

STRATEGIC INVESTMENT GROUP

BUSINESS CASE – CAPITAL INVESTMENT

This Business Case provides justification for undertaking a project. The completed form will be reviewed by the Strategic Investment Group who will make a recommendation to Council whether the bid should be approved and included within the Capital Plan. All sections should be completed and evidence of costs will need to be supplied.

For details of Strategic Investment Group meetings and deadlines for the submission of this form, please contact Richard Humphreys, Capital & Technical Finance Team on ext 6144.

Project Name:	CHILDCARE OFFER CAPITAL GRANT PROGRAMME
Project Reference:	
Project Manager:	James Wood – Principal Manager Education Services / Childcare Development Manager
Workstream:	

Head of Service/Project Sponsor	Geraint Davies / Rhian Morrle	Lead member:	Councillor Huw Hilditch Roberts
Service:	Education and Children's Services	LM Portfolio:	Education, Children and Young People
Form completed by:	Carwyn Edwards	Date:	
Service Accountant:		Date:	

PROJECT TYPE

*Please categorise your project type. Mark **one** box only.*

SMALL	<input type="checkbox"/>	MEDIUM	<input checked="" type="checkbox"/>	LARGE	<input type="checkbox"/>
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DECISION SOUGHT FROM SIG:	To recommend to Cabinet to proceed with all three identified projects subject to the decision by Welsh Government to approve the application to reallocate their funding.
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EXECUTIVE SUMMARY

Highlights the key points in the Business Case to include:-

- what the project will achieve / important benefits
- estimated costs
- how the project will be funded

Summary

In the Autumn of 2018, a report was presented to SIG to seek approval to submit a funding application to the Welsh Government with the caveat that a further report would be presented to SIG on the completion of further feasibility work. Denbighshire was successful with the submission and was able to draw down £2,907,772 from the Child Care Capital Grant for improvements in facilities through construction projects.

The award for improving facilities was as follows:

Project number	Location	Setting / Location	Funding Awarded
1	Rhyl	Cylch Provision at Ysgol Dewi Sant	£613,575
2	Denbigh	Cylch Provision at Ysgol Twm o'r Nant	£647,380
3	Rhyl	Little Acorns at the Oaktree Centre	£1,069,048
4	St Asaph	New Provision at the Welsh Language Centre	£170,000
5	Llangollen	New Provision at Ysgol Bryn Collen	£407,769
			£2,907,772

Alongside to the above award a sum of £121,500 was drawn down in order to distribute to existing early years providers and childminders in the form of an Equipment and Resource grant. The Equipment and Resource grant has been distributed and doesn't fall within the scope of this report.

In addition to the £2,907,772 awarded via the Child Care Capital Grant, £1,380,000 was also awarded to Denbighshire County Council via the Welsh Medium Development Grant to fund the Welsh Language Centre which is located on the site of Ysgol Glan Clwyd in St Asaph.

Progress on Construction projects

Following these approvals feasibility work was commissioned for individual projects included in the submission. As of the spring the cost estimates forecasted a cumulative overspend of £1,012,934 across three projects – Oaktree Centre, Cylch provision at Ysgol Twm o'r Nant and Cylch provision at Ysgol Dewi Sant. At the same time the approved project for the Welsh Language Centre was projecting a financial underspend in the region of £700k.

As a result an application was submitted to Welsh Government seeking permission to reallocate funding to enable these three projects to proceed by reallocating the resources from the Welsh Language Centre and seeking additional resources as a top up from the Welsh Government.

Reasons for Cost Increases

The initial applications were based on desk top work as the funding timescales did not allow for detailed feasibility works to inform the applications. Therefore there was always a risk that as the projects progressed variations from initial estimates would occur.

The main reasons are highlighted as follows:-

Oaktree Centre: - The costs increase on the Oaktree project can be attributed to two main factors.

It has been identified that the extension will require a piled foundation due to the ground conditions. In addition the flood consequence assessment identified the need to raise the floor level to mitigate the flooding risk of this area of the town of Rhyl.

Cylch Rhyl :- The size of the building has increased to meet a number of challenges. The size of the second room was required to be increased to ensure adequate space for the numbers envisaged. This would allow additional children to be accommodated in the facility. This impact, together with additional space for supporting facilities such as cloak's and changing rooms has seen an increase of just under 30% of the footprint of the building. An assessment has been made of this space and the overall view was that the quality of provision would be impacted by value engineering on the space allocation for the facility.

A number of options have been explored on site for the location of the facility. The initial findings highlighted the need for careful consideration of the drainage solution for the facility. Both of the possible location options to site the facility have drainage issues that are much more complex than first thought. Given the size of the facility and the location on a large school site both options will require some works on the car park to allow for additional spaces as well as extended footpaths and possibly additional fencing beyond what was originally envisaged. Canopies in the play area were also not included in the original budget costs.

Cylch Denbigh - the reason for the increase in costs is due to the greater information available regarding the proposed building and the required external works. These include the retaining wall, paving, pathways, gates and fences. In addition the cost estimate have been adjusted to reflect the delay in the start of the construction period from September 2020 until the start of 2021.

Reallocation of funding

The Welsh Language Centre project which also included an allocation of £170,000 from Child Care Capital Grant has come significantly under the project costs identified at submission stage. As a result an application was submitted to Welsh Government to reallocate the grant funding awarded to the Council in order to allow three projects to proceed funded by the underspend of £713,051 on the completed Welsh Language Centre project and £407,769 from pausing the new provision in Llangollen pending greater cost certainty on these projects and also assessing the amended need following the establishment of a new provision within the town.

Location	Setting / Location	Estimated additional cost
Rhyl	Cylch Provision at Ysgol Dewi Sant	£563,605
Denbigh	Cylch Provision at Ysgol Twm o'r Nant	£231,190
Rhyl	Little Acorns at the Oaktree Centre	£218,139
		£1,012,934

Funding Source	Total
Underspend - Welsh Language Capital Grant	£713,051
New provision at Ysgol Bryn Collen (Paused)	£407,769
	£1,120,820

This would leave a balance of £107,886. It is proposed that the position be reviewed when greater cost certainty is achieved on the other three projects. Options include using the £107,886 to meet any further overspend, assist the Council's proposed Band B project at the site of Ysgol Bryn Collen / Ysgol Gwernant to improve child care provision to using the funds to assist wider needs in the area via small capital grants.

Current Position

The Welsh Governments Investment Panel considered this request for the reallocation of resources in October 2020. The recommendation of the Panel has been forwarded to the relevant Cabinet Secretaries for consideration and approval. A verbal update will be provided at the meeting.

Detail - Background to Projects

The Welsh Government has committed to providing 30 hours of government-funded early education and childcare for up to 48 weeks of the year to all three and four year olds of eligible working parents. The 30 hours will be made up of the existing minimum 10 hours of Foundation Phase and up to 20 hours of childcare with a registered provider.

A key policy driver for the Welsh Government is that the 30 hours offer is as clear and easy as possible for working parents to understand and children to access. As part of this, we need to enable parents, wherever possible, to be able to drop their children off and pick them up from the same site and access a seamless 30 hours of childcare, although wrap around provision will continue to be an important part of the answer for some children and parents.

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"*.

Additional information

Project 1 – Cylch provision at Ysgol Dewi Sant, Rhyl (Construction)

The sustainability of Welsh Medium childcare provision in north Denbighshire has been a concern for the last few years. The main issues relates to the suitability and appropriateness of the two venues in Rhyl and Rhuddlan used by Cylch Aberclwyd and Cylch Rhuddlan.

Cylch Aberclwyd was based at Capel Clwyd, Clwyd Street, Rhyl and registered with CIW for 19 children. The Cylch was based upstairs in the Chapel which is not accessible and a significant disadvantage, particularly for the mother and baby group as parents cannot get their prams up the stairs. A similar situation also existed for Cylch Rhuddlan based at Capel Ebeneser in Rhuddlan. Again the Cylch was based upstairs, up very narrow steep steps. There was no access for prams nor wheelchairs. The setting was registered with CIW for 16 children.

Since September 2020 the two provisions have merged and are now using a space within Ysgol Dewi Sant on a temporary basis. The room used is small and the new setting is already close to capacity.

It is proposed to create a new facility on the Ysgol Dewi Sant site to accommodate this new Cylch which will create 60 Welsh medium childcare places. There is a risk that locating this provision will create a gap in provision within the Rhyl Flying Start locality, however this will be addressed through a new Welsh language provision being introduced within the expansion of the Oaktree Integrated Children's Centre (Project 3).

Project 2 – Cylch Provision at Ysgol Twm o’r Nant, Denbigh (Construction)

Cylch Bodawen has operated as a Welsh Medium childcare provider in the town of Denbigh for over 50 years. It is based in an old school house. The provision is currently registered with CIW for 26 children and also provides Foundation Phase Early Education. The provision currently provides childcare for 50 individual children and is a feeder provision for Ysgol Twm o’r Nant.

The current venue is unsuitable and in poor condition. The provision is limited by the venue and is only able to accept children from 2 and a half years old as there is no space for baby changing facilities. The building is very old, with cracked windows, and parts of the building are not heated. In their last CIW inspection referred to the temperature in the building as a potential concern.

The landlord is Capel Mawr in Denbigh who wants to sign to a new lease agreement which requires the Cylch to be fully responsible for the maintenance of the building and have tripled the current rent.

The Cylch are currently in dispute with the landlord regarding signing the new lease. In the most recent correspondent the landlord stated that if the lease was not agreed to that the committee would be given 12 months’ notice to leave the property. There is a risk that Denbighshire will lose Welsh Medium childcare provision for 50 children in the Denbigh area if a suitable venue is not secured.

Several parents have told members of the current committee that they are choosing not to send their children to the Cylch due to the condition of the building and visible evidence of damp in the unheated areas of the building. Parents have also commented on the difficulties in access the venue by vehicle due to the narrow lanes and lack of parking.

Our proposal is to relocate Cylch Bodawen from its current building to the Ysgol Twm o’r Nant site in Denbigh creating a Welsh medium provision with wrap around support and holiday provision. This relocation will secure and provide sustainability for up to 55 Welsh Medium childcare places.

Project 3 – Oaktree Centre, Rhyl (Construction).

The Oaktree Integrated Children’s Centre is situated on the grounds of Christchurch Primary School, located in the South West ward of Rhyl which is the 1st most deprived area in the county and the 2nd most deprived ward in Wales. The Oaktree Centre provides integrated support and early intervention services for children, families and young people and offers a range of services from parenting programmes and support, Family Information Services, Inclusive Holiday Play Provision, Open Access Play Events, Health Visitor and Midwifery clinic, Speech and Language Therapy, Youth Services, Parent and Toddler Groups and Childcare and Early Education within the Little Acorns Nursery provision.

Little Acorns is registered with CIW (Care Inspectorate Wales) to provide high quality and affordable child care and education for up to 77 children at any one time aged from 0 to 12 years. The aim of the setting is to provide high quality, affordable childcare and early year’s education to give children a flying start in life and also to enable parent to be able to gain employment which furthermore reduces poverty in the family. The setting is open from 8am to 6pm from Monday to Friday. The setting has:

- Self-contained Baby unit
- Toddler Room
- Preschool Room
- After School
- Holiday club

The setting offers Flying Start provision providing children of 12.5 hours free childcare per week and also delivers Foundation Phase Curriculum for eligible 3 year olds for 10 hours per week. There are a number of sessions offered throughout the day including full and half day care, sessional care and playgroup, wrap around care and after school session. The setting provides care and early year’s education for at least 122 children per day. Little Acorns is regularly inspected by Estyn and CIW and following the June 2018 CIW inspection, has been rated as Excellent in all 4 areas.

There are currently 184 children registered to use the setting which offer bespoke childcare to adapt to each family's individual needs. Little Acorns works closely with Christchurch School and provides wrap around service for children in maintained nursery education. There is a robust transition programme in place between Little Acorns and Christchurch Early Years Department which ensure a seamless transition for children receiving early years education in non-maintained to maintained provision and this was highlighted as Sector Leading in the Estyn and CIW inspections.

Little Acorns has been full to capacity every year for the last 3 years. It has operated a waiting list and over the last 12 months, this has risen from the usual 20 to around 30 children. Whilst the waiting list demonstrates latent demand, this does not demonstrate the number of parents who require immediate childcare and the setting can refuse up to 3 families per day the offer of childcare places. As childcare is purely parental choice, the high standard and reputation of the care and education which Little Acorns provides, this is evidenced in the demand of the provision which currently, Little Acorns cannot meet.

Extending the Oaktree Centre will ensure that demand can be accommodated and families are able to fully benefit from the Childcare Offer. It will alleviate any pressures which will be raised through introduction of the free 30 hour childcare offer and any further increase in demand for high quality provision. Extending the Oaktree Centre will also support the findings of the most recent Childcare Sufficiency Audit which identified a need to increase childcare provision in the area.

This project will deliver three new childcare rooms and involves extending the Oaktree Centre by approximately 230m² and remodelling a ground floor section of the existing building. Two rooms will be located in the extension and one in the remodelled ground floor area. Planning permission for the extension was approved by planning committee on the 15th of July 2020.

The key benefits of the project are as follows:

- The project will increase the registered capacity of the Oaktree Centre by 49 from 77 to 126. The additional capacity of 49 would be split as follows:-
 33 places in English medium (overall 66 half day sessions, 33 in morning and 33 in afternoon)
 16 places in Welsh medium (overall 32 half day sessions, 16 in morning and 16 in afternoon)
 As some children will only access one session (morning or afternoon) up to 98 additional children could be cared for through this project.
- The proposed new Welsh medium provision at the Oaktree Centre would increase the availability of Welsh medium childcare in Rhyl and support the objectives of Denbighshire's Welsh in Education Strategic Plan to increase the proportion of learners who study Welsh as a first language. Currently Rhyl has one Welsh medium preschool provision for a population of over 24,000 (3,400 Welsh speakers) in comparison to Denbigh which has two provisions for a population of just over 8,600 (3,000 Welsh Speakers).
- The additional wrap around and after school space delivered through the project will also be used in the school holidays to expand the number of children accessing inclusive holiday clubs and allow Denbighshire to provide more supported activities for children with additional needs.

Project 4 – Welsh Language Centre, St Asaph

The Welsh Language Centre was completed in August 2020. It has a facility to accommodate a childcare provider which includes a dedicated room with age specific toilets, kitchen area and independent access to a secure outdoor play area with a canopy. Mudiad Meithrin are currently advertising for staff with the intention to starting providing childcare once staff are appointed. This Welsh medium provision will be able to accommodate up to 20 children and will assist the Council in meeting its commitment within its Welsh Medium Strategic Plan to strengthen the availability of Welsh medium preschool provision.

Redirection of the underspend of the Welsh Language Capital Grant towards additional projects will continue to support the objectives of Denbighshire's Welsh in Education Strategic Plan by contributing towards

strengthening the long term future of existing provision. The improved links with local Welsh Medium primary schools will assist ensuring that children are not lost to Welsh Medium education when the transition occurs from pre-school to Nursery provision.

Project 5 – New Provision at Ysgol Bryn Collen, Llangollen

Since the submission of the original application there have been changes in the supply of childcare within the South of the county. A new day nursery has opened offering 61 places along with 2 Cylchoedd offering 38 places (19 each). Of these settings, 2 operate all year round providing afterschool and holiday club which has increased the out of school provision by 80 places to now having 225 out of school places available in the South of the county. There are now 11 settings offering a total capacity of 292 childcare places and 6 of these settings have successfully received capital grants totalling £28,432.16 from the Childcare Offer Small Grants Scheme which has contributed to the enhancement of their provision and supported the increase in supply of spaces on offer in the South of the county.

There is now more than sufficient out of school provision in the area now compared to the number of primary school aged children being 577 across the South of the County and 277 in the town of Llangollen. The addition of another facility could over saturate the market which could lead to settings sustainability being compromised locally.

At present this is considered sufficient to meet current demand within the area.

Strategic Fit with Welsh Government policy

The criteria for Welsh Government funding is as follows:

- Funding will prioritised for projects which aim to provide a seamless transition between the Foundation Phase and childcare elements of the offer;
- Whilst the capital programme will meet 100% of the costs, priority will be given to funding childcare settings which form part of a much larger project (where appropriate) which utilise other sources of funding such as 21st Century Schools or Welsh language funding;
- 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 Local Authority maintained setting where there is no other viable option. Funding will not be provided for provision which would be in direct competition with the non-maintained sector; and
- Private providers will only be funded where there are robust processes in places to ensure the security of the investment.

The Welsh Government has also advised that Local Authorities should consider having a small funding pot which it can use to fund small projects e.g. specialist furniture to enable a disabled child to take up a childcare place or equipment for a childminder

This project addresses the requirement of the Welsh Government initiative as it:

- Intends to co locate provision on existing school sites aiding transition between Foundation Phase and childcare elements.
- Is focused on areas which will be proposed to form part of Band B of the 21st Century Schools proposals.
- Responds to gaps in provision as identified by the latest Childcare Sufficient Audit including in Welsh medium provision.
- Includes a small funding pot as part of the bid.

The funding will also support the childcare sector in other ways, including:

- Supporting the growth and sustainability of the childcare sector across Wales, helping to create high-quality jobs in the sector;
- Improving the physical quality of childcare settings;
- Supporting the expansion of Welsh medium provision, in line with the Welsh Government's 'Cymraeg 2050' strategy; and
- Supporting SEN and ALN provision.

BUSINESS OPTIONS

Analysis and reasoned recommendation for the base business options of: do nothing / do the minimal or do something

Option title:		Do nothing – maintain the existing situation			
Please provide brief details:					
<p>The do nothing option for these projects retains provision in existing buildings which are unsuitable and in one example unsustainable. It doesn't address the need to improve infrastructure to enhance settings to support the delivery of a childcare offer in Denbighshire by co-locating provision on school sites.</p>					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	
	Costs the same			Takes the same to deliver	
	Costs less	X		Is quicker to deliver	X
Quality	Improves the quality		Benefits	Improves benefits	
	Is the same quality			No impact on benefits	
	Is a lower quality	X		Worsens benefits	X
What is the main reason this option has not been selected?					
<p>The deficiencies in current infrastructure would limit the ability of Denbighshire to support the delivery of childcare in the County. In addition there is a significant risk that Welsh medium childcare in Rhyl and Denbigh would be lost due to significant concerns regarding the existing facilities which would impact directly on the implementation of the Councils own Welsh in Education Strategic Plan.</p>					
Option title:		Improve infrastructure with modular buildings			
Please provide brief details:					
<p>Utilising modular buildings to deliver this project would allow the provision to be co-located on school sites in a short timescale and enable provision to be located in suitable buildings.</p>					
Please mark with an X how this option compares with the preferred option in terms of Cost, Time, Quality and Benefits:					
Costs	Costs more		Time	Takes longer to deliver	
	Costs the same	x		Takes the same to deliver	
	Costs less			Is quicker to deliver	x
Quality	Improves the quality		Benefits	Improves benefits	
	Is the same quality	x		No impact on benefits	x
	Is a lower quality			Worsens benefits	
What is the main reason this option has not been selected?					
<p>Modular buildings have higher lifecycle costs in comparison to a permanent extension/new building as they will require a significant investment / replacement after 20-30 years of use. It is already been identified that a modular building would not be a suitable solution for the Oaktree site as it would reduce key external space.</p>					

EXPECTED BENEFITS

The benefits that the project will deliver expressed in measurable terms against the situation as it exists prior to the project

- Ensure sustainability of Welsh medium childcare provision in Rhyl, Rhuddlan and Denbigh.
- Reduce the gaps in Welsh medium childcare as identified by the Childcare Sufficiency Audit.
- Create a new Welsh Medium Flying Start provision for 36 pupils over two sessions.
- Co locate childcare provision on three primary school sites.
- Provide additional capacity at the Oaktree centre for Wrap around care to meet demand.
- Create additional capacity to support existing childcare provision throughout the County.
- Increase the number of childcare providers in the Central area of Denbighshire.
- Provide support for developing weekend childcare for working parents.

EXPECTED DIS-BENEFITS

Outcomes perceived as negative by one or more stakeholders

Perception of subsidised childcare by DCC.
Creation of additional congestion due to increased use of the school sites.

TIMESCALE

Over which the project will run (summary of the Project Plan) and the period over which the benefits will be realised

Date	Milestone
30/9/2018	Submission of Bid to Welsh Government
31/12/2018	Confirmation of whether funding approved
31/05/2020	Feasibility Stage
30/09/2020	Design Stage Oaktree
30/03/2021	Design Stage Twm o'r Nant
31/05/2021	Design Stage Dewi Sant
30/08/2022	Works complete

* If projects correlate with Band B these timescales will be adjusted to run concurrently.

CAPITAL COSTS – BUSINESS DEVELOPMENT PROJECTS

**COMPLETE ALL THREE TABLES BELOW FOR BUSINESS DEVELOPMENT PROJECTS
LEAVE BLANK/DELETE SECTION FOR CONSTRUCTION PROJECTS**

The capital cost of a project is an important consideration in terms of whether or not it should proceed. Note that even some Business Development Projects may have a requirement for capital costs, for example to fund the acquisition of new ICT hardware or undertaking alterations to buildings.

- Any costs relating to ICT infrastructure and equipment should have been provided by ICT department
- Any costs that relate to construction should have been provided by Design & Development or Building Services

Please provide details of any capital funding that has already been spent on the project:	
Enter details of cost element below:	Total
Feasibility (surveys, market research, etc)	N/A
Client side project management	N/A
OTHER (please enter)	N/A
OTHER (please enter)	N/A
TOTAL	N/A

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2018/19	2019/20	Future Years	All Years Total
Feasibility (surveys, market research, etc)				
Client side project management				
ICT infrastructure and hardware				
Building alterations				
Design Team Fees (architects, QS, etc)				
Furniture				
Other professional support (legal, etc)				
Marketing/Consultation				
External Project Support (gateway review, etc)				
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
OTHER (please enter)				
TOTAL				

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2018/19	2019/20	Future Years	TOTAL
TOTAL					

NOTE: For funding status, please only use the following categories:

- **Approved** – written approval for the funding exists
- **Applied** – no written approval exists but an application has been made
- **Approached** – initial approach to or by funding body has been made but no application submitted
- **None** – no contact or approach has been made to or by the funding body

CAPITAL COSTS – CONSTRUCTION PROJECTS

COMPLETE ALL THREE TABLES BELOW FOR CONSTRUCTION PROJECTS
LEAVE BLANK/DELETE SECTION FOR BUSINESS DEVELOPMENT PROJECTS

The capital cost of a project is an important consideration in terms of whether or not it should proceed.

- Any costs relating to ICT infrastructure and equipment should have been provided by ICT department.
- Any costs that relate to construction should have been provided by Design & Development or Building Services.

Please provide details of any capital funding that has already been spent on the project:	
Enter details of cost element below:	Total
Feasibility (surveys, market research, etc)	0
Client side project management	0
OTHER (please enter)	0
OTHER (please enter)	0
TOTAL	0

Project 1 - Cylch Provision at Ysgol Dewi Sant, Rhyl

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2019/20	2020/21	Future Years	All Years Total
Feasibility (surveys, market research, etc)				
Client side project management	£10,000	£8,000	£4,500	£ 22,500
Land/property acquisition				
Land preparation/remediation				
Demolition and/or site security				
Construction, refurbishment or maintenance			£973,740	£973,740
BREEAM rating of "Excellent"				
Security measures (CCTV, door entry, etc)				
Fire prevention measures (sprinklers, etc)				
External landscaping and other works				
Land/property acquisition				
Highways work				
ICT infrastructure and hardware			£12,000	£12,000
Fixtures & fittings / Furniture			£24,667	£24,667
Planning/Building Regulation Costs	£2,500	£2,456		£4,956
Design Team Fees (architects, QS, etc)	£9,011	£33,590	£79,117	£121,718
Legal Costs and Fees				
Marketing/Consultation				
External Project Support (eg gateway review)				
OTHER – Client Contingency			£17,600	£17,600
OTHER (please enter)				
TOTAL	£21,511	£44,046	£1,111,624	£1,177,181

Project 2 – Cylch Provision at Ysgol Twm o'r Nant, Denbigh

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2019/20	2020/21	Future Years	All Years Total
Feasibility (surveys, market research, etc)				
Client side project management	£10,000	£8,000	£4,500	£22,500
Land/property acquisition				
Land preparation/remediation				
Demolition and/or site security				
Construction, refurbishment or maintenance			£716,804	£716,804
BREEAM rating of "Excellent"				
Security measures (CCTV, door entry, etc)				
Fire prevention measures (sprinklers, etc)				
External landscaping and other works				
Land/property acquisition				
Highways work				
ICT infrastructure and hardware			£12,000	£12,000
Fixtures & fittings			£27,133	£27,133
Planning/Building Regulation Costs	£2,500	£862		£3,362
Design Team Fees (architects, QS, etc)	£9,576	£50,320	£36,874	£96,770
Legal Costs and Fees				
Marketing/Consultation				
External Project Support (eg gateway review)				
OTHER – Client Contingency				
OTHER (please enter)				
TOTAL	£22,076	£59,182	£797,311	£878,569

Project 3 - 'Little Acorns' at the Oaktree Integrated Children's Centre, Rhyl

Please provide details of the capital funding requirement (not including amount already spent):				
Enter details of cost element below:	2019/20	2020/21	Future Years	All Years Total
Feasibility (surveys, market research, etc)				
Client side project management	£2,500	£10,000	£10,000	£22,500
Land/property acquisition				
Land preparation/remediation				
Demolition and/or site security				
Construction, refurbishment or maintenance		£288,591	£760,830	£1,049,420
BREEAM rating of "Excellent"				
Security measures (CCTV, door entry, etc)				
Fire prevention measures (sprinklers, etc)				
External landscaping and other works				
Land/property acquisition				
Highways work				
ICT infrastructure and hardware,			£15,000	£15,000
Fixtures, fittings & furniture			£47,502	£47,502
Planning/Building Regulation Costs	£2,500	£3,100		£5,600
Design Team Fees (architects, QS, etc)	£19,040	£96,152	£15,986	£131,178
Legal Costs and Fees				
Marketing/Consultation				
External Project Support (eg gateway review)				
OTHER – Client Contingency			£15,986	
TOTAL	£24,040	£397,843	£865,304	£1,287,187

Please note: The resource and education grants don't involve construction and are distributed over 3 years.

Please provide details of proposed capital funding sources					
Enter details of funding source	Status:	2019/20	2020/21	Future Years	TOTAL
Welsh Government – Childcare Capital Grant	Approved	£353,012	£464,595	£1,920,165	£2,737,772
Welsh Government – Welsh Language Capital Grant	Approved			£713,051	£713,051
TOTAL					£3,450,823

REVENUE COST IMPACT

TO BE COMPLETED FOR ALL PROJECTS

In considering whether a project should be developed due regard should be made to the potential impact on revenue budgets.

If the activity will result in a requirement for additional revenue funding, please provide details below:			
What is the impact of this project in terms of the <u>annual</u> revenue requirement for:	Existing Revenue Budget	Post-project Revenue Budget	Increase/Decrease
staff costs (salaries and associated)			
energy costs (heating, lighting, ICT, etc)			
property maintenance and servicing costs			
other property related costs (rental, insurance, etc)			
ongoing ICT costs (licences, etc)			
mileage of Denbighshire fleet vehicles	n/a	n/a	
mileage for business travel by Denbighshire employees using their personal vehicles			Decrease
OTHER (please enter)			
OTHER (please enter)			
OVERALL REVENUE REQUIREMENT			

Please provide brief details of the revenue impact of this project:

- *Where revenue savings are forecast, you should detail what is proposed for the saving (e.g. reduction of an existing revenue budget, re-allocation of revenue to alternative services area, etc)*

- Where revenue increases are forecast, you should provide details of how the revenue shortfall will be addressed. In this instance you should also append a three year surplus/deficit forecast.
- Details of any one-off revenue cost requirements that may be required post-project implementation (e.g. recruitment, redundancies, etc). DO NOT include any costs detailed in the capital section of this Business Case

The provision of improved facilities will see a change in location for some settings which are independent and supported by Mudiad Meithrin. The running costs for DCC settings will predominately come from existing revenue sources with revenue for additional staff being generated by income from the enhanced childcare offer.

The costs of maintaining the new buildings will be funded through rental income generated from independent providers.

The cost of administrating the small grants fund (Streams 6 and 7) will come from existing staff resource.

PROJECT MANAGEMENT

Please provide details of proposed project management – Establishment of Project Board etc

The Project Management support from the projects will come from the Modernising Education Team who will use Verto to manage and report on the projects. The role of Project Sponsor will be undertaken by the relevant Head of Service. The main stakeholders within the project will be school, independent providers and umbrella organisations. The supplier role will be undertaken by Design and Construction.

STATUTORY REQUIREMENTS / HEALTH & SAFETY

This section should identify how the activity will help Denbighshire meet any of its statutory requirements. Please include any Health & Safety Issues that the activity will address in this section. Please leave blank if not applicable.

CARBON MANAGEMENT IMPACT

Please consult with Denbighshire's Principal Energy Manager before completing this section.

Denbighshire has committed to reducing its carbon emissions by 15% by 2020. The Business Case requires you to make a forecast for the anticipated carbon emissions impact of the project. Please mark a cross in the appropriate box.

Forecasts:	Annual (current)	Carbon Equivalent	Annual (Post Project)	Carbon Equivalent	Carbon Variance
Energy consumption: (UNIT = kWh)			TBC		
Mileage of Denbighshire Fleet vehicles: (UNIT = miles travelled)			TBC		
Tonnes of waste produced going to landfill: (UNIT = tonnes)			TBC		
Tonnes of waste produced being recycled: (UNIT = tonnes)			TBC		
Mileage of Business Travel (personal vehicles): (UNIT = miles travelled)			TBC		
TOTAL CARBON EMISSIONS					

Please provide brief details of the carbon impact of this project, and detail specific actions that will be taken to reduce carbon emissions. If carbon emissions are expected to increase as a result of this project, please provide details of proposed actions to compensate for this increase in other areas of the Service's activity.

The overall impact on Carbon emissions of the Council will be an increase due to the fact that none of the proposed accommodation currently exist. The design brief for each project includes a requirement into incorporating features such as energy saving measures and use of renewable energy in order to lessen the impact.
In addition the co-locating of childcare facilities on school sites will potentially reduce the number of journeys undertaken by parents and childcare providers collecting pupils from school.

BIODIVERSITY IMPACT

Please consult with Denbighshire's Biodiversity Officer before completing this section:

joel.walley@denbighshire.gov.uk

The Council has a statutory duty to ensure compliance and enforcement of the habitats regulations (as amended in 2007) and the NERC Biodiversity Duty (2006). At this pre-feasibility stage, what is the anticipated impact on biodiversity of the project. Please mark a cross in the appropriate box.

Will this project impact on a habitat that supports living organisms (plant or animal)?	Yes		No	x
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If you have answered yes to the above question, please complete all the following biodiversity sections. If answered no please leave blank

THREATENED/PROTECTED SPECIES Will this project impact on any protected or threatened species as defined in Denbighshire's Local Biodiversity Action Plan (LBAP)?	Yes		No	x
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ALL SPECIES (including threatened/protected) Forecasts:	Current number	Post-project number	Variance (+/-)
Number of plant species present:			
Number of animal species present:			
TOTAL NUMBER OF SPECIES PRESENT			

Please provide brief details of the action you will be taking in association with this project to protect or enhance biodiversity. Specific reference should be made to the mitigation strategy if the project impacts on any protected or threatened species as defined in Denbighshire’s Local Biodiversity Action Plan (LBAP).

All construction work is proposed to take place on existing DCC sites which have been improved. The wider Biodiversity issues on each site were considered during recent construction projects that have been undertaken.

MAJOR RISKS TO THE PROJECT

A summary of the key risks associated with the project together with the likely impact and plans should they occur (*Please also add to your project risk register*)

Key Risk	Likely Impact	Mitigating Action
Increased costs for the project	Will mean a reduction in elements of the project	Review costs at key milestones in the project.
Failure to obtain planning permission due to external elements additional demands on existing sites.	May impact on pressures on existing sites	Ensure full consultation with local residents prior to the submission of any planning application.
Failure for third parties to buy into concept of project	Reduced income for project	Ensure third parties are key stakeholders in the development of the project.
Impact of Covid 19 on the project	Changes in cost and duration of the project.	Review cost once tender is complete and work with contractors to mitigate impact on the construction period.

SUPPORTING INFORMATION

Please list any supporting documents that accompany this Business Case

ANNUAL CAPITAL BIDS – BLOCK ALLOCATIONS

Please provide details of expenditure and commitments for allocations received in the current financial year.

COUNTY LANDLORD STATEMENT

Please provide a statement from the County Landlord and where applicable the recommendation of the Asset Management Group

The proposals are supported. The paper demonstrates that reallocation of funding is based on reviewed priorities and established needs. It is noted again that WG deadlines for funding applications is detrimental to robust project planning, particularly in the early stages. Where appropriate, suitable lease/licence arrangements should be put in place with external service providers.

Supplied by: David Lorey

Date: 13/11/2020

CHIEF FINANCE OFFICER STATEMENT

The proposals are supported from a financial perspective. The re-allocating of underspent grant is welcome and the prioritisation processes in light of increased costs appears to have been rigorous and results in proposals which remain consistent with the services priorities and Welsh Government policy. As part of the prioritisation an additional contingency of £108k has been identified.

Supplied by: Steve Gadd

Date: 20 Nov 20

VERIFICATION:

Project Manager:			
Project Sponsor:			
Name:		Position:	
Signature:	<i>Insert electronic signature</i>	Date:	

For use by Finance:

Result of S.I.G. Review	
Date of Meeting	
Approval	
Code	