Written evidence submitted by the Minister for Children, Families and Wellbeing, Claire Coutinho MP

RE: ESC response on SEND capital funding for EY settings

I am writing to the Committee following my attendance at an oral evidence session on 9th May as part of your inquiry into the support for childcare and the early years, to provide further detail on SEND capital funding and to clarify two points made at the session on OBR forecasts and Universal Credit.

Firstly, at the session I said I would write to the committee regarding capital funding for SEND in the early years, and what support is available to councils for meeting local need.

As part of the £2.6bn investment in high needs provision announced in October 2021, in March 2022 we announced High Needs Provision Capital Allocations (HNPCA) for 2022-23 and 2023-24 amounting to over £1.4 billion of new investment to support local authorities to deliver new places for children with special educational needs and disabilities (SEND), or who require alternative provision (AP).

Local authorities can use their HNPCA grant to work with any school or provider in their area, including in Early Years settings. HNPCA funding must be used for capital funding but is otherwise un-ringfenced, subject to the conditions set out in the published Grant Determination Letter, meaning local authorities are free to use this funding to best meet their local priorities.

In regard to early year places more generally, the department knows that councils have to create more places and we are continuing to explore how we can support the sector to deliver the additional places that will be required. We aim to work closely with local authorities and providers to identify what needs to be in place to support our significant expansion in childcare provision, including workforce as well as capital requirements.

I hope this reassures the committee that the department is supporting local areas to provide the right support for children and young people with SEND, including through capital funding and infrastructure.

Secondly, I want to clarify a number of points I made during the session, to ensure the committee have all the right information for their inquiry.

I wanted to clarify a statistic I quoted from the OBR, regarding the labour market impact of the Budget announcement on childcare. At the session, I stated that the OBR figures was 60,000 extra people in the workforce and that this included people entering the workforce and also people increasing participation in the workforce. As clarification, by 2027-28, OBR expects around 60,000 parents to enter employment and an equivalent effect from 1.5 million mothers of young children already in work increasing their hours by a small amount.

I also wanted to provide further detail on the discussion we had about the changes to Universal Credit conditionality. At the session, I mentioned that the changes to conditionality require lead carers to attend a work-focused interview every three months, instead of every six months. This is the case for lead carers of 1-year-olds. However, for lead carers of 2-year-olds, the requirement is to attend a work-focussed interview every month, instead of every 3 months. I also highlighted that the conditionality involves a requirement to work 30 hours to align with the childcare offers. As clarification, this requirement is to undertake up to 30 hours of work-related activity. This means that lead carers will be required to increase their work search and preparation activity and will be required to be available to take up higher paid or longer hours jobs.

I hope this response provides helpful clarification to the committee as they conclude their inquiry. I look forward to hearing the inquiry's conclusions.

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