



Llywodraeth Cymru
Welsh Government

Childcare Offer for Wales

Guidance for Local Authorities

April 2021

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Section 1 - About this Guidance

1. This is non-statutory guidance from the Welsh Government to support local authorities in implementing the Welsh Government's Childcare Offer ("the Offer"). The guidance will be reviewed as necessary to reflect any changes in policy or delivery arrangements.
2. Transitional guidance was published to cover specific and additional issues arising as part of the process of reopening of the Offer to applications following a period of temporary suspension as a result of Covid-19. Elements of that guidance which remain relevant have been subsumed within this guidance document.

Section 2 – Early Implementation of the Childcare Offer 2017-2019

1. We began testing the Offer in selected areas of Wales from September 2017. This testing was important to make sure the Offer works for parents, children and childcare providers and that the childcare element of the Offer can be accessed in a way which complements the early education element, delivered through the existing Foundation Phase Nursery provision (FPN). From September 2018 the early implementation programme expanded into additional local authorities and since April 2019 the Offer has been available everywhere in Wales.
2. Each local authority will deliver the Offer within the parameters set within this guidance but in a way that reflects local circumstances.
3. The local authorities who began delivery in 2017 put in place certain processes, procedures and systems to deliver the Offer within the agreed parameters, and have collected certain data to assist with the monitoring and evaluation of the delivery of the Offer. They put in place an end-to-end process allowing parents to apply for, and access, the Offer, through to payment of provider and subsequent draw down of funds from the Welsh Government. The end-to-end process took account of a number of factors as set out in Section 9 of this guidance.
4. From 2018, implementation of the Offer has been through a model where local authorities work in partnership to deliver the Offer. Some local authorities are acting as Delivery Authorities, taking the lead on the processing of applications and payments for the childcare element of the Offer. Those local authorities who are not acting as Delivery Authorities are considered Engagement Authorities, and are responsible for the promotion of the Offer locally. Section 9 provides more detail on the roles of Delivery and Engagement Authorities.
5. We now have 10 Delivery Authorities, with the local authorities who began early implementation in 2017 taking on this role in most cases. However, some of the local authorities who began delivery in 2018 are also Delivery Authorities and have established an end to end process for accessing the Offer.
6. The Welsh Government continues to work with local authorities, parents and providers to test the way the Offer is working on the ground in order to learn and inform future policy development in relation to the Offer.

Section 3 - What is the Childcare Offer?

7. The Welsh Government has committed to providing 30 hours of government funded early education and childcare for 3 and 4 year old children of eligible working parents for up to 48 weeks of the year. The primary policy aims of the education and childcare elements of the Offer are:
 - to enable more parents, particularly mothers to return to work;
 - to increase the disposable income of those in work and help counteract poverty for those in low-paid jobs; and
 - to encourage child development and school readiness.

What do we mean by ‘early education’?

8. All children are entitled to access early education through the Foundation Phase curriculum ahead of mandatory schooling, from the term after their third birthday.
9. For the purposes of this guidance, we will be referring to this as Foundation Phase Nursery (FPN) provision, although it might be referred to differently from one local authority to another.
10. All local authorities in Wales are required to provide a minimum of 10 funded hours of FPN per week for all 3 to 4 year olds; this can be in a maintained primary (nursery) school or a funded non-maintained setting.

What do we mean by ‘childcare’?

11. For the purposes of the Offer, we mean regulated childcare. This encompasses a wide range of different types of provision, which are subject to a set of national minimum standards (NMS) and are regulated and inspected by the Care Inspectorate Wales (CIW) or Ofsted if they are located in England. The NMS are intended to allow a flexible approach, allowing providers to develop quality provision tailored to the needs of children, parents and local communities. They are intended to reflect the needs of children from birth to 12 years, and to be proportional in the way in which they are applied.

<https://gov.wales/national-minimum-standards-regulated-childcare>

What do we mean by ‘30 hours’?

12. During school term time (39 weeks a year), the existing early education entitlement under FPN will form part of the 30 hours of the Offer. The exact hourly split between FPN and childcare will depend on the current provision of FPN offered by the local authority, or, where relevant, the individual school, but will comprise at least 10 hours of FPN and cannot be more than a total of 30 hours of combined early education and childcare. Where a setting chooses to offer additional FPN

hours than the number offered and funded by the local authority, the local authority will need to ensure that the total number of hours does not exceed 30 hours for any one child.

13. Outside term-time, the FPN will not be available and working parents will be entitled to 30 hours of childcare per week. Three weeks of holiday provision will be allocated per term. This will be delivered in registered non-maintained childcare settings only, such as private day nurseries, childminders, out of school childcare and sessional care. This will inevitably put additional pressures on these services, especially during the summer holidays.
14. During term-time parents are not able to 'bank' childcare hours i.e. carry over any unused hours from one week to another. Consequently the number of government-funded hours available under the Offer will not exceed 30 in any week. Parents can, however, choose to pay for additional hours of childcare, over and above the 30 hours, at their own expense.

FPN Provision across local authority boundaries

15. In some cases a child may be accessing their FPN entitlement in a different local authority area to the one they live in. In this situation, the number of hours of childcare the parent is entitled to would be calculated based on the number of hours of FPN available to them in the local authority where they are attending the FPN. For example, if the local authority where the child attended their FPN provided 10 hours of FPN the child would then be entitled to 20 hours of childcare. These 20 hours can be used in any setting as long as the setting is registered with CIW or the equivalent in England (Ofsted).
16. A child accessing FPN in the local authority area in which they reside would be expected to use their full entitlement to FPN and would not be eligible for additional childcare provision. For instance, if the local authority where the child lived provided 12.5 hours of FPN the child would be entitled to 17.5 hours of childcare. If a parent chose not to access all their FPN provision for example only access 10 hours FPN rather than the full 12.5 hours of FPN the child would still only be entitled to 17.5 hours of childcare. These 17.5 hours can be used in any setting as long as the setting is registered with CIW or the equivalent in England (Ofsted).

Cross Border Provision

17. Under the Welsh Childcare Offer, parents who live in Wales are permitted to access the childcare element of the Offer across local authority and country borders as long as the setting is registered with CIW or the equivalent in England (Ofsted). Whether or not the FPN element of the Offer can be accessed in England will be at the discretion of the Welsh local authority funding it.

18. Parents who live in England will need to apply for the Childcare Offer in England. If they then wish to take up part or all of the Offer in a setting in Wales, the parent/s will need to speak to their local authority in England about whether a similar arrangement can be put in place to allow them to use the English Offer to pay for childcare and FPN in Wales.

Parents not accessing Foundation Phase Nursery provision

19. Working parents do not need to access FPN as a pre-requisite to accessing the childcare element of the Offer. However, as this is a combined Offer consisting of a minimum of 10 hours of FPN and a maximum of 20 hours of government-funded childcare, if a parent chooses not to access FPN provision then they will only be entitled to the additional hours of government-funded childcare during school term time (up to 39 weeks of the year) and up to 30 hours of government-funded childcare for the remaining pro-rata holiday entitlement.
20. Under no circumstances can hours of FPN be swapped for hours of childcare. Local authorities are responsible for ensuring that no child receives more than a combined total of 30 hours early education and childcare per week over 39 weeks of the year (term-time weeks).
21. At the start of the school term when a child is eligible to receive a full time education place, the child will no longer be eligible to access the Offer. In the majority of local authorities, children will be offered a full time education place from the September after they turn 4. Where a school offers a staggered start to the term, parents will not be eligible to use the Offer for these term-time day(s)/week(s) when their child is not actually in the school.
22. In local authorities where children are eligible to receive a full time education place earlier than the September after which they turn 4 (for example the day or term after a child turns 4), these children will still be able to access the holiday provision element of the Offer until the September after they have turned 4. This is to ensure some consistency in the Offer and to prevent parents being penalised for taking up a full time education place for their child.
23. Parents will not be able to turn down a full time early education place at the point it is offered across their local authority in favour of continuing to access the Offer during term time (see Section 4 – Eligibility for the Childcare Offer for further details).

Section 4 - Eligibility for the Childcare Offer

24. A parent is eligible to receive the Offer if:
- they have an eligible child within the age range;
 - they meet the definition of a working parent; and
 - they live in Wales.

Definition of an eligible child

25. FPN, as set out previously, forms a significant part of this Offer. However, whilst FPN is available to all children, the childcare element of the Offer is only available to families who meet all the parental eligibility criteria as set out below.
26. If eligible, children will usually receive the childcare element of the Offer from the term after their third birthday, until they are eligible to receive a full time education place - usually the September after their fourth birthday. However, the exact date from which they can access the Offer will depend on the start date of that term, set by the local authority. All local authorities publish their term dates and these should be communicated well in advance to parents and to neighbouring local authorities.
27. Where a local authority requires a child to have turned three by a specific point in the year in order to start accessing FPN (e.g. child needs to have turned three by 31 August to access their entitlement in Autumn term), the same rule can be applied to children accessing the childcare element of the Offer so that children become eligible to access both the early education and childcare elements of the Offer at the same time.
28. In cases where children are offered a full time education place earlier than the September after their fourth birthday, they will no longer be eligible to receive the childcare element of the Offer during term-time.
29. Parents accessing the Offer in a different local authority to that in which they live will become ineligible for the Offer according to the full time school admission dates of the local authority in which they live. See example below.

Example:

A parent lives in Authority A but accesses the Childcare Offer in Authority B. They will be offered a full-time education place for their child by Authority A from the beginning of the term *during which* their child turns 4. However, in Authority B children become eligible for a full-time education place in the term *after* the term during which they turn 4. In this case, a parent ceases to be eligible for the childcare element of the Offer during school term time at the point at which they are offered a full-time education place by Authority A.

30. To assist children who require additional support to access the Offer, the Welsh Government will provide additional support to local authorities which can fund

training, equipment, toys, resources or additional staff time (see Section 7 – Children requiring additional support).

Definition of an eligible working parent

31. The term working parent refers to parents, guardians, step-parents and long-term live-in partners within a household. Both parents in a two parent family, and the sole parent in a lone parent family, will need to be working in order to qualify for the Offer. The Offer will be available to parents who are employed or self-employed and earn, on average, the rate of minimum wage applicable to the person. By this we mean a weekly minimum equivalent of 16 hours at national minimum wage (NMW), national living wage (NLW) or apprenticeship minimum wage (AMW) (hereinafter “the relevant minimum wage”).
32. All parents, step-parents and long-term live in partners within the household where the child lives must be able to evidence, through their wages, that they earn the equivalent of at least 16 hours per week of relevant minimum wage at the rate applicable to them.
33. Where a parent is newly employed or has recently changed employers and cannot evidence earnings over this period, a letter from the employer confirming their employment, start date and earnings will suffice.
34. The Offer is available to parents on zero hour contracts, providing they can meet the minimum earnings criteria over a 3 month period.
35. The Offer is also available to self-employed parents (including the newly self-employed).
36. A primary objective of the Offer is to support working parents and when assessing whether or not a parent meets the minimum income criteria, a key consideration therefore must be whether the parent or parents are in receipt of income from work. All income from work counts but not income from investments. In the majority of cases, this will be a relatively straightforward assessment as the parent/s will be able to provide evidence in the form of monthly payslips, a letter from a new employer or average earnings worked out over a 3 month period for those working less conventional patterns. When applying the minimum income criteria, dividend income and other income from investments does not count as income from work. Director loans do not count as income from work either. This is because there is no direct or clear correlation between hours worked and income received through dividends, or if it does exist it is not easily evidenced
37. Providing both parents are resident in Wales, income earned from a business registered outside the UK will count towards the minimum earnings criteria.
38. Kinship carers and carers who hold a special guardian order are able to access

the Offer providing they meet the earnings criteria and are caring for a child who is the correct age to receive the Offer. The special guardianship allowance does not count towards their earnings. Kinship carers are family and friends who have taken responsibility for a child or step child who is not their own because:

- the child has no parents or has parents who are unable to care for the child;
 - it is likely that the child would otherwise be looked after by a local authority because of concerns in relation to the child's welfare.
39. If a foster parent meets the wider eligibility criteria, they can access the Offer for their own child and for their foster child, providing the childcare is in line with their foster child's care plan. Foster carers are able to use their fostering allowance as proof of earnings to meet the minimum income criteria for the Offer.
40. Eligible parents who are on adoption leave are able to access the Offer for any eligible children; however, the child who is the subject of the adoption would not be eligible to receive the Offer even if the child is within the eligible age range.
41. Having 'no recourse to public funds' does not exclude parents from accessing the Offer. Parents who are "subject to immigration control" as defined by Section 115(9) of the Immigration and Asylum Act 1999 are able to access the Offer provided they meet all other eligibility criteria.
42. Exceptions for two parent families having to meet the earnings criteria are:
- one parent is employed (and earning the equivalent of at least 16 hours per week of relevant minimum wage at the rate applicable to them) and one parent has substantial caring responsibilities based on specific benefits received for caring; or
 - both parents are employed (and earning the equivalent of at least 16 hours per week of relevant minimum wage at the rate applicable to them) but one or both parents are temporarily away from the workplace on statutory parental, maternity, paternity or adoption leave (except where that child is 3-4 year old); or
 - both parents are employed (and earning the equivalent of at least 16 hours per week of relevant minimum wage at the rate applicable to them) but one or both parents are temporarily away from the workplace on statutory sick pay;
 - one parent is employed (and earning the equivalent of at least 16 hours per week of relevant minimum wage at the rate applicable to them) and one parent is disabled or incapacitated based on them being in receipt of, or having an underlying entitlement to, one of the following qualifying benefits:
 - Incapacity benefit;
 - Carers allowance;
 - Severe disablement allowance;
 - Long term incapacity benefit;
 - Employment and support allowance; or

- National insurance credits on the grounds of incapacity for work or limited capability for work.
- Although not an exception benefit as such, in families where one parent is working and meets the eligibility criteria for the Offer and the other is in receipt of payments from the Armed Forces made to seriously injured veterans (for instance, Guaranteed Income Payment), that child will be eligible for the Offer. However, families where one parent is receipt of an exception benefit and the other parent receives a disability payment from the Armed Forces, will not be eligible.
 - In families where one parent is working and the other has taken early retirement on the grounds of ill health, they will remain eligible if the affected parent is unable to work because of the health issue that forced their retirement and is in receipt of, or has an underlying entitlement to, one of the qualifying benefits listed above. In the case of a single parent family they would fall out of eligibility if they were to take early retirement on grounds of ill health. **One member of the household has to be working in order to qualify for the Offer.**
43. The only exception to eligibility for a single parent family is where the parent is employed (and earning the equivalent of at least 16 hours per week of relevant minimum wage at the rate applicable to them) but is temporarily away from the workplace on statutory sick, parental, maternity, paternity or adoption leave.

Statutory Unpaid Parental Leave

44. Under section 76 of the 1996 Employment Rights Act, a person can take up to 18 weeks of unpaid parental leave for each child up until the child reaches 18 years of age. This would normally be restricted to a maximum of 4 weeks per year for each child. However, in the case of employees reaching the end of their maternity leave it is possible to take the full entitlement to unpaid parental leave immediately following the end of their maternity leave. In either case the parent would continue to be eligible for the Offer providing they have a letter from their employer stating that they are employed, ordinarily meet the eligibility criteria and are taking qualifying parental leave.

Complex family circumstances

45. In cases where parents have separated but do not share equal custody of the child, we advise the parent with primary custody be the one considered as eligible to take up the Offer.
46. In cases where parents have equal custody of a child, we advise one of the parents will need to be nominated to act as the lead parent and will need to meet the eligibility criteria for the Offer. Where this cannot be agreed by the parents, the

matter should be referred to the local authority for determination. How the childcare is used and apportioned between the time the child spends with each parent is a matter for the parents.

47. Husbands, wives or live-in partners of parents with primary custody, or of nominated lead parents in cases of joint custody, will also need to meet the eligibility criteria for the family to receive the Offer.
48. Other adults (such as lodgers, extended family members or siblings) residing in the house will not need to meet the criteria, unless they are also the child's primary guardian. For example, in a case where the parents of a child have separated and the mother has primary custody, if there is a co-habiting partner living in the same household, they would also need to meet the eligibility criteria for the child to receive the Offer. However, if the mother had primary custody but lived with her parents, or had another child over the age of 18, only the mother's circumstances would be considered.

Temporary Exemption Periods (TEPs)

49. The Offer is intended to support working parents and to encourage parents to return to work or to increase their hours. Families may at times fall out of eligibility for the Offer. One of the most common reasons for this is likely to be where one or both parents lose their job or their earnings are reduced below the minimum requirement. However, it could also be the case that a parent notifies the local authority that they have earned more than the maximum income threshold. In order to provide stability for both children and childcare providers, and to give parents the opportunity to become eligible again, families who fall out of eligibility will still be able to access the Offer for a limited amount of time.
50. When a parent becomes ineligible for the Offer they will enter an 8 week temporary exemption period (TEP). Hours of childcare should not be booked by a parent who is in a TEP if they do not intend on their child attending them. Under no circumstances should a TEP (or the Offer as a whole) be used to book hours of childcare that a parent does not intend on taking up, or book in order to cover a retainer fee charged by a provider. Parents being found to book hours of childcare that are not needed because their child is at home with them will be considered to be claiming fraudulently and may be reported to their local authority. The only exception to this is where the child is at home for an unexpected or unavoidable reason such as sickness.
51. It is the parent's responsibility to inform both their local authority and their provider that their circumstances have changed. Should a parent's circumstances change and they do not immediately inform their local authority, their TEP will still run from the point at which they stopped being eligible for the Offer. For example, if a parent falls out of eligibility but fails to inform their EILA until 4 weeks later, only 4 weeks of their TEP will remain. A parent may have more than one TEP. For

example if a parent fell out of eligibility and used a TEP (whether partially or in full) and then became eligible again, they could then have another TEP if they fell out of eligibility a second time or a third time.

52. At the point a parent's TEP ends they will no longer be able to access the Offer, and they will become responsible for paying all costs associated with using that childcare provider. Where a parent's TEP expires and they fall out of eligibility, local authorities are advised to re-assess the parent's eligibility if they re-apply at a future date as their circumstances may well have changed significantly in the intervening period (for example they may have moved or started working for a different employer/become self-employed).

Maximum Earnings

53. Any parent who applies for the Offer who earns £100,000 or more per year (gross income) will be ineligible to receive the Offer.

Section 5 - When parents can access the Offer

54. Parents can access the Offer from the term after their child turns 3 (subject to their local authority early education admission policy), up until the point at which they are eligible to receive a full time education place, usually the September after their child turns 4. The first day of term is set by the authority and therefore the exact date from which a child can access the Offer may vary between authorities. Please refer to Section 4 for further details of when a child is eligible for the Offer.
55. Funding will begin on the date specified by the local authority when they notify a parent that their application has been successful.

Holiday Provision

56. The early education provided through the FPN is only delivered during term time. The exact number of weeks of 'term time' per year may vary between local authorities. However for the purpose of this policy, term time will be treated as 39 weeks, meaning the other 9 weeks of the 48 week Offer will be treated as non-term time or 'holiday provision'.
57. During the up to 9 weeks of holiday provision, eligible children will receive 30 hours of childcare only. The Welsh Government will not be specifying which of the 13 weeks non-term time are designated as the 9 weeks of holiday provision in order to allow flexibility for parents who are in different occupations, such as those who have to work over the summer or Christmas holidays. Providers should not be specifying to parents which of the 13 weeks are designated holiday weeks under the Offer either.
58. In order to make the administration of this possible, parents will be allowed to use up to 30 hours of childcare per week however they choose (for example for 10 hours a day over a period of 3 days). However parents will not be able to 'stretch' their entitlement across weeks or transfer unused hours across weeks.
59. Holiday provision will be allocated at the beginning of each term the child is eligible for the Offer, with 3 weeks holiday provision being allocated per term of eligibility. Children who are eligible for the Offer over two academic years will continue to receive 3 weeks holiday provision at the beginning of each term they remain eligible. Holiday provision can be carried over from one term to the next and from one academic year to the next.
60. To reduce the administrative burden for Delivery Authorities when recording holiday entitlement, holiday provision must be accessed in weekly blocks. In weeks where at least 3 of the 5 days are designated school holidays by the local authority (i.e. not inset days), then the whole week can be considered a holiday week for the purpose of holiday provision. If the term finishes on a Monday or a Tuesday, for example, and the rest of the week is classed as school holidays, then

the local authority can count that week as a holiday week should the parent wish to do so. Similarly, if the school term officially starts on a Thursday or Friday, then that week can be counted as a holiday week.

61. The local authority should however not be paying for more than a total of 30 hours of childcare during that week and in any 7 day period and any childcare hours used by the parent during the days when the child is also accessing FPN should be deducted from the overall allowance of 30 hours childcare for that week. The parent can use whatever is left of the 30 hours childcare holiday allowance on the other days of the week. The parent should be made aware however that this will count as a holiday week should they decide to do this and that the local authority will consider the parent to have used up one of their holiday weeks. The parent may be better off not using their holiday entitlement in a week when there are one or two school days, but this will be up to the parent to decide and will depend on their personal circumstances.
62. This allows parents to decide which weeks they access their non-term time childcare but they are responsible for finding a childcare provider who can offer this provision. However, local authorities will be required to keep a record of the holiday provision actually accessed by parents, taking account of any unused provision carried forward.
63. Where a child is offered a full time education place before the September after their fourth birthday (e.g. the day after or term after their fourth birthday), that child is still eligible to receive 30 hours per week of holiday provision (3 weeks for each school term the child remains eligible) up until the September after their fourth birthday i.e. the start of the school term as determined by the local authority. This is to ensure all eligible parents receive the same Offer and to avoid penalising parents who take up a full time education place for their child before the September after they turn 4 years of age.

Section 6 - Who can deliver the Offer

64. The childcare element of the Offer may be delivered by any childcare setting anywhere in Wales or bordering areas, so long as they are registered with the Care Inspectorate Wales (CIW) or Ofsted in England. To this end, they will be compliant with the National Minimum Standards for childcare, be familiar with CIW's Quality Framework and inspected accordingly. Providers in England will be inspected by Ofsted and will be compliant with their standards.
65. Registered childminders are able to deliver the Offer for a child who is also a relative, providing that care is delivered outside of the child's home and the childcare provider does not have parental responsibility for the child.
66. Nannies in Wales are not regulated to the same extent as registered childcare providers and therefore cannot be funded to deliver the Offer.
67. Childcare providers wishing to be involved in the Offer will be expected:
 - to form an agreement with the relevant local authority to deliver the Offer based on the parameters stated, which includes details of the fixed funding rate;
 - not to charge parents any hourly top-up fees for the 3 and 4 year olds who are attending under the terms of the Offer;
 - to ensure, as far as possible, childcare is provided flexibly in order to help meet the needs of working parents;
 - to inform the local authority should a change of circumstances occur, such as if a parent fails to take up the hours funded through the Offer; and
 - adhere to the guidance for charging for additional elements when charging parents accessing the Offer for food and travel.
68. Providers who are found to breach the agreement and charge hourly top-up fees will no longer be funded to deliver the Offer.
69. Childcare providers will also be encouraged to:
 - provide bilingual or Welsh medium provision and resources, where possible; and
 - provide assistance for children requiring additional support, where possible.
70. Local authorities should support them in this endeavour.

Section 7 – Children requiring additional support

71. The Welsh Ministers want to ensure that all eligible families are able to access the Offer and the Offer has been designed in such a way as to take account of the barriers that may face eligible parents who have children who require additional support.
72. In relation to the childcare element of the Offer, the Welsh Government is providing additional funding above and beyond the core hourly rate to ensure children receive the support they need. Funding can be accessed through the Additional Support Grant.
73. Funding in relation to any additional support for children to access the education element of the Offer is already directed via local authorities, who have established systems for assessing need and allocating resources.
74. Under the Additional Learning Needs and Education Tribunal (Wales) Act 2018⁽¹⁾, children with severe medical or healthcare needs will be funded through the social care budget. These children will not, therefore, require additional funding under the Offer.
75. When we refer to children who require additional support within this guidance, this refers to any child who may require support to access the Offer, regardless of whether their needs specifically relate to education or not or whether they have been given an Independent Development Plan or not.
76. In respect of the Offer, additional support could mean that a child has permanent or temporary:
 - Cognition and Learning, including specific, moderate, severe or profound learning, difficulties;
 - Behavioural, emotional and social development difficulties
 - Communication and interaction, including autism; speech, language and communication, difficulty;
 - Sensory and/or physical, including hearing and/or visual impairment or physical, difficulties;
 - Medical conditions.
77. The funding awarded through the Additional Support Grant should be spent according to each individual child's need. Support is not limited just to those children with pre-existing SEN statements or diagnoses. It can be used to fund a range of additional needs where it might be appropriate and consideration should be given to how funding can be used to allow equal access to the Offer based on that specific child's needs and in accordance with the guidance in respect of the Additional Support Grant.

¹ 2018 anaw 2.

78. Currently claims for children who require additional support can be made on the childcare grant claim form. Where a Delivery Authority is administering the Offer on behalf of an Engagement Authority, they will need to work with the partner authority/ies to establish a process for managing decisions and payments in respect of the Additional Support Grant.
79. Please refer to the Childcare Offer for Wales Additional Support Grant Guidance for further details.

Section 8 - Payment Rate

80. A national basic pay rate of £4.50 per hour is being paid to childcare providers delivering childcare under the Offer².
81. The national basic pay rate covers childcare only and excludes charges for food, transport and other activities such as off-site activities which incur a cost i.e. day trips. If a childcare provider would usually charge more than £4.50 per hour for childcare, they cannot charge parents an additional hourly amount to top-up the rate under the Offer.
82. Childcare providers will be able to charge parents for additional elements such as food, drink, transport and off-site activities which incur a cost. However, childcare providers must take account of the Welsh Government's guidelines in respect of setting additional fees when charging parents for additional elements over and about childcare.
83. Parents accessing the Offer should not, as a condition of their child's attendance, be required to take and pay for the provider's food and may opt to provide packed meals, if the setting would normally allow this. Parents should also be able to opt their child out of paid for off-site activities and participation in such activities should not be a condition of using the childcare setting. Such activities should be occasional and exceptional, rather than a routine part of the setting's week.
84. Childcare providers should not impose any additional charges on parents accessing the Offer for any elements over and above the costs of actual childcare if they do not also impose charges for those elements on parents who are not accessing the Offer. For example if a childcare provider does not charge parents for food as a separate item then they cannot charge parents accessing the Offer for food separately.
85. Where childcare providers do include a charge for food as part of the service they provide but the charge for the cost of the food is combined in with their standard half-day or full-day rate this is generally not shown separately on invoices. If a setting were to levy a food charge, for example, as part of their delivery of the Offer, the provider should make it clear what that charge is for to the parents accessing the Offer. It may also help to make it clear that charges in respect of food are a part of the regular rate paid by all parents accessing their services. The same premise would apply for transport costs or other services.
86. However, it is not permitted for a parent accessing the Offer to be charged for something for which no charge is levied for anyone else. So, for example, if no charge is made to any parent at all in respect of transport, parents accessing the Offer should not face a charge in respect of transport.

² £4.50 is the current hourly rate paid to providers delivering the Offer, and this rate is currently being reviewed.

87. The rate for FPN is consistent with the Childcare Offer rate, although the funding mechanisms for both are different. For settings that offer FPN, it is important that they are as clear as possible which hours of a child's attendance are paid for under each element of the Offer. If a childcare provider is being funded for hours of FPN, they cannot also charge for the provision of the childcare element of the Offer for the same hours. That would class as double-charging and would be likely to result in action being taken to recover the costs.
88. Childcare providers may want to make it clear on their invoices to parents and local authorities how many hours of each element have been provided in each day and at which rate. For example, an invoice in respect of a 10 hour full-day session might say that 2 hours were provided as early education and 8 as childcare, with the relevant rates shown along with any additional charges in respect of food or transport.
89. Where childcare providers are not delivering FPN but are holding a place open for a period of time while a child attends an education setting, as part of a wrap-around service, it is acceptable to charge for those hours under the Offer as this is covered by our policy on booked hours. In such cases, the childcare provider would previously have charged the parent for those hours due to the need to both hold that place and to staff the provision appropriately.
90. Local authorities will need to ensure that the pay rate details outlined in the Provider Contract take account of and re-enforces the Welsh Government guidelines in respect of childcare providers charging for additional elements under the Offer. Local authorities will have a responsibility in monitoring the additional fees being charged to parents and evaluating whether these are deemed reasonable and in line with the Welsh Government guidelines.
91. If a childcare provider is not following the guidelines and is deemed to be charging excessive or unreasonable additional fees, then the local authority should consider whether or not this constitutes a breach of the provider contract they have with the provider and inform the Welsh Government.
92. Providers who intentionally or persistently breach the agreement should not be funded to deliver the Offer.

Guidelines in Respect of Charging for Additional Elements

93. The Welsh Government guidelines in respect of charging for additional elements during a full day care session (approximately 10 hours) are that parents should not be charged more than £7.50 per day for food. This figure is derived from using a value of £2.00 per meal. A charge of £7.50 for a full day care session would include three meals at £2.00 per meal and 2 snacks at a charge of 75p per snack.
94. Guidelines in respect of charging for additional elements during a half-day session

(approximately 5.5 hours) are that parents should not be charged more than £4.75. This figure would allow for a child to be charged for two meals at £2.00 per meal plus a snack at a charge of 75p per snack.

95. For sessional care where a meal is not provided but children receive a snack, guidelines are that parents should not be charged more than 75p per day for snack provision.
96. Fees for transport and off-site activities will not be set by the Welsh Government. Transport costs will vary depending on the location and nature of a childcare provider, the type of transport provided and the costs associated with staffing and maintaining transport vehicles. Rates for off-site activities where costs are incurred will also vary according to the nature of the activities.
97. However it is expected that transport rates would be reasonable and in line with normal transport costs (transport costs before the introduction of the Offer). Participants of the Offer should not be charged more for transport than children not accessing the Offer. The same applies for additional activities.

Section 9 - Delivering the Offer

Current Delivery Model

98. From September 2018 there have been 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.

99. The model is based upon maximising partnership working wherever possible to increase shared learning and deliver economies of scale and minimise the number of delivery systems across Wales.

Roles and Responsibilities

100. The operation of the delivery and engagement authority relationship is agreed between the partner local authorities. However, as a minimum, the Welsh Government expects the following of each category of authority:

Delivery Authorities are responsible for

- developing and managing a system to enable parents of their own and their engagement partner authority/ies to know about, understand, and apply for the Offer;
- providing advice and support to parents and providers within their authority on the Offer through their Family Information Service;
- developing and managing a system/s for checking the eligibility of parents applying for the Offer in their own and their engagement partner authority/ies;
- developing and managing a system/s for handling any enquiries relating to an application from a parent in their own or engagement partner authority/ies;

- developing and managing a system/s for confirming eligibility to deliver the Offer; for enabling registration of providers and making payments to childcare providers in their own and their partner engagement authority/ies;
 - working with their engagement partner authority/ies to establish and manage a process for handling applications for additional support grant funding. Decisions in respect of the grant are made by the engagement authority, however delivery authorities hold responsibility for managing the payments of the Additional Support Grant for their own and their engagement partner authority/ies;
 - establishing and implementing processes to collect and report certain data to the Welsh Government and other contracted parties as specified under section 11 of this guidance;
101. A delivery authority is responsible for handling all queries relating to standard applications, whether the application is live, or has been declined. The delivery authority is expected to be the main point of contact for parents or guardians who have applied for the Offer either within their own or their engagement partner authority. However, a delivery authority may wish to liaise with the engagement authority to resolve certain issues.
102. In developing and implementing systems and processes for delivery of the Offer, a delivery authority will need to take account of the remainder of section 9 of this guidance.

Engagement Authorities are responsible for

- publicising and marketing the Offer to parents and providers within their authority;
- providing advice and support to parents and providers within their authority on the Offer through their Family Information Service/Childcare Teams;
- making determinations in respect of additional support grant funding for their authority and working with their delivery authority to develop a process for communicating determinations to enable grant payments to be made. Engagement authorities will need to take account of the separate guidance on the additional support grant funding when making determinations;
- providing evidence for the evaluation of the Offer to third party independent evaluators;
- providing information to enable delivery authorities to assess and process applications from parents and guardians from within the engagement authority. This would include, but is not limited to, providing information to

enable a parent's eligibility to be checked, such as information on schools admissions or council tax; providing detailed information on the delivery of Foundation Phase Nursery (FPN) within the engagement authority and information on the engagement authority's assessment of a child's additional needs for the purposes of the Offer;

- Informing delivery authorities of any action taken by CIW in relation to a provider such as de-registrations/suspensions.

103. Section 10 of this guidance outlines details of the funding available to local authorities to support delivery. It is for individual delivery and engagement partnerships to determine how best to use the money available to them to deliver the Offer in partnership. For example, authorities may wish to jointly fund a Childcare Offer post that will work across delivery and engagement authorities to support delivery of the Offer within the partnership arrangement.

Agreement of Partnership Arrangements

104. An agreement outlining the partnership arrangements between a delivery and engagement authority is a condition of the grant available to support the administration of the Offer. It is for local authorities to determine the nature of this agreement, but each delivery and engagement authority concerned will need to be content with the agreement.

Communications

105. All local authorities need to promote the Offer amongst childcare providers and potential eligible parents. This could include provider events, promotional materials and current information being available on websites (such as the individual local authority websites). We expect both delivery and engagement authorities to actively promote the Offer and encourage take-up by disadvantaged and under-represented parents and children. Full use should be made of links with partners who are in contact with relevant parents, such as schools, Families First, Flying Start, Family Information Services, Jobcentre Plus, in addition to opportunities through local newspapers and other publications.

106. Where a Delivery Authority is processing and handling applications on behalf of an Engagement Authority, it must be made clear to parents and guardians who will be holding the information and how the information will be handled.

107. Local authorities are already required by the Childcare Act 2006³ to provide information, advice and assistance to parents and prospective parents on the provision of childcare in their area. Consequently, authorities should ensure that parents are aware of the Offer, respond to any questions about the Offer and assist eligible parents, through their Family Information Service (FIS), to apply for

³ See section 27 of the Childcare Act 2006 (c. 21) (duty to provide information, advice and assistance).

the Offer and find suitable childcare.

Pre-Application Eligibility Check

108. Delivery Authorities may set up an online pre-application screening, to undertake an initial basic check of the eligibility of a parent and child ahead of submission of a full application. Pre-application screening should consider the postcode of the parent/s applying, check that parents, step-parents and long term live in partners within the household can prove they earn the equivalent of at least 16 hours per week of relevant minimum wage at the rate applicable to them and do not earn £100,000 or over (gross income) per annum and that the child is of eligible age. Such a screening approach would build efficiencies in the application system, reducing the number of applications received from ineligible families.
109. Alternatively, authorities may publish the eligibility criteria for parents/carers to fast check their own eligibility before full application.
110. Eligibility of parents to receive the Offer should be through self-declaration on either a hard-copy application form issued by the Delivery Authority or via an on-line application system.
111. Parents who apply for the Offer, or are in receipt of the Offer, will be informed that they will need to produce documentary evidence they meet any, or all, of the eligibility criteria on the application form.

Application Process

112. Delivery Authorities need to establish and manage an application process, whether it be electronically on-line; by paper copy, or a combination of both. The Welsh Government has informed Delivery Authorities about information we require to be included in the application form, unamended, to allow for monitoring and evaluation which will inform the longer term Offer.

Providers should not be supporting parents with their applications other than in exceptional circumstances where it is felt by the local authority and the provider that there is a high risk that parents will lose out on Government-funded childcare if they are not supported in this way. In these circumstances, the local authority should satisfy themselves that there are appropriate measures in place to mitigate potential fraud and data breaches and this should include taking the following steps:

- The local authority should satisfy themselves that the provider is adequately covered in terms of their duties in respect of handling personal information (GDPR);
- The provider can help with completing the application, but the application must then be sent to the parent to verify that all the information within the application is accurate and correct;

- The application must be submitted to the local authority by the parent (e.g. from the parent's email address);
- Notification of eligibility from the local authority should be communicated directly to the parent.

These arrangements can be used in exceptional circumstances but as a general rule if parents require help to complete their application e.g. because they are digitally excluded, then they should be approaching their Family Information Service or local authority contact for help.

Self-Declaration

113. Application forms need to be accompanied with privacy notices setting out what data is being collected and why; who that data will be shared with; how it will be used; and how long it will be retained for. In relation to the Offer, and under the terms of the General Data Protection Regulation (GDPR), the Welsh Government is the Data Controller and Delivery Authorities are Data Processors. Delivery Authorities collect relevant data on behalf of the Welsh Government in order to deliver the Offer and pass some of that data to the Welsh Government for monitoring and evaluation purposes.
114. The Welsh Government has prepared and shared with local authorities a privacy notice which sets out how data shared with the Welsh Government and its contractors will be processed. This notice is compliant with the terms of the GDPR requirements and must be published alongside Delivery Authorities' own privacy notice relating to the Offer.
115. Delivery Authorities must also develop and publish their own privacy notice setting out how personal data, including data not shared with the Welsh Government, will be processed. This privacy notice must be compliant with GDPR requirements and needs to reflect the data sharing provisions and protocols set out in the Childcare Offer privacy notice as issued by the Welsh Government.
116. We recognise that some authorities may choose to combine the data collection for the childcare element of the Offer for the Welsh Government with the collection of data that they require for the purposes of delivering early education. If this is the approach taken, authorities need to be satisfied that they have the necessary legal powers to combine these data sets and to a GDPR-compliant privacy notice covering this data collection. Local authorities must clearly differentiate between the data collected on behalf of the Welsh Government and data collected on behalf of the local authority. It is advised that these statements are checked with relevant personnel within the authorities to ensure that they are legally compliant.

Eligibility Checking

117. Delivery Authorities need to check the eligibility of all applications. Whilst applicants will sign a disclaimer to confirm that they meet the minimum criteria for

eligibility, it is expected that each application is also supported by documentary evidence of eligibility. This could include:

- proof of residency in Wales i.e. postcode to be checked against council tax data;
- proof of earnings, to show that a minimum income equivalent of 16 hours is worked by each parent each week e.g. 3 months' worth of pay slips;
- proof of employment contract, to ensure longevity of eligibility, or agreement from applicant to the Delivery Authority contacting the employer directly to check employment contract details;
- proof of child's age and date of birth i.e. copy of birth certificate.

118. Consideration also needs to be given to how newly re-located applicants provide proof of address i.e. if not yet registered for council tax.

119. A newly self-employed parent would be exempt from the earnings criteria for the first 12 months after the business was established, but should be asked to provide proof of their business's establishment. This could be, for example, through agent testimony (e.g. their accountant could vouch for their business being set up and likely income over the forthcoming tax year). Alternatively they may be able to produce a business plan including evidence of a newly acquired place of work/premises or if their business is sufficiently underway, copies of invoices, quotes or tenders with any personal, identifiable information removed. They may also be able to supply their Unique Tax Reference (UTR).

120. An established self-employed parent would need to supply their UTR and details of their earnings over the past 12 months as set out in their Self-Assessment return.

121. In the absence of a Self-Assessment return, the LA could ask for accountant confirmation of likely income over the forthcoming tax year. Where earnings do not meet the threshold, a statement of anticipated income over the period of entitlement from their accountant/agent would be required. The eligibility is based on a projection of what they will earn over the next year rather than what they have actually earned over the last year.

122. Delivery Authorities need to develop guidance to sit alongside the application form outlining the details of the Offer. It is advised that such guidance should cover the following as a minimum:

- Details of the Offer, including clarifying that the Offer is a mix of FPN provision and childcare, the differences between the two and what hours will be offered as FPN and what hours will be offered as childcare;
- An explanation of how the Offer is made up of 39 weeks term-time hours (where there is a split between FPN and childcare hours up to a total of 30 hours per week) and 9 weeks of holiday provision (when 30 hours per week

of childcare can be claimed) and that Offer funding is only available for 48 weeks of the year;

- Full details of eligibility criteria, including details of exceptions etc;
- The application process for both FPN and childcare elements of the Offer what happens at each stage, what they will need to do in respect of providers etc;
- Clarification that the days and hours detailed in the application form may not be met by their preferred provider and that their preferred provider may not agree to take part in the Offer at all and what should happen in such circumstances;
- Clarification of where liabilities lie in respect of a contract between a parent and provider i.e. when signing a contract with a provider the parent is entering into a legal contract, independent of the authority;
- Clarification that it is the parent's responsibility to pay for any hours the child is cared for by a childcare provider, outside or over and above the parameters of the Offer.

Managing the information

123. Delivery Authorities need to consider how information obtained through the application process is handled, how it is received, how it is stored and how long information is retained. No information should be stored for any longer than is necessary to enable a person to continue to access the Offer for the duration of their entitlement or to enable the evaluation of their participation. Once access to the Offer has ceased for an individual, their data should be deleted. This should be clearly stated at the time a parent consents to the use of their data, along with details of how they can withdraw that consent.

124. The following deadlines for destruction of data must be adhered to:

Parents (and children) who take up the Childcare Offer:

- Proof of eligibility evidence: within 21 days of the end of the final term for which the child is eligible for the Childcare Offer
- Other data: within 18 months of the end of the final term for which the child is eligible for the Childcare Offer

Parents (and children) who are successful in their application but do not take up the Childcare Offer:

- Within 21 days of the end of the end of the final term for which the child is eligible for the Childcare Offer

Parents (and children) who are unsuccessful in their application:

- Within 21 days of either (i) the end of the allowable period to lodge an appeal, or (ii) the end of the formal appeals process, if such an appeal is made.

Providers registered to deliver the Childcare Offer:

- Within 18 months after providers de-register to deliver the Childcare Offer

125. The management of information must comply with data protection laws and conditions set out in schedule 6 of the grant offer letter outlining GDPR requirements. It is advised that counsel is sought from relevant internal colleagues i.e. Data Information Officers or Data Protection Officers to ensure compliance with the GDPR requirements.

Database

126. Delivery Authorities must manage a database to store and process application information. This database needs to generate a unique identification number which is assigned to each eligible child under the Offer. This unique identification number will help map a child through the system.

127. The database must hold certain information which is required by the Welsh Government in respect of monitoring and evaluating the Offer. This information will need to be stored in such a way that monthly and termly reports can be produced. Further details on Evaluation and Monitoring are at Section 11.

Notifying Parents

128. Delivery Authorities must have in place a system to notify parents of the outcome of their application and whether eligibility has been established or not. Delivery Authorities must consider the timeliness of this communication and how it will be undertaken, electronically via email or in hard copy via letter.

129. In addition to a decision, parents also need information on:

- the process for securing a provider, including the process should a provider they approach not already be registered for the Offer i.e. advice on where a provider can get information on registering;
- the process should a provider not want to take part in the Offer;
- what happens once a provider has agreed to offer a childcare place under the Offer;
- details on what cost elements are included in the rate i.e. the rate does not include travel costs, administration and retainer fees etc.;
- details of the scope of the Offer i.e. it will fund childcare for 48 weeks of the year, made up of 39 term time weeks and 9 holiday weeks, including information on how holiday weeks are allocated;

- details on the differences between a standard contract with the provider and a contract covering the Offer. It should be clear that in agreeing to take a childcare place the parent is entering into a private contract with the provider for which they are liable.

130. It should be clear to parents that responsibility for securing childcare, which meets individual parents' needs, lies with the parent and that this should be sought from existing provision. However, Delivery Authorities should make parents aware of their local Family Information Service which can provide information on what provision is available.

Provider Process

131. Providers need to register to deliver the Offer and, in so doing, agree to the terms and conditions of the Offer.

132. Delivery Authorities need to establish a process for registering providers and should publicise this through their Family Information Services/local authority websites and those of the Engagement Authorities they are working with.

133. Delivery Authorities must establish a process for confirming with the provider the number of government funded hours for each individual child. It is suggested that as part of this process, a provider is required to complete a form confirming a child's application for childcare and including details on the child's unique identification number, the number of hours a child is claiming for, the pattern and days over which these hours will be claimed and the total number of hours the child is with the provider. The Delivery Authority will need to undertake a reconciliation exercise to ensure that the number of government funded hours the parent is claiming for mirrors those on their application and can be met from within their entitlement.

Provider Contract

134. Before being able to deliver childcare under the Offer a provider will first need to have registered with the Delivery Authority for payments and will need to have agreed the terms and conditions of the Offer, as set out in the provider contract.

135. This contract will define and govern the relationship between the authority and the provider and will provide the legal underpinning of the relationship. The contract will outline responsibilities and liabilities in respect of payments, and re-claims. It is therefore recommended that relevant internal colleagues are engaged in drawing up the contract including, but not limited to legal and audit colleagues, to ensure legal requirements, general data requirements and due diligence for the individual authority are met.

136. As a minimum it is advised that the following is taken account of when drawing together the provider contract:

- Details in respect of payments, the process and regularity etc.;
- Monitoring and Evaluation requirements - details of reporting requirements; level and timing, and requirements in respect of the independent contractor procured to evaluate the Offer. It should be explicit that provision of the data is a pre-requisite of participating in the Offer and failure to deliver the required information could be actioned in line with any other violation of the terms and conditions of the Offer;
- Details of liabilities in respect of the child's care and any requirements such as health and safety assessments or toolkits required to be undertaken by a provider;
- Details of the responsibilities in respect of notifying the other party should one become aware of a change of circumstances of a parent which effects eligibility;
- Details in respect of payments should a parent exceed their eight week temporary exemption period and continue to use the childcare;
- Process should fraudulent behaviour on behalf of the provider be identified.

137. An authority may also want to consider asking for the following in respect of assurances:

- Sufficient evidence of financial viability of the provider i.e. proof of financials; and
- A copy of the contract between the parent and provider.

Code of Practice on Ethical Employment in the Supply Chains

138. The [Code of Practice on Ethical Employment in the Supply Chain](#) was published in March 2017. This code commits public, private and third sector organisations to a set of actions that tackle illegal and unfair employment practices.

139. All public sector organisations, businesses and third sector organisations in receipt of public sector funding, directly or indirectly through grants or contracts, are expected to sign up to the Code. Other organisations in Wales are encouraged to sign up.

140. In respect of the Offer it is considered that the authorities will be expected to sign up to the code, however there is no requirement for childcare providers to do the same. Childcare providers as businesses would be encouraged to sign up to the code as good practice but it is not a requirement of delivering childcare under the Offer. It is not considered that a childcare contract under the Offer is part of the public sector supply chain. The childcare contract is negotiated and agreed between the parent and provider.

Process for Paying Providers

141. Delivery Authorities will need to establish and manage a system and process for paying providers. Providers will need to register as a supplier with a Delivery Authority in order to be able to claim for childcare delivered under the Offer.
142. Delivery Authorities will need to develop and manage a system that will allow them to pay providers monthly in advance (where possible) and will also need to seek monitoring and evaluation information monthly in arrears.
143. We advise that wherever possible, providers are paid in advance for the hours of childcare delivered through the Offer. Should a local authority's internal audit systems not allow payments in advance to be made, payments in arrears should be made as soon as possible after that childcare setting has delivered those hours through the Offer.

Re-Checking Eligibility

144. Delivery Authorities will need to develop and manage a system to confirm the continued eligibility of parents accessing the Offer and they will need to be satisfied that any system and process meets the local authority due diligence requirements.
145. Re-checking eligibility is a requirement for delivery authorities. It will be for individual delivery authorities to determine a process which meets with data protection laws and internal governance and audit requirements.
146. It is not expected that applicants will need to re-submit full applications as part of this process, nor will all applicants be expected to provide documentary evidence in support of their continued eligibility. However it is expected that random spot checks will be undertaken on a minimum of 20% of those parents who re-confirm their eligibility, where further evidence will be sought in respect of their continued eligibility.
147. The process and timing of these re-checks will need to be determined by the authority.

Re-Claim Process

148. The Welsh Government will provide Delivery Authorities with a Childcare Grant to fund the childcare places for the Offer. Delivery Authorities are the accountable body in respect of the Childcare Grant and payments to providers (third party providers). Delivery Authorities are responsible for ensuring that this grant is used for approved purposes and should take appropriate action to safeguard the funding provided through the grant.

149. If it is discovered that the childcare grant funding has not been used for approved purposes, where a parent who is not eligible/no longer eligible claims government funding under the Offer or where a provider claims government funding under the Offer incorrectly or inappropriately, it is the responsibility of the Delivery Authority to retrieve this funding.
150. The Welsh Government expects Delivery Authorities to take action in relation to any funds wrongly administered/fraudulently claimed under the Offer, although any action undertaken should always be judged on the circumstances and merits of the individual case and always reported to Welsh Government without delay.
151. Local authorities should adopt a zero tolerance approach towards fraud. Depending on the merits of each case, delivery authorities may consider the following courses of action:-
- issuing a warning– where there was clearly a misunderstanding and the gain or loss was minimal;
 - recovering the loss;
 - pursuing a prosecution where circumstances merit it (the value here would need to justify a prosecution and the costs that may incur). The prosecution being pursued by referring to the case to the police; this could, in appropriate circumstances be coupled with the local authority seeking to recover the loss in the civil courts;
 - prohibiting any future use or claims under the Childcare Offer.
152. Local Authorities should consider recovery before pursuing a prosecution.

Appeals

153. Delivery Authorities will need to agree a process for handling any appeals against an application decision. Any process and subsequent decision will need to be made at an officer level and should not involve the cabinet or any other democratically elected official.
154. Delivery Authorities should refer to this guidance to inform decisions on appeals. However, should an appeal or challenge arise in relation to a matter which is not covered within the guidance, Delivery Authorities should refer the appeal to the Welsh Government for advice on the policy.
155. Delivery Authorities are expected to notify the Welsh Government and their partner engagement authorities of any appeals made. Only the grounds of the appeal, the appeal process and the outcome will be shared. No personal information will be shared.

Arrangements for parents who have missed out on Government-funding as a result of local authority and/or Welsh Government error

156. The Welsh Government expects Delivery Authorities to have processes in place for reviewing decisions taken on applications and for handling any appeals against an application decision.
157. Should a parent's eligibility review/appeal be successful the parent may be eligible to receive payment for the amount of Government-funding to which they would have been entitled had their application been approved the first time they applied. A payment will only be made where the parent has incurred childcare costs with a registered provider. Delivery Authorities will be expected to report to Welsh Government any instances of this type of payment before the payment is made.
158. A parent may be eligible for Government-funded childcare they have missed out on when:
- there was an unreasonable delay by a local authority in determining whether a parent is eligible for the Offer, **despite the parent providing all necessary documentation**, which has resulted in the parent having to pay registered childcare costs in this period
 - a technical or "process" type error occurred during the parent's application journey which resulted in the application not being logged
 - a parent wins their appeal against a negative determination, and they have incurred registered childcare costs in this period
159. Parents should only be reimbursed for registered childcare costs incurred up to the amount of Government-funding to which they would have been entitled had their application been approved when they first applied.
160. Parents will not be reimbursed for the cost of unregistered childcare (including nannies or babysitters) or informal childcare (e.g. friends and family) and parents will not be reimbursed for costs over and above the total amount of Government-funding they would have been entitled to.
161. The funding a parent has missed out on can be calculated by payment of £4.50⁴ (or the agreed hourly rate for the Offer at that point in time) for each hour of registered childcare attended during the period the parent missed out on Government-funded childcare, up to whatever the parent's maximum entitlement is in terms of time, (20 / 17.5 / 15 hours depending on how much FPN they get) and up to a max of 30 hours childcare for a holiday week.

⁴ £4.50 is the current hourly rate paid to providers delivering the Offer, and this rate is currently being reviewed.

162. Where a parent has paid more than the current hourly rate for the Offer for registered childcare, Delivery Authorities should only pay the agreed current hourly rate for the Offer (currently £4.50).
163. No additional funding will be paid to the parent to cover the costs of food, snacks or transport incurred during that time as the Offer does not cover the costs of such elements.
164. The Welsh Government expects Delivery Authorities to use their own systems and processes to facilitate payments to parents and decide on the most efficient approach on a case by case basis.

Audit Requirements

165. The Welsh Government expects Delivery Authorities to establish systems and procedures for the administration of the Offer which meet with individual authority's audit requirements.

Due Diligence

166. Delivery Authorities, as the accountable body for delivering the Offer 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 Welsh Government in respect of due diligence.

Section 10 - Funding

167. The Welsh Government currently provides local authorities with three separate grant funding streams.

The Childcare Administration Grant

168. Local Authorities receive financial assistance, by way of an Administration Grant, to assist with the costs of delivering the Offer ahead of a national system and processes being put in place. For Delivery Authorities, the purpose of the grant is to enable each Delivery Authority to deliver the Offer within their own and agreed partner authorities. For Engagement Authorities, the purpose of the grant is to enable each Engagement Authority to engage with parents and providers to raise awareness of, and promote the Offer, and to provide relevant support to the Delivery Authority in processing applications. The funding is paid 6 months in arrears following the submission of a progress report and relevant claim in October and March.

169. This funding is not to cover the cost of the childcare itself.

The Childcare Grant

170. Funding for childcare under the Offer will be paid to Delivery Authorities by way of the Childcare Grant. Payment of the grant will be made, monthly in arrears, to Delivery Authorities following completion and submission of a relevant claim and monitoring data. It will be for the individual authorities to develop a process for paying providers.

The Additional Support Grant

171. The Offer should be available to any eligible parent to access. The Welsh Government will provide each local authority with additional funding to remove barriers for providers and eligible parents who have children requiring additional support to access the Offer. This may include, but is not limited to, offering the providers training, equipment, specialised toys or enabling them to hire more staff. Specific guidance on the use of funding for children requiring additional support has been provided to local authorities separately.

Section 11 - Monitoring and Evaluation

Monitoring

172. Delivery Authorities will be required to collect and report certain data to the Welsh Government and other contracted parties on a periodic basis. Engagement Authorities will be required to provide evidence for the evaluation of the Offer to third party independent evaluators.
173. Delivery Authorities will be expected to use the Monitoring Information Workbook provided by the Welsh Government to compile monthly and termly data returns. Comprehensive desk notes will be provided to assist Delivery Authorities.

Monthly data returns

174. The monthly monitoring information template from the Delivery Authorities provides Application uptake information on:
- The number of applications received in the last month
 - Number of applications deemed ineligible in the last month
 - Total number of hours booked in the last month
 - The number of days over which the childcare has been applied for
175. The second section of the monitoring information template provides childcare uptake and use update information on:
- Number of children taking part in the Offer (snapshot of the number of children accessing their place and funding in the previous month)
 - Number of hours children have attended childcare
 - Number of children receiving childcare either through the medium of Welsh or bilingually
 - Number of SEN referrals this month
 - Number of successful SEN referrals this month
 - The number of providers taking part in the Offer
 - The number of providers signed up to take part
 - Number of applications this month for children whose parents wanted to access childcare through the medium of Welsh or bilingually at time of application
176. This information will be sent to Welsh Government officials the last working Monday of the month.

Termly data returns

177. At the end of each school term Delivery Authorities will need to submit a dataset which contains information about each child using the Offer. The information will

include:

- Unique child ID number
- Child & Parents dates of birth
- Postcode of child's residence
- Local Authority of child's residence
- Provider CIW Registration Number delivering the Offer to the child
- Number of childcare providers used
- Location of setting attended – England/Wales
- Child and Parent Ethnicity
- Status of the child requiring additional support
- Language of provision
- Number of booked hours of childcare for the term, split by month
- Number of used hours of childcare for the term, split by month
- Child's access to foundation phase delivery
- Child's access to flying start delivery
- Amount spent each month on childcare prior to taking up the Offer
- Whether parents find it easy or difficult to afford childcare
- Average number of hours parents report using formal childcare per week
- Average number of hours parents report using informal childcare per week
- Salary of all parents
- Number of hours parents work each week

178. This information will be sent a month after the end of each term.

Evaluation

179. The Welsh Government commissioned ARAD Research to undertake an evaluation of the early implementation of the Offer. The final report of the evaluation of the first year of the Offer was published in November 2018⁵. ARAD Research was again commissioned to undertake the evaluation of the second year implementation of the Offer and the final report was published in December 2019⁶.

180. The evaluation of the Childcare Offer in year 3 was repurposed to evaluate the implementation and delivery of the Childcare Offer between September 2019 and March 2020 and the Coronavirus – Childcare Assistance Scheme between April 2020 – August 2020; the focus of the Childcare Offer element of the year 3 evaluation being narrowed accordingly. Priority was given to gathering evidence relating to the application process for eligible parents as this information will inform

⁵ Evaluation of the Childcare Offer for Wales: year 1
<https://gov.wales/evaluation-childcare-offer-wales-year-1>

⁶ Evaluation of the Childcare Offer for Wales: year 2
<https://gov.wales/evaluation-childcare-offer-wales-year-2>

the transition to a National System. Where possible, the evaluation has also tried to gain insight into how the Childcare Offer influences the provision of childcare to children with ALN/SEN and Welsh-medium childcare provision. The evaluation also tries to understand the effects accessing the Offer has had on parents' employability and how different Local Authorities deliver the Offer.

181. The Welsh Government commissioned ARAD Research to undertake the evaluation of the third year of the Childcare Offer and the final report was published in March 2021.
182. The findings from the monitoring and the evaluation will be invaluable in shaping future policy and delivery.

Section 12 – Arrangements for delivering the Offer in exceptional circumstances

Adverse Weather

183. Where a setting has to close as a consequence of adverse weather, decisions on payments regarding any childcare booked under the Offer will be made by the local authority on a case by case basis, with reference to the setting's insurance cover and their approach to charging any parents using their setting for childcare outside of the Offer.
184. Payments for childcare providers can be made based on booked hours either for four weeks or for the time the setting is closed, whichever is the shorter of the two. The four week period matches the standard notice period in contracts between parents and providers. If the setting does not reopen at that time, funding under the Offer should cease.
185. Delivery authorities are required to provide Welsh Government with a completed adverse weather claim form for any claims for settings affected by adverse weather. This is to be submitted in addition to the normal monthly claim form for those unaffected by the adverse weather.
186. Parents may choose to make alternative childcare arrangements during the period their usual setting is closed because of adverse weather. In these circumstances, Offer funding can be paid to the alternative registered provider delivering the Offer. Payments would be made based on booked hours either for four weeks or for the time the child's usual setting is closed, whichever is the shorter of the two.
187. Due to adverse weather the period a setting is closed may fall on non term-time weeks. If a parent is unable to find a place at an alternative setting lasting for 3 days or more of a non term-time week then that week will be deemed not to have been used as a holiday week and will not be deducted from the parent's holiday week allocation.
188. The adverse weather claim form can be obtain from Welsh Government at Talkchildcare@gov.wales

Coronavirus

Income Eligibility Criteria and Covid-19

189. All parents have to evidence that they are in receipt of "income from work" to be

eligible for the Offer as this is the basic principle on which the Offer is founded. Local authorities should undertake their termly re-checks as normal. If a parent notifies the local authority that their circumstances have changed, the local authority should check whether this is as a consequence of Covid-19.

190. Parents applying for the Offer for the first time or who are re-checked for eligibility can continue to access the Offer for as long as there are UK Government support schemes for employees and the self-employed (in the form of a furlough or self-employed support scheme or similar) if they can demonstrate that their income before the Covid-19 outbreak would have been sufficient for them to reach the Offer earnings threshold.
191. This is applicable to:
 - parents who were once eligible for the Childcare Offer but who, as a result of the impact of Covid-19, no longer meet the income eligibility criteria (although they still meet the other eligibility criteria);
 - parents applying for the Offer for the first time - who would normally have met the income eligibility criteria for the Childcare Offer but who don't now as a result of Covid-19.
192. If a parent has fallen out of eligibility due to Covid-19 they can continue to receive the Offer.
193. Examples of reasons why a parent may have fallen out of eligibility could include:
 - They are currently in receipt of UK Government job support schemes e.g. CJRS or Self-Employed Income Support Scheme or similar successor schemes announced by the UK Government but their substantive earnings (what they used to earn before the pandemic) meets the income eligibility criteria for the Offer);
 - They are still employed but have taken unpaid leave to care for others and this has been necessary because of Covid-19 (other than a child eligible for the Offer);
 - They are working fewer hours than they would normally;
 - They are a critical worker and have worked additional hours in the effort to fight the virus and keep people safe, e.g. in front line health service roles.
194. Parents in these circumstances may receive the Offer until the point at which the UK Government announces an end to their Covid-19 job support schemes, at which point they would enter a 8 week Temporary Exemption Period (TEP).
195. Parents would need to evidence that their earnings met the income eligibility criteria for the Offer before the start of the pandemic and that they have seen a temporary reduction or increase in income as a result of Covid-19, which could be for one of the reasons set out above. A newly established self-employed parent will be exempt from the minimum earnings threshold for the first 12 months following the establishment of the business. In the case of a newly established,

self-employed parent who has reached the end of their 12 month exemption during the period and who is unable to meet the income eligibility criteria for Covid-19 related reasons, the local authority should aim to regularly re-check their eligibility. In the case of established self-employed parents, they will need to provide their most recent Self-Assessment return as proof of earning before the pandemic or provide a forward projection of how they will meet the minimum income threshold over the next year.

196. Local authorities should re-check the eligibility of parents who have fallen out of eligibility for some of the reasons outlined above at least termly and re-check the eligibility of any parent who has fallen out of eligibility as a result of Covid-19 when the UK Government Schemes end. If the parent still does not meet the income criteria when UK Government income support schemes end, they will enter an 8 week Temporary Exemption Period (TEP).

Parents who have been made redundant as a result of Covid-19

197. The requirement for a parent to be in some form of work or to be employed remains in respect of the Childcare Offer. If a parent who was eligible for the Offer previously has been made redundant, then technically they no longer meet the eligibility criteria for the Offer. They have no work contract and no business. They will enter an 8 week TEP period in line with the standard guidance from the point their circumstances change.

Holiday provision

198. Where a local authority extends the school holidays in light of Covid-19, a parent can access their holiday entitlement during those extra weeks as long as the parent has enough holiday weeks to use. Parents will not, however, be allocated more than 3 weeks holiday entitlement per school term.

Foundation Phase Nursery and the Childcare Offer where Covid-19 is impacting on the operation of primary schools

199. Local authorities have an element of discretion to continue to fund term time childcare hours in exceptional circumstances where it was planned for a child who has been accessing the Offer to enter full time FPN but the child is unable to access their FPN entitlement because Covid-19 is preventing them from taking up their full time early education place.

Offer payments where Covid-19 is impacting on Offer delivery and take-up

200. For the period up until the end of the Easter holidays 2021, providers are advised to discuss with their local authority what support may be available if Covid-19 is impacting on their delivery of the Childcare Offer. Parents can also access advice through their local Family Information Service if Covid-19 has resulted in changes

in their childcare needs.

201. Further information is also available here:

Providers: <https://gov.wales/guidance-childcare-providers-childcare-offer-wales-coronavirus>

Parents: <https://gov.wales/guidance-parents-childcare-offer-wales-coronavirus>

From the start of the Summer Term, 2021, the following arrangements will apply where Covid-19 is impacting, to varying degrees, on delivery and take-up of the Offer:

Scenario 1: Primary schools and childcare are open for attendance by all children

202. If there is short term disruption to the service provided by a setting or short term absence of a child, Offer payments would continue for up to 2 weeks, based on booked hours.
203. If there is longer term disruption to the service or longer term absence of an Offer child, Offer payments can continue until the end of the current school half term or for at least 4 weeks if there are fewer than 4 weeks left of the half term.
204. Evidence of the factors impacting on a provider's business would need to be provided to the local authority in relation to both short and longer term disruption to services.

Scenario 2: Primary schools are operating on a restricted basis but childcare is open

205. If there is short term disruption to the service or short term absence of an Offer child, Offer payments can continue for up to 2 weeks, based on booked hours (including any Additional Support Grant element).
206. If there is longer term disruption to the service or longer term absence of an Offer child, Offer payments can continue until the end of the current school half term or for at least 4 weeks if there are fewer than 4 weeks left of the half term.
207. Evidence of the factors impacting on a provider's business would need to be provided to the local authority in relation to both short and longer term disruption to services.
208. Should there be a prolonged period of restrictions and disruption, the Welsh Government will consider providing additional guidance.

Scenario 3: Primary schools and childcare are all operating on a restricted basis

209. In this instance, Offer payments would only continue where a child of a critical worker or a vulnerable child is using an Offer space. Payments in respect of other children would cease after four weeks, with that representing the usual notice period in most childcare providers' contracts.
210. We would encourage Local Authorities to make full use of places for the children of critical workers that could be funded through the Offer for as long as restrictions are in place. If such a situation were to arise, the Welsh Government would consider the need for further, more specific advice, taking into account the nature and scale of the restrictions and spread of the virus.

Voluntary closure of services

211. Local authorities should stop Offer funding where a setting/provider voluntarily closes or stops providing a registered service, and where it cannot be evidenced by the provider that this was necessary as a result of Covid-19.
212. Closure as a result of health concerns (in relation to staff or children) where there is no-one amongst the workforce (or in a child minder's home) who is shielding/clinically vulnerable to Covid-19 is not a justifiable reason for continuing to receive Offer payments. Offer payments would resume when a setting re-opens and starts providing a service again, subject to the provider being signed up to deliver the Offer and parental demand.

Appendix 1: Childcare Offer funding arrangements from the end of the Easter school holidays 2021

Scenario 1: Primary schools and childcare are open for attendance by all children

Short term disruption to a setting or short term absence of a child, Offer payments would continue for up to **2 weeks**.

Long term disruption to a setting or longer term absence of an Offer child, Offer payments can continue **until the end of the current school half term or for at least 4 weeks**.

Scenario 2: Primary schools are operating on a restricted basis but childcare is open

Short term disruption to a setting or short term absence of a child, Offer payments would continue for up to **2 weeks**.

Long term disruption to a setting or longer term absence of an Offer child, Offer payments can continue **until the end of the current school half term or for at least 4 weeks**.

Scenario 3: Primary schools and childcare are all operating on a restricted basis

In the short term payments in respect of a child of a non critical worker would continue for **4 weeks** and then **payments would cease**.

In the longer term Offer payments would **continue only where a child of a critical worker or a vulnerable child is using an Offer space** with separate advice on wider sector support