Dear Lynne

Childcare Funding (Wales) Act 2019

Many thanks for your letter of 18th September about the Childcare Offer.

Things have moved on considerably since the Committee’s scrutiny of the now Childcare Funding (Wales) Act 2019, with full roll-out of the Childcare Offer across Wales achieved in April this year, a year earlier than planned. As the Deputy Minister for Health and Social Services said in her oral statement on 24th September, this is testament to the commitment and hard work of local authorities and all stakeholders involved. It is a huge achievement and the WLGA and local authorities very much welcome the high level of engagement the Welsh Government has had with authorities - both individually and collectively - throughout the process.

The WLGA and local authorities recognise and understand the reasons behind the Welsh Government’s decision to suspend work with HMRC for the time being. However, it is not (and never has been) the case that the 22 Local Authorities are each individually administering the Childcare Offer. The position since April is that ten of the 22 Local Authorities, known as the ‘delivery’ authorities, are administering the scheme on behalf of the remaining 11 authorities, known as the ‘engagement’ authorities, as follows:

Cardiff, Caerphilly, Neath Port Talbot and Swansea are standalone authorities, delivering for themselves;

Blaenau Gwent delivers for Torfaen;

Ceredigion delivers for Carmarthenshire, Powys and Pembrokeshire;

Flintshire delivers for Denbighshire and Wrexham;

Gwynedd delivers for Anglesey and Conwy;

Newport delivers for Monmouthshire and the Vale of Glamorgan;

Rhondda Cynon Taf delivers for Merthyr Tydfil and Bridgend.

(NB: The above arrangements reflect Option 5 in the Welsh Government’s revised Regulatory Impact Assessment which accompanied Stage 2 of the Bill).
Local Authorities now have much more experience of processing applications and administering eligibility checks than they had in May 2018. Since the seven original Early Implementer Local Authorities began testing delivery of the Offer in 2017, the Welsh Government and Local Authorities have worked closely together on the practical arrangements for administration of the scheme.

In moving to the current delivery arrangements, Local Authorities have had the benefit of the lessons of early implementation, and their own and other stakeholders’ views and ongoing feedback have helped to shape the system as it is now operating. There will always be room for further improvements and refinements, but the fact that as of July some 16,000 children were accessing the Offer shows that Local Authorities are successfully meeting the challenge of delivering it across Wales and, as the Deputy Minister said in her oral statement ‘are well-placed to continue this important work’.

Local Authorities and the WLGA look forward to continuing to work with the Welsh Government and childcare providers on the detail of the long-term delivery arrangements for the Childcare Offer.

Yn gywir / Yours sincerely

Dr Chris Llewelyn
Prif Weithredwr / Chief Executive

cc: Julie Morgan AM, Deputy Minister for Health and Social Services
18 September 2019

Dear Chris

**Childcare Funding (Wales) Act 2019**

We are writing to request information from the WLGA following a letter sent to us on 13\textsuperscript{th} August 2019 by the Deputy Minister for Health and Social Services which stated that work had been ‘suspended’ between Welsh Government and HMRC on the Childcare Offer ‘for the time being’. (see attached)

You will be aware that during this Committee’s scrutiny of the Childcare Funding (Wales) Act 2019, your written evidence welcomed both ‘the way in which WG has worked closely with the Early Implementer Local Authorities to develop the arrangements for the operation of the Childcare Offer in Wales’ and ‘the ongoing commitment by WG to learning the lessons from early implementation’.

The *Explanatory Memorandum* for the Childcare Funding Act said that the ‘end result’ of this legislation would be ‘one consistent, national online application and eligibility checking system’ and that ‘this should help avoid a situation in Wales where all local authorities approach the task of eligibility checking in a different way’.

At that time then Deputy Minister also told us that in terms of the ‘administration of the scheme, there is a real preference to get to an all-Wales national approach that will take away the complexity and bureaucracy. He also told us that ‘the feedback that we have had from the early implementers over the bureaucracy and the complexity of the current system, and that has been very strong to say, ‘We do not want to provide it in this way on an ongoing basis […]’. In particular there was also an emphasis on the need to remove the administration from local authorities given ‘many of these families being in quite complex situations.'
We would therefore be grateful to hear the views of local authorities in respect of:

- the Welsh Government’s decision to ‘suspend’ the work with HMRC and continue with each local authority administering the scheme individually
- what, if anything, has changed since May 2018 which has led to local authorities changing their views on what we understood to be the bureaucracy and complexity associated with the current system
- whether local authorities are now confident that they can efficiently process all the cases they need to including the most complex
- what assessment has been made of the risks associated with continuing with the current system and how these will be mitigated

We will be raising these issues with the current Deputy Minister during a security session on 2 October 2019 and would therefore be grateful to receive your response by 26 September 2019.

Yours sincerely

Lynne Neagle AM
Chair

Cc Julie Morgan, Deputy Minister for Health and Social Services