



**Committee for the Office of the First Minister  
and deputy First Minister**

# **OFFICIAL REPORT (Hansard)**

**Bright Start: Strategy for Affordable and  
Integrated Childcare**

**2 October 2013**

# NORTHERN IRELAND ASSEMBLY

## Committee for the Office of the First Minister and deputy First Minister

Bright Start: Strategy for Affordable and Integrated Childcare

2 October 2013

### **Members present for all or part of the proceedings:**

Mr Mike Nesbitt (Chairperson)  
Mr Chris Lyttle (Deputy Chairperson)  
Mr Leslie Cree  
Mr Colum Eastwood  
Ms Megan Fearon  
Mrs Brenda Hale  
Mr Alex Maskey  
Mr Stephen Moutray  
Mr George Robinson

### **Witnesses:**

Dr Denis McMahon	Office of the First Minister and deputy First Minister
Ms Margaret Rose McNaughton	Office of the First Minister and deputy First Minister
Mr Martin Tyrrell	Office of the First Minister and deputy First Minister

**The Chairperson:** I invite officials from the Office of the First Minister and deputy First Minister (OFMDFM) to join us. We have Margaret Rose McNaughton, Martin Tyrrell and Denis McMahon, who is appearing for the third week in a row. If you were the Jules Rimet world cup, we would get to keep you.

**Dr Denis McMahon (Office of the First Minister and deputy First Minister):** I am not sure that you would want me, Chair.

**The Chairperson:** You know the format.

**Dr McMahon:** Thank you very much, Chair. I will say just a few words, because I know that we are trying to keep the opening statement short. We are very grateful for the opportunity to come to talk about what is, absolutely, also a priority for Ministers. I will not read out the content of the briefing paper, but it is worth setting out a little more about the approach.

Ministers have a strong understanding of the need to carry this work out, from both the economic point of view and that of children's health and well-being. Those two issues are absolutely intertwined through childcare. The delivery of childcare services occurs in a market. Many community and voluntary sector organisations are obviously involved, but a lot of the issues that this is trying to address are on demand and supply. The strategic framework recognises the need to take forward some urgent actions to address some of those issues.

The first is on improving information for parents and suppliers of services so that it is much easier for parents to understand where to find services and for service suppliers to know what demand is there so that they can plan their services. Obviously, a lot of work on that front is going on around the family support website.

There is then a need to look at capacity, particularly the supply of high-quality, integrated and affordable childcare. So, an awful lot of the early actions are about helping existing suppliers to expand their services and to bring new people into childcare to deliver such services. For example, aiming to have 7,000 childcare places and 1,000 childminders in rural areas is all about trying to increase capacity. Within that, there are specialist areas, such as services for disabled children.

Finally, the actions recognise that an important side effect is that there is a huge workforce in childcare already, and there is the potential to increase that workforce. One of the things that Ministers recognise is that there is a potential skills' escalator here. There is a way of getting people into the workforce who may be excluded from it at the minute but who will be able to participate and grow their skills in the childcare area. So, it is an important industry in its own right.

That just gives you a flavour of where Ministers are keen that we focus our attention on early, and that is reflected in the document. I am happy to take questions.

**The Chairperson:** Thanks, Denis. The first thing that struck me last Wednesday was that the document's cover gave the clear impression that it was a strategy. Yet, as you read it, you find that the strategy is to be published next year. Will you clarify that?

**Dr McMahon:** Certainly, Ministers were working towards a strategy. We had a consultation, and we had a good indication of some of the things that needed to be tackled early on. However, a very clear message came out during the previous consultation that the sector and those involved in childcare did not want us to stop at that point. They said that, although they liked where we were going and wanted early action to get some delivery on the ground, they wanted to continue the engagement. We are talking about potentially a huge gap between demand and supply. I suppose that, with an issue as big as this, it is always hard to estimate, because a lot of informal childcare and so on is going on. However, with such a huge demand and mismatch with supply, the thinking was that this is not something that can be turned around in one strategy. So, get on with it now, yes, and publish something to support that — the framework is the document — but be prepared to listen to the sector, parents and young people to take it to the next stage.

**The Chairperson:** So, are you drawing a distinction between a strategic framework and a strategy, with this being the strategic framework?

**Dr McMahon:** Yes. The idea is that this is about saying, "Here are the things that we are going to do now; get on with it". It sets out the basic analysis but recognises that there is more work to do. In a sense, the strategy will be a further iteration of the framework. However, it is clearly not an excuse for inaction or waiting to do endless consultation before we take action. That is not the idea. Very significant actions are coming out of this now that will make a difference.

**The Chairperson:** There are 15 actions, I think, that are all due in this financial year. Is that doable?

**Dr McMahon:** It is challenging, there is no doubt about it. They are stretching actions, but that is what we are tasked with delivering, so that is what we are trying to deliver — absolutely.

**The Chairperson:** Could you make me feel a bit more confident that the resources and the expertise are in place to deliver them?

**Dr McMahon:** Certainly, the resources and the expertise are in place to deliver the major actions. For example, a lot of the actions are on the capacity issue that I mentioned. It is our very clear intention that those will be delivered to be in place by 1 April.

**The Chairperson:** I welcome the opportunity to seek clarity on this, but another thing that I saw last week was the use of the phrase "sustain and create". You go on in point 1 of the key first actions to talk about 3,000 places. How many jobs do you hope to sustain?

**Mr Martin Tyrrell (Office of the First Minister and deputy First Minister):** For 3,000 places, there would be approximately three jobs in each average setting. So, we would expect about 100 or 120 jobs. We are currently supporting 1,000 places, which would be approximately 100 childcare jobs. On top of that, we aim to create perhaps 1,500 to 2,000 new places.

**The Chairperson:** You are definitely losing me. Is it 100 that you are hoping to sustain or 120?

**Mr Tyrrell:** Between 100 and 120.

**The Chairperson:** So, does that mean that you are hoping to create around 2,890 to 2,900?

**Dr McMahon:** We are talking about places. We are trying to sustain —

**The Chairperson:** Sorry, places.

**Mr Tyrrell:** Our existing support supports 1,000 places. So, we are supporting, at present, through departmental funding, 1,000 places.

**The Chairperson:** You are supporting 1,000 places.

**Mr Tyrrell:** That is part of the existing provision.

**The Chairperson:** And you are hoping to create a further 2,000.

**Dr McMahon:** No, a further 6,000.

**Mr Tyrrell:** More than that. Under key first action 1, an extra 2,000 places. Then, further to that, an extra 2,000 places in new facilities that are based in the schools estate and up to 1,000 more places in rural-based new facilities.

**Dr McMahon:** I will just add that, under the schools estate, that is 2,000 to 3,000 places. Potentially, it is up to 7,000 places. So, it will go from 1,000 to 7,000, including all those different elements.

**The Chairperson:** So, it would go from 1,000 to 6,000, or possibly 7,000, new places. Would that be split between existing, new urban and new rural?

**Dr McMahon:** That is correct, yes.

**The Chairperson:** OK. Thank you very much; I have got that now. Are the key actions that you are undertaking this financial year all pilot actions?

**Dr McMahon:** You could call them pilot in the sense that all this is a work in progress. At this point in time, there is a huge gap between demand and supply. That is clearly the case, and that is where we are starting from. If we were to look at addressing all that, we would see that it will not happen overnight, because you are potentially talking about hundreds of millions. Also, there is a need to make sure that the model is right. So, 7,000 places is not the final product by any means, but it is a very significant amount of delivery in its own right, and it will significantly increase what we have there already. The pilot is a staging post, but I do not want to give the impression that it is insignificant or that it is just a toe in the water, as it were. This is actually a significant amount of delivery.

**The Chairperson:** How much of the £12 million budget will be required to achieve those 6,000 to 7,000?

**Mr Tyrrell:** We would actually require £15 million. We are working on costings, but we reckon that it would require £5 million a year to deliver and sustain the 7,000 places.

**Dr McMahon:** Any additional resources that are required would come from the consolidated Delivering Social Change (DSC) fund that we have talked about previously. That is because this needs to be seen as part of Delivering Social Change.

**The Chairperson:** So, we can forget the £12 million; that is old money.

**Dr McMahon:** No. The £12 million is very much there, and it will be the majority of the funding.

**The Chairperson:** But it is now £15 million.

**Dr McMahon:** When we talked about Delivering Social Change to the Committee previously, we talked about the fact that a lot of the same sorts of issues come up in different areas. Ministers wanted to find a way to use the resources that we had much more flexibly without having artificial barriers between them. So, the money that we had for the social investment fund (SIF), for childcare and for other issues has all been brought together. I am saying that, if we need to find an additional £3 million for this, it will be found from that central Delivering Social Change consolidated fund.

**The Chairperson:** Is that agreed by the Department and the Ministers?

**Dr McMahon:** The Ministers have indicated that they want us to do this. Obviously, if there are savings in other areas of the Department, we will use those first, but, other than that, it will come out of central funds. The document is very clearly framed in the context of Delivering Social Change, and it makes it clear that this is part of that overall framework.

**The Chairperson:** We in this Committee have been discussing the childcare strategy. We have been anticipating and awaiting it, and we have always talked about the £12 million budget. You are now saying to me that having those 6,000 to 7,000 places will cost £15 million.

**Dr McMahon:** Yes, and that will go beyond the existing £12 million. In fairness, as I mentioned there are other projects in the social investment fund, which would be in childcare. If you wanted to add those to a childcare budget, they would contribute to the childcare strategy.

**The Chairperson:** So, does that mean that some part of that £80 million pot will legitimately be made available?

**Dr McMahon:** Yes.

**The Chairperson:** Does that need ministerial sign off?

**Dr McMahon:** Ministers have signed off on this happening, and they have signed off on our using the available funds to do that.

**The Chairperson:** The £12 million?

**Dr McMahon:** The £12 million, and, as part of the Delivering Social Change, £118 million. If you remember, we talked about the fact that the social investment fund money was brought together with the childcare fund money with the £26 million. The idea behind all that was to bring it all together so that you had a flexible fund. So, there is an agreed approach that we will use available resources to make that happen.

The only caveat to that is if some unexpected incident happened where significant money is not spent elsewhere in the Department. Ministers might then want to use that first before we would draw down the central Delivering Social Change funds. Other than that, Ministers have given a very clear commitment that they want this to happen.

**The Chairperson:** Are all the people around Northern Ireland who are giving up their time to sit on the zonal advisory panels for the social investment fund aware that up to £3 million of the £80 million in the SIF may be accounted for to achieve this childcare objective? Are they content with that?

**Dr McMahon:** As Ministers have said, the £80 million is ring-fenced, but, within that, there is currently £118 million in the budget. Some of the SIF projects will go beyond the current comprehensive spending review (CSR) period. That means that, within this period, there will be additional resources.

**The Chairperson:** Yes, but are the people who are sitting on the zonal advisory panels aware of that?

**Dr McMahon:** They are aware that the £80 million has been ring-fenced.

**The Chairperson:** Are they aware that £3 million may go to achieving this?

**Dr McMahon:** Chair, just to be clear, I am not saying for one minute that £3 million is going to come off the social investment fund. That is not the case. I am not saying that. So, there is nothing to be aware of on that front. I am saying that we will be using a pot of central funds to make this happen. That will include the £12 million that we have and the central Delivering Social Change funds.

**The Chairperson:** Does that include the £80 million?

**Dr McMahon:** It includes the £80 million, but Ministers have said that the £80 million for the social investment fund will be ring-fenced in this CSR period and the next.

**The Chairperson:** I am trying to get clarity. You have people sitting on these zonal advisory panels, and they have been told that £80 million will be split — £40 million for deprivation and £40 million for dereliction. If they were listening to this, they might think that the Ministers have already predetermined how several million pounds of this money will be spent.

**Dr McMahon:** If they took that view they would be incorrect, because Ministers have said that the £80 million will be ring-fenced.

**The Chairperson:** But you are saying that some of it may be used —

**Dr McMahon:** I am saying that there are two issues. There is the overall amount of fund and funding available from those different sources. Then there is the timing of that funding. So, not all of that £80 million will be spent in this CSR period, potentially. That means that some of that —

**The Chairperson:** That is new to us. Is that not new to us, members?

**Dr McMahon:** No, Ministers have said openly that —

**The Chairperson:** The £80 million will not be spent in this CSR.

**Dr McMahon:** I did not say that; I said that not all of it will necessarily —

**The Chairperson:** What is the latest estimate, Denis, of how much will be spent in the CSR?

**Dr McMahon:** I cannot say that until there has been agreement in the Department about which schemes will move forward first.

**The Chairperson:** I am not desperately happy with that. You have given an indication of a likelihood that the £80 million will not be spent in full in this CSR. That has to be based on information.

**Dr McMahon:** It is based on the fact that, as of now, we have projects that are about to start. Some of those projects will be able to move more quickly than others. It depends on which projects are taken forward. Revenue projects will be easier to get on the ground very quickly, because it will be a matter of moving through contracts. It will be a matter of getting contracts in place and getting organisations up and running. Some of the capital projects will take longer. So, we expect that it may not be possible to get all those funded in the current CSR period.

**The Chairperson:** So, what are the implications?

**Dr McMahon:** Subject to the Department's taking decisions on which projects to move forward, the implications are that we expect the vast majority of that money to be spent in the CSR period. However, at the same time, we have to accept that we need to use the money as flexibly as we can to make sure that we are taking forward all the different projects. One of the reasons for that, which Ministers have said previously, is that there are a number of different levers for getting Delivering Social Change to happen on the ground. One of those levers is the social investment fund, and others

are the childcare strategy and the signature projects. They are all trying to contribute to the same sort of aims.

**The Chairperson:** You could infer that the money will be spent not on the best projects but on those that are most quickly deliverable.

**Dr McMahon:** I think that that would be an incorrect inference, because the prioritisation of the social investment fund projects is based on what communities have come forward with and what the groups have come forward with. So —

**The Chairperson:** That is my point, Denis. You are now saying that £3 million of the £80 million may be put into this and that that is a decision that has come from the top, not from the bottom up.

**Dr McMahon:** What I was saying was that we have an integrated Delivering Social Change fund, which has a number of sources in it, and that the idea is to use that fund flexibly over this period, the current CSR period and into the next CSR period to ensure that the objectives of this framework and those of the social investment fund are delivered. The aim is to try to use that money flexibly to get all this to happen.

**The Chairperson:** I am with you on the flexibility, which is great, but I am not reassured that the people who are putting in so much work on the ground — the people on the zonal advisory panels — are fully apprised of the fact that the pot may be £3 million light and, perhaps, for a very good reason.

**Dr McMahon:** I am sorry, Chairperson, but the pot is not £3 million lighter. If I have given that impression I am sorry, but that is not at all what I was saying.

**The Chairperson:** The £12 million that was ring-fenced for childcare may not be enough; you may need £15 million. That will come out of the £118 million.

**Dr McMahon:** Yes, that is correct.

**The Chairperson:** If some of that is SIF money, I am just saying —

**Dr McMahon:** I am sorry, Chairperson; maybe I should add the one thing that I did not say, which would help. In addition to that, no one is saying for one minute that we would not be bidding for more resources. There will, potentially, be further signature projects coming out under Delivering Social Change and other demands will come out of the childcare strategy.

I apologise, Chairperson; that may be where I should have clarified things. I am not saying for one minute that we would not be bidding for additional resources; we would of course be doing that. It is only that we are trying to plan on the basis of the resources that we have now and to do so flexibly. I hope that that helps.

**The Chairperson:** OK.

**Mr Maskey:** I just pictured the £118 million in a big tin box and £80 million in plastic bags with Sellotape round them. I am just hearing that £80 million has been ring-fenced and will be spent on what it was allocated for and that the £3 million — if it needs to be £3 million — will come from between the £80 million and the £118 million. Is that what I am hearing?

**Dr McMahon:** Yes, that is correct.

**Mr Maskey:** That is all that I want to hear.

I have just one wee query, Chairperson. Four out of the 15 policy areas in annex A

*"will move to the lead department when one is agreed".*

Has there been any further movement on agreeing the lead Department to take forward those key actions? If not, is that potentially holding anything up?

**Dr McMahon:** No. The decision has not been taken on what will ultimately be a lead Department. There has been some discussion over time about that. One reason that OFMDFM is taking it forward is because a lead Department has not been identified. However, there are a number of obvious possibilities. The key thing to say is that we are very much working on the basis that it is with us until that issue is finally resolved. However, in the longer term there is definitely an argument for saying that a single lead Department might be able to push the agenda forward as effectively or more effectively.

**Mr Maskey:** Thanks for that, Denis. For me, it is important that OFMDFM takes it forward, but clearly, in some of these cases, it would be better if another lead Department were identified so that it could take things forward. Obviously, OFMDFM does not have the capacity to take it all forward, and it should not have to. I would like us to be kept up to date on when lead Departments might be identified and what the problems are in determining them.

**Mr Lyttle:** Thanks for your briefing. I welcome the publication of the framework. The Committee has been dealing with childcare for a long time. One of the key issues that is set out in your work is that there are obviously not enough childcare places. How do you know that the 6,000 to 7,000 additional places are enough?

**Ms Margaret Rose McNaughton (Office of the First Minister and deputy First Minister):** That is one of the reasons why we have these first key actions. We do not know that it is enough yet, but over the next 12 months, we plan to evaluate how well the key actions are working and then work out what additionality we need thereafter. That is one of the reasons why we have just the strategic framework at this stage rather than the full strategy.

**Mr Lyttle:** Was the research conducted by the Strategic Investment Board to help to inform the estimate of the additional amount of places needed?

**Ms McNaughton:** Absolutely.

**Mr Lyttle:** Is that research available publicly, or can it be made available to the Committee?

**Dr McMahon:** We will check on that.

**Mr Lyttle:** Another finding was that there is not enough information available to families on help available for childcare. Under the first key actions, it is stated that there will be an improved Family Support website and an app will be developed. Obviously, not everyone will be aware of the website or app or will have computers. You mentioned that you might use advertisements as well, but there is a difficulty with moratoriums on advertising in the Executive. Can you elaborate on how you might get round that or on what type of advertising campaign might be employed to increase awareness of child tax credits or childcare vouchers, for example?

**Mr Tyrrell:** As part of the research, we found that the demographic — the people who have the children — tend to have access to computers, be computer literate, have access to apps and use smartphones. We feel that there is good coverage. We have also looked into low-tech ways to promote awareness of childcare facilities, such as including lists of childminders in a local area in the packs that people get from a local trust when they have a new baby, and advising parents of childcare facilities at key stages in a child's life, such as school-age childcare facilities when a child starts school. That would be through normal written communications.

**Mr Lyttle:** Is information about childcare vouchers and child tax credits included in initial health visits?

**Mr Tyrrell:** It is not. We will look into promoting that further. Greater awareness of that assistance is needed.

**Mr Lyttle:** The strategy states that 3,000 of the additional places are for families in need. Can you elaborate on what criteria will be used to identify them and whether families who fall outside those criteria will get any additional assistance as a result of the scheme?

**Mr Tyrrell:** On your second point, with the 2,000 places that we are creating in the schools estate, there will be no disadvantage criteria for access to the funding. The same will be true of the 1,000

rural places. As for the 3,000 places in disadvantaged areas, we have said that those will be for the top 25% most disadvantaged areas, by which we mean the top 25% most disadvantaged super output areas in the 2011 census. We are focusing on income deprivation affecting children. That is the most relevant indicator for the provision of school-age childcare facilities. We also acknowledge that, even in affluent areas, there are pockets of disadvantage. We will assess each project proposal on a case-by-case basis to see how each one is targeting need.

**Mr Lyttle:** How will you call for proposals or make people aware of the opportunity to apply for those resources?

**Mr Tyrrell:** We are planning two stages. First, we will have a series of warm-up activities and go out to the sector and stakeholders to promote what we are trying to do with our grant scheme. Secondly, we will follow up very quickly with a formal project call, which will have different deadlines for particular types of action.

**Mr Lyttle:** I am not sure whether you covered it in the earlier discussion on budgets, but do you know how much it is going to cost?

**Mr Tyrrell:** At the minute, it is only an estimate. The £15 million figure that we have been using is only an estimate. We are still developing final costings for the scheme.

**Mr Lyttle:** Of the £12 million allocated for childcare between 2011 and 2015, £2 million has been spent so far.

**Mr Tyrrell:** That is right. There is about £10 million left.

**Mr Lyttle:** Will you bid for an extra £5 million?

**Mr Tyrrell:** The £12 million fund was always intended to be supportive of the development of the childcare strategy. It was never the full final budget. We will need to bid for more in the long term.

**Mr Lyttle:** Who will sit on the childcare strategy management forum?

**Mr Tyrrell:** We are finalising that, but all Departments with an interest in childcare will definitely sit on it. That includes the Department of Agriculture and Rural Development (DARD) for rural childcare; the Department of Education; the Department of Health, Social Services and Public Safety (DHSSPS); OFMDFM; the Department for Employment and Learning (DEL); and the Department for Social Development (DSD). We will also look into ways of getting stakeholder voices onto that forum.

**The Chairperson:** Thank you, Chris. Margaret Rose mentioned evaluation. The vision is set out in paragraph 2.6 of the strategic framework. The vision is for:

*"a joined-up sustainable service, supporting development needs and positive change for children across our society."*

How do you measure that?

**Ms McNaughton:** Are you asking how we measure whether it is a joined-up and sustainable service?

**The Chairperson:** Sorry, I will repeat it. Your vision is at paragraph 2.6 of the strategic framework, and it is of:

*"a joined-up sustainable service, supporting development needs and positive change for children across our society."*

How do you measure that?

**Ms McNaughton:** That is the vision, from which flow a number of objectives that we hope to be measurable. The objectives are in paragraph 2.8. On the objective to promote the well-being of all children, there are commitments to the principles in the United Nations Convention on the Rights of

the Child (UNCRC). We can measure the objective to enable parents, particularly women, to enter or remain in the labour force. The results of all those will feed into the vision.

**The Chairperson:** So one of your evaluations will be about an increased number of women in the workforce.

**Ms McNaughton:** It may be just one of the measures that we will use.

**The Chairperson:** What are they? I am not asking what they may be. Do you have any?

**Dr McMahon:** We do not yet have a detailed evaluation framework. As Martin said, we are working with the sector to get the programme finalised. We will need to work with the sector to ensure that we are measuring the right things.

**The Chairperson:** So you have a vision, and you do not know how to measure whether you have achieved it. That is the bottom line, Denis.

**Dr McMahon:** We will look at a whole raft of data and build it into the business case. Martin, do you want to talk about some of that data?

**Mr Tyrrell:** Part of the research that we have been using is private sector research commissioned from RSM McClure Watters. It is survey research about needs for childcare, current childcare provision and the costs of childcare. There are also focused case studies about childcare in rural areas. We will undertake similar research to assess our performance. We have a lot of measurable performance indicators, and there are a number of places that can be counted. We can count the number of places directly attributable to the performance of the strategy. There are milestone targets, including the delivery of a better information system and delivery of an app that allows people to access to that information.

**The Chairperson:** You are not answering the question. You have defined a vision. The question is: how will you know when you have achieved it?

**Dr McMahon:** We will know that we have achieved it when we are able to demonstrate two things. First, as Martin said, we have the milestones in place, so we know the number of places and whether they are delivering the number of childcare hours that we stated. Those are the activity measures and outputs. As Martin said, we will use a survey approach to assess the impact that that has had on whether parents feel that childcare is more accessible. Secondly, we will look at measures on the number of people who are able to enter the workforce as a result of this. You are quite right to say that part of this will be about women, but not exclusively women, entering the workforce.

**The Chairperson:** However, the vision is of positive change for children.

**Dr McMahon:** Obviously, well-being measures will be part of that.

**The Chairperson:** There will be such measures, but there are not currently.

**Dr McMahon:** The strategic framework cannot be taken in isolation from the work that is going on across Delivering Social Change. In the same way as Delivering Social Change relies on a range of indicators about children's health and well-being such as those used by the Children and Young People's Strategic Partnership, we intend to measure all those to see whether they are impacted.

**The Chairperson:** Maybe I am thinking differently, but I think that the way to do government is to decide to spend £15 million of taxpayers' money on children and say to taxpayers that, at the end of the spend, they will see these benefits: a, b and c.

**Dr McMahon:** It is a fair point that by the time the strategy is published, we will definitely need specific indicators. It is probably worth our going back and taking a look now at some of the indicators that we plan to measure. That would do no harm at all. I will take that comment on board, Chair.

**Mr Eastwood:** Thank you for the presentation. I have a quick question about SIF. You said that decisions had not been made about which projects would go forward first. Who makes those decisions?

**Dr McMahon:** Ultimately, it will be up to the Ministers.

**Mr Eastwood:** Do you provide them with suggestions as to which should go forward first?

**Dr McMahon:** Ministers will look at the plans of the groups and take decisions on that basis. As I said, in the business case process and the administrative side of that, we are using the priorities that the groups put forward to us and focusing on those that are a higher priority.

**Mr Eastwood:** Have you presented anything to Ministers yet?

**Dr McMahon:** We have gone through the process and kept Ministers up to date with where we are in getting all the administrative approvals in place.

**Mr Eastwood:** There has been a significant delay between the announcement of the project and any money being spent on it. People want to know whether the political difficulties that are obvious to everyone are holding the process up or whether the delay is at an administrative level.

**Dr McMahon:** I am sorry; it would not be appropriate for me to distinguish between Ministers and officials in the Department. Officials work to Ministers, and we are all working for the Department, and that is it. All that I can really say is that it is under consideration in the Department.

**Mr Eastwood:** I understand that you are in a difficult position, but can you give us any indication as to when the decision will be made?

**Dr McMahon:** I am not in a position to do that.

**Mr Eastwood:** I have a question that arises from your presentation. What analysis have you done on the difficulties that parents of children with disabilities have in accessing childcare and their needs? What specific plans do you have to address that?

**Mr Tyrrell:** That issue came up frequently during the consultation and in our research. Survey responses indicated that there was inadequate provision. One of the initial projects funded from the £12 million Executive childcare fund was the DHSSPS-led improving outcomes for disabled children project. That provides training to childminders and also a small grant scheme for the equipment and enhancement of premises. We envisage funding two further years of that initiative as part of our key first actions.

**Mr Eastwood:** Is that already in existence?

**Mr Tyrrell:** No. It is funding; the continuation of its funding is still to be decided.

**Mr Eastwood:** Is anything being added to that?

**Mr Tyrrell:** School-age facilities catering for the needs of children with a disability will be able to apply.

**Mr Eastwood:** Is any work being done on training for childminders? Specific needs might not always be available in certain localities.

**Mr Tyrrell:** Some work is being done through the DHSSPS outcomes project and in working with other Departments on key first actions 11-14, which look at workforce development issues. We can keep those issues in mind.

**Mr Cree:** I am still trying to get my head around the budget numbers. It was said that the £12 million for the fund was set up in 2011. We spent £2 million of it, so £10 million is left, and for some reason, that was thrown into the pot. I am not sure whether that was to address the £10 million to £15 million

that you think that you need, or whether it was a general fund that now covers three areas of a subject matter. Is that the case?

**Dr McMahon:** Yes. To be clear: Ministers initially said that they wanted to use £12 million in this CSR period to take forward some early actions. Departments made bids for that; we put out £2 million, and, as you said, £10 million was left. In the meantime, Ministers have come to decisions on what they want to be delivered early. As Martin said, we are still working on finalising the figures, but we expect it to be in the order of £15 million. The idea is to use that £10 million, which has been brought into a single pot. The idea behind that is that Delivering Social Change covers a range of actions, and it is about trying to make sure that we have as much flexibility as possible in the CSR period to take as much forward as possible. If there is not much progress in one area, for example, we can move it into another area and make sure that there is a broad level of progress across all programmes.

**Mr Cree:** I accept that, but the danger is that it becomes a slush fund. You have a pot of money for three areas. Do you have an individual budget for each of those three distinct headings?

**Dr McMahon:** Yes, we do. We have —

**Mr Cree:** How do those make up the £118 million?

**Dr McMahon:** The £118 million consists of the £80 million for —

**Mr Cree:** SIF, yes.

**Dr McMahon:** — the £12 million for childcare and the £26 million for the signature programmes.

**Mr Cree:** So that is how it is made up. Thank you.

**Mr Moutray:** Thank you. You said that you will create 1,000 places for rural childcare, and support would be on a phased basis. Can you give me a timeline for when you hope to have created those 1,000 places? You referred to supporting locally based transport schemes in rural areas. In some rural areas, there are no transport schemes. Will any help be given to create as opposed to support?

**Ms McNaughton:** We will work closely with DARD on those actions. The support is on a phased basis for up to an additional 1,000 places. We have been working with DARD to evaluate its previous rural childcare schemes, looking at where the additional places are required and the demand in those areas. We are working, and will continue to work, with DARD and the Department for Regional Development on transport, recognising that there are significant transport difficulties in some of the very rural areas. There were, I think, schemes in the past with community transport through — I cannot remember the name of the organisation that ran it. However, we will move fairly quickly on a phased basis with the start-up packages and the creation of up to 1,000 additional places. That will be the first action.

**Mr Moutray:** Can I push you on that? "A phased basis": do you have a timeline within which you want so many places to be created? A phased basis means something different to everyone.

**Ms McNaughton:** Yes, point taken. With implementation, we want to set out a timeline because they are the first early key actions. By the time the final strategy is developed in 2014, we want significant movement on all the actions. I do not have an actual timeline for the phasing in of the rural childminder start-up package, but we could certainly develop that.

**Dr McMahon:** Some things are directly within our gift, so we are working on those and can be more definitive about how we are going through that programme. In this case, the strategic framework has now been published. Lead Departments are identified, and we are working with them to ensure that they can deliver. To answer your question: phasing in is required, and we are talking to DARD. We cannot give specific numbers, but we intend to have that information in the coming weeks.

**The Chairperson:** I want to ask about jobs. At the start of the session, I think that I said "jobs" when I meant "places". I apologise for that, and we now have clarification. There are 1,000, and you hope to add 6,000 to 7,000. However, if I understood Martin correctly, 100 to 120 people are currently employed.

**Mr Tyrrell:** That is a rough estimate.

**The Chairperson:** Right.

**Mr Tyrrell:** It is an approximate number. The ratio is that each facility has about 25 children, and three people are employed in each setting.

**Dr McMahon:** Those are the numbers that we support. Obviously, many more people are employed in childcare.

**The Chairperson:** Can I take it that 3.28 implies that you intend to create roughly 630 to 650 jobs?

**Mr Tyrrell:** Yes.

**The Chairperson:** That is a significant new pool of employment.

**Dr McMahon:** Exactly. That is why I made that point. It is a pilot, but it is more than that. It is substantive in its own right.

**The Chairperson:** Denis, the Executive advertising programme was mentioned. Is your advertising provided for in the programme?

**Dr McMahon:** We are putting in an application —

**The Chairperson:** Is that a "no" or a "not at the moment"?

**Dr McMahon:** We do not have that pinned down. In fairness, that is why Ministers published this in this way. It is very open about the fact that there is an Executive position on advertising and that we have to make our case like everybody else. We think that there is a very strong case to be made, and we are working with colleagues in DSD in particular to see how we can get information about working tax credits and childcare vouchers out to people. To answer your question straightforwardly: we have not agreed that yet, but we are applying.

**The Chairperson:** Does the programme allow you the flexibility to make a case?

**Dr McMahon:** Yes; absolutely.

**The Chairperson:** You obviously believe that this is an appropriate case.

**Dr McMahon:** Absolutely.

**Mr Lyttle:** I want to ask a quick supplementary question about that. Will you explain again the rationale behind the moratorium on advertising?

**Dr McMahon:** Unfortunately, I cannot. It is not an area that I am directly involved in. My understanding, probably as much as anybody else's, is that there was a concern that too much money was being spent on advertising and that we needed to achieve efficiencies.

**Mr Lyttle:** To go from too much to zero is just —

**Dr McMahon:** Honestly, I cannot justify —

**The Chairperson:** I think that we wrote to the Department a few weeks ago to ask for more detail on that.

**Mr Lyttle:** It seems to be a significant impediment to government business not to have that available to you.

**The Chairperson:** I want to know the rationale for that and its projected impact.

Finally, Denis, will you give us a bit of detail on paragraphs 3.11, 3.12 and 3.13 of the strategic framework? How will it be paid for? What about the subventions and the tariffs? Do you have a clear idea in mind about how all that will work.

**Dr McMahon:** All the £15 million that we referred to is built up on the basis of plans that underpin that. That should cover all the activities that we have set out in those paragraphs.

**The Chairperson:** Paragraph 3.11 states:

*"All enterprises will have an incentive package".*

What is likely to be in that incentive package?

**Dr McMahon:** That comes back to my earlier point. We are trying to assist the market. It will depend on an individual provider. Some providers are in the market already and are potentially well developed. In such cases, some subvention could help them to expand into a certain area or to do more activities. In other cases, providers may be coming in who have not been providers before.

**The Chairperson:** New starts.

**Dr McMahon:** Yes — brand-new starts. In that case, it could be everything from how they work out their business plans and market research through to the training and development of staff and getting their organisations up and running. The idea is to develop tailored packages depending on the nature of the organisation applying.

**The Chairperson:** Paragraph 3.12 states:

*"Places will be offered at a tariff based on the ability of the parent to pay."*

If you are a multimillionaire, you will be able to afford almost any figure per hour. It then states:

*"Maximum tariffs will be put in place to ensure affordability for all".*

Is there not a tension between those two? If it is based on the ability to pay, a very wealthy parent can pay a lot of money. Why is there a maximum tariff?

**Mr Tyrrell:** We are trying to ensure reasonableness. In part, the focus is on the 3,000 places in disadvantaged areas and places that serve families in need. Also, the salary levels here tend not to support high fees. We want all projects that we are assisting to keep their fee structures realistic to the ability of the people in their catchment areas to pay.

**The Chairperson:** There are childcare vouchers and tax credits.

**Mr Tyrrell:** We will encourage all schemes to promote those systems so that they make full use of the assistance that is available and promote that to their client base.

**The Chairperson:** As you say, this is the framework and the full strategy is to come. Are members content?

*Members indicated assent.*

**The Chairperson:** In that case, Margaret, Denis and Martin, thank you very much.