

# 16 April 2020 – Childcare Briefing, Childcare Assistance Scheme

## Situation

During the COVID-19 pandemic the Welsh Government (WG) has required that childcare is made available to the children of all essential workers (key workers) and for vulnerable children. This requirement, as interpreted in Powys, is for childcare to be available from 8am to 6pm for seven days every week, inclusive of bank holidays. This is to meet demand as required by essential workers and childcare places for vulnerable children.

There are challenges with this provision, this briefing considers these challenges and provides recommendations on how to ensure continuity of service.

## Background

The Childcare Offer for Wales provides 30 hours of government funded early education and childcare to the working parents of 3 and 4 year olds for 48 weeks per year. Under the eligibility criteria for the Offer all working parents are entitled to up to 20 hours of funded childcare under the Offer for 39 weeks of the year (term time), with the precise amount varying according to the level of early education available in their area (minimum 10 hours per week) and 30 hours government funded childcare for nine weeks per year (school holidays). This leaves four weeks per year with no funded provision.

Under the current delivery model for the Childcare Offer there are two categories of local authority:

Delivery Authorities - are responsible for processing applications from parents, determining eligibility and informing them of the outcome. They also process and make payments to childcare providers for the delivery of the Offer and carry out the tasks of an engagement authority within their own area, for example in ensuring that their Family Information Service team has the training/resources to deal with enquiries regarding the Offer.

Engagement Authorities - are responsible for promoting the Offer to parents and childcare providers within their areas, training their Family Information Services (FIS) to deal with enquiries on the Offer and providing their delivery authority with any information they require to process applications and administer the Offer on their behalf.

Powys are an Engagement Authority and Ceredigion are the Delivery Authority who processes applications and payments on behalf of Powys County Council and Powys families. Powys receives £31,500 directly from the Childcare Offer grant to fund some staffing and engagement element of the model. There will be no change to this funding. Ceredigion pay non maintained settings directly in accordance with the relevant registration, eligibility and approval. Ceredigion pay PCC the funds for maintained setting which we then distribute accordingly.

The childcare offer for Wales has been temporarily replaced by the coronavirus childcare assistance scheme. The WG expects to re-instate the Childcare Offer once the COVID-19 pandemic has subsided.

## Childcare Assistance Scheme

WG are redirecting the funding available through the Childcare Offer for Wales to ensure it supports those families most in need at this time. WG will fund the childcare costs for pre-school children of critical workers during the COVID-19 outbreak. The WG will also continue to fund childcare provision for vulnerable pre-school children.

Under the new scheme, critical workers will have full access to funded childcare provision for their pre-school aged children. This scheme needs to be up and running as quickly as possible, so WG have given Local Authorities flexibility to manage the provision and demand locally.

Childcare Offer payments to childcare settings will continue for three months for children already in the system as of 18 March, even where those children are no longer accessing that childcare provision as a result of staying home. The payments would be the equivalent to the term-time hours the parent had previously booked. This arrangement ceases on the 18<sup>th</sup> June 20. This will have a financial impact on all settings which are not currently providing childcare provision including those local authority settings based within schools which have closed. The childcare offer funding will cease for these settings between the 18<sup>th</sup> June 2020 and until the childcare offer scheme is reinstated.

There is no upper, or lower, threshold on the number of hours of childcare that critical workers can access. They should be able to access the number of hours of childcare that they require to cover their working hours.

The delivery of childcare during the COVID-19 pandemic may require other funding arrangements. Below are some examples. This list is not exhaustive and the local authority is welcome to devise new and innovative funding mechanisms. Local authorities may also use more than one funding mechanism in the delivery of the Coronavirus - Childcare Assistance Scheme within their local authority. However you should always bear in mind that the funding mechanism should achieve value for money for public finances and be as transparent as possible.

- Block booking sessions with childcare providers;
- Providing a set weekly (or monthly) payment to a setting;
- Providing weekly (or monthly) payments to a childminder (or a group of childminders) to work at a named venue;
- Must NOT fund any retainer fees charged by a setting

If we believe that any of our vulnerable children's wellbeing would be best served by providing them with formal childcare then arrangements for that child to receive childcare can be made and the cost may be re-claimed from the WG scheme.

It is anticipated that the demand for childcare will increase following the announcement of the WG childcare scheme.

Local authorities, as the accountable body for delivering the Coronavirus Childcare Assistance Scheme through the Childcare Grant, are expected to put in place internal systems and procedures and take appropriate action to safeguard the funding provided through the Childcare Grant, which satisfy themselves and the WG in respect of due diligence.

The Early Years Childcare workforce is small in Powys. Many of the settings are privately owned and run and the local authority is unable to force them to remain open. Private settings are eligible to furloughing their staff and close so that staff still receive 80% of their wages.

The situation as of the date of this report is that:

- Many Early Years Childcare Settings are closing and not able/willing to provide the service required.
- Families register their childcare requirements online with Powys and the Childcare Team allocate places accordingly.
- All children requiring childcare have been allocated a place in one of the open settings.
- There are 27 settings (including childminders) currently providing Early Years Childcare and would be eligible for funding through the new scheme. The make-up of the settings vary and these consist of the following;
  - Maintained settings based within schools and share premises with the Childcare Hubs.
  - Private settings based within schools and share premises with the Childcare Hubs.
  - Non maintained privately run settings
  - Childminders
  - Third sector providers
- The settings that remain open have different levels of existing funding from various funding streams.
- Once block bookings are made and the funding applied most settings will receive additional funding from the Childcare Assistance Scheme. A small number of settings will receive no additional funding due to the numbers of children attending and existing levels of funding already being provided.

## Assessment

There are 27 settings in Powys currently providing early years childcare to children of critical workers and vulnerable children. The demand for childcare is expected to increase following the announcement of the WG scheme.

Each of these providers will be in receipt of existing childcare offer funding up to the 18<sup>th</sup> June 20 which needs to be considered and deducted from any additional payments from the new scheme. See Appendix A.

In addition those settings in receipt of Flying Start or Early Years Education funding should have elements of this funding for staffing deducted from any payments from the new scheme to avoid double funding and to achieve value for money for public finances. See Appendix A.

Due to the rurality of Powys it is important that we retain provision for families to access local childcare and it is for that reason Powys have opted to adopt the block booking model as detailed above. This will allow for local provision whilst ensuring the sustainability of the childcare providers. Any available places will be allocated appropriately following the receipt of the online bookings from families. The funding model applied will be tailored to each specific set of circumstances for each provider.

Finance, Early Years Education and the Childrens Childcare team have met to agree the funding model and have prepared communications to be sent to all open providers to inform them of the level of funding available.

The funding status of early years landscape is unclear and the local authority is not certain of the settings which have made a decision to close have taken steps to furlough their staff or are reliant on local authority and Child Care offer funding. Work is ongoing to establish the local authority maintained settings who are not currently providing a service staff details and status so that we are able to deploy staff to settings which remain open.

Some early years staff have been deployed from local authority maintained settings which have closed to support the delivery of childcare in one of the remaining settings. Currently these staffing costs have been met by the closed settings. Travel costs are being incurred and a decision as where these costs are funded needs to be made. Considerations need to be given to the level of funding deployed to settings which have closed so that these staff costs can be met.

## Decisions required:

1. Funding model to be agreed and level of funding to be communicated to all open settings.
2. Agree communication to all settings which have closed to establish their status so that agreement can be reached on any future local authority funding to be paid.
3. Information on Local authority early years workforce to be gathered and any available staff to be deployed to settings which remain open.
4. Agreement for point 3 which budget local authority staff should be paid from including any travel costs.

## Recommendations

Having considered the arrangements for the new scheme these are the recommendations;

1. Decisions above to be secured.
2. Communication will all childcare providers to be issued to confirm arrangements.
3. Information on Local authority early years workforce to be gathered and any available staff to be deployed to settings which remain open.
4. Review funding levels for open settings post 18<sup>th</sup> June when the scheme changes.
5. Continue to work with WG including Flying Start and Early Years education so that any future amendments can be incorporated into this funding model.
6. Consider impact on LA maintained settings who have closed and will not receive the Childcare offer funding post 18<sup>th</sup> June.

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## Appendix 1 – Funding Model agreed for open settings providing childcare

Provider Name	Children cared for	CCO payment average (30.03.2020 - 19.06.2020)	EY funding staffing per week (1xleader + 1xassistant)	FS for staff per week (1xleader + 1xassistant)	5 days funding calculator WG	7days funding calculator WG	Total funding setting already in receipt of per week	C-CAS FUNDING 5DAYS	C-CAS FUNDING 7 DAYS
Little Sunflowers (Alice Mayo)	4	£311.25	£0.00	£0.00	£1,020.00	£1,428.00	£311.25	£708.75	£1,116.75
Jigsaws	7	£1,257.75	£370.98	£438.35	£3,060.00	£4,284.00	£2,067.08	£992.92	£2,216.92
Dechrau Disglair	6	£1,956.63	£538.63	£0.00	£1,530.00	£2,142.00	£2,495.26	-£965.26	-£353.26
Allsorts	2	£1,215.00	£370.98	£0.00	£1,530.00	£2,142.00	£1,585.98	-£55.98	£556.02
Priory Preschool	3	£486.00	£370.98	£0.00	£1,530.00	£2,142.00	£856.98	£673.02	£1,285.02
Llyswen Ladybirds	3	£743.50	£450.67	£0.00	£1,530.00	£2,142.00	£1,194.17	£335.83	£947.83
First Steps	6	£830.50	£370.98	£0.00	£1,530.00	£2,142.00	£1,201.48	£328.52	£940.52
Knighton (Presteigne)	4	£516.00	£450.67	£0.00	£1,530.00	£2,142.00	£966.67	£563.33	£1,175.33
Puffins	9	£653.25	£0.00	£0.00	£3,060.00	£4,284.00	£653.25	£2,406.75	£3,630.75
Footsteps	10	£520.13	£370.98	£0.00	£3,060.00	£4,284.00	£891.11	£2,168.89	£3,392.89
Carreghofa	3	£175.50	£450.67	£0.00	£1,530.00	£2,142.00	£626.17	£903.83	£1515.83
Cylch Aberhonddu	2	£1,202.35	£443.39	£546.25	£1,530.00	£2,142.00	£2,191.99	-£661.99	-£49.99
Maldwyn	10	£1,189.69	£370.98	£546.25	£3,060.00	£4,284.00	£2,106.92	£953.08	£2,177.08
Rebecca Watts	5	£245.25	£0.00	£0.00	£2,550.00	£3,570.00	£245.25	£2,304.75	£3,324.75

Tracey Frost	8	£437.44	£0.00	£0.00	£2,550.00	£3,570.00	£437.44	£2,112.56	£3,132.56
Diane Williams	1	£157.50	£0.00	£0.00	£1,020.00	£1,428.00	£157.50	£862.50	£1,270.50
Sammi Orme	3	£166.88	£0.00	£0.00	£1,020.00	£1,428.00	£166.88	£853.12	£1,261.12
Anne Owen	3	£228.19	£0.00	£0.00	£1,020.00	£1,428.00	£228.19	£791.81	£1,199.81
Elaine Pinder	3	£93.75	£0.00	£0.00	£1,020.00	£1,428.00	£93.75	£926.25	£1,334.25
Jackie Williams	2	£0.00	£0.00	£0.00	£1,020.00	£1,428.00	£0.00	£1,020.00	£1,428.00
Esther Koppenjan	2	£252.25	£0.00	£0.00	£1,020.00	£1,428.00	£252.25	£767.75	£1,175.75
Christine Jarman	4	£0.00	£0.00	£0.00	£1,020.00	£1,428.00	£0.00	£1,020.00	£1,428.00
Maesyrrhandir Little Stars		£167.06	£450.67	£0.00	£1,530.00	£2,142.00	£617.73	£912.27	£1524.27
Lauren Ryland	3	£90.00	£0.00	£0.00	£1,020.00	£1,428.00	£90.00	£930.00	£1,338.00
Hannah Colton	2	£0.00	£0.00	£0.00	£1,020.00	£1,428.00	£0.00	£1,020.00	£1,428.00
Sarah Thomas	2	£23.63	£0.00	£0.00	£1,020.00	£1,428.00	£23.63	£996.37	£1,404.37
Kelly Richards	0	£112.88	£0.00	£0.00	£1,020.00	£1,428.00	£112.88	£907.12	£1,315.12
Teeny Tots	5	£555.00	£0.00	£0.00	£1,530.00	£2,142.00	£555.00	£975.00	£1,587.00
Llanfaes - Camau Bach		£594.75	£450.67	£0.00	£1,530.00	£2,142.00	£1,045.42	£484.58	£1,096.58
Meithrinfa Dechrau Disglair	6	£0.00	£0.00	£546.25	£1,530.00	£2,142.00	£546.25	£983.75	£1,595.75