



Department
for Education

School Nurseries Capital Fund

Information for applicants

September 2018

This publication is for local authorities, schools, academies, multi-academy trusts, educational institutions, charities or any other organisations interested in working together to develop a bid application for the School Nurseries Capital Fund (SNCF).

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1 Introduction

In July 2018, the Department for Education (DfE) announced a capital bidding round of £30 million to create new high-quality school-based nursery places for 2, 3 and 4 year olds to deliver the government's commitment to build more school-based nurseries, and to boost social mobility. The first few years of a child's life are critical to shaping their future development, and our ambition is to provide equality of opportunity for every child, regardless of background or where they live, because we know that good early years education is the cornerstone of social mobility.

We encourage schools, academies, multi-academy trusts, educational institutions, charities or any other interested organisations to work closely with each other and in partnership with their local authorities to develop an application. We especially encourage proposals that include testing and evaluating approaches aimed at closing the disadvantage gap in the early years and boosting social mobility. Once the application has been developed and agreed by the school(s), relevant organisation(s) involved, and the local authority, the local authority must then submit the application by 22 November 2018. Successful applicants will be notified by 28 February 2019.

1.1 Key dates and deadlines

| Milestones | Dates |
|---|---------------------|
| Publication of guidance on eligibility and criteria | 8 September 2018 |
| Publication of application forms | 24 September 2018 |
| Local authorities submit their bid | By 22 November 2018 |
| Decisions on bids announced | By March 2019 |

1.2 Fund Priorities

The funding available for this bid round is £30 million. Only applications which closely align with the fund priorities will be successful. Local authorities, schools, multi-academy trusts, and any other interested organisations are strongly advised to work together to develop high quality applications. The applications should be succinct, evidence based, and meet the priorities outlined in this guidance. In deciding whether to submit a project bid, the relevant parties should pay close attention to the pass/fail criteria outlined on p.8 of this guidance.

We want to ensure we allocate funding to the most disadvantaged areas. This will ensure the most disadvantaged children have access to high-quality school-based nursery provision. Upon reviewing the geographical coverage of the successful applications, we reserve the right in our sole and absolute discretion, to withhold all or any part of the

funding if we do not believe that projects are in areas in most need of capital funding to deliver high-quality nursery places.

1.3 Definitions

The priority of the SNCF is to create new high quality school-based nursery places targeted at closing the gap for disadvantaged children. That is, nursery places must be targeted at disadvantaged children, and must be directly linked to a school, and governed by that school or multi-academy trust. The following definitions are relevant for the purpose of this fund:

1. A school is defined in [section 4 of the Education Act 1996](#). This is in essence an educational institution which provides primary education, secondary education, or both types, but it does not include an institution which provides only early years provision (as defined by section 96(2) of the Childcare Act 2006). For the purpose of this fund, maintained nursery schools (as defined by section 22(9) of the School Standards and Framework Act 1998) are not classified as schools.
2. For the purposes of this capital fund, a disadvantaged child is a child who is eligible for Free School Meals (FSM).
3. The disadvantage gap in the early years is the attainment gap between disadvantaged children and their more affluent peers at the Early Years Foundation Stage (EYFS).
4. Wraparound care relates to before school provision and after school provision. Holiday care refers to childcare outside the school term-time.

2 Eligibility

2.1 Provider eligibility

The following types of provider are eligible to bid for the SNCF: primary schools, infant schools, and all-through schools, either with or without existing nursery provision. Schools must currently be in existence to be eligible.

All schools must have a proven track record with Ofsted. By proven track record, we mean a school that is registered with Ofsted, that has had at least one recorded inspection by Ofsted, and currently has an Ofsted rating of Good or Outstanding. If the initial inspection result is pending, the local authority or regional schools commissioner must provide a statement assuring us that the school is of good quality.

Independent schools and maintained nursery schools are not eligible for the SNCF.

2.2 EU State aid compliance

If you are applying for the fund, and the school where the additional nursery places will be created is not a state school (including academies and free schools), you will be asked to confirm the following in your application. That:

- I. neither the school, nor any corporate group of which it is part of, is involved in supplying any goods or services other than childcare (except for supplies such as nursery meals, which are ancillary to its provision of childcare);
- II. the school is competing to supply childcare services to parents living or working in a particular locality within the United Kingdom, and its supplies would not be of interest to people based in other EU Member States.

If you are unable to confirm the points above, then you may be restricted to receiving a grant at a level which falls below the relevant EU State aid threshold. You are in any event responsible for satisfying yourself, prior to your receipt of a grant, as to the compatibility of the grant with the EU State aid rules. If you have any concerns about State Aid issues, you should seek your own professional advice.

2.3 Types of project

When considering which projects to put forward in an application, the school(s), organisation(s), and local authority involved in developing a project should note the following:

- as part of their bid, local authorities may submit applications for new build nurseries (including modular/temporary buildings) or extensions, refurbishments or

conversions of surplus school capacity, or existing buildings including creating kitchen facilities

- information and communication technology (ICT) hardware or software, fixtures, fittings and equipment (FF&E), and ICT infrastructure (cabling, wireless and switching) are eligible if they form part of a new build project. For details, please refer to the published guidelines within the [Generic Design Brief](#).

We will not fund the following:

- Projects that involve the purchase of land
- Costs incurred for child transportation to/from providers and administration costs
- Staffing costs
- Any ad hoc and trivial purchases that are a follow-on from the initial project scope. These should be funded out of existing budgets or from funding from alternative sources

Further details of project build types are set out in Annex A.

2.4 Partnership working

We recognise that to meet the objectives of this fund, and ensure the best projects are funded, knowledge from across the educational sector will need to be pulled together. Therefore, we expect to see strong partnership working as part of the applications.

We especially encourage proposals for testing and evaluating approaches aimed at closing the disadvantage gap in the early years. Ideas and knowledge exist across schools, academies, multi-academy trusts, charities, and other educational institutions, and we expect local authorities, schools, and their partners to work closely together to develop the bids. Those that demonstrate good plans for testing and evaluating approaches aimed at closing the disadvantage gap, will receive a strong score at assessment stage, so working through ways to deliver this should be a priority for bidders.

2.4.1 Joint projects

Some projects may span local authority boundaries, so we welcome joint applications from local authorities and their partners. We ask that a single local authority be nominated as the lead authority on such an application and include the application as part of their bid. Non-lead authorities should not include this application as part of their bid. Lead providers should provide information on the application form as to why a joint project is preferred over individual projects.

2.4.2 Partnership bids

Each project must have a lead provider and they may work with other organisations and providers to form a 'partnership project'. This will facilitate the creation and delivery of high quality school-based nursery places e.g. a school may partner with another school, or with an educational organisation or charity that provides support. Partner providers and organisations will be required to fill in their details as part of the application process and, where appropriate, contribute to the project.

2.5 Preparing your application

The application form and detailed guidance on preparing your application will be published shortly.

3 Assessment

3.1 Assessment process

All projects received within the application deadline will be subject to a 2 stage project assessment process.

Stage 1 will assess individual projects against the following pass or fail tests:

- The project must be directly linked to a school, and governed by that school or multi-academy trust. (The nursery does not need to be located physically in the school. That is, it could be in a separate building, not necessarily on school grounds).
- The school must deliver early years entitlements.
- The school must have at least 20% of pupils registered at the school eligible for Free School Meals (FSM) in their census data from January 2018. If FSM data is not available from the January 2018 census, bids should provide evidence that the school has at least 20% of pupils registered at the school eligible for FSM.
- The school must have a good or outstanding rating with Ofsted. If the initial inspection result is pending, the local authority or regional schools commissioner will need to provide a statement assuring us that the school is of good quality.
- The project must offer wraparound and holiday care, or make the nursery provision available to other early years providers to offer wraparound and holiday care. If a project cannot deliver this, then they must supply a strong and convincing reason why they cannot.
- The project must confirm that their local authority is content that the project outputs will deliver new early years funded places for disadvantaged children, without detriment to existing good quality early years provision.

Stage 2 will assess individual projects that were successful at stage 1 on the following criteria:

- Value for money
- Existing examples of, or proposals for, testing and evaluating approaches targeted at closing the disadvantage gap in the early years
- Deliverability and sustainability of the project and proposals
- Relative proportion of deprivation in the school as measured by the proportion of pupils eligible for FSM within the school
- Social mobility index

Local authorities must submit completed applications as part of their bid by **22 November 2018**.

The highest scoring unsuccessful applications from this bidding round will be placed on a reserve list should additional capital funding become available and we choose to allocate it to the best unsuccessful applications from this bidding round.

Local authorities are responsible for delivering the successful projects and monitoring in accordance with the Terms and Conditions of grant that will be set out by the Department for Education. We will issue the Terms and Conditions of funding, following the announcement of the successful projects. Local authorities will be required to agree and return these by the given deadline to ensure payments are made promptly within this financial year.

3.2 Assessment Criteria

3.2.1 Stage 1: Pass/Fail Qualifying Tests

Projects will be initially assessed against six pass/fail criteria for stage 1. The criteria are listed in section 3.1 above. Projects that fail any of these criteria will not be considered any further.

3.2.2 Stage 2: Assessment criteria

If the project passes the pass/fail qualifying tests the project will proceed to Stage 2 of the assessment process. Projects will be assessed against the following criteria:

Value for money (50%)

Applications will be assessed on the degree to which they provide value for money. Value for money is the demonstration of projects being appropriately costed and that all project costs are within an appropriate range for the type of work proposed. Projects will achieve the highest scores by providing:

- A clear scope of works and delivery methodology. All cost elements should appear reasonable and where there are abnormal or high costs, they are clearly justified. Projects should deliver accommodation that meets, but does not significantly exceed, mandatory standards as detailed in the Early Years Capital Area Guidelines below
- Thorough and well-evidenced tenders/quotes proportionate to the size of the project
- Tenders/quotes that are sufficiently developed and evidenced to allow works to commence immediately on project approval
- Reasonable costs per place. Projects that have matched-funding are more likely to be awarded a higher score. Please indicate the source of the additional funding

- A costed options appraisal with quantified benefits that supports the solution, and evidence that applicants have the ability to deliver the solution. The applicant must be able to show that projects are planned appropriately and realistically, taking account of potential risks.
- Evidence and assurance of the following:
 - that in accordance with [Managing Public Money](#), no grant monies will be paid in advance of need;
 - that all grant payments will be at fair and reasonable intervals to the grant recipient and the Department for Education; and
 - that local authorities have robust plans for monitoring projects and managing risks.

We are particularly interested in proposals that demonstrate efficient use of the school estate, including conversions of surplus primary capacity. Applications will be looked upon more favourably where they are able to demonstrate efficiencies by using surplus primary capacity, taking due account of projected future demand for places and the views of the local authority in understanding future demand. Where projects are doing this, we expect to see efficiencies reflected in their costs.

Any cost overruns will be at the expense of the local authority, although an appropriate level of project contingency funding is permitted. Where there are local features which may lead to costs being outside of industry benchmarks then this should be clearly explained and evidenced.

Testing and evaluating approaches aimed at closing the disadvantage gap in the early years (25%)

Applications will be assessed on the degree to which their proposals test and evaluate approaches aimed at closing the disadvantage gap in the early years, and the strength of these proposals. Projects that do the following will achieve the highest score for this criterion:

- Provide clear evidence that their existing activity or proposal is focused on improving the outcomes of disadvantaged children
- Provide clear evidence of improving outcomes, including any evaluation or research evidence. In the absence of this, a robust theory of change, and an explanation of how their current activity or proposal fits with evidence in the wider literature
- Be scalable, in terms of its potential to be implemented widely through the sector. This means providing clear evidence both on the viability of the proposal to settings, and the affordability

- Include a plan for evaluation
- Be financially sustainable without additional revenue support from the DfE

The outcomes referred to above are the Early Learning Goals (ELGs). These sit underneath the 7 areas of learning. These areas must shape educational programmes in all early years settings:

- Communication and language
- Physical development
- Personal, social and emotional development
- Literacy
- Mathematics
- Understanding the world
- Expressive arts and design

We will also consider proposals which seek to improve self-regulation and/or executive functioning, which can be defined as the ability of children to manage their own behavior and aspects of their learning, and underpin many of the other areas of the EYFS.¹

Please refer to the [2018 Early Years Foundation Stage Profile handbook](#) for more details on these outcomes. The [EIF Guidebook](#) provides information about early intervention programmes that have been evaluated and shown to improve outcomes for children and young people. The [EEF Early Years Toolkit](#) is an accessible summary of research studies on early years interventions.

Deliverability and sustainability (15%)

Applications will be assessed on the degree to which they are able to provide strong evidence that the project is deliverable within agreed timescales, and sustainable after completion. Projects will receive the highest score for this criterion if they are able to:

- Complete readiness milestones by March 2019.
- Provide a realistic delivery plan for the project size supported by appropriate evidence, including good consideration and mitigation of risk. Plans should provide evidence for the project to be completed by March 2020 or as soon as practicable thereafter.
- Show they are sustainable under their [Early Years National Funding Formula \(EYNFF\) rates](#).

¹ For more information, see: <https://educationendowmentfoundation.org.uk/evidence-summaries/early-years-toolkit/self-regulation-strategies/>

Relative proportion of deprivation in the school (5%)

This criterion will assess applications against the relative proportion of registered pupils at the school who are eligible for FSM. The higher the proportion of registered pupils eligible for FSM at the school, the higher the application will score for this criterion, relative to other bids.

Where there is a joint project between multiple providers, the FSM of the school with the lowest FSM proportion of the schools involved will be used to score the application.

Social Mobility Index (5%)

Relative position on the Social Mobility Index for the local authority (district) of the school (5%). This measure takes account of the position on the social mobility index, acknowledging that some places have a greater challenge to improve social mobility.

Where there is a joint project between multiple providers the school in the area with the lowest position on the Social Mobility Index will be used.

3.3 Disputes and escalation

We strongly encourage, and expect schools, academies, multi-academy trusts, educational institutions, charities or any other interested organisations to work closely with their local authority in developing and agreeing any proposals. Where there is disagreement between the local authority, lead provider and partners resulting from a project not being selected for the local authority bid, we would in the first instance expect disputes to be handled at a local level. However, if parties are unable to agree, and the lead provider and its partners believe that it has a compelling case for funding, they can escalate the issue to the DfE. Any disputes must be escalated before the deadline for applications of 22 November 2018 to be considered. The department will make a decision on whether the case is strong enough for the project to proceed, by exception, to the assessment stage without local authority sign-off. This process will be an exception.

3.4 Early Years Capital Area Guidelines

All projects must meet the standards set out in the [‘Statutory framework for the early years foundation stage’](#) (September 2014).

Early Years area provision is covered within the [‘Area guidelines for mainstream schools \(BB103\)’](#) (June 2014); except special schools or alternative provision, which are covered in [‘Area guidelines for SEND and alternative provision \(BB104\)’](#) (December 2015). Projects that exceed the mandatory area standards require clear justification.

If projects involve maintained schools, local authorities must follow the statutory guidance about making alterations to maintained schools found here:

<https://www.gov.uk/government/publications/school-organisation-maintained-schools>

If an academy trust deems that the proposed project is also a significant change, it would need to seek the Secretary of State's approval by following the significant change guidance found here:

<https://www.gov.uk/government/publications/making-significant-changes-to-an-existing-academy>

Any projects that involve using school land must also comply with relevant guidance on disposal of change of use of school playing field and school land:

<https://www.gov.uk/guidance/school-land-and-property-protection-transfer-and-disposal>

You may need additional DfE/ESFA approvals if you are an academy with a project that involves lease of land or buildings. The academy property transactions guidance contains the forms and associated property information notes. You may wish to include relevant forms as part of the supporting evidence for the SNCF project.

Annex A: Project type definitions

New build

New builds are those projects that are new-build replacement of an existing building or creation of a completely new and independent building. Projects that involve the purchase of modular or temporary buildings should also be included in this category.

Extension

Extensions are those projects which are new builds which increase the size of an existing building and building's gross internal floor area. This also includes works on outdoor areas to increase capacity that do not require a full new build.

Conversion

Conversion projects are those that require significant modifications to non-educational buildings to accommodate the proposed facility. Projects of this type could include kitchen and toilet modifications, extensive structural modifications to existing or adjoining rooms and alterations and adaptations to rooms and buildings.

Refurbishment

Refurbishment projects are those that involve minor modifications to rooms and buildings as well as large-scale purchases of equipment. Projects of this type could include room separators, dry walls, and substantial IT/furniture purchases.

Other types of build

Projects that do not clearly fall into the categories of new build, extension, conversion or refurbishment should be included in this category.

We anticipate that project types will overlap significantly or involve multiple types of project; for example, new build projects are likely to involve substantial purchases of new equipment. In instances of this type, please include the project under the definition in which the majority of the cost will fall.



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