	Officer Key Decision
	Report to the Corporate Director of Children Young People and Community Development
	Cabinet Member for Children’s Services, Employment and Climate Action

AUTHORITY TO AWARD CONTRACT FOR PROVISION OF EARLY YEARS

Wards Affected:	All
Key or Non-Key Decision:	Key Decision
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
No. of Appendices:	Appendix 1 – exempt
Background Papers:	None
Contact Officer(s): (Name, Title, Contact Details)	Name: Serita Kwofie Job Title: Head of Early Help Email: serita.kwofie@brent.gov.uk Name: Sasi Srinivasan Job Title: Early Years Manager Email: Sasi.Srinivasan@brent.gov.uk

1.0 Executive Summary

1.1 This report concerns the allocation of Dedicated Schools Grant (DSG) funding to early years providers, including nurseries and childminders, and the associated Service Level Agreements entered into by the Council, setting out the statutory framework and governance considerations given the scale and borough-wide impact of the arrangements; it seeks authority, in accordance with Contract Standing Order 88, to award contracts to eligible providers for the delivery of funded childcare places, and summarises the process undertaken to establish the funding arrangements and assess provider eligibility, before recommending the award of agreements to those providers who meet the required criteria.

2.0 Recommendation(s)

That the Corporate Director of Children, Young People and Community Development:

2.1 Approves the award of contracts for the provision of funded early years childcare services to eligible early years providers, including nurseries and childminders, as listed in Appendix 1 (exempt) (comprising 255 providers), for the period 2026/2027 to 2027/2028, in accordance with central government funding allocations and requirements, with the aggregate value reflecting the allocation of DSG funding to qualifying providers, noting that no individual provider will receive funding in excess of £2 million.

2.2 Delegates authority to Serita Kwofie, Head of Early Help, to finalise and sign the agreements with the providers.

3.0 Detail

Contribution to Borough Plan Priorities & Strategic Context

3.1 (a) This report supports the Council's priority to deliver high-quality, accessible early years education and childcare across the borough, ensuring that all children have the best start in life. The allocation of DSG funding to early years providers contributes directly to the Borough Plan and the Council's Early Years Strategy objectives of reducing inequality, supporting families, and improving outcomes for children and young people.

(b) The proposals align with the Council's wider strategic priorities, including strengthening local services, supporting economic resilience for families, and ensuring sufficient childcare provision to meet local demand. By distributing funding in accordance with central government requirements and maintaining a consistent framework for provider delivery, the Council is able to support early years provision in a way that is stable, transparent, and compliant with its statutory duties and corporate objectives.

Background

3.2 The Council requires the provision of funded early years childcare services to eligible providers, including nurseries and childminders. Council officers have undertaken a process to identify suitable providers in accordance with the relevant funding requirements and eligibility criteria, and therefore recommend the award of contracts for the provision of these services (the "Contracts") to those providers who meet the required standards and conditions.

3.3 The Council is required to allocate DSG funding to eligible early years providers in accordance with statutory duties and central government guidance for the relevant funding years 2026/2027 and 2027/2028. The funding arrangements are implemented through Service Level Agreements with providers, setting out the conditions attached to the funding and the requirements for delivery of early years childcare provision.

3.4 The allocation of funding does not constitute a procurement exercise. Instead, funding is distributed to providers who meet the prescribed eligibility criteria, including registration and compliance with the Early Education and Childcare statutory guidance, the Early Years Foundation Stage (EYFS) statutory framework, and associated regulatory requirements. All providers delivering funded childcare must meet mandatory standards relating to learning, development, safeguarding and welfare.

3.5 Providers are required to demonstrate that they meet the necessary criteria to receive funding, including compliance with statutory guidance, registration requirement with Ofsted and adherence to the Council's local funding formula and conditions.

3.6 The Council applies a consistent framework for determining eligibility and allocating funding in accordance with central government requirements, including any applicable pass-through rates, funding formula requirements, and grant conditions. This ensures that funding is distributed transparently and in line with statutory obligations.

3.7 Service Level Agreements are entered into with all qualifying providers, setting out the terms under which funding is allocated, including service delivery expectations, compliance requirements, monitoring arrangements and consequences of non-compliance.

3.8 The funding arrangements will commence from 1 April 2026 and will apply for the duration of the 2026/2027 to 2027/2028 funding period.

4.0 Stakeholder and ward member consultation and engagement

4.1 Consultation has been undertaken in accordance with statutory requirements, including engagement with the Schools Forum in relation to the allocation of Dedicated Schools Grant funding and the development of the local funding formula. In addition, engagement has been carried out with early years providers, including nurseries and childminders, to inform the proposed funding arrangements and to ensure that the approach remains sustainable and reflective of sector needs.

4.2 Informal engagement has also taken place with relevant internal officers to ensure the proposals align with the Council's statutory duties and operational requirements. Given the borough-wide nature of the funding arrangements, ward member engagement has not been undertaken on an individual basis, however the proposals align with the Council's wider strategic priorities for supporting children, families, and early years provision across the borough.

5.0 Financial Considerations

5.1 Part 3 of the Council's Constitution states that the Corporate Director of Children, Young People and Community Development has delegated authority to approve the award of contracts. The value of the funding arrangements falls within the relevant delegated authority thresholds.

5.2 The cost of the arrangements will be funded from the Dedicated Schools Grant (DSG), as allocated by central government for the 2026/2027 and 2027/2028 financial years.

5.3 Funding is allocated to eligible providers in accordance with statutory requirements, the local funding formula, and central government guidance.

5.4 The funding is ring-fenced and must be applied strictly in accordance with grant conditions and regulatory requirements. The Council must ensure ongoing monitoring of expenditure, compliance with pass-through requirements, and alignment with statutory duties relating to early years provision.

6.0 Legal Considerations

6.1 The arrangements set out in this report do not constitute a procurement exercise and therefore are not subject to the Procurement Act 2023. Instead, the Council is acting pursuant to its statutory duties and responsibilities in relation to early years provision and the administration of Dedicated Schools Grant (DSG) funding.

6.2 The Council's powers and duties in this area derive from its statutory functions in respect of education and early years provision, including duties under the Children Act 1989 and 2004 (as amended), and associated education legislation. In particular, the Council is required to secure sufficient early years childcare provision and to administer funding received from central government in accordance with the relevant statutory framework, regulations and grant conditions.

6.3 In accordance with Part 3 of the Council's Constitution, the Corporate Director of Children, Young People and Community Development has delegated authority to exercise functions relating to early years education and the allocation of funding within their directorate, including the ability to enter into agreements and administer funding, subject to compliance with the Constitution and statutory requirements.

6.4 Where the Council distributes funding received from central government, the Constitution requires that such funding is administered in accordance with the conditions under which it has been received. The Dedicated Schools Grant is a ring-fenced grant and must therefore be applied strictly in accordance with the relevant regulations, guidance and funding conditions.

6.5 The Council is also required under its procedural rules to ensure that decisions are properly documented and that all relevant legal, financial and other implications are taken into account. The inclusion of a clear legal implications section within this report ensures compliance with these requirements and supports lawful and robust decision-making.

6.6 The exercise of delegated authority must be undertaken in accordance with the Constitution, and officers must ensure that decisions do not conflict with the Council's policies, exceed delegated powers, or give rise to legal or financial risk. Where a matter involves significant impact, risk, or departure from established policy, it may require referral to Cabinet or Full Council for determination.

6.7 Whilst the overall value of the funding arrangements is significant, no individual provider will receive funding in excess of £2 million. Accordingly, the award of individual agreements falls within the Corporate Director's delegated authority thresholds under the Constitution, and it is therefore appropriate for the Corporate Director to approve and sign these arrangements.

6.8 Due to the timing of the decision, including school holiday periods and the need to ensure that funding arrangements are in place before the end of the academic term, it has not been possible to comply with the usual Forward Plan requirements. The decision is therefore being taken under the urgency provisions of the Constitution to enable implementation within the required timeframe and to avoid disruption to early years provision.

6.9 No TUPE implications arise from these arrangements. The Council must, however, continue to ensure that its duties under the Equality Act 2010 are met when implementing the funding arrangements, including having due regard to the need to eliminate discrimination and advance equality of opportunity.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

7.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:

(a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

7.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

7.5 The proposals in this report have been subject to screening and officers consider that there are no adverse equality implications arising directly from this decision.

7.6 The funding arrangements support the delivery of early years childcare provision across the borough and are intended to ensure equitable access to services for all eligible children. As such, the proposals contribute positively to reducing inequalities in early childhood outcomes, particularly for disadvantaged groups, and do not give rise to any adverse health inequalities.

8.0 Climate Change and Environmental Considerations

8.1 N/A

9.0 Human Resources/Property Considerations (if appropriate)

9.1 The funding arrangements relate to the distribution of grant funding to early years providers in the borough and do not involve the retendering of an existing contract. Accordingly, there are no direct implications for Council staff arising from the implementation of these arrangements.

9.2 There are no property or accommodation implications arising from this report, as the arrangements relate to the allocation of funding to external providers who are responsible for their own premises.

10.0 Communication Considerations

10.1 The proposals do not require a formal communication strategy or campaign. Any necessary information will be shared with relevant stakeholders as part of the operational implementation of the funding arrangements.

<u>Report sign off:</u> *Nigel Chapman* Corporate Director Children, Young People and Community Development