

## REPORT TITLE: Childcare Reforms Capital & Delivery Grant

<b>Cabinet Date</b>	12 June 2024
<b>Cabinet Member</b>	Stephen Davis, Cabinet Member for Children's Safeguarding and Early Years
<b>Key Decision</b>	Yes
<b>Purpose of Report</b>	To seek approval for Cabinet to accept and receive the Childcare Delivery Grant funding from the Department for Education and also to delegate authority to the Director of Education to distribute it amongst local childcare providers in consultation with the Cabinet Member for Children's Services
<b>Recommendations</b>	<p>That Cabinet:</p> <ol style="list-style-type: none"> <li>1. Approves the acceptance and receipt of:             <ol style="list-style-type: none"> <li>a) £4,266,300 in Wraparound Childcare Delivery Grant funding from the Department for Education pursuant to the terms of a Section 31 Grant agreement and associated Memorandum of Understanding; and</li> <li>b) £1,175,969 in Childcare Reforms Local Authority Capital Funding from the Department for Education pursuant to the terms of a Section 31 grant agreement and associated Memorandum of Understanding, for the purpose of increasing early years and wraparound childcare provision as set out in the Government Childcare Reforms described in the main body of this report</li> </ol> </li> <li>2. Delegates authority to the Director of Education in consultation with the Cabinet Member for Children's Safeguarding and Early Years to:             <ol style="list-style-type: none"> <li>a) Allocate the said Wraparound Childcare Delivery Grant by means of grants to schools and out of school providers that demonstrate a need for additional childcare places and a business model that is sustainable until the end of the grant funding period (on the basis set out in paragraphs 33 to 42 of this report) over a 2-year period (FYs 2023-2026) in accordance with the above-mentioned Childcare Reforms, in order to expand existing and/or develop new out of school provision;</li> </ol> </li> </ol>

	<p>b) Allocate the said Childcare Reforms Local Authority Capital Funding by means of grants to schools and out of school providers that demonstrate a need for additional early years childcare places and operate a business model that will be sustainable after the end of the grant funding period (as set out in paragraphs 34 to 43 of this report). Such allocations to be granted to schools and out of school providers in the proportions set out in the DfE Capital Grant LA award letter, over a 2-year period (FYs 2023-2026) in order to expand existing, and/or develop new, Early Years and Out of School wraparound childcare provision.</p> <p>The proposed grants to schools and out of school providers meet the requirements of the UK Subsidy Control Regime.</p> <p>The Capital and Delivery grant is to be allocated and monitored as set out in paragraphs 33 – 42 of this report.</p>
<b>Reasons for Recommendations</b>	To enable the Council to meet in its duties in delivery of the Government's Childcare Reforms by ensuring there is sufficient Early Years and Out of School childcare provision across the county to meet demand.
<b>Resource Implications</b>	<p>The Local Authority has been awarded grant funding:</p> <p>Capital grant – £1,175,969</p> <p>Delivery Grant -</p> <ul style="list-style-type: none"> <li>• 2023/24 - £38,014</li> <li>• 2024/25 - £2,892,932</li> <li>• 2025/26 - £1,335,353 (provisional)</li> </ul> <p>Total delivery grant- £4,266,300</p>
<b>Background Documents</b>	<a href="#">wraparound childcare guidance</a>
<b>Statutory Authority</b>	Gloucestershire County Council
<b>Divisional Councillor(s)</b>	All
<b>Officer</b>	<p>Name: Sarah Hylton, Head of the Early Years' Service</p> <p>Tel. no: 07500570141</p> <p>Email: <a href="mailto:sarah.hylton@gloucestershire.gov.uk">sarah.hylton@gloucestershire.gov.uk</a></p>
<b>Timeline</b>	<p>Dec 2023 – LAs received first LA capacity funding grant payment</p> <p>March 2024 – LAs complete and submit supply and demand data</p> <p>May 2024 – LAs receive second LA capacity funding payment</p> <p>June 2024 – LA submits delivery plan for grant funding</p> <p>July 2024 – LA receives delivery grant funding</p> <p>September 2024 – additional childcare places start to be created</p> <p>September 2026 – Funding for programme ends</p>

## Background

1. In the government's 2023 Spring Budget, the Chancellor announced a series of reforms to childcare. There were two elements to the announcements.
  - expansion of the existing early years entitlement
  - the wraparound childcare programme

## Expansion of Early Years entitlement

2. The government expects to spend an additional £4.1 billion by 2027 to 2028 to fund 30 hours of free childcare per week (38 weeks per year) for children over the age of nine months.
3. 30 hours of free childcare for children over the age of nine months was introduced. It will be introduced in phases with qualifying working parents:
  - from April 2024, all working parents of 2-year-olds can access 15 hours per week.
  - from September 2024, all working parents of children aged 9 months up to 3-years-old can access 15 hours per week.
  - from September 2025, all working parents of children aged 9 months up to 3-years-old can access 30 hours free childcare per week.

## Wraparound Childcare Programme

4. The government's ambition is that by 2026 all parents and carers of primary school-aged children, who need it, will be able to access term time childcare in their local area from 8am-6pm, so that parents can access employment and improve labour market participation.
5. To support this ambition, the government is investing £289 million in start-up funding to increase the supply of wraparound care in primary schools aimed at tackling the barriers to working caused by limited availability of wraparound care. This programme aims to enable providers (including schools) and local authorities to test flexible ways of providing childcare and gather evidence of what works.
6. The programme focuses on primary school-aged children from Reception to Year 6 only, Monday to Friday during term time. The expectation is that all wraparound provision is 8am-6pm, enabling parents to work a full day with travel time, unless data shows that local demand is for different hours, for example reflecting local labour market patterns.
7. Wraparound childcare is childcare that is provided around the conventional school day. It can also refer to provision in the school holidays. This guidance focuses on childcare before and after the school day during school term time,

rather than provision in the school holidays. Many parents rely on the support from wraparound childcare to enable them to work, and so it needs to be regular and dependable. Parents should not be required to pick up or drop off their children between the core school day and wraparound childcare.

8. Although the duty sits with the Local Authority, the Department for Education expects all local authorities to work with and support parents and carers, schools, and trusts, Private Voluntary and Independent (PVI) providers, including childminders and early years providers, in their area.
9. The council will work with and fund primary schools and private, voluntary and independent (PVI) providers, including childminders, to introduce or expand before- and after-school childcare provision in their area where there is a gap in availability. As part of this programme, the government requires the council, schools and providers to test flexible approaches and gather evidence of what works.
10. Parents will still be expected to pay to access this provision, as the programme is about increasing the availability of childcare and not subsidising childcare. Support with the cost of childcare will continue to be available to eligible parents through Universal Credit childcare and Tax-Free Childcare. The council, schools, trusts and private, voluntary, and independent (PVI) providers, including childminders, should make parents aware of this support and be set up in a way to enable parents to use it.
11. Schools and trusts are central to the delivery of this programme and will usually be the first port of call for parents for wraparound childcare. Delivering school led or PVI provider led wraparound on a school site will support parents to access the childcare they need.
12. With support from the local authority, the government expects all schools that educate primary school-aged pupils to:
  - work with the council wraparound lead and others in the sector, to identify how they can support parents to access wraparound childcare.
  - have school or PVI provider (including childminder) run wraparound childcare on the school site, unless there is a reasonable justification not to (having considered all support available, in particular from the national wraparound childcare programme)
  - work collaboratively with the council to ensure parents are, at a minimum, signposted to appropriate provision, if they are unable to have wraparound care on the school site. Provision must not require parents to pick up or drop off their children between the school day and wraparound.

- promote and support government subsidies such as Tax-Free Childcare (TFC) and Universal Credit (UC) Childcare with parents and carers, which can help parents with the affordability of childcare, and is aimed at supporting schools, trusts, and PVI providers with the sustainability of provision.

13. In February 2024, the government published [wraparound childcare guidance](#) for schools and trusts, which sets out their role in relation to wraparound in more detail. It outlines the support they can expect from the council to meet these expectations, including where wraparound provision is delivered on a school site. The guidance is designed to support schools and trusts, regardless of their involvement with the national wraparound childcare programme.

14. Private, voluntary, and independent (PVI) providers, including childminders and early years providers, already deliver childcare that many parents need to support employment. They are essential to the availability of wraparound childcare, delivering childcare on or off school sites. Wraparound PVI providers should work collaboratively with the council, schools, trusts and other PVI providers. PVI providers may be able to support schools to improve access to wraparound childcare by delivering provision on a school site, engaging with the school to ensure parents are signposted to local provision and collaborating with schools to facilitate access to off-site provision.

## **Local Authority Grant funding to deliver Childcare Reforms**

### **Childcare expansion - Capital Grant**

15. The grant funding is to support the expansion of childcare places. A £1,175,969.15 grant has been awarded to Gloucestershire to undertake this requirement. Capital funding was approved by Cabinet Jan 2024 and included in MTFS for full council.

16. The award is to deliver both elements of the Childcare Reforms:

- 80% of the grant is allocated to support Early Years expansion projects.
- 20% is allocated for Wraparound Childcare projects.

17. The Childcare Expansion Capital Grant funding is allocated to the council based on:

- Likely take up of the expanded 30 hours offer in the local authority area based on data for the existing 30 hours offer for 3- and 4-year-olds, where a child taking up 15 hours of provision is one part time equivalent (1PTE) and child taking up the full 30 hours is two part time equivalent (2PTE).

- The number of state funded mainstream primary schools in the local authority area that do not offer any existing wraparound provision or only offer before or after school provision.
18. Childcare Expansion Capital Grant allocations are being provided as an un-ringfenced grant under Section 31 of the Local Government Act 2003. Whilst it is up to the council to determine how best to prioritise this funding to address local priorities, it must be spent on capital projects, and is being provided to meet the capital costs associated with projects that help ensure sufficient places for:
- Children taking up an early year's place through the expanded 30-hours entitlement for qualifying working parents from the term following the child reaching 9-months to the term in which they turn 3-years-old.
  - Increasing the supply of wraparound childcare for primary-school aged children. The council is also allowed to consider use of this grant to fund central capital works (e.g., modifications to IT systems, etc.,) where they are necessary to enable the roll-out of entitlements.
19. Funding allocated to the Council is to create additional places and ensure existing places are available for the hours that are required to meet current demand, both in terms of the number of places and hours available, to ensure supply to build further demand; and where required, as traditional models of wraparound may not support sustainable provision, test new approaches to identify what works in the local area and identify the level of risk.
20. The Council will spend this funding in ways that best match the needs of our local communities, focusing on projects that will increase the physical capacity of early years and wraparound provision in targeted local areas where demand is likely to exceed existing supply.
21. The Department for Education has used school census data (January 2023) on the availability of wraparound childcare in primary schools as a proxy for the current estimated gap in supply. Using this approach, the DfE estimates the number of additional places that may be required and funded through this programme as a total of 2390.
22. This figure may be lower as the data used does not include childcare providers registered with Ofsted independently from the school. There are many non-school providers in Gloucestershire offering wraparound childcare.
23. A supply and demand mapping exercise will be undertaken by the council to identify areas of the county where additional childcare places are most likely to be required. Schools will also be advised to consult with parents and carers to understand the childcare needs of their communities.

24. All schools will be invited to apply for grant funding to establish new or to extend existing provision, so long as they are able to evidence parental demand and to develop a sustainable business delivery model.
25. Officers will also be mindful to ensure that the new places created are accessible to all children, including those with special educational needs and disabilities.
26. The funding will be used to provide new places in a range of provider types, where these are offering the 30-hours early years entitlement and/or providing wraparound provision for primary-aged children. This includes, but is not limited to:
- Private group-based providers, registered with Ofsted (e.g., pre-schools and day nurseries).
  - Voluntary group-based providers, registered with Ofsted (including community groups, charities, churches, or religious groups).
  - independent providers offering the early years entitlements.
  - Local authority maintained primary, infant, and junior schools (including special schools) offering early years entitlements and/or wraparound provision.
  - Primary, infant, or junior academies or free schools (including special schools) offering early years entitlements and/or wraparound provision.
27. Examples of the types of capital funded early years projects will be:
- Projects that enable and/or increase access to childcare places for eligible children.
  - Projects that adapt, re-model or improve existing childcare places to make them suitable for a wider range of need.
  - Central capital works required to enable delivery of the entitlement.
28. Examples of the types of capital funded wraparound projects will be:
- Projects that enable the creation of new wraparound places and/or increase access to wraparound places (where suitability of space may be a concern).
  - Projects that adapt, remodel, or improve existing wraparound provision to make them suitable for a wider range of needs.
  - Purchasing fixed assets required to deliver wraparound provision.

29. The Childcare expansion capital funding is provided for capital purposes only and cannot be used for revenue expenditure, such as training or staff costs, resources/assets that do not meet the definition of capital expenditure given above such as toys, books or clothing.

### **Delivery Grant funding (Wraparound Childcare programme only)**

30. Delivery grant funding has been awarded to the Council. Up to 11% of the total delivery grant is allocated to build the county's internal capacity ('local authority capacity funding'), but the majority of the funding (89%) is for the council to work with providers to set up new provision or expand existing provision ('programme funding'). The programme funding aims to remove barriers to setting up new provision or expanding current provision, including removing the financial risk of setting up new provision when demand is not guaranteed.
31. The Delivery Grant funding is based on a 'pump prime' model, whereby relatively small amounts of government funds are provided to spur growth. The initial funding is aimed at ensuring that the local area can increase the supply of wraparound places. Over time, it is anticipated that there will be an increase in the take-up of wraparound provision as parents are assured of the availability of places, combined with other planned government interventions that aim to encourage and support parents to enter or increase their participation in the labour market.
32. The provider will carry the risk if take up does not increase and should build this risk into their business model. The grant award letter sets out clearly the expectations of the provider in relation to insurance and that Gloucestershire County Council is indemnified against any liability arising from any acts, defaults, negligence, financial mismanagement or the closure of the project or organisation in connection with the services carried out with the support of this grant.
33. Funding is intended to enable the local area to test flexible ways of providing childcare and gather evidence of what works, including if delivering provision before school from at least 8am and after school until 6pm (or equivalent, depending on local labour market patterns) is sustainable.
34. The Council is responsible for allocating and administering payments to wraparound childcare providers. Funding will be frontloaded, as well as the LA allocations, to ensure that as much provision is available from the beginning of the programme as possible. This is to allow for time for demand to grow and increase the likelihood of provision becoming financially sustainable before the funding period ends.
35. The Council must ensure that funding agreements include requirements to gather the management information necessary for grant assurance and programme reporting.



## **Grant Application and Award Process**

36. The Early Years Service is completing a supply and demand mapping exercise for Gloucestershire and once complete will explore delivery models.
37. An assessment will be undertaken to determine how much of the planned new/expanded provision is low, medium, and high risk, in terms of how likely it is that both the demand generated, and the type of supply put in place, will prove sustainable.
38. Decisions about the dispersal of funding will be determined by the outcome of the supply and demand mapping, the identified delivery models, and the assessment of risk as set out above.
39. The majority of funding will be focussed on provision where demand and supply suggest the likelihood of sustainability is high, and provision that is low risk will be prioritised for support.
40. Local schools, early years and childcare providers will be invited to submit applications for funding in phases, starting with those in the areas where demand has been assessed as highest.
41. Information about areas identified as priority and the grants awarded will be published on the GCC "Wraparound Childcare" webpages.
42. Schools and providers are required to produce a fully costed business plan including:
  - a clear statement of what the project is aiming to achieve over the next few years with measurable targets.
  - a summary of what the business intends to achieve, and how this will meet the need of the community it will serve.
  - an organisation chart showing the management arrangements.
  - a summary of the consultation or research undertaken which articulates the need for the proposed new wraparound provision.
  - a marketing plan.
  - a description of the anticipated benefits and beneficiaries from creating the new childcare provision.
  - a financial plan showing at least a 3-year projection of income and expenditure, including risk and contingency planning.

- details of how all assets (e.g. human, physical, and intellectual) will be employed and show how legal, property and personnel issues will be addressed.
- a summary of the resources needed to run the service (i.e. people, skills, accommodation, and finance).

43. The DfE guidance outlines that the following must be carefully considered before allocating Capital funding to individual projects:

- All PVIs and childminders intending to deliver entitlements or wraparound places must be registered with Ofsted (or, in the case of childminders, with Ofsted or a Childminder Agency),
- Settings intending to offer early years entitlements places must be delivering the Early Years Foundation Stage Framework (EYFS)
- Other capital funding streams available to schools and any other capital projects being undertaken should be considered, including consideration of combining funding to achieve economies of scale or efficiencies.
- Any surplus capacity in the school estate should be considered to provide early years or wraparound provision.
- Proposals should represent good value for money.
- Projects must not impact on the stability of the provider, any relevant provider agreeing to expand their capacity must consider the implications for sustainability, including business rates and VAT and ensure there will be sufficient workforce.
- What wider social, economic, and environmental benefits can be secured, i.e. whether the works and services they are going to provide could secure these benefits for their area and/or stakeholders.

44. All information relating to the wraparound programme and grant funding will be published on GCC webpages. Applications for capital and revenue grants will be submitted online and will be considered by the Wraparound childcare Grant panel. This will include the Wraparound Childcare Lead, Head of Early Years Service, Early Years Business and Sufficiency Managers, the Education Planning Manager, a representative from the Early Years Quality team, a representative from the Early Years Inclusion team, schools' representative, EY representative, PVI representative, representative from GCC Asset and Property Management Team. The Lead Cabinet member will approve all allocated grants through Officers Decision reports following each grant panel.

## **Local Authority payment and Assurance arrangements**

45. The Childcare Expansion Capital Grant funding will be paid to the Council in one instalment on 1st February 2024. The Council will be required to verify that this funding has been spent on capital projects through a Section 151 Officer's return.
46. The Early Years Service must complete and return a short grant assurance data return at an appropriate interval, to provide details on the projects it is intending to fund using this grant.
47. The council are not required to publish these returns on our website but is encouraged to consider doing so to aid local transparency. Published details will not include any sensitive information.
48. When providing detail of the capital spending plans through their Grant Assurance Data returns (detailed below), the council will also set out the details of any relevant consultation or engagement with local stakeholders it has undertaken in developing the capital proposals.
49. Ofsted will remain responsible for ensuring compliance with statutory childcare requirements.

## **Option 1**

50. Accept and distribute and monitor the use of the Wraparound Childcare Delivery Grant totalling £4,266,300, and £1,175,969. Capital Funding for the Childcare Reforms in line with the terms set out in this report.

## **Risks**

51. There is a risk that the third year of provisional funding will not be allocated. The Department for Education have advised that funding will be provided if the Council can evidence there is a further need to expand childcare at that time. No grant funding will be awarded to providers until the third year allocation of funding to the council is confirmed.
52. There is a risk that the Council will be unable to secure the relevant and appropriate providers to expand childcare places in line with the government's intention. This will be mitigated as the activities for spend are considered, with close work with schools, out of school childcare providers and the communities where the funding is intended to make a difference, to ensure the successful use of funding.
53. There is a risk in respect of any award of grant funding that it might contravene UK Subsidy Control Regime requirements and, by consequence, result in legal challenge. However, the proposed grants are permissible because they trigger inert responses to two of the key UK Subsidy Control Regime criteria:

54. Firstly, there will be no specific or targeted subsidy to certain providers and not others: All primary schools and all child care providers in Gloucestershire have been made aware of the availability of the grant and that they will qualify to receive such funding provided they can (i) evidence a need for the grant; and (ii) demonstrate that they will be sustainable for the period of the grant.
55. Moreover, the council will not reserve a discretion to treat some qualifying applicants more favourably than others given that every entity in the market who fulfils criteria (i) and (ii) will be entitled to receive the grant.
56. Secondly, the grant will not have a distortive impact on competition because every entity in the market has been made aware of the availability of the grant and will be entitled to receive such funding provided it fulfils the said criteria (i) and (ii).
57. Officers shall continue to give due consideration to the council's obligations under the Subsidy Control Act 2022 before any of the grants anticipated in this report are awarded (i.e., that are funded from the allocations described in the "Recommendations" section of this report) in order to ensure that they are Subsidy Control Regime compliant.
58. There is a risk that once the project team are involved in the detail of allocating the funding, that the funding will not be allocated fairly and equitably across the county. However, this will be mitigated by using supply and demand mapping data to ensure childcare provision is expanded in all areas where sufficiency is at risk. All schools will be invited to submit an application for grant funding to set up or to expand childcare provision, where it can be evidenced that there is a parental demand.
59. There is a risk that a particular funded provision will not be sustainable, and that that tranche of funding will therefore be wasted. This risk will be mitigated through the business support that will be provided through the council's Early Years Service and the requirement for potential providers to develop a costed business plan evidencing a sustainable business model beyond the funded period.

## **Option 2**

60. Do not accept the funding described above and determine not to approve the distribution of Childcare reforms and delivery funding in line with the terms set out in this report.

## **Risks**

61. There is a risk that, without this grant funding, there will be insufficient early years and childcare places across the council to deliver the intention of the Childcare Reforms. Lack of childcare provision is likely to impact on parental employment opportunities, potentially leading to legal challenge in relation to the council's duty to provide sufficient childcare provision.

### **Financial implications**

62. Approval is sought to:

- Allocate the Wraparound Childcare Delivery Grant, totalling £4,266,300 funding to schools and out of school providers over a 2-year period (2023-2026) in accordance with the Government's Childcare Reforms in order to expand existing and/or develop new out of school provision and
- Allocate £1,175,969 Capital Funding for the Childcare Reforms Capital Funding over a 3-year period (2023-2026) from the Childcare Reforms Local Authority Capital grant to expand existing and/or develop new Early Years and Out of School wraparound childcare provision. The Capital grant (1.176m) was approved by Cabinet in January 2024 and included in MTFS for full council.

63. The Capital and Delivery grant is to be allocated through a Grant Panel and monitored as set out in this report.

### **Climate Change and Ecological implications**

64. Has the Climate Impact Assessment Tool (CIAT) been completed? Yes  
The expansion of childcare provision across the county is aimed at enabling more parents to return to or take up employment/training. Accessing childcare to do so may result in increased road traffic and subsequently impact on carbon emissions. This will be mitigated by ensuring that childcare provision is available as close to homes, schools, and places of parental employment as possible to minimise the need for excessive travel.

65. Has an Ecological Impact Assessment (EclA) been produced, or will one be undertaken at a later stage?

Where buildings are extended or new property is built to accommodate additional childcare provision, climate and ecological impacts will be considered as part of the planning application process. This will be noted in the grant application form.

### **Equality implications**

66. Has an Equalities Impact Assessment (EqIA) been completed? Yes

Cabinet Members should read and consider the Equalities Impact Assessment to satisfy themselves as decision makers that due regard has been given.

### **Data Protection Impact Assessment (DPIA) implications**

67. No data relating to children or adults will be collated, saved, or used as part of this programme. A Data Protection Impact Assessment Decision Checklist has been completed and due to no personal data being processed as part of this project, a DPIA is not a legal requirement.

### **Social value implications**

68. The intention of the government's Wraparound childcare programme is to support parents to return to or to seek employment and/or training opportunities. As well as offering social and developmental opportunities for children, this also supports the labour market. The grant application process will include consideration of how the proposed childcare provision will support parental employment opportunities.

69. As the grant funding for individual providers will be below the social value policy procurement threshold, it is not mandatory to include social value as one of the criteria that will be considered when evaluating grant submissions.

### **Consultation feedback**

70. Engagement has taken place with senior officers and the lead Cabinet Member.

71. Schools and early years /childcare providers have been advised of the Wraparound Childcare Programme and engaged in consultation as part of supply and demand mapping.

72. Schools have been advised and encouraged to consult with parents/carers to understand the childcare needs of their respective communities.

73. Further engagement will take place once funding is approved and received to explore how childcare places can be extended and to invite applications for funding.

### **Officer recommendation**

74. It is recommended that Cabinet:

- (1) approves the acceptance and receipt of the grant funding described in Recommendation 1; and
- (2) delegates authority to the Director of Education, in consultation with the Cabinet Member for Children's Safeguarding and Early Years, to implement the recommendations set out in Recommendation 2, on the basis set out in Option 1 above and the "Recommendations" section of this report.

## **Performance management/review**

75. A Childcare Reforms oversight board has been established and will oversee the delivery of the Early Years expansion and wraparound childcare programmes, including the use of grant funding. The Department for Education have estimated that an additional approximately 2000 wraparound childcare places may be required over the next 2 years.
76. As the mapping of supply and demand is completed and schools complete their own consultation with parents/carers and communities, a more accurate picture of childcare gaps will develop.
77. The oversight board will monitor the established increase in childcare places against the estimated target. The Wraparound team will continue to monitor supply and demand in consultation with schools, providers and parents/carers and will encourage and support providers to expand childcare where required.
78. The wraparound team, and oversight board will closely monitor the impact of all awarded grant funding to ensure that funding is used to deliver childcare as agreed and as set out in the provider application and subsequent action plan.