



UK Government



School-based Nursery Capital Grant 2027 to 2030

March 2026

The School-based Nursery (SBN) programme aims to help more families access early years provision, including those in disadvantaged areas, and give every child the best possible start in life.

- 1** The **first phase** of the programme launched in October 2024, with primary schools able to apply for up to £150,000 to create or expand SBNs in their areas. DfE awarded £37m in funding to 300 schools.
- 2** The **second phase** of the programme launched in September 2025. Primary schools and also Maintained Nursery Schools could apply for up to £150,000 of funding. Successful projects will be announced in Spring 2026.
- 3** The **third phase** of the programme will be led by local authorities, who are invited to develop multi-year funding proposals that outline project plans for new or expanded SBNs in their area. Funding proposals need to be submitted to DfE by 30th September 2026.

Why has the delivery model changed?

The new local authority led approach has the following key benefits:

- **strategic market management:** alignment with a local authority's statutory sufficiency duties across early years and schools, utilising their expertise and data on local need
- **enables long term decision-making and planning,** with local authorities able to think about future demand, with projects delivered over multiple years

What funding is available?

- Local authorities can apply for as much capital funding as needed to create or repurpose spaces for nursery provision, although DfE expect projects to deliver value for money and expect to see a wide range of project types and costs.
- While DfE encourage local authorities to consider sites with spare space for their project, the use of surplus space is not a requirement for phase 3.
- Local authorities will be required to submit justification of costs for all projects, which should be developed using intelligence from recent and comparable projects and/or through engagement with the market.

Phase 3 eligibility criteria

All proposed SBN projects must meet the following eligibility criteria:



- **Project aim** - the proposed project will result in a net increase in the number of childcare places, taking into account any existing provisions on site or nearby, including that delivered by external providers.



- **Project classification:** the proposed project is either
 - an SBN located on a state-funded primary-phase school site in England that already offer early education (such as reception classes);
 - part of an MNS site in England;
 - part of a BSFH site. This can include both existing BSFHs, or those in the process of being set-up. It can also include those co-located on a school site as well as those not on a school site, although all hubs should have links to local schools.



- **Project timeline** - the proposed project will be operational and offering new childcare places by September 2030 at the latest.



- **Landowner permission** - there is written permission from the relevant freehold landowner (for example, the local authority, foundation/trust, or religious body) to use the land for nursery provision and carry out the proposed works



- **Previous SBN grant participation** - if the proposed school received funding through the SBN capital grant funding 2024-2025 or SBN capital grant funding 2025-2026, the proposed project adds new places beyond what was delivered in earlier phases and offers good value for money

Phase 3 developing & assessing proposals



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Developing and submitting proposals

- Local authorities should establish and communicate a clear model for engagement and hold early discussions with ALL interested schools / settings to assess their suitability for the capital grant.
- Local authorities can choose to put forward any number of projects in their funding proposal within their area, based on their assessment of the suitability of a project.
- Local authorities should assess potential projects based on factors such as demand for nursery places, quality and capacity of providers, financial sustainability of provision and how the setting will provide provision to disadvantaged children etc.
- Local authorities must submit their funding proposal by 5PM on 30 September 2026.

Assessing proposals

- DfE will assess each proposed SBN projects in three stages:
 1. **Eligibility check** – confirmation that the project meets the required criteria
 2. **Ranking** – projects will be ranked by a) disadvantage and b) affordability
 3. **Validation check** - DfE will validate the projects based on both internal and public qualitative and quantitative data, as well as responses to questions submitted via the multi-year funding proposal.
- Following the ranking of projects and the validation check, the ranked projects will be approved up to the funding limit.
- DfE expect to communicate outcomes in spring 2027

Phase 3 key dates and deadlines



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Activity	Timeline
DfE publish the School-based Nursery Capital Grant 2027 to 2030 guidance	04 February 2026
Local authorities to develop multi-year funding proposals, working with eligible and interested parties in their area and wider stakeholders	February – September 2026
Deadline for local authorities to submit their funding proposals	5PM 30 September 2026
DfE to conduct compliance checks, the approval process and quality assurance	Autumn 2026 – Spring 2027
Local authorities notified of outcome, DfE to issue grant letters and project initiation Spring 2027	Spring 2027
First SBN projects aim to be operational	September 2027
Final SBN projects operational and deadline for capital funding provided to be spent	End of September 2030

- **Phase 3 SBN guidance & local authority funding proposal template**: This explains the grant process in more detail and what information needs to be gathered as part of the multi-year funding proposal
- **Establishing School-based Nursery Provision guidance**: This document by DfE provides clear guidance for establishing an SBN.
- **Best Start Family Hubs guidance**: This document by DfE provides guidance to help all local authorities to prepare for provision of Best Start Family Hubs from April 2026.
- **Registering and inspecting school-based provision guidance** and **Childminders and childcare providers: register with Ofsted guidance**: These documents provide guidance on the legislative requirements that will help schools, MATs and BSFH delivery partners to determine whether they need to register the early years provision with Ofsted.
- **Case studies** - These examples provide insight and ideas on what might work best for schools:
 - new school led nursery provision and expanding existing school led nursery provision
 - governor led school-based nursery provision
 - PVI led school-based nursery provision
 - nursery on a BSFH site
 - video of schools presenting case studies
 - additional case studies in the Childcare Works' resource area