

CABINET

Date of Meeting	Tuesday, 22 nd September 2020
Report Subject	Childcare Capital Grant Update
Cabinet Member	Leader of the Council & Cabinet Member for Education Cabinet Member for Social Services
Report Author	Chief Officer (Education and Youth), and Chief Officer (Social Services)
Type of Report	Operational

EXECUTIVE SUMMARY

The report provides Cabinet with an overview of progress in delivering the Council's Childcare Capital programme.

A co-ordinated approach is being taken to bring together a range of capital funding packages into a single programme to maximise investment.

Projects have been prioritised to align with the funding allocation from Welsh Government, using locally developed criteria as there is insufficient funding in the programme to undertake the full number of projects initially identified.

The Council welcomes the investment from Welsh Government in these capital projects that will positively support children and their families by ensuring there is increased access to high quality early years provision.

RECOMMENDATIONS

1	Cabinet consider the contents of the report and confirm their support for the criteria used to prioritise projects within the programme.
2	Cabinet endorse a programme-based approach which aligns funding streams to co-ordinate and maximise funding opportunities.

REPORT DETAILS

1.00	BACKGROUND
1.01	<p>The Welsh Government made available capital grants to councils for the purposes of childcare provision across Wales.</p> <p>The objectives of the programme is to provide 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 Early Education (Early Entitlement) and up to 20 hours of childcare with a registered provider.</p> <p>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. Feedback from parents is that ideally, they want to be able to drop their children off and pick them up from the same site and access a seamless package of childcare, although wrap around provision between schools and non-maintained providers will continue to be an important part of the answer for some children and parents.</p> <p>The primary purpose of the capital programme is therefore to facilitate and support the co-location of the Foundation Phase and childcare provision wherever possible. This is in line with our 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”.</p>
1.02	<p>Social Services lead on the Childcare Strategy and the production of a comprehensive Childcare Sufficiency Assessment (CSA) that looks at</p> <ul style="list-style-type: none">i) the supply of childcare in Flintshire including: type, quantity of provisions, location, costs, places available, choice andii) the gaps in childcare including: location choice, barriers to take up provision, places unavailable. <p>The CSA was the basis of the successful bid to Welsh Government for early years’ capital.</p>
1.03	<p>When Welsh Government made this capital grant stream public, the deadline for submitting expressions of interests was insufficient to commission effective site surveys and detailed cost analysis for individual projects and to consult with settings.</p>
1.04	<p>The Council’s expression of interest was submitted to Welsh Government within the short timeframe allocated. Subsequently, more detailed work was undertaken to calculate the associated costs to deliver projects. This work identified that the total costings for all projects exceed the funding allocation.</p>
1.05	<p>Consequently, given the financial shortfall there is a requirement to revise</p>

	<p>the programme accordingly and this means making a decision about which projects will not be able to proceed. In order to make this process transparent, criteria have been developed to inform the prioritisation of projects against key domains, each with a scoring criteria. The first 2 domains are:</p> <ol style="list-style-type: none"> 1. The extent to which the provision supports Childcare Sufficiency 2. The robustness of the Sustainability Plan for the provision <p>If a provision fails to achieve an adequate score for either of these 2 domains then the project automatically fails the prioritisation process and is removed from the programme. This is on the basis that the project must demonstrate it is needed and can be self-financing once delivered. Projects meeting thresholds are then further graded against the domains of:</p> <ol style="list-style-type: none"> 3. Value which takes into account the cost of the provision and maximum number of children that it can support. 4. Land ownership risk <p>The detail of these scoring criteria are included at Appendix 1.</p>
1.06	<p>These criteria were applied which resulted in the following outcomes</p> <p>Projects Approved: Ysgol Derwen, Higher Kinnerton Ysgol Bro Carmel Ysgol Maes y Felin, Holywell Cylch Meithrin, Shotton Ysgol Merllyn, Bagillt Sychdyn CP School Ysgol Glan Aber, Bagillt</p> <p>Reserve List: Ysgol y Llan VA School, Whitford</p> <p>Projects removed: Trelawnyd VA School Ysgol yr Esgob, Caerwys</p> <p>The full project scoring outcome can be seen at Appendix 2.</p>
1.07	<p>The appointed contractors, Wynne Construction, have since reviewed the programme cost and it looks likely that from a financial perspective, that Ysgol y Llan Whitford can be added from the reserve list to be included on the programme. There are some legal matters pertaining to the particular land ownership arrangements at the school which are currently being clarified.</p>
1.08	<p>The proposed project at Trelawnyd VA School has significant abortive costs pertaining to the creation of access and locating a modular build. This is as a result of the steep topography of site and the main school building being listed. Consequently, construction would be difficult to complete without causing major disruption to the site and the cost of</p>

	providing a modular build in this location is in excess of £500k which does not represent good value. The school does already provide childcare within its current building.
1.09	The business case from Ysgol yr Esgob, Caerwys to support the essential revenue costs involved in running a childcare provision was not deemed sustainable as it reflected a revenue deficit in year one of circa £3.5K rising to £5k by year three. For this reason, this project was judged to be unviable and removed from the capital programme.
1.10	As a Council we made a strategic decision at the outset to package up the projects within the Childcare programme for purposes of efficiency, for effective programme management, use of resources, best value (economies of scale) and procurement. To support this approach the Client/operational role for the delivery of the Childcare Grant schemes was transferred from Social Services to the School Modernisation Team within Education and Youth. The Chief Officer for Education and Youth assumed the role of Senior Responsible Officer for the programme in June 2020.
1.11	The programme also includes different capital funding packages to maximise investment in a number of school sites and is formed from the following funding streams, WG Childcare Grant, WG Welsh Medium Grant, 21st Century schools, Flying Start and Flintshire County Council's own Capital funding.
1.12	Packaging up the projects within a programme is the most efficient, way of managing the programme. .However, it is challenging to work with micro funding streams/balances on individual projects within the programme and senior managers are regularly liaising with Welsh Government officials to maintain local flexibility.
1.13	Wynne Construction have tendered and been commissioned by the Council for the Ysgol Glanafon project, the Flying Start project at Aston Family Centre and the Childcare programme on two stage design & build contracts.
1.14	To aid effective management of the programme and to enable the prioritised projects to proceed, a formal variation request has-been sent to Welsh Government summarised by the following: <ul style="list-style-type: none"> • That funding for childcare projects which have opted out of the Childcare programme, Ysgol Estyn Hope (£450K) and Ysgol Brynford (£500k) totalling £950K be retained to be recycled back into the Childcare Programme to bridge the affordability gap. • That funding allocated to the proposed project at Ysgol Esgob Caerwys be redirected to the project at Ysgol Glanrafon, Mold, which has an affordability gap. • That funding allocated to the proposed project at Trelawnyd VA be redirected back into to the overall Childcare programme to bridge the affordability gap. • That the Council be given approval to reallocate capital resources for the Ysgol Croes Atti project to bridge a funding gap at Ysgol Brynford.

	<ul style="list-style-type: none"> A request that WG have a pragmatic and flexible holistic approach be agreed regarding retention funding and virement of monies between projects within the programme to avoid unnecessary and repeated variation requests, with the caveat that the Council are able to report cash flows monthly and work within the agreed funding envelope/s.
1.15	Welsh Government are currently considering the variation request. Approving the request would allow the Council to proceed with all projects with the exception of proposed projects at Ysgol Esgob, Caerwys and Trelawnyd VA school.
1.16	The Council welcomes the investment from Welsh Government in these capital projects that will positively support children and their families by ensuring there is increased access to high quality early years provision.

2.00	RESOURCE IMPLICATIONS
2.01	The funding Childcare Capital funding envelope has been agreed by Welsh Government and is 100% funded by WG.
2.02	Revenue implications have been tested through submission of school business case and only projects that have demonstrated that they are viable and sustainable have been chosen to proceed.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT	
3.01	All projects are managed using a risk register. Risks are managed accordingly, and financial risks are managed through a project contingency. Any high level risk which cannot be managed with the projects/programme will be incorporated into the risk register for the Education and Youth Portfolio.	
3.02	Under the five delivery principles of the Well-being of Future Generations Act this report will have the following impacts:	
	Ways of Working Principle	Impact
	Long-term	Positive – assists in securing the future of schools in their local communities
	Prevention	Positive – appropriate capital investment provide better facilities and elongates the life of the building/s
	Integration	No Change
	Collaboration	No change- effective collaboration is already in existence
	Involvement	Positive – The proposed projects will help promote greater community

		integration/use/involvement.
3.03	Against the seven well-being goals of the Act, the potential impact of the report and its recommendations would be evaluated as follows:-	
	Well-being Principle	Impact
	Prosperous Wales	Positive impact - Capital investment directly benefits local supply chain/economy. A percentage of local expenditure is a requirement of the grant funding.
	Resilient Wales	Positive impact - Use of sustainable and recycled materials during construction, more energy efficient, potential reduction in carbon emissions.
	Healthier Wales	Positive Impact – Improved physical infrastructure and facilities which positively impact on the wellbeing of the school and its community.
	More Equal Wales	Neutral Impact – Equalities Impact Assessments are already embedded in school culture.
	Cohesive Wales	Positive Impact – Potential that the school could become a community hub through its better accommodation offer.
	Vibrant Wales	Positive Impact – Enables new facilities to improve, both curricular, extra-curricular and community use of school buildings.
	Globally Responsible Wales	Positive - Capital investment, delivers a more sustainable product, local spend and added benefits for apprenticeships, work experience in construction.

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	A report to Cabinet in June 2019 provided Members an overview of the Council's strategic response to securing sufficient, sustainable, and high quality, childcare within the county. The report included an overview of progress in responding to the childcare sufficient assessment and confirmed the allocation of the childcare capital grant to the authority.

4.02	In order to gather the information required to achieve and deliver a successful Childcare Sufficiency Assessment and Action Plan, consultation took place with a wide range of stakeholders. Under schedule 2 of the Statutory Guidance appropriate stakeholders were identified and involved in the undertaking of the Assessment and the development of the Action plan.
4.03	Meetings and conversations have taken place with Settings to provide information and guidance on the development of business cases which have formed an integral part of assessing the sustainability of proposals.

5.00	APPENDICES
5.01	Appendix 1 – Prioritisation Scoring Framework for Childcare Capital Programme Appendix 2 – Project Scoring Outcome

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	N/A

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Craig Macleod / Damian Hughes Telephone: 01352 701313 01352 704135 Email: craig.macleod@flintshire.gov.uk damian.hughes@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	<p>Capital Funding - Capital funding is usually linked to acquiring or improving a long-term asset such as equipment or buildings.</p> <p>Revenue Funding - Is linked to items that will be used within a year. Examples include salaries, heating, lighting, services and small items of equipment. Routine repairs are revenue expenditures and can include significant repairs that do not extend the life of the asset or do not improve the asset (the repairs merely return the asset to its previous condition).</p> <p>Childcare Sufficiency Assessments: A report that brings together a range of different data and information to develop a picture of the current childcare market and to identify whether there are any gaps in supply.</p> <p>The Childcare Offer: 30 hours of funded childcare and education for 3 and 4 year olds, in working families for 48 weeks a year.</p>