**Full Impact Assessments**

# Section 1. What action is the Welsh Government considering and why?

**Issue**

The Childcare, Play and Early Years Division responded quickly to the urgent public health situation regarding the COVID-19 pandemic. Human and financial resources were reprioritised. The response was coproduced with staff from across the Welsh Government, local authorities, sector umbrella bodies and wider stakeholders. [The Childcare, Play and Early Years Division: response to COVID-19: integrated impact assessment](https://gov.wales/childcare-play-and-early-years-division-response-covid-19-integrated-impact-assessment) covering the initial response has been produced and published on 21 August 2020. The proposals in that IIA relevant to this IIA are:

* Recommending that where childcare settings remain open they restrict provision to the children of critical workers and vulnerable children;
* Committing to ongoing funding for childcare booked under the Childcare Offer for Wales for a period of 3 months;
* Suspending the Childcare Offer for Wales to new entrants in April, with a review to be undertaken after 3 months;
* Establishing the Coronavirus – Childcare Assistance Scheme.

This IIA relates to further steps taken as part of our response to the pandemic and considers our proposals in relation to the Coronavirus Childcare Assistance Scheme (“the C-CAS”) and the Childcare Offer for Wales (“the Offer”). The following proposals are interconnected and therefore presented in one IIA. At the time the proposals were made evidence was assessed to look at the impact of the proposals and presented to Ministers alongside advice. All proposals lead to decisions by Minister to implement. These are presented in one IIA in order to bring together and summarise the overlapping decisions and impacts. As time has passed additional information has been added to this IIA to assess the impacts of the decisions made.

| **Proposal** | **Date proposal made** | **Date decision made** | **Date implemented** |
| --- | --- | --- | --- |
| The extension of the C-CAS into the summer and restricting applications to the C-CAS from mid‑July. | 5 June 2020 | 8 June 2020 | 9 June 2020 |
| Restricting applications criteria to the C-CAS from mid-July | 17 June 2020 | 18 June 2020 | 23 June 2020 |
| Closing the C-CAS on 31 August. | 31 July 2020 | 3 August 2020 | 4 August 2020 |
| Continuing to fund the Offer in respect of children already accessing the Offer before the pandemic, based on booked hours and only where children are in regular attendance.  | 5 June 2020 | 8 June 2020 | 9 June 2020 |
| Opening up the Offer to applications, in a phased way, in August and September and associated transitional arrangements. | 31 July 2020 | 3 August 2020 | 4 August 2020 |
| Transitional Guidance updated to reflect the extension of the temporary easements | 27 October 2020 | 10 November 2020 | 17 November 2020 |
| Transitional Guidance further updated to reflect the extension of the temporary easements | 28 January 2021 | 22 February 2021 | 25 February 2021 |
| Temporary arrangements to manage Offer payments between* 4 January to 22 February
* 23 February until end of Easter holiday period
* until end of the summer term
 | 13 January 20219 February 20218 March 2021 | 18 January 202114 February 202117 March 2021 | 18 January 202123 February 2021start of summer term |

This IIA should be read alongside the other related Childcare, Play and Early Years Division IIAs:

* [Response to COVID-19: Integrated impact assessment](https://gov.wales/childcare-play-and-early-years-division-response-covid-19-integrated-impact-assessment?msclkid=6c34c544a9d011ec8b0d3ad5aabad207) covering the initial response including requesting childcare and play settings to reduce access to vulnerable children and children of critical workers, the establishment of the C‑CAS and the suspension of the Offer
* Childcare Provider Grant and its impact on Childcare and Play settings
* Pause, refocus and restart: Childcare, Early Years and Play Workforce and Support Programmes
* Reopening of playgrounds and indoor play areas
* [The Childcare Offer for Wales](https://gov.wales/childcare-offer-wales-impact-assessments)

**EXTENDING THE C-CAS INTO THE SUMMER AND RESTRICTING NEW APPLICATIONS FROM MID-JULY**

Proposals made: 5 June Decision taken: 8 June Implementation date: 9 June

**RESTRICTING NEW APPLICATIONS CRITERIA FROM MID‑JULY**

Proposals made: 17 June Decision taken: 18 June Implementation date: 23 June

**CLOSING THE C-CAS ON 31 AUGUST 2020**

Proposals made: 31 July Decision taken: 3 August Implementation date: 4 August

**Background**

The C-CAS was a temporary scheme to provide free childcare for pre‑school children for critical workers and vulnerable children. The scheme was initially put in place for a period of three months until the end of June with an option to extend it further. An IIA on the establishment of the C‑CAS has been completed as part of the [Childcare, Play and Early Years Division: response to COVID-19](https://gov.wales/childcare-play-and-early-years-division-response-covid-19-integrated-impact-assessment)**.**

This section of the IIA relates to the further steps taken in regard to the C-CAS examines the proposals and impacts of extending the C-CAS into the summer, restricting application to the scheme from mid-July and closing the scheme on 31 August 2020.

**Evidence assessed for proposals and decision process**

At the start of June the C-CAS was reviewed to establish if there was still a need for the scheme and that it was affordable. During this time childcare and play settings began to increase their operations in line with the reopening of non‑essential retail. At this point the incidence of infection was falling and the evidence that children tended not to be badly affected by infection and were not the key sources of transmission was clearer. These elements, the expectation that schools would be reopening in September and the views of parents and providers captured from correspondence were considered alongside funding considerations. This information formed the advice and options for ceasing or continuing the C‑CAS including restricting application to the scheme over the school summer holiday period. Advice was provided to the Deputy Minister for Health and Social Services to consider on 5 June 2020.

The extension of the C‑CAS to cover the summer period until 31 August 2020 was [announced](https://gov.wales/written-statement-childcare-offer-and-coronavirus-childcare-assistance-scheme) on 9 June 2020 by the Deputy Minister for Health and Social Services. This reflected the need to give the wider childcare sector time to recover and restart whilst continuing to support critical workers and vulnerable children over the summer period but the restriction of new applications signalled to the sector and parents to expect an end to the scheme.

As childcare settings increased their capacity we undertook extensive discussions with local authorities’, stakeholders and sector umbrella bodies on how to restrict new application to the C‑CAS and how to manage the probable closure of the scheme at the end of the summer. A proposal was put to the Deputy Minister for Health and Social Services who and agreed on 18 June 2020:

* Parents or guardians working in education, such as teachers, could apply for and get childcare until the end of their summer school term;
* Other key workers could apply until 12 July 2020 and if eligible their childcare funded until the scheme closed;
* Parents or guardians of vulnerable children could apply for and get childcare until the scheme closed.

It was considered premature to close the C-CAS before we monitored the impacts of the easing of lockdown on the sector, parents and children. By the summer our position concerning the virus and our understanding of both the susceptibility of children and their role in transmission had moved on. The proposal to extend the C-CAS beyond 31 August 2020 or to close the scheme was considered. This included the evidence on the impacts of the virus on children, and particularly very young children, and the risks of transmission in this age group had supported a wider restart of the childcare sector. The recognition that childcare had become more available and parents were restarting their usual childcare services and the increased opportunities for informal childcare within extended households. This information alongside discussions with stakeholder and umbrella bodies and the views of parents from correspondence formed the advice and options on whether the emergency childcare provision via C-CAS was still required. Advice was provided to the Deputy Minister for Health and Social Services to consider on 31 July 2020 alongside proposals and options to restart the Offer and reopen the Offer for applications from mid‑August 2020.

The Deputy Minister for Health and Social Services [announced](https://gov.wales/written-statement-restarting-childcare-offer-wales) on 4 August 2020 the reopening of the Offer to applications in August 2020, with the Offer returning in September 2020 in line with school provision opening and on the same terms as in the pre-pandemic period. This confirmed there would be no further extension to the temporary C-CAS and the scheme would close as previously signposted on 31 August 2020, with funding refocused on the Offer.

The annual independent evaluation of the Childcare Offer will now also consider the impact of the C‑CAS on families, providers and the sector. It will examine the impact on those families who have not previously accessed formal childcare, and we will consider this in more detail using government administrative data linking in the long term (i.e. to explore variations in child education and health outcomes, and potentially parent outcomes too).

**Funding**

The original 2020-21 budget for the Offer is £60m with an additional £14m earmarked in reserves. Final C-CAS claims will not be received until the end of October but it is estimated that £17m to £24m[[1]](#footnote-1) will have been repurposed to pay for the C‑CAS between 1 April and 31 August 2020.

Some calls to reinstate the C-CAS were received throughout the remainder of 2020-21 and 2021-22, particularly during the periods of local lockdown (autumn 2020), the national firebreak (November 2020) and the period of time at Alert Level 4 from December 2020. As no restrictions on the operation of childcare settings were in place at that time, and settings were able to care for all children, C-CAS was not reinstated.

**CONTINUING TO FUND THE CHILDCARE OFFER IN RESPECT OF CHILDREN ALREADY ACCESSING THE OFFER BEFORE THE PANDEMIC, BASED ON BOOKED HOURS AND ONLY WHERE CHILDREN ARE IN REGULAR ATTENDANCE.**

Proposals made: 5 June Decision taken: 8 June Implementation date: 9 June

**OPENING UP THE OFFER TO APPLICATIONS, IN A PHASED WAY, IN AUGUST AND SEPTEMBER AND ASSOCIATED TRANSITIONAL ARRANGEMENTS.**

Proposals made: 31 July Decision taken: 3 August Implementation date: 4 August

**Background**

An IIA on the [**Childcare Offer for Wales**](https://gov.wales/childcare-offer-wales-impact-assessments)has been completed and relates to the commitment to provide government-funded early education and childcare to the working parents of three and four year olds in Wales for up to 48 weeks per year. This commitment was made in the Welsh Labour manifesto, [Together for Wales](http://d3n8a8pro7vhmx.cloudfront.net/themes/56f26ee2ebad64d813000001/attachments%20/original/1460733418/Welsh-Labour-Manifesto2016.pdf?1460733418) (2016). It is also set out in [Taking Wales Forward](http://www.wales.nhs.uk/sitesplus/documents/986/Taking%20Wales%20Forward.pdf?msclkid=e610357ba9d111ecbd3568cc4b6b1cee) and expanded on in [Prosperity for All](https://gov.wales/prosperity-all-economic-action-plan?msclkid=5414e6f1a9d311ec88c295eac1e1f545). The 30 hours Offer also features in the [Economic Action Plan](https://gov.wales/sites/default/files/publications/2019-02/prosperity-for-all-economic-action-plan-executive-summary.pdf#:~:text=The%20purpose%20of%20the%20Economic%20Action%20Plan%20is,goals%20of%20growing%20the%20economy%20and%20reducing%20inequality.?msclkid=2d59196fa9d311ec883a15ee3b8c7dba).

On 18 March 2020, it was [agreed](https://gov.wales/childcare-offer-wales-payments-will-continue-even-if-children-do-not-attend-due-coronavirus) that where children already eligible for and accessing the Offer were unable to attend childcare settings due to coronavirus, the Welsh Government would continue to fund the setting for any term-time hours of childcare booked under the Offer. This followed concerns about low attendance by children expressed by a number of childcare providers, and the Welsh Government confirmed funding would remain available for a period of up to three months until 19 June 2020.

On 6 April 2020, the Deputy Minister for Health and Social Services [announced](https://gov.wales/written-statement-childcare-offer-wales-supporting-critical-workers-during-coronavirus-pandemic) the Offer would be suspended to new entrants with immediate effect, committing to review the decision after three months. The budget for the Offer would be repurposed until the end of June 2020 to focus resources on supporting the childcare needs of critical workers and the needs of vulnerable children. Entry of the new cohort of children due to start accessing the Childcare Offer in the summer term would be delayed until after this suspension, even where applications had been approved.

An IIA on these proposals have been completed as part of the [Childcare, Play and Early Years Division: response to COVID-19](https://gov.wales/childcare-play-and-early-years-division-response-covid-19-integrated-impact-assessment)**.**

This section of the IIA relates to the further steps taken in regard to Offer. It examines the proposals and impacts of continuing to fund the Offer in respect of children already accessing the Offer before the pandemic, based on booked hours and only where children are in regular attendance and then opening up the Offer to applications, in a phased way, in August and September 2020 and associated transitional arrangements.

**Evidence assessed for proposals and decision process**

As the period for the commitment to continue to fund settings for any term-time hours of childcare booked under the Offer drew to a close at the end of June 2020, advice and options were provided to the Deputy Minister for Health and Social Services on 5 June 2020 on whether to continue the commitment. Consideration was given to the increase in operations of childcare and play settings in line with the reopening of non-essential retail in June 2020. At the same time the incidence of infection was falling and the evidence that children tended not to be badly affected by infection and were not the key sources of transmission was clearer.

On 9 June 2020 it was [confirmed](https://gov.wales/written-statement-childcare-offer-and-coronavirus-childcare-assistance-scheme) the funding would not be continued after that period unless the setting was open and the child in attendance. No funding would be paid where a setting remained closed or where a child had ceased to attend. The Offer would remain closed to new entrants until 31 August 2020 with a further review to be undertaken in August 2020 to consider when and how it might be possible to reinstate the Offer.

By the summer our position concerning the virus and our understanding of both the susceptibility of children and their role in transmission had moved on. Proposals on how to reopen the Offer were explored. This included the evidence on the impacts of the virus on children, and particularly very young children, and the risks of transmission in this age group had supported a wider restart of the childcare sector. The recognition that childcare had become more available and parents were restarting their usual childcare services and the increased opportunities for informal childcare within extended households. Alongside the planned reopening of school in September 2020.

Discussions on how and when to reopen the Offer were held with stakeholders and umbrella bodies and concerns were raised regarding reductions to parents’ income whilst on furlough. To mitigate for the impact Covid-19 could have had on parents’ income proposals for transitional arrangements for the eligibility criteria were explored.

Stakeholders, umbrella bodies and the Children’s Commissioner for Wales were given the opportunity to comment on proposals to reopen the Offer. This evidence of the impacts of the virus alongside the discussions and comments received including the views of parents from correspondence formed the advice and options provided to the Deputy Minister for Health and Social Services on 31 July 2020.

The Deputy Minister for Health and Social Services [announced](https://gov.wales/written-statement-restarting-childcare-offer-wales) on 4 August 2020 the reopening of the Offer to applications in mid-August, with the Offer returning in September 2020 in line with school provision opening and on the same terms as in the pre-pandemic period but with some transitional changes to the eligibility criteria for parents.

Transitional arrangements for reopening the Offer

To enable families to start accessing the funded childcare, reopening the Offer for applications began on a phased basis. The Offer opened for applications during August and September 2020. Parents who would have been eligible for the Offer in the summer term, but who missed out on a full term because they had not started taking up the Offer before the pandemic, were able to submit their applications from mid-August and take up the Offer from the start of the autumn term in their local authority, if still eligible. For those parents whose child became eligible for the Offer in their authority from the autumn term, they were able to apply from the start of September 2020 and take up a funded place once the authority had processed their application and they were found to be eligible. By adopting this phased approach, the Welsh Government was able to mitigate the impact on parents who missed out most as a result of the temporary suspension of the Offer and ensure the reopening of the Offer was planned in a way which was manageable for local authorities.

All parents have to evidence that they are in receipt of “income from work” as this is the basic principle on which the Offer is founded. Acknowledging the impact of the pandemic on many families’ finances (e.g. because of changes in parents’ working hours and patterns) and to help as many parents as possible to access the Offer and return to work, the eligibility requirements for the Offer were temporarily relaxed. This was initially until 31 March 2021 but this was subsequently amended as the UK Government Support Schemes were extended, with the end date in line with the closure of those schemes. If they still do not meet the income eligibility criteria for the Offer at the end of this period, they enter a temporary exemption period of 8 weeks which provides a further period of time to regain eligibility. By adopting this approach, the Welsh Government is able to mitigate the impact on parents whose income will have been affected by COVID-19.

In collaboration with local authorities, umbrella bodies and other stakeholders guidance is available to support local authorities, childcare providers and parents with the return of the Offer.

Transitional guidance for local authorities, [The Childcare Offer for Wales – reopening for applications after a temporary suspension as a result of COVID-19](https://gov.wales/guidance-local-authorities-reopening-applications-childcare-offer-wales-coronavirus)has been issued to reflect key changes which impact on how the Offer is administered. The transitional guidance has been updated in November 2020 and February 2021 and is available on the Welsh Government’s website. The initial Guidance included:-

* how the Offer should be re-instated;
* how to manage the transitional measures for applications and funding/payment arrangements;
* transitional changes to income eligibility criteria due to COVID-19;
* guidance on re-claiming any funds wrongly administered/fraudulently claimed under the Offer;
* guidance which reinforces the delivery and engagement authorities’ responsibilities regarding the monitoring and evaluation of the Offer.

Alongside the published guidance and to assist parents and providers in understanding the Offer and the transitional measures in place when the Offer first reopened we developed a set of frequently asked questions (FAQs) for parents and another for providers. These are available on the Welsh Government’s website and are updated frequently.

From 1 April 2021 the transitional guidance has been incorporated in the Childcare Offer for Wales Guidance for local authorities and is available on the Welsh Government website.

**Funding**

The budget for the Offer is £60m for 2020-21, although the Offer is a demand-led programme. To support the return of the Offer, an additional £20 million was agreed from within the centrally held COVID-19 response reserve fund to be allocated later in the year to the HSS MEG through the Second Supplementary Budget. The allocation of this additional funding will be reviewed (and adjusted if necessary) in light of monitoring data received from local authorities on take-up of the Offer.

Since September 2020 the Offer has remained open and operational on as near to normal as basis as possible. No consideration has been given to further suspensions of the Offer.

**TEMPORARY ARRANGEMENTS TO MANAGE OFFER PAYMENTS:**

**4 January to 22 February:** Proposals made: 13 January 2021

Decision taken: 18 January 2021

Implementation date: 18 January 2021

**23 January to the end of the** Proposals made: 9 February 2021

**school Easter holiday period:** Decision taken: 14 February 2021

Implementation date: 15 February 2021

**Until end of the summer term:** Proposals made: 8 March 2021

 Decision taken: 17 March 20201

 Implementation date: start of summer term

**Background**

In December 2021 as part of the alert level 4 restrictions the Welsh Government announced the phased return of schools to on-site teaching and learning from the start of the Spring Term. No specific restrictions were introduced in respect of childcare provision.

For the childcare sector, the announcement relating to schools moving to online learning meant more uncertainty and greater challenges in terms of staffing; changes in children’s attendance patterns and parents’ needs and general anxiety about the safety of settings for children and staff. There were particular challenges for childcare providers based on school sites (some of whom could not continue to use the site or found their services no longer needed, particularly if they were providing wrap-around or out of school child) and for providers like childminders whose business model is often built around the needs of school children (again, some of these will have seen their attendance levels drop with some parents withdrawing children for ease, convenience, or out of concern for their health or the health of their families). Child minders were also finding that their home environment (which also happens to be their workplace) is being impacted by Government decisions which mean that their children were now at home and that space for work is limited.

The Deputy Minister for Health and Social Services issued a Written Statement on 18 January regarding the continued operation of Childcare and Play services in Wales which included the evidence used by Ministers to make informed decisions to respond to the COVID-19 pandemic.

This section of the IIA relates to the temporary funding arrangements for the Offer from 4 January 2021 until the end of the 2021 summer term.

**Evidence assessed for proposals and decision process**

We undertook extensive discussions with local authorities, stakeholders and sector umbrella bodies to find a fair approach to continue to support the sector and parents. The technical evidence of the impacts of the virus alongside the discussions and comments received including the views of parents and providers from correspondence formed the advice and proposals provided to the Deputy Minister for Health and Social Services on 13 January 2021.

On 18 January 2021 the Deputy Minister for Health and Social Services agreed to support the childcare sector in certain circumstances by continuing childcare payments to childcare settings in respect of children funded under the Childcare Offer based on their booked hours up until the end of the February half term holiday week. Payments would be made for a number of scenarios including temporary disruption to services, non-attendance and changes in demand for childcare, voluntary closures and when a child moves to another setting. The Deputy Minister for Health and Social Services also agreed that where parents had withdrawn their child from a setting due to Covid-19 health and safety concerns the child’s place would continue to be funded for a limited time. This was communicated to the sector on 18 January 2021. Guidance and FAQS were published on the Welsh Government website and circulated to local authorities and stakeholders.

On 5 February 2021 the Chief Medical Officer made a [statement on the return to face to face learning for children and young people](https://gov.wales/cmo-statement-return-face-face-learning-children-and-young-people?msclkid=b4df7009a9d611eca741435a1a7d12db) and the Minister for Education [set out a phased and flexible plan to begin to reopen schools in Wales from 22 February](https://gov.wales/open-letter-headteachers) – starting with the youngest pupils first including those in foundation phase years. This meant it was likely: that demand for childcare places, especially wrap-around and after school services would steadily rise; that some providers would find it easier to operate from their normal premises again e.g. on school sites; that childcare providers will face fewer challenges in terms of staff availability (with some staff who are currently home caring for their children able to return to the workplace); and that parents’ confidence in the safety of settings may also increase, driving greater demand for childcare and play services. However, as the next phase was a phased return to the classroom for a small percentage of learners only, the switch back to normality for schools, for families, for the workforce and for childcare and play settings would take time.

Based on the current situation we held discussions with local authorities and stakeholders to inform the advice and proposals provided to the Deputy Minister for Health and Social Services on 13 January 2021 on how to proceed with the temporary funding arrangements in place until the end of the February half term.

On 14 February 2021 the Deputy Minister for Health and Social Services agreed to extend the temporary funding arrangements for childcare services and parents until the end of the Easter holidays. On 15 February guidance on the handling of Offer payments until the Easter holiday period was circulated to local authorities, stakeholders and sector umbrella bodies. Guidance and provider and parent FAQ were published on the Welsh Government website.

Advice was provided to the Deputy Minister for Health and Social Services on 7 March 2021 proposing how the Offer will operate until the end of the summer term in the event of Covid-19 related disruptions continuing during this period. This would ensure parents, childcare providers and local authorities could plan with more certainty and avoid disruption and confusion in the event of similar actions being needed at a national level to manage community transmission of the virus. The proposal was agreed by the Deputy Minister on 17 March 2021 taking effect from the start of the summer term.

In light of continued interruptions to services throughout 2021-22 the approach to maintaining payments in light of short term disruption has continued and has absorbed into the core guidance for the Offer. This position was revisited and maintained during the period at Alert Level 2 from December 2021, during the outbreak of the Omicron variant.

**Section 7. Conclusion**

* 1. **How have people most likely to be affected by the proposal been involved in developing it?**

We have consulted with local authorities and sector umbrella bodies and other key stakeholders. They have been involved in extensive discussions regarding:

* the practicalities of extending, restricting applications and closing the C-CAS
* the practicalities and affordability of restarting the Offer and the terms on which the Offer should be reopened
* the practicalities and affordability and of the subsequent temporary Offer funding arrangements

At each decision point these organisations have consulted with the sector and provided feedback used to shape policy through proposals and decisions.

For C-CAS we developed ‘Frequently Asked Questions’ for parents and providers on Welsh Government’s websites about the C-CAS which included information on restricting applications and the closure of the scheme. For the Offer we provide transitional guidance on reopening of the Offer to applications for local authorities and also we published ‘Frequently Asked Questions’ for parents and providers which are updated when required. Decisions on these schemes were made at pace and sometimes there was a delay between announcing decisions and publishing guidance/FAQs on our website.

We have received a high volume of queries from stakeholders, including local authorities, sector umbrella bodies, settings and parents via Ministerial correspondence, queries to the Welsh Government or directly to the TalkChildcare Mailbox on. These have also informed our decision making.

**7.2 What are the most significant impacts, positive and negative?**

Formal childcare forms an important part of the foundational economy and is central to Wales’ economic recovery. Any reduction in formal childcare places impact parents’ ability to work. Childcare is often cited as one of the main barriers preventing parents, and particularly mothers from working; a factor which led to the establishment of the Offer.

There are known well-documented benefits of childcare on children, particularly those from disadvantaged backgrounds. The evidence suggests these children benefit more from high quality early childhood education and care than other cohorts, and that it can help redress both developmental disadvantages and the attainment gap. The proposals set out in section 1 for the C-CAS and the Offer ensured a continuation of childcare which will yield positive benefits to mental and social health and well-being for children.

It is highly likely that women would bear the greater impacts of any closures of childcare settings. The IFS reported that during the height of lockdown women were undertaking more childcare than men, even where both parents were working. In the event of a lack of access to formal childcare the evidence suggests mothers will be most likely to reduce their hours or leave employment.

Any impact on parents’ ability to work would affect both the household income, potentially increasing levels of child poverty, and result in less discretionary spending, potentially undermining the economic recovery. It is also likely to impact those on lower incomes disproportionately; their options are more limited as they cannot afford to meet higher childcare fees.

The proposals set out in section 1 for the C-CAS and the Offer provide positive benefits to working parents which in turn supports economic growth and poverty reduction across Wales. Even parents who could work from home could not work as effectively during the pandemic due to childcare responsibilities. As restrictions eased it was essential to support parents to return to work. The proposals on restarting the Offer allows more children to attend registered childcare, should help parents’ economic well-being, as well as providing wider social, emotional and health benefits.

The sustainability of the sector, which is a large employer (estimated around 17,000 employees) was at risk. There is still risk but opening up the sector and restarting the Offer has enabled childcare services to continue and employ staff, many of whom are women, low paid and at risk of poverty if not in work.

The proposals set out in section 1 for the C-CAS and the Offer was vital to provide childcare settings with funding to enable them to stay open, or reopen, in order to secure the positive benefits formal childcare places bring to children, parents and the wider economy.

**7.3 In light of the impacts identified, how will the proposal:**

* **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
* **avoid, reduce or mitigate any negative impacts?**

The decisions outlined above play an important part in supporting the general principle of the Well-Being of Future Generations (Wales) Act 2015 which is about making positive interventions now in order to benefit people living their lives in Wales in the future.

The policy contributes towards the Act’s Well-being goals, in particular to:

* A prosperous Wales
* Supports the childcare sector as a key part of the foundational economy to maintain employment and become more resilient for the future
* Ensures the availability of formal childcare places as the economy reopens and parents return to work
* A healthier Wales
* Promotes good health and well-being for everyone, reducing stress and anxiety associated with their business and finding additional childcare
* Providing a safe, caring, nurturing and learning environment for children, particular during a time of uncertainty
* A more equal Wales
* Ensuring all children can access early childhood education and care, which reduces the gap between the least and most deprived in our communities
* Ensuring vulnerable children can access good quality care and support
* A Wales of vibrant culture and thriving Welsh language
* By providing Welsh medium childcare and play opportunities for children wo do not come from Welsh medium families, giving them the opportunity to socialise and play through the medium of Welsh which they may have been less able to access during lockdown

Now that health threats associated with the pandemic have been reduced (although not removed and now increasing once again), economic and social harms caused by direct and indirect consequences of the virus are now a major public policy concern.

The C-CAS supported critical workers and vulnerable children. Over the period of its operation the C-CAS provided care for over 900 vulnerable children and 9,600 critical workers’ children (based on the latest estimates from local authorities during September).

Provision through C-CAS supported these families, and particularly those where the parents were critical workers, enabling them to continue working. However, some local authorities have highlighted concerns about the way the funding was targeted. There was no upper earnings cap, and no limit on the number of hours of childcare that could be accessed. In addition to this C-CAS met all childcare costs, rather than simply additional or new costs beyond those families normally incurred. This had led to concerns that in some cases costs were incurred by C-CAS on behalf of families that could have met them, or where family incomes were already very high.

All parents have to evidence that they are in receipt of “income from work” as this is the basic principle on which the Offer is founded. Acknowledging the impact of the pandemic on many families’ finances (e.g. because of changes in parents’ working hours and patterns) and to help as many parents as possible to access the Offer and return to work, the eligibility requirements for the Offer are temporarily relaxed so that parents who would normally be eligible but who have seen a temporary drop or increase in their income as a result of COVID-19 are still able to access the Offer until the end of October 2020 (but this was subsequently amended as the UK Government Support Schemes were extended), at which point their eligibility will be re-checked. If they still do not meet the income eligibility criteria for the Offer at the end of this period, they will enter a temporary exemption period of 8 weeks which provides a further period of time to regain eligibility.

To enable families to start accessing the funded childcare, reopening the Offer for applications began on a phased bases. Parents who would have been eligible for the Offer in the summer term, but who missed out on a full term because they had not started taking up the Offer before the pandemic, have been able to submit their applications from mid‑August. Applications from parents whose child becomes eligible for the Offer in the autumn term are being considered from the start of September onwards. As local authorities administer the Offer, the exact dates vary between authorities. By adopting this phased approach, the Welsh Government was able to mitigate the impact on parents who missed out most as a result of the temporary suspension of the Offer.

As of 28 September 2020, there are 1,949 settings receiving funding to deliver the Offer. The funding of Offer places at childcare settings gives providers financial security and supports the ongoing financial viability of the setting and the childcare sector in Wales.

Restricting access to childcare and play settings is likely to have impacted more on women; evidence suggests women’s employment opportunities are more impacted by childcare responsibilities than men and women have taken on more responsibility for childcare during lockdown. The proposals in section 1 relating to the Offer will help remove the cost of childcare as a barrier to parents, especially mothers, from returning to or continuing to work.

The decision was made to reopen the Offer in order to mitigate the adverse impact which COVID-19 will have on children who missed education and childcare and suffered social isolation as a result of the lockdown. Evidence also suggests children from disadvantaged backgrounds benefit more from access to high quality early childhood education and care. There are concerns about the developmental impacts on these children, and on young children in particular, following prolonged absences from childcare and education provision. We are mindful of the social, developmental and well-being impacts of extended periods of isolation on children, which are likely to be mitigated by access to high quality early childhood education and care[[2]](#footnote-2). The proposal to restating the Offer and the subsequent temporary Offer funding arrangements will mitigate the adverse impact of COVID-19 and provide these children with access to childcare and education and more social interaction, improving their well-being and life chances.

There were around 14,600 children taking up the Offer in January of this year before its suspension. With the reopening the Offer we expect 8,000 to 9,000 children to access it in the autumn term.

**7.4How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?**

The C-CAS

For monitoring and evaluation purposes the information available on the C-CAS includes:

* the data on take-up provided by local authorities;
* grant claims from local authorities;
* the outcome of a lessons learnt exercise with key stakeholders; and
* correspondence about C-CAS from parents, providers and others.

The C-CAS was brought in to address a novel and complex problem, in short order and with little knowledge of what the full impact of the virus might be. An independent evaluation of the C-CAS is being undertaken as part of the third annual evaluation of the Offer. The evaluation will include fieldwork with parents, providers and local authorities and will provide more details on awareness of and views on the C-CAS.

The Offer

* Local authorities administer the Offer on behalf of the Welsh Government and they are required to submit monthly data collection on take-up, patterns of usage and spend on the Offer. Take-up of the Offer for the rest of the financial year will be monitored closely with a view to accessing less funding than the full £20m if the figures show that take up for 2020‑21 is lower than initially estimated.
* The decision made on paying providers whilst the Offer was suspended and the restart of the Offer with be included in the annual evaluation of the Offer. The evaluation will review:
	+ How effectively the Offer is being delivered to children and provide lessons to inform future delivery
	+ The impact the Offer is having on parental employability, wellbeing and disposable income
	+ The impact of the Offer on the childcare sector, looking at the effect on different types of childcare providers, changes to business practices and the effect of intervention on the childcare market.
	+ The impact of our response and recovery activities in relation to the pandemic
* Freshwater (agency) are currently contracted to run a national communications campaign around the Offer with the aim of boosting take up rates. Campaign activity has been paused since the onset of the pandemic and suspension of the Offer. Now the Offer has reopened, work is underway to gather audience insight to explore that what motivated parents to take up the Offer and their attitudes on going back to childcare and the findings will support any changes to policy if required.
* We are working closely with our stakeholders (e.g. local authorities, sector umbrella bodies (CWLWM partners and Play Wales), Care Inspectorate Wales, Estyn, Business Wales and WLGA and UK Government counterparts), as well as listening to members of the public. Any feedback received is fully considered and explored further if necessary. We recognise the value of on the ground feedback, especially given the disparity of impacts in this pandemic.

1. **Children’s Rights Impact Assessment**

**All** completed Children’s Rights Impact Assessments must be sent to the CRIA@gov.wales mailbox

1. **Describe and explain the impact of the proposal on children and young people.**

***How will the proposal affect the lives of children, positively and negatively?***

The policy proposals set out in Section 1 above will impact on children both directly and indirectly. The impact on children have been detailed in Sections 1- 5 of this IIA, including the accompanying actions we have sought to put in place.

The evidence shows that access to high quality early childhood education and care is beneficial for all children in their early years, but especially so for those from disadvantaged backgrounds[[3]](#footnote-3). It can play a significant role in addressing the attainment gap and supporting children in preparing for school. A decline in the amount of childcare provision will, therefore, have impacts on child development and school readiness.

Quality early years’ experiences can develop children’s resilience and helps to prevent later physical and mental health problems. Good quality childcare can also support attachment and the development of healthy relationships and reduce poverty for families. It also supports those children who have been identified as having safeguarding needs and supported by social care, which include children with care and support or support plans, children on the child protection register and looked after children, young carers, disabled children and those with Statements of special educational needs

The evidence suggests these children benefit more from high quality early childhood education and care than other cohorts, and that it can help redress both developmental disadvantages and the attainment gap. The loss of formal childcare places as a result of the closure of settings due to the COVID-19 pandemic would have had a direct negative impact on some children. In particular, children may lose the established relationship they have with their childcare provider and the friendships and bonds they have formed whilst attending a childcare setting. A reduction in formal childcare places as a result of the closure of settings may also lead to a shortage of suitable places in some areas, meaning children would not be able to access suitable childcare at all. The proposals in section 1 relating to the Offer will help ensure the availability of formal childcare places as the economy reopens and will help make the sector more resilient for the future. This in turn will provide all children with more opportunities to access high quality early childhood education and care and the benefits this offers.

***How will the proposal affect different groups of children (e.g. children who have experienced adverse childhood experiences (ACEs), children living in poverty, children with a disability, children living in Welsh speaking households and children in Welsh medium education etc.)***

Evidence suggests children from disadvantaged backgrounds benefit more from quality early childhood education than other cohorts, and that it can help redress both developmental disadvantages and the attainment gap. Children with additional needs and their families also benefit more from good quality childcare and play opportunities.

Funding the C-CAS prioritised vulnerable children, including children with disabilities and special educational needs or additional learning needs. We are aware they need the greatest support during lockdown and as restrictions eased.

The Additional Support Grant associated with the Offer and the C-CAS funding ensures that children who require additional support to access funded childcare receive the support they need and that they have been able to access the C-CAS and the Offer in the same way as other children.

We are committed to ensuring there is equity of access to the Offer, with provision in both Welsh and English and we know that COVID-19 has had a disproportionate impact on Welsh and bilingual provision. The proposals in section 1 relating to the Offer will provide security of funding for Welsh and bilingual providers and result in greater access to funded Welsh and bilingual provision for children. Mudiad Meithrin have confirmed that 99% of their Welsh medium playgroups (Cylchoedd Meithrin) have now reopened (as at 22 September) and Offer funding has been key in supporting such settings to reopen.

1. **What evidence have you used to inform your assessment, including evidence from children or their representatives?**

A range of information has been used to inform this assessment to restrict applications to the C-CAS and to close it on 31 August in parallel with the reopening of the Offer to applications in August. These include:

* Evidence from the Technical Advisory Group that concluded children can be ‘COVID secure’ using a broad range of measures. This evidence supported the return of schools to full operation from September, but it also assesses the evidence on children in general and is therefore also relevant to the childcare sector;
* Scientific and health advice from COBR and SAGE, as well as information and advice from Public Health Wales;
* Information provided by Care Inspectorate Wales on the number of childcare setting closures and reopening, to assess if there was enough sector capacity to support restarting the Offer;
* Coronavirus and me survey run by the Children’s Commissioner for Wales (see 3 below);
* Survey of settings registered for the Childcare Offer run by Welsh Government in August 2020;
* Survey of settings on their readiness and ability to reopen following closure run by ARAD on behalf of the Welsh Government;
* The outcome of engagement with key stakeholders on these policy decisions, for example Cwlwm and Play Wales;
* Other data collected and published by the Welsh Government and its key partners;
* Research and news articles that have been published during the pandemic;
* The experience and actions of the other 3 nations of the UK and other countries who are at various different stages of the pandemic response or who have made different policy choices;
* Feedback from key stakeholders and representative bodies;
* Queries and correspondence from stakeholders, including parents, LAs, settings and parents direct to the Welsh Government through the TalkChildcare Mailbox.
1. **How have you consulted with children and young people? If you haven’t, please explain why.**

The evaluation of the Offer has been repurposed to include the impacts of the C-CAS. It will explore the experiences of children, families and childcare providers, and also look at the likely impact on those families who have not previously accessed formal childcare, we will consider this in more detail using government administrative data linking in the long term (ie. to explore variations in child education and health outcomes, and potentially parent outcomes too.) A survey of parents and a separate survey of providers will be undertaken.

There are currently no plans to speak with children and young people as part of the evaluation of the Offer and the C-CAS. A significant amount of correspondence has been received, however, from parents and families, in relation to C-CAS and the Offer. Many parents called for and welcomed the extension of the C-CAS and wanted it to continue even when the Offer reopened. Parents and providers also called for the suspension for the Offer to end as soon as possible and both welcomed the decision in June to allow children who had previously accessed the Offer to received funding again when their child regularly attend a setting and both were keen to see the Offer restart as quickly as possible.. Consideration will need to be given to how best to involve children and young people in the wider research and evaluation activities associated with the response to the Coronavirus.

In a joint project with the Children’s Commissioner for Wales, Children in Wales and with the support of the Youth Parliament, the Welsh Government ran an online nation-wide survey to give an opportunity for children and young people to give their opinions about Coronavirus and all the changes the pandemic has brought. The results were [published](https://www.childcomwales.org.uk/coronavirus-and-me-results/) in June. For the aged under 7 category the survey suggested that younger children largely enjoyed their time at home but missed certain things or people. When talking about their experience of staying home, the most frequent response was that they had been busy home-schooling or doing work set by their teacher. This cohort were also asked whether they missed anything during the crisis and the majority of those that responded said they missed their friends and around half of that number said they missed going to school or nursery.

1. **What other evidence would inform the assessment?**

In order to assess the impact of these decisions we are keeping in touch with Welsh

Government Knowledge and Analytical Services colleagues who are coordinating COVID‑19 related research and analysis, to ensure relevant evidence informs policy and our assessments on an on-going basis. We are also regularly in touch with government analysts via the UK and Ireland Cross Government Early years Analytical Group, and are regularly keeping in touch with leading funders of research (eg. Nuffield Foundation) and academics to seek their views (eg. David Dallimore, Luke Sibieta, etc) and ensure relevant evidence in the evolving impact of the pandemic is fully exploited and informs our plans.

1. **Explain how the proposal is likely to impact on children’s rights.**

Below is a table of the UNCRC articles that are most relevant to the above decisions.

| **Article Number** | **Description** | **Links to decisions** |
| --- | --- | --- |
| **2** | The Convention applies to every child without discrimination, whatever their ethnicity, sex, religion, language, abilities or any other status, whatever they think or say, whatever their family background.  | Extending the C-CAS meant children of critical workers could continue to access funded childcare regardless of their background. Children who are classed as vulnerable children under the current pandemic continued to benefit from access to the funded childcare.The return of the Offer allowed more children to access quality childcare. The C-CAS and the Offer does not discriminate, whatever the child’s or parent’s ethnicity, sex, religion, language, abilities or any other status, whatever they think or say, whatever their family background. These are not reasons to be ineligible for these schemes. |
| **3** | The best interests of the child must be a top priority in all decisions and actions that affect children. | Extending the C-CAS allowed the children of critical workers and vulnerable children to continue to benefit from access to government funded childcare. The return of the Offer allowed more children access to quality childcare. The temporary Offer funding arrangements allowed childcare services to remain open so that children who wanted to attend childcare could continue to do so. |
| **6** | Every child has the right to life. Governments must do all they can to ensure that children survive and develop to their full potential.  | Extending the C-CAS and reopening the Offer and the subsequent temporary Offer funding arrangements ensured access to early childhood education and care which improves the life chances of vulnerable and disadvantaged children. |
| **18** | Both parents share responsibility for bringing up their child and should always consider what is best for the child. Governments must support parents by creating support services for children and giving parents the help they need to raise their children. | Extending the C-CAS allowed those parents who are critical workers to access funded childcare provision so that they may continue working during this pandemic. Approximately 9,600 critical workers children accessed provision during the operation of the scheme.The return of the Offer allows those parents who are returning to work to access funded childcare provision  |
| **23** | A child with a disability has the right to live a full and decent life with dignity and, as far as possible, independence and to play an active part in the community. Governments must do all they can to support disabled children and their families. | Vulnerable children were prioritised throughout the pandemic with funded provision available through the extension of the C-CAS and the return of Offer. These schemes provide opportunities for children to be able to access and receive quality childcare regardless of disability[[4]](#footnote-4). This is further enabled through the dedicated Additional Support Grant which is accessible to local authorities to ensure that every child has equal access to the C-CAS and the Offer. |
| **24** | Every child has the right to the best possible health. Governments must provide good quality health care, clean water, nutritious food, and a clean environment and education on health and well-being so that children can stay healthy.  | Extending the C-CAS and the return of the Offer provided access to quality childcare which improves children’s physical and mental health and well‑being.The temporary Offer funding arrangements allowed childcare services to remain open so that children who wanted to attend childcare could continue to do so. Improving children’s physical and mental health and well‑being. |
| **28** | Every child has the right to an education. | Restarting the Offer will increase children’s access to quality early education. |
| **29** | Every Child has the right to an education which develops my personality, respect for others’ rights and the environment | Research shows that attending childcare can improve socialising skills in young children. Extending the C‑CAS, reopening the Offer and the subsequent temporary Offer funding arrangements provided access to quality early education and care.  |
| **31** | Every child has the right to engage in play and recreational activities | The restrictions of the lockdown period, coupled with the closure of childcare settings and schools negatively impacted on the majority of children’s access to play opportunities.Extending the C-CAS provided the opportunity for vulnerable children and the children of critical workers to continue to access play activities through their government funded childcare.The return of the Offer will increase the number of children to have the opportunity to access play through government funded education and childcare.  |

Negative impacts on children: Exposure to adverse childhood experiences (ACEs; e.g., maltreatment, household dysfunction) is associated with a multiplicity of negative outcomes throughout an individual’s life, for example, increase in alcoholism, drug abuse, depression, and suicide attempts compared to those who experienced none (Ford et al 2019[[5]](#footnote-5)). Survey evidence has shown some parents have increased unhealthy behaviours since the pandemic, which may be putting more children at risk.

Positive impacts of the proposals set out in section 1 for the C-CAS and the Offer:

* professional childcare staff could support children to recover from any family difficulties experienced during and after the lockdown period.
* a child’s development could continue to be supported through quality childcare particularly so for more disadvantaged children. At the beginning of their first year of schools, children from the lowest-income families are on average 16 months behind those from higher-income families. Both SEED and other research, such as that of the OECD, have found that more years of pre-school provision is more beneficial than more hours per week, leading to better outcomes for children, and particularly so for children from disadvantaged families.
* an early return to childcare is important in supporting younger children in particular to access school and reach their full potential. It is also important to allow children, as far as possible to attend settings they previously attended in order to avoid, as far is possible, disruption to children who have formed attachments to setting staff and the benefits of reopening settings.
1. Based on claims data for April, partial claims data for May and up to date weekly attendance data. Lower limit assumes an average of two weeks’ holiday per family over the summer period. [↑](#footnote-ref-1)
2. See for example - [https://www.sussex.ac.uk/about/documents/play-first--supporting-childrens-social-and-emotional-wellbeing-during-and-after-lockdown.pdf](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.sussex.ac.uk%2Fabout%2Fdocuments%2Fplay-first--supporting-childrens-social-and-emotional-wellbeing-during-and-after-lockdown.pdf&data=02%7C01%7CFaye.Gracey%40gov.wales%7C1f59f3c650be477c776808d7f8ac7c5c%7Ca2cc36c592804ae78887d06dab89216b%7C0%7C1%7C637251292020464721&sdata=KzTUP4J7oo9hYAiPtXE3VLmwTxNibaT8Cdi4bwSV1KE%3D&reserved=0) [↑](#footnote-ref-2)
3. See for example Study of Early Education and Development (SEED): Impact Study on Early Education Use and Child Outcomes up to age five years Research report February 2020https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/867140/SEED\_AGE\_5\_REPORT\_FEB.pdf [↑](#footnote-ref-3)
4. Mencap provide advice on the benefits of childcare for disabled children

<https://www.mencap.org.uk/advice-and-support/children-and-young-people/childcare> [↑](#footnote-ref-4)
5. Ford K, Hughes K, Hardcastle K, et al. The evidence base for routine enquiry into adverse childhood experiences: A scoping review. *Child Abuse & Neglect*. 2019;91:131-146Ford K, Hughes K, Hardcastle K, et al. The evidence base for routine enquiry into adverse childhood experiences: A scoping review. *Child Abuse & Neglect*. 2019;91:131-146 [↑](#footnote-ref-5)