

Shropshire Council Early Years Provider Agreement September 2025



Contents

- **Section 1: Overview**
Who is this agreement for? Supplementary provisions, legal framework and statutory guidance
- **Section 2: Provider Agreement requirements**
Shropshire Council's key responsibilities, the provider's responsibilities, safeguarding, equality, diversity, and inclusion, special educational needs and disabilities (SEND), quality partnership working
- **Section 3: Early years entitlement funding & eligibility**
Available funding entitlements by age group, targeted 2-year-old funding (24U), working family entitlement, the grace period, reconfirmation, late codes, claiming for funded entitlements, funded weeks, how funding payments are made, Early Years Pupil Premium (EYPP), Disability Access Funding (DAF)
- **Section 4: Charging parent carers**
Notice periods
- **Section 5: Flexibility**
Stretched funding
- **Section 6: Business Planning – claiming funding**
Attendance, overclaims, cross border checks
- **Section 7: Removal of a funded place**
- **Section 8: Compliance**
- **Section 9: Termination & withdrawal of funding**
Ofsted /Independent Schools' Inspectorate outcomes
- **Section 10: Appeals process**
- **Section 11: Complaints process**
- **Section 12: Useful links & contact list**
- **Section 13: Provider Agreement form (Please sign here)**

Section 1: Overview

1.1 The Department for Education (DfE) requires Shropshire Council as the Local Authority to have a Provider Agreement.

For the purposes of this agreement, Shropshire Council will be referred to as 'we' 'us' or 'our.'

1.2 This agreement applies to the:

- Working entitlements for parent carers of children from 9 months to 4 years
- 15-hour entitlement for families of 2-year-old children receiving specific forms of additional support (24U)
- 15-hour universal entitlement for all parent carers of three and four-year-old children
- Early Years Pupil Premium (EYPP)
- Disability Access Funding (DAF)
- Early Years Inclusion Funding (SEND)

An 'eligible child,' is a child who meets the description of a qualifying child as defined in section 1(2) of the [Childcare Act 2016](#) and section 7 of the [Childcare Act 2006](#).

1.3 All Shropshire providers who want to be funded, **must** complete, and return the Provider Agreement form on the last page of this document to signify that they agree to the requirements set out in this Provider Agreement. Failure to supply us with a signed copy will mean you will not receive funding.

1.4 A list of providers can be found via the Shropshire Together, community and family directory. Information given by providers through the provider self-update is stored on this database and where consent has been given is published on <https://directory.shropshire.gov.uk/fis/>

1.5 This document does not provide guidance on how providers operate their private business outside of the funded hours.

1.6 This agreement will be kept under review and updated as required. Providers will be notified of changes through our Early Years communication channels, i.e. Teams site, monthly newsletter, and at regular termly virtual and face-to-face Providers 0-4 Network Meetings. If you do not have access to these, please contact Dan.Steele@shropshire.gov.uk

Who is this agreement for?

1.7 This agreement is for:

- Early years' providers and childminders registered on the Ofsted Early Years Register, including before and after school and holiday providers taking children under five years
- Childminders registered with a Childminder Agency (CMA) that is registered with Ofsted
- Independent Schools, Free Schools and Academies taking children under five
- Maintained Schools taking children under five.

Supplementary Provisions

1.8 We reserve the right to unilaterally vary this agreement to reflect changes in legislation and guidance from the Department for Education (DfE).

1.9 We have a legal duty under the [Freedom of Information Act 2000](#) to be open and transparent about the information we hold. More information on this duty can be found on [Access to information | Shropshire Council](#).

Legal framework and statutory guidance

1.10 References to legislation within this agreement will apply to the legislation as amended, without significant changes to the agreement.

1.11 The following frameworks and legislation underpin this agreement:

- [Early education and childcare - GOV.UK](#)
- [Childcare Act 2006](#)
- [Childcare Act 2016](#)
- [Equality Act 2010](#)
- [School admissions code](#)
- [Early years foundation stage \(EYFS\) statutory framework](#)
- [The Local Authority \(Duty to Secure Early Years Provision Free of Charge\) Regulations 2014](#)
- [Data Protection Act 2018](#)
- [SEND code of practice: 0-25 years](#)
- [Operational Guidance](#)
- [Early Years Foundation Stage nutrition guidance](#)

Section 2: Provider Agreement requirements

2.1 We are required to have due regard in the exercise of our duty under [section 7 \(1\) of the Childcare Act 2006](#) and [regulation 49 of the Childcare \(Free of Charge for Working Parents\) \(England\) Regulations 2022](#).

2.2 We have a duty to comply with the [Data Protection Act 2018](#) with regards to the use of personal and sensitive data.

Key local authority responsibilities

2.3 We **must** secure a funded entitlement place for eligible children in our local authority area, including those with Special Educational Needs & Disability (SEND) as far as is reasonably practicable.

2.4 We **will** work in partnership with providers to agree how to deliver funded entitlement places.

2.5 We **must** contribute to safeguarding and promote the welfare of children and young people in our area.

2.6 We **must** ensure that a child has a funded place no later than the start of the funding period following the child and/or parent carer meeting the eligibility criteria for the funded entitlements.

Key provider responsibilities

2.7 The provider **must** comply with all relevant legislation and are obliged to take out and maintain adequate levels of insurance.

2.8 The provider **should** deliver the funded entitlements consistently to all parent carers, whether in receipt of 15 or 30 hours and regardless of whether they opt to pay for additional services or chargeable extras, or not. This means that the provider

must be open and transparent about the days and times that they offer funded places, along with their fees for additional hours and services.

2.9 Those children accessing the funded entitlements **must** receive the same quality and access to provision as children attending for time that the parent carers have paid for. Providers **must** determine how they maintain the quality and access for children whose parent carers do not pay for time e.g., when a forest school or other activities are being offered.

2.10 Early years provision by a childminder (either independently registered with Ofsted or registered with a Childminder Agency (CMA) for a related child does not count as childcare in legal terms. This includes stepchildren, foster children, grandchildren, nephews, and nieces etc. Government funding cannot be claimed by, or spent on, childminders providing childcare for their own child or a related child, even if they are claiming for other children. For further information please refer to the [statutory guidance](#)

2.11 The provider **must** notify us of any changes to the details given on the Provider Agreement Form and Supplier Creation Form; these include names, addresses, email addresses, bank details, telephone numbers, changes of age range, change of management etc. You **must** also inform us in writing of any long term or permanent closure or if you purchase or sell your business within a funding period. Please contact the helpdesk or email any details to earlyyears@shropshire.gov.uk

2.12 Every effort is made to keep providers well informed. We expect providers to regularly check for messages through our Early Years and Childcare Providers' Information Updates Teams page and monthly newsletter. If you do not have access to this, please email NEF@shropshire.gov.uk.

2.13 The provider **must** work with us and share information about the times and periods in which they are able to offer funded entitlements to support us to secure enough stretched and flexible places to meet parental demand in Shropshire.

2.14 The provider **must** publish their admissions criteria and any optional fees for chargeable extras, additional hours and services and make these easily available so that parent carers can make an informed choice. With reference to what can be deemed a chargeable extra, please see the outlined list below:

- consumables to be used by the child, such as nappies or sun cream
- 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 Early Years Foundation Stage (EYFS) statutory framework

Providers can also charge parent carers 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 funded place. ([Early education and childcare - GOV.UK](#))

Safeguarding

2.15 We have an overarching responsibility for safeguarding and promoting the welfare of all children and young people in our area. We have a number of statutory functions under the 1989 and 2004 Children Acts which make this clear, and the [Working Together to Safeguard Children](#) statutory guidance sets these out in detail.

2.16 The provider **must** follow the [early years foundation stage](#) (EYFS) and have clear safeguarding policies and procedures in place that are in line with [Shropshire Safeguarding Community Partnership Safeguarding Procedures](#) for responding to and reporting suspected or actual abuse and neglect. A lead practitioner **must** take responsibility for safeguarding, and all staff **must** have training to identify signs of abuse and neglect. The provider **must** also consider the statutory guidance and **must** follow the principles in the sharing of information to support provision. All schools are required to have due regard to the statutory guidance [Keeping Children Safe in Education](#) and other early years providers will find it helpful to read and follow this guidance [Working together to safeguard children - GOV.UK](#). **All** schools are also required to have due regard to the statutory guidance and other early years providers will find it helpful to read and follow this guidance. Early years' providers will also find it helpful to read and follow the guidance [Keeping Children Safe in Education](#).

Equality, diversity, and inclusion

2.17 We **will** promote equality, diversity, and inclusion, by removing barriers preventing access to funded places and working with providers and parent carers to give each child support to fulfil their potential. Further information on [Equality, diversity and social inclusion | Shropshire Council](#) is available on our website.

2.18 All providers should ensure that they have clear policies and procedures in relation to equality, diversity, and inclusion, have due regard to the [Equalities Act 2010](#) and all other national guidance.



Special educational needs and disabilities (SEND)

2.19 We **must** strategically plan support for children with SEND to meet the needs of all children in their local area as set out in the [SEND code of practice: 0-25 years](#)

2.20 The provider **must** ensure owners and all staff members are aware of their duties in relation to the [SEND Code of Practice](#) and the [Equality Act 2010](#).

2.21 We **must** be clear and transparent about the support available to early years settings through their [The SEND local offer | Shropshire Council](#).

2.22 The provider **must** have arrangements in place to support children with SEND and make this information available to parent carers by publishing this online. Providers **must** implement a [Graduated Support Pathway \(GSP\)](#) to identifying and responding to children's needs through an assess, plan, do review cycle. Guidance to which can be found here: https://www.shropshirelg.net/media/fjmrwfi/early-years-inclusion-advice-and-funding-panel-guidance_final-march_25-ver1.pdf

2.23 All children, including those with additional needs and SEND, should be able to access their full entitlement to funded hours.

2.24 Where a setting has implemented a graduated approach and made reasonable adjustments to support a child with SEND, including the use of the Early Years Inclusion Funding, the setting can make an application for funding through our website [Early Years Inclusion Advice and Funding | Shropshire Learning Gateway](#).

2.25 [Disability Access Fund \(DAF\) | Shropshire Council](#) This is available for children who are in receipt of Disability Living Allowance and who are accessing some, or all, of their Early Years Entitlement Funding.

2.26 Where a provider does not offer full access to the funded entitlements or is looking to exclude a child due to their special educational needs and disabilities, we will work with the provider to review their provision.

Quality

2.27 The [early years foundation stage \(EYFS\) statutory framework](#) is for schools, group-based providers and childminders that offer early years provision (both Reception & Nursery classes) and providers registered with Ofsted or with an Ofsted-registered Childminder Agency (CMA) in England. The EYFS sets out the statutory expectations that all early year's providers **must** meet to ensure that children learn and develop well and are kept healthy and safe*

**** Providers with exemptions from the EYFS will be funded if a parent carer wants their child to take up their funded place at an exempt provider and the provider is willing to accept the funding and any other local authority***

requirements. [Exemptions from the EYFS for providers and individual children - GOV.UK.](#)

2.28 Ofsted is the sole arbiter of quality for all funded providers. Ofsted and the [Independent Schools Inspectorate](#) (ISI only in use for independent schools or nurseries) have regard to the EYFS when carrying out inspections and report on the quality and standards of provision. Childminder Agencies (CMA) are organisations that can register, and quality assure childminders as an alternative to individual childminders registering with Ofsted.

2.29 As a Local Authority we **must** provide information, advice, and training for providers rated less than 'good' by Ofsted, those rated as 'not met' by Ofsted, the Independent Schools Inspectorate or if they are newly registered. It also applies to childminders on the early years register who take funded children before and/or after school where they are rated as 'not met' if the inspection was at a time when there were no young children in attendance. The information, advice, and training covers, but is not limited to, meeting the requirements of the EYFS, effective safeguarding and child protection, and meeting the needs of children with SEND.

2.30 Provision **must** be offered in accordance with the national parameters on quality set out in Section A3 of the [early education and childcare statutory guidance](#) within the [early years foundation stage statutory framework](#).

2.31 We **cannot** impose requirements which subject the quality of the early years provision, or services provided by the Childminder Agency (CMA), to a quality assessment process, or require the provider to attend any training or other quality improvement activity, other than any training or quality improvement activity identified in an early year's providers inspection report.

2.32 From November 2025, we aim to fund children in provision that has not been judged 'urgent improvement' or 'not met' in any of the inspected areas by Ofsted or the Independent Schools' Inspectorate (ISI).

2.33 From November 2025 we are not required to fund places at providers who

receive an Ofsted judgement in any of the areas of 'urgent improvement' or 'not met' but may choose to do so to ensure sufficiency of places.

2.34 All providers **must** inform us of Ofsted and Independent Schools' Inspectorate (ISI) inspections where the outcome is either judged to be 'urgent improvement' or 'not met' **within five working days** of the inspection.

Partnership working

2.35 We will support and promote partnerships and good working relationships between:

- Shropshire's Early Years & Childcare Service and providers
- Providers working with other providers, including childminders, schools and organisations within Shropshire or in a neighbouring Local Authority or in the case of Wales, a country
- Providers and parent carers
- Shropshire's Early Years & Childcare Service and parent carers.

2.36 The provider **should** work in partnership with parent carers and other providers to improve provision and outcomes for children in their setting. An [interactive toolkit](#) has been developed by Coram Hemsall's to help providers set up or join a partnership, maximise the benefits of working together and tackle the challenges joint working can bring.

2.37 The provider **should** discuss and work closely with parent carers to agree how a child's overall care will work in practice when their funded entitlement and childcare is split across different providers to ensure a smooth transition for the child.

Section 3: Early Years Entitlement Funding & Eligibility

Available funding entitlements by age group

9 months to 2 years old

Working family entitlement – Some children may be eligible for 30 hours per week for 38 weeks per year (term time only) or, 1,140 hours stretched over the whole year. The working family entitlement begins the term after the child turns 9 months old.

2-year-olds

24U entitlement – Some children may be eligible for 15 hours per week for 38 weeks per year (term time only), or 570 hours stretched over the whole year. The 24U entitlement begins the term after the child turns 2 years old.

Working family entitlement – Some children may be eligible for 30 hours per week for 38 weeks per year (term time only) or, 1,140 hours stretched over the whole year. The working family entitlement begins the term after the child turns 9 months old.

Important: Where a 2YO child is eligible for both 24U and the working family funding streams, the first 15 hours **must** be allocated against 24U and the other 15 hours against the working family entitlement.

3 and 4 - year-olds

Universal entitlement - All 3- and 4-year-olds who live in England are entitled to 15 hours per week for 38 weeks per year (term time only), or 570 hours stretched over the whole year, irrespective of income levels, benefit status, or family circumstances. The universal entitlement begins the term after the child turns 3 years old.

Working Family entitlement – Some children may be eligible for an additional 15 hours making a total of 30 hours per week for 38 weeks per year (term time only) or, 1,140 hours stretched over the whole year. The working family entitlement begins the term after the child turns 9 months old.

Targeted 2-year-old funding for families in receipt of additional support (24U)

3.1 Providers are encouraged to support parent carers as far as possible, when making any applications for 24U eligibility and accessing their funded place. Some parent carers will receive a letter and application form from Shropshire Local Authority, asking if they would like to apply. This is because the council receives a list from the Department for Work and Pensions (DWP) of families who may be eligible. If parent carers receive such a letter, they will still be required to complete an application form to confirm their eligibility.

3.2 Parent carers will need to make an application to the Shropshire Local Authority to receive confirmation that they are eligible for 24U funding. For more details and to make an application, parent carers can visit our website [24U funding | Shropshire Council](https://www.shropshire.gov.uk/24U-funding).

3.3 Any parent carer making an application who is deemed eligible will receive an email to confirm entitlement. This will include the name of the child, the earliest date that they can take up a funded place and a unique 24U reference number. Please note that providers **must not** accept the application reference alone as it is not confirmation of entitlement. You **must** see confirmation of eligibility. We suggest that you keep a copy on your records.

3.4 The provider **must** only offer funded places to eligible two-year-old children. If there is a change of circumstances which would make the parent carer ineligible after the child has taken up a funded place, their child can continue to access the two-year-old funding until they become eligible for the 3- and 4-year-old funding.

3.5 Providers offering 2-year-old spaces for children who have not been confirmed as eligible for 24U funding (or working family funding), **must** have a signed contract with the parent carer to confirm their booked time and the charges payable.

3.6 Where a child is eligible for both 24U and the working family funding streams, the first 15 hours **must** be allocated against 24U and the other 15 hours against the working family entitlement.

Working family entitlement

3.7 30 hours are available for **all** children of working parent carers from 9 months until they start in a school reception class. Parent carers **must** open a Government Gateway Account to make an application online. Providers **should** direct parent carers to the [Best Start in Life Parent Hub](#) (formerly known as Childcare Choices) for further information.

3.8 Eligible parent carers will receive a code beginning '50' (or a temporary code beginning '11') which they will need to give to their childcare provider to validate using the provider portal. Both providers and parent carers need to make themselves aware of the key deadline dates that apply when claiming working family entitlement hours. Anyone who misses these deadlines will **not** be eligible for a funded place for their child for that particular funding period/term. Therefore, it is advisable for parent carers to set up a childcare account through [GOV.UK](#) as early as possible.

3.9 Parent carers **must** apply for their code in good time. Parent carers can apply as early as the term before their child turns 9 months old, but the funding will not start until the term after the child has turned 9 months old (please refer to table below).

When your child turns 9 months old	When they can access 15 & 30 hours from	Application deadline
1 January to 31 March	Term starting on or after 1 April	31 March
1 April to 31 August	Term starting on or after 1 September	31 August

1 September to 31 December	Term starting on or after 1 January	31 December
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If an application is made early, it is likely that the parent carer will need to reconfirm their code prior to taking up a funded place.

3.10 The working entitlement may also be available for foster carers who have other income (employed or self-employed) outside of their fostering role. Foster carers will need to discuss this with the child's social worker and decide if it is in the best interest of the child and consistent with their care plan. If the social worker agrees, the foster carers will need to apply to the responsible Local Authority. The responsible Local Authority will process the application and if successful the foster carer will be issued with a code beginning '40'.

3.11 The provider **must** run a check on the code using the Provider Portal to confirm eligibility. If a child attends more than one provider, both providers **must** run the check.

The grace period

3.12 A child will enter the grace period (as determined by the eligibility code) if the parent carers have failed to reconfirm their code or cease to meet the eligibility criteria as determined by HMRC.

3.13 During the grace period, we will continue to fund a child for the working entitlement if they have accessed working entitlement hours in the previous funding period with their existing provider. Providers are expected to advise parent carers who become ineligible. The grace period doesn't apply when children move to a new setting within their grace period.

Reconfirmation

3.14 Parent carers of children already on the scheme should receive up to three reminder emails from HMRC, advising them that they **must** reconfirm their eligibility every three months from the date of receiving their code (please refer to point 3.16). If they don't do this, they will automatically be put into their 'grace period' before losing their funding (please refer to points 3.12 and 3.13).

3.15 If a child is new to a setting or has already attended the current setting but is making a claim for extended hours for the first time, then unfortunately the grace period won't apply. The grace period only applies when settings have previously claimed for expanded/extended hours for a particular child.

3.16 For existing codes, parent carers receive up to three reminders from HMRC encouraging them to reconfirm eligibility of their code at the following stages:

- When their reconfirmation window opens (4 weeks prior to the code end date)
- A week before their reconfirmation deadline
- On their reconfirmation deadline.

3.17 The earliest parent carers can renew their code is 4 weeks before the code validity end date (not the grace period end date). Parent carers **must** have a valid eligibility code by the end of the month before a new term starts.

3.18 Parent carers **must** reconfirm their eligibility every 3 months. If they apply more than 3 months before the term starts, they will have to reconfirm their eligibility in their childcare account, to keep their code valid.

Late codes

3.19 The definition of a 'late code' is when a working family eligibility code has either been applied for, or renewed after the termly deadline date, i.e. the day before a new term/funding period begins.

3.20 Both providers and parent carers need to make themselves aware of the key deadline dates that apply when claiming working family entitlement hours. Anyone who misses these deadlines will not be eligible for a funded place for their child for that funding period/term (please refer to section 3.9 for the termly application/renewal deadline dates).

3.21 In some exceptional circumstances, that are outside of a parent carers' control, the local authority may use their discretion to override a late working family eligibility code, to allow the child to continue their working family entitlement within a particular term/funding period.

Claiming funding for the funded entitlements

3.22 All providers **must** check original copies of documentation to confirm a child has reached the eligible age for all funded entitlements i.e., birth certificate, passport, Red Book (child's health record). The provider **must** retain paper or digital copies of documents for seven years for audit purposes. Documentation **must** be stored securely and deleted when there is no longer a good reason to keep the data.

3.23 The [Parent Declaration Form](#) is available to use to collect information or you may have your own contract/template that you choose to use instead. Providers **must** insert their privacy notice to comply with the General Data Protection Requirements (GDPR). The form has been designed to ensure that providers collect all of the information needed to make funding claims from the Local Authority. Providers **must** have written consent from the parent carers to use their code and personal details for funding purposes.

3.24 Providers, choosing not to use the form, **must** ensure that they have collected all the information needed to make a funding claim and have parent carers permission to share that information with us. We may also share the information with other funded providers, neighbouring authorities, or other Government organisations such as DfE or the Department for Work and Pensions (DWP) if necessary.

3.25 For children starting in a Reception class (this includes the Reception class of an independent school which is funded by the Local Authority), funding ends on the 31st of August regardless of the date when the term starts. Where schools choose to stagger entry when a child first starts at school, the parent carer would need to be charged for any childcare during the transition period. Parent carers have the right to a full-time place for their child on the first day of term.

Funded weeks

3.26 The provider **must** offer continuous places to all funded children on the understanding that the child remains eligible for the universal entitlement (and the working family entitlement, if applicable) and will be funded until they start Reception class at school. If parent carers choose to delay or defer entry to school, the continuation of an early year's place is a matter to be discussed between the provider and the family and in these cases funding can continue until the child is of statutory school age, so up to the end of the term in which the child turns 5 years old. We would expect that most children will continue in the same early years provision until they start at school.

Funded from:	15 Hour Entitlement	30 Hour Entitlement
Autumn (13 weeks)	195 hours	390 hours
Spring (12 weeks)	180 hours	360 hours
Summer (13 weeks)	195 hours	390 hours

How funding payments are made

3.27 The funding will be distributed on a monthly basis, and the amount each provider receives each term, will depend on the data they submit through their headcount submissions.

3.28 There are two headcount windows each term, an 'Estimate' and an 'Actual'. Based on the provider's Estimate headcount submission, 75% of the termly funding allocation will be split into three 25% monthly payments and then following the Actual headcount submission, the provider will receive the remaining 25% funding due for the term, which will include any adjustments made since the Estimate payment, plus any EYPP or DAF payments that are due for that particular term.

Please refer to the table below for a breakdown of what to expect each term/monthly payment.

Summer Term	April	25% of termly funding due based on Interim claim
	May	25% of termly funding due based on Interim claim*
	June	25% of termly funding due based on Interim claim*

	July	Remaining 25% of termly funding, plus any adjustments made on the Actual claim. This payment will also include EYPP and DAF where applicable.
Autumn Term	August	25% of termly funding due based on Interim claim
	September	25% of termly funding due based on Interim claim*
	October	25% of termly funding due based on Interim claim*
	November	Remaining 25% of termly funding, plus any adjustments made on the Actual claim. This payment will also include EYPP and DAF where applicable.
Spring Term	December	25% of termly funding due based on Interim claim
	January	25% of termly funding due based on Interim claim*
	February	25% of termly funding due based on Interim claim*
	March	Remaining 25% of termly funding, plus any adjustments made on the Actual claim. This payment will also include EYPP and DAF where applicable.

**These payment amounts could differ if we receive notification of a change to an Interim claim after the first 25% payment has been issued.*

Please note: Failure to submit an Interim claim will result in the provider receiving 100% of their termly funding in the 4th payment run of a particular term.

Monthly payments don't apply to Local Authority Maintained School Nurseries as they receive their funding once a term based on their Actual claim.

Early Years Pupil Premium (EYPP)

[Early Years Pupil Premium | Shropshire Learning Gateway](#)

3.29 We will identify children by running termly EYPP checks using data collected via provider headcount submissions, where consent has been provided.

3.30 Children in foster care will automatically be eligible for EYPP. Providers will need to advise the [Early Years Funding Team](#) if they have a looked after/adopted child attending their setting, to ensure that EYPP eligibility is applied.

Disability Access Funding (DAF)

[Disability Access Fund \(DAF\) | Shropshire Council](#)

3.31 Children who are accessing some, or all, of their early year's entitlement funding, who are in receipt of Disability Living Allowance (DLA) and who meet the eligibility criteria can apply for Disability Access Funding. Providers **must** indicate on their headcount submission when a child is nominated for DAF and upload the relevant supporting documentation, i.e. a copy of the child's most recent DLA award letter.

3.32 If a child eligible for DAF is splitting their funded entitlement across two or more providers, parent carers need to nominate which setting they would like to claim the DAF. If a child receiving DAF moves from one setting to another, the new setting is not eligible to receive DAF funding for this child until the anniversary of the first payment has passed. DAF funding received by the original setting will not be recouped. However, in this situation, and where local agreement can be reached, we encourage providers to transfer relevant resources or unspent funding to ensure continued support of the eligible child in their new setting.

Section 4: Charging parents

Further to the updates in the Statutory Guidance for April 2025, there is a greater emphasis on the early years' entitlements being accessed funded of charge to parent carers. **There cannot be mandatory charges or an expectation that parent carers access chargeable extras, purchase additional hours or do a minimum number of days/sessions to access their funded entitlement which could disadvantage some children.** For further details please visit [A1.32 Charging of the Statutory Guidance](#).

4.1 Government funding is intended to cover the cost to deliver up to 15 or 30 hours a week of funded high quality, flexible childcare. It is not intended to cover the cost of meals, other chargeable extras, additional hours, or additional services.

4.2 The provider **can** charge for meals and snacks as part of a funded entitlement place, and they can also charge for chargeable extras such as nappies or sun cream and for services such as trips and musical tuition. Providers should be mindful of the impact of additional charges, especially on the most disadvantaged families. Where parent carers are unable, or unwilling, to pay for meals and chargeable extras, providers who choose to offer the funded entitlements are responsible for setting their own policy on how to respond. The provider **must** have alternative options for parent carers, including waiving or reducing the cost of meals and snacks or allowing parent carers to supply their own meals. Early Years Pupil Premium and/or Deprivation Funding can be used to support these families if appropriate.

4.3 Childminders **can** charge parent carers to drop a child off at a nursery or preschool after having attended funded time with them, for example, between 7am to 9am. Childminders **can** also charge for picking a child up from nursery or preschool before that child attends their provision for funded time.

4.4 We **will not** intervene where parent carers choose to purchase additional hours of provision or chargeable extras, providing that this does not affect the parent carers ability to take up their child's funded place. The provider **must** be completely transparent about any chargeable extras.

4.5 Accessing additional chargeable extras or time **cannot** be a condition of a child being offered a funded space.

4.6 Providers must also ensure that parents are aware that, subject to the standards set out in and any terms in the local authority's arrangements with providers, there is no requirement that funded places must be taken on, or delivered on, particular days of the week or at particular times of the day.

4.7 The provider **should** publish and / or make available online their admissions criteria/funding policy and ensure parent carers understand which hours/sessions can be taken as funded time. Not all providers will be able to offer fully flexible places, but providers **should** work with parent carers to ensure that as far as possible the pattern of hours supports children's learning and development and is convenient for parent carers' working hours. A requirement of this is funded sessions are offered within a general working pattern between 8am and 6pm. There are exceptions which can be discussed on a case-by-case basis.

4.8 The provider **can** charge parent carers a deposit to secure their child's funded

place but **must** refund this in full to parent carers within a reasonable timescale. We would suggest that the deposit is refunded on an agreed date within one month of the child starting at the setting. The deposit would be non-refundable if the child does not attend. If the provider has a signed contract, they can also claim for a 4 - week notice period.

4.9 The provider **cannot** charge parent carers top-up fees (the difference between a provider's hourly or sessional charge and the funding they receive from us to deliver funded places) or require a registration fee as a condition of taking up a funded place.

4.10 The provider **must** ensure that charging policies, contracts, invoices, and receipts are clear and itemised, so parent carers can see that they have received the funded entitlement without a charge and can understand the fees they **must** pay for additional hours or services. The provider **must** also ensure that there is sufficient detail on invoices and receipts for parent carers to be able to identify the provider that the child is attending i.e., setting logo. Parent carers attending more than one provider may otherwise confuse the arrangements that they have with different providers.

4.11 The costs of chargeable extras should be published on provider websites or, where they do not have any website, on Shropshire's Family Information Services. These should be clear, up-to-date and easily accessible to parent carers, to enable parent carers to make an informed choice of provider. They should set out, for each setting, the amounts charged for all the chargeable extras listed, as well as the pattern of hours that parent carers can take the entitlements. **This should be fully implemented by January 2026 at the latest.**

4.12 Invoices and receipts **must** be itemised. Shropshire Council should work with providers to ensure their invoices break down separately into:

- the funded entitlement hours
- additional private paid hours
- food charges
- non-food consumables charges
- activities charges

This is to allow parent carers to see that they have received their child's funded 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.

4.13 The provider **must not** split their day and charge for the lunch time. Food can be charged for (please refer to point 4.2 of this agreement).

4.14 Please direct parents to the [Best Start in Life Parent Hub](#) (formerly known as Childcare Choices) for details of other help that is available for childcare costs.

Notice periods

4.15 Providers can set a chosen notice period for their setting, i.e. 4 weeks, but only when a notice period is included in their policies and parent carers have signed a contract agreeing to this.

4.16 If a provider does not have a signed contract with the parent carer specifically acknowledging the notice period the notice period charge cannot be enforced.

4.17 If the parent carer leaves a provider that has a set notice period without giving notice, the funding **must** follow the child. The provider where the child has left, will be able to invoice the parent carer for any notice period not served. Any notice period with regards to chargeable time is a private fee-paying arrangement between the parent carer and the provider.

Section 5: Flexibility

5.1 We recognise that there is no 'one size fits all' approach, and that demand for different types of childcare will vary from area to area and from parent carer to parent carer. We encourage providers to work closely with parent carers to understand demand and develop models of delivery that support the needs of working parent carers.

5.2 We encourage providers to offer flexible packages of funded hours, subject to the following standards which will enable children to access regular, high-quality provision, whilst maximising flexibility for parent carers and ensuring a degree of stability for providers:

- no session to be longer than 10 hours (Providers can be operating for longer than 10 hours per day, but children **must** not be funded for longer than 10 hours in one continuous block).
- no minimum session length (subject to the requirements of registration on the Ofsted Early Years Register)
- not before 6.00am or after 8.00pm
- a maximum of 2 sites in a single day

5.3 Providers should ensure that children are able to take up their funded hours in continuous blocks if they wish to, and avoid artificial breaks being created throughout the day, for example, over the lunch period.

5.4 Providers **can** choose to have the following models:

- Stretched only (anything over 38 weeks and up to 52 weeks of the year)
- Term time only (38 weeks of the year)
- Combination of term time and stretched.

Stretched funding

5.5 Settings that are open all year round can offer stretched funding which involves spreading a child's entitlement hours over longer than 38 weeks of the year. This will only be possible when a child isn't accessing their full entitlement during the term time weeks.

5.6 The formula to calculate stretched funding, is as follows:

The hours the child attends the setting per week x the number of weeks the setting is open throughout the year, divided by the 38 weeks that Shropshire Council funds annually = the amount of hours to claim on the headcount. For example, if a child is attending 18 hours per week stretched over 50 weeks - $18 \text{ hours} \times 50 \text{ weeks} / 38 \text{ weeks} = 23.68 \text{ hours}$ - providers would need to claim 23.68 hours on their headcount so that they receive enough funding for the child to attend 18 hours per week over the 50 weeks.

If the child wants to stretch their full 30 hours (or 15 hours if they are only eligible for 15), providers can't claim more than 30 hours per week (or 15 hours) for these children so they would have to do a reverse calculation to work out how many hours they will be funded to attend each week. For example - $30 \text{ hours} \times 38 \text{ weeks} / 50 \text{ weeks} = 22.8 \text{ hours}$. In this case, providers claim the full 30 hours per week on their headcount and the child would be funded to attend the setting for 22.8 hours a week for the 50 weeks that the setting is open for throughout the year. Anything over the 22.8 hours that the child attends each week would need to be invoiced for. If the

child is only eligible for 15 hours the calculation would be – 15 hours x 38 weeks / 51 weeks = 11.18 hours.

5.7 Whichever models are chosen they **must** be made available for all funded children regardless of the funding entitlement they are accessing.

5.8 Providers cannot insist a minimum number of sessions or days are booked, that the full funding is used at their provision, or those families are prioritised as parent carers may need the flexibility to use multiple provisions when working and where a child lives in two different locations.

5.9 Ensure parent carers are aware that the entitlement to a funded place does not offer a guarantee of a place at any one provider or a particular pattern of provision.

Section 6: Business planning

6.1 Providers **must** review contracts for each funding period to ensure there are no changes to funded time or funded hours being used elsewhere.

6.2 **Occasional closures** for example the premises are used for polling days, **will be** funded, however, providers **should** try to offer alternative hours elsewhere for children affected by the closure.

6.3 **Planned closures** for example the premises are closed for refurbishment, **will not** be funded.

6.4 **Emergency closures** for example weather related, flooding, or heating problems **will be** funded but you **should** try to offer hours at another time if possible.

6.5 **Professional Development (PD) Days** - Providers are not funded for school PD days. If providers are offering provision in line with school terms, then they will not be expected to offer funded places on PD days. If providers are choosing to 'stretch' the entitlement over the whole year, then they are free to choose whether they offer parent carers a funded place on a school PD Day.

6.6 **Bank Holidays** - Providers are not paid funding to cover bank holidays. There is no requirement for providers to offer alternative sessions for those parent carers who

would normally be due to take up funded session/hours on that day. However, it is important to consider that providers will receive the same amount of funding for that child during that funding term, as they will for a child who would not normally be taking their funded entitlement on that day. i.e. if a provider is claiming 15 hours for a Child A who attends on a Monday, Tuesday and Wednesday, they will receive the same amount of funding as for a Child B claiming 15 hours who attends on a Wednesday, Thursday and Friday. On the week of the Bank Holiday those two children will not receive the same entitlement. Whilst settings are not required to offer Child A an alternative session/hour, they may be asked by parent carers to explain why they have not had the same entitlement as other children, in that week.

6.7 Closure of service due to a childminder's inability to work because of illness. This closure could happen because the childminder is ill or because other people living within the domestic premises are ill, or both, and as a result the childminder does not open. If the closure has an impact on a child's booked funded time the childminder **must** immediately inform the parent carer of the affected child/ren. If the child attends another provider for the period of the closure the funding would follow the child and a reduction would need to be made to the termly claim.

6.8 We report on all funded children in attendance during census week each term. Information on funded children is sent to the Department for Education as part of the statutory Early Years Census. Schools and academies make their own census returns. The numbers in these census returns inform the amount of funding that the Local Authority will receive for the following year. If a child is not reported on a return, we will not receive the funding for that child. **It is essential that providers submit their funding claims by the specified deadlines each funding period.**

Attendance

6.9 If a funded place has been booked and a child does not have consistent (or any) attendance, we expect the provider to make every effort to encourage the family to take up the hours booked. If the attendance does not improve, the hours in the following funding period should be revised with the parent carer. We would not expect a provider to continue to make a claim for funding where a family has clearly decided that they will not attend hours that have been booked. In these cases, the claim should be amended on the relevant headcount claim.

6.10 If a parent has contacted the provider about an attendance issue, then an agreement needs to be made between the provider and the parent carer about the best course of action for the child. If there are safeguarding concerns providers should follow these up in line with EYFS and local policy template, also where appropriate signpost families to other professionals for help and support.

Overclaims

6.11 An overclaim occurs when a parent carer chooses to use funding at more than one provider and the total weekly or termly hours exceed the child's entitlement.

6.12 We will check for termly overclaims after headcount data has been submitted as part of our routine data checks.

6.13 Where an overclaim has been identified we will send a message to all affected providers to advise and will automatically reduce the funding for all providers involved if we have not been advised of a resolution by the deadline provided.

Cross border checks

6.14 We work closely with our neighbouring local authorities to ensure that children sharing hours with providers in different counties do not overclaim. If an overclaim is identified, both providers will have their funding reduced until the parent carer confirms where they want the funding to be claimed.

Section 7: Removal of a funded place

7.1 Where a parent carer's behaviour is unreasonable e.g., abusive, destructive, or disruptive, providers could consider withdrawing a funded place. Adequate policies **must** be in place that comply with all relevant legislation. The removal of a funded place should only be considered as a last resort.

7.2 The funded place **must** not be removed if the parent carer is unable to pay for additional sessions and/or charges and has a debt with the provider, but you can amend your contract so funded time only is provided. This will mean the parent carer doesn't incur additional charges.

Section 8: Compliance

8.1 We **will** carry out termly spot check audits on providers to ensure compliance with the requirements of delivering the funded entitlements in line with this Provider Agreement.

8.2 The Early Years' Funding Team **will** contact providers directly to request relevant documentation for the purpose of the audit. This will include copies of the child's ID documentation, invoices raised, the setting's policy documents and the parent carers' declaration form. This will also include a check of the setting's website. Confirmation of the audit **will** be sent via email with a list of the documents and records that will need to be inspected during the audit. Please ensure that all information is readily available as requested.

8.3 The provider **will** be asked to take steps to rectify any non-compliance within a specified timescale.

8.4 In the event of a provider failing to rectify any non-compliance, or if there is a fraudulent claim, inappropriate use of funding, failure to comply with any of the terms and conditions or if there is a serious breach, we may decide to withhold further funding or may seek to recover funding already paid. The provider **will** be informed of such decisions in writing and given an opportunity to make written representations to us, prior to the final decision being made, and subject to the right of appeal.

8.5 As funding cannot be withdrawn from Maintained Schools, the Early Years and Childcare Team **will** work with the school to address compliance issues.

8.6 We **will** discuss matters relating to the providers registration with Ofsted, as necessary.

8.7 Should a provider not have a valid certificate of registration or has a problem of any kind with their Ofsted registration at any time and for whatever reason, we **will** withhold further funds from the provider and may seek to recover funds already paid either in whole, or in part. The provider may request to have their funding reinstated once in receipt of a valid certificate of registration from Ofsted unless this is due to an 'urgent improvement' or 'not met' Ofsted outcome in any areas, from November 2025.

8.8 The Local Authority is also audited to check that accurate records are kept for the processing of funding and payments.

Section 9: Termination and withdrawal of funding

This section does not apply to Maintained Schools.

9.1 Suspension of registration by Ofsted, the Independent Schools' Inspectorate (ISI), a breach of statutory requirements, a 'not met' judgement with enforcement or safeguarding issues may result in the termination of the arrangement and withdrawal of funding.

9.2 Our terms and process for termination/withdrawal of funding are set out in this section below. Termination provisions include those required by [regulation 7 \(Termination of the arrangements\) of the Local Authority, \(Duty to Secure Early Years Provision Free of Charge\) Regulations 2014](#) and [regulation 37 \(Arrangements between local authorities, early years providers: termination\) of The Childcare \(Early Years Provision Free of Charge\) \(Extended Entitlement\) Regulations 2016](#) and [Early Education and Childcare: Statutory Guidance for Local Authorities](#).

Ofsted/Independent Schools' Inspectorate (ISI) outcomes

9.3 From November 2025, any registered provider judged as 'Urgent improvement' or 'not met' in any of the areas by Ofsted or the Independent Schools Inspectorate **must** inform the Early Years Adviser within five working days of the inspection taking place.

9.4 The Early Years Entitlement Funding will **not** automatically be suspended if providers work with the Early Years Team to make the necessary changes identified by Ofsted or (ISI) inspectors.

9.5 On publication of the report the provider **must** write to parent carers informing them of the outcome and provide them with the option to either remain at the provision or transfer to another provider. Where a parent carer chooses to move their child to another provider a notice period on the funded time would not apply. A record of responses **must** be kept.

9.6 The Early Years Adviser, on behalf of Shropshire Council, **will** send the provider a letter informing them they are being entered onto the process and what this means for them.

9.7 If there are serious safeguarding concerns i.e., the safety and welfare of children is at risk, funding **will** be withdrawn with immediate effect.

9.8 Providers **must** inform the Early Years Team (earlyyears@shropshire.gov.uk) about any matters that impact upon the provider's registration with Ofsted, as they arise. The provider **must** thereafter keep the Early Years Team informed about developments and changes in this regard.

Section 10: Appeals process

10.1 A provider that is denied approval to offer the funded entitlements or has their funding withdrawn by us may appeal the decision provided it is done so within four weeks of the decision and emailed to the earlyyears@shropshire.gov.uk.

Please outline the reason for your appeal, a detailed description of the background, name of person and setting and date.

Section 11: Complaints process

11.1 The provider **must** ensure they have a complaints procedure in place that is published and accessible for parent carers who are not satisfied their child has received their funded entitlement in the correct way, as set out in this agreement and in [Early Education and Childcare Statutory guidance for local authorities](#). The provider **must** promptly provide a copy of their complaint's procedure to us on request.

11.2 The Local Authority's complaints procedure can be used by parent carers who are not able to resolve their concern directly with the provider and who are not satisfied that their child has received their funded entitlement in accordance with the legislation or as set out in this agreement.

11.3 If a parent carer or provider is not satisfied with the way in which their complaint has been dealt with by us or believes the Local Authority has acted unreasonably, they can make a complaint to the Local Authority Ombudsman. Such complaints will only be considered when the local complaints procedures have been exhausted.

Section 12: Useful links

[Early Years Funding | Shropshire Learning Gateway](#)

[Early Years Pupil Premium | Shropshire Learning Gateway](#)

[Disability Access Fund \(DAF\) | Shropshire Council](#)

[Early Years Inclusion Advice and Funding | Shropshire Learning Gateway](#)

[Early Years Newsletter | Shropshire Learning Gateway](#)

Shropshire Council Contact list

- Alison Rae (EYFS Adviser)- Alison.rae@shropshire.gov.uk / 01743 254467
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- Sarah Jones (Senior System Co-ordinator - Early Years Funding) sarah.jones@shropshire.gov.uk / 01743 254458
- Brydie Porter (System Co-ordinator – Early Years Funding) brydie.porter@shropshire.gov.uk / 01743 254567
- Beth Parry-Jones (System Co-ordinator – Early Years Funding) beth.parry-jones@shropshire.gov.uk / 01743 250967
- Lauren Goodhead (System Co-ordinator – Early Years Funding) lauren.goodhead@shropshire.gov.uk / 01743 252132

Provider Agreement form

Shropshire Council maintains a right to unilaterally vary the agreement to reflect changes in legislation and guidance from the Department for Education (DfE). References to legislation will apply to the legislation as amended, without significant changes to the agreement.

In so doing I will then be entitled to receive funding at the current publicised rate in respect of any funded entitlement places I may provide.

By completing and returning this form you are agreeing to deliver funded places in line with the requirements set out in the Provider Agreement.

Please confirm that you agree to deliver funded places in line with the requirements set out in the Provider Agreement and give your consent to the Council using your personal data as outlined in our privacy notice, by completing the table below.

Name and Title: (Nursery manager and Owner please)		
Name of Setting:		
Setting address:		
Contact Details of the setting: (email & phone number)		
Contact 1	Email:	Contact no:
Contact 2	Email:	Contact no:
Date:		
Signature: Nursery Manager and Owner Please)		

Please return signed form to Daniel Steele (dan.steele@shropshire.gov.uk) on email
by **(N/A)**

