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CHILDCARE AND EARLY YEARS CAPITAL PROGRAMME

SMALL GRANTS GUIDANCE FY2025-28

August 2026 – v3

Childcare and Early Years Capital Programme

Audience: This guidance is intended for local authorities and should be used when preparing, reviewing applications, and awarding funding under the Small Grants Scheme.

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

Related document: Childcare and Early Years Capital Programme Business Justification Case Guidance, version dated April 2026.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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CHILDCARE AND EARLY YEARS CAPITAL GRANT PROGRAMME

SMALL GRANTS SCHEME 2025-28

1. Introduction

- 1.1. The Childcare and Early Years Small Grants Scheme (hereafter referred to as 'the Grant') will be managed by the local authority, utilising the systems it already has in place to administer other Childcare and Early Years funding streams.
- 1.2. It will be for each local authority to determine how frequently it accepts applications, but it should ensure that these 'bidding rounds' are frequent enough to allow childcare providers registered with Care Inspectorate Wales (CIW) to secure the funding they need as quickly as possible.
- 1.3. The local authority will be expected to:
 - Keep a record of all the applications it receives, to include the name of provider, the amount and reason for the request, main language of delivery (Welsh, bi-lingual, English), the number of children in that setting and the areas of delivery (if applicable) e.g.
 - Flying Start
 - Childcare Offer
 - Foundation Learning
 - Record when the application was considered by you as the local authority, outline the local authority representatives who were present and whether funding was approved or not;
 - If funding is approved the amount should be recorded in a formal grant offer letter to the applicant which details the terms and conditions* attached to the offer and the applicant must sign up to those terms and conditions.
 - If funding is not awarded, the applicant must be advised in writing; and
 - Details of when the funding is paid out must be recorded and what checks have been taken to ensure the work has taken place.
- 1.4. The information detailed above will need to be retained by the local authority should the Welsh Government request sight of the information for audit purposes. As a condition of receiving funding through the Programme, local authorities are required to submit quarterly progress reports. A brief summary of the small grants funding awarded during the quarter should therefore be included within the quarterly progress report.

* See details at section 7 below regarding the grant terms and conditions.

2. Eligibility

2.1. In considering an application the local authority will need to ensure that the applicant is eligible and meets the criteria detailed below:

- **All** settings registered with Care Inspectorate Wales (CIW) are eligible to apply. This includes childminders, private and voluntary day care providers, and local authority-maintained settings offering full day care, sessional day care, open access play, creche and out of school childcare. Applications can also be considered from childcare providers who are in the process of applying for registration; the local authority will need to be satisfied that provider is genuinely in the process of making that application to CIW.
- The childcare setting must be based in Wales; applications cannot be considered for childcare settings located in England even if there are Welsh children attending.
- All applications should be made to the local authority of the area of the setting's address as registered with CIW; a provider cannot apply to more than one local authority even though they may be taking children from more than one local authority area. If a provider has more than one registered setting then they would need to make individual applications for each setting to the relevant local authority, and they would not be able to transfer money between projects.
- It is for the local authority to determine whether a particular item, activity or piece of work should be supported through the Small Grants Scheme.

2.2. In making an application a provider must:

- Be able to articulate the benefit to the setting and children of the investment.
- Be registered with CIW or in the case of new providers, give a written undertaking that it will register with CIW at the earliest opportunity. If a setting is not registered within 6 months of grant having been drawn down, then the local authority may take steps to recover the funds.
- Acknowledge the investment it has received in any promotional material issued to parents.
- Be prepared to commit to offer childcare for a minimum of 5 years from the date on which the final grant payment is made and acknowledge that if it stops providing childcare places or routinely accepts privately fee-paying children over those in receipt of Welsh Government funded childcare, then it may be required to repay all or part of the grant funding received. The amount repayable will vary depending on the circumstances and will be tapered based on when the occurrence falls within the five-year period. The table below should be used as guidance; the level of clawback must be discussed with a Welsh Government official.

Time since grant awarded	Percentage of funding to be reclaimed
Less than 1 year	100%
1 year	80%
2 years	60%
3 years	40%
4 years	20%

3. Objectives and Priorities

3.1. Small grants priorities, which are not in priority order:

- Support the local authorities Childcare Sufficiency Assessment and annual action plans.
- Settings delivering Welsh Medium provision and/or with a particular emphasis on strengthening Welsh medium provision.
- Settings directly supporting the Welsh Government's co-location of services agenda, for example on school sites, within community buildings and health hubs;
- Settings providing the Childcare Offer, Flying Start and/or Foundation Learning places;
- Out of school childcare and improving play opportunities for children.
- Childcare that can be delivered during the full day, term time and the school holidays in order to maximise provision to families across the year.
- Small Grants Funding is also available for existing Flying Start Settings/ Hubs.
- Settings supporting disabled children and children with additional learning needs.

4. What can be funded?

4.1. We would expect the amount available to any one setting in any given financial year to be as detailed below, however the local authority can use its judgement to offer over the maximum amount if there are exceptional circumstances. Local authorities must discuss and agree with Welsh Government Childcare and Early Years capital managers **before** funding is agreed under the Exceptional Circumstances rule.

4.2. It is at the discretion of the local authority to determine whether funding is awarded to an individual childminder or childcare provider in any given year. Decisions should be based on the prioritisation of works within the local authority area, identified local need, and the availability of funding. The local authority may

award the full eligible amount, a proportion of the eligible amount, or decide not to award funding.

Registered Childcare Places	FY26-27 Maximum Award
Childminders registered up to 10 places	£10,000
Childcare providers registered for up to 15 places	£20,000
Childcare providers registered for 16 to 29 places	£30,000
Childcare providers registered for 30+ places	£40,000

5. Guidance for Small Grants Funding applications

5.1. Funding can be offered for various capital works that may be needed such as:

- General refurbishment, including painting, replacing carpets;
- One off maintenance requirement for existing settings
- Pushchairs and car seats for use by childminders and childcare settings at the discretion of the local authority
- Improving the outdoor play facilities of a setting, such as replacing the outdoor play surface, shelters or providing a canopy to enable play and learning in all weather ¹
- Replacing / repairing general fixtures and fittings such as toilets, kitchen facilities, windows, doors
- Replacing worn equipment / furniture / toys which could potentially pose a health and safety risk. For example, a rusted outdoor climbing frame, broken or badly worn furniture, which could cause splinters; or a well-used and tatty changing table, which can no longer be hygienically cleaned *
- IT equipment provided if it can be clearly shown that it is to support the setting to provide a more digital offer to parents (i.e. allowing a setting to email reports) and children's development. This could include laptops, ipads and printers

^{*1} Play Wales resources library has a range of useful toolkits and resources that can help to develop and manage play spaces, support in creating accessible play areas and outdoor play in early years settings. The resources library can be found here: [Play Wales - Resources Library](#). RoSPA's Play Safety department also provides advice and information on playground management and the safety of indoor and outdoor play areas and for a range of equipment from ball pools to sand play and wooden play equipment: [RoSPA Advice and Information](#).

- The provision of bespoke equipment / furniture / sensory room equipment which will enable a provider to care for a disabled child or child with additional learning needs
 - Purchasing of new furniture for new childcare settings
 - Solar panels may be supported under the small grants funding where a childcare setting/ childminder can clearly demonstrate the total cost benefit/ return on investment (ROI). A contribution may be considered by the respective local authority where a childminder is requesting solar panels. Please see section 6.1
 - In exceptional circumstances towards the purchase of a vehicle which would be used to transport children between the childcare and education settings or support disabled children and children with Additional Learning Needs (ALN) access childcare, or support access for children living within rural settings. Leasing costs are not eligible for funding as well as running costs of the vehicle such as insurance, fuel and servicing.
- 5.2. The grant funding is for capital purchases only, essentially something that has a resale value or improves the value of the property. It cannot be used to fund:
- The purchase of consumables, such as paper, cleaning materials, nappies
 - Staff costs such as wages, training, travel and subsistence
 - The purchase of clothing, e.g. Tabbards, Smocks, Wellington boots
 - Utility bills such as gas, electric, rates
 - The provision of running costs for WiFi or phone line connections
 - Insurance costs such as building insurance, employer's liability insurance
- 5.3. This list is not exhaustive. If there is any doubt as to whether an item is eligible, please contact your capital account manager in the Welsh Government. Please also see a list of Frequently Asked Questions (FAQ) at section 8.

6. Further notes for grant applications from childminders

- 6.1. As childminders work on domestic premises, they should clearly demonstrate the nature of what is being requested and why, and how this benefits the childminding setting and children in their care.

A request for a contribution for works within communal areas of the childminders home should be considered and will be determined by the local authority. However, each case should be assessed according to the need, circumstances and environment that the childminding service is being delivered.

7. Terms and Conditions

- 7.1. All providers in receipt of funds from the Small Grants Scheme will be expected to formally accept the offer in writing (email is acceptable), they must also sign up to the terms and conditions attached to the grant.
- 7.2. The local authority should base the terms and conditions it uses for other early year's grants that it administers. It should however include the following additional clauses:
- The funding is being provided by the Welsh Government, and this must be acknowledged in any literature and social media correspondence such as newsletters and the relevant Welsh Government branding should be used
 - In accepting this offer of funding, the applicant agrees to provide Childcare places for a minimum of 5 years from the date the grant funding is paid
 - If the applicant decides not to accept children being funded via a Welsh Government funded programme, then they may be liable to repay all or part of the funding paid. This will **not** apply if the applicant can clearly demonstrate that they would welcome children under these programmes but there is no capacity or the setting is not eligible to deliver childcare funded programmes, for example out of school childcare / open access play / creche
 - The funding must be spent solely on those items deemed eligible for funding. If there is evidence that any part of the funding has been used for ineligible items then the applicant will be required to repay that amount
 - A provider may apply for funding for the same setting more than once in any financial year provided that the total amount awarded to an individual setting does not exceed the amount in para 4.1
- 7.3. Please note the Welsh Government will not seek to recover funding from the local authority in respect of monies it has failed to recover from a third party, provided it can demonstrate that it has taken all reasonable steps to reclaim the funding from the provider.

8. Frequently Asked Questions (FAQs)

Q1.	Can the provider of more than one setting apply for a grant for each of their settings?
A.	Yes. A business can apply for a grant for each setting, provided each of their settings is registered by Care Inspectorate Wales (CIW) in their own right. Each application would need to be made on the basis of one application per setting, and to the relevant local authority, where the setting is based.
Q2.	Can the grant be used to help with set up costs?
A.	Yes, the grant can be used to purchase items as part of initial set up costs.
Q3.	Where an application is received from childminders who are working together, as they are registered separately with CIW, can they apply for £10,000 each?
A.	No. The limits in our small grant guidance is per setting . Therefore, where childminders are working together in a single domestic premises, they would only be able to apply for up to a maximum of £10,000 per financial year. If they also work in another domestic setting, each setting would be able to apply for a grant where they meet the funding criteria.
Q4.	Are childminders eligible for a contribution towards the purchase of a vehicle?
A.	In <u>exceptional circumstance</u> the local authority may consider the appropriateness of funding a proportion of the costs of a vehicle. In doing so they would need to consider: - the reason the childminder(s) needs a vehicle and how it would benefit them and children in their care. - will it be used to transport children to/from other foundation learning or childcare provision - will it be used to support disabled children and children with ALN access childcare - the location of the provision must be considered i.e rural settings. - will the vehicle be for personal use too? If so, what is the proportion between private and business use; what contribution would be reasonable in these circumstances?

	Please Note: Vehicle leasing and running costs are not eligible under this grant.
Q5.	Can we fund requests for car seats?
A.	Car seats can be supported under the grant however the provider must demonstrate that this is for the use of childcare purposes within a childcare provision. This will apply for both childminders and childcare settings. It is at the discretion of the local authority as to whether this item is supported based on the information provided by the requestee.
Q6.	Can we fund the replacement of items such as windows and gates?
A.	Yes. Costs for replacing and/or repairing fixtures and fittings such as toilets, kitchen facilities, windows, doors are eligible under the grant. However, applications of this nature from childminders should be considered on a case-by-case basis and should only be funded in exceptional circumstances with a contribution to the cost from the childminder for communal areas.
Q7.	Can funding be used to replace flooring?
A.	Yes. If applicants have given sufficient justification within their application. For example, that the current flooring (internally or externally) poses a health and safety risk or is unsuitable, or the new flooring will enable the children to explore a greater range of activities. We would expect the provider to demonstrate they have looked into and risk assessed different types of flooring to ensure the one requested is durable / suitable for the purpose.
Q8.	Can the grant be used to purchase items such as, books, clothing (for example wellingtons/tabbards/smocks)?
A.	No. These would be deemed as consumables therefore are not eligible under the small grant scheme.
Q9.	We predict an underspend in our small grant. Can we transfer some of our allocation to cover shortfalls in larger capital projects or to appoint a staff member to assist with capital grants?

A.	No. Funding allocated under the small grant scheme must only be utilised as per guidance. Therefore, it cannot be transferred to other capital projects or used to fund posts.
Q10.	Can the grant be used to purchase solar panels and what do I need to consider when developing an application for solar panels?
A.	Yes, solar panels can be supported through this grant. We would advise reaching out to other local authorities seeking advice on how they have managed the purchase of solar panels.
Q11.	Is the small grants programme a rolling programme?
A.	No, it is an annual allocation to local authorities and must be spent within the financial year of allocation.