

## **National Day Nurseries Association's Response to the Children, Young People and Education Committee's inquiry into the general principles of the Childcare Funding (Wales) Bill.**

### **Background**

National Day Nurseries Association (NDNA) is the nationally-recognised charity representing nurseries throughout the United Kingdom. NDNA supports the delivery of high-quality, affordable and accessible childcare. It is a strategic partner to government in the achievement of early years and childcare strategy, working across England, Scotland and Wales.

NDNA Cymru is the office for Wales, based in Ruthin, Denbighshire. NDNA Cymru is a member of the Cwlwm partnership.

NDNA Cymru provides the following comments below:

- 1. The general principles of the Childcare Funding (Wales) Bill and whether there is a need for legislation to deliver the Bill's stated policy objectives.**
  - 1.1 NDNA Cymru agrees that the Childcare Funding (Wales) Bill will support the Welsh Government's commitment to provide 30 hours a week of Welsh Government funded early education and childcare for up to 48 weeks per year to working parents of 3 and 4 year old aged children in Wales.
  - 1.2 NDNA Cymru also agrees with the principles of establishing a single national system to operate the payment system, using consistent eligibility criteria. This will avoid the situation whereby each local authority develops their own system, which could lead to 22 different ways of verifying eligibility potentially resulting in inconsistencies for parents and childcare providers.

1.3 NDNA Cymru supports the benefits of using an online system to process applications. This process must use clear language in both Welsh and English, and be standardised in terms of finance and administrative procedures to ensure that parents, carers and childcare providers understand the information they need to provide. NDNA Cymru also wish to ensure that support is available to those who are unable to access an online system.

**2. Any potential barriers to the implementation of the key provisions and whether the Bill takes account of them.**

2.1 NDNA Cymru are aware that the offer of funded early education (Foundation Phase) administered by local authorities currently differs across Wales and this is confusing for both parents and carers. Clear language and guidance will be needed for parents and carers to understand that the minimum 10 hours of funded early education forms part of the Childcare Offer.

2.2 NDNA Cymru are aware that to support working parents and carers there is a need for them to have a choice of childcare available to them and this should not be prescribed. Any registered childcare should be appropriate for the child.

2.3 NDNA Cymru understands that the 30 hours Childcare Offer available to working parents needs to be promoted effectively to avoid a lack of take up of the offer. This could be due to a lack of capacity of childcare places within a particular area, or not being able to expand current childcare provision to meet demand, lack of parents' understanding of eligibility.

2.4 NDNA Cymru are aware of the current sustainability problems for day nurseries in Wales due to various reasons including where childcare provision has been set up in a school or community building within the locality of a day nursery which has impacted on the day nursery's sustainability and occupancy levels, thus impacting on employment and the economy. NDNA recommends that before any expansion is planned, consultation should be undertaken with day

nurseries, thus enabling the use of existing spare capacity in nurseries to be utilised. Partnership working between nurseries and schools should be encouraged. NDNA suggest an occupancy rate of at least 80% to remain sustainable.

2.5 NDNA Cymru recognise to prevent barriers to accessing the 30 hours Childcare Offer, the development of flexible childcare, supporting parental choice and accessibility are key to its' success. Day nurseries offer flexible childcare all year round including breakfast, holiday and after school clubs. NDNA recommends that there is choice of childcare provision available to parents; however any expansion or development of childcare provision must not displace existing provision.

2.6 NDNA Cymru notes the need to ensure that the process for payment to childcare providers to claim and receive payments is clear and easy to use in a timely manner.

### **3. Are there any unintended consequences arising from the Bill?**

3.1 NDNA Cymru agree that providing support to working parents and carers with the cost of childcare supports the economy and contributes towards eliminating one of the barriers to employment. In turn, this contributes to decreasing the number of children who live in poverty in Wales. We note the need to ensure that the administrative processes for delivering the scheme are clear and easy to understand. Areas for the Welsh Government to consider are access to the Childcare Offer for foster carers and parents whom are registered carers.

3.2 As mentioned previously in 1.3, should the preferred option of using HMRC to administer the eligibility checks this process must use clear language in Welsh and English.

3.3 NDNA Cymru are aware that a positive effect of this Bill can support the sustainability of the childcare sector as the number of childcare places may be increased, enabling providers occupancy levels to increase or expand their provision and support more children with child development.

3.4 As well as the need to expand provision to provide more childcare places there is a need to attract the right people into the early years and childcare sector, it is therefore vital that the Welsh Government's Childcare, Play and Early Years Workforce Plan is implemented effectively, with proper investment.

3.5 As mentioned previously in 2.1 clear language and guidance will be needed for parents and carers regarding the minimum 10 hours of funded early education form which part of the Childcare Offer.

#### **4. The financial implications of the Bill (as set out in Part 2 of the Explanatory Memorandum)**

4.1 NDNA Cymru is aware that a similar system is set up in England with HMRC, at the beginning of this process there have been some technical issues during the implementation stage. NDNA Cymru recommend that the Welsh Government ensure that these issues are resolved before they commission HMRC and lessons must be learned from the implementation in England, if this is their chosen option. Any systems that are implemented must not create additional administrative burdens to parents and providers.

4.2 It is important to implement a clear timetable for verifying claims made by parents and carers with a maximum timescale of approval and payment to ensure that parents and carers are not disadvantaged.

4.3 As mentioned previously in 2.6 we note the need to ensure the process for payments to childcare providers to claim and receive payments is clear and easy to use in a timely manner, to support the cash flow for small businesses without any additional administrative burdens to providers.

5. The appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the Explanatory Memorandum).
- 5.1 We agree that the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Chapter 5 of Part 1 of the Explanatory Memorandum) are appropriate.
- 5.2 NDNA Cymru welcome the continuation of discussions with all stakeholders so that we along with Cwlwm partners can represent and support the non-maintained sector as the regulations for the administrative and payment elements of the funding are developed.