

Early Years Capital Funding Grants – Guidance Notes (May 2025)

CONTENT:	PAGE:
1) Capital Funding Opportunities	2
2) Section 106 Agreements	2
3) Suitable Projects	2
4) Building quality standards	3
5) Project Scope	4
6) Application Process	5
7) Timeline	6
8) Application form	7
9) Building Construction Project Documents	8
10) Monitoring of Building Construction project	9
11) Project management for Construction Building works	9
12) Essex County Council Landlord Consent/Freeholder Consent	9
13) Department for Education Permission to use Education Space	9
14) Business Plans and Cash flows	10
15) Evaluation and moderation	10
16) Early Years Resource Panel	10
17) ECC internal governance	10
18) Funding agreements	11
19) Monitoring and staged payments	11
20) Bank accounts	11

Early Years Capital Funding Grants – Guidance Notes (May 2025)

1. Capital funding opportunities

Section 106 capital funding is the financial contribution secured by the Local Authority from Housing Developers to mitigate the impact of new developments on local communities and infrastructure. This funding is secured through legally binding agreements under Section 106 of the Town and Country Planning Act 1990.

In Essex, we use our S106 Early Years contributions to offer funding opportunities to Exceptional, Strong or providers who meet the Expected Standards childcare across the EY sector, to create new childcare places by remodelling or expanding existing buildings, or where sufficient funds are available, to create new childcare buildings.

New providers and those who have not yet been inspected are encouraged to apply, however they will need to demonstrate how they will achieve a minimum grading of meeting Expected Standards in all seven Ofsted grading areas

Where housing developments are large enough to warrant the development of a new primary school, EYCC will work in partnership with our School Organisation colleagues to construct a new nursery building co-located on the school site. We then advertise the opportunity and invite applications to enter into a lease agreement with ECC.

Before releasing S106 funding pots, we do a thorough assessment of the childcare sufficiency data provided by our Early Years providers every summer term. We only release funding where the data identifies a shortfall in childcare capacity, and we review local providers to ensure their sustainability is not compromised.

2. Section 106 Agreements

These agreements are negotiated between the developer and the Infrastructure Planning teams at both District/Borough/City and County level. Once the agreements are in place, the terms are legally binding, and we are not able to vary them in any way. These agreements determine the age range and the location where funding can be spent, this information is detailed in the project scope (more details below).

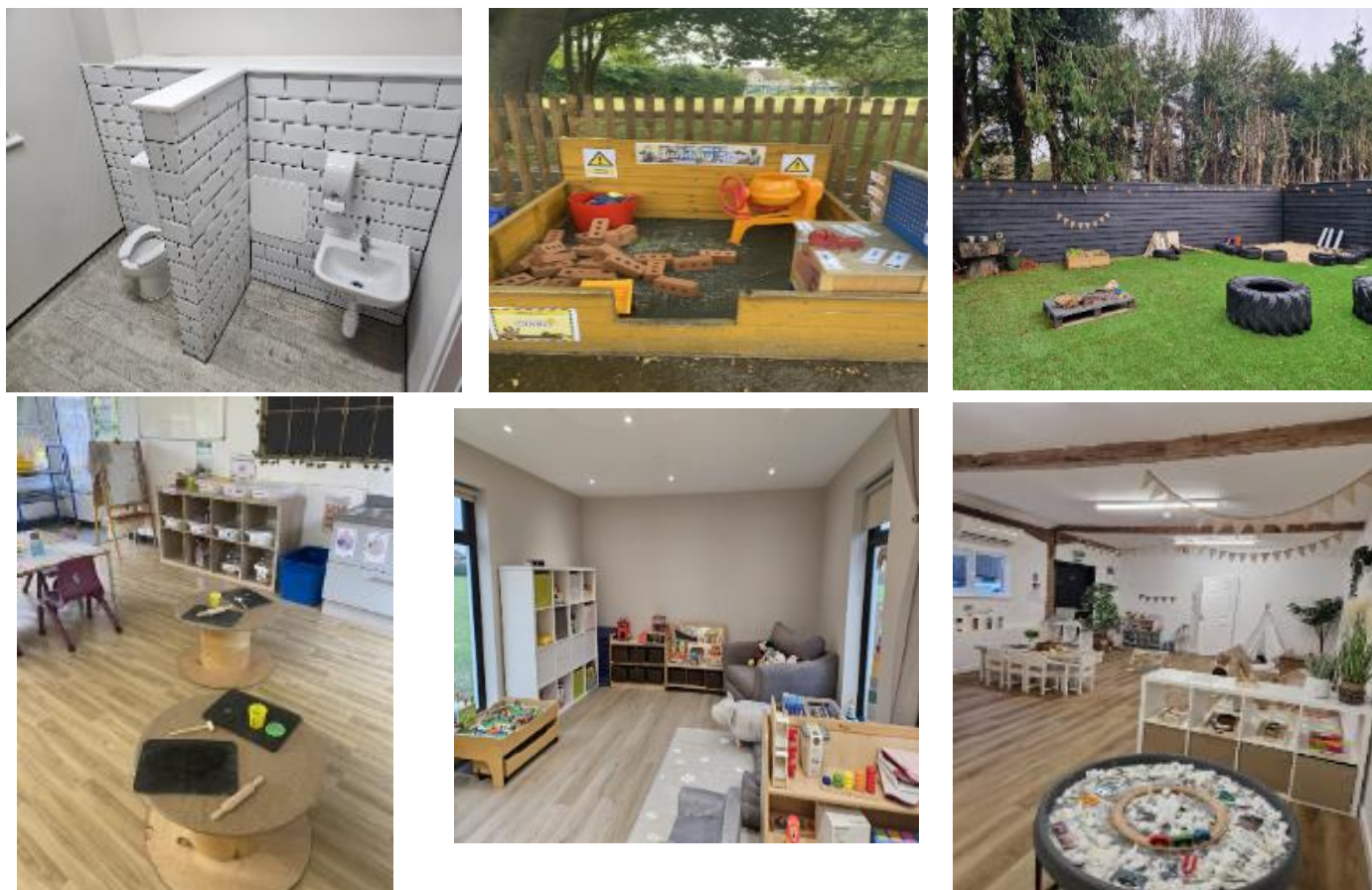
3. Suitable projects

If funding permits, no capital project is too small – or too big!! As long as it creates **NEW Early Years and / or childcare places**, and meets the requirements of the Project Scope, we will be pleased to receive an application.

Q: What do we mean by capital funding?

Capital funding can be used to create any fixed asset. Your project can include things such as buildings, partition walls, toilets, sinks, ramps, outside play areas, fixed play equipment, etc as long as you are creating new EY&C places. It cannot be used for revenue items such as resources, staffing, rent and it cannot be used as a deposit on a mortgage where the plan is to purchase a building.

Early Years Capital Funding Grants – Guidance Notes (May 2025)



Examples of buildings and outside spaces created with S106 funding. Please note the revenue items including tables, toys and outside games were not purchased with this funding

4. Building quality standards

Essex County Council has a duty to ensure that all public funding is spent appropriately and that any grant funded capital works adhere to the full range of national safety standards and are building control compliant.

The installation of a garden room is an affordable and flexible way of increasing your floor space to allow for extra children, but, if this is your plan, please make sure that you have thoroughly researched the various products available to ensure that they are **building control compliant**. You will be using this space to provide a commercial operation and therefore all users are required to be working in a safe environment, building control compliant building.

This checklist gives a good overview of what is required and will help you with your decision-making process.



Checklist For Early
Years Building Project


Early Years Capital Funding Grants – Guidance Notes (May 2025)

5. Project scope

For each pot of funding, there will be a **Project Scope** that gives full details of the requirements for each project. Every S106 will be different, so it is really important that you read it thoroughly to ensure your project meets the requirements.

The front page will give you the project name, the ward and postcode of the development and how much funding is available. There is also a table of key dates.

OFFICE USE ONLY	EPOT: 104	Site Ref: 17751 & 21863	LPA Ref: BTE/14/1116 & BTE/19/92	SEND: 19066 2909
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 Essex County Council

Provision of Early Years and Childcare Places

Project Name:
 EY&C Bocking & Blackwater

Total funds available:
 £9,883 within 3 miles of CM7 9LL
 £67,088 within the ward of Bocking South

Ward:
 Bocking Blackwater
 Bocking South

Development Location:
 CM7 9LL
 CM7 2QT

PROJECT SCOPE






Issued: 21st May 2025

Key Dates:

Launch	21 st May 2025
Last date for BMC or CCCL support*	4 th August 2025
Closing date	18 th August 2025
Quality visit	1 st – 19 th September 2025
Site visit to assess build project	1 st – 19 th September 2025
Moderation Panel	9 th October 2025
EY Resource Panel	16 th October 2025

* Business Management Consultant (BMC)
 * Children's Community Development Lead (CCCL)

Section3: The Project lists the specific requirements...

-  Value of funding available
-  Number of NEW childcare places required
-  Postcode of development
-  Location where funding can be spent (i.e. within a named ward, within 3-mile radius, to serve the development, etc)
-  Age range (i.e. 0-4/ 0-5/ 0-11/ 0-19 {both inclusive} including those with SEND

A development in the Wivenhoe ward (postcode CO7 9SF) has generated a pot of capital funding (Section106) for childcare expansion.

Essex County Council has received a contribution of **£177,320** which is to be used to support childcare providers to create a minimum of **8** additional childcare places. The additional resource must be located within a 3 mile radius of the development. Section 106 agreements are legally binding and therefore non-negotiable. In this case it states:

"Early Years and childcare purposes" means the provision of facilities for the education and/or care of children between age 0-5 (both inclusive) including those with special educational needs within 3 miles of the development (CO7 9SF)

The project must be located within the specified area and evidence must be provided as to how it will meet the needs generated by the new development.

We are looking for childcare providers with the ability to achieve and maintain the expected standard in all seven Ofsted grading areas, who would be interested in creating new places by expanding or modifying an existing provision to meet local childcare demand, or by opening a new provision (dependant on need). New providers will be required to provide evidence of how they will achieve and maintain a Good or Outstanding Ofsted judgement.

The project must provide value for money.

The provider will enter a contract with Essex County Council to deliver flexible range of FEEE places, meeting high quality standards.

Please email FEEEQueries@essex.gov.uk for a copy of the current Essex FEEE provider handbook

Early Years Capital Funding Grants – Guidance Notes (May 2025)

Section 4: The Scope lists expectations in terms of the delivery of Funded Early Education Entitlement places (FEEE) and sign up to an ECC Early Education Funding Agreement, quality of provision, commitment to inclusion for all children and regard to the Equality Act 2010.

Based on identified current local need and with consideration given to potential future demand, the scope for the project MUST provide: <ul style="list-style-type: none">High quality delivery of all aspects of the Early Years Foundation Stage curriculum.Flexible provision of FEEE2 places (15 hours) for eligible 2-year-olds in receipt of government support, from the term after their second birthday.Flexible provision of FEEE2W places (15 & 30 hours) for working families.Flexible provision of FEEE places for 3- and 4-year-olds (15 hours universal offer)Flexible provision of EFE places (30 hours) for eligible children aged 3- and 4-year-olds. Wherever possible: <ul style="list-style-type: none">Flexible provision of FEEE1W places (15 & 30 hours) for eligible working families from the term after their child turns 9 months.Work with partners to facilitate community services. OR <ul style="list-style-type: none">Provision of a breakfast, afterschool and holiday places. Providers MUST, as a minimum, achieve and maintain the expected standard in all seven Ofsted grading areas and ensure that all regulatory legislation (Ofsted Framework) is adhered to. For new providers or those that are awaiting their first inspection, they will need to provide evidence as to how this will be achieved.
The Provider must have regard for the Equality Act 2010 which places a legal duty on practitioners to eliminate discriminatory practice and to promote equality of opportunity and access for all children, regardless of their own or their parents' Race, disability, religion, gender, age, gender identity, pregnancy or maternity or sexual orientation.
The provider must have regard for the 0-25 SEND Code of Practice which requires Early Years settings to actively promote equality of opportunity for children with special educational needs or disabilities, remove barriers to participation, make reasonable adjustments to prevent disadvantage and ensure that children with medical conditions receive the support they need. Providers are required to promote their service for children with SEND on the Essex Local Offer
The provider will be required to provide monitoring information on a quarterly basis for the first year of operation (schedule – monitoring template). This will cover performance against the mobilisation plan, staff recruitment and training; take up of places and marketing strategies.

6. Application process

We constantly review our capital funding application process to make it as simplistic as we can. However, we are very aware that a good application takes time and a lot of thought and fact finding. We have a team of Business Management Consultants who can offer information, advice and guidance when pulling together business plans and cash flow forecasts. Their support can be requested up until 2 weeks before the closing date, this cut off point is to ensure that they have time to provide a full and supportive range of information.

Email address: BMC@essex.gov.uk

Your Children's Community Development Lead will be able to provide local sufficiency data, discuss need and answer general questions in relation to your proposed projects.

Email address: CCDL@essex.gov.uk

The Early Years Funding Team are able to offer information support and guidance on your FEEE delivery plans and will help you to ensure that your policies are compliant with the Essex Education Funding Contract.

Email address: FEEEQueries@essex.gov.uk

Early Years Capital Funding Grants – Guidance Notes (May 2025)

7. Timeline

When funding opportunities are released on the Early Years Provider website, we publish a table of key dates.

Launch	Opportunities published on the website
Last date for support from *BMC/CCDL	2 weeks before the closing date * <i>Business Management Consultant (BMC)</i> * <i>Children's Community Development Lead (CCDL)</i>
Closing date	Last date to submit applications (late submissions cannot be accepted)
Quality visit	Shortlisted applicants will be contacted to arrange a quality assessment visit. This is carried out by our Equality & Inclusion Officer and an Early Years Education Partner. You will be asked to submit a Quality Assessment template; the QA visit will be based on information provided in this document. The visit is an opportunity to bring your project to life and show how local children and families will benefit.
Site visit to assess construction project*	For larger capital projects, you will be required to provide access for the inspection team from Essex Infrastructure Delivery, they may need to undertake a site visit to support their evaluation of the bid and later to inspect progress and confirm that the budget allocated has been spent in line with the Funding Agreement.
Moderation panel	The panel is made up of subject matter experts from across ECC. Each member scores the applications independently. The panel then meets collectively to reach a consensus on scores and provide feedback.
EY resource panel	Recommendations from the Moderation Panel are taken to the Early Years (EY) Resource Panel for endorsement, prior to commencement of ECC Internal Governance.
ECC Internal Governance	Recommendations are progressed for approval by Essex Legal Services, Essex Finance, Portfolio holders (Elected Members). Where approved, the decision is published on the main ECC website: https://cmis.essex.gov.uk/essexcmis5/Decisions.aspx with a 5-day period where objections (call ins) can be lodged. The award of funding cannot be guaranteed until the full governance process is complete.
Funding Agreement	Once all governance is complete; a funding agreement is issued electronically via Docu-sign. This lays out the terms and conditions of the grant and should be thoroughly reviewed before signing. A template funding agreement forms part of the application pack.

Early Years Capital Funding Grants – Guidance Notes (May 2025)

8. Application form

For the Spring 2026 round of funding opportunities, we have reviewed the application form which now asks more specific questions requiring shorter responses. There is criteria in every section to help guide your answers. Please do not provide supplementary information as attachments if not requested, as they cannot be reviewed.

Please note word limits where stated.

Applicants may use AI tools for grammar checks and spelling corrections only. AI must not be used to generate full responses or complete sections of the application form. All answers should reflect the applicant's own knowledge, experience, and judgment. Applications suspected of being AI-generated may not proceed.

About you and your company:

- ✚ The first part of the application form asks for the postcode and ward of your project. This is really important because it tells us if your project is eligible for the funding pot you are applying for.
- ✚ We ask about your company status and seek confirmation that the person submitting the application is authorised to do so.
- ✚ We also ask for your Ofsted grade. For providers who are new or yet to receive their first Ofsted inspection, you will have the opportunity to tell us how you will work towards achieving and maintaining an Exceptional, Strong or Expected Standards Ofsted grading in all seven grading areas further down the application.

8.1 About your project:

- ✚ The Project Overview is an opportunity to give a brief description of your project and what you are intending to create – an opportunity to ‘set the scene’.
- ✚ Each question has a list of the criteria that the panel members will be looking for. These are intended to give a reference point and guide your answers.
- ✚ S106 funding is to create new Early Years and Childcare places to meet the demand created by housing developments. As the Local Authority we have a statutory duty to provide access to the Funded Early Education Entitlement (FEEE), we need to see how the funding will be used for this purpose. In question 3.5 there are a series of FEEE related questions, and you are required to submit a copy of your FEEE policy which is reviewed by our Funding Manager to evidence compliance with the ECC Early Education Funding Contract.

8.2 About your building construction project:

- ✚ Question 3.2: Planning, Costing and Delivery of your **building construction project**. Please complete EYBid1 form in full and attach to your application. A checklist is embedded in the application form.

8.3 About your Service Delivery and workforce:

- ✚ Question 3.3: Delivery of the new early years and childcare places. Please tell us about your knowledge of your community and how you plan to deliver new childcare places within it. We want to know about your staff team and ask for a proposed staffing structure to be submitted.

Early Years Capital Funding Grants – Guidance Notes (May 2025)

- ✚ Question 3.6: Delivery of high-quality early years and childcare provision. Please complete the Quality Assurance template as this will inform the Quality Assurance visit.
- ✚ Question 3.5: Delivery of FEEE. Please submit a copy of your FEEE and Admissions policy, a sample invoice and the information you share with parents. This section of the application is reviewed by the EYCC Funding Manager who will be looking to ensure compliance with the ECC Early Education Funding Contract.
- ✚ Question 3.4: Previous experience and Core Values: please use these sections to explain how you will provide a fully inclusive provision for all children and families, how you will deliver all elements of the Early Years Foundation Stage Curriculum and how you will achieve and maintain an Exceptional, Strong or Expected Standards in all seven Ofsted grading areas and how you will work in partnership with key stakeholders within your community.

8.4 About Safeguarding:

- ✚ You are required to submit your current Safeguarding Policy. Please ensure that this is regularly reviewed and contains reference to the most up to date guidance and has all relevant contact names and details.

8.5 About your service business plan and financial sustainability:

- ✚ We need to know that your project will be financially sustainable going forward. The application pack provides a business plan template and a template to capture your cash flow forecasts, over a 3-year period to ensure sustainability. These documents are reviewed by our Business Management Consultants who are happy to offer information, advice and guidance throughout the application process.

8.6 About construction building works cost:

- ✚ Please complete the table giving a breakdown of how funding will be spent. Please remember that this is **capital funding, cannot be used for revenue** items such as resources, rent or staffing.
- ✚ Where possible, please ensure that the total amount applied for does not exceed the funding available. If the cost of your project does exceed the funding available, please let us know how the shortfall will be met. **Please Note:** *All funding available is advertised and there is no additional money that can be accessed once the application has been approved.*

8.7 Supporting information:

- ✚ Required supporting information/documents are listed in section 5 of the application. Please ensure that all supporting documents are submitted, your application will be declined if information is not available for the panel to review.
- ✚ Please provide in word or excel format and no scanned documents.
- ✚ Please do not submit zipped files as these can be problematic to open.
- ✚ Ensure that each attachment is clearly titled with your **setting name** and the **content/purpose** of the document, *for example: Daisy Pre-school - site plan OR Daisy Pre-school - FEEE Policy.*

8.8 Terms & conditions and signature:

- ✚ Please read the Terms & Conditions carefully before signing and submitting your application.

9. Building Construction Project Documents

The EY bid submission provides detail of the minimum level of information needed from you to detail the building construction bid. The EYBid1 Project Concept form is the document that

Early Years Capital Funding Grants – Guidance Notes (May 2025)

MUST be submitted with your application, this is required to allow EY to evaluate your bid and must provide detail of the planning, costing and delivery aspects of the construction works. If your bid is successful, further building construction information will be required



EYBid submission
notes May 25.docx



EYBid1 Project
Concept May25 FINAL



EYBid2 Project Detail
Checklist May23.docx



EYBid3 Project
Completion Checklist



HSP 10.3 Passive Fire
Safety Policy.docx

10. Monitoring of Building Construction project

The Essex Infrastructure Delivery Team carry out ongoing reviews and monitoring as your construction project progresses. Depending on the amount of funding you are awarded, Essex Infrastructure Delivery Team will either do a desk top review of invoices and receipts OR Essex Infrastructure Delivery Team will visit the site to assess progress and will advise on release of payments.

11. Project management for Construction Building works

If your building construction project has a value of over £75,000, you will need to appoint a suitably qualified and experienced Project Manager or Property Consultant e.g. qualified Building Surveyor or Architect. This person will have an overview of the delivery of your project, be responsible for ensuring all Health & Safety requirements are met, that the building meets the required standards to achieve building regulations sign off upon completion

12. Essex County Council Landlord Consent/Freeholder Consent

If your setting is located within an Essex building, you will require **Landlord Consent** to carry out alterations. The information you provide in EYBid1 will be shared with the Infrastructure Delivery Team and this will kickstart the Landlord Consent process. You will also be required to submit the Landlord Consent form below.



LLC1 Project Concept
Sept23 (1).docx

If your setting is located on the site of an Academy or Diocese School, you will need written permission from the Governing Body, Academy Trust or Diocese as well as ECC if they are the Freeholder.

If you are in a leased building (non-ECC) you will need to provide evidence that you have full permission from the Freeholder to carry out any alterations. You will also need to provide a lease that covers the required for the funding applied for. Please see table below:

Capital Funding Service Asset type	Capital Funding Value	Asset Liability Period (from date of acquisition or completion of capital works)
Refurbishment, extension or construction of buildings or other property	£10,001 to £50,000	10 years
	£50,001 to £100,000	15 years
	Above £100,000	25 years
Purchase of leasehold buildings / land	N/A	Either: · Unexpired period of the lease; or

Early Years Capital Funding Grants – Guidance Notes (May 2025)

		<ul style="list-style-type: none"> 80 years. <p>Whichever of the above is the shorter</p>
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13. Department for Education Permission to use Education Space

If your setting is on a school site and you are using space that is currently used for statutory education, you may need to make a Section 77 application to gain consent from the DfE. This is a process that the ECC Property Team can support with but there is a cost that will need to incorporate into your cost plan. It can also take several weeks for applications to be reviewed so you will need to factor this time into your building programme.

<https://services.signin.education.gov.uk/>

<https://www.gov.uk/government/organisations/department-for-education>

14. Business Plans and Cash flows

The application pack contains a business plan and a cash flow template. You can use your own templates but please ensure that all areas requested are covered. The financial sustainability section of the application is reviewed by the EYCC Business Management Consultant Team (BMC). They will be looking to see if the project is viable and sustainable from a business perspective and that therefore the investment of capital funding is secure and will create sustainable childcare places over the coming years. You will also need to consider and evidence that you have financial contingency plans in place.

The BMCs offer information, advice and guidance throughout the application process and will review any information you would like to submit. The offer of support has a cut-off date two weeks before the submission deadline to ensure that they have time to offer the best package of support possible.

15. Evaluation and moderation

All S106 Capital Funding applications are reviewed by a team of Subject Matter Experts (the S106 Moderation Panel). Each member of the panel evaluates their area of specialism and provides a score that matches descriptors on the S106 scoring matrix (this is provided as part of the application pack).

The panel meet to discuss all applications in full and agree scores and comments for feedback. A consensus score is agreed for:

- Building construction project
- The offer (to include delivery of the EYFS, value for money, local knowledge and research, staffing, service delivery risks and mitigations).
- Quality assurance
- Delivery of FEEE
- Experience and core values
- Safeguarding
- Sustainability

Where there is more than one application for a particular pot of funding, the application with the highest score will be recommended for award.

Early Years Capital Funding Grants – Guidance Notes (May 2025)

16. Early Years Resource Panel

The Early Years Resource Panel (EYRP) is constituted to review and endorse applications for funding. A report is submitted to the EYRP, detailing the projects and the recommendations of the S106 Moderation Panel. If the EYRP are satisfied, they will endorse the recommendations, and we can then move to ECC Internal Governance.

17. ECC Internal Governance

All financial awards are subject to ECC internal Governance. There are several different processes but for S106 Capital Funding, the process is as follows:

- A Cabinet Member paper is written, giving full details of proposed funding awards.
- This is reviewed by Essex Legal Services (ELS) who pose queries back to EYCC. Once ELS are satisfied with the content of the paper, they will sign it off.
- The paper is then reviewed by Essex Finance who follow the same process, posing queries to EYCC. If responses are satisfactory, they will also sign it off.
- It is then shared with two elected members who are asked to give their approval.
(Cabinet Member for Education Excellence, Lifelong Learning and Employability & The Chancellor of Essex)
- Once all signatures are received, the decision is published on the Essex County Council website for 5 days.
- If no objections are raised, the Capital Funding award can be confirmed with the provider and we can issue a funding agreement.

PLEASE NOTE: We try to follow this process as swiftly as we can, however, due to the scrutiny and assurances needed when spending public funds, this can take a few weeks to complete. We always stress to applicants that until governance is complete and the Funding Agreement has been issued, the award of funding cannot be confirmed and any costs incurred will be at your own risk.

18. Funding Agreements

On completion of governance, we will issue a Funding Agreement electronically via Docu-sign. This needs to be reviewed and returned with an e-signature. The funding agreement lays out the terms of the grant, a draft agreement is provided as part of the application pack. We recommend that you review the terms to ensure that your organisation would be comfortable and able to sign up should your application be successful.

19. Monitoring and Staged payments

The size of your project will determine the level of monitoring required by Essex Infrastructure Delivery Team (ID). ID will require programme detail from you in relation to the construction works to keep track of progress.

It is usual practice for S106 capital grant payments to be made in 3 stages.

25% paid upon return of signed Funding Agreement

50% paid upon submission of receipts that evidence appropriate spend of the first payment or following an Essex Infrastructure Delivery Team site visit to assess progress.

Early Years Capital Funding Grants – Guidance Notes (May 2025)

25% paid upon completion of project, once completion certification has been submitted OR upon submission of receipts that evidence the appropriate spend of the second payment or following an Essex Infrastructure Delivery Team site visit to assess progress.

20. Bank accounts

You will be required to set up a separate bank account where the grant can be paid. This is to enable a clear audit trail of spend on the project.

21. The Early Years Charter

We ask all applicants to consider the benefits of becoming an Early Years Charter Member. It is free to sign up, to find out more please follow this link:

<https://eycp.essex.gov.uk/running-your-business/essex-early-years-and-childcare-charter/>