



Ein cyf/ Our Ref: MA - L/HID/0692/18

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National Assembly for Wales  
Ty Hywel  
Cardiff CF99 1NA

20 November 2018

Dear Lynne,

### **Childcare Funding (Wales) Bill**

In my response to the Children, Young People and Education Committee following Stage 1 scrutiny of the Childcare Funding (Wales) Bill, I said I would commission a piece of internal work to examine further the various schemes available to parents to help them with childcare, outside of the parameters of this Bill, with a view to reducing any confusion and complexity. This in particular was in response to recommendation 7 where I believe there to be other support programmes in place designed specifically for parents in training and education or for those who require support to return to work, but possibly these were not as clear as they could be.

I would like to make you aware of the following childcare support, particularly for parents in training and education.

- **Work-Based Learning Support** - There is currently support for non-employed learners through work-based learning support. The support is available to trainees to cover a range of costs, including transport, accommodation, additional learning support and childcare. Support is available to lone parents, who can receive up to a maximum of £161.50 per week for the first child or £274.55 per week for two or more children. Registered childcare settings must be used. This programme is due to end on 31 March 2019 to be replaced by the Working Wales programme which will continue to provide support for non-employed learners. However, the rate of funding for childcare will increase to a maximum of £225 per week for one child (with a daily limit of £45) and £375 per week for two or more children (with a daily limit of £75).

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- **Further Education** - The Financial Contingency Fund<sup>1</sup> (FCF) is £6.3million of Welsh Government funding (maintained since 2014/15) accessible to those attending public-funded further education (FE) institutions in Wales. It's administered by the FE institutions, as grants or short term loans, and aims to provide financial help to students whose access to education beyond statutory school leaving age might be inhibited by financial considerations or who face financial difficulties during their studies. The terms of the scheme are made as broad as possible to enable FE institutions as much flexibility as possible so they are able to tailor assistance to the need of the learner. The scheme identifies *students who need help with childcare costs, especially lone parents* as one of the priority groups. The largest areas of expenditure are childcare, transport and lunch vouchers. In 2016/17 (the latest year for which we have statistics) 901 awards were made to student parents to help with childcare costs amounting to £2.7million.

In 2016 Arad Research was commissioned by the Welsh Government to undertake independent research into the extent to which childcare is a barrier to young parents entering, returning to, or continuing with further education in Wales. The research found that whilst childcare provision is one of a number of challenges or barriers faced by young parents who wish to access or continue in FE in Wales, the current discretionary funding arrangements appear to meet the needs of FE parent learners. As such, and based on the evidence reviewed from various sources, they concluded that an additional pilot programme was not required at that moment in time.<sup>2</sup>

- **Higher Education** - The childcare grant<sup>3</sup> is available to full and part-time students accessing higher education who have dependent children under-15 years of age (or 17 in the case of children with special educational needs). Although funded by Welsh Government, the grant is administered by Student Finance Wales, and is dependent on the financial position of the applicant. Students can receive up to a maximum of £161.50 per week for the first child or £274.55 per week for two or more children. Part-time students will receive a pro-rata childcare grant based on intensity of study. Higher education institutions in Wales also operate their own discretionary hardship funds for students. The institutions award support to help with a range of costs associated with studying, including childcare.
- **NHS Wales Bursary Scheme** –In Wales the NHS Wales Bursary Scheme supports students who elect to study an approved healthcare programme within Wales. There is an NHS Wales Childcare Allowance as part of this enhanced package based on 85% of the actual registered or approved childcare costs up to a maximum amount. From September 2014, for one child the maximum payable is £128.78 per week. For two or more children the maximum payable is £209.95 per week. However, every childcare allowance is calculated individually and the amount awarded will depend on individual circumstances and the income available to the family. The NHS Wales Bursary arrangements have recently been the subject of a consultation which will inform future arrangements. The current review will look at all aspects of the current package of support including support for childcare.

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<sup>1</sup> Individual FE colleges promote the Fund on their own websites

<sup>2</sup> <https://gov.wales/statistics-and-research/childcare-further-education/?lang=en>

<sup>3</sup> <https://www.studentfinancewales.co.uk/undergraduate-students/part-time-students/new-students/childcare-grant.aspx>

It is also worth noting that, for those in training or studying full-time, they can make a new Universal Credit claim if any of the following apply:

- If they live with your partner and they're eligible for Universal Credit
- If they're responsible for a child, either as a single person or as a couple, if both of you are students
- If they're disabled and entitled to Disability Living Allowance (DLA) or Personal Independence Payment (PIP) and have limited capability for work
- If they're in 'non-advanced education' (for example studying for A levels or a BTEC National Diploma), are 21 or under and do not have parental support

For those parents who require childcare support to return to work there is:

- **Parents, Childcare and Employment (PaCE)** is a £13.5m ESF and Welsh Government funded programme aimed at helping economically inactive/NEET parents into work where childcare is their main barrier. Parents receive individualised help via a Parent Employment Adviser in their local community and the programme provides assistance in covering the costs of childcare for parents accessing work experience, education or training, and also for 2 weeks after they start work to help with the transition into employment.

Since July 2015, PaCE has worked with over 3400 parents, and has helped over 1100 of those into work. The costs of childcare have varied according to the needs of each parent. There is a maximum cost of £55 per day / £275 per week for one child or £90 per day/£450 per week for more than one child. PaCE are able to fund higher costs for any children with additional needs.

So far, 590 parents have received financial support through PaCE for their children to access registered childcare. This support has enabled parents to undertake training, work experience or volunteering opportunities to increase confidence and employability skills, which have improved their chances of moving into sustainable employment. PaCE has paid over £400,000 in childcare costs, not only supporting parents prepare for work, but also helping them make the transition into employment for the first few weeks

An evaluation to consider the impact of PaCE has been commissioned and the first report is due to be published later this year, which will include feedback from parents on how PaCE supported them into work, and how childcare was addressed to meet their needs. Discussions are ongoing with the Wales European Funding Office regarding extending the PaCE project beyond 2020. Advice will be provided to the Minister for Welsh Language and Lifelong Learning and the Minister for Children, Older People and Social Care during November.

- **Communities for Work (CfW)** is a community based advisory service, supported by the European Social Fund (ESF) and co-sponsored by DWP, working with long term unemployed and economically inactive adults and 16-24 year olds not in employment education or training. CfW has been extended until 2020 and will provide £70.5m in employment support services in the most deprived communities in Wales until December 2020. CfW provides delivery teams with funding to support participants overcome barriers to employment or training, this includes the

cost of short term childcare. To date CfW has supported 165 requests for childcare support amounting to £17,602. Discussions are ongoing with the Wales European Funding Office regarding extending the CfW project beyond 2020. Advice will be provided to the Minister for Welsh Language and Lifelong Learning during November.

- **Communities for Work Plus (CfW+)** is a £12m per annum Welsh Government funded programme introduced from 1 April 2018 to extend employability support to people not eligible for CfW, PaCE or other regional ESF programmes. CfW+ provides delivery teams with funding to support participants, including the cost of short term childcare whilst undertaking training. Discussions are ongoing with the Minister for Welsh Language and Lifelong Learning regarding extending the CfW+ project beyond 2020. Advice will be provided to the Minister during November.
- From April 2019, **Working Wales** will also be able to support unemployed or economically inactive people through a new approach to delivering employability and skills support, designed to assist people into work by addressing their barriers to employment. Non-employed participants receiving support through Working Wales will be entitled to apply for a contribution towards childcare costs if this is a barrier to attending provision. Working Wales must be delivered, where possible, within the hours to suit the participant, but where this cannot be met, or no alternative support can be identified, support towards childcare costs will be considered.

Alongside the support highlighted above, it is also important to remember other flagship programmes which are not related to a parent's work status or whether or not they are training and education.

From the term after a child turns 2 eligible families living in **Flying Start** areas can access 12.5 hours a week of government funded childcare during term time in allocated local settings, 39 weeks a year, plus up to 15 'family sessions' in the summer holiday period. The programme is geographically targeted, and Flying Start areas include some of the most deprived communities in Wales. Its strength is that it integrates high quality childcare, health visiting, parenting programmes and speech and language in a child centred approach. It is currently available to more than 37,000 children living within specific geographical boundaries of highest need. We know this equates to around 25% of all 0-3 year olds in Wales. It is targeted on areas of deprivation and we estimate it reaches between 36-44% of 0-3 year olds living in poverty.

In addition, every 3 and 4 year old child can access free part-time **Foundation Phase** nursery education<sup>4</sup> before they enter compulsory education at the age of 5. Local authorities are required to provide an early education place from the term after a child's 3<sup>rd</sup> birthday.

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<sup>4</sup> <https://beta.gov.wales/foundation-phase-nursery-guide-parents-and-carers>

As I have said to Committee previously, we have a number of childcare support programmes in place for parents who are in training and education and for parents who need support to return to work, and the internal piece of work undertaken underlines and reinforces that.

I do however, appreciate that the information for people to understand what support is available may not be collectively presented in the clearest of ways. I have asked my officials to look at how we can better communicate and raise awareness of what's out there, including working with Family Information Services who are providing a wide range of local information, advice and assistance to families, including information about childcare and related services. I would welcome suggestions the Committee's may have around this.

Yours sincerely

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

**Huw Irranca-Davies AC/AM**

Y Gweinidog Plant, Pobl Hŷn a Gofal Cymdeithasol  
Minister for Children, Older People and Social Care