



Department
for Education

School-based Nursery Capital Grant 2025 to 2026

Information for applicants

November 2025

Contents

Summary	4
Expiry date	4
Who this guidance is for	4
Other key publications.....	4
Contact us	5
Updates to the guidance	5
Introduction	6
Phase 2: who can apply	6
What funding is available?	7
Phase 3	8
Registration of interest	8
Key dates and deadlines	9
Role of local authorities	10
Significant changes	13
Maintained schools	13
Academies	13
Other key considerations	16
Suitability of proposed space	16
Ofsted or childminder agency registration	16
Support in registration.....	18
Other permissions and approvals.....	18
Funded childcare entitlements	19
Published admission number (PAN)	20
Collaborating with PVI and childminders	20
School Rebuilding Programme.....	21
Insurance	21
How to apply	23
Who can act as the bid co-ordinator.....	23
Completing your application	24
Further support.....	24
Technical issues	24
Webinars	25

Case studies	25
Queries and clarifications	25
How we will assess your application	26
Quality assurance process	27
Stage 1: Eligibility check.....	27
Stage 2: Scoring.....	28
Disadvantage.....	29
Local need	30
Value for money	30
Ofsted key judgements	33
Stage 3: Assessment	34
Project overview	36
Local need	37
Approach to education.....	39
Management of provision	40
Additional information.....	41
Declaration	41
SBN capital fund outcomes	43
Notification of outcome.....	43
Successful bids	43
Grant distribution	43
Grant conditions	44
Grant compliance	44
Project feedback and evaluation.....	45
Unsuccessful bids	45
Annex A: Scope of funding	46
Eligible costs	46
Ineligible costs.....	47
Annex B: Project classification guidance	48

Summary

This publication provides non-statutory guidance from the Department for Education (DfE). It is for eligible schools who wish to apply for the School-based Nursery (SBN) Capital Grant 2025 to 2026.

This is the second phase of the SBN programme, which builds on the foundations of phase 1 of the programme and has an increased focus on supporting families in disadvantaged areas to access early years provision.

Through this grant, schools can apply for up to £150,000 of capital funding to create or expand an SBN. This guidance explains the purpose of the grant, who is eligible to apply, how to submit an application, and how applications will be assessed and funding awarded.

Before applying for the grant, refer to this guidance in full and refer to separate guidance on [Establishing School-based Nursery Provision](#).

Schools who are interested in opening or expanding a nursery, but are not able to apply in this phase, may register their interest for [phase 3](#) of the programme. Refer to the '[Registration of interest](#)' section of this guidance for more information.

Expiry date

This guidance is valid for the Autumn 2025 application window, which runs from 24 September 2025 until 5PM on 11 December 2025. Any application submissions after this deadline will not be assessed.

Who this guidance is for

This guidance is for any representative belonging to an organisation eligible to apply for funding. It is intended for use by the bid co-ordinator to ensure adequate considerations are made throughout the application process.

Other key publications

- [Online application service](#): This is the portal where you must submit your application. It will open on 24 September 2025 and close at 5PM 11 December 2025.
- [Establishing School-based Nursery Provision guidance](#): This document provides clear guidance which must be followed throughout the process of establishing an SBN. It is highly recommended all potential applicants thoroughly read this prior to starting their application and consider how it can be utilised throughout their proposal.

- [Registering and inspecting school-based provision](#): This document provides guidance on the legislative requirements that will help schools to determine whether they need to register the early years provision with Ofsted.

Contact us

Any questions regarding the application should be submitted on the [Customer Help Portal](#). If you're a Multi Academy Trust submitting an enquiry, include which school your enquiry relates to, including the school's URN.

We are unable to provide any advice related to individual applications due to their competitive nature.

To allow sufficient time for the team to assist you, we recommend that you submit your **enquiry at least 5 working days before the application deadline**. Whilst we will endeavour to respond to all enquiries, we cannot guarantee a response before the application deadline.

Do not submit multiple requests for the same issue. Queries submitted through other routes are not guaranteed a response.

If local authorities have any queries or questions about the application, these should be raised with their DfE departmental regional lead.

If you wish you withdraw your application after it has been submitted, please contact us via the [Customer Help Portal](#).

Updates to the guidance

This guidance document will be updated periodically based on insights gained during the application period (September to December 2025). We highly recommend subscribing to automatic updates for this page or setting a personal reminder to check for any significant changes prior to submitting your application. If you have any questions regarding the guidance, contact us via the [Customer Help Portal](#).

Introduction

SBNs are one feature of our diverse early years landscape, all parts of which contribute to delivering the government's expanded childcare entitlements and supporting children to get the best start in life.

SBNs play a crucial role in this, making up 22% of registered early education places, and are more prevalent in deprived areas.¹ Schools can find that having a nursery on site helps support disadvantaged children as well as enabling them to identify the needs of children with SEND earlier, supporting children's readiness for learning when they enter reception.

SBNs can help establish and build relationships between families and schools ahead of formal education and offer convenience for parents and carers with other children already attending the primary school. Additionally, opening or expanding SBN provision can be an effective use of surplus space in school buildings or on a school site, where this space is not needed in the immediate future for other provision.

Following the successful delivery of the School-based Nursery Capital Grant 2024 to 2025 (phase 1), the government remains committed to expanding SBNs across England and has pledged almost £370 million of further funding between 2025 and 2030 to support both phase 2 and phase 3 of the programme.

The objective of the SBN programme is to build capacity in areas of need, especially in deprived areas, enhancing the overall local offer without negatively impacting provision in close proximity, including that delivered by external providers. The *Best Start in Life* strategy recognises that children growing up in poverty or facing social challenges often lack access to high-quality early education, which can significantly impact their readiness for school and long-term outcomes.² By establishing nurseries within schools in these communities, the programme seeks to provide accessible, nurturing environments where children can thrive from the earliest stages, helping to close the attainment gap and support stronger, fairer futures for all.

Phase 2: who can apply

The School-based Nursery Capital Grant 2025 to 26 is for **state-funded primary-phase schools** in England that already offer some early education (such as a reception class), seeking to create or expand an SBN, as well as **maintained nursery schools in England seeking to expand nursery provision on the current school premises**.

¹ [Childcare and early years providers survey: 2023 - GOV.UK](#)

² [Giving every child the best start in life](#)

Schools that were successful in phase 1 and received SBN capital grant funding are not eligible to apply for phase 2, but will be eligible to work with their local authority as part of [phase 3](#). Special Schools and Pupil Referral Units (PRUs) will not be eligible to apply for phase 2.

For the purposes of this grant, SBNs can operate as:³

- nursery classes embedded in a primary school
- expansions to nursery classes on the site of current maintained nursery schools
- nursery units led by governors or academy trusts
- childminders and private, voluntary, and independent (PVI) nurseries contracted to deliver nursery provision on a school site, or operating on a school's behalf

To be eligible, your project must meet all criteria outlined in this guidance (see [Stage 1: Eligibility check](#)). This includes securing approval from your local authority and obtaining consent from your landlord, relevant religious body or relevant freehold landowner where necessary. We encourage early engagement with your local authority.

What funding is available?

You can apply for up to £150,000 of capital funding to create or repurpose space for nursery provision. While we encourage schools to consider any spare space for their project, unlike phase 1, the use of surplus space is not a requirement for phase 2 of the programme. You are encouraged to consider the use of other funding sources alongside this grant to complete your project. Doing so can strengthen your application by increasing its value-for-money score ([Stage 2: Scoring](#)). However, you must ensure there are no conflicts between funding sources.

The grant cannot be used to reimburse expenditure incurred before the grant is awarded.

Only eligible costs should be included in your application ([Annex A](#)). If any ineligible expenditure is identified whether at the application stage or after funding has been awarded, the DfE reserves the right to reduce the funding amount or recover the associated funds. Details on clawback procedures can be found in the grant [terms and conditions](#). The DfE reserves the right to amend these prior to award of funding.

³ Each delivery model has different requirements, such as the age of children able to enrol, the qualification make-up of staff needed, registration requirements and the regulatory and compliance standards that must be met. Ofsted inspection arrangements will be determined by registration requirements. Additionally, delivery models can influence funding sources, operational flexibility, and the integration of nursery activities with the school's curriculum and resources. For more information, see [Establishing School-based Nursery Provision guidance](#) and [Ofsted's Registering school-based childcare provision guidance](#).

The DfE will only fund the amount specified on your application form. Additional, ineligible and unforeseen expenses will not be covered by the DfE

If your project has already secured funding from other sources or can be supported through alternative means, we encourage you to consider those options. This helps ensure that grant resources are directed to projects that lack other financial support.

Voluntary-Aided Schools

Under the [School Standards and Framework Act 1998](#), the Secretary of State can award grants to Voluntary Aided (VA) schools. Typically, these grants cover up to 90% of expenditure, with the remaining 10% of costs expected to be met by the governing bodies of VA schools from their own resources. However, in exceptional circumstances, the Secretary of State may authorise grants that cover 100% of the expenditure. This grant is considered an exceptional circumstance, allowing VA schools to receive full funding within the specified grant limit of £150,000.

Phase 3

As part of phase 3, local authorities will be invited to develop multi-year funding proposals (2027–2030). The DfE will publish separate guidance to support this process in early 2026 and will engage with local authorities and schools in autumn 2025 to provide further details.

When considering whether to support a school's application in phase 2, local authorities should take into account whether the school intends to create places for September 2026. Proposals focused on longer-term place creation may be more appropriately aligned with phase 3.

It is important to note that if a local authority does not support a school's application in phase 2, this does not prevent collaboration in phase 3.

Registration of interest

If you are a primary school or a maintained nursery school interested in opening or expanding a SBN, but are not eligible or ready to apply for phase 2, register your interest via the [registration of interest form](#). This will be available from 24 September 2025 to 5pm 11 December 2025. After the deadline the form will be closed for registrations.

In addition to providing your school and contact details, you will be asked to briefly explain your interest in a capital grant for school-based nursery provision, and why you did not apply in phase 2. This information may be shared with your local authority to support planning.

Not registering your interest will not preclude you from being considered via your local authority in phase 3. If you have already done a registration of interest for phase 1 you do not have to register again, however you can still complete the registration of interest for phase 3 if you wish to provide more up to date information.

Key dates and deadlines

This timeline is indicative and may be subject to change.

Milestone	Date
School-based Nursery Capital Grant 2025 to 2026 guidance published	4 September 2025
Webinar for local authorities	16 September 2025
Online application service , including registration of interest, opens	24 September 2025
Webinar for schools	16 October 2025
Recommended date to log in to the online application service to begin submitting your application	13 November 2025
Deadline for new applicants to register for a DfE sign-in account (required to access the online application for grant queries service)	1 December 2025
Deadline for clarification questions about applications to be sent via the Customer Help Portal	4 December 2025
Deadline for applicants to fully submit applications with all supporting documents	5PM, 11 December 2025
Registration of interest closes	5PM, 11 December 2025
Compliance checks, evaluation, moderation and quality assurance	December 2025 - March 2026
Applicants notified of outcome, grant letters issued to successful bidders and project initiation	April 2026
Projects aim to be operational	September 2026
Deadline for capital funding provided to be spent, or the Secretary of State for Education may claw back funds provided	1 September 2027

Role of local authorities

Local authorities in England have statutory duties to ensure that early years provision is available free of charge for parents of children eligible for the government funded entitlements and, so far as is reasonably practicable, to ensure the provision of childcare is sufficient for parents to work or to undertake education or training for employment in their local area. They are required to deliver the government funded early education entitlements in line with regulations. Local authorities also have a statutory duty to provide enough school places for children in their area.

To ensure a smooth and effective application process, all applicants must work in close partnership with their local authority from the outset. Early conversations between schools and local authorities are essential to assess the suitability of the proposed project and to determine how much effort the school should invest in completing the application. Local authorities can also advise schools on [Ofsted registration requirements](#).

To meet eligibility requirements, **all applicants** must upload a completed [local authority approval form](#) to the [online application service](#) before submitting their full application. By signing the form, the local authority confirms its support for the proposal, allowing the application to proceed to the assessment stage once submitted.

It is the applicant's responsibility to initiate early discussions with their local authority, provide them with the local authority approval form, and upload the completed form to the online application service.

As part of the local authority approval, local authorities can impose conditions on a proposal. These can only relate to:

- the number of additional childcare places to be created
- the age range of the new childcare places to be created

These conditions must be clearly stated on the form and applicants should take care to ensure they understand the implications of the conditions on their application and that their proposal takes these into account. They will be considered alongside the application to ensure consistency and continued eligibility.

Other feedback provided by the local authority may inform the DfE's approach to grant management, however it will not influence the assessment outcome or scoring of the application if the project is delivered in line with the conditions detailed in the local authority approval form. Any discrepancy may result in the application being disqualified due to failing to meet the conditions set by the local authority.

Local authorities may approve any number of applications within their area, whilst considering the financial sustainability of the school. However, each application will be assessed on its individual merits, and there is no guarantee that all, or any, will be funded. We recognise that this may make assessing sufficiency challenging. Early and

ongoing collaboration between schools and local authorities remains the best way to navigate these decisions.

If a local authority does not support an applicant's proposed project, the school is not able to submit an application. We advise that the local authority provides a clear rationale to the school as to why they are not supporting the project, in writing, and both the school and local authority retain this as an audit trail to evidence the decision.

Once the form has been uploaded to the online application service, the information provided by the local authority will be considered final. It cannot be amended or withdrawn after submission. For this reason, local authorities may wish to delay signing the form until they are confident that the proposal is appropriate for the area – particularly where multiple applications are being considered. However, they should aim to respond to schools as promptly as possible and should not prevent a school from applying solely due to internal delays.

When considering whether to support a school's application in phase 2, local authorities should take into account whether the school intends to create places from September 2026 to August 2027. Proposals focused on longer-term place creation may be more appropriately aligned with [phase 3](#). It is important to note that if a local authority does not support a school's application in phase 2, this does not prevent collaboration in phase 3.

Local authorities should also use the following checklist when reviewing applications to determine whether to give their approval:

- ✓ Does the proposal align with the local authority's local early years strategies and priorities?
- ✓ Is there a plan or proposal setting out how the setting will provide EY provision to disadvantaged children? Proxies such as the 15 hour entitlements for 2-3- and 4-year olds, children eligible for Early Years Pupil Premium, children with SEND or looked after children could be used.
- ✓ Is there clear evidence of unmet demand for nursery places in the area, having taken into account the state of local childcare and labour markets as well as additional evidence applicants may have collated?
- ✓ Consider future demand for childcare places taking into account planned housing development and demographic changes.
- ✓ Consider the quality (including Ofsted key judgements) and capacity of childcare providers and whether the new nursery will enhance the overall local offer without negatively impacting existing high-quality providers. We suggest that local authorities evaluate the quality and capacity of current childcare providers in the area and identify whether the proposed nursery will fill a genuine gap in provision or meet unmet demand.
- ✓ If the proposal is utilising surplus space or taking school age capacity out of the school, does the proposal align with wider local authority strategies and need?

Local authorities should be aware that approving a school's application may mean that they will need to support the school in any necessary Ofsted registration application.

Once the application window has closed, we will share a list of schools that have applied and their full application form with each local authority. Local authorities will be asked to notify the DfE if there are any schools on the list that they have not approved or if applications do not reflect the agreed conditions.

Part B of the [Early Education and Childcare statutory guidance for local authorities](#) provides further details on what requirements and expectations are placed on local authorities in order to meet their statutory duties for the sufficiency of childcare places. This includes how local authorities should:

- Encourage providers to offer childcare from 8am to 6pm and during school holidays.
- Aim to identify and remove barriers that prevent existing providers from expanding their provision and new providers entering the local childcare market if needed.
- Encourage providers to take a sustainable business approach to planning and signpost providers to resources to support them. You can use [the business sustainability tool kit](#).

Once grants have been awarded, a local authority may receive a maintained school's payment on its behalf. In such cases, the full amount of funding must be transferred to the school(s) without delay to ensure timely progress on their project. For more information, see [Grant distribution](#).

If you have any questions, refer to the [Contact us](#) section.

Significant changes

Maintained schools

As of March 2025, for maintained schools there is no longer a requirement for local authorities and governing bodies to follow the statutory prescribed alterations ('change of age range') process when you want to make changes to a school's age range in order to add, remove, or change existing nursery provision. This change supports the government's aim to expand SBN places across England.

However, you must have regard to the section '*Changes that can be made outside of the statutory process*' in the ['Making significant changes \('prescribed alterations'\) to maintained schools' guidance](#). This includes ensuring that any proposed changes are open, transparent, and subject to fair consultation with stakeholders, including parents, the local community and other provision in the area, and keeping a clear record of the decision-making process and rationale. Any changes must also be updated on [Get Information About Schools](#).

If the nursery changes involve other types of prescribed alterations (other than an age range change) the statutory process must still be followed.

Academies

For academies, as part of your SBN grant application, you must confirm whether your project qualifies as a significant change as detailed in [Making significant changes to an academy](#) guidance. To help establish this, you will be asked to select which of the following statements apply to your project:

- I am proposing to open a new nursery that will be run by the school, either directly or through a wholly owned subsidiary company.
- The school (either directly or through a wholly owned subsidiary company) will be taking over a nursery previously delivered by a private provider on the school site.
- The project will result in a change to the school's official age range as recorded on [Get Information About Schools](#).
- The project will result in a reduction in capacity of physical teaching space i.e. classroom space by over 30 (i.e. 31 or more) places.
- The project will result in over 30 (i.e. 31 or more) new nursery places.
- None of the above statements apply.

You will then be asked to confirm, based on your response: Does your project require a Significant Change Approval?

- Yes
- No (only select this if you answered 'None of the statements apply' in the previous question)

If you indicate that a significant change application is not required, but this is later found to be incorrect, it may affect your eligibility for the grant.

If you do require a significant change approval, you do not need to apply separately for this. However, you must complete a minimum three-week consultation with key stakeholders (including the diocese or diocesan board of education, where applicable) before submitting your SBN grant application, and upload a summary of this consultation alongside your grant application (maximum 500 words), including:

- Who was consulted (e.g. parents, staff, local community, diocese)
- The dates the consultation took place
- A brief overview of the consultation process
- Key outcomes and feedback

Ensure you follow consultation requirements carefully and refer to [consultations principles](#) guidance for examples of good practice.

Where applicable, applications cannot be submitted unless the consultation has been completed in full and the summary is included. Late consultation summaries will not be accepted.

We will use this information, the details provided in your SBN grant application, and financial indicators available to the DfE to process your significant change request as part of the overall application and assessment process. This means you do not need to submit a separate application for the significant change; however, we reserve the right to request further information if needed.

We reserve the right not to award funding where we have concerns regarding an applicants' long term financial viability. We also reserve the right to request additional financial information as required and/or request additional assurance measures to support the sustainability of funding being awarded. This is regardless of how the project performs against the criteria.

If you have already applied for a significant change and meet all other eligibility criteria outlined in this guidance, you are still eligible to apply for the grant. However, the grant cannot be used to reimburse any projects or works that have already started.

Eligibility depends on your current stage in the significant change process:

Approved for a significant change, but the deed of variation (DoV) has not yet been signed and sealed.	You are eligible to apply.
Approved for a significant change, DoV signed and sealed, but the nursery provision has not yet opened.	You are eligible to apply, but the grant can only be used for new projects or works that have not yet commenced.
Approved for a significant change, DoV signed and sealed, and the nursery provision is already open.	You may apply only to expand the existing provision further by adding additional places.

If you are awarded the SBN grant, your significant change will also be approved. However, you must complete a few final steps, such as updating your funding agreement via a deed of variation, before the change can be fully implemented.

Older versions of the supplemental funding agreement do not contain clause 2.E.I which allows academies to charge for nursery provision outside of funded hours. Where academies wish to charge for these places, be aware that an update to the most recent version of the supplemental funding agreement will be required. More information can be found at [Academy and free school funding agreements](#).

Schools that are unsuccessful in securing the grant will still be able to proceed with their significant change without needing to submit a new application, as long as they can provide satisfactory evidence of how the project will be funded outside of the grant. This process gives academies the flexibility to continue their SBN project using alternative funding sources. Further guidance on how to proceed without the grant will be included in the SBN grant outcome notification letter.

Other key considerations

Suitability of proposed space

We would encourage you to consider whether spare space within your school could be repurposed before considering physical expansions to the site to ensure efficient use of the site and drive value for money in any capital works carried out.

This includes evaluating whether the current facilities meet the needs of the proposed nursery and if they can be adapted effectively. Consider factors such as value for money, structural integrity, location on the school site, accessibility, and the potential for creating a conducive learning environment for children in early education, in line with the [Early Years Foundation Stage statutory requirements](#). More information can be found at [Establishing School-Based Nursery Provision guidance](#).

You should also assess how the proposed nursery provision fits within your holistic, long-term site strategy, including your school development plan and estate strategy, where available. This includes considering competing priorities for the use of space, such as [Breakfast Clubs](#) and SEND support provision, to ensure that decisions represent the best long-term use of the space for the benefit of both children and staff.

Ofsted or childminder agency registration

N.B: Ofsted's Registering and inspecting school-based provision guidance is due to be re-published on 10 September 2025. Applicants should ensure they have read the latest version of the guidance before applying to ensure they understand the full registration requirements.

You must determine whether your new nursery provision:

- requires registration with Ofsted on the Early Years Register or with a childminder agency, or
- requires an update to your existing early years registration, or
- is exempt from early years registration requirements.

This depends on your delivery model, the ages of children you plan to serve, where your provision is located and whether you are working with external providers⁴.

⁴ School provision which is exempt by s.34(2) does not need to comply with the requirements of the Childcare (Early Years Register) Regulations 2008. Those requirements only apply to providers registered on the early years register or with an early years CMA. However, schools do still need to comply with the Early Years Foundation Stage Statutory Framework (EYFS) if it is exempt under s.34(2).

Examples:

- Schools (including governor led SBNs) can offer early education to children aged two and over under their existing school registration, provided they meet the requirements of section 34(2) of the [Childcare Act 2006](#).
- Primary-phase schools and maintained nursery schools offering provision for children under 2 must register separately with Ofsted on the Early Years Register.
- PVI nurseries operating on school premises must register separately with Ofsted, as they are inspected independently from the school.
- Childminders must register their provision with either Ofsted or a childminder agency.⁵ A list of childminder agencies can be found [here](#).

Any provision that is exempt from early years registration by virtue of section 34(2) of the Childcare Act 2006 must still comply with the [Early years foundation stage \(EYFS\) statutory framework](#).

Provision registered on the Early Years Register will be subject to an inspection by Ofsted. Refer to Ofsted's [Registering and inspecting school-based provision](#) and [Childcare registration exemptions](#) guidance documents. For further support, contact your local authority.

The average registration timescales for early years provision registering with Ofsted is 12 weeks. This is an average and can sometimes be longer or shorter. We recommend you familiarise yourselves with this process early on so you are aware of what you will be required to have in place prior to making an application.

Ofsted's [Application Review guidance](#) sets out what to expect after schools have submitted their application form. This includes information about the registration visit. During the visit the inspector will assess whether the premises are safe, suitable, and ready to provide childcare.

While all building work must be fully completed before the registration visit takes place, schools can begin the application process and submit their application to register in advance. Once you have applied and the checks are complete, Ofsted will contact you to arrange a visit. If the building work is not complete at the time of the visit, and this is not for an unexpected reason, Ofsted will refuse the application.

⁵ Childminder agencies (CMAs) are organisations that register and quality assure childminders and providers of 'childcare on domestic premises' as an alternative to registering with Ofsted. In turn, all CMAs must register with and are regulated and inspected by Ofsted.

In rare cases where the building work is delayed, schools may be able to contact Ofsted to request a short delay to their visit. Requests should be made to Ofsted at the earliest opportunity. This should be in writing from the schools registered email address. Ofsted will consider each case separately and on its own merits, in line with the [Application Review guidance](#).

If schools plan to establish an SBN within a building on their school site, and in particular a building that is not currently used for educational purposes, they should check that this building meets the definition of 'school buildings' (read with the connected definition of "premises") as set out in Section 579(1) of the Education Act 1996. Schools should be aware that nursery provision utilising buildings on their school site that are not classed as 'school buildings' will be considered as separate provision by Ofsted regardless of the age range it caters for.

Schools who apply for funding through the School-based Nursery Capital Grant 2025 to 2026 must note that they are not automatically guaranteed approval for Ofsted registration.

Support in registration

Local authorities have a statutory duty to provide support on registration requirements and processes and are expected to understand all documentation relating to Early Years, set out in the [Early years inspection handbook](#) and [the School Inspection Handbook](#). The [Protocol between Ofsted and local authorities on sharing information about childcare providers](#) guidance sets out the working relationship between Ofsted and local authorities.

Further information and support can be found [here](#).

Other permissions and approvals

In addition to securing approval from your local authority, you must obtain the necessary permissions from relevant stakeholders, including your governing body, trustees and religious authority. They must be satisfied your project meets strategic objectives for your estate and is the right solution for providing early education in the context of the whole school and for future years.

Governing bodies or trustees should stress-test the project's budget and timeline, ensuring it remains affordable and deliverable even if risks materialise. Where applicable, you may also need to seek approval in principle from the Local Planning Authority (LPA), which oversees planning and development within an area. Further information can be found at [Plain English guide to the planning system](#).

You must also secure other necessary permissions, where appropriate, for example, through prescribed alteration processes or from Historic England, your freehold

landowner, your direct landlord, superior landlord or religious authority. The freehold landowner or those holding headleases must also be satisfied that use of the land for an SBN is compatible with the terms under which they hold their land – particularly where that land is of charitable origin or held on trust.

Changing the use of part or all of a school building, or a piece of school land, so that it may be used for an SBN, may also require the consent of the Secretary of State. We recognise that there may be a need for successful schools to move quickly in order to deliver projects so in November 2024 we published the School Land General Disposal and Change of Use (Childcare) Class Consent 2024. This gives a blanket consent under both Section 77 of the School Standards and Framework Act 1998, and Part 1 of Schedule 1 to the Academies Act 2010, for disposals or changes of use of school land necessary to deliver relevant childcare. The effect of the class consent is that landowners would not need to make a distinct application.

For any change of use or disposal which would fall outside of Section 77 or Part 1 of Schedule 1 (for example where the academy trust is the freeholder) an application for consent would still need to be made, but we have introduced new streamlined arrangements to fast track these where they are for the purposes of delivering an SBN. The class consent can be found [here](#).

Funded childcare entitlements

To be eligible for this grant, your 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](#), including:

- 15-hour entitlement for families of 2-year-olds receiving additional forms of support (FRAS) (see eligibility [here](#))
- Universal 15 hours for all 3-and 4-year-olds regardless of family circumstances.
- Free Childcare for Working Parents (expanded from September 2025): 30 hours a week for working parents of children aged 9 months until school age (see eligibility [here](#)).

When planning your provision, it's important to understand how these entitlements work and how families in your community may use them. Places should be inclusive to meet the needs of all families, including low-income households, vulnerable children and those with SEND.

Whilst the early education and childcare statutory guidance is for local authorities, SBNs considering offering entitlement places may find it helpful to review the [guidance](#) so they are familiar with the requirements and expectations that local authorities are likely to impose upon them through the agreements with the local authority that they must sign in order to receive entitlements funding. This includes considering:

- The number of hours children are entitled to, depending on age and parental eligibility
- Whether there is demand for term-time or year-round provision
- The flexibility of your offer to support working families

Your nursery should be designed to help families access their full entitlement, and your delivery model should reflect this. Doing so will not only meet local need but also support the financial sustainability of your setting.

It is important to note that these entitlements are funded for 38 weeks a year ('term-time'), although providers can choose to 'stretch' the hours, so parents take fewer hours over more weeks per year.

SBNs may also wish to consider use of [additional funding](#) to support disadvantaged children and those with additional needs, including the Early Years Pupil Premium and the Disability access fund.

All applicants should engage with their local authority to ensure their plans align with local delivery approaches and entitlement funding arrangements.

Published admission number (PAN)

As part of determining their admission arrangements, all admission authorities must set a Published Admission Number (PAN) for each relevant age group. This is the number of pupils a school intends to admit to their normal year of admission. A PAN does not apply to early years settings and the relevant age group is usually Reception in primary school and Year 7 in secondary school, but can also be Year 3, Year 9 and Year 12 or any other year group for which children are annually admitted to the school. Subject to very limited exceptions, a school may not refuse to admit a pupil if they have not reached their PAN.

If, in order to accommodate an SBN, a school needs to reduce their PAN, they must ordinarily consult in accordance with paragraphs 1.45 to 1.48 of the [School admissions code](#). Where timings mean this is not possible, they may be able to propose a variation (determined by the schools adjudicator in the case of maintained schools and the Secretary of State in the case of academies). See paragraphs 3.6 and 3.7 of the Code for further information about variations. Information on how to apply for a variation is available at [School admission arrangements](#).

Collaborating with PVIs and childminders

You may choose to lease buildings to a private, voluntary, or independent provider (PVI), childminder or group of childminders to operate from. These partnerships can bring additional benefits such as flexibility to offer nursery provision that better meets demand. If a school already has a PVI provider on site and is considering applying for the grant, it

should first explore the possibility of continuing the existing partnership before evaluating other options. It is not the intention of this grant to displace existing like for like provision.

The local authority has a statutory duty to ensure there are sufficient childcare places for those parents wishing to take up government funded entitlements and, so far as reasonably practicable, for working parents or parents who are studying or training for employment in their local area. Your local authority will be best placed to help you locate potential partners to take up this offer. Childminder agencies may also be able to help establish collaborations – a list of them can be found [here](#).

Grant conditions will stipulate that any pricing agreed with an enterprise (for example, a rent agreement) must not be more favourable than the market rates reasonably expected. This ensures compliance with section 3 of the [Subsidy Control Act 2022](#).

School Rebuilding Programme

Schools that are participating in the School Rebuilding Programme (SRP) are eligible to apply for this grant. However, applications from schools already selected for the SRP may require closer scrutiny.

If an SRP project has an assigned delivery team, the school is expected to engage with them to discuss the proposed SBN creation and assess its potential impact on the SRP delivery. These discussions should be clearly reflected in the SBN bid. For guidance on eligible costs, please refer to Annex A.

Projects involving SRP schools may undergo an internal review by the Department. This review will consider factors such as whether an SRP feasibility study has been completed, whether the project scope has been defined, and the expected timeline for onsite delivery.

The Department also reserves the right to revise the scope of a successful SBN project if necessary, to ensure value for money.

Insurance

You will be required to insure your building project. Consult your legal advisors early and regularly to ensure your project has the appropriate insurance coverage. The additional insurance premium for the capital project is an eligible cost under the grant.

The DfE's Risk Protection Arrangement (RPA) is an optional programme for schools, which acts like insurance. If something goes wrong, the Government will cover the costs instead of an insurance company. However, there are some limitations you should consider before starting a project to avoid uninsured losses, contract breaches, and high extra insurance costs later.

The below provides further information:

- Information about [Risk protection arrangement \(RPA\) for schools](#)
- Guidance on how to [Join the risk protection arrangement \(RPA\) for schools](#)
- [RPA Information & Documents](#)

Alternatively, you can discuss the cover provided by RPA on their advice line on 0117 9769 361 or email RPAAdvice@willistowerswatsonsecure.com.

How to apply

Before writing your application, you should read the [Establishing School-based Nursery Provision guidance](#), which provides essential information and signposts relevant regulations and standards your project must meet, including health and safety requirements, building regulations, industry codes, registration and other legal requirements.

You must submit your application, including all supporting documents, to the [online application service](#). This service will open on 24 September 2025 and close at 5pm on 11 December 2025. Applications made through other routes or after the deadline will not be accepted.

We strongly recommend that the bid co-ordinator checks their access to the online application service well in advance and completes the application in plenty of time. This will allow any technical or administrative issues to be identified and resolved before the deadline.

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

All information provided in the application form will be treated as confidential, subject to our legal obligations, including those under the Freedom of Information Act.

Who can act as the bid co-ordinator

An application can be submitted by any responsible official representing the school, such as a school or multi-academy trust (MAT) leader. **The bid co-ordinator must have the specific school added to their DfE Sign-In account to apply for the grant through the [online application service](#).** An administrator from the school will be able to add additional users, and this will automatically grant access to the online application service.

Applicants must complete one application per project. For example, a trust cannot apply for multiple projects under one application. We will only assess one application per school. If multiple applications for a single project are received, we will assess only the first application received.

You may use technical advisers, contractors or other professionals to help you prepare your bid and to deliver the work, but they cannot submit the proposal or communicate on your behalf. We must communicate with the responsible official for your school directly.

Completing your application

To help you gather the necessary information for your application, we have provided a [template application form](#). You must submit your application via the [online application service](#) by **5pm on 11 December 2025**.

You are required to complete all relevant elements of the application in full. You must adhere to the word limits stated on the application form and provide full answers for each section.

It is vital to provide accurate information in your application. Submitting inaccurate or misleading information could constitute fraud and result in the withdrawal of funding. You must also ensure that the information provided in the application form matches that in the supporting documentation, otherwise your application may not be considered.

If you already have existing nursery or early years provision, do not assume this means we are satisfied with your current management or educational approach. You must still provide full details in your application, as our assessment will be based solely on the information submitted—unless otherwise stated.

If any required information is missing, this will affect the scores we are able to award your application and may mean we are unable to award the grant.

We may be legally obliged to share information submitted in your application if requested.

Further support

Technical issues

If you've already worked with your school administrator to add a school to your DfE Sign-in account but are still unable to access the online application service, follow these steps:

1. Go to the [Customer Help Portal](#).
2. Select 'Get Help with DfE Services', then choose 'DfE Sign-In'.
3. Submit an enquiry describing the issue you're experiencing.

This will help our support team assist you more efficiently.

If you're experiencing other technical issues with the online application service, contact Digital Support for SBNs by:

1. Visiting the [Customer Help Portal](#).
2. Selecting 'DfE Programmes', then 'School-Based Nurseries'.
3. Choosing 'The School-Based Nursery Capital Grant 2025 to 2026' and 'Registration of Interest Online Application'.
4. Submitting your enquiry with details of the issue.

Webinars

The DfE has hosted a series of webinars bespoke to schools and LAs to explain the policy intent and application process. We encourage you to watch these webinars to familiarise yourself with the application process. To access the webinars, please use the following links:

[School-based nursery capital grant phase 2 webinar for local authorities - YouTube](#)

[School-based nursery capital grant - YouTube](#)

Case studies

To support your planning, you may want to access a set of case studies from schools that have successfully set up SBNs. These examples may offer helpful insights and practical ideas as you consider what might work best for your own school.

- [School led nursery school-based provision](#)
- [Governor led school-based nursery provision](#)
- [PVI led school-based nursery provision](#)

We also have a [video](#) of schools presenting case studies about building and delivering their current SBN provision.

Additional case studies can be found at [Childcare Works' resource area](#).

Queries and clarifications

For details on how to get in touch, see the [Contact us](#) section.

How we will assess your application

The application and assessment process consists of three stages:

1. **Eligibility check**: Confirmation that you meet the required eligibility criteria
2. **Scoring**: Applications will be given a score based on a weighted calculation looking at levels of disadvantage, value for money, local need and Ofsted key judgements.

3a. **Assessment**: The following will then be assessed on a pass/fail basis:

- Project overview
- Local need
- Approach to education
- Management of provision

A minimum of two evaluators will assess each application individually and assign a pass or fail mark. Applicants must meet minimum technical and commercial requirements outlined in these questions. The evaluators will complete a holistic assessment of the application, so should the evaluators decide any concerns of individual questions are addressed elsewhere in the application they have the authority to assign a pass mark. You must pass all four areas for your application to be considered for award. Failure to pass all four areas may result in your application being rejected. If funding remains available, the Department may, at its discretion, consider applications that pass three out of the four criteria.

3b. **Moderation**: Where evaluators' assessment marks are different, a moderation meeting will be held with the intention of both evaluators agreeing on the outcome (pass or fail) for each of the areas. This discussion will be chaired by an independent moderator who has authority to decide the final outcome should neither evaluator agree.

Applicants should note that if both evaluators agree that a response to any question is a fail, the DfE may choose not to assess the remaining questions in the application. Additionally, if evaluators proceed to give different scores for another question in that bid, those scores may not be taken to moderation. We will award grants to the highest scoring applicants that have passed assessment, progressing down the ranked list until our total funding limit of £45 million is reached. In the event of a tie breaker, where multiple applications receive the same score and exceed the available funding, we will prioritise applications based on their disadvantage scores. If a tie break persists, we will then work through in the following order: value for money, local need, Ofsted.

Based on our understanding of how many applications we can fund (approximately 300), we reserve the right to only take the highest scoring applications through to assessment and moderation (stage 3).

Maintained Nursery School (MNS) bids will be assessed using the same criteria and process for all other bids. In the event of receiving a high number of quality MNS bids, the Department will allocate funding to the highest scoring bids up to a maximum total value of £4.5 million.

The DfE may reject your application in its entirety without seeking clarification if there is a failure to answer all the relevant questions fully, or if false/misleading information or content is provided in any section, or if there are significant concerns regarding the school's ability to deliver. We may seek information from other parties / sources (e.g. Ofsted) in this regard.

If your project is approved for funding but you are later unable to accept the terms and conditions, the DfE is under no obligation to make any payments. Any costs incurred by you or a third party prior to accepting the terms and conditions will only be reimbursed if explicitly approved by the DfE. See [terms and conditions](#).

Quality assurance process

The DfE will conduct a quality assurance exercise on application assessments which will be supplementary to the assessment process itself, to be satisfied as to the consistency of approach in a competition where there will be a large volume of applications and a number of evaluation panels. This exercise will be undertaken by the moderators through reviewing a sample of final scores and rationales.

Stage 1: Eligibility check

You must meet all the following eligibility criteria in order to complete and submit an application. If you are ineligible for the funding and submit inaccurate or misleading information, this could constitute as fraud, and funding can be withdrawn and/or reclaimed.

- **Previous SBN Grant Participation**

You must not have received funding through the SBN Capital Grant 2024-2025. However, you can [register your interest](#) for phase 3.

- **Project Aim**

Your project must result in a net increase in the number of childcare places, taking into account any existing provision on site or provision in close proximity including that delivered by external providers.

- **Project Budget**

Your project must be deliverable with up to £150,000 of DfE capital funding, including any applicable non-recoverable VAT, however, can exceed that amount if combined with other funding sources.

- **Project Timeline**

Your SBN must be operational and offering new childcare places before September 2027.

- **Project Location**

Your project must be:

- An SBN located on a primary-phase school site that already offers Early Years education (e.g. a reception class), or
- Part of a maintained nursery school site.

- **Landowner Permission**

You must have written permission from the relevant freehold landowner (e.g. Local Authority, foundation/trust, or religious body) to use the land for nursery provision and carry out the proposed works.

- **Local Authority Approval**

You must have discussed your project with the Local Authority's Planning, Place and Provision (PPP) team and the Early Years (EY) lead (or appropriate delegates) and received formal approval for your project. You will be required to upload copy of a Local Authority Approval Form completed and signed by your LA alongside your application (click on the [Role of Local Authorities](#) for more information).

If your project does not meet the eligibility criteria but you are interested in opening a nursery, you should register your interest on the online application service. For more information, click on [registration of interest](#).

Stage 2: Scoring

Your application will be scored against four criteria, using relevant data held by the DfE, which will be weighted to generate an overall score for your application.

Criterion	Scoring
Disadvantage	Weighted at 50%
Local need	Weighted at 20%
Value for money	Weighted at 20%
Ofsted key judgements	Weighted at 10%

The following table provides an example of how the weighting will be applied to the total score for each criterion:

Criterion	Score	Weighting	Total score
Disadvantage	12 out of 20	50%	30 (12/20 * 50)
Local need	14 out of 20	20%	14 (14/20 * 20)
Value for money*	60 out of 100	20%	12 (60/100 * 20)
Ofsted key judgements	16 out of 20	10%	8 (16/20 * 10)
Total	102 out of 160	100%	64 out of 100

*Value for money score has already undergone the first stage of weighting in this example, as outlined in the Value for money section below.

Disadvantage

We will calculate a score by integrating the following two metrics to assess levels of disadvantage:

- Free School Meal (FSM) eligibility (for Maintained Nursery schools, we will use Early Years Pupil Premium eligibility)
- Income Deprivation Affecting Children Index (IDACI)

Each of the two measures will be scored on 10-point scale, to obtain an overall score out of 20. An applicant's score will be based on the decile they fall in. For example, if an applicant falls within the top 10% of areas assessed by IDACI they will score a 10. This data is already held by the DfE, so you do not need to include it in your application form. The DfE will use the most up-to-date and relevant version of each data source at the point of evaluation to calculate your score.

Local need

We will calculate a score by integrating the following two metrics to assess the supply and demand for early years childcare in your local area:

- Eligibility code validation data, which is not publicly available but held by the DfE at ward-level. Parents and carers must apply for an eligibility code to access a government-funded childcare entitlement place. These are then validated by early years providers or local authorities when a place had been secured at an early years setting.
- Ofsted accessibility data, which is not publicly available but held by the DfE.

Each of the two measures will be scored on 10-point scale, to obtain an overall score out of 20. An applicant's score will be based on the decile they fall in. For example, if an applicant falls within the top 10% of areas with the greatest difference between the number of codes issued and the number of codes validated, they will score a 10.

Similarly, if an applicant falls within the top 10% of areas with lowest access to childcare places assessed by Ofsted accessibility data, they will score a 10.

You do not need to provide this data in your application form, as it is already held by the DfE. The DfE will use the most up-to-date and relevant version of each data source at the point of evaluation to calculate your score.

Value for money

We expect all successful projects to demonstrate value for money. Project costs should be within an appropriate cost range for the number of places being delivered and the space being developed.

We will assess the value for money of your project using a weighted scoring system that takes into account the following factors, with each factor scored out of 5.

Scoring factor	Weighting	Description
Cost per place	40%	Compares the funding being applied for with the number of places being provided. Projects that are being supported by funding from other sources are therefore likely to receive a higher score.
Area per place	10%	Checks that the space requested is suitable for the number of children, based on BB103 guidelines.
Risk value (% of total cost)	10%	Looks at how much uncertainty or risk is built into the cost.

Scoring factor	Weighting	Description
Furniture, fixtures & equipment (FF&E) cost	10%	Ensures costs for items like chairs, tables, and equipment are reasonable.
Abnormal costs (% of total cost)	10%	Flags unusual or unexpected costs that may indicate scope or pricing issues.
Amount of provision	20%	Considers value from extended provision to include holiday provision and extended hours.

To enable this, you will be asked a series of questions as detailed in the [SBN Template Application Form](#) (section 4, part 5). These questions will cover:

- The amount of DfE capital grant funding you are applying for
- Any additional funding sources contributing to the project
- The total internal floor area (in m²) being created or refurbished
- The total new capacity of the nursery, broken down by age group
- The operating hours of the nursery

You must provide a detailed breakdown of your project costs, including:

- Building works
- External works
- Abnormal items⁶
- Furniture, fixtures and equipment
- Survey and design fees
- Technical advisor fees
- Risk allowance
- Irrecoverable VAT (if applicable)

The total project cost should reflect the full capital cost, including both DfE funded works and any additional contributions. Non-capital expenditure is ineligible for DfE funding and should not be included. For guidance on what constitutes eligible and ineligible expenditure, see [Annex A](#).

⁶ The Royal Institution of Chartered Surveyors (RICS) defines abnormal costs as those which might be considered as project specific (that is, they are not a 'typical' construction cost) and are classified as such because they tend to have a notable consequence. Examples include asbestos removal and upgrade of services installations. You should take care when including abnormal costs and they must be clearly identified and justified.

If you are not liable for VAT, exclude it from your project costs. If you are liable and cannot recover VAT (in part or full), include it in your costs. You should seek appropriate advice on your VAT liability, as this depends on your provider type and the nature of the project. The DfE cannot provide advice on VAT liabilities. If your application is successful and VAT is included in your costings, you may be asked to provide evidence of your VAT status before the grant is confirmed.

Your risk allowance should be realistic and proportionate to the project's scale, complexity, and the level of cost certainty achieved. We typically expect a risk allowance of 5–10% of the total project value. Avoid duplicating risk across cost items and ensure the total risk provision is critically reviewed by the governing body to prevent “risk-on-risk” costing.

While full tendering is not required at the point of application, all projects must be competitively tendered either before or after application, in line with your organisation's procurement policy. Academies must also comply with the Academy Trust Handbook 2025. We expect a minimum of three competitive tenders to be sought, and we may request evidence of the tender process and outcomes at any stage.

To evidence this, you will be asked to indicate the number of quotes received and provide the following details for each:

- Company name
- Total estimate
- Date quote was received
- Any other information

You must also upload one of the following cost breakdown documents, depending on whether you have completed a tender exercise. Each upload must be less than 20MB, follow the correct naming convention and file format listed below, and be appropriate to the design, size, and scale of the project:

Document description	Naming convention	Format accepted (max 20MB)	Maximum number of uploads accepted	Requirement
Cost breakdown – not tendered A detailed cost breakdown prepared by a suitably qualified professional (typically a RICS-registered Quantity Surveyor), if the project has not yet been tendered	URN_Cost_Breakdown		1	Required if you have not yet completed a tender exercise
Cost breakdown – tendered A detailed cost breakdown from your preferred contractor, summary of tender exercise and details of the procurement route adopted including the form of contract to be used, if a competitive tender exercise has already been undertaken.	URN_Tendered_Cost_Breakdown		1	Required if you have completed a tender exercise
Tender summary A summary of your tender process, including procurement route and contract form.	URN_Tender_Summary	PDF	1	Required if you have completed a tender exercise

Ofsted key judgements

We will calculate a score based on your school's most recent Ofsted judgements for Leadership and Management and Early Years Provision as published on 11 December (date the grant application window closes). If a judgement for Early Years Provision is not available, the Quality of Education judgement will be used instead.

If your SBN is to be delivered in partnership with a PVI provider or a childminder, their most recent Ofsted judgements for Leadership and Management and Early Years Provision (or Quality of Education if this is unavailable) will be used for this adjustment.

Up to 10 points are available for each of the Ofsted judgements used. The number of points available for each is:

- 10 points for outstanding
- 8 points for good
- 3 points for requires improvement
- 1 point for inadequate

If your school or provider does not have a relevant sub-judgement – such as in cases where it has recently converted to an academy – you will be treated as having no Ofsted data availability, and your score will be adjusted accordingly.

Scoring criteria	Maximum Points (after weighting)	School A	School B
Disadvantage	50	40	40
Local need	20	15	15
Value for money	20	17	17
Ofsted key judgements	10	8	Not available
Total points available		100	90
Total points scored		80	72
Final score (%)		80%	80%

We are aware that Ofsted is expected to update its inspection framework. However, any changes introduced as part of the new framework will not be taken into account for this application round. If a provider receives a new inspection outcome after the application window closes, and it falls under the revised framework, we will treat them as having *no applicable judgement* for the purposes of scoring.

Ofsted data is already available to the DfE so you do not need to include it in your application form. However, you can view your latest inspection report, including key judgement outcomes, via [Find an Ofsted inspection report](#).

Stage 3: Assessment

We will assess your response to each of the following sections:

- Project overview
- Local need
- Approach to education
- Management of provision

You must ensure all uploads follow the required format and naming conventions as detailed in this guidance. If the number of uploads exceeds the stated maximum of uploads accepted, only the first uploads received within that limit will be considered. Files that do not meet the format or naming requirements may not be accepted. However, the DfE reserves the right to exercise discretion in exceptional circumstances.

The word count has been set for each section, including any appendices, diagrams, tables and infographics. Any information over the word count will not be included in the application assessment. The word limit provided is an upper limit and is expected to be

an indicator of the level of detail required for each question. You will not be penalised if your answer is shorter, however you **must** ensure there is sufficient evidence to fulfil the assessment criteria. Mandatory uploads are excluded from any applicable word count.

To be considered for funding, you must achieve a pass in all four sections. However, the DfE reserves the right to seek clarification from applicants before finalising the outcome of Stage 3.

Project overview

This section is designed to ensure you have made adequate considerations during the planning of the proposed project and that it aligns with the programme's initiatives to deliver additional nursery places in high-quality settings.

You must answer the following questions in your application:

Question	Pass criteria
Summarise your project, outlining the construction works and equipment required to deliver the proposed nursery places.	Provides a clear description of the construction, works and equipment which is specific, understandable, and aligned with the type of space being developed. For example, a clear understanding of the size and classification of the project vs. the extent of works provided is evidenced. Uploaded documents are consistent with the written description. You may choose to reference these to support the evidence.
How does the proposed work enable the delivery of new nursery places?	There is a clear explanation of how the current space limits provision and how the proposed works will create or expand capacity (number of childcare places) and make the space fit for purpose to meet the needs of the children. For example, creating a range of layout options to facilitate the delivery of the early education curriculum or creating ancillary spaces to accommodate additional resources.
Explain at least one risk or dependency that could affect your milestones, ensure you include their likelihood, impact and how you plan to mitigate delays.	Identifies at least one relevant risk or dependency, including assessment of likelihood and impact, mitigation and control measures. You may wish to include approaches to monitoring e.g. regularity of review, and owner in relation to completion of the works from planning to when the setting becomes operational.
= maximum 1000 words	

The following documents must be uploaded with the correct naming convention and format listed below. Uploads must be less than 20MB each:

Document description	Naming convention	Format accepted (max 20MB)	Maximum number of uploads accepted	Requirement
Original floor plan Showing the current layout of space which is being converted. The detail of this may vary depending on the works required	URN_Original_Floor_Plan	PDF	1	Mandatory
Proposed floor plan Showing how the internal space will be once work is completed	URN_Proposed_Floor_Plan	PDF	1	Mandatory
Site plan Showing the location of the project in relation to the rest of the estate	URN_Site_Plan	PDF	1	Mandatory if proposal includes external works
Photographs of current site Providing clear evidence of the extent of works required	URN_Photographs_of_Current_Site	PDF	4	Mandatory
Photographs/design of proposal Supporting an understanding of how the space will be utilised to meet the needs of the intended children	URN_Design_Photos	PDF	2	Optional

Your existing and proposed floor plans should include room names and numbers. If your project includes external works, you should also upload site plans. All plans must be within the school's legal boundary (freehold or leasehold).

Local need

This section is designed to understand how well-informed and responsive your project is to childcare needs in your area, and how you plan to manage any uncertainties or challenges identified within your local needs assessment.

In addition to the questions below, your project must deliver a minimum of **five** additional childcare places in order to pass this section. In exceptional circumstances, we may consider projects that deliver fewer than five additional places, for example if this utilises existing staffing structures more efficiently and/or the places are serving a small rural community. Such cases will be subject to a thorough due diligence process, during which we may seek clarification from applicants to inform our decision.

Question	Pass criteria
What sources of information have you used to assess the local need for early years childcare? (tick all that apply) • Local Authority sufficiency analysis • Conversations with the Local Authority • Parent surveys or feedback • Waiting lists or registration data • Engagement with local childcare providers • Community group feedback • Ofsted data • Other (please specify)	Uses at least two relevant information sources, which clearly identify specific local gaps or shortfalls in early years places. Comparable sources of local intelligence may be used where appropriate.
Based on these sources and your existing knowledge, what gaps or shortfalls in early years childcare have you identified in your area?	Gaps or shortfalls are identified using a clear evidenced-based approach. The analysis highlights the significance of these gaps within the local context, including consideration of new local housing developments, unmet needs such as limited provision for specific age groups and insufficient access to wraparound or holiday childcare.
How does your proposed project respond to these needs?	Outlines a targeted proposal that directly responds to the identified local needs and clearly demonstrates potential impact.
Explain at least one risk related to your assessment of local childcare needs, their likelihood and any planned mitigations. For example, limited or outdated data, assumptions about demand, impact on existing local provision and long-term sustainability.	Identifies at least one relevant risk related to the assessment of local need, including identification, assessment of likelihood and impact, mitigation and control measures. You may wish to include approaches to monitoring e.g. regularity of review, and owner in relation to completion of the works from planning to when the setting becomes operational.
= maximum 1000 words	

Approach to education

This section is designed to evaluate how well you will deliver high-quality early years education in alignment with the Early Years Foundation Stage (EYFS) framework, and whether your provision supports improved outcomes for children from specific groups, such as those from disadvantaged backgrounds, with Special Educational Needs and Disabilities (SEND) or English as an Additional Language (EAL).

Question	Pass criteria
Describe your nursery's approach to delivering high-quality early years provision. (max 500 words)	Demonstrates the utilisation of a curriculum aligned with the EYFS Framework, including reference to the prime areas (communication and language, physical development, personal, social and emotional development) and specific areas (literacy, mathematics, understanding the world, expressive arts and design). Recognition that children develop at different rates, with a mix of teaching approaches (e.g. child-led and adult-led learning). A minimum of two practical examples of how the setting supports: enabling environments, communication and language, safeguarding and welfare, inclusive practice, and partnerships with parents. Clear evidence of how the approach positively impacts children's development. Include specific example(s), observations, or data that demonstrate measurable or observable benefits in areas such as learning, behaviour, communication, or wellbeing.
How will your setting provide targeted support for children from disadvantaged backgrounds (such as children eligible for free school meals or the early years pupil premium) and any other specific groups of children, such as those with SEND or English as an Additional Language (EAL)? (max 200 words)	Provides a plan for targeted support for children from disadvantaged backgrounds, including clear example(s) of how this will be delivered in practice and the anticipated impact on children's outcomes. Additional plans for targeting other specific groups may also be included.

Management of provision

This section is designed to understand the governance, oversight and management of the provision. It provides assurances that there are established and/or well thought through structures in place which secure the sustainability of the high-quality provision.

Question	Pass criteria
Who will govern and manage the nursery provision and how does this fit into your school's existing governance and accountability structures?	Provides a clear explanation of how the nursery will be governed, either within the school's existing structures or through defined arrangements with a partner (e.g. PVI).
How will you ensure the nursery is appropriately staffed by the time it opens?	Demonstrates accurate understanding of EYFS staff-to-child ratios and provides evidence that the nursery will be appropriately staffed by opening. This may either be by including evidence of existing qualified staff or a recruitment plan and timeline for this to be achieved which aligns with the provision opening or provides an understanding as to why it does not.
How will you ensure the nursery is financially sustainable in the long term?	Provides evidence that nursery is financially viable and that the school or delivery partner (PVI or childminder) can afford to run it on an ongoing basis, with reference to internal discussions (e.g. governing body or finance committee) and financial planning tools such as Schools financial value standard .
Explain at least one risk related to the deliverability and sustainability of your provision, their likelihood and any planned mitigations.	Identifies at least one relevant risk related to delivery and sustainability, including identification, assessment of likelihood and impact, mitigation and control measures. You may wish to include approaches to monitoring e.g. regularity of review, and owner in relation to completion of the works from planning to when the setting becomes operational.
= maximum 1000 words	

Additional information

In addition to providing the information required for each stage of the application process, we also require certain contextual details for administrative purposes. Refer to [SBN template application form](#) for a full list of the application questions. This includes:

- Details of the school on whose site the nursery will be located and whether the school has an existing nursery already operating on site.
- Project milestones – this should give realistic dates for projects to commence and places to be open.
- Indication of whether the nursery provision will require an updated or new Ofsted early years registration.
- Indication of whether the nursery provision will require planning permission.
- Indication of whether the nursery provision will require a Significant Change approval.

Academies are also required to determine whether a significant change approval is needed before the project can proceed and provide additional information to support this. Where applicable, we will use this information alongside your application details to complete the significant change process for you. This means you do not need to submit a separate significant change application; however, we reserve the right to request further information if needed. Refer to the [Significant Change](#) section for more information, including consultation requirements.

Declaration

Before applying, all applicants will be required to complete a declaration confirming the following:

- To the best of my knowledge, the information provided is complete and accurate, demonstrating that the relevant criteria have been met. Any applicable supporting documents have been included, and no information submitted is false or misleading.
- I have explored alternative options and confirm that, to the best of my knowledge, the selected project represents the most suitable and effective approach to meet the intended objectives and I would be able to provide evidence of this if requested by the DfE.
- Due regard has been given to duties under the Public Sector Equality Duty.
- The project will comply with all relevant statutory obligations, including public procurement regulations and guidance.
- The governing body, relevant freehold landowner, and, where applicable, the religious authority support the proposal.

- The delivery of this project will not hinder my estates' capacity to fulfil other statutory duties, including but not limited to [Breakfast Clubs](#).
- There has been due consideration of the local market in collaboration with the relevant Local Authority/ies, with the project enhancing the overall local offer without negatively impacting provision in close proximity, including that delivered by external providers.
- Funding will be used solely for the eligible costs of the specified works, and any underspend will be returned to the DfE.
- Grant funding will only be used for eligible costs incurred after the grant is awarded. Retrospective claims will not be accepted.
- Any additional funding sources required to complete this proposal have been agreed and secured by the LA/school/relevant parties.
- Any conflicts of interest (e.g. relationships with technical advisors or contractors) have been declared and appropriate action taken.
- No prior DfE funding has been received that would result in double funding. For example, if funding was received through the 2023–24 Childcare Expansion Capital Grant, this project must deliver additional places.
- If the funded activities are not completed by 01 September 2027, the DfE reserves the right to recover the grant (clawback).
- The DfE will not be liable for additional costs above the grant awarded and you will provide regular updates to DfE as required.
- If the use of AI tools has been used to support the generation of the application (such as in building responses to assessment questions), they have been checked and verified for accuracy.
- Should this project be successful, the procurement of this contract will be in accordance with the Local Authority's Standing Orders and the lowest tender that meets your requirements should be accepted, unless clear evidence and rationale supports otherwise and unless prior agreement is given by DfE.

SBN capital fund outcomes

Notification of outcome

We expect to communicate outcomes in April 2026. However, these timelines are subject to change. We will keep all applicants informed of any updates to the notification schedule. You will be contacted via the details provided on your application.

We encourage all applicants to ensure their contact details are up to date and to monitor their email regularly during the notification period.

Successful bids

Grant distribution

Following notification of a successful application, the final grant offer letter and terms and conditions will be shared with the successful organisation for review. The final grant funding agreement will be sent via Adobe Sign for signature.

Successful applicants may be subjected to further due diligence checks before funding can be finalised. A list of successful applicants will be published on gov.uk.

We expect to make initial payments in June 2026 following the announcement of outcomes, subject to the agreement of grant conditions. Payments will be made to the payee details held by the DfE for the relevant school, as outlined in the table below. In some cases, these details may correspond directly to the school.

Where payments are not made directly to the school, the grant recipient must transfer the full amount to the school(s) as soon as possible to enable timely project delivery. There is no expectation that the grant recipient will be held accountable for the delivery of the project. If funds need to be recovered, it will be done via the grant recipient. Schools remain responsible for managing their own projects and for submitting the required project monitoring forms to the DfE

Schools should engage with the grant recipient in advance of payment to agree on the process for transferring funding.

School type	Typical grant recipient
Local authority maintained primary school	Local authority
Maintained nursery school	Local authority
Voluntary aided school	Diocese (or equivalent)
School within a multi-academy trust	The trust

Grant conditions

If your application is successful, you will be expected to comply with our grant funding [terms and conditions](#) which you will receive at the point of notification of outcome. Failure to comply with the terms and conditions will affect payment of the grant.

Once the grant funding agreement has been signed by you and the DfE, you should be in a position to enter into contract with your contractors.

The DfE will not be liable for any costs or expenses incurred by any potential applicant, or any other person in connection with the application process, including (but not limited to) the preparation and submission of applications. Nor will the DfE or any of its officers, Ministers, employees, agents or advisors will be liable in any way to any potential applicant, or any other person, for any costs, expenses or losses incurred by any potential applicant, any member of the potential applicant's team, or any other person in connection with this application process, including (but not limited to) where the application process is cancelled or amended or the DfE otherwise decides not to award funding.

You will also be required to adopt the DfE's 'Best Start in Life' branding for your newly opened provision. The DfE will support the provision of signage and detail of the provision will be communicated to successful applicants. Further information can be found in the terms and conditions. The signage is not an eligible cost of the School Based Nurseries capital grant and should not be included in your application.

Grant compliance

On completion of the project, you must provide the information below within three months. Officials from the DfE may visit during the project's progress or at completion to assure the work matches information provided. You should make contractors and technical advisers (where relevant) aware of this requirement, so that they can contribute to providing the following information:

- a Completion form which confirms the of Use of Funds (which will provided to you at project completion), signed by your accounting officer or a senior member of the leadership team
- a copy of the practical completion certificate or similar, signed by a suitably qualified independent construction professional
- a copy of the Building Control Officer's final certificate where needed
- as-built floor plans
- photographs of each completed space with space identification
- an invoice listing and copy of all invoices which must match the total final eligible project cost within the Statement of Use of Funds

Project feedback and evaluation

We want to learn from your experience and understand what has worked well, as well as any challenges you've faced in delivering new or expanded nursery provision in primary schools. As part of this, we will be evaluating the programme to assess its effectiveness and impact. Schools receiving grant funding will be expected to participate in evaluation activities where requested. Evaluation is a core part of good policy design and delivery, helping government understand what works, for whom, and in what context. Your involvement will help ensure future decisions are informed by robust evidence and learning.

Unsuccessful bids

Should further funding become available through this activity (SBNs phase 2), either by successful schools withdrawing their applications or otherwise, we may contact unsuccessful applications to overturn their outcome.

Due to the anticipated high number of bids, the DfE is unable to provide individual feedback for each application to each organisation. Unsuccessful applicants will be placed on the registration of interest which will be passed to the school's local authority for consideration in phase 3. Refer to [registration of interest](#).

Annex A: Scope of funding

This annex provides some examples of eligible and ineligible expenditure under the SBN Capital Grant, in addition to those already listed in this guidance (see '[What funding is available](#)'). It is not an exhaustive list. If you have doubts about what is capital expenditure, you should seek local professional advice.

Eligible costs

- Work to ensure a safe construction site including access and egress
- Works required to achieve a planning consent, if relevant, such as tree replacement and enhanced finishes or features
- Removing and encapsulating asbestos
- Reconfiguring existing spaces or expanding and refurbishing existing space to be suitable for a nursery, including installing new access points, walls and locally altering and reconnecting existing services to suit the new layout
- Creation of new space to be suitable for a nursery
- Replacing existing or installing new toilet facilities to cater for younger children
- Updating the existing finishes to those suitable for a nursery, e.g. replacing carpet with vinyl in wet play areas
- Installing changing and medical rooms and kitchens that are required for operational reasons
- Updating the door handles, locks, and other fittings to meet safety standards
- Installing intercom and door access systems to allow the nursery to function independently of the main school
- Installing an external canopy to allow for outdoor play
- Installing suitable fencing to provide safe and secure external play space
- Purchasing furniture and equipment to allow the nursery to function properly
- Providing ventilation to rooms that have a change of use, e.g. a meeting room into toilets and required to meet legislation
- Payment of professional advice and services, design fees and survey costs that are required to deliver the capital works

Ineligible costs

In costing your project, you should exclude ineligible costs such as, but not limited to, those listed below. Where your project costs include ineligible items, it may reduce the amount of grant you are able to claim.

- Carrying out backlog maintenance or upgrading infrastructure which will not exclusively benefit the new provision
- Planned, preventative and routine maintenance costs
- Works to the school estate that are not consequential to the provision of the nursery
- Revenue items, such as books, paint, pens, craft resources, small toys etc.
- Labour and materials for removals and storage, such as storage boxes, gloves and shipping containers
- Annual software licences
- Temporary accommodation
- Refurbishment of spaces for interim teaching
- Rent service charges
- Internal staffing costs
- Recoverable VAT on costs incurred
- Costs, liabilities or expenditure incurred before the SBN Capital Grant launched
- Costs arising where scope of the project changes, and these have not been agreed with the DfE
- Costs incurred by academies to update their funding agreement

Annex B: Project classification guidance

These descriptions are intended to help you identify the scale and nature of your project. Real-world projects often vary due to the condition of existing buildings and specific design requirements — so use this guidance as a general reference, not a strict rule.

Category	Definition	Typical work includes
New build	Construction of an entirely new standalone building or facility.	• Full site clearance and groundworks • Foundations, external walls, roof, windows, and doors • All new internal walls, finishes, fixtures, and services • Entirely new MEP systems (heating, lighting, ICT)
Extension	Adding new space to an existing building.	• Site clearance and connection to existing building • New structure (walls, roof, windows, doors) • Full internal fit-out and service connections • Refurbishment of adjoining areas (light to heavy)
Remodel	Reconfiguring internal spaces without structural changes.	• Removal/addition of internal partitions • New finishes, doors, and some FF&E • Localised updates to lighting, heating, ventilation, and ICT • No major structural alterations
Refurbishment	General improvement of existing spaces without structural changes.	• Replacement of flooring, finishes, and internal doors • Some new FF&E • Minor services upgrades (e.g. lighting, fire alarms) • May include light or medium refurbishment depending on scope
Heavy refurbishment	Extensive upgrades involving structural changes and full system replacements.	• Removal of internal walls and structural alterations • New structural beams, windows, doors, and finishes • Full replacement of heating, electrical, ICT, and safety systems

Category	Definition	Typical work includes
Refresh	Cosmetic improvements only.	• Redecoration of walls • Replacement of floor coverings • Removal of redundant fixtures



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for Education

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