



## Report of the Cabinet Member for Education & Learning

Cabinet – 21 July 2022

### Capital Programme Authorisation for Flying Start Capital Grant 2022/23

<b>Purpose:</b>	To outline the capital proposal included in the Capital Funding Expression of Interest submitted to Welsh Government in respect of the Flying Start Programme 2022/23 (which has been treated by Welsh Government as a bid and subsequently approved) and to commit the scheme to the capital programme in accordance with the Council's FPR7 procedure rules.
<b>Policy Framework:</b>	Corporate Plan 2018-22
<b>Consultation:</b>	Early Years Programmes Lead Officer, Strategic Lead Commissioner, Corporate Building Services, Finance and Legal.
<b>Recommendation(s):</b>	It is recommended that:  1) The grant expression of interest as detailed, together with financial implications that have been submitted and approved by Welsh Government as part of the 2022/23 capital bidding round for Flying Start provision is noted;  2) The approved schemes are considered "in the round" based on the information provided in this report. If approved they should be committed to the capital programme in accordance with Financial Procedure 7.
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## 1. Introduction

- 1.1 Flying Start is one of the Welsh Government's (WG) Flagship Programmes aimed at improving outcomes for children under 4 in the identified most deprived areas with the main focus of child development. The Programme has four main components; Enhanced Health Visiting, Speech Language and Communication, Parenting and part time Childcare.
- 1.2 To date there have been three main phases to the rollout of the Flying Start Programme, each phase was based on offering the programme to a maximum number of 0-4 year olds in the Swansea area, from here on in called the "cap" number.

Year	Maxim (Cap) number of 0-4 year olds
2013/14	1,438
2014/15	2,659
2015/16 - to date	2,903

- 1.3 Swansea's current Flying Start Model in respect of the delivery of one of the four core elements, the part time 12.5 hours per week funded childcare provision, is commissioned via specific childcare provision based on 18 Primary School sites.
- 1.4 Each Childcare setting is registered by Care Inspectorate Wales (CIW) for sessional care, and is classed as a "pure" model, where only children from identified Flying Start postcodes attend and the offer made to parents is for the 12.5 hours of funded childcare to be delivered in 5 X 2.5 hour sessional care.
- 1.5 Through WG's Programme for Government commitment and in line with the co-operation agreement with Plaid Cymru, Flying Start has been identified as the most appropriate vehicle to deliver a **phased** expansion of early years provision to include **all** two year olds. To this end Local Authorities in Wales have been asked to develop plans for phase one expansion plans, ahead of start date of September 2022. Further information relating to any future phases will be issued by WG during throughout 2022.
- 1.6 The Expansion of Early Years provision will require additional Childcare places, however this does not necessary mean that there is a requirements to invest in further Capital expansion as evidenced by the Childcare Sufficiency Assessment (CSA) conducted in 2022.
- 1.7 Conclusions drawn as a result of Swansea's recently conducted Childcare Sufficiency Assessment (CSA) – outlining that at the point of data collection "**Overall, there appears to be sufficient childcare, based on attendance, waiting lists, vacancies and consultation responses. However, this is impacted by the Covid-19 pandemic and there are certain barriers that remain. This is a consistent view across areas and childcare types**".

– A statement which includes all CIW registered provision (i.e private childcare as well as childcare offered by the Local Authority) should also feature in terms of any future decision making.

- 1.8 Recognising that the current Flying Start Childcare Model developed from Programme inception over 10 years ago is unlikely to remain “as is” in light of the expansion and considering the ever evolving nature of both the programme and parental choice, along with the increase in the number of children who would be eligible for the 12.5 hours of funded childcare offer in the future. Potential risks in connection to any capital expenditure relating to the existing Flying Start Childcare Model need to be highlighted.
- 1.9 Whilst existing Flying Start settings will in the short to medium term continue to feature as part of the Flying Start Programme, attendance per setting will be closely monitored to ensure this remains viable in terms of ongoing revenue contributions and running costs.
- 1.10 The phased expansion outlined will necessitate the development of a childcare framework agreement, which will invite suitable and appropriate CIW registered childcare provision from all sectors in Swansea to participate in the delivery of all Early Years Programmes, including Flying Start.

## 2. 2022/23 Capital

- 2.1 In 21/22 WG asked Local Authorities to submit Expressions of Interest for additional capital funding to help maintain the standards of provision for existing Flying Start settings. The main focus of the funding is to address business continuity and health and safety issues, this happened prior to notification of the WG Programme for Government expansion plans.
- 2.2 The Expression of Interest of £575,000 to address business continuity and health and safety areas at the existing Flying Start settings was submitted with the following breakdown of works;

Priority No.	Project(s)	Amount Requested (£575,000 total)
1	<p>Canopy Schemes that could not be completed 2021/22 (in 2021/22 £183,000 was the approved capital for the canopy schemes, due to resource issues the works could not be completed in 2021/22, therefore WG were advised in Dec 2021 that we would be returning all but design and fees est £20,000. The additional £102,000 2022/23 is for the increase in costs across the schemes)</p> <p>Waun Wen – £40,000            Birchgrove - £35,000            Oaktree – £40,000            Gors - £80,000            Clwyd – £70,00</p>	£265,000
2	Hafod Flying Start	£85,000

	Replacement / relocation of kitchen, decoration including sensory space, external works	
3	Clwyd Flying Start Replacement kitchen area, General decoration and upgrade	£50,000
4	Seaview Flying Start Part of perimeter fencing in urgent need of replacement. £50,000  HV visitor office to be relocated within setting, to allow for extra space for HVs re Covid space, ventilation etc. This would free up area for a parenting meeting room (which the setting currently does not have) £35,000	£85,000
5	Welsh Medium Flying Start - YGG Tirdeunaw External equipment and storage facilities	£40,000
6	Townhill Flying Start External area upgrade – new flooring (decking and overlay), handrails, lighting etc  Kitchen upgrade	£50,000

### 2.3 Capital Approval

- WG have advised that they have treated the Expressions of Interest as submitted bids and have approved;
  - £412,000 Capital Grant for Swansea on 14 April 2022 and
  - carry-over of £163,000 of 2021/22 funding that could not be spent in 2021/22 on the canopy schemes that could not be completed (in part due to resources)

### 2.4 Capital Risk

- Within the WG Terms and Conditions of the grant the risk of financial clawback of Capital Expenditure is outlined in point 9 of the WG offer letter – *Notification Events and their consequences. Not least the 5 year “clawback” clause in respect of the transfer, lease or disposal of all or substantial part of the asset.*
- This should be considered on balance with the points outlined Section 1 of this report as the programme changes and evolves over the next 3 years.
- Within the 5 years clawback period we could find ourselves in a position of having made capital investment in Flying Start Settings which are no longer viable and able to operate through parental choice, or through not being able to offer anything but 2.5 hours of sessional care rather than full day care.
- On balance, we have identified that these sets of improvements are necessary to address business continuity and health and safety areas at the existing Flying Start settings.
- As all the current Flying Start Settings are school based, rather than private sector, the risk of financial clawback will sit the Council. This will be added to the Corporate risk register.

### **3. Integrated Assessment Implications**

3.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

3.2 The Well-being of Future Generations (Wales) Act 2005 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

3.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

3.4 An IIA screening has been undertaken for the capital works within this report and it has been determined that the initiative is not relevant for a full IIA report.

3.5 All key stakeholders will be communicated with throughout the projects' delivery.

### **4. Financial Implications**

#### **Capital**

4.1 The total cost of the capital improvement works submitted as an Expression of Interest to WG was £575,000. WG have approved £412,000 Capital Grant for 2022/223 which will be 100% funded by WG grant. WG have also agreed to carrying over £163,000 of 2021/22 capital funding for the canopy schemes that could not be completed in 2021/22.

- 4.2 The funding relates to the period April 2022 to March 2023 and must be claimed in full by 31 March 2023 otherwise any unclaimed part of the funding will cease to be available to the Council. The funding requested has been profiled as set out in Appendix A.
- 4.3 As noted in section 2.4 within the WG Terms and Conditions of the grant the risk of financial clawback of Capital Expenditure is outlined in point 9 of the WG offer letter – *Notification Events and their consequences. Not least the 5 year “clawback” clause in respect of the transfer, lease or disposal of all or substantial part of the asset.*

## **Revenue**

- 4.4 Flying Start revenue funding has already been committed. There will be no additional recurring revenue costs as a result of this bid. However the risk noted in 2.4 and the forthcoming expansion of early years provision noted in section 1 will have implication for future revenue funding.

## **5. Legal Implications**

- 5.1 In line with arrangements at all other school based Flying Start settings an agreement is in place to ensure clarity of roles and responsibilities relating to the asset.
- 5.2 If approved, the grant offer from WG will contain conditions which are legally binding. The Council must be satisfied that it is able to comply with the same.
- 5.3 All contracts for works, goods and services necessary to deliver the projects must be procured in accordance with the Council’s Contract Procedure Rules and the relevant EU and domestic regulations as appropriate. The contractual liabilities/obligations of the Council and any appointed contractors will be covered by the individual contracts entered into.

**Background Papers:** None

### **Appendices:**

- Appendix A - Financial Implications Summary  
Appendix B – IIA Screening form

## Appendix A

Financial Procedure Rule 7

### FINANCIAL IMPLICATIONS : SUMMARY

Portfolio: EDUCATION  
 Service : PRIMARY PROVISION  
 Scheme : Flying Start Capital Programme 2022/23  
 Additional Funding Application

<u>1.1. CAPITAL COSTS</u>	2022/23 £'000		TOTAL £'000
<u>Expenditure</u>	575		575
EXPENDITURE	575		575
<u>Financing</u>			
WG Funded by Flying Start Capital Programme 2022/21;	412		412
WG funding for 2021/22 Agreed by WG to be carried forward to 2022/23	163		163
FINANCING	575		575
<u>1.2. REVENUE COSTS</u>	2022/23 £'000		FULL YEAR £'000
<u>Service Controlled - Expenditure</u>			
Employees )			0
Maintenance )	N/A		0
Vehicle running costs )			0
NET EXPENDITURE	0		0
<u>Financing</u>			
FINANCING	0		0