

POLICY FOR THE
CHILDCARE EXPANSION
CAPITAL GRANT

31 July 2024



Working for a brighter future: together

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1. BACKGROUND

- 1.1. Cheshire East Council has a statutory duty to ensure there is sufficient childcare available to support the needs of parents accessing work and training.
- 1.2. Increased support from the government for children to access childcare increases the demand for early education entitlement and wraparound places:
 - funding 15 hours a week of free childcare for all 3- and 4-year-olds – an increase from 12.5 hours
 - funding 30 hours a week of free childcare for 3- and 4-year-olds in households where both parents work – an increase from 15 hours
 - funding 15 hours a week of free childcare for all disadvantaged 2-year-olds – for 40% of all 2 year olds
 - from April 2024, working parents of two-year-olds will be able to access 15 hours of free childcare. From September 2024, 15 hours of free childcare will be extended down to the age of nine months for working parents. From September 2025, working parents of children aged nine months and upwards will be entitled to 30 hours free childcare per week right up to their child starting school.
 - Wraparound childcare provision directly before and after the school day during school term time for school age children
 - legislating for tax free childcare which will save working families with children under age 12 up to £2,000 per child per year.
- 1.3. Over 80% of the free entitlement in Cheshire East is delivered by the private / voluntary / independent sector, and less than 20% in schools. These sectors are responsive to change but their opportunities to expand are often limited by access to capital. The government recognises this and makes capital available to support the expansion of childcare in line with the increased government support for parents.
- 1.4. The Department for Education (DfE) has made capital available to support the expanded early education entitlements and wraparound childcare for primary school aged children. The total Childcare Capital Expansion Funding capital allocation for Cheshire East is £748,977, calculated on 80% to expand the early education entitlements (£599,182) and 20% to expand wraparound childcare (£149,795).
- 1.5. The capital funding assists the Council in meeting statutory duties and support the following corporate objectives:
 - Support all children to have the best start in life
 - Increase the opportunities for children, young adults and adults with additional needs
 - Ensure all children to have a high quality, enjoyable education that enables them to achieve their full potential
 - Thriving urban and rural economies with opportunities for all.
- 1.6. Capital may be awarded to childcare providers to extend existing or create new provision. The key criteria for funding being the creation of additional capacity in areas of need. The capital can not be used to improve the quality of existing provision.

2. Legal and Budgetary Framework

- 2.1. The budget is £748,977 and made up wholly by the funding allocation from the DfE, with £599,182 allocated to expand the early education entitlements and £149,795 allocated to expand wraparound childcare.
- 2.2. All grant decisions will be made based on the set of principles, set out in this Policy, and within the agreed budget approved by Council. The budget for the grants is managed carefully and flexibly to ensure that the Council has money available throughout 2024/25 and potentially into 2025/26 to ensure, as far as reasonably practicable, childcare places are created as the need arises. As far as possible the Council tries to ensure that no one is disadvantaged due to the time of year they apply.
- 2.3. Given the fixed budget and the Council's aim to benefit as many organisations as possible, the Council cannot guarantee to fund the maximum amount applied for; therefore, organisations must ensure that they have procedures in place to cover the balance of funding required. The Council will not pay a grant unless the organisation can demonstrate that the balance of the funding is available.

3. Application Process

- 3.1. The Childcare Expansion Capital Grant scheme operates within set criteria, agreed by the Director of Education, Strong Start and Integration and relevant Council Officers in line with the Council's Corporate Outcomes.
- 3.2. Applications must be made on the Council's official application form and accompanied by at least two written quotations on contractors' letter headed paper for each item of the Works and any other information that the Council considers necessary to consider an application for funding.
- 3.3. All applications must be approved as set out in section 9.
- 3.4. The Childcare Development Manager may request further information to assess whether the Applicant meets the eligibility and criteria requirements.
- 3.5. Applications will be considered in line with the funding available and once the budget has been committed in a financial year, no further applications will be considered.
- 3.6. Where an application for funding is refused, the Council will provide a written statement of the reasons for refusal, and details of any appeals procedure.
- 3.7. The funding for this policy will be available over a number of application opportunities until the budget is exhausted. In the case of all applications all the terms and conditions of the funding have been met by the Applicant.

4. How to apply

- 4.1. Applications for funding must be made using the Council's application form and associated guidance notes that are available on the Council's website.
- 4.2. The application form must be completed in full. Incomplete application forms will not be considered and will be returned to the applicant, which could cause a delay or deferral to the application. A copy of the organisation's up-to-date signed Governing Document and Safeguarding Policies must be sent with the application form. If this is not received the application will be deferred to the next round of evaluation and may result in the application being declined. Supporting documentation (listed on the application form) may also be requested prior to the application being fully considered. Failure to supply all required documentation will result in the application being treated as incomplete.

- 4.3. The closing dates for receipt and acceptance of complete applications are published on the Cheshire East council website and the CHEST <https://www.the-chest.org.uk/> at the time when applications are invited. Applications are not invited at any other times.
- 4.4. Applications will be accepted and reviewed according to the timescales stated in section 9 of this document.
- 4.5. Grants cannot be paid retrospectively therefore any work commenced prior to acceptance of the grant offer will not be eligible for funding.
- 4.6. All successful applicants will be required to complete a post grant monitoring report as per section 12 of this document.
- 4.7. What can be funded**
- 4.8. Capital schemes to create additional early education entitlement and/or wraparound childcare places in Cheshire East in areas of need identified in the latest childcare sufficiency assessments conducted by the council. Schemes must create additional places (no minimum number of places) subject to the requirements set out in 4.18.
- 4.9. Wraparound childcare provision funded from this grant must be available directly before and after the school day, from 8am to 6pm (or equivalent, if data shows that local demand is for different hours) during school term time for primary school-age children. It may be run on a school site or at another setting. It should not require parents to pick their children up from school and drop them off at another location.
- 4.10. Examples of early years projects that can be funded:
- Projects that increase the number of places to enable and/or increase access to childcare places for eligible children;
 - Projects that adapt, re-model or improve existing childcare provision and expand the number of places to make them suitable for a wider range of needs;
 - Central capital works required to enable delivery of additional early education entitlement places.
- 4.11. These could be achieved through:
- Expansion of existing childcare provision, including expanding existing provision to a different or additional site;
 - Remodelling of existing provision to create additional capacity;
 - Creation of new childcare places, whether via the creation of new settings, or expanding provision in existing providers;
- 4.12. Examples of appropriate wraparound projects that can be funded:
- Projects that enable the creation of new wraparound places and increase access to wraparound places where suitability of space may be a concern, particularly for children with SEND;
 - Projects that adapt, remodel and improve to create additional wraparound provision to make them suitable for a wider range of needs;
 - Purchasing fixed assets required to deliver wraparound provision.
- 4.13. These could be achieved through:
- Building modifications to enable use of space outside main school/setting operating hours, e.g., secure external access, outside lighting to enable outdoor space to be used year-round;
 - Building modifications to adapt space for use to deliver inclusive wraparound childcare;
 - Improvements to storage;

- New physical assets such as minibus purchase (to support a hub model of wraparound provision), play equipment (including outdoor play equipment), or tables and chairs. To be considered capital expenditure the asset must bring an economic benefit, and able to be depreciated, over more than one financial year.

4.14. What cannot be funded

- Work which has already taken place before acceptance of the grant offer;
- The funding should not be used to subsidise the fee charged for places. Any places created through the programme should be paid for by parents.
- The programme grant funding should not be used to contribute to the running cost of existing wraparound childcare places
- Revenue costs
- Vehicle purchase unless used for the delivery of wraparound childcare;
- Loan against loss or debt;
- Paying someone to write your application or applications to other grant funders;
- Land purchase;
- Items that are purchased on behalf of another organisation.
- contributions in kind
- depreciation, repayment or impairment of assets already owned
- interest payments or service charge payments for finance leases
- gifts
- entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations)
- statutory fines, criminal fines or penalties.

4.15. Who can apply

4.16. To qualify for a grant organisations must meet the criteria listed below:

- Schools, private, voluntary, and independent sector childcare providers, including childminders, operating within the Cheshire East area and registered with the appropriate regulatory body;
- Provide value for money - the applicant may only request funding for resources that are essential to the completion of the project and must provide comparative quotes;
- If a voluntary sector organisation, have a management committee with an up-to-date Governing Document which must be signed by at least two members of the committee who are unrelated to each other;
- Have appropriate safeguarding policies relevant to their organisation, which must include a requirement that staff / volunteers are cleared with the Disclosure and Barring Service where appropriate;
- Have a bank or building society account in the name of the organisation applying with at least two signatories unless a childminder where one signatory would be applicable;
- Complete the current application form in full, providing all required information;
- Meet the requirements of the Subsidy Control Act 2022.

4.17. Priorities for Funding

4.18. Priority will be given to organisations and projects that:

- i) Create additional early education entitlement and/or wraparound childcare places in areas of need identified in the childcare sufficiency assessments or any other supplementary assessments conducted by the council
- ii) Are easily reached by children and families accessing the service in the area of under supply.. Projects in close proximity to families requiring childcare attracts a higher score. This does not preclude applications to create provision outside the area of need that serves the area of need.
- iii) Have attained a Good or Outstanding Ofsted grade at last inspection. Applications may be considered from applicants who have attained a Requires Improvement grade at last inspection.
- iv) Have the lowest level of grant funding per childcare place created. Priority will be given to applicants who create places for the lowest level of grant funding.
- v) Request the lowest proportion of the budget available
- vi) Have a high level of applicant investment
- vii) Create a high number of new childcare places
- viii) Demonstrate how the project will meet the needs of children with special educational needs and disabilities (SEND) (specific SEND questions on the application form).

4.19. Each application is awarded a score out of 10 for the following areas. Each area carries a weighting in order to determine the total score.

	Weighting	Maximum weighted score available
Sufficiency (need for provision in the area attracts the highest score)	30	300
Accessibility (closest proximity to families requiring childcare attracts highest score)	3	30
Ofsted grade at last inspection (Outstanding attracts highest score)	5	50
Cost per place created (grant requested ÷ places created. Lowest cost per place attracts the highest score).	4	40
Proportion of budget (lowest proportion of budget attracted the highest score to avoid the budget being allocated to a narrow geographic area).	2	20
Level of applicant investment (highest proportion of applicant investment attracts the highest score).	3	30
Number of new places created (high score for high number of places created).	30	300
Proportion of places created that specifically meet the needs of children with SEND (highest proportion attracts	3	30

highest score)		
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- 4.20. The highest scoring applications will be funded subject to achieving a minimum score that is determine by the budget available.
- 4.21. There is a limited amount of funding available. The funding is intended to create more childcare places over time, provide one-off funding for projects and to support new initiatives.
- 4.22. In the unfortunate event that a project receives funding to create early years places and subsequently closes Cheshire East Council will recover funding on a reduced percentage basis as indicated in the following table:

Time period	Percentage clawback
Year 1	80%
Year 2	60%
Year 3	40%
Year 4	20%
Year 5 onwards	0%

5. Carrying out and completion of the works

- 5.1. Works must be carried out by a contractor whose quotation was accepted as part of the application for funding. Any request to change contractor must be made in writing. Consent will not be unreasonably withheld by the Council.
- 5.2. The Works must be started within 3 months and completed within 6 months of the date of approval. Requests for additional time to start or complete the Works must be made in writing before the end of the relevant period. Consent will not be unreasonably withheld by the Council.
- 5.3. In the event of unforeseen work or an increase in costs arising during the course of the Works, the amount of the funding may be increased at the discretion of the Council. The minimum amount of such "Additional Funding" that will be considered is £100.
- 5.4. Funding payments will only be made where:
- i. The Works have been completed in accordance with any statutory requirements and / or the Council's specification, and to the reasonable satisfaction of the Council, and
 - ii. The Council's standard payment request form has been completed, and
 - iii. Upon receipt of a valid invoice or receipt for the Works. An invoice or receipt will not be considered valid where it is not in the name of the Applicant.
- 5.5. Requests for interim payments will be considered. The value of the interim payments will not exceed the value of the Works completed and will not exceed 90% of the total value of the Works that have been approved.
- 5.6. Where requests for Additional Funding are received the Council will only approve Additional Funding where the additional sum requested combined with the original funding do not exceed the maximum permitted funding.
- 5.7. In the event of a dispute between the Applicant and the contractor about the satisfactory completion of the Works the Council reserves the right to pay the assistance to the Applicant or the contractor if the Works have been carried out to the satisfaction of the Council.

6. General works conditions

- 6.1. The following conditions will apply to all Works applications:
- i. The property must be situated in Cheshire East;
 - ii. Eligible costs that can be included in the application for funding are:

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- a) Reasonable cost of Works
- b) Any VAT on the reasonable cost of Works
- c) Eligible fees
- iii. Eligible Fees that may be included as part of the application for funding are:
 - a) Specialist, technical and / or structural reports that are required by the Council.
 - b) Building Control fees for Works.
 - c) Legal fees and disbursements incurred as a result of setting up any agreements.
 - d) Valuations fees.
 - e) Financial advice.
- iv. A fee in accordance with the Council's Fees and Charges schedule will be included as part of the loan for technical and professional services provided by the Council to facilitate the application process.
- v. Works that have been started or completed prior to an application for assistance will not be considered.
- vi. Further applications for funding for Works to the same property will not be considered under this Policy and subsequent versions of this policy for a period of 5 years from the certified date of completion.

7. Disabled adaptations and equipment conditions for send applications

- 7.1. The following conditions will apply to all SEND applications in relation to disabled children for adaptations and equipment:
- i. The Works must be necessary and appropriate to meet the needs of the disabled person. In doing so the Council will consult with any relevant agencies
 - ii. The Council will assess whether the proposed Works are reasonable and practicable
 - iii. It must be reasonable and practicable to carry out the Works having regard to the age and condition of the property.

8. GENERAL CONDITIONS

- 8.1. In delivering the activity or project funded by the capital grant, the organisation must not unlawfully discriminate, directly or indirectly against any of the nine protected characteristics which are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation.
- 8.2. All successful grants will be subject to a Grant Agreement, signed by the childcare provider and Council.
- 8.3. Grants are valid for a period set out in the contract and will be paid in advance of completion of the project. A report and invoices or receipts must be forwarded to the Council on completion of the project in accordance with the contract. Unspent grant must be returned to the Council;
- 8.4. If the project involves work on land or a building, including refurbishment, the applicant must own the freehold of the land or building, or hold a lease and landlord approval that cannot be brought to an end by the landlord for at least 5 years;
- 8.5. The Council may ask for confirmation that planning permission is not required, or that it is required and has been granted. If planning permission is required, planning permission must be approved before the grant is paid;
- 8.6. The following conditions will apply to all grant funding for Vehicles:
- i. The vehicle must be purchased from/adapted by a garage.
 - ii. The Council will determine whether the make and model of the vehicle is suitable for the proposed purpose.
 - iii. The Applicant must have a vehicle inspection carried out (either by the AA or by the Council).

- iv. Where a vehicle is to be adapted for a disabled child, the Council reserves the right to inspect the vehicle both prior to and following the works being carried out in any event.
 - v. The cost of any associated check/s can be added to the grant funding provided.
 - vi. An invoice or receipt will not be considered valid where it is in the name of the Applicant of a member of the Applicant's family.
 - vii. If the vehicle for which the grant funding is being requested will be an additional vehicle (i.e. the Applicant already owns at least one car) then the Council will consider the Applicant's need for that additional vehicle in accordance with the criteria set out in Paragraph 3.
 - viii. Further applications for funding to purchase and/or adapt a vehicle will not be considered under this Policy and subsequent versions of this policy for a period of 5 years from the date of payment of funding under any previous application.
- 8.7. Organisations must be able to participate in a monitoring process and provide monitoring information to evidence how the grant money has been spent and adherence to the conditions of the grant. This must include receipts or invoices and a written report of the project, plus photographs, on completion;
- 8.8. Organisations must acknowledge the support of Cheshire East Council in press releases, publicity and advertising etc.;
- 8.9. The organisation will allow Cheshire East Council to use details of the grant award, together with any relevant photographs supplied, in newsletters and on the Council's website;
- 8.10. Expenditure must not be incurred on the project prior to the grant decision being given. In these circumstances the Council will withdraw the grant offer/rescind the grant decision;
- 8.11. Organisations must notify the Council of any changes in circumstances which affect their financial position throughout the period in which the grant monies are being used;
- 8.12. The grant must only be used for the purposes specifically stated in the application form, should it be spent in any other way, without written approval from the Council, the organisation may be asked to return some or all of the monies paid;
- 8.13. If the project is cancelled or only partially achieved, or if the organisation is wound up, some or all of the grant may be recovered by the Council;
- 8.14. The Council reserves the right to impose further Conditions (Special Conditions), depending on the circumstances of each application.
- 8.15. All conditions under which the grant has been awarded, including any Special Conditions, must be met. Failure to do so could result in the organisation being asked to repay the grant monies to the Council.
- 8.16. Organisations must enter into a recognised consultancy Contract(s) with reputable consultant(s) which Contract(s) provides for a 12-year limitation period should legal action need to be taken in respect of the Contract(s) and requires that any sub-Contract that the consultant enters into be on the same basis.
- 8.17. Organisations must enter into a recognised works or construction Contract (such as JCT or NEC or similar) with a reputable contractor which Contract(s) provides for a 12-year limitation period should legal action need to be taken in respect of the Contract(s) and requires that any sub-Contract that the consultant enters into be on the same basis; and
- 8.18. Keep the Council fully informed of any actual or potential disputes that arise with any parties.
- 8.19. Organisations must in their contract requirements for the contractor to main insurances adequate to cover risks under the building contract (including all construction risks, professional indemnity, and public liability insurance), and for prompt payment of invoices in the supply chain.
- 8.20. Organisations to ensure that the delivery of the Funded Activities does not put the Council in breach of the UK's international obligations in respect of subsidies and maintain appropriate records of compliance with any relevant subsidy control regime.

9. Decision making process

- 9.1. The grant applications will initially be assessed by the Childcare Development Manager and Childcare Development Lead, in consultation with officers from other council departments as appropriate, against a scoring criteria based on the priorities outlined in 3.20.

- 9.2. Having assessed all applications a Recommendations Report is prepared for consideration and approval by
- Amounts up to and including £50,000 (where grant is within approved grant policy and fully funded) – Head of Service Early Years, Family Help & Prevention
 - Amounts between £50,000 and £100,000 (where grant is within approved grant policy and fully funded) the Director of Education, Strong Start and Integration with the Chair of the Children and Families Committee and Chair of Finance Sub-Committee.
- 9.3. Organisations will be notified to inform them of whether they have been recommended for approval or not within 12 weeks after the closing date for each round of applications.
- 9.4. Offer acceptance forms and Grant Agreements should be returned before the date stated in the offer letter date and via the email address provided. Payments will be made once a signed form is received.
- 9.5. Complaints about any aspect of the grant process will be dealt with under the Council's Corporate Complaints Procedure. A copy of the Council's Corporate Complaints, Compliments and Suggestions Policy is available from the Council's website.
https://www.cheshireeast.gov.uk/council_and_democracy/customer-services/complaints_and_feedback/complaints_and_feedback.aspx

10. Payments

- 10.1. Payment will be made in the following way:
- For amounts up to £10,000 – as a lump sum.
 - For amounts over £10,000 up to £15,000 – in two stages, as agreed at the approval stage (usually at the beginning and end of the work being done);
 - For amounts over £15,000 – in three stages, as agreed at the approval stage (usually at the beginning, middle and end of the work being done).
- 10.2. Payments for works upon property will normally be reimbursed once a valid receipt of payment has been provided.
- 10.3. Payments for vehicles (including adaptations to vehicles) will normally be reimbursed once a valid receipt of payment has been provided.

11. Repayment of funding

- 11.1. In the event that the Council requires repayment of the funding in accordance with the conditions set out paragraph 8, the Council may at its discretion waive any demand for repayment of funding once it has considered:
- i. The extent to which the Applicant would suffer financial hardship were they to be required to repay all or any of the funding;
 - ii. In the event of the disposal of a property, whether the disposal itself or the waiver of demand for repayment will facilitate the Applicant's continued ability to provide care;
 - iii. Whether the disposal is made for reasons connected with the physical or mental health or wellbeing of the children in placement.
- 11.2. Requests for repayment waived must be made in writing to the Childcare Development Manager whose decision is subject to the Appeals process set out below.
- 11.3. In considering a request to waive repayment the Council may at its absolute discretion offer the Applicant the option to convert the loan into a monthly repayment loan or a deferred repayment loan on terms to be set by the Childcare Development Manager as an alternative to immediate repayment.

12. MONITORING AND RECORD KEEPING

- 12.1. Following a successful application and in order to ensure that monies are used in an appropriate manner, as set out in this Policy and the funding contract, a monitoring report will be required following project completion. This report shall include, but shall not be limited to, how many people benefitted from the project, how the grant money was used and what difference the project made to local people.
- 12.2. Invoices, receipts and photographs must be made available to the Council on request.

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- 12.3. Invoices or receipts dated prior to the date of the funding contract will not be accepted or reimbursed.
- 12.4. The Council reserves the right to monitor the use of the grant and ask for evidence to support an application.
- 12.5. The organisation must allow reasonable access to premises/accounts upon request from the Council.
- 12.6. Organisations must retain records relating to the grant for an appropriate period (to be confirmed in the Grant Agreement).
- 12.7. If organisations do not supply satisfactory monitoring reports and supporting information in full and within the set time scale, they may be asked to repay the grant funding to the Council. Failure to comply with the conditions of this grant may be taken into account when considering any further applications for grant funding made by the same organisation in the future.

13. Appeals

- 13.1. All applications for funding will be considered against the published criteria. If the application does not meet the criteria, the Council will inform the Applicant in writing of the reason why they are being refused funding.
- 13.2. Where an Applicant is refused funding and they wish to appeal against the decision, they should appeal in writing to the Council within 28 days of the date of refusal.
- 13.3. It is recognised that there may be situations where the refusal of funding would disproportionately disadvantage an Applicant. In these circumstances, the Council may waive or alter some or all of the eligibility criteria, minimum or maximum amounts, or conditions of funding based on the individual circumstances, and approve the application for funding. All cases will be considered on an individual basis in a fair and transparent way through the Appeals process.
- 13.4. All appeals will be considered by the Head of Service.
- 13.5. The decision of the Head of Service, will be final in respect of that individual case and will not be binding upon future applications made by that or any other applicant.

14. Publication of this Policy

- 14.1. All current childcare providers and schools in Cheshire East will be made aware of the existence of this policy via the Cheshire East Council website, the Early Years Bulletin and Schools Bulletin. Individual copies of the policy will be made available on request.

15. Questions and Guidance

- 15.1. Contact for further information: earlyyearsandchildcareteam@cheshireeast.gov.uk
- 15.2. Website: <https://www.cheshireeast.gov.uk/livewell/care-and-support-for-children/early-years-and-childcare/info-for-providers/business-information-for-childcare-providers/national-wraparound-childcare-programme/national-wraparound-childcare-programme.aspx>

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