



Llywodraeth Cymru
Welsh Government

GUIDANCE

Childcare and Early Years capital programme: business case guidance 2022 to 2025

Local Authorities should use this to prepare their business plan.

First published: 15 September 2023

Last updated: 15 September 2023

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Contents

Introduction

Childcare and Early Years Capital Programme

Business Justification Cases

Eligible Expenditure

Assessment process

Project Approval and Monitoring Processes

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Audience: This guidance is intended for Local Authorities. It should be used when preparing all business cases under the Capital Programme.

Further information: Enquiries about this document or any further questions in respect of this programme should be directed to your Capital Managers in the Childcare, Play and Early Years Division.

Further information about the Five Case Business Model and Business Justification Guidance can be found at [The Green Book: appraisal and evaluation in central government \(on GOV.UK\)](#)

Related document: [Small Grant Guidance](#)

Introduction

A new £70m Childcare and Early Years Capital Programme is being implemented by the Welsh Government from 2022-23 to the end of 2024-25. The purpose of this capital funding is to support the Welsh Government funding criteria for this term (see Section 3.1) and to maintain and improve the existing childcare and Flying Start infrastructure.

This guidance has been developed to illustrate the small grant, project management and capital business case processes for the Programme. It should be used by local authorities when preparing capital proposals and business cases under this programme.

Childcare and Early Years Capital Programme

Objectives of the Childcare and Early Years Capital

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Programme

The main objectives for the Childcare and Early Years Capital Programme are to ensure that the childcare sector in Wales is strengthened and supported. This funding also helps support the Programme for Government commitments to:

- Fund childcare for more families where parents are in education and training or on the edge of work
- Deliver a phased expansion of early years provision, to include all 2 year olds, with a particular emphasis on strengthening Welsh medium provision
- Continue to support the flagship Flying Start programme

We will continue to support small grant funding to local authorities to allow all registered childcare and play providers to come forward with applications for minor capital projects.

For major capital works we will instil a structured approach to submitting applications for funding as the projects go through the different stages of development. This will allow local authorities to identify and scope potential capital projects before proceeding to develop the business case. This will ensure more timely decisions are made about funding and for budgets to be more tightly managed, by ensuring that bids are approved closer to the point of tendering and delivery.

Funding

Small Grant Funding

Small Grant Funding will be allocated on a formula basis ensuring that funding is spread more equitably across Wales according to recent Care Inspectorate Wales data. This formula is based on the number of childcare providers and

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

registered childcare places across each authority.

The small grant guidance has been updated for 2022-23, to reflect the Programme for Government priorities and an increase in the limits that can be funded to childcare providers in any given financial year. The duplications in the eligibility section between childcare providers and childminders have been removed.

We will review the small grant allocations and guidance again for 2023-24 and 2024-25.

Project Management Costs

As part of discussions the local authority must demonstrate that it has a management structure in place to oversee the delivery of projects through to completion and to manage the small grant scheme. If arrangements are not in place the local authority would be allowed to apply for funding to cover project management costs.

Such funding requests would need to be articulated in terms of the work that the project manager(s) would be undertaking across all areas of work, including the small grant process.

Requests for project manager costs should be proportionate to the number of projects being proposed and can include the small grant administration. If the post(s) involve other responsibilities, we need to know the average time dedicated to manage the Childcare and Early Years Capital Programme and the pro-rata cost being applied for up to 2024-25. Our Project Management Business Case template contains relevant sections for you to confirm these details.

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Major Capital Proposals and Applications

Overview of Capital Proposals

We will invite local authorities to submit a list of proposals against the funding criteria, in priority order of what they anticipate as being realistic to complete up to the end of 2024-25. The list can include projects that have already been scoped (as long as they meet the funding criteria) and/or new projects identified from Childcare Sufficiency Assessments/Reviews (this can include Flying Start childcare expansion and Welsh Medium expansion plans).

These proposals will be scrutinised by policy leads and technical experts across Welsh Government and we will liaise with our main local authority contacts to agree which projects can proceed to the development stage.

Funding: Local authorities can apply against two funding stages, or can opt directly for stage 3 depending on the size and current project status:

1. **Development Fund:** Funding of around a maximum of £50,000 to identify potential sites, for the initial design of a new project, the cost of developing the business case, professional fees, surveys, planning and tendering. Note that we will require a breakdown of the estimated costs if funding is needed for these purposes.
2. **Build Fund:** The full cost (less any funding already applied for, e.g. development fund).

Note: Development funding can only be provided if this is directly attributable to bringing an asset into working condition, therefore the local authority must be confident that this proposal will proceed to completion. The funding may need to be refunded to the Welsh Government if the project does not proceed to completion.

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Business Justification Cases

Funding Criteria

The Welsh Government will be assessing projects based on the following criteria:

- Welsh Medium Provision – Where a scheme directly supports the expansion of Welsh Medium Provision it would be weighted at 30% for immersive provision, and 20% for bi-lingual provision.
- Co-location - for example on school sites, at Community or Health Hubs – Where a scheme directly supports Welsh Government's co-location of services agenda, it would be weighted at 25%.
- Expansion of Childcare Offer, Flying Start or Foundation Learning in a childcare setting – A scheme would be weighted 10% for each aspect that would be provided within a bid. Therefore, a scheme that is offering foundation learning in a Flying Start setting and accepting children under the Childcare Offer would be weighted as 30%. For those childcare settings delivering the Childcare Offer but nothing else, the weighting would be 10%.
- Expansion of places –The business case for a scheme would have to clearly set out the scale of expansion from existing provision being delivered, for example capital investment would result in capacity of the setting increasing from X to Y. The weighting would increase proportionate to the increase in provision, up to a maximum of 15%.

Section 1: Summary

This section should include the name, location and/or address and the funding being requested for the project. Tick all the relevant priority areas and/or aims covered by this proposal and, if applicable, provide the breakdown of the

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

number of existing childcare places available along with the total number of places covered by this proposal.

Section 1: Development Fund and Project Cost

Development Fund

Local authorities can opt to apply for a development fund at the project initiation stage to scope some of the work, for example to undertake a feasibility study, for initial ground investigations and surveys and pre-construction fees (design, planning, project and cost management). The maximum allowance that we will fund for development purposes is up to approximately £50,000 and the local authority will be required to complete Section 1 and the Strategic Case (Section 2) of the Business Justification Case and to provide a breakdown of these estimated costs.

However, bear in mind that only those costs that are directly attributable to bringing an asset into working condition can be classed as capital expenditure, therefore if the project does not proceed, we will take steps to recover these costs or to offset against other funded capital projects.

Project Cost

This is the full project cost (less any development fund awarded previously, if applicable).

Section 2: Strategic Case

This section includes the following four areas:

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

- Overview
- Impact on Stakeholders and Wider Community
- Wider Policies and Strategies
- Funding

Strategic Case: Overview (max. 500 words)

An overview should be provided about what you want to do, why this work is needed (i.e. the case for change), what provision exists at present and the range of services that will be offered. You should explain how your proposal links with the capital grant criteria (Welsh medium provision, expansion of childcare and co-location).

We ask that you include information regarding the area in question, the transition between the Foundation Learning and childcare and the latest evidence from your Childcare Sufficiency Assessment and/or Review.

Strategic Case: Impact on Stakeholders and Wider Community (maximum 750 words)

This is the section to record information about any consultation and/or engagement carried out with stakeholders, for example childcare providers, CWLWM partners, schools, national childcare and play organisations and parents to establish the need for and location of childcare services.

Local authorities are also required to demonstrate consideration to the impact of the proposal on the local community and stakeholders.

Strategic Case: Wider Policies and Strategies (maximum 1,000 words)

Your business case should demonstrate consideration to some of the wider

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Welsh Government and/or your local priorities, as may be applicable. Although not exhaustive, these may include:

- The Wellbeing of Future Generations (Wales) Act 2015 (**The Well-being of Future Generations | GOV.WALES**)
 - Well-being goals include a prosperous, resilient, healthier and more equal Wales, a Wales of more cohesive communities, of vibrant culture and thriving Welsh language and a globally responsible Wales
- Increased provision of Welsh Medium services – (Cymraeg 2050: Welsh language strategy and to the Welsh in Education Strategic Plans (WESP) for your authority)
- The Child Poverty Strategy for Wales (**Child poverty strategy for Wales: report | GOV.WALES**)
 - e.g. childcare to enable parents to go to work, increasing skills of parents, improving educational and health outcomes of children and families living in poverty and creation of new jobs and opportunities.
- Co-locating key services e.g. Investing in the learning environment of community schools, Investing in a new generation of integrated health and social care centres across Wales
- Securing stronger engagement with parents and carers outside traditional hours
- Ensuring educational inequalities narrow and the standards rise
- Exploring reform of the school day and the school year
- Town Centre Transformation – in making our cities, towns and villages even better places in which to live and work
 - Town Centre first principle – is the proposed project located in a town centre, if not please explain why a town centre location would not be appropriate/possible. How does the proposed facilities fit with any current / local facilities in the area?
- Links to the Local Development Plan (see **Development plans | Sub-topic | GOV.WALES**)
 - Is the site allocated within a Local Development Plan?

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

- What alternatives have been looked at to ensure this is the most sustainable location?
- Decarbonisation and Biodiversity (see [Climate change | Sub-topic | GOV.WALES](#) and [Introduction to the Section 6 Biodiversity and Resilience of Ecosystems Duty | GOV.WALES](#)) and Active Travel and Green Infrastructure
 - Will the project reduce / increase opportunities to walk to the setting?
 - Travel options that encourage public transport and support walking and cycling
 - Plans on creating areas of biodiversity (to improve air quality and decarbonisation) e.g. natural features such as hedgerows, trees, earth banks, installation of bird boxes in appropriate locations
 - How links with natural environment features can be enhanced, ensuring that any loss of playing fields and green spaces are mitigated

Strategic Case: Funding (maximum 500 words)

Provide details about what funding is required and what for. Additionally, provide information about any alternative funding source considered along with details about any Welsh Government funding provided in the last 5 years and the impact, should the funding not be available for this proposal.

Other Welsh Government funding sources that may be applicable include Sustainable Communities for Learning, Welsh medium education, Community Focused Schools, Health and Social Care Integration, Community Facilities and Transforming Towns.

Section 3: Business Justification Case

Section 3 covers the following four areas:

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

- Economic Case (value for money)
- Financial Case
- Commercial Case
- Management Case

Economic Case (value for money) (maximum 1,000 words)

The purpose of the economic case is to identify your list of options and, from these, to identify your preferred option and justification.

You should identify projects where currently there is insufficient capacity in the marketplace and that will respond to that need. For childcare, it should include both maintained and non-maintained settings across the whole sector (local authority, private and third sector providers).

Critical success factors with the options might typically include:

- Do they provide good value for money?
- Are the options deliverable?
- Are they affordable?
- Are the options achievable in the timeframe?
- Do they provide better outcomes for children and families?

Where practical, use a benchmark figure, for example the number of childcare places created (if applicable) versus the project cost = cost per childcare place and/or cost of a modular build as opposed to a solid construction/extension.

You should aim for 3-5 options and a risk appraisal of each, which as a minimum should include:

- do nothing / business as usual
- a realistic do minimum option and
- one or more possible options based on a more and/or less ambitious

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

combination

Give clear reasoning for the preferred option which optimises value for money. Also detail any abnormal costs identified (for example asbestos removal, groundwork issues – mining, contamination etc).

Financial Case (maximum 500 words)

Any additional information not already contained the Strategic Case should be elaborated upon here. This could include how the costings have been arrived at and a comparison with any other similar projects and timeframe for the spend.

Is the project part of a batch procurement or if not, what consideration has been given to this approach?

We ask that you provide a realistic outline profile for the proposal, making allowances for the time to obtain planning permission, the tender process and so on. This profile is vital to assist us to forecast and manage the budget year on year. If projects are delayed this puts pressure on the budget the following year, therefore please provide as realistic a profile as possible.

Commercial Case (maximum 500 words)

All procurement activity should be aligned with the principles of the Wales Procurement Policy Statement (WPPS)), and compliant with procedural and legal obligations.

For example, use of a regional framework for construction works (via an approved Welsh Government Framework such as SEWSCAP, SWWRCF or North Wales School and Public Buildings Contractor Framework or via a separate competitive OJEU tender process) and/or use of the Welsh Government national framework for furnishing educational settings.

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

We would encourage local authorities to choose a more sustainable approach and to work with Welsh social enterprises ensuring that economic benefits will remain in Wales.

It is important for local authorities to demonstrate security of investment, for example how will you ensure that providers continue to deliver childcare and/or Flying Start places? Where a new setting is to be developed (even within school grounds) this should be done in consultation with the childcare sector and should only be a local authority maintained setting where there is no other viable option. We have been made aware of instances where maintained settings have been given notice to vacate rooms within schools. Therefore, what measures are there in place for the continued delivery of childcare within schools for an agreed amount of time?

Also note that you should not apply for funding for provision which would be in direct competition with the non-maintained sector but also that you will need be satisfied that private providers have robust processes in place to ensure the security of the investment.

Management Case (maximum 500 words)

This should explain the governance arrangements for the Childcare and Early Years Capital Programme in your authority, how the project will be managed and the resources required to deliver projects. Please indicate how the investment will be delivered successfully with particular reference to:

- Project management arrangements;
- Business assurance arrangements;
- Benefits realisation monitoring;
- Risk management;
- Post project evaluation; and
- Contingency plans.

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Eligible Expenditure

Definition

Capital expenditure is defined in statute through the Local Government Act 2003. We use the broad definitions provided by the Chartered Institute of Public Finance and Accountancy (CIPFA) on Local Authority Accounting in Great Britain. In general terms it represents expenditure in relation to:

- The acquisition or creation of a new asset
- The enhancement of existing assets

“Enhancement”, in relation to any asset, means the carrying out of works which are intended:

1. *To lengthen substantially the useful life of an asset; or*
2. *To increase substantially the open market value of the asset; or*
3. *To increase substantially the extent to which the asset can or will be used for the purpose of or in connection with the school concerned.”*

For the purpose of the Childcare and Early Years Capital Grant Programme, capital expenditure relates to the provision and improvement of significant fixed assets, including land, buildings and equipment which will be of use or benefit in providing services for more than one financial year. Expenditure comprises of the following:

- The cost of acquiring land and buildings
- Cost of new construction
- Cost of extensions to existing building
- The enhancement of land, road or buildings (within the childcare and Flying Start footprint)
- Purchase of computers/computer equipment if they form part of a large-scale

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

capital project can be capitalised, including associated cabling and hardware

Standard and Abnormal Costs for Capital Builds

Below is a list of elements which need to be included within the standard cost of a new build:

- Surveys
- Fees
- Planning costs
- Design costs
- Preliminary work
- Overheads and profit
- Decant and Re-location Costs
- Construction (including substructure, superstructure, internal finishes, fittings and furnishings that are physically attached to the building and services)
- External works (including external play areas, play equipment, outside furnishings, secure fencing, pathways, parking and landscaping)

Eligible abnormal costs could include:

- Asbestos removal
- Clean-up of contaminated land
- Dealing with historical mining issues
- Piled or other foundation solution that is required due to the condition of the ground
- The levelling of site due to topography

Professional Fees

Primarily, only those costs that are directly attributable to bringing an asset into

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

working condition can be classed as capital expenditure.

This can include any architects and surveyors fees where they lead to the acquisition or the construction of a building. However, when the fees are incurred in the very early stages of a capital programme, relating to the inception and strategic briefing (equivalent to RIBA Stage 0-1 of a school build), they will be deemed revenue activities.

Where expenses is incurred using internal design teams or consultancies affiliated with local authorities, the following rules apply:

- Internal design teams with an allocated central budget from within the local authority are not eligible for this capital grant
- Internal design teams that have no central budget set, but charge fees to other departments that use their services. In this case, the salary costs of the design team, pay, National Insurance and pension costs, can be reclaimed. The on-costs, which include accommodation costs, payroll and financial support etc would not be eligible.
- Internal departments that are set up as a consultancy, e.g. a business separate to the local authority that operates as a commercial entity, the entire amount would be eligible.

Highways Access

Capital funding is provided for the reconstruction or remodelling of childcare and early years facilities, therefore grant funding is attributable to the infrastructure contained within those site boundaries. For example, where a capital project requires work to be done to improve highways access to the site, this would not qualify for Welsh Government grant, and would fall to the local authority to fund.

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Land

We treat applications for funding for new sites and acquisition of land on a case by case basis and would look for evidence that a site selected is an appropriate option and there are appropriate agreements in place to secure ongoing early years/childcare provision.

Selling / Disposing of an Asset

The Conditions under which any offer of capital funding is made clearly that local authorities must notify the Welsh Government of a 'notification of event'. One of these events refers to any plans to 'sell, transfer, lease or otherwise dispose of' all or part of a property that has benefitted from capital funding. If one of these events take place, the Conditions of the Award of Funding letter state that the Welsh Government may require local authorities to repay all or part of the funding received. It is imperative, therefore, that contact is made with the Childcare and Early Years capital managers as soon as any such issue is identified.

The Welsh Government will always consider each case on its own merit and provide a proportionate response to the particular circumstances.

Assessment process

The Business Justification Case assessment and approval process within Welsh Government undergoes a four-stage process:

- Initial Assessment by Childcare and Early Years Capital Managers
- Business Case Scrutiny Group

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

- Education Investment Panel
- Ministerial Approval

Initial Assessment

The Childcare and Early Years Capital Manager will initially assess the Business Justification Case to ensure that the information required has been submitted in full and the case is sufficiently robust to take to the next stage, i.e. Business Case Scrutiny Group. The information provided should evidence that:

- There are clear investment objectives which are aligned with the Childcare and Early Years Capital Programme (see section 2.1 of this Guidance)
- The business needs have been clearly demonstrated
- All potential options have been considered with a cost comparison and demonstrating the preferred option is the most cost effective
- Alternative funding has been sought and funding being applied for cannot be met by other sources
- There are robust programme management and governance arrangements in place for this programme

If necessary, the Childcare and Early Years Capital Manager will request clarification and/or additional supporting information from the local authority.

Business Case Scrutiny Group

Meetings take place on a bi-monthly basis and are typically scheduled for the middle of the month. The dates are available via the following link: [Business Case Scrutiny and Programme Investment Panel meeting dates | GOV.WALES](#)

Cases must be submitted via the Childcare and Early Years capital managers

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

two weeks before this date to ensure that adequate time is given for group members to assess the cases.

The group is attended by policy leads and technical experts from across Welsh Government. In particular, the group looks at the cases and assesses for consistency with Welsh Government strategy, the ability to deliver, a robust economic case, commercial strategy and affordability.

Where the group identifies an issue that is likely to impact on the ability of the Investment Panel to make a decision, the Childcare and Early Years capital managers will seek further information or clarification from the local authority.

Investment Panel

This group also meets on a bi-monthly basis, with meetings scheduled on alternate months to the Business Case Scrutiny Group (please see link to the dates in section 5.1 above). This means that any issues identified through the Business Case Scrutiny Group must be addressed before the Investment Panel meeting.

The Childcare and Early Years capital managers present the local authority's Business Justification Case which is reviewed by the Investment Panel, also taking into account findings from the Business Case Scrutiny Group.

Should cases not be approved by the Panel, the Childcare and Early Years capital manager will report back to the local authority to advise them of the panel's reasons. Where further information is required to enable the case to proceed, this will be requested by the local authority and referred back for scrutiny and/or panel decision.

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

Ministerial Approval

Those cases recommended for approval by the Investment Panel are referred to Ministers for a formal decision. The Childcare and Early Years capital managers will inform the local authority of that decision.

Project Approval and Monitoring Processes

Grant Letter

Following Ministerial approval, a grant offer letter will be issued to confirm the total grant allocation to the local authority. This letter will include a Schedule (Schedule 1), which breaks down the allocation against specific capital projects (if the overall allocation covers more than one).

A signed copy of the grant letter by two authorised signatories on behalf of the local authority, must be received before any of the funding can be claimed.

Conditions

The grant offer letter contains standard Welsh Government terms and conditions and specific conditions for capital grants issued under the capital programme:

- Selling or Disposing of Assets
- Community Benefits
- British Research Establishment Environmental Assessment Method (BREEAM) and Energy Performance Certification (EPC)

It is a requirement that where Welsh Government grant is used for new builds or

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

'stand-alone' buildings, that BREEAM 'excellent' rating is achieved (stand-alone construction means that it does not encompass renovation to an existing building or an extension unless the extension is self-contained).

For example, a two-storey childcare extension would not require a BREEAM 'excellent' rating but would require an EPC rating of A. However, if the proposed structure is a stand-alone building which is self-contained and has its own direct utility services then BREEAM would apply.

If during construction of a new childcare or early years build it is anticipated that BREEAM 'excellent' will not be achievable then the local authority will need to advise the Childcare and Early Years capital managers in the first instance, as it could potentially impact on the availability of grant funding. A business case would be required to support any departure from achieving 'excellent' rating. In all cases the Minister's approval will be required. If a BREEAM 'excellent' rating is not achieved local authorities may have to return all or part of the funding.

The BREEAM requirements are based on floor area. The full list of the requirements can be found at: <https://gov.wales/sustainable-building-standards>

Financial Claims and Routine Monitoring

Financial Claims and Budget Profiles

The Welsh Government will issue quarterly claim forms, progress reports and budget profiles to local authorities.

The template includes sections to record the progress made during the last quarter and to report on any current project issues, risks and delays to project(s). Claims should be made on the spend incurred during the previous

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

quarter. It is important that the local authority submits the claims and reports to us by the date requested so that any issues can be picked up and addressed in consultation with the Welsh Government as quickly as possible.

It should be noted that, in view of the significant budgetary pressures on the Welsh Government and, with a structured Business Justification Case process, we would expect local authorities to be able to profile the spend and confirm the budget profiles per capital project much more accurately.

The Welsh Government will arrange regular meetings with interested policy areas such as Welsh Language and Sustainable Communities for Learning to discuss progress of projects, budget profiling and any potential issues. In addition, these will be supported by site visits.

Variations to the scope of projects

With the introduction of a staged approach to the Business Justification Case process, we expect less variations requests being brought forward than in previous years. However, inevitably, there will be instances where projects do not proceed according to plan and changes may be necessary.

Local authorities should contact their Childcare and Early Years capital manager at the first possible opportunity. Any variation must be agreed via the Welsh Government prior to spend being defrayed. Welsh Government cannot guarantee that increased costs will be met under the capital programme or accommodated in future financial years, therefore the local authority should consider how it will manage overspends or significant delays from its own budgets. Retrospective variation request will only be considered in exceptional circumstances.

Variation application templates are available from your Childcare and Early Years capital manager and an application must be made if there is a significant

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

change in the project scope, for example:

- A change in the planned expansion and/or to the number of childcare places that will be offered or a reduction in the planned service, for example full day care provision is no longer possible
- Location of the proposed project being changed
- Additional work that previously was unforeseen
- Tender costs coming in over budget
- Significant delays and risks with projects

Requests for variations will follow the same assessment and approval process as per Section 5 above and local authorities will be notified formally by letter as to whether or not the request has been approved.

Audits

All projects in receipt of a grant are subject to an annual audit by Audit Wales. Please note that appropriate records must be kept in respect of spend, including invoices, timesheets and evidence of compliant procurement processes.

Closing Reports and Benefits

Local authorities will be required to produce a Closing Report for projects for all projects. The Closing Report should include the following benefits:

- Confirmation that an asset has been created in line with the approved Business Case and information on any associated planned benefits realisation
- An overview of the asset, including confirmation of the provision being delivered and where it differs from previous capacity
- How the project has delivered against CSA and WESP (where relevant)

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

- priorities as well as other local priorities as a result of the investment
- Wider context of how the project will meet the community's needs through supporting wider Welsh Government policies and strategies (see Section 3.2.2 Strategic Case – Wider Policies and Strategies above)
 - Impact on the stakeholders benefitting from the asset
 - Any job creation and/or apprenticeships created (as part of the build project and as part of increased service provision)
 - BREEAM Excellent has been achieved (where applicable)
 - EPC Rating of 'A' has been achieved (where applicable)
 - Construction start date and end date
 - Date when the facility became operational

Publicity

It is important that the Welsh Government and project sponsors work together to maximise publicity for projects and highlight the contribution the Childcare and Early Years programme is making in Wales.

Records should be kept of formal and informal announcements, press and journal articles and press releases, media interviews (television and radio) and official launches and openings to evidence the publicity measures being undertaken during your project's lifecycle.

As a minimum:

- All signage, plaques and press releases must include reference to the source of funding in the opening paragraphs and sent to the Welsh Government for approval prior to release
- For large co-located projects, site signage during construction must acknowledge the Welsh Government's main funding source
- Any project announcement must reference the Childcare and Early Years Capital Programme

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).

- Your website must clearly acknowledge the funding support from the Childcare and Early Years Capital Programme
- You must inform the Childcare and Early Years capital managers about forthcoming project events and openings to allow the opportunity for Ministers to be involved
- Before and after photos of large projects should be submitted post completion for publicity purposes

This document may not be fully accessible.

For more information refer to our [accessibility statement](#).

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/childcare-and-early-years-capital-programme-business-case-guidance-2022-2025-html> for the latest version.

Get [information on copyright](#).