

Committee: **Executive Committee**

Date of meeting: **13th November 2019**

Report Subject: **Welsh Government Childcare Offer – Blaenau Gwent and Torfaen**

Portfolio Holder: **Cllr John Mason, Executive Member Social Services**

Report Submitted by: **Tanya Evans, Head Children’s Services**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
	13.8.19	30.10.19			17.10.19	13.11.19		

1. Purpose of the Report

1.1 To update Executive Committee on the continued roll out of the Welsh Government’s Childcare Offer in Blaenau Gwent and the first year of roll out in Torfaen County Borough Council.

2. Scope and Background

2.1 This report details the progress made by Blaenau Gwent County Borough Council in delivering the Welsh Government’s Childcare Offer programme from September 2017 in Blaenau Gwent and from September 2018 in Torfaen, under a hosting arrangement previously reported and approved.

2.2 In 2015 the Public Policy Institute for Wales (PPIW) was asked by the First Minister to support the Welsh Government in developing options for extending support for childcare in Wales. Its report ‘Childcare Policy Options for Wales’, December 2015, looked at the potential impacts of an additional 20 hours free childcare for 3 to 4 year-old pre-school children in Wales.

2.3 In August 2016 the Welsh Government publicly recognised that childcare is one of the biggest challenges facing working families in Wales which is why developing an enhanced childcare offer was a top priority. Supporting families with high quality, flexible and affordable childcare supports economic regeneration, can reduce pressures on family income and help parents to participate in work reducing a family’s risk of poverty. It also supports the well-being of children through positive and rich childhood experiences.

2.4 The Welsh Government’s Programme for Government of September 2016, Taking Wales Forward, included a key commitment to deliver ‘free childcare for working parents of 3 to 4 year olds for 48 weeks per year’.

- 2.5 In September 2016 Welsh Government wrote to all Local Authorities in Wales asking for their support in implementing the offer, and requested Authorities express their interest in becoming one of a small number of local authorities to become advisory partners and early adopters. 16 Local Authorities including Blaenau Gwent chose to apply to become an early adopter.
- 2.6 On Tuesday 8th November 2016 Communities and Children Secretary Carl Sargeant announced that Blaenau Gwent's bid to become an early adopter had been successful and that Blaenau Gwent was among six local authorities chosen to work with the Welsh Government to pilot the new childcare offer. The projects, offering 30 hours of free early education and childcare per week to 3 to 4 year olds, would be piloted from September 2017 in specified locations within Gwynedd, Anglesey, Flintshire, Swansea, Blaenau Gwent and Rhondda Cynon Taf.
- 2.7 After ten months of intense work with Welsh Government to develop the Childcare Offer for Wales, Blaenau Gwent County Borough Council went live with the offer in September 2017.
- 2.8 In September 2018 Blaenau Gwent became host Authority for the administration of the Offer for Torfaen CBC. To date the team has successfully rolled out the programme to Torfaen residents and developed good working relationships with Torfaen colleagues and:
- developed a Legal Agreement and Information Sharing Protocol;
 - engaged providers in and around Torfaen providing a service to Torfaen parents;
 - provided information to networks and stakeholders in respect of the programme and the roll out;
 - agreed processes for dealing with children with Additional Needs;
 - developed systems and paperwork;
 - brought teams together to discuss developments and share good practice.
- 2.9 It must be recognised that the childcare market in Torfaen is significantly bigger than Blaenau Gwent.
- 2.10 To date 560 children have benefited from the Offer in Blaenau Gwent, £1,463,396 has been drawn down from Welsh Government to reimburse childcare costs, with additional costs of £37,672 being drawn down to provide extra support for children with additional needs. 71 childcare providers have signed up to deliver the Offer for Blaenau Gwent parents, and 51 are currently benefitting from being funded to deliver the offer.
- 2.11 In Torfaen 670 children have benefitted from the Offer, £1,547,945 has been drawn down to reimburse childcare costs and £3,957 for additional needs support. 91 providers are registered to provide the Offer to Torfaen parents with 68 currently actively delivering the Offer.

2.12 Programme monitoring and evaluation

The Blaenau Gwent CBC Childcare Offer team is required to collate and report information to Welsh Government on a weekly, monthly and termly basis. These data returns provide information on:

- number of children accessing the Offer;
- number of providers signed up and delivering the Offer;
- number of hours children have attended childcare;
- number of children receiving Offer either through the medium of Welsh or bilingually;
- number of applications this month for children with SEN requirements and the referrals as a result;
- number of children accessing Foundation Phase Nursery Provision;
- number of children who attended Flying Start;
- child and parent ethnicity;
- dates of birth for the child and parent(s);
- parent(s) salary bracket and weekly hours worked;
- the amount of paid childcare used per week at application;
- whether unpaid/informal childcare was used per week at application;
- parents view on affordability of childcare at application;
- monthly spend on childcare pre Childcare Offer.

2.13 The team is not required to report on parents who are re-entering the job market as a result of the Childcare Offer, or who have increased their working hours so it is not possible to provide data on this at a local level.

2.14 Welsh Government has appointed Arad Research in conjunction with NatCen Social Research to undertake an evaluation of the programme of the first year pilot and their report was published in November of last year (<https://gov.wales/sites/default/files/statistics-and-research/2019-06/181122-evaluation-early-implementation-childcare-offer-en.pdf>). Amongst other things, ARAD has looked how the programme has impacted on employability and their key findings are set out below.

2.15 The key findings for the pilot came from all seven Early Implementer Local Authorities (EILA's) are split across three themes and include:

Implementing the Offer

- All EILA's reported time and resources needed to deliver was greater than expected;
- 92% of parents reported the application process was straightforward;
- 94% of childcare providers actively promoted the Offer to parents;
- Submitting evidence of earnings was a challenge particularly for parents self-employed, on zero hour contracts, or working irregular flexible hours.

The Offers Influence on Providers

- 40% reported an increase in the number of children since the previous year;

- 88% agreed the £4.50 rate is commercially viable;
- 72% reported improved profitability;
- 76% reported improved sustainability;
- 15% introduced additional charges for food;
- 25% accessed business support following the introduction of the Offer.

The Offers Influence on Parents

- 90% of parents used the same childcare provider they had used before;
- 37% of parents accessed Welsh Medium childcare;
- 59% of parents accessed school holiday childcare;
- 88% of parents reported having more disposable income;
- 67% of parents now have the opportunity to increase earnings;
- 40% access more childcare hours.

2.16 The evaluation report also highlights that 60% of parents were earning the equivalent of, or below, the Welsh median salary and the median earnings of those accessing the Offer appears to be comparable to the median earnings of the general Welsh population.

2.17 In respect of impact on employment prospects the report says '*the Childcare Offer in Wales has led to some positive, but not significant, impact on the employment prospects of parents supported by it. The majority (86%) of parents reported that they currently work the same hours as before the Offer. However, 10 per cent noted that they work more hours; 67 per cent reported having more flexibility in the types of job they do and the hours they work and 60 per cent reported having more opportunities for training. Those who did report improved employability as a result of accessing the Offer were mostly women and parents from lower earnings group*'.

2.18 **The ARAD/Natcen report made a number of recommendations, including:**

- Further consideration given to the application process to ensure they are as straightforward as possible for all parents;
- A centralised approach to promotion and awareness raising when the programme gets to national rollout stage;
- More and clearer information may be needed to help parents work out childcare costs and other benefits available such as child tax credit;
- Further alignment between delivery of childcare and Foundation Phase Nursery, which could include co-location, joint provision and transport between settings;
- Further guidance to be issued to ensure consistency of the application of charges for additional hours;
- Further promotion of business support;
- Further guidance on the use of the SEN (ALN) budget;
- Further research required over a longer period of time to provide conclusive evidence on impact;
- Consideration of how monitoring data is presented by Local Authorities.

- 2.19 Welsh Government has already acted upon a number of the recommendations including the provision of a national promotional campaign that should provide good information to parents, a review of the guidance is underway and alignment of the programme with Foundation Phase Nursery is being strengthened through the Capital programme.
- 2.20 As has been previously reported, Blaenau Gwent was successful in a bid to the Childcare Offer Capital Programme and was awarded £4.1 million across 5 schemes:
- Full day care setting in South Ebbw Fach;
 - Full day care setting in central Ebbw Fawr, to link with the 21st Century schools redevelopment;
 - Extension to the Swffryd Flying Start centre (adjacent to Swffryd Primary);
 - Extension to Blaina ICC childcare provision;
 - Small capital grants scheme that all Blaenau Gwent providers can bid for.

Work is currently ongoing on each of these schemes; the schemes will be completed by end of financial year 2020/21.

2.21 **Moving Forward**

The Welsh Government is currently looking at options for the future administration of the Programme and is mapping processes and systems to inform planning for future delivery. Options may include:

- Moving the application process to HMRC;
- Moving to a national payments system;
- Having a national approach to applications and payments administered by Local Authorities.

The Childcare Offer team is feeding in information to support this process and decision making around this.

3. **Options for Recommendation**

To include Recommendation(s) / Endorsement by other groups, e.g. CMT/Committees/Other groups)

- 3.1 Social Services Scrutiny Committee on 17th October considered the report and recommended to the Executive Committee Option 2 - That Members scrutinise and make recommendations or suggestions to Executive to improve the delivery of the Childcare Offer to both Blaenau Gwent and Torfaen residents.
- 3.2 The recommendation from Social Services Scrutiny Committee is for the Executive Member for Social Services to write to the Welsh Government to express their concerns around the cap in numbers of Flying Start placements for Blaenau Gwent as there are many more communities who would benefit from Flying Start Schemes.

3.3 **Option 1**

That Members consider and accept the progress made in delivering the Childcare Offer to both Blaenau Gwent and Torfaen residents.

Option 2

That Members approve the recommendations from scrutiny committee as identified above

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

Links to Council Priorities within the Corporate Plan -

Social Services – The Childcare Offer will help reduce and alleviate the impacts of poverty in Blaenau Gwent and Torfaen by removing barriers to employment for many parents. Providing 30 hours of combined Foundation Phase Nursery and free childcare a week, for working parents of 3 and 4 year-olds, 48 weeks of the year, will hopefully encourage more parents to return to work. For those already in work the provision of extra funding for childcare will mean they have more disposable income for their family.

Economic Development and Regeneration - The Childcare Offer will help the growth and expansion of existing local private, voluntary, third sector and local authority childcare and the set-up of new. This means extra jobs will be created in the Blaenau Gwent Childcare Sector. Blaenau Gwent Childcare Team are also working alongside Coleg Gwent to ensure sufficient courses are provided to enable as many local residents as possible to take up and study Early Years and Childcare courses to be able to fill these new roles.

Links to priorities within the Blaenau Gwent Well-being Plan :-

The Best Start In Life For Everyone: - The Childcare Offer will enable parents to choose high quality early year's childcare. Quality childcare benefits children, families and the economy. The EPPSE (Effective Pre-school, Primary and Secondary Education) research (2014) shows a child has more chance of getting better exam results leading to higher earnings, more chance of holding down a job and commit fewer crimes than those who did not attend high quality early years childcare.

To Forge New Pathways To Prosperity By Creating Extra Job Opportunities :-

As more children take up the Offer, small childcare business will grow, more jobs will be created within small communities within Blaenau Gwent and thus aid our community regeneration. Affordable childcare acts as a spur to economic growth. With the Childcare Offer both parents must be in work, or the sole single parent. A third worker in the child-care field may be added, and all three pay taxes.

Blaenau Gwent will benefit as more disposable income will be available to

hopefully spend in our community.

To Encourage People To Make Healthy Lifestyle Choices In The Places That They Live, Learn, Work and Play: - All Early Years and Childcare settings in Blaenau Gwent sign up to Healthy and Sustainable Preschool Scheme which encourages our little ones to make healthy choices from a very young age promoting, protecting and embedding the physical, mental and social health and wellbeing as they grow up. In Blaenau Gwent we have Full Day Care Nurseries, Sessional Childcare, Playgroups and all Flying Start Child Care Settings signed up to the award. The award covers seven health topics: Nutrition and Oral Health, Physical Activity/Active Play, Mental and Emotional Health, Wellbeing and Relationships, Environment, Safety, Hygiene and Workplace Health and Wellbeing

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

The Administration Grant for 2019/20 is £197,119 and this is to cover administration costs up to the end of June 2020. The Local Authority team work closely with Welsh Government to ensure the budget is adequate to meet the demands of delivering the Programme and will continue to do this as the future administration of the Programme is decided.

The Local Authority is also offered a grant to cover childcare and SEN costs and the money we pay out to childcare providers on a monthly basis is claimed back from Welsh Government on a monthly basis.

5.2 ***Risk including Mitigating Actions***

There are risk implications depending on the decisions taken with regards to the future administration of the scheme.

5.3 ***Legal***

A legal agreement setting out the formal relationship between Blaenau Gwent and Torfaen in respect of the project has been developed.

5.4 ***Human Resources***

There are no human resource implications from this report.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

Please see attached Appendix 1 on Childcare Offer in Blaenau Gwent to date.

6.2 ***Expected outcome for the public***

Eligible parents are able to access up to 20 hours of funded childcare if they are working the equivalent of 16 hours a week at National Minimum Wage rates and have children aged between 3 and 4 years of age (eligibility criteria should be met). As outlined above the evaluation of the pilot showed some significant benefits for parents accessing the Offer. Childcare providers also noted significant benefits, particularly around profitability and sustainability,

which can lead to increases in working hours and pay for practitioners working in childcare settings.

6.3 ***Involvement (consultation, engagement, participation)***

Childcare Offer is regularly promoted at community events attended and via social media.

ARAD/Natcen also engages with parents to acquire their views about the Programme as part of their evaluation work.

6.4 ***Thinking for the Long term (forward planning)***

As noted above there are currently three options up for consideration for the future administration of the Programme and the Childcare Offer team will be part of the discussions at a national level to inform future delivery.

6.5 ***Preventative focus***

Wales Centre for Health has documented that Blaenau Gwent has one of the worst overall health profiles in Wales compared to the average. Many of the reasons are historic and underlying. Supporting families with high quality, flexible and affordable childcare supports economic regeneration, can reduce pressures on family income and help parents to participate in work reducing a family's risk of poverty. It also supports the well-being of children through positive and rich childhood experiences.

Employment can provide important social, mental and physical health benefits, resulting in improved quality of life and enhanced well-being. Psychologists (Eisenberg and Lazarsfield 1938) and sociologists (Jahoda et al. 1933) have argued as far back as the Great Depression that unemployment damages emotional health and undermines the social fabric of society. Blaenau Gwent also has a high level of poor mental health in its communities. Psychologists draw a conceptual connection between involuntary joblessness and mental health in numerous ways such as: incomplete psychosocial development (Erikson 1959), feelings of helplessness brought on by a perceived lack of control (Seligman 1975) and failure to obtain the non-monetary benefits of work (Warr 1987). By becoming an early implementer for Childcare Offer we hoped to attract parents back to work that previously may have thought childcare was unaffordable or allow parents to work additional hours to boost family income. Thus contributing to improved social, mental and physical health in the longer term and thus aiding the economic and social regeneration of Blaenau Gwent. The above facts are also relevant to Torfaen.

6.6 ***Collaboration / partnership working***

The "hosting" arrangements that have been developed along with Torfaen County Borough Council show true collaborative working between two neighbouring Authorities. Blaenau Gwent Early Years Childcare and Play Team have also assisted Newport, Vale of Glamorgan and Cardiff in the setup of their Childcare Offer Projects. The original bid for the Blaenau Gwent Childcare Pilot was developed in consultation with the Education and Regeneration Departments. The Childcare Offer has meant and will continue to mean more business for local childcare business both voluntary and private and thus allowing them to fill vacancies, employ more staff or increase staff

hours and expand their business opening hours. The Blaenau Gwent Early Years, Childcare and Play team will continue to work closely with this large sector of Blaenau Gwent and offer solutions to any other Authorities requiring our help and expertise.

6.7 ***Integration(across service areas)***

6.8 ***EqlA(screening and identifying if full impact assessment is needed)***

The EQIA screening was completed and the programme was assessed as having low negative impact but high positive impact.

7. **Monitoring Arrangements**

7.1 *State how the work will be monitored e.g. through scrutiny or directorate performance management arrangements*

The offer is monitored on a weekly, monthly and termly by Welsh Government.

Background Documents /Electronic Links

- *Appendix 1 – Childcare Offer Take-Up Blaenau Gwent*