From: Christine McInnes, Corporate Director of Children, Young People and Education

To: Paul Webb, Cabinet Member for Children's Services.

Subject: Proposal to accept Department for Education (DfE) funding in support of Phase 3 of the School Based Nursery programme 2027 to 2030

Decision no: 26/00049

Key Decision: It involves expenditure or savings of maximum £1m – including if over several phases

Classification: Unrestricted

Past Pathway of report: *N/A*

Future Pathway of report: *Cabinet Member Decision*

Electoral Division: All divisions affected

Is the decision eligible for call-in? *Yes*

Summary: This report sets out the case for Kent County Council to accept a funding allocation by the Department of Education (DfE) for capital grant funding for Phase 3 of the School Based Nursery Programme 2027 to 2030, and, subject to a successful funding award, to accept and deploy the capital grant funding to deliver new and expanded school-based nursery provision across Kent. The programme is expected to support approximately 20 projects, creating around 550 additional nursery places, and includes the associated actions required to implement approved projects and secure the delivery of nursery provision.

Recommendation(s):

That the Cabinet Member for Cabinet Member for Education and Skills, consider the following proposal:

1. Delegate authority to the Corporate Director of Children, Young People and Education to:

    (a) Accept and deploy any funding awarded under the School Based Nursery Programme 2027-2030;

(b) Finalise the programme of schools and projects included within the approved funding allocation, and to make amendments to projects where required by the Department for Education, affordability, deliverability or programme requirements;

(c) Approve capital expenditure on individual school-based nursery proposals, including reallocating funding between approved projects, provided that the total capital expenditure remains within the amount determined by the DfE capital allocation, and in cases involving capital expenditure above £1m, such approval to be made in consultation with the Cabinet Member for Education and Skills; and

(d) Take relevant actions, including but not limited to, negotiating, finalising and entering into contracts and legal agreements as required to implement the decision.

2. Delegate authority to the Director of Infrastructure, in consultation with the Corporate Director for Children, Young People and Education, to take relevant actions necessary to deliver the approved capital projects, including but not limited to, finalising, entering into and varying contracts and legal agreements as required to implement the decision.

As detailed in the attached Record of Decision document (Appendix A).

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1. Introduction

1.1 The local authority may submit a bid to the Department for Education (DfE), by 30th September 2026, putting forward the projects it proposes to develop in Phase 3 of the national School Based Nursery Programme. Should funding be allocated, the decision seeks the Cabinet Member's approval to accept and deploy the grant funding to deliver the new Phase 3 school-based nurseries.

2. Key Considerations

2.1 This is a DfE policy which is enabling either new school-based nurseries or expansion of existing provision. Capital funding is being made available from the government and so this is an opportunity with limited financial impact for the local authority.

2.2 Approximately 550 new nursery places should be created across around 20 schools. Generally, these new places will be in areas of higher levels of deprivation and/or in areas of lower, current sufficiency. Some new places will be created in rural areas, thus enabling families to more easily access a nursery school place.

3. Background

3.1 The DfE has operated two phases of its school-based nursery programme (SBN). Phase 1 was only available to schools with surplus accommodation that could be converted for less than £50k – five schools in Kent successfully applied. Phase 2 widened to schools with more expensive proposals, but these

needed to be well advanced, for example already having planning consent for a new building. The schools made applications directly to the DfE, and the funding arrangements are between the schools and the DfE. The DfE has already announced the successful phase 2 schools, with 9 of the 300 nationally being in Kent.

3.2 Phase 3 is a three-year programme. It invites local authorities to develop multi-year funding proposals to deliver new and extended school-based nurseries between 2027 and 2030. To be eligible for the grant, the SBN project must result in the creation of additional early education and childcare places. These places should support the delivery of the government's early education and childcare entitlements.

3.3 The government remains committed to expanding SBNs across England and has pledged almost £325 million of further funding between 2027 and 2030 to support future phases of the programme. Local authorities can apply for as much capital funding as needed to create or repurpose spaces for nursery provision. The use of surplus space is not a requirement for phase 3 of the programme.

3.4 The local authority is currently working with approximately 20 schools county wide to develop each school's costed proposals. The local authority is then required to submit a bid to the DfE by 30th September putting forward the projects it deems are most likely to secure DfE funding.

3.5 Table of schools by area that are likely to be recommended. The DfE will assess each project and decide any capital funding allocations in Spring 2027.

Area	District	Name of school or academy
EAST (6)	Swale	Bapchild and Tonge CE Primary School
	Thanet	Ellington Infants
	Thanet	Northdown Primary Academy
	Swale	Sheldwich Primary Academy
	Swale	Thistle Hill Primary Academy
	Canterbury	Westmeads Infants
WEST (4)	Tonbridge & Malling	Offham Primary School
	Tonbridge & Malling	Platt Primary School
	Maidstone	The Holy Family Catholic Primary Academy
	Tonbridge & Malling	Wateringbury Primary School
NORTH (5)	Gravesham	Chantry Primary Academy
	Gravesham	Cobham Primary School
	Dartford	Dartford Bridge Community Primary School
	Gravesham	St Botolph's Primary Academy
	Gravesham	St George's Primary Academy
SOUTH (4)	Folkestone & Hythe	All Souls CE Primary Academy
	Ashford	Ashford Oaks Academy
	Ashford	East Stour Primary School
	Ashford	Rolvenden Primary Academy
Potential New Unitary Authority Split (Medway has not been included for North Kent)		
EAST KENT (3)	*(Thanet)*	*Ellington Infants*
	(Thanet)	*Northdown Primary Academy*

	(Canterbury)	*Westmeads*
MID KENT (7)	*(Folkestone & Hythe)*	*All Souls CE Primary Academy*
	(Ashford)	*Ashford Oaks Academy*
	(Swale)	*Bapchild and Tonge CE Primary School*
	(Ashford)	*East Stour Primary Academy*
	(Ashford)	*Rolvenden Primary Academy*
	(Swale)	*Sheldwich Primary Academy*
	(Swale)	*Thistle Hill Primary Academy*
NORTH KENT (5)	*(Gravesham)*	*Chantry Primary Academy*
	(Gravesham)	*Cobham Primary School*
	(Gravesham)	*St Botolph's Primary Academy*
	(Gravesham)	*St George's Primary Academy*
	(Dartford)	*Dartford Bridge Community Primary School*
WEST KENT (4)	*(Tonbridge & Malling)*	*Offham Primary School*
	(Tonbridge & Malling)	*Platt Primary School*
	(Maidstone)	*The Holy Family Catholic Primary Academy*
	(Tonbridge & Malling)	*Wateringbury Primary School*

3.6 Subject to DfE approval, local authorities have a degree of discretion and flexibility in how they allocate their capital grant funding under phase 3, and funding can be used flexibly across the projects agreed in a local authority.

3.7 If the original project is no longer viable, the local authority may either return the associated funds or engage with DfE to explore options for reallocating the funding. Local authorities must not re-allocate funding between projects without consulting DfE, and the DfE will not fund projects where this occurs.

3.8 In order to support the government's commitment to create or expand school-based nurseries across England, there is no longer a requirement for local authorities, governing bodies or academies to follow any statutory school organisation change process to amend the age range of the school to add nursery provision. However, there remains a requirement under public law for these bodies to act reasonably and to be transparent in their decision making, which would include consulting affected parties prior to making decision making.

3.9 There remain instances where it would be necessary for either the local authority or governing body (maintained schools) to undertake statutory proposals linked to the school-based nursery programme; for example if the proposal permanently enlarged its building capacity by more than 30 pupils and 25% or 200 pupils (whichever is lesser), however no proposed schools fall into this category. Similarly, an academy trust would need to follow the DfE's approval process if their project removed physical capacity of 31 places or more, which again no proposals fall in to this capacity. In the event that any proposal changes such that a significant change process need to be undertaken this would be completed by the appropriate body and in line with their governance processes.

3.10 The DfE expects projects to remain open for a minimum of 2 to 5 years depending on the specific project.

4. Options considered and dismissed, and associated risk

Option 1 – Accept and deploy any funding allocated by the Department for Education under Phase 3 of the school-Based Nursery Programme 2027–2030 (recommended proposal to be progressed). This would enable the Council to secure external capital funding to increase early years and childcare provision etc.

Option 2 – Decline funding allocation. This was rejected because this is an opportunity to receive capital funding from the DfE to further increase early years places across the county, especially in areas identified as being deprived and/or with lower, present capacity.

5. How the proposed decision supports the Council's Strategic Statement

5.1 The proposal aligns with and supports the Strategic Statement.
Aim 3: Supporting residents that need help.
Phase 3 of the School Based Nursery Capital Programme supports Aim 3 as it provides greater focus on prevention and early intervention and supports the ambition that every child has the chance to grow up safe and secure.

6. Financial Implications

6.1 Phase 3 of the School-Based Nursery Programme is expected to be fully funded from the DfE through the School-Based Nursery (SBN) Capital Grant 2027-30. There is nearly £325 million of funding available with local authorities expected to bid for required funding for each individual project. There is no limit to the number of projects a local authority can bid for, but each is assessed on its own merits and the DfE are not expecting individual projects to cost more than £1 million (or £0.5 million if repurposing existing spaces). Local Authorities will be required to justify costs for all projects with the DfE considering relative value for money when assessing the bids. This funding can also be used in conjunction with other funding sources (for example Trust reserves) where applicable.

6.2 It is expected that, should the DfE deem all the circa 20 projects be successful, the total amount of the grant with be circa £12m. If successful, initial payments to the Council would be made in Summer 2027 subject to the Council's agreements to the terms & conditions of the grant. These projects can be either delivered and manged by the Council or by the school dependent on circumstances. Where a school manages a funding agreement will be established to ensure the Council can still comply with the terms & conditions of the grant and provide relative assurances of updates & obligations.

6.3 The grant cannot be used to reimburse costs already incurred before the grant is awarded, and unforeseen capital expenses will also not be covered by DfE. The DfE recommends that every project bid includes a contingency in its cost planning to account for unforeseen expenses that is proportionate with the level of risk inherent in the project(s). Project level technical advisor fees can be funded from the capital grant up to 10% of the SBN project value. There is no additional KCC General Fund requirement expected for this decision as other revenue costs, such as officer time, are expected to be met from existing resources.

6.4 If a project's costs cannot be met by DfE funding, even with the 10% contingency, for example through the discovery of 'abnormals', the local authority's risk will be mitigated by ceasing the project or seeking the DfE's permission to obtain additional funding from within the overall funding allocation.

6.5 The DfE also require the bids to span 3 financial years with the following funding distribution:

- 20% of total funding in Year 1 (April 2027 to March 2028)
- 30% in Year 2 (April 2028 to March 2029)
- 50% in Year 3 (April 2029 to March 2030)

6.6 The DfE will inform the local authority of the totality of the grant in Spring 2027.

7. Legal implications

7.1 Under the Childcare Act 2006, local authorities have a duty to improve the wellbeing of all young children in its area and to secure, so far as is reasonably practicable, sufficient childcare (including early years provision) for working parents. The proposed school-based nursery projects will respond to the local authority's sufficiency needs.

7.2 Receipt of grant funding is subject to meeting the terms and conditions of the grant funding agreement with the DfE.

7.3 The DfE does not accept any liability for costs incurred as a part of this process and reserves the right to withdraw the grant process at any time.

7.4 If a project is approved for funding but the local authority is later unable to accept the terms and conditions, the DfE is under no obligation to make any payments. Any costs incurred by a local authority, representatives belonging to an organisation that may benefit from the funding or a third party prior to accepting the terms and conditions will only be reimbursed if explicitly approved by DfE.

7.5 The DfE may be legally obliged to share information submitted in the proposal if requested.

7.6 The local authority is required to sign a declaration which focuses on Quality, Policy, Quality Assurance and Legal and Compliance. This declaration is found in the funding proposal template.

7.7 The local authority will work with the schools to ensure that relevant legislation and guidance is complied with and that the necessary permissions, consents and approvals are in place. It should be noted that, in order to support the Government's commitment to create or expand school-based nurseries across England, there is no longer a requirement for local authorities, governing bodies or academies to follow the 'significant change' process when they want to make changes to a school's age range in order to add or change existing nursery provision (known as 'prescribed alterations' in the case of maintained schools). However, local authorities and governing bodies will still be expected to have regard to 'changes that can be made outside of the statutory process' in the

‘Making significant changes (‘prescribed alterations’) to maintained schools’ Statutory Guidance and adhere to the usual principles of public law (for example acting rationally) and includes ensuring an open and fair consultation. Similarly, academies should still follow the guidance on making below threshold changes in the ‘Making significant changes to academies’ guidance and consult relevant stakeholders and obtain any required consents before making any changes. Whilst there are other instances/reasons a local authority, governing body or academy would need to make ‘significant changes’, linked to school-based nursery provision, the current proposals would not require any statutory significant change process to be undertaken, but this will be kept under review with the schools as the proposals develop.

7.8 Subject to the DfE approving the proposals, fundings agreements will need to be entered into with the relevant schools and academies. Funding agreements will be reviewed, with advice from Legal Services, to ensure the local authority is able to comply with the terms of the grant agreement with the DfE.

7.9 Any impacts arising from LGR will be addressed through contract management and the established LGR transition and governance arrangements.

8 Equalities implications

8.2 An EQIA has been completed which identifies no adverse impact on those with protected characteristics.

9 Data Protection Implications

9.2 A DPIA was not required.

10 Other corporate implications

10.2 Support from the Capital and Strategic Programmes team will be required to deliver the project. A Programme Manager has been allocated from Infrastructure to manage this capital programme. Two Senior Childcare Sufficiency Officers from TEP are supporting the programme.

11 Governance

11.2 As part of the DfE’s School Based Nursery (SBN) Capital Grant Programme 2027-2030, Kent County Council is required to submit a multi-year funding proposal and, if successful, enter and comply with the terms and conditions of the grant funding agreement. The Council will be required to provide declarations confirming that the proposed projects meet the relevant quality, statutory, legal and compliance requirements.

11.3 This decision seeks approval to submit a funding proposal to the DfE and, subject to a successful funding award, accept and deploy the funding to deliver phase 3 of the School Based Nursery Programme.

11.4 Subject to approval, the decision also seeks to:

11.4.1 Delegate authority to the Corporate Director of Children, Young People and Education, to:

(e) Accept and deploy any funding awarded under the School Based Nursery Programme 2027-2030;

(f) Finalise the programme of schools and projects included within the approved funding allocation, and to make amendments to projects where required by the Department for Education, affordability, deliverability or programme requirements;

(g) Approve capital expenditure on individual school-based nursery proposals, including reallocating funding between approved projects, provided that the total capital expenditure remains within the amount determined by the DfE capital allocation, and in cases involving capital expenditure above £1m, such approval to be made in consultation with the Cabinet Member for Education and Skills; and

(h) Take relevant actions, including but not limited to, negotiating, finalising and entering into contracts and legal agreements as required to implement the decision.

11.4.2 Delegate authority to the Director of Infrastructure, in consultation with the Corporate Director for Children, Young People and Education, to take relevant actions necessary to deliver the approved capital projects, including but not limited to, finalising, entering into and varying contracts and legal agreements as required to implement the decision.

11.5 As part of the process for DfE's SBN capital grant 2027-2030, the local authority will need to sign a declaration that confirms the local authority supports the proposed nursery projects submitted and that the provisions will adhere to the quality standards and statutory requirements. These are detailed in the multi-year funding proposal template.

12 **Conclusions**

12.2 This opportunity to accept DfE funding to create circa 20 additional school-based nurseries providing an additional circa 550 nursery places across Kent. To approve, subject to a funding allocation being awarded by the Department for Education (DfE), the acceptance and deployment of capital grant funding for phase 3 of the School Based Nursery programme 2027 to 2030.

Recommendation(s):

That the Cabinet Member for Cabinet Member for Education and Skills, consider the following proposal:

1. Delegate authority to the Corporate Director of Children, Young People and Education to:

(i) Accept and deploy any funding awarded under the School Based Nursery Programme 2027-2030;

(j) Finalise the programme of schools and projects included within the approved funding allocation, and to make amendments to projects where required by the Department for Education, affordability, deliverability or programme requirements;

(k) Approve capital expenditure on individual school-based nursery proposals, including reallocating funding between approved projects, provided that the total capital expenditure remains within the amount determined by the DfE capital allocation, and in cases involving capital expenditure above £1m, such approval to be made in consultation with the Cabinet Member for Education and Skills; and

(l) Take relevant actions, including but not limited to, negotiating, finalising and entering into contracts and legal agreements as required to implement the decision.

2. Delegate authority to the Director of Infrastructure, in consultation with the Corporate Director for Children, Young People and Education, to take relevant actions necessary to deliver the approved capital projects, including but not limited to, finalising, entering into and varying contracts and legal agreements as required to implement the decision.

As detailed in the attached Record of Decision document (Appendix A).

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13 Background Documents

- Equality Impact Assessment
- Data Protection Impact Assessment
- **School-based nursery capital grant 2027 to 2030 - GOV.UK**
- **phase-3-of-the-school-based-nursery-programme-local-authority-multi-year-funding-proposal-template-march-2026.docx**
- **Making significant changes ('prescribed alterations') to maintained schools**
- **Making significant changes to an academy**

14 Appendices

- Appendix A – ROD
- Appendix B - EQiA

15 Contact details

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