



25 November 2021.

## Welsh Government Draft Budget 2022-23 Consultation- Cwlwm response

Dear Sir/Madam,

### Introduction

1. Cwlwm' is made up of five organisations with Mudiad Meithrin as the lead organisation. 'Cwlwm' organisations are Early Years Wales, Clybiau Plant Cymru Kids' Clubs, Mudiad Meithrin, National Day Nurseries Association (NDNA Cymru) and PACEY Cymru.
2. Aim: 'Cwlwm' will support the Welsh Government to ensure that families across Wales can access affordable, quality childcare providing innovative solutions to create flexible childcare and play opportunities to meet the needs of parents and their families.
3. 'Cwlwm' brings together the five leading childcare organisations in Wales to deliver a bilingual integrated service that will ensure the best possible outcomes for children and families across Wales.
4. As the consortium representing the childcare and play sector in Wales, we ask that the Welsh Government budget for 2022-23 supports the sector by;

Providing additional funding to help support and strengthen;

- a) the delivery of childcare and play services particularly to ensure children's emotional, physical and learning needs
- b) the recovery of the childcare sector from the impacts of the pandemic and to support the delivery of Programme for Government commitments across the childcare and play sector

### What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

5. Cwlwm receives Welsh Government funding through the Childcare, Play and Early Years Division of Welsh Government. 'Cwlwm' enjoys a collaborative, open relationship based on trust with Welsh Government ensuring that strategic objectives are met in order to ensure that families across Wales can access affordable, quality childcare in their own community and in the language of their choice. We support the childcare and play sector to develop innovative solutions to create flexible childcare and play opportunities to meet the needs of children and their families.
6. The Welsh Government 2021-22 budget, including additional funding made available, recognised the ongoing need to support the needs of children and the childcare and play sector in relation to COVID-19 impact and recovery. Additional financial support to childcare and play providers through Cwlwm, Local Authorities and other key partners was provided as they continued to respond to the challenges in childcare and play sector.
7. Whilst we have appreciated and been able to deliver additional targets as a result of in-year additional funding, an alternative funding model would mean better advance planning that has benefits to the sector and Welsh Government.
8. The additional funding has enabled Cwlwm partners to implement support model changes and enhancements. It has however been significantly more difficult to plan and deliver activity within tight timescales especially in relation to additional funding made available. This leads to a reactive rather than proactive approach.

### How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

9. The challenges facing the childcare and play sector are not easily resolved and require a long term funding commitment and proactive rather than reactive approach. A longer term commitment and higher level of funding would deliver a more sustainable model which would make it easier to plan ahead, to recruit and retain staff and invest in staff.



10. The availability of high-quality childcare and early education in Wales is absolutely crucial both for working families and children's outcomes. This pandemic has shown just how crucial early learning and childcare is to the national infrastructure. Therefore, we welcome that childcare remains a priority in the co-operation agreement between Welsh Government and Plaid Cymru, however funding rates for childcare providers need to keep pace with increasing costs, including the national minimum and living wages as well. Any political promises to increase offers to parents must be fully costed to be deliverable.
11. The pandemic has exacerbated recruitment and retention issues within the sector, therefore we would ask that this is also considered as a priority area for support. During a recent survey carried out in conjunction with the Education Policy Institute with providers 74% of respondents had tried to recruit and 96% of those recruiting had tried to recruit at Level 3. 21% said they found it difficult and 73% said very difficult to recruit to Level 3. A smaller proportion tried to recruit at Level 2 – 76% of those who had tried to recruit. Of these, 29% found it difficult and 44% found it very difficult.
12. The childcare and play sector is integral to the foundational economy and that a functioning, indeed a progressive childcare system, is necessary in order to deliver important public goods (children's development, parental employability, closing the gender pay gap, delivering on 'Cymraeg 2050' to name but a few policy objectives). We believe that we have continually delivered positive returns on the investments from Welsh Government into the partnership.

**How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?**

13. Like all sectors, we are facing increasing costs as a result of inflation and associated operating costs. These are also confining our budgets and leading to challenging budgetary considerations. Excluding the additional in-year funding that has been received in recent years, the main Cwlwm funding has been on a standstill budget since Cwlwm came into existence in 2014. Looking at budgets and considering work plans for the next three years Cwlwm partners know that a long-term commitment to an additional £811,000 funding across all partners per year (the average in-year total received over the past 4 years) would make a significant difference to capacity and forward planning.
14. As stated the challenges facing the childcare and play sector are not easily resolved and require a long term funding commitment and proactive rather than reactive approach. A longer term commitment to funding would deliver a more sustainable model which would make it easier to plan ahead, to recruit and retain staff and invest in staff.
15. The childcare and play sector is integral to the foundational economy and that a functioning, indeed a progressive childcare system, is necessary in order to deliver important public goods (children's development, parental employability, closing the gender pay gap, delivering on 'Cymraeg 2050' to name but a few policy objectives). We believe that we have continually delivered positive returns on the investments from Welsh Government into the partnership.
16. Cwlwm partners have started financial planning for 2022 - 23. An early indication of any uplift in funding available for 2022-23 would enable robust business planning in order to support the sector.

**Given the ongoing uncertainty and rapidly changing funding environment do you think there should be changes to the budget and scrutiny processes to ensure sufficient transparency and Ministerial accountability?**

17. During the ongoing period of the pandemic and given the uncertainties of budgeting at a national level, it might be appropriate to scrutinise the application of consequential (linked to funding through the Barnett formula) received after the main annual budget motion has been completed and how this is disseminated and utilised.



**Does the Fiscal Framework adequately reflect the impact of the public health emergency in Wales compared to other UK countries and do you support increasing the annual and/or overall limits, £150 million and £1 billion respectively, to current Welsh Government capital borrowing within this Framework?**

18. Cwlwm do not have any comments to make

**The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?**

– How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

### **19. Promoting and supporting registered childcare and play provision**

20. Support to ensure that existing childcare provision (all Provider types and for all ages of children, including parity for School aged Childcare) is encouraged and supported to achieve registration with CIW (benefits of registration can be found [here](#)).
21. Ensure the [Exceptions Order](#) is reviewed and supports the sustainability of regulated childcare. Ensure a holistic approach is taken to existing and future schemes to support children's rights, wellbeing, the childcare sector and the economy. Accessibility and cost of care during the school holidays in particular can be a challenge for working mothers.
22. Other initiatives and programs used as unregulated childcare such as SHEP, Playworks Holiday Programme, can impact on the short-term viability and long-term sustainability of existing Care Inspectorate Wales (CIW) registered settings, particularly those offering holiday childcare, unless services collaborate when planning, and unless registered childcare is considered at a strategic level.
23. Given the ongoing decline in childminders in Wales ensure a commitment to;
  - Addressing the needs of the sector
  - Ensuring access to quality, universal pre-registration training and support across Wales
  - Breaking down the barriers and challenges in relation to registration and retention of childminders in Wales
24. **Commit to increasing opportunities for universal access to funded provision across Wales**
25. Quality, affordable childcare enables parents/carers to access employment/training opportunities, lifting families out of poverty and breaking the often-generational link of poverty, educational attainment and career opportunities.
26. There is positive data around the impact of access to high quality childcare in mitigating attainment gaps at school entry (and the importance of equity in this access). If existing funded childcare opportunities (e.g. the Childcare Offer) were extended to children from low-income/non-working families, this could help to support school readiness and development opportunities
27. Access to quality play experiences, such as those offered by childcare providers for school age children, is also linked to social, cognitive, emotional and physical development. Thus, exploration of additional affordability schemes to support equitable access to school age childcare would also benefit children.
28. Efforts to widen access to these early years and school age childcare opportunities (including widening the regulated provider types that can offer these opportunities e.g. childminders) and to support affordability for parents/carers will be a positive investment and reduce reliance on costly and less effective school intervention programmes.

### **29. Support Welsh language in the childcare and play sector through a commitment to;**



- Establishing, registering and sustaining Welsh medium childcare including an extension of existing early years Welsh medium provision to include childcare for school age children.
- Targeting of people with Welsh Language competency into the childcare and Playwork sector and continued support to the childcare sector to upskill staff in Welsh Language to enable more Providers to meet the Active Offer.
- Continued funding for Mudiad Meithrin's Cynllyn SAS (Sefydlu a Symud / Set Up and Succeed) to ensure new provision continues to meet demand and is sustainable

– To what extent alleviating climate change should be prioritised in supporting economic recovery. – How resources should be prioritised to address the pressures felt in sectors that need to “catch-up”, such as Health and Education.

– Welsh Government policies to reduce poverty and gender inequality. – Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early). – Sustainability of public services, innovation and service transformation.

– How evidence is driving Welsh Government priority setting and budget allocations. – How the Welsh Government should use taxation powers and borrowing.

– What specific support is needed in the budget for businesses. economic growth and agriculture, related to post EU transition.

– What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

30. Cwlwm are encouraged that continued investment into childcare and playwork in Wales contributes strongly to the UNCRC and parental choice for their childrens' care. And that substantial evidence notes that a positive start in life (prevention) is more cost effective than catch-up and rebuilding programmes. Through our Cwlwm collaboration and our collaboration with WG we are demonstrating that a partnership approach and involvement of the sector, representing the views of our members, is contributing to informing policy across Wales is making a positive contribution to well-being in line with the Future Generation Act priorities.

Yours sincerely,  
Cwlwm

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 <p>Clybiau Plant Cymru</p> <p>KIDS' CLUBS</p> <p><a href="http://www.clybiauplantcymru.org">www.clybiauplantcymru.org</a></p>	 <p>mudiad meithrin</p> <p>arbenigwyr y blynyddoedd cynnar Welsh early years specialists</p> <p><a href="https://www.meithrin.cymru/">https://www.meithrin.cymru/</a></p>	 <p>NDNA*</p> <p>National Day Nurseries Association</p> <p>*Brighter thinking for early years</p> <p><a href="https://www.ndna.org.uk/">https://www.ndna.org.uk/</a></p>
 <p>pacey   CYMRU</p> <p><a href="https://www.pacey.org.uk/">https://www.pacey.org.uk/</a></p>	 <p><a href="https://www.cwlwm.org.uk/">https://www.cwlwm.org.uk/</a></p>	 <p>Early Years Wales Blynyddoedd Cynnar Cymru</p> <p><a href="https://earlyyears.wales/">https://earlyyears.wales/</a></p>