



Report of the Director of Education

External Funding Panel – 9 January 2019

Welsh Government 30 Hour Childcare Capital Grant - Grant Application

Purpose:	To inform the External Funding Panel of the Welsh Government 30 Hour Childcare – Capital Grant Application and the indicative profile of spend and timescales for delivery.
Policy Framework:	Welsh Education Strategic Plan QEd Programme Poverty Plan Early Years and Foundation Phase Corporate Priorities; <ul style="list-style-type: none">• Safeguarding people from harm• Improving education and skills• Tackling poverty• Transformation and Future Council development
Consultation:	Education, Finance, Legal Services, Corporate Building and Property Services
Recommendation(s):	It is recommended that: 1) It is recommended that the External Funding Panel notes the content of the application and anticipated profile of spend and timescales for delivery.
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1.0 Introduction

- 1.1 The purpose of this paper is to provide the External Funding Panel with an overview of the Welsh Government 30 Hour Childcare – Capital Grant Application to Welsh Government (WG) and the indicative profile of spend and timescales for delivery.
- 1.2 The WG has allocated £60 million capital funding nationally between 2018 and March 2021. Business Cases had to be submitted by the 28th September 2018 in respect of the period until 2021.

2.0 Context

- 2.1 The Welsh Government has committed to providing 30 hours of government funded early education and childcare for up to 48 weeks of the year to all three and four year olds of eligible working parents. The 30 hours will be made up of the existing minimum 10 hours of Foundation Phase and up to 20 hours of childcare with a registered provider.
- 2.2 A key policy driver for the Welsh Government is that the 30 hours offer is as clear and easy as possible for working parents to understand and children to access. As part of this, there is an expectation that parents, wherever possible, should be able to drop their children off and pick them up from the same site and access a seamless 30 hours of childcare and education.

3.0 Purpose and Criteria of the 30 Hours Childcare Capital Funding

- 3.1 The primary purpose of the capital programme is to facilitate and support the co-location of the Foundation Phase and childcare provision wherever possible. This is in line with the Prosperity for All commitment to *“introduce a new model of Community Learning Centres, providing extended services with childcare, parenting support, family learning and community access to facilities built around the school day”*
- 3.2 Welsh Government will therefore prioritise business cases for projects which aim to provide a seamless transition between the Foundation Phase and childcare elements of the offer and to childcare settings which form part of a much larger project (where appropriate) which utilise other sources of funding such as 21st Century Schools or Welsh language funding.
- 3.3 The criteria set by Welsh Government includes:
 - Local Authorities should draw on evidence already available such as their Childcare Sufficiency Assessments, the *Childcare Capacity in Wales: mapping childcare against potential demand*¹ undertaken by WISERD, and other data to inform their considerations and applications;
 - Local Authorities must be able to demonstrate that they have worked with registered childcare providers in their authority areas and CWLWM representatives (Clybiau Plant Cymru, Mudiad Meithrin, NDNA Cymru, PACEY Cymru, and Wales PPA) in determining the shortfall in capacity;

¹ <https://gov.wales/statistics-and-research/childcare-capacity-wales/?lang=en>

- All requests for funding must be submitted via the Local Authority which must be able to demonstrate a clear need for funding;
- Applications will be considered for both Welsh medium and English childcare settings;
- There must be a clear undertaking by registered childcare providers to deliver childcare places for a minimum of five years;
- Where funding is to be invested in a Local Authority owned or leased building, security of the investment will be critical and, depending on the level of the investment, the Welsh Government will consider the time period that the Terms and Conditions of the grant will apply for. Local Authorities will therefore be 'tied' in to an agreement for longer as the amount of funding for the project increases;
- The Local Authority must be able to demonstrate that it has a management structure in place to oversee the projects.

4.0 Investment priorities

4.1 The Childcare Offer Capital Business Case proposes to:

- Create an overall increase of approximately up to 271* childcare places in Swansea.
- Of these 140* places would be Welsh medium specific childcare places, representing a considerable % increase in relation to the overall CIW registered childcare places currently available (via a combination of pre-school, out of school and holiday care). (See Increasing Welsh Medium Provision Capital Grant application)
- Meet identified demand for childcare places where there is an evidenced shortfall in places.
- Invest in childcare places now as a catalyst for change to achieve a future increase in demand for childcare created from an increase in employability rates.
- Improvement in the quality of the environment of childcare settings Swansea wide.
- For YGG Tan-y-lan and YGG Tirdeunaw to seek to maximise the outcomes and benefits of the Band B funding and align the various strategies and objectives creating flexible spaces that can respond to increased demand for Welsh medium provision.

* Depending on the registration category (sessional care/ daycare) with CIW, it might be that the number of places created would be greater.

4.2 The above proposals have been developed by drawing on the information contained within the Childcare Sufficiency Assessment, up to date local knowledge of demand, the engagement of umbrella Childcare Organisations and the co-working with the 21st Century Schools Team in order to ensure a strategic approach across school related capital opportunities. In addition, Legal advice has already been sought and Corporate Property Services have undertaken initial feasibility to determine the costs for each site.

5.0 Progress and process

- 5.1 The Business Case for the Childcare Offer capital funding has been submitted to Welsh Government. The outcome is expected at the end of December 2018 / early 2019.
- 5.2 The report to Cabinet of the 21 June 2018 paper sets out the next steps in relation to the Welsh Medium projects.
- 5.3 Each project within the Band B programme including YGG Tan-y-lan and YGG Tirdeunaw will be subject to further approvals by WG upon receipt of an Outline Business Case (OBC) and then Full Business Case (FBC) from the Council.
- 5.4 The relocation and enhancement of capacity at YGG Tan-y-lan (based on either 1.5FE or 2FE) and YGG Tirdeunaw (only if this bid is approved to take the school to 2.5FE) would require a statutory consultation, and both would be subject to catchment area reviews.
- 5.5 The potential investment at YGG Y Login Fach would allow an increase in the capacity of the school by up to 60 places but this would be phased as appropriate to reflect the actual growth in demand for places. As such it is not envisaged that this will require a statutory process. As with all cases, it is also proposed that in the short to medium term the additional space will support pre-school provision and in this instance wrap around care.
- 5.6 The potential investment at YGG Bryn-y-môr would not require a statutory consultation.
- 5.7 Subject to the outcome of the above processes further reports will be brought to Cabinet as appropriate seeking approval to commit each individual project to the Capital Programme before a contract is entered into with WG. These reports will include developed cost plans for each project following the further development of options appraisals and detailed design.
- 5.8 Subject to the outcome of the statutory consultation process, planning approval, and the approval by WG of the grant applications and business cases as appropriate the implementation timeline is as follows:
 - Modular build at Bishopston Primary 2019/20
 - Refurbishment and improvement of the Childcare /nursery at Penclawdd Primary 2019/20
 - Relocation and enlargement of YGG Tan-y-lan in January 2021
 - Relocation and enlargement of YGG Tirdeunaw in January 2021
 - Enlargement of YGG Bryn-y-môr and YGG Y Login Fach in September 2020.
 - Modular build at Dan-Y-Graig Primary 2020/21
 - Modular build in primary school site in Llansamlet ward (to be determined) 2020/21

6.0 Equality and Engagement Implications

6.1 The Council is subject to the Public Sector Equality Duty (Wales) 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 Act.
- 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.

Our Equality Impact Assessment processes ensures that we have paid due regard to the above.

6.2 An Equality Impact Assessment (EIA) screening has been completed for the Childcare Offer and is being updated in relation to the Capital element of the Programme and an Equality Impact Assessment has also been completed for the Welsh Medium Increases Programme. Both are appended to this report. There are no specific equality or engagement implications at this stage in the process.

6.3 As part of this process we will also be considering the Well-being of Future Generations Act. The Act ensures that public bodies think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach.

6.4 Stakeholders have and will continue to be engaged as each approved project is developed.

7.0 Financial Implications

Capital

7.1 The total scheme cost of all schemes included in the Business Case seeking the 100% grant funding is £6,165,000.00. Of this £4,850,000 is in respect of the Welsh-medium schemes also submitted under the Welsh-medium Increasing Places Capital Grant.

7.2 The total scheme cost of YGG Tirdeunaw element is £1,200,000 included in the grant application which if approved would enhance the project outcomes and provide opportunities for childcare services on site, which if approved would be 100% funded by WG. YGG Tirdeunaw is a new school build within the C21st Schools Band B programme with the proposed childcare grant element being additional to the current forecast within Band B.

7.3 The total scheme cost of YGG Tan-Y-Lan element is £2,100,000 included in the grant application which if approved would enhance the project outcomes and provide opportunities for childcare services on site, which if approved would be 100% funded by WG. YGG Tan-Y-Lan is a new school build within

the C21st Schools Band B programme with the proposed childcare grant element being additional to the current forecast within Band B.

- 7.4 The total scheme cost of YGG Bryn-y-mor is £975,000, included in the grant application which if approved would be 100% funded by WG.
- 7.5 The total scheme cost of YGG Login Fach is £575,000, included in the grant application which if approved would be 100% funded by WG.
- 7.6 The total scheme cost of Bishopston Ward is £361,000, included in the grant application which if approved would be 100% funded by WG.
- 7.7 The total scheme cost of Penclawdd Ward is £170,000, included in the grant application which if approved would be 100% funded by WG.
- 7.8 The total scheme cost of St Thomas Ward is £323,000, included in the grant application which if approved would be 100% funded by WG.
- 7.9 The total scheme cost of Llansamlet Ward is £361,000, included in the grant application which if approved would be 100% funded by WG.
- 7.10 A total of £100,000 has also been requested to run a grant equipment scheme for registered childcare provision.
- 7.11 Cost estimates are on a current-cost basis, with no allowance for construction inflationary pressures, where there is uncertainty regarding the timing of projects. However, optimism bias has been applied to each project in accordance with the lessons learned from delivery of Band A, and based on assessment of outstanding programme risks / unknowns.

Revenue

- 7.12 Each Setting will be required to pay for all rent and overhead costs from the income generated from the childcare fees. Where a 3rd Party operates a setting on a school site, rent will be payable to the school. The grant does not require a continuation of funding by the Council after the grant period has expired.
- 7.13 For each project a lease will need to be in place between the Local Authority and the childcare business prior to the drawdown of the capital funding from Welsh Government.
- 7.14 As there is less evidence of demand in the Llansamlet and St Thomas Wards further feasibility will be undertaken prior to embarking on each capital project to ensure that there is a sufficient level of identified demand for childcare in the area. A greater focus from employability Programmes and proactive promotion of the opportunity for working parents in the areas will also be an important action to undertake.

8.0 Legal Implications

- 8.1 The various proposals will necessitate the legal implications to be reviewed and updated on a regular basis. Education, Highways, planning property and contracts/procurement legal advice will need to be obtained as the proposals progress and more detail is given.
- 8.2 Any offer of grant funding from the Welsh Government will be subject to terms and conditions, which will be binding upon the Local Council.

Background Papers:

Increasing Welsh Medium Education Places Capital Grant Business Case
Childcare Offer Business Case
Increasing Welsh Medium Education Places Capital External Funding Panel Report

Appendices:

Appendix A – Indicative spend profile for the childcare offer schemes (elements thereof) subject to the grant application being approved and leases being signed.

Appendix A - Indicative spend profile for the Childcare Offer Capital grant application.

WM Capital Grant schemes – as in NGA1

	2018/19	2019/20	2020/21	2021/22	TOTAL
<u>Expenditure</u>					
YGG Bryn-y-Môr		963,000	12,000		975,000
YGG Login Fach		567,500	7,500		575,000
YGG Tan-y-lan		1,035,000	1,035,000	30,000	2,100,000
YGG Tirdeunaw		591,000	591,000	18,000	1,200,000
EXPENDITURE	0	3,156,500	1,645,500	48,000	4,850,000
<u>Financing</u>					
To be funded 100% funded by Welsh Government (subject to grant application approval)					
FINANCING	0	3,156,500	1,645,500	48,000	4,850,000

Remaining schemes

	scheme cost	2018/19	2019/20	2020/21	2021/22	TOTAL
<u>Expenditure</u>	-					
Swansea wide – equipment	100,000		50000	50000		100,000
Bishopston	361,000	9638.7	342,336	9025		361000
St Thomas	323,000		8624.1	306,301	8075	323000
Llansamlett	361,000		9638.7	342,336	9025	361000
Penclawdd	170,000	4539	161,211	4250		170,000
	1,315,000.00	14,177.70	571,810.10	711,912.20	17,100.00	1,315,000.00