

ANNEX 1 – REPLACEMENT SCHEDULES

Schedule 1 - Delivery of Free Early Years Education Entitlements

Key local authority responsibilities

- 1.1 Local authorities must secure a Free place for every eligible child in their area and that no mandatory charges for the Free place are charged to parents.
- 1.2 The local authority should work in partnership with providers to agree how to deliver places.
- 1.3 The local authority should be clear about their role and the support on offer locally to meet the needs of children with special educational needs and/or disabilities (SEND) as well as their expectations of providers.
- 1.4 The local authority must contribute to the safeguarding and promote the welfare of children and young people in their area.

Key provider responsibilities

- 1.5 The Provider must comply with all relevant legislation and insurance requirements.
- 1.6 The Provider must-should deliver the Free entitlements consistently to all parents, whether in receipt of 15 or 30 hours and regardless of whether they opt to pay for optional services or consumables. This means those children accessing the free entitlements should receive the same quality and access to provision as defined in A1.34 and A1.36 of the Early Education 2 and Childcare statutory guidance for local authorities. The provider should be clear and communicate to parents details about the days and times that they offer free places, along with their optional services and charges~~This means that the Provider should be clear and communicate to parents details about the days and times that they offer Free places, along with their services and charges. Those children accessing the Free entitlements must receive the same quality and access to provision as privately paying children.~~
- 1.7 The provider must follow the Early Years Foundation Stage (EYFS) statutory framework (EYFS) and have clear safeguarding policies and procedures in place that link to the local authority's guidance for recognising, responding, reporting and recording suspected or actual abuse~~The Provider must follow the EYFS and have clear safeguarding policies and procedures in place that link to the Funders guidance for recognising, responding, reporting and recording suspected or actual abuse.~~
- 1.8 The Provider must have arrangements in place to support children with special educational needs and/or disabilities (SEND). These arrangements should include a clear approach to identifying and responding to SEND. Providers should utilise the SEN inclusion fund and Disability Access Fund to deliver effective support, whilst making information available about their SEND offer to parents.

- 1.9 Providers must promote equality and inclusion, particularly for: [Early Learning for 2-year-olds](#)~~disadvantaged~~ families; looked after children; children in need; and children with disability or special educational needs. The Provider shall:
- remove barriers of access to the Free Early Years Education Entitlement.
 - work with parents/carers to give each child support to fulfil their potential.
 - maintain a good working partnership with the Hampshire County Council Family Support Service to maximise family learning and support including signposting to other appropriate services for the child and/or family.

Eligibility

- 1.10 The Provider should check original copies of documentation to confirm a child has reached the relevant age on initial registration for all free entitlements. The Provider can retain paper or digital copies of documentation to enable the local authority to carry out audits and fraud investigations. Where a Provider retains a copy of documentation this must be stored securely and deleted when there is no longer a good reason to keep the data. Please refer to the data privacy guidance set out in the Funders parental declaration form [Early Years Education \(EYE\) Funding | Health and social care | Hampshire County Council](#)
- 1.11 ~~The Provider should offer entitlement places for Early Learning for 2-year-olds on the understanding that the child remains eligible, and can remain in their place regardless of whether their family circumstances change, until they become eligible for the universal entitlement for 3- and 4- year-olds. Children who are eligible for both the working parent entitlement and Early Learning for 2-year-olds entitlement, must receive their first 15 hours of funding under the Early Learning for 2-year-olds scheme~~The Provider should offer ~~disadvantaged 2-year-old places on the understanding that the child remains eligible until they become eligible for the universal entitlement for 3- and 4-year-olds.~~
- 1.12 The Funder must ensure that a child has a free place no later than the beginning of the term following the child and the parent meeting the eligibility criteria for the free entitlement.
- 1.13 Alongside the eligibility code and original copies of documentation the Provider must acquire written consent (parental declaration form) from, or on behalf of, the parent to be able to receive confirmation and future notifications from the local authority of the validity of the parent's eligibility code.
- 1.14 Once a Provider has received written consent from the parent, they should verify the eligibility code with the Funder ensuring eligibility code start dates meet the DfE deadlines of 31 January, 31 March or 31 August for funding in the following period.

- 1.15 The Funder will confirm the validity of eligibility codes to allow Providers to offer free places for eligible children aged 9 months and above. The Funder will provide a validity checking service to providers to enable them to verify the eligibility code. The Eligibility Checking Service (ECS) allows all local authorities to make instant checks for code validity.

The Grace Period

- 1.16 A child will enter the grace period when the child's parents cease to meet the eligibility criteria set out in the Childcare (Free of Charge for Working Parents) (England) Regulations 2022 as determined by HMRC (or where the child is in foster care, the responsible local authority) or a First Tier Tribunal in the case of an appeal.
- 1.17 Local authorities will be able to access information about whether a child has ceased to meet the eligibility criteria and entered the grace period via the ECS. The grace period end date will automatically be applied to eligibility codes.
- 1.18 The Funder should continue to fund a place for a child who enters the grace period as set out in the Early Education and Childcare Statutory guidance for Local Authorities 2025.
- 1.19 Parents are required to reconfirm their eligibility every 3 months. The Funder can continue to fund a place for a child whose parents cease to meet the eligibility criteria up to the grace period end date which will be either 31 March, 31 August or 31 December.
- 1.20 All eligibility dates and grace period end dates for each child are available to providers claiming through the Provider portal.
- 1.21 Providers are required to use the Provider portal working families' entitlement tile to confirm Eligibility Codes. As a minimum, Providers are required to check Eligibility Codes at the mid-term and end of funding period throughout the year. The Provider must notify parents where information shows that their Eligibility Code date ends in the current period ending 31 March, 31 August or 31 December and give enough notice for parents to update their childcare choices account to maintain their eligibility. (See Appendix 1 for example 4 for how the eligibility dates are applied).
- 1.22 When a child defers or decelerates their school start date, it is essential that Providers remind parents of children claiming the extended entitlement to keep their eligibility updated every 3 months in order to ensure Funding is available. Parents of children who are eligible to start school in year R may not receive a reminder from HMRC to update their childcare choice account.

Flexibility

- 1.23 Provision must be offered within the national parameters on flexibility as set out in Section A2 of Early Education and Childcare [Statutory guidance for Local Authorities](#).

- 1.24 The Provider should work with the Funder and share information about the times and periods at which they are able to offer Free entitlements to support the Funder to secure sufficient stretched and flexible places to meet parental demand in the local authority. The Provider should also make information about their offer and admissions criteria available to parents at the point the child first accesses provision at their setting.
- 1.25 Providers that are not able to provide access for the full entitlement (open for 38 weeks a year for 15 hours a week Universal Offer, 15 hours a week for the disadvantage entitlement or 30 hours a week for the working families' entitlement) must actively ensure that the Parent is informed of the remaining hours available of Free Early Years Provision so the child can access these remaining Free hours at another Provider if they choose to do so.
- 1.26 Children cannot take up their Early Years Education Entitlement at more than two providers in a single day.
- 1.27 The Provider can also "stretch" the maximum Free Early Years Education Entitlement over fewer hours a week over more weeks a year.
- 1.28 Providers should ensure flexibility in their offering to parents of EYE children. The flexibility must be in accordance with the following standards which will enable children to access regular, high-quality provision, whilst maximising flexibility for parents.
- 1.29 Delivery of Free Early Years Provision can be offered flexibly but in any one day must:
- Not be longer than 10 hours,
 - Not be before 6.00 am or after 8.00 pm.
- 1.30 There is no minimum session length.
- 1.31 Free places can be delivered:
- Over/ up to 52 weeks of the year
 - Outside of maintained school term times
 - Any day of the week including weekends.
- 1.32 There is no requirement that Providers must be open for at least 38 weeks of the year, or that providers must offer all the free entitlements in order to receive funding to deliver free places.
- 1.33 Free entitlement hours cannot be compressed. This means that a parent cannot take more than 15 or 30 hours per week over fewer than 38 weeks of the year. However, a parent can choose a Provider that is open for fewer than 38 weeks of the year and therefore receive 15 or 30 hours a week during fewer weeks.

- 1.34 Providers can make clear to parents that the entitlement to a free place does not offer a guarantee of a place at any one provider or a particular pattern of provision.

Partnership Working

- 1.35 Partnerships should be supported by local authorities on four levels between:
- I. Local authorities and providers
 - II. Providers working with other providers, including childminders, schools and organisations
 - III. Providers and parents
 - IV. Local authorities and parents
- 1.36 The Funder should promote partnership working between different types of providers, including childminders, across all sectors and encourage more providers to offer flexible provision, alongside other providers.
- 1.37 The Provider should work in partnership with parents, carers and other providers to improve provision and outcomes for children in their setting. An [interactive toolkit](#) has been developed to help providers set up or join a partnership, maximise the benefits of working together and tackle the challenges joint working can bring.
- 1.38 The Provider should discuss and work closely with parents to agree how a child's overall care will work in practice when their Free entitlement is split across different providers, such as at a maintained setting and childminder, to ensure a smooth transition for the child.
- 1.39 The Provider should ensure they submit timely and accurate information, including, but not limited to, headcount data, census data, parental declarations and invoices, as per the financial guidelines of their local authority. Failure to do so may result in inaccurate, delayed or suspended funding.
- 1.40 The Provider should maintain accurate financial and non-financial records relating to free entitlement places and should give the local authority access on reasonable notice to all financial and non-financial records relating to free entitlement places funded under the provider agreement, subject to confidentiality restrictions.

Provider Fees and Charges

- 1.41 Provision must be offered within the national parameters on charging practices set out in section A1 of the Early Education and Childcare Statutory Guidance for Local Authorities 2025.
- 1.42 Government funding is intended to deliver 15 or 30 hours a week of Free, high quality, flexible childcare. The 15 or 30 hours must be able to be accessed

free of charge to parents. There must not be any mandatory charges for parents in relation to the free hours. Government funding is not intended to cover the costs of meals, other consumables, additional hours or additional services.

- 1.43 The Provider can charge parents for the following extras in connection with the free hours, but these charges must be voluntary for the parent:
- consumables to be used by the child
 - meals and snacks consumed by the child
 - extra optional activities such as events, celebrations, specialist tuition (for example music classes or foreign languages) or other activities that are not directly related or necessary for the effective delivery of the EYFS statutory framework.

Non-exhaustive examples permissible and non-permissible charges are set out in Appendix 1 to this Schedule 1.

- 1.44 Providers can also charge parents for any additional, private paid hours according to their usual terms and conditions provided taking up private paid hours is not a condition of accessing a free place.
- 1.45 The costs of chargeable extras should be published on provider websites or, where they do not have any website, on local authority Family Information Services. These should be clear, up-to-date and easily accessible to parents, to enable parents to make an informed choice of provider. Providers should set out the amounts charged for all the chargeable extras listed, as well as the pattern of hours that parents can take the entitlements. Annex B to this Schedule 1 provides a DfE template of how to set these costs out.
- 1.46 Invoices and receipts should be itemised, to ensure invoices break down separately into:
- the free entitlement hours
 - additional private paid hours
 - food charges
 - non-food consumables charges
 - activities charges
- 1.47 Providers should ensure ~~these~~ itemised invoices are in place ~~by January 2026~~. This is to allow parents to see that they have received their child's free entitlement hours completely free of charge and understand that any fees paid are for additional hours or optional services. Invoices and receipts should include the provider's full details so that they can be identified as coming from a specific provider.

- 1.48 Parents must be able to opt out of paying for chargeable extras and the associated consumable or activity for their child. For activities and extra services, participation in any optional extra activity should be on the basis of parental choice and a willingness to meet the charges. In these circumstances, Providers should ensure that children who do not participate in optional activities continue to receive provision that complies with the EYFS.
- 1.49 Providers should be mindful of the impact of charges on families, particularly the most disadvantaged. Providers who choose to offer the free entitlements, are responsible for setting a policy on providing parents with options for alternatives to additional charges. This policy must offer reasonable alternatives that allow parents to access the entitlement for free, including allowing parents to supply their own, or waiving the cost of these items.
- 1.50 In all cases, these chargeable extras must not be a condition of taking up a free place. All parents, including disadvantaged families, must have fair access to a free place. A local authority should intervene if a provider seeks to make additional hours, optional services or optional consumables a mandatory condition of taking up a free place.
- 1.51 Providers should deliver the free entitlements consistently, so that all children within a setting accessing any of the free entitlements receive the same quality and access to provision, regardless of whether they choose to pay for voluntary hours, voluntary extra services, meals or consumables.
- 1.52 The Funder must take all steps available to ensure that the free entitlements are available free of charge and therefore that Providers do not charge parents for the following in connection with the entitlement hours:
- Top-up fees (any difference between a provider's normal charge to parents and the funding they receive from the local authority to deliver free places)
 - the supply of or use of any materials, including, but not limited to, craft materials, crayons, paper, books, instruments, toys, or other equipment or learning resources that are necessary for the effective delivery of childcare
 - ~~business running costs (including but not limited to rent, staff payments, cleaning materials, disposal of waste materials, insurance, or utility bills such as energy, gas or water)~~ business running costs, including, but not limited to, rent, mortgage payments, staff wages, cleaning materials, disposal of waste materials, insurance, or utility bills such as energy, gas or water
 - non-refundable registration fees as a condition of taking up a child's free entitlement place
 - non-refundable deposits as a condition of taking up a child's entitlement place. The provider may retain the deposit if the parent does not take up their place.

- non-refundable retainer fees in relation to entitlement places
- additional support costs for children with SEND as part of their entitlement hours or as a condition of accessing an entitlements place
- general charges, including but not limited to, non-itemised enrichment charges, sustainability charges, business continuity charges, additional charges, enhanced ratios, hourly rates, or any other supplementary charges on top of the free hours
- any additional fees that are not specifically identified and itemised as being for chargeable extras as described in paragraph 1.46.

1.53 Providers should work with parents so that parents understand which hours and sessions can be taken as free provision. Not all providers will be able to offer fully flexible places, but providers should work with parents to ensure that as far as possible the pattern of the entitlement hours are convenient for parents' working hours. Providers should ensure that children are able to take up their free hours in continuous blocks if they wish to, and there should be no artificial breaks in the entitlement hours. For example a Provider should not offer 10am to midday and 1pm to 3pm as entitlement hours and offer only private paid hours in between.

1.54 The Funder should ensure that providers and parents are aware that the Early Years Pupil Premium (EYPP) provides additional funding to providers to support the quality of early education for eligible children taking up early education and childcare entitlements. The Disability Access Fund (DAF) supports eligible, disabled children's access to the entitlements.

Child's Eligibility

1.55 Child eligibility is confirmed as:

- the 15-hour entitlement for the Early Learning for most disadvantaged 2-year-olds (formerly 'disadvantaged 2-year-olds entitlement')
- the 15-hour entitlement for parents of 3- and 4-year-olds (the 'universal entitlement')
- the 30-hour entitlement for eligible working parents from 9 months to 4 years old

1.56 The Provider should offer Early Learning for disadvantaged 2-year-old places on the understanding that the child remains eligible until they become eligible for the universal entitlement for 3- and 4- year-olds.

1.57 The Funder must ensure that a child has a Free place no later than the beginning of the term following the child and the parent meeting the eligibility criteria for the Free entitlement.

1.58 Alongside the eligibility code, and original copies of documentation, a provider must acquire written consent from, or on behalf of, the parent to be able to

receive confirmation and future notifications from the Funder of the validity of the parent's eligibility code. The Provider should use the parent declaration form¹ made available by the Funder to secure this permission.

- 1.59 Once a provider has received written consent from the parent using the Funder's parent declaration form, the Provider should verify the eligibility code with the Funder via the provider portal to allow providers to offer Free places for eligible children aged 9 months and above. The Eligibility Checking Service (ECS) allows the Funder to make instant checks for code validity.
- 1.60 A child who meets the Early Learning for 2-year-olds ~~2-year-Old disadvantaged~~ eligibility criteria and have been issued with an Eligibility Code will be able to start claiming at the beginning of the Funding period as set out in table below.
- 1.61 All 3- or 4-year-old children will be able to start claiming from the beginning of the Funding Period as set out in the table below. Children of statutory school age the term after they reach their fifth birthday and early years Funding will end on either 31 March, 31 August or 31 December according to the date of the child's fifth birthday. They may continue to claim Funding up to the term before they are statutory school age.
- 1.62 Children who meet the working families' eligibility criteria, must both be age eligible as set out in the table below and have been issued by HMRC a valid Eligibility Code by 31 December to start 1 January or by 31 March to start 1 April or by 31 August to start 1 September.

A child born between	Eligibility From:
1 January and 31 March	1 April
1 April and 31 August	1 September
1 September and 31 December	1 January

- 1.63 Providers must follow guidance provided on the Funders website: <https://www.hants.gov.uk/socialcareandhealth/childrenandfamilies/childcare/providers/eye-eynff/eye-funding>
- 1.64 A childminder cannot claim Early Years Education Funding for providing childcare to their own child or the child of a relative even if they are caring for other children. A relative in relation to a child means a grandparent, aunt, uncle, brother or sister, whether of full blood or half blood or by marriage or civil partnership².
- 1.65 Children who are of compulsory school age are not eligible for Early Years Education Funding.

¹ [Early Years Education \(EYE\) Funding | Children and Families | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/socialcareandhealth/childrenandfamilies/childcare/providers/eye-eynff/eye-funding)

² Early years provision is defined in Section 18 of the Childcare Act 2006.

- 1.66 The Provider must have regard to Hampshire County Council's Schools Admissions Guidance. Children can start school in reception classes (Year R) the September immediately following a child's fourth birthday. The Provider is expected to ensure children leave the setting following a well-informed discussion with parents, taking into account their views of a child's maturity and readiness to enter reception class.
- 1.67 In accordance with the School Admission Code, children can take up a place in a maintained school reception class from the September following their fourth birthday. Parents can request that their child's admission is deferred until later in the year, but not beyond the point they reach compulsory school age, at the beginning of the term following their fifth birthday. Where a child does not take up their place in a reception class, a deferred entry declaration form must be completed so children may continue with the Provider and continue to receive Funding. Early Years Education cannot be claimed in addition to attendance at school.
- 1.68 For children aged 4 and 5 who have not taken up their school place for any reason in a maintained school, it is the Provider who must complete the EYFS Profile³ and make the statutory return to the Funder.
- 1.69 Examples of eligibility checking and confirmation are set out in Appendix C to this Schedule 1.

Admissions and Transparency Admissions policy

- 1.70 The Provider must publish their admissions criteria, (such as what age groups the provider takes, any priority for children with SEND or looked after children, and both how and when to apply for a place). The Provider must ensure parents understand which hours/sessions can be taken as free provision, what optional extras are available to them, and the types of reasonable alternatives they have if they choose not to take up these extras. Example items to be included include but are not limited to:
- Making the provision available to all in the community
 - Accessibility
 - Expression of interest for places
 - Management of waiting lists – any priorities i.e., siblings
 - Allocation of places
 - How parents are welcomed to be part of the setting
 - Monitoring of intake that represents social diversity

³ Early Years Foundation Stage Profile – consists of 20 items of information, the attainment of each child assessed in relation to the 17 Early Learning Goals (ELG) descriptors together with a short narrative describing the child's three characteristics of effective learning.

- Equal Opportunities policy in place
- Details of the complaint policy
- Consulting with families
- Flexible attendance
- Access to/operation of the Free Early Years Education scheme
- Fee structure and chargeable items

1.71 The Provider and the Funder should work together to ensure that the Family Information Service and/or Provider's website provides information for parents and prospective parents on the provision of childcare in their area.

1.72 The Provider must ensure that a parental declaration form is completed and signed by the Parent and Provider before the child first takes up their free place, which sets out clearly the days and times when the child will take up their free hours. This will include any use of a stretched entitlement, as well as any charges for meals and consumables that the Parent has opted to pay for. It will also include the number of additional privately paid hours and the fees for those private hours. This is to ensure that both parties have full clarity about the number of entitlements hours being used, and what additional extras and subsequent charges have been agreed.

1.73 The Provider must ensure their invoices and receipts are clear, transparent and itemised, allowing Parents to see that they have received their place completely free of charge and understand any charges they have paid for additional hours and consumables. The Provider will also ensure that receipts contain the provider's name, address, and contact details so that they can be identified as coming from a specific provider for the purposes of audits and any payments made in relation to Universal Credit.

~~1.69 Providers must ensure that the information relating to the Provider's admissions is clear, transparent and accessible for parents to understand in order to make an informed decision on where to access their entitlement.~~

Appendix A – Examples of permissible and non-permissible charges

1 Examples (not exhaustive list) of chargeable consumable items:

- Nappies,
- Sun cream,

2 Examples (not exhaustive list) of items that are considered as part of the educational element and therefore NOT chargeable consumable items:

- Paint
- Glue
- Paper/card
- Toys
- Baking supplies
- Craft supplies
- Messy play resources
- Resources and activities supporting the delivery of the EYFS.

3 Examples (not exhaustive list) of items that are considered part of the Funding for the delivery of an Early Years Free place and therefore NOT chargeable consumable items:

- Toilet paper
- Tissues
- Soap
- Hand towels
- Staff training for Paediatric first aid, food hygiene, safeguarding, other relevant training for early years CPD.
- Staff costs relating to the delivery of the EYFS.

4 Examples of activities that can be charged:

- Travel costs and admissions charges relating to trips.
- extra optional activities such as events, celebrations, specialist tuition (for example music classes or foreign languages) or other activities that are not directly related or necessary for the effective delivery of the EYFS statutory framework.

Appendix B – DfE example template for costs of chargeable extras

Description	Unit	Unit price	Line total
Free entitlement hours –xxx hours per week (must not have a charge). [enter number of free hours per week, explain any stretched offer provided]	Weekly	Free	Free
Additional hours purchased – xxx hours per week [enter number of hours per week]	Weekly		£
Meals/snacks [Explain how many meals are provided and the type of meals]	Daily / Weekly / Per meal		£
Consumables (for example, nappies and sun cream) [Provide details of the charges made for consumables and itemised details of what these charges relate to.]			£
Additional voluntary services (for example, trips, forest school sessions or foreign language lessons) [Provide details of the charges made for additional services and itemised details of what these charges relate to.]	Ad Hoc		£
		Total	£

[If you allow Tax Free Childcare or Universal Credit Childcare to claim back some of the costs, explain how this works in your setting here]

If you do not wish to pay for specific consumables, for example because you wish to provide your own, please make your nursery aware so next steps can be discussed.

Appendix C – examples of eligibility checking and confirmation

From under 9 months to 9 months

Example 1: The child is currently 6 months old but will turn 9 months on 11 March. The parent's eligibility code was issued on 7 February. The child can only claim their funded place starting from 1 April.

Example 2: The child is currently 1 years old and will turn 2 years old on 10 May. The parent's eligibility code was issued on 20 March. Since parents need to reconfirm their eligibility every three months, the parent will need to reconfirm in June. As long as the parent remains eligible after reconfirmation, the child can continue to claim their funded place.

Child aged 2 years old is eligible for both the **Early Learning for 2-year-olds disadvantaged** and work family entitlement

The Department for Education (DfE) have made clear if a parent is eligible for both the **Early Learning for 2-year-olds disadvantaged 2-year-old** entitlement and the working family entitlement, they must apply for help through the **Early Learning for 2-year-olds disadvantaged 2-year-old** entitlement scheme.

This means that even if the parent qualifies for both, the benefits associated with the **Early Learning for 2-year-olds disadvantaged** entitlement take precedence.

From 1 September 2025, families meeting both sets of criteria will be eligible for an additional 15 hours under the working parent entitlement. Parents will need to have submitted their application or reconfirmed their code ahead of the 31 August if they want to access the additional 15 hours.

Two- to three-year-olds

Example 1: The child is currently two years old but will turn three on 11 March. The parent's eligibility code was issued on 7 February. The child can only claim their funded place starting from 1 April.

Example 2: The child is currently two years old and will turn three on 10 May. The parent's eligibility code was issued on 20 March. Since parents need to reconfirm their eligibility every three months, the parent will need to reconfirm in June. As long as the parent remains eligible after reconfirmation, the child can claim their funded place starting from September.

Four-year-olds

Example 3: The child will turn four on May 7 and will be starting reception in the next funding period. The parent's eligibility code was issued on April 7. The provider should ask the parent if their child will be starting full-time reception in a maintained school or academy from September. If the child is starting reception, they will not be

able to claim 30 hours of funded childcare with that provider from September, as they cannot claim 30 hours in addition to attending reception.

Example 4: The child will turn four on 11 March and will not be starting reception in the next funding period. The parent's eligibility code was issued on 10 January. The child will be able to claim their 30 hours of funded childcare starting from 1 April. However, once the child starts reception in a maintained school or academy, they will no longer be able to claim the 30 hours of free childcare in addition to their full-time reception place.

Four- and five-year-olds

Example 5: The child is currently in reception and turned four on 10 May. The parent's eligibility code was issued on 27 September. If the child is in full-time reception in a maintained school or academy when the code is issued, they will not be able to claim 30 hours of funded childcare with that provider from September.

Example 6: The child turned five on 1 November, and the parent's eligibility code was issued on 18 November. Although they have an eligibility code, the child will reach compulsory school age on 1 January, and therefore will not be able to claim 30 hours of funded childcare. If the parent had applied for the code in the term before the child's fifth birthday (between April and August), the child would have been able to claim 30 hours of funded childcare for one term (September to December) until they reached compulsory school age.

Example of Extended entitlement – Grace Period

Example 7:

The child turns three on March 3, and the parent successfully applies for 30 hours of funded childcare on 15 March. The child can start their place from 1 April. The parent is issued a code with a validity start date of 15 March and an end date of 15 June. The parent can reconfirm their eligibility up to four weeks before the end date, starting from 15 May.

The parent reconfirms on 15 May, but their circumstances have changed (e.g., job loss), making them no longer eligible. Therefore, the parent's eligibility ends on 15 June. However, the grace period will apply from 16 June until December 31, allowing the child to continue receiving funded childcare during this time.

Schedule 2 – Early Years Education Funding Rate and Payment

Early Education Funding Rate

- 2.1 The Funder's EYNFF will determine the hourly rate to be paid to each Provider for delivering Early Years Education for three- and four-year-olds.
- 2.2 The EYNFF has a single fixed base rate and a variable rate based on the agreed supplements which will be published on the Funders website [SfYC Provider Funding website](#) . Each child attending the setting may receive additional Deprivation Funding and/or each child may receive Early Years Pupil Premium (EYPP)⁴ or Disability Access Funding (DAF). The Funder will publish on the website the EYNFF basis of its calculation.
- 2.3 The Funder will publish the value of the EYNFF base rate and the values of each of the Funding elements in **early/mid-March** of each year or such other date as determined by the DfE.
- 2.4 Maintained Nursery Schools have additional statutory duties for which they will also receive a flat rate payment funded from the DfE Maintained Nursery School (MNS) supplementary funding.
- 2.5 To ensure the Funding rates and the Provider's Early Years Education delivery are as accurate and up to date as possible, the Funder will collect information from every approved Provider annually through the EYNFF process, usually during the Autumn or Spring Funding period.
- 2.6 Providers must submit to the Funder as part of the EYNFF data collection (and at any other time when requested to do so), in order for the Funder to calculate the Provider individual hourly Funding rate.
- 2.7 The Funding rate will be fixed for each financial year and sent to each Provider by 31 March. The Provider will receive an indicative estimate of their Early Years Education Funding for the financial year based on their previous claim pattern and their new hourly rate.
- 2.8 The hourly rate will be notified before and fixed from 1 April each year, and continue throughout each financial year, based on the data submitted by the Provider in the EYNFF data return.
- 2.9 The Funding rates will default to the lowest values where a Provider fails to provide information requested.
- 2.10 New Early Years Education Providers will complete the EYNFF data return as part of the application process to be registered as a Provider for Early Years Education in Hampshire. Where information is not provided the rate will be set at the base rate until the Provider submits accurate and up to date information

⁴ The payment of Early Years Pupil Premium is subject to the published DfE guidance. EYPP Funding started 1 April 2015.

to calculate their Funding rate. Any difference in rate will be reconciled at the first headcount claim for first funding period.

Funding Schedule – Funding periods

2.11 The Funder follows the DfE funding periods for making EYE claims as follows:

- Summer – 1 April to 31 August
- Autumn – 1 September to 31 December
- Spring – 1 January to 31 March.

Funding Schedule – Headcount claims

2.12 Claims for eligible children are submitted by the Provider for each of the Funding periods for children who have been registered for agreed EYE hours by parents/carers through the signed parent declaration form. Eligible children must be registered by the Headcount Task submission deadline date to be attending the setting during the Funding period ending either: 31 March, 31 August or 31 December.

2.13 The Funder will publish on their website the actual dates for which the Headcount claim must be made and any other procedures for making a Headcount claim. [headcountdatesanddeadlines.pdf](#)

2.14 Alternative arrangements will be made to take account of those providers who will be closed during school holidays and not available to submit their claims during the standard Headcount Task period. Providers are responsible for making arrangements to submit claims within the published dates.

2.15 Headcount claims not submitted by the deadline of the Headcount Task, will not be paid. Provider's submitting after the deadline must make their claim for EYE Funding when the In Period Adjustment Task is issued.

2.16 Claims requested after the Task deadlines may be subject to an administration charge in order to arrange payment. All claims for each Funding period must be made by 31 March, 31 August and 31 December to guarantee payment for that Funding period. Claims may not be backdated to a previous Funding period.

2.17 For the purpose of claiming the working families entitlements Providers must verify the eligibility of the child before accepting them for the EYE Free place. Eligibility can be verified by the system provided by the Funder.

2.18 For the purpose of claiming an [Early Learning for 2-year-olds 2-year-old disadvantaged](#) entitlement, the Provider must verify the eligibility of the 2-year-old child before accepting them for an EYE Free place. Eligibility can be verified by electronic checking system provided by the Funder or with a 2-Year-old acceptance letter (proof of eligibility) provided by the approving Local Authority to the Parent/Carer. Such a letter should contain the Child Unique Claim number (proof of eligibility) which the Provider must use for all

Headcount or In Period Tasks and any correspondence with the Funder relating to the child.

- 2.19 For claiming Early Years Pupil Premium (EYPP), Providers must enter the parent details from the Parent Declaration Form and submit these details for EYPP eligibility checking as part of the Headcount claim. EYPP payments will be made with the EYE payment for eligible children.
- 2.20 For claiming Disability Access Funding (DAF), Providers need to enter the parent details from the Parent Declaration Form and submit an **up-to-date Disability Living Allowance (DLA) letter**. These details must be submitted for DAF eligibility checking as part of the Headcount claim. DAF payments will be made alongside the Early Years Education (EYE) payment for eligible children

Supporting disadvantaged children

- 2.21 The local authority should promote equality and inclusion, particularly for disadvantaged families, looked after children and children in need by removing barriers of access to places and working with parents to give each child support to fulfil their potential.
- 2.22 The Provider should ensure that they have identified the [Early Learning for 2-year-olds disadvantaged](#) children in their setting as part of the process for checking EYPP eligibility. They will also use EYPP and any locally available funding streams or support to improve outcomes for this group.
- 2.23 From April 2024, there may be some circumstances where households meet the eligibility criteria for both the [Early Learning for 2-year-olds disadvantaged](#) ~~two-year-old~~ entitlement and the working families entitlement. In these circumstances, the childcare should be provided under the [Early Learning for 2-year-olds disadvantaged 2-year-old](#) entitlement. The child will remain on the [Early Learning for 2-year-olds disadvantaged](#) entitlement until they become eligible for the universal entitlement for 3- and 4-year-olds or 30 hours Free childcare for 3- and 4-year-olds if they meet the eligibility criteria. As is currently the case, the child remains eligible for the 15-hour [Early Learning for 2-year-olds disadvantaged 2-year-old](#) entitlement even if the family's circumstances change.
- 2.24 From September 2025, when the working families' entitlement increases to 30 hours, where households meet the eligibility criteria for both 2-year-old entitlements, they should be recorded as taking up 15 hours of the disadvantage entitlement and 15 hours of the working families entitlement. They will need to reconfirm eligibility every 3 months for the working families' entitlement.

Funding Schedule – In Period Adjustments

- 2.25 If a child with Free Early Years Education Entitlement registers after the Provider has submitted their Headcount Task or a Provider misses the deadline of the Headcount Task, the Provider must claim for the child through the In Period Adjustment Task.

- 2.26 In Period Adjustments for eligible children are submitted by the Provider after headcount for children who have been registered for EYE hours by parents/carers through the signed parent declaration form. Children must be registered as attending the Provider by the end of the Funding period. In Period Adjustments should be made according to the Funder's published information which can be found on the Services for Young Children website.
- 2.27 If a child leaves during the Funding period the provider must use the In Period Adjustment Task to reduce the hours being claimed against the child's record for the Funding period.
- 2.28 If a parent provides a voluntary EYPP registration form after headcount, the provider must update the child record as an In Period Adjustment for the eligibility check to be undertaken and Funding paid.
- 2.29 There will be a maximum of two In Period Adjustment Tasks issued for summer and one in the autumn and one in the spring Funding period.
- 2.30 Where an In Period Adjustment Task results in an amount being owed to the Funder, the Provider will not be required to return this Funding separately. Reductions in Funding owed to the Provider will be recovered by the Funder by reducing the final monthly payment of the funding period to the Provider.

Funding Schedule – payment arrangements

- 2.31 Should a Provider cease to trade, be suspended or the Agreement terminated during a Funding period, the provisions of clause 3.6 of the Early Years Education Funding Payment Terms and Conditions will apply.
- 2.32 On confirmation by the Funder that a complete and accurate claim has been made, the Funder will make EYE Funding payments monthly in arrears by the last Working Day of each month unless circumstances prevent achieving the payment date, in which case the Funder will contact the Provider directly and payment will be made as soon as possible. In the event that the Provider has made omissions or errors requiring the Funder to request further information, this may delay the date by which the Funder will pay the EYE Funding.
- 2.33 Monthly Payments for each funding period are detailed below:

Funding Period	Month	% of Payment	Payment to be expected by provider
Summer	April	20%	30-Apr
	May	20%	31-May
	June	20%	30-Jun
	July	20%	31-Jul
	August	20% +/- adjustments	31-Aug
Autumn	September	25%	30-Sep
	October	25%	31-Oct
	November	25%	30-Nov
	December	25% +/- adjustments	31-Dec

Spring	January	33%	31-Jan
	February	33%	28-Feb
	March	34% +/- adjustments	31-Mar

- 2.34 The Funder may remove any child claim details in dispute for submission at a later In Period Task in order to release the main payment to the Provider.
- 2.35 The Funder will provide the necessary tools for the Provider to complete their Early Years Education Funding claims or other data collection in either downloadable media, hard copy or through secure online environments. All claims for EYE Funding must be made on the Funder’s on-line claim process.
- 2.36 The Funder will agree locally with childminder agencies and each childminder registered with each agency whether Funding for the early education entitlement is paid directly to childminders or is routed to the childminder through the agency.

Schedule 4 – Requirements of Early Years Education Funding Payment

- 4.1 The EYFS statutory framework is mandatory for all schools that provide early years provision and early years providers registered with Ofsted or with an Ofsted-registered Childminder Agency in England. The EYFS sets the standards that all early years providers must meet to ensure that children learn and develop well and are kept healthy and safe.
- 4.2 Ofsted and inspectorates of independent schools have regard to the EYFS in carrying out inspections and report on the quality and standards of provision. Childminder agencies (CMAs) are organisations that can register and quality assure childminders as an alternative to registering with Ofsted. Ofsted inspection judgements (or the inspection judgement of an independent inspectorate approved by the Secretary of State for Education), and a CMA's reasonable opinion of quality at a childminder registered with it, are the sole benchmarks of quality that local authorities can consider when securing quality for the free entitlements.
- 4.3 Local authorities have a legal duty to provide information, advice, and training to providers on meeting the EYFS requirements, supporting children with SEND, and ensuring effective safeguarding and child protection where a provider is rated by Ofsted below the required quality standard—such as 'requires improvement,' 'inadequate,' less than 'good,' 'needs attention,' 'urgent improvement,' or safeguarding being 'not met' (or such other grades or outcomes that may be applicable from time to time). The applicable thresholds vary according to the inspection framework, provider type, and inspection date, as detailed in Schedule 9~~Local authorities have a legal duty to provide information, advice and training on meeting the requirements of the EYFS, meeting the needs of children with SEND and on effective safeguarding and child protection for providers who are rated by Ofsted as less than 'Good' or for providers who receive a rating of 'Causing concern' or 'Attention needed' (or such other equivalent outcome or grade as may apply from time to time) and for newly registered providers.~~
- 4.4 Provision must be offered in accordance with the national parameters on quality as set out in Section A3 of Early Education and Childcare Statutory Guidance for Local Authorities 2023 and the EYFS statutory framework.
- 4.5 In order to determine whether to fund a Provider to deliver Early Years Education places in accordance with statutory guidance, the Funder will refer to Ofsted⁵ outcomes or published Welfare Requirement Notices or published complaints or Ofsted Notice of intention to cancel registration.
- 4.6 For all state funded schools, except maintained nursery schools, inspected after 2 September 2024, this means those achieving 'Good' or better (or such other equivalent rating, outcome or grade as may apply from time to time) in the early year provision judgement. For maintained nursery schools this means not being judged to require significant improvement or special measures.

⁵ Or on the judgement of an independent Inspectorate approved by the Secretary of State.

4.7 The regulations also allow local authorities to not make arrangements with childminders where the childminder agency notifies the local authority that, in the agency's opinion, the childminder has ceased to provide childcare of satisfactory quality.

4.74.8 ~~The Funder is not required to make arrangements with providers for the delivery of the free entitlements following receipt of a "specified grade" after an inspection by Ofsted or the Independent Schools Inspectorate. A "specified grade" includes ratings such as 'requires improvement,' 'inadequate,' less than 'good,' 'needs attention,' 'urgent improvement,' or safeguarding being 'not met' (or such other grades or outcomes that may be applicable from time to time) with thresholds varying by inspection framework, provider type, and inspection date. Schedule 9 provides more information. The Provider can only receive Funding for the universal or working families' entitlements where the Ofsted outcome is "Outstanding", "Good" or "Requires Improvement"/ or "Met" or such other equivalent outcome or grade as may apply from time to time.~~

~~The Provider can only receive Funding for disadvantaged two-year-old children where the Ofsted outcome is "Outstanding" or "Good" or such other equivalent outcome or grade as may apply from time to time. The Funder will only fund disadvantaged two-year-old children in provision judged by Ofsted as "Requires Improvement"/ "Satisfactory" where there is not sufficient accessible "Good" or "Outstanding" provision available (or such other equivalent outcomes or grades as may apply from time to time).⁶ For all state funded schools, except maintained nursery schools, inspected after 2 September 2024, this means those inspection outcomes in the early years provision. For maintained nursery schools this means not receiving an inspection outcome requiring significant improvement or special measures.~~

4.84.9 The Funder will fund new Providers registered with Ofsted (but not yet assessed by Ofsted) until their first full Ofsted inspection is published.

4.94.10 The Funder will not fund any provider if they do not actively promote fundamental British values or if they promote views or theories as fact, which are contrary to established scientific or historical evidence and explanations irrespective of any Ofsted judgment.

4.104.11 The Funder will not fund a childminder registered with a childminder agency where the childminder agency has indicated to the Funder that the childminder is not of satisfactory quality, unless it is necessary to do so as set out in paragraph 4.3 above.

4.114.12 All Providers seeking Early Years Education Funding from the Funder:

- (a) must be geographically located on premises within the Hampshire County Local Authority area to be included on the Hampshire Directory of Early Education providers.

~~⁶The Funder may where appropriate take into account the continuity of care for children. The Funder will review on a case by case basis any requests for new eligible 2 year old children to start at a provider where they have received an Ofsted outcome defined in schedule 9 of less than "good".~~

- (b) must deliver the full EYFS statutory framework and be registered with Ofsted (or subject to an independent inspectorate approved by the Secretary of State for Education), or be a provider who is exempt from registration with Ofsted or a Provider that is exempt from delivery of EYFS Learning and Development requirements according to DfE Guidance on Exemptions for Early Years.
- (c) must actively promote fundamental British values and not promote views or theories as fact which are contrary to established scientific or historical evidence and explanations;
- (d) must meet the needs of disabled children and children with special educational needs attending their provision;
- (e) must keep children attending their provision safe;
- (f) must meet the independent school standard in relation to the spiritual, moral, social and cultural development of pupils;
- (g) where a Provider, including an independent childminder, receives confirmation of an outcome that is deemed “Requires Improvement” or “Inadequate”, or “Not Met” (or such other equivalent outcomes or grades as may apply from time to time) they must inform the Funder within 5 Working Days of any Ofsted visit date of the draft outcome/notification⁷, if they have EYE Free two, three or four year old children;
- (h) Providers must inform the Funder within 5 Working Days of any Ofsted visit date of the draft outcome/notification⁸, if they have EYE Free two, three or four year old children;
- (i) where Ofsted issues a Provider, including an independent childminder, a Welfare Requirements Notice (WRN) or Notice of intention to cancel registration, they must inform the Funder within 5 Working Days, if they have EYE Free entitlement children;
- (j) where Ofsted issues a Provider including an independent childminder a notification of suspension or Notice of Intent to close registration, the Provider must notify the Funder immediately (and in any event no longer than 2 Working Days), if they have EYE Free two, three or four year old children; where a childminder agency identifies that a childminder registered with them is deemed “Requires Improvement” or “Inadequate”, or “Not Met” (or such other equivalent outcomes or grades as may apply from time to time) they must inform the Funder within 5 Working Days of any Ofsted outcome/notification, if they have EYE Free two, three or four year old children.

⁷ The local authority will make a support offer based on the feedback given to the Provider. No action to restrict EYE Funding under paragraphs 4.8 or 4.9 will be taken until an Ofsted report is published.

⁸ The local authority will make a support offer based on the feedback given to the Provider. No action to restrict EYE Funding under paragraphs 4.8 or 4.9 will be taken until an Ofsted report is published.

4.124.13 During any period in which the Provider's inspection outcomes fall below the required quality standards—such as 'requires improvement,' 'inadequate,' less than 'good,' 'needs attention,' 'urgent improvement,' or safeguarding being 'not met' (or such other grades or outcomes as may be applicable from time to time) as determined by the relevant inspection framework, provider type, and inspection date—and the Provider is rated "Inadequate," "Causing concern," "Attention needed," or any equivalent grade issued by Ofsted from time to time, the Provider shall (and the Funder may) notify parents whose children receive Free Entitlement at the setting, enabling them to make alternative arrangements at their absolute discretion as soon as practicable. ~~During the period of time the Provider is rated "Inadequate" or receives a rating of "Causing concern" or "Attention needed" (or such other equivalent outcome or grade as may apply from time to time.) by Ofsted, the Provider shall (and the Funder may) notify the parents whose children are receiving their Free entitlement from the Provider to allow the parents to secure alternative provision as they may consider at their absolute discretion as soon as is practicable.~~

4.134.14 The Provider must inform the Funder of any variations/changes in Ofsted registration. The Provider must also inform the Funder of any material changes affecting opening times, number of places available at the setting, when planning to make these changes and before these changes take place.

4.144.15 During any period in which the Provider's inspection outcomes fall below the required quality standards—such as 'requires improvement,' 'inadequate,' less than 'good,' 'needs attention,' 'urgent improvement,' or safeguarding being 'not met,' (or such other grades or outcomes as may be applicable from time to time) as determined by the relevant inspection framework, provider type, and inspection date—and the Provider is rated "Inadequate," "Causing concern," "Attention needed," or any equivalent grade issued by Ofsted from time to time ~~When a Provider receives an Ofsted outcome of "Requires Improvement" or "Inadequate" or "Causing concern" or "Attention needed" (or such other equivalent outcome or grade as may apply from time to time),~~ the Funder will use the process described in Schedule 5. Providers must demonstrate that they have acted reasonably and in the timescales provided by Ofsted and agreed as part of the Improvement Support Program offered to address concerns raised by Ofsted. Where Providers do not accept the Funder's support offer the Provider is required to provide evidence to demonstrate to the Funder they are making alternative arrangements and their action plan to address the specific issues raised by Ofsted.

4.154.16 The Funder will provide a system that Providers should use to inform of unplanned closures.

4.164.17 Notwithstanding clause 19 of the Agreement, Providers must inform the Funder within 7 days of any change in legal entity/ownership of the setting through sale or other organisational change.

4.174.18 Providers must provide the Funder with an email address for all communications regarding Early Years Education and ensure that this email

account is checked regularly and frequently and respond to emails and correspondence from the Funder within the timescale requested. Personal or sensitive information shared by the Provider to the Funder must be done so securely. It is the responsibility of the Provider to ensure that all emails to the Council that contain personal or sensitive data are shared securely and in accordance with the Providers own data protection policies and registration with the Information Commissioners Office.

4.184.19 Providers must comply with all relevant legislation, regulations and statutory guidance, any amendments or re-enactments to them, in particular but not limited to: the Children Act 1989; Children Act 2004; the Childcare Act 2006; the Childcare Act 2016; the School Admissions Code 2014; the Statutory Framework for the Early Years Foundation Stage 2014; the Childcare (Early Years Provision Free of Charge (Extended Entitlement) Regulations 2016; the Early Education and Childcare, Statutory guidance for Local Authorities 2017; the Special Educational Needs and Disability Code of Practice: 0 to 25 years 2015; and all other relevant legislation e.g. Race Relations Act 1976, Race Relations (Amendment) Act 2000; Disability Discrimination Act 1995 and the Special Educational Needs and Disability Act 2001, Equality Act 2010 and Data Protection Act 2018.

4.194.20 Providers must ensure that electronic means of communication is managed to ensure protection of personal data.

4.204.21 Providers must maintain close collaboration with any other Provider also providing the child's entitlement or Early Years Foundation Stage.

Schedule 5 – Procedure to Withdraw/Suspend Funding

Suspension of registration by Ofsted or childminder agency, or a breach of statutory requirements, or the clauses and schedules as set out in this Agreement, or safeguarding issues may result in the termination of the arrangement and withdrawal of funding.

- 5.1 Every Provider who registers and approved to receive Early Years Education Funding and support from Hampshire County Council is required to sign a document accepting the Terms of this Agreement. By doing so, they agree to adhere to the quality standards, principles and requirements outlined by the Funder and the DfE Statutory Guidance for Local Authorities on the delivery of Free Early Education.
- 5.2 The Provider acknowledges that it is a requirement of the DfE that the Funder keeps a directory of all providers that are approved to receive EYE Funding. It is the responsibility of the Funder to decide whether a Provider is able to meet the requirements in this, the EYE Funding Payment Agreement and can join the Directory. It is also the responsibility of the Funder to assess Providers for the purpose of removing/suspending a Provider from the Directory.
- 5.3 This procedure outlines the processes undertaken by the Funder to remove or suspend a Provider from the Directory.

5.4 The Funder will at its sole discretion and where it considers appropriate follow this two-stage process. The Funder reserves the right at its sole discretion to accelerate to any stage deemed appropriate by the Service Manager Childcare and Business Support or Children Services director or assistant director as appropriate.

Stage One

5.5 A Provider does not meet the quality standards, principles and requirements set out to be a part of the Early Years Education funding scheme in the event of the circumstances listed in the below non-exhaustive list:

- or an overall Ofsted outcome such as 'requires improvement,' 'inadequate,' less than 'good,' 'needs attention,' 'urgent improvement,' or safeguarding being 'not met,' (or such other outcome or grades as may be applicable from time to time) as determined by the relevant inspection framework, provider type, and inspection date—and the Provider is rated "Inadequate," "Causing concern," "Attention needed," or any equivalent grade issued by Ofsted from time to time of "Requires Improvement" (or such other equivalent outcome or grade as may apply from time to time),
- Lack of reasonable progress or continuous non-engagement for quality improvement.
- Non-Inclusive practices
- Non-compliance to the statutory guidance with regards to fees and charges.
- Non-compliance in completing the annual Safeguarding self-evaluation as detailed in Schedule 8 of the Agreement.

5.6 If a Provider meets any Stage 1 criteria the Provider will receive notification in writing with the reasons for the ETAS (External Team around the Setting) meeting clearly stated.

5.7 It is the Provider's responsibility to address concerns raised by Ofsted or the Funder. The Funder will make available a support offer to assist the Provider to make the quality improvement necessary. The Funder may apply a reasonable cost for this support. The Provider may choose to seek support from an alternative source, and if so, must notify the Funder.

5.8 The outcome of this meeting with the Provider is to clearly identify appropriate actions and timescales of required improvement. The Funder may use industry appropriate tools and resources.

5.9 The Provider will receive a letter within 20 Working Days to confirm that the Funder may allow the Provider to remain on the List of Approved Providers. This might be subject to the Provider complying with additional conditions and requirements including but not limited to suspension of Funding for new and

existing EYE Funding claims as appropriate such as Early Learning for 2-year-olds for 2-year-old eligible disadvantaged children.

- 5.10 The agreed actions will be reported to Service Manager Childcare and Business Support responsible for EYE Funding with agreed review date.
- 5.11 If acceptable progress has been demonstrated within the agreed timescale and the Service Manager Childcare and Business Support is confident that the Provider will continue to make further progress the Provider will receive a letter to confirm this.
- 5.12 If there is no change in practice the matter will be progressed to stage two.

Stage Two

- 5.13 A Provider does not meet the quality standards, principles and requirements to be a part of the Early Years Education funding scheme which will include but not limited to:
 - Reasonable progress from Stage One has not been made;
 - or an overall Ofsted outcome such as 'requires improvement,' 'inadequate,' less than 'good,' 'needs attention,' 'urgent improvement,' or safeguarding being 'not met,' (or such other outcome or grades as may be applicable from time to time) as determined by the relevant inspection framework, provider type, and inspection date—and the Provider is rated "Inadequate," "Causing concern," "Attention needed," or any equivalent grade issued by Ofsted from time to time
 - ~~An overall Ofsted rating of "Inadequate" or "Not Met" (or such other equivalent outcome or grade as may apply from time to time),~~
 - Lack of reasonable progress or continuous non-engagement for quality improvement.
 - Non-Inclusive practices
 - Non-compliance to the statutory guidance with regards to fees and charges
 - Non-compliance in completing the annual Safeguarding self-evaluation as detailed in Schedule 8 of the Agreement.
- 5.14 The Service Manager Childcare and Business Support will request representatives with the appropriate level of management responsibility from the Provider to a formal review meeting to examine the concerns.
- 5.15 If a Provider meets Stage 2 criteria the Provider will receive notification in writing with the reasons for the ETAS (External Team around the Setting) meeting clearly stated.

- 5.16 Following the review meeting, the Funder will confirm the actions the Provider needs to undertake and the timescale for implementation to remain on the approved list of providers.
- 5.17 The Funder will monitor against these actions and set a final monitoring date.
- 5.18 The Provider will receive a letter within 20 Working Days from the final monitoring date to confirm one of the following outcomes:
- (i) the Funder may allow the Provider to remain on the List of Approved Providers subject to the Provider complying with any reasonable additional conditions and requirements imposed on the Provider by the Funder including but not limited to, ongoing suspension of Funding for new EYE Funding claims for all eligible children;
 - (ii) the Provider is suspended from the List of Approved Providers until the Funder is satisfied that the Provider is taking the appropriate steps required to improve to fulfil/adhere to the conditions of this Agreement in full.
 - (iii) the Provider is removed from the List of Approved Providers and the reasons for removal would be provided in writing.
- 5.19 A Provider who has been suspended by Ofsted will receive a letter from the Funder confirming one of the following outcomes:
- (i) the Provider is suspended from the List of Approved Providers until the Funder is notified by Ofsted of the removal of suspension. The Funder at its own discretion may continue to suspend if the Provider does not meet the required improvements and adhere to the conditions of this Agreement in full.
 - (ii) the Provider is removed from the List of Approved Providers and the Funder's reasons for doing so notified in writing.
- 5.20 All Stage two decisions will be reported to SfYC Management Team.
- 5.21 If the Provider wishes to make a complaint regarding the decision made by the Funder, this should be in accordance with schedule 7 of this Agreement.

**Schedule 6 – Inclusion, Special Educational Needs and Disabilities, (SEND)
Local Offer and Early Learning for 2-year-olds entitlement**

1. The Funder must strategically plan support for children with special educational needs and/or disabilities (SEND) to meet the needs of all children in their local area as per the [Special Educational Needs and Disability code of practice: 0 to 25 years](#), and ensure that the entitlements are delivered to [children with SEND free of charge with no mandatory additional costs attached to their entitlement hours](#).

2. Providers must be aware of the requirement on them to have regard to the SEND Code of Practice 0 to 25 years, and duties under the Equality Act 2010 and EYFS statutory framework to meet the needs of children with SEND. This includes removing barriers that prevent children accessing early education and childcare, and working with parents to give each child support to fulfil their potential.
3. Providers are not permitted to charge parents of children with SEND for additional support costs as part of their entitlement hours or as a condition of accessing an entitlements place.
4. The Funder must be clear and transparent about the support on offer in their area, through their local offer, so parents and providers can access that support.
5. The Provider should be clear and transparent about the SEND support on offer at their setting and make information available about their offer to support parents to choose the right setting for their child with SEND.
6. Providers must meet their responsibilities under SEN code of practice and the Equality Act 2010 and any other legislation or regulations relating to the promotion of equality and inclusion⁹ for all children. Providers shall ensure that thought is given in advance to what disabled children might require and what adjustments might need to be made to promote equality of opportunity and prevent disadvantage. The Provider shall:
 - remove barriers of access to Free Early Education Entitlement.
 - work with parents/carers to give each child support to fulfil their potential.
 - maintain a good working partnership with the agencies that support families and children to maximise family learning.
 - support engagement with other appropriate services for the child and/or family such as Family Support Services, Social Care team; Health Visitors; SfYC Inclusion Team or other professionals or voluntary services.
7. Providers should utilise all Funding available to them for example EYE Funding, EYPP, DAF to make reasonable adjustments to their environment and delivery to ensure effective support to children with SEND (see Appendix 1 to this Schedule 6 for examples). Providers may apply for SEN inclusion Funding if they have exhausted other Funding streams and the criteria is met.
8. Every Local Authority is required to publish information about services they expect to be available in their area for children and young people from birth to 25 who have special educational needs and/or disabilities (SEND); and also

⁹ All early years providers have duties under the Equality Act 2010. In particular, they must not discriminate against, harass or victimise disabled children, and they must make reasonable adjustments, including the provision of auxiliary aids and services for disabled children, to prevent them being put at substantial disadvantage. This duty is anticipatory – it requires thought to be given in advance to what disabled children and young people might require and what adjustments might need to be made to prevent that disadvantage.

SEND services outside of the area which children and young people from their area may use. This is known as the 'Local Offer' and enable parents of SEND children to understand provision of suitable services for their children.

9. Providers must:
 - (a) make information available about their SEND offer to parents; review their Local Offers on a regular basis (at least annually) and in partnership with parents/carers ('co-production') to ensure their offer reflects any changes to how services are delivered.
 - (b) as a minimum utilise the Local Offer website to develop their own Local SEND offer and publish the setting's Local Offer on the Hampshire Local Offer website:
<https://fish.hants.gov.uk/kb5/hampshire/directory/localoffer.page?familychannel=6>
10. Providers who make claims and receive additional SEND Inclusion Support Funding for children at their provision must have an up-to-date Local Offer published.

Supporting families who receive Early Learning for 2-year-olds entitlement

11. The local authority should promote equality and inclusion, particularly for those families who receive additional forms of support, including looked after children and children in need, by removing barriers of access to places and working with parents to give each child support to fulfil their potential.
12. The provider should ensure that they have identified the relevant children in their setting as part of the process for checking Early Years Pupil Premium (EYPP) eligibility. They will also use EYPP and any locally available funding streams or support to improve outcomes for this group.
- 11-13. Where households meet the eligibility criteria for both 2-year-old entitlements, they must be recorded as taking up 15 hours of the early learning for 2-year-olds entitlement and then 15 hours of the working 4 parent entitlement. They will need to reconfirm eligibility every 3 months for the working parent entitlement.

Schedule 6, Appendix 1: Examples of making reasonable adjustments for children with SEND

Making reasonable adjustments for early years children with Special Educational Needs and Disabilities (SEND) is essential to ensure they can fully participate and thrive in their learning environment. Here are some examples:

- Visual Timetables: Using simple picture-based schedules to help toddlers understand the daily routine and transitions

- Sensory Play Areas: Creating spaces with sensory toys like textured balls, soft mats, and water play to help children explore and regulate their sensory needs
- Flexible Seating: Providing options like bean bags, floor cushions, or low chairs to accommodate different seating preferences and needs
- Quiet Zones: Setting up quiet areas with soft lighting and calming toys where children can go to calm down and take a break from sensory overload
- Adapted Communication Tools: Using simple sign language, picture exchange communication systems (PECS), or basic speech-generating devices to support children with communication difficulties
- Modified Activities: Adapting activities to ensure all children can participate, such as using larger or differently textured materials for art projects
- One-on-One Support: Providing additional adult support to help children with specific tasks or during transitions
- Routine and Structure: Maintaining consistent routines and providing clear, simple instructions to help children feel secure and understand expectations
- Inclusive Play Equipment: Using play equipment that is accessible to children with physical disabilities, such as swings with harnesses or ramps for climbing structures
- Personalised Learning Plans: Developing individualized plans that cater to each child's unique needs and strengths, ensuring they receive the appropriate support and resources
- Partnership arrangements with support and health agencies.

These adjustments can significantly enhance the learning experience for early years children with SEND.

ANNEX 2 – NEW SCHEDULE 9

Schedule 9 - Inspection judgements and specified grades

1. This schedule outlines the circumstances in which local authorities are not required to make arrangements with providers for the delivery of the free entitlements following receipt of a “specified grade” after an inspection by Ofsted or the Independent Schools Inspectorate. The definition of specified grade is as follows:

For providers inspected under section 5 of the Education Act 2005 (state schools and academies, including maintained nursery schools).

Latest inspection took place on 1 September 2024 or earlier:

- For the Early Learning for 2-year-olds entitlement – ‘requires improvement’ or below for overall effectiveness
- For all entitlements – ‘inadequate’ for overall effectiveness

Latest inspection took place between 2 September 2024 and 9 November 2025:

- For the Early Learning for 2-year-olds entitlement – judgement of less than ‘good’ in the early years provision judgement
- For all entitlements – where ‘significant improvement’ or ‘special measures’ are required.

Latest inspection took place from 10 November 2025:

- For the Early Learning for 2-year-olds entitlement – ‘needs attention’ or below in leadership and governance or safeguarding is ‘not met’
- For all entitlements – ‘urgent improvement’ in leadership and governance or safeguarding is ‘not met’

For providers inspected under section 49 of the Childcare Act 2006 (early years provision registered in the early years register, such as private, voluntary and independent providers or any provision for under-2s)

Latest inspection took place on 9 November 2025 or earlier:

- For the Early Learning for 2-year-olds entitlement – ‘requires improvement’ or below for overall effectiveness
- For all entitlements – ‘inadequate’ for overall effectiveness

Latest inspection took place from 10 November 2025:

- For the Early Learning for 2-year-olds entitlement – ‘needs attention’ or below in leadership and governance or safeguarding is ‘not met’.

- For all entitlements – ‘urgent improvement’ in leadership and governance or safeguarding is ‘not met’

For independent schools inspected by Ofsted (where the provision is not registered in the early years register)

Latest inspection took place on 4 January 2026 or earlier:

- For the Early Learning for 2-year-olds entitlement – ‘requires improvement’ or below for overall effectiveness
- For all entitlements – ‘inadequate’ for overall effectiveness

Latest inspection took place from 5 January 2026:

- For the Early Learning for 2-year-olds entitlement – ‘needs attention’ or below in leadership and governance or safeguarding is ‘not met’
- For all entitlements – ‘urgent improvement’ in leadership and governance or safeguarding is ‘not met’

For independent schools inspected by the Independent Schools Inspectorate (where the provision is not registered in the early years register)

- For all entitlements regardless of the date of inspection – ‘not met’ for leadership and governance or ‘not met’ for safeguarding

For providers inspected by the Independent Schools Inspectorate (where the provision is registered in the early years register)

Latest inspection took place on 4 January 2026 or earlier:

- For the Early Learning for 2-year-olds entitlement – ‘requires improvement’ or below for overall effectiveness
- For all entitlements – ‘inadequate’ for overall effectiveness

Latest inspection took place from 5 January 2026:

- For the Early Learning for 2-year-olds entitlement – ‘needs attention’ or below in leadership and governance or ‘safeguarding’ is not met
- For all entitlements – ‘urgent improvement’ in leadership and governance or safeguarding is ‘not met’.

SUPPLEMENTAL ANNEX 1 – Eligibility

Eligibility for Early Learning for 2-year-olds and universal entitlements

3- and 4-year-olds and Early Learning for 2-year-olds (who meet the eligibility criteria) are entitled to 15 hours of free early years provision from the start of the funding period beginning on or following the date:

- children born in the period 1 January to 31 March: 1 April following the child's third birthday, or second birthday, as applicable
- children born in the period 1 April to 31 August: 1 September following the child's third birthday, or second birthday, as applicable
- children born in the period 1 September to 31 December: 1 January following the child's third birthday, or second birthday, as applicable

These dates are consistent with those used for determining the start of compulsory education.

Disadvantaged 2-year-olds are eligible for 15 hours of free early years provision if:

- the parent(s) claim one of the following benefits:
 - Income Support
 - income-based Jobseeker's Allowance (JSA)
 - income-related Employment and Support Allowance (ESA)
 - Universal Credit – parents have a combined income from work of less than £15,400 a year after tax
 - tax credits and they have an annual income of under £16,190 before tax
 - the guaranteed element of State Pension Credit
 - support under Part 6 of the Immigration and Asylum Act 1999 (support for asylum seekers)
 - the Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)
- the child has a statement of special educational needs made under section 324 of the Education Act 1996
- the child has an Education, Health and Care plan prepared under section 37 of the Children and Families Act 2014
- the child is in receipt of Disability Living Allowance under section 71 of the Social Security and Contributions and Benefits Act 1992

- the child is looked after by a local authority (under section 22(1) of the Children Act 1989) or by a local authority in Wales within the meaning given by section 74(1) of the Social Services and Well-being (Wales) Act 2014
- the child is no longer looked after by a local authority as a result of an adoption order, a special guardianship order or a child arrangements order (within the meaning of section 8(1) of the Children Act 1989 or section 74(1) of the Social Services and Well-being (Wales) Act 2014) which relates to either or both of the following:
 - with whom the child is to live
 - when the child is to live with any person

The [Department for Education's eligibility checking system](#) provides a mechanism for local authorities to verify whether children meet the eligibility criteria based on parental receipt of benefits (including Universal Credit).

Eligibility for working parents' entitlements

A child is entitled to free early years provision if the child has attained the relevant age (as set out in paragraph A1.10), is under compulsory school age and the child's parent meets the following eligibility criteria:

- the parent of the child (and their partner where applicable) should be seeking the free childcare to enable them to work
- the parent of the child (and their partner where applicable) should also be in qualifying paid work. The definition of qualifying paid work is set out in regulations 16 and 17 of the 2022 Regulations, and the minimum income requirement is in regulation 18. Each parent or the single parent in a lone parent household will need to expect to earn the equivalent of 16 hours at the national minimum wage rate over the forthcoming quarter
- where one or both parents are on certain forms of family leave from work (including maternity, paternity or shared parental leave) or in receipt of certain forms of statutory pay in connection with sickness or parenting, they are treated as though they meet the minimum income requirement - this only applies for specified periods for those parents on family leave that was started because of the birth or adoption of the child in free childcare
- where one parent (in a couple household) is in receipt or could be entitled to be in receipt of specific benefits related to caring, incapacity for work or limited capability for work that they are treated as though they are in paid work
- where a parent is in a 'start-up period' (such as being newly self-employed), they do not need to demonstrate that they meet the income criteria for 12 months in order to qualify for the working parent entitlement
- if either or each parent's adjusted net income exceeds £100,000, they will not be eligible for the working parent entitlement

Further details on eligibility criteria, including family leave from work and return to work dates, can be found by using [check you're eligible for free childcare if you're working](#).

Eligibility for working parent entitlements for children in foster care

A child in foster care is entitled to free early years provision if the child has attained the relevant age, is under compulsory school age and the following criteria are met:

- that the local authority is satisfied that the foster parent engaging in paid work other than as a foster parent is consistent with the child's care plan, placing the child at the centre of the process and decision making;
- that, in single foster parent families, the foster parent holds additional paid employment outside of their role as a foster carer; and
- in 2-foster-parent families, both partners hold additional paid employment outside of their role as a foster carer or one partner is working outside their role as a foster carer and the other is on certain forms of family leave from work (including maternity, paternity and shared parental leave) or in receipt of certain forms of statutory pay in connection with sickness or parenting.

SUPPLEMENTAL ANNEX 2 – Legal and other relevant information

Summary of the key provisions relating to early education and childcare in the [Childcare Act 2006](#)

- Sections 1 to 5 require local authorities and their partners to improve the outcomes of all children under 5 and reduce inequalities
- Section 6 requires local authorities to secure sufficient childcare for working parents, or parents who are studying or training for employment, so far as reasonably practicable
- Section 7 places a duty on local authorities in accordance with regulations to secure free early years provision of the prescribed description for each young child in their area who is under compulsory school age and is of the prescribed description
- Section 7A allows regulations to be made about how local authorities should discharge their duty under section 7
- Section 8 enables local authorities to assist others to provide childcare (including free early years provision) including giving them financial assistance
- Section 9 applies where local authorities make arrangements for the provision of childcare with providers (other than the governing body of a maintained school, because local authorities have other powers in relation to maintained schools) - it requires local authorities to exercise their functions with a view to securing that the provider meets any requirements imposed by the arrangements and enables the local authority to require the repayment of any funding provided
- Section 9A allows regulations to be made which prescribe the requirements local authorities may or may not impose when they make arrangements with providers
- Section 12 places a duty on local authorities to provide information, advice and assistance to parents about childcare in the area
- Section 13 places a duty on local authorities to secure the provision of information, advice and training to childcare providers and childcare workers
- Section 13A makes provision for information relating to tax credits and social security information to be supplied to the Secretary of State, and to local authorities, for use for the purpose of determining eligibility for free of charge early years provision and funding for free early years provision. Section 13B deals with the unauthorised disclosure of this information
- Section 20 defines early years provision as the provision of childcare for a young child and section 18 defines the meaning of childcare
- Sections 39 to 48 establish the early years foundation stage (EYFS)

- Sections 31 to 38 and 49 to 98G set out the childcare and early years regulation framework
- Section 99 allows for the collection of information about young children

The Childcare Act 2006 provides that local authorities must have regard to any guidance given by the Secretary of State, when discharging:

- the duty to secure sufficient childcare for working parents and those studying or training to assist them to obtain work - section 6(3)
- the duty to secure prescribed early years provision free of charge – section 7(3)
- the power of a local authority in relation to the provision of childcare – section 8(6)
- the duty to establish and maintain a service providing information, advice and assistance for parents – section 12(7)
- the duty to secure the provision of information, advice and training to childcare providers – section 13(5)

Summary of the key provisions in the Childcare Act 2016

- Section 1 places a duty on the Secretary of State to secure childcare free of charge for qualifying children of working parents for, or for a period equivalent to, 30 hours over 38 weeks of the year
- Section 1(2) and regulations made under section 1(2) define a qualifying child
- Section 1(4) enables the Secretary of State to make regulations about when a person is to be regarded as another person's partner, what constitutes paid work and the circumstances in which a person is or is not to be regarded as in paid work
- Section 1(5) confers a power on HMRC to check and determine eligibility for the free childcare
- Section 1(6) requires the Secretary of State to take account of any free provision provided to the child under section 7 of the Childcare Act 2006 for the purposes of determining whether the duty under section 1(1) has been discharged
- Section 1(8) says that childcare has the meaning given by section 18 of the Childcare Act 2006 and enables the Secretary of State to set out in regulations when a child is considered to be in England for the purposes of the free childcare entitlement
- Section 2 allows the Secretary of State to make regulations about how the discharge of the duty to secure free childcare

- Section 2(2) sets out a non-exhaustive list of what the regulations may provide for in particular to require English local authorities to secure the free childcare (section 2(2)(a)) and to have regard to any guidance issued by the Secretary of State when securing the free childcare (section 2(2)(k))
- Part II of the School Standards and Framework Act (1998) sets the legal framework for the provision of financial assistance by local authorities to maintained schools and private, voluntary and independent childcare providers. Section 3(2) extends the framework to include the provision of financial assistance to settings delivering the free childcare
- Section 5 amends section 12 of the Childcare Act 2006 enabling regulations to be made to require local authorities to publish information about childcare in their area at prescribed intervals and in a prescribed manner

Regulations made under the Childcare Act 2006

[The Local Authority \(Duty to Secure Early Years Provision Free of Charge\) Regulations 2014 \(S.I. 2014/2147\)](#) are made under section 7 of the Childcare Act 2006. They identify children who should benefit from free early years provision, the type and amount of free early years provision and how local authorities should discharge their duty to secure free early years provision.

Regulations made under the Childcare Act 2016

The Childcare (Free of Charge for Working Parents) (England) Regulations 2022 (the '2022 Regulations') came into force on 1 December 2022. They revoked and replaced provision in the earlier regulations (the Childcare (Early Years Provision Free of Charge) (Extended Entitlement) Regulations 2016). Part 6 of the 2022 Regulations sets out that local authorities must secure that childcare is made available free of charge, the type and amount of free childcare and how local authorities must discharge the duty to secure free childcare.