition, during the school holidays around 15 sessions of childcare type provision is available. A focus on high quality provision underpins all aspects of Flying Start childcare, which aims to be of the highest quality, and strives to be the benchmark for quality childcare throughout Wales. It is important to note that this means the staff delivering Flying Start childcare are required to hold a higher level of qualifications.

The average take-up rate of Flying Start childcare places in Wales was around 86% in 2019/20 (this is the most recent year that we have data for). This varied significantly by local authority with a range of between 60% - 100%. Local authorities can offer some flexibility in how the childcare element is provided,

however, it is not as flexible as the Childcare Offer for 3 year olds.

Flying Start has a target of ensuring 36,000 children under 4 access at least one component of Flying Start. This does not mean that 36,000 children receive Flying Start childcare at any one time as that element is only available to 2-3 year olds. The target has been exceeded for the last 6 years.

Foundation Phase

A universal offer of early education has been in place since 1999. Based on Scandinavian approaches, the play-based Foundation Phase for children aged 3-7 was introduced following a piloting phase in 2010 and committed to an appropriate curriculum for young children with a strong focus on the all-round development of every child. The Foundation Phase encourages children to be creative and imaginative, making learning more enjoyable and effective while addressing their developmental needs. Foundation Phase education is delivered in schools across the age range, and for many 3 and 4 year old children in around 550 funded non-maintained childcare settings.

All learners should:

- have the best possible basis for their future growth and development
- have access to a comprehensive range of education and learning
- enjoy the best possible physical and mental, social and emotional health
- have access to play, leisure, sporting and cultural activities
- be listened to, treated with respect, and have their race and cultural identity recognised
- not be disadvantaged by any type of poverty

From the term following a child's 3rd birthday 3 and 4 year olds are entitled to 10 hours of Foundation Phase Nursery (FPN) early education a week. Depending on the child's birthday they receive 3, 4, or 5 terms of FPN for 39 weeks a year before statutory school age. This will be in a school or a funded non-maintained childcare setting (NMS). While the minimum offer is for 10 hours per week, provided on the basis of 2 hours per day, some local authorities offer more than this. Depending on where they live children might receive anything from 10

hours to full time FPN.

Parents do not have to take up the free part time place as the child is under compulsory school-age – however data suggests over 80% of children attend.

If a parent does take up provision they also decide, within the parameters of what's available, where they send their child – to a school or setting. But this will be dependent on provision offered by each local authority with many being less flexible in terms of offering parents a choice of accessible provision. Other factors a parent may consider are if they already receive childcare; where the child will attend school later; quality of provision; and the logistics of the wider family.

Childcare Offer for Wales

The Childcare Offer, which has been available across Wales since April 2019, provides 30 hours of government-funded early education and childcare to eligible working parents of 3 and 4 year olds for 48 weeks of the year. During term time (39 weeks of the year) the Offer builds on the existing universal commitment to early education which provides all 3 and 4 year olds with a minimum of 10 hours per week of provision. For the remaining 9 weeks the Offer funds 30 hours of childcare per week.

An eligible working parent is one who is:

- Residing in Wales
- In work
- Earning at least the equivalent of 16 hours per week at the National Minimum Wage / National Living wage (including apprentices)
- Earning no more than 100,000 per annum.

In a single parent family that one parent has to meet these criteria. In a 2 parent household, both parents must meet the criteria. Step-parents or partners of parents who reside in the household with the child / children in respect of whom an application is being made must also meet the criteria. The reference to parents also encompasses guardians with parental responsibility, such as

kinship carers, and foster carers.

A parent who is either employed or self-employed and absent from work on statutory leave, such as maternity, paternity, parental, adoptive or sickness leave, remains entitled to the Offer. In addition to this, two parent households are eligible where one parent meets the working requirements and one is in receipt of qualifying benefits.

The funded childcare available under the Offer can be delivered by any registered childcare provider. Parents can use the hours on any day of the week, and at any time of day (including overnight). In this sense it is much more flexible than Flying Start and Foundation Phase, reflecting the driver to support parents into work – the flexibility allows them to find care that suits their working pattern. Local authorities manage the Offer, processing applications from parents and making payments for hours provided under the Offer directly to the childcare provider chosen by eligible parents.

A digital improvement project is underway, with the intention of rolling out a national online platform to administer the Offer from September 2022. A capital budget of £4 million is allocated to this in 21-22, with a digital build underway and scheduled to complete in January 2022.

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