

London Borough of Merton Early Education Funding Agreement

1 April 2024 to 31 March 2025

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OVERVIEW

This Agreement sets out the expectations agreed by the Department of Education on what early education funding is for and how funded early education should be delivered, as set out in the [Early education and childcare \(applies from 1 April 2024\) \(www.gov.uk\)](https://www.gov.uk/government/publications/early-education-and-childcare)

This Agreement does not provide guidance on how providers operate their private businesses, including charges for provision over and above a child's free entitlement hours.

WHO THIS AGREEMENT IS FOR

In this Agreement the term '*providers*' refers to all listed below who are part of London Borough of Merton's Directory of Providers and delivering funded early education;

- Early Years providers and childminders registered on the Ofsted Early Years Register;
- Childminders or childcare providers registered with a childminder agency that is registered with Ofsted;
- Independent schools and academies taking children aged two and over and which are exempt from registration with Ofsted as an early years provider.

The term '*parent*' represents both mother and father or those who have parental responsibility for the child.

Legislation and statutory guidance

The following frameworks and legislation underpin this Agreement where they apply

Early Education and Childcare Statutory Guidance for Local Authorities, April 2024 https://www.gov.uk/government/publications/early-education-and-childcare--2
Childcare Act 2006 http://www.legislation.gov.uk/ukpga/2006/21
Childcare Act 2016 http://www.legislation.gov.uk/ukpga/2016/5/contents
Equality Act 2010 https://www.gov.uk/guidance/equality-act-2010-guidance
School Admissions Code 2014 https://www.gov.uk/government/publications/school-admissions-code--2
EYFS Statutory Framework 2024 https://www.gov.uk/government/publications/early-years-foundation-stage-framework--2
Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014 http://www.legislation.gov.uk/uksi/2014/2147/pdfs/uksi_20142147_en.pdf
Special Educational Needs and Disability (SEND) Code of Practice 2015 https://www.gov.uk/government/publications/send-code-of-practice-0-to-25
Data Protection Act 2018 https://www.gov.uk/data-protection/the-data-protection-act
Working Together 2018 https://www.gov.uk/government/publications/working-together-to-safeguard-children--2

The Local Authority has the right to unilaterally vary this Agreement to reflect any changes in legislation and Departmental guidance issued within the term of this Agreement. Providers will be sent notification of any changes.

AGREEMENT TO DELIVER FUNDED EARLY EDUCATION FOR CHILDREN AGED 9 MONTHS TO FOUR-YEARS-OLD

Safeguarding

London Borough of Merton will:

- Continue to exercise its duties to have overarching responsibility for safeguarding and promoting the welfare of all children and young people in their area. These functions of the Local Authority are laid out in the 1989 and 2004 Children Act, along with the 'Working together to safeguard children' 2018 guidance.
- Disseminate Merton's Safeguarding Children's Partnership policy, strategy and training to the childcare workforce.
- Work in partnership with the provider to complete an annual review to support safeguarding and promotion of the welfare of children for whom funded education is provided.
- Take appropriate action as laid out in section 10.4 of the Merton Funded Early Education Guidance 2024-25 if a provider fails to meet the stated requirements.

Providers will:

- Follow the 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 and ensuring safe recruitment.
- Identify a lead practitioner to take responsibility for safeguarding and ensure all staff have relevant training which includes identifying signs of abuse and neglect.
- Have regard to the [Working together to safeguard children \(www.gov.uk\)](http://www.gov.uk) 2023 guidance, Pan London Child Protection Procedures and Practice Guidance (www.londonscb.gov.uk) and other relevant policies/protocols as appropriate.
- Complete an annual review to support safeguarding and promotion of the welfare of children for whom funded education is provided [\[Refer to Appendix Two\]](#).
- Comply with all relevant legislation as listed on page 3 of this Agreement to ensure the safety and welfare of children.
- Follow up on child absences, recording reasons for absence and following up if there are concerns.

Eligible children

London Borough of Merton will:

- Secure a funded place for every eligible child in their area.
- Only make payments in respect of eligible children as set out in sections A1 of the [Early education and childcare \(applies from 1 April 2024\) \(www.gov.uk\)](#)
- Provide a secure web enabled portal (Merton Early Years Provider Hub) to allow providers to validate funding codes and submit their funding claims.
- Notify the provider where a claim has been put on hold due to a code error or duplication of submission.

- Ensure the data is handled and shared in line with Merton’s Privacy Notice [Children’s Services and Education privacy notice](#).
- Encourage providers to be clear, transparent and consistent in the way they deliver funded entitlements and make information easily available for parents.

Providers will:

- Ensure that all children’s details returned on the periodic headcount meet the provision of eligibility as laid out in sections A1 of the [Early education and childcare \(applies from 1 April 2024\) \(www.gov.uk\)](#) and in line with your local privacy policy.
- Ensure that parents have signed and dated the declaration on the Parent Funding Agreement Form to agree to the terms and conditions of funding and the number of hours that can be claimed.
- Ensure that parents are issued with a Data Privacy Statement.
- Validate parents’ eligibility codes via Merton’s Early Years Provider Hub before a child takes up a working parents entitlement place and before the start of each subsequent term they continue in that place, to ensure that the child remains eligible for funding.
- Continue providing the working parents entitlements for eligible children during the Grace Period.
- Continue to offer a child receiving the working parents entitlement for 3&4 –year-olds access to their universal entitlement should the parent’s Grace Period end due to their circumstances having changed.
- Obtain a Merton EY Voucher code and Merton two-year-funding eligibility confirmation letter from parents for every funded two-year-old, before they take up a place.
- Continue to offer a place for two-year-olds of families in receipt of additional government support for the required period or until the child transitions onto the universal entitlement for three-year-olds, even if the eligibility of the child changes during this time.
- Ensure any deposit paid to secure a child’s funded entitlement place is refunded to the parent in full within a reasonable timescale.
- Retain paper or digital copies of documentation to enable the Local Authority to carry out financial audits. Where a provider retains a copy of a document it must be stored securely and deleted when there is no longer a good reason to keep the information, in accordance with the Data Protection Act 2018.
- If required, register their business with the Information Commissioner’s Office.
- Check original copies of documentation to confirm a child has reached the eligible age.

Flexibility

London Borough of Merton will:

- Encourage providers to offer flexible provision of places, such as at weekends, outside of school term times and stretched over more than 38 weeks where there is an identified need as assessed through the Childcare Sufficiency Assessment.
- Continue to fund a child who has ceased to meet the eligibility criteria as determined by HMRC but is within the Grace Period (refer to section 4.4 of the Merton Funded Early Education Guidance 2024-25).

Providers will:

- Offer funded places within the national parameters as set out in sections A2.4, A2.5 and A2.6 of the [Early education and childcare \(applies from 1 April 2024\) \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118122/early-education-and-childcare-2024-25.pdf)
- Ensure parents are aware at the point of access how the Early Education entitlements are delivered. This should be available in a published document. This should include the days, times, if they stretch the entitlement over more than 38 weeks and any admissions criteria related to place management.
- Share information about the times and periods at which they offer the funded entitlements to support the Local Authority to secure sufficient places and meet parental demand in the local area.
- Work in partnership with other providers to ensure high quality transitional arrangements are in place to support a child's learning if they change settings on a daily or weekly basis. This could include sharing learning records, or it could involve regular discussions, which may be useful where multiple children move between the same providers.
- Notify London Borough of Merton with immediate effect of any changes to the circumstances of their annual Agreement, such as offering a new entitlement, changing the pattern of delivery or number of weeks that they deliver funded places, closing the business or selling to new owners.

Quality

London Borough of Merton will:

- Only fund providers for children eligible for the funded place when the provider meets the quality conditions as set out in the [Early education and childcare \(applies from 1 April 2024\) \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118122/early-education-and-childcare-2024-25.pdf) section A3 and/or any limiting conditions laid out in section A4.18.
- Fund providers with exemptions from the EYFS if a parent wants their child to take up their place at an exempt provider, or where a child has exemptions from the EYFS.
- Take the appropriate action as described in Merton Funded Early Education Guidance 2024-25, for any provider who fails to meet the required quality standards.
- Provide and publish a universal package of support available to all providers, with additional advice, guidance and information for providers who offer funded early education entitlements.
- Report any breaches of quality in relation to delivery of the EYFS to relevant agencies, such as Ofsted.

Providers will:

- Meet the quality conditions as set out in section A3 of the [Early education and childcare \(applies from 1 April 2024\) \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118122/early-education-and-childcare-2024-25.pdf)
- Deliver funded places within the requirements set out in section A4.18 of the [Early education and childcare \(applies from 1 April 2024\) \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118122/early-education-and-childcare-2024-25.pdf)
- Support parents in the transition of funded children should Ofsted confirm an inspection that does not meet the quality standard.

Partnership working

London Borough of Merton will:

- Encourage partnership working between different providers from across the sector to ensure the market offers the maximum flexibility for parents to access their funded hours.
- Promote equality and inclusion, particularly for disadvantaged families, Looked After Children, children in need and children with special educational needs or disabilities (SEND). Secure local partnerships between all joint working professionals across education, health and social care to support children's outcomes, for example, participation in family and multiagency meetings, contribution to child/family assessments and plans and sharing best practice across early years organisations.
- Publish a parental complaints procedure.
- Work in partnership through Merton's Children's Trust arrangements and other statutory bodies.

Providers will:

- Promote partnership with parents, other professionals and providers to improve the provision, inclusion and outcomes for children in their setting.
- Discuss and work closely with parents, other professionals and providers as required to agree how a child's overall care will work in practice when their funded entitlements are split across different providers, such as in a maintained nursery class and a private provider, ensuring smooth transitions.
- Publish a complaints procedure, accessible for parents who are not satisfied with the early education offer.

Special Educational Needs and Disabilities

London Borough of Merton will:

- Promote inclusive provision for children in accordance with best practice through ordinarily available provision.
- Continue to strategically plan support and services for children with special educational needs or disabilities (SEND) to meet the needs of all children in their local area as per the Special Education Needs and Disability Code of Practice: 0-25 years.
- Administer an SEND Inclusion Fund and publish information about the process for providers to access funding.
- In partnership with the provider complete an SEND annual practice review to ensure that providers are able to evidence how they deliver inclusive practice to meet the needs of children with special educational needs and disabilities (SEND).
- Audit providers' use of SEND Inclusion Funds to ensure that the funds are used to achieve the highlighted outcomes for children as stated in relevant plans.
- Take appropriate action as laid out in the Merton Funded Early Education Guidance 2024-25 for any provider who fails to meet the individual needs of a child or mismanages Inclusion Funds issued.
- Administer the Disability Access Fund (DAF).

Providers will:

- Ensure owners and all staff members are aware of their duties in relation to the Special Education Needs and Disability Code of Practice; 0-25 years and the Equality Act 2010.
- On an annual basis complete the provider SEN Local Offer template so that the Local Authority can publish this as part of the Merton SEN Local Offer.
- Make arrangements to support the Special Educational Needs of any child that is funded and maintain copies of the range of support documents relating to meeting a child's individual needs, such as the SEN Support Plan.
- Ensure the arrangements in place include a clear approach to identifying and responding to SEND.
- Maximise the use of the Disability Access Fund (DAF) to facilitate access to provision.
- Participate in an annual London Borough of Merton SEND Practice review to ensure that they are able to evidence how they meet the needs of all children, including those with SEND, regardless of whether any children with SEND are on roll.

Social mobility and disadvantage

London Borough of Merton will:

- Promote equality and inclusion, particularly for disadvantaged families and children in need.
- In partnership with the provider, complete an SEN and Inclusion practice review to ensure that providers are able to evidence how they meet the needs of children who are disadvantaged (receiving Early Years Pupil Premium (EYPP) or early education for two-year-olds).
- Take the appropriate action as laid out in the compliance section of the Merton Funded Early Education Guidance 2024-25 for providers that fail to meet the required standards
- Publish a series of good practice guides with a focus on equality and inclusion.

Providers will:

- Ensure that they have identified the disadvantaged children in their setting as part of the process for checking two-year-old funding eligibility and Early Years Pupil Premium (EYPP) eligibility.
- Use EYPP and any locally available funding streams or support to improve outcomes for this group.
- Participate in an annual London Borough of Merton Early Years SEN and Inclusion practice review to ensure that the provider is able to evidence how it meets the needs of all children who are vulnerable due to disadvantage.

Funding places

London Borough of Merton will:

- Manage and distribute the Early Years Dedicated Schools Grant (DSG) in accordance with statutory guidance and as laid out in Merton's Funded Early Education Guidance 2024-25

- Pay providers as set out in the funding process and timetable laid out in the Merton Funded Early Education Guidance 2024-25.
- Consider any information published by Ofsted about a provider or childminder agency, including the recent history at a particular provider or agency or childcare provision at a particular address, before agreeing to fund.
- Manage the process of removal of a provider or childminder agency from the Directory of Providers when terms and conditions of the Funding Agreement and Guidance are not met.
- Complete a Funding Audit of funded providers to ensure that early education funding is used for its required purposes ([refer to appendix 2](#)) and take appropriate action when it fails to use funding for its given purpose.
- Provide a secure online Early Years Provider Hub to allow providers to complete the funding processes and January census.

Providers will:

- Use funded early education for the sole purpose of delivering an early education place for eligible child/ren and in line Merton's Funded Early Education Guidance 2024-25.
- Ensure they have access to a device with a web browser interface at their setting and that they / their nominated staff employed at their setting have IT skills to include the user of web-based applications / software and access to Microsoft Excel as required to process the funding entitlements and census submissions.
- Ensure that they have a signed and agreed Parent Funding Agreement Form for all children who are in receipt of early education entitlements and who they are claiming funding. A copy must be retained for audit purposes for up to 3 years.
- Submit child information and funding data required for each funding period via the online EYP Hub provided.
- Accurately complete and submit the periodic Headcount within the agreed timescales set by the Local Authority. Failure to meet the agreed deadlines will result in a change to the published payments schedule for the named provider
- Accurately complete and submit the supplementary information as required for the January Census. Failure to meet the agreed deadlines will result in an administration charge which will be a minimum of £50 or up to 10% of the total of the provider's submission.
- Keep daily registers of all children who are in receipt of the funded entitlements. These must clearly show each child's start and end times. Copies of these must be kept for up to 3 years for audit purposes.
- Hold all child and family data securely and manage this in accordance with the requirements of the Data Protection Act 2018 and their privacy notice and inform the local authority should there be a data breach.

Charging

London Borough of Merton will:

- Publish to parents how they can complain when they consider a provider is not delivering the funded entitlements within the regulation requirements.
- Complete a full investigation of any complaints received and take the relevant action as laid out in the Merton Funded Early Education Guidance 2024-25.

- Ensure providers are mindful of the impact of additional charges on the most vulnerable families.
- Provide support for providers to publish clear, itemised invoices and receipts, allowing parents to see that they have received their funded entitlements completely free of charge and publish the fees for additional services/hours.

Providers will:

- Be completely transparent about any additional charges, for example, for those parents opting to purchase additional hours or additional services.
- Be able to charge for meals and snacks as part of the funded entitlement place (but not a condition of accessing a place) and charge for consumables, additional services and hours as shown in the examples below:
 - Consumables, such as nappies/sun cream (not educational resources)
 - Additional services, such as trips, yoga/ballet class
 - Additional hours, that is hours over and above the funded entitlement(s)
- Ensure that any charges to parents for meals, snacks, consumables or additional services are clear and transparent and agreed with the parent.
- Ensure that they have a policy on any alternatives available to parents to reduce the cost or waive the cost of any of the above where a parent is unable or unwilling to pay for these, for example allowing a child to bring a packed lunch or still access early education without having to pay for a yoga/ballet class.
- Deliver the funding entitlement(s) equitably and consistently and must ensure that all children have access to the same quality of provision regardless of whether they opt to pay for additional hours, services or consumables.
- Be able to charge parents deposits to secure a child's free place but should refund these in full within a reasonable timescale of a child taking up their place.
- Be mindful of the financial barriers for disadvantaged parents to be able to take up their child's entitlements, for example, deposit, non-refundable registration fees, additional charges.
- Ensure that invoices and receipts are clear, transparent and itemised, allowing parents to see that they have received their funded entitlements completely free of charge and understand the fees for additional services/hours.
- Not charge parents "top-up" fees (this is the difference between the provider's usual childcare hourly rate and the hourly funding rate set by the Local Authority) and not require a parent to pay a registration fee as a condition of taking up their child's free place.

Information, advice and training

London Borough of Merton will:

- Secure information, advice and training for providers. Details of this are provided on the Local Authority website at: www.merton.gov.uk/supportforchildcareproviders
- Offer support in accordance with the national parameters on quality as set out in [Early education and childcare \(www.gov.uk\)](http://www.gov.uk) and the EYFS statutory framework.
- Regularly keep in contact with providers via email information bulletins.

Providers will:

- Accurately complete and submit other necessary data returns linked to Childcare Sufficiency and Information duties by the agreed dates.
- Provide up-to-date information for families by maintaining details published in the Merton Directories of Local Services (Family Services Directory and Local Offer) at www.merton.gov.uk/fsd such as vacancies, contact details, opening weeks, days and times, school pick-up / drop-off services.

Agreement Declaration – 1 April 2024 to 31 March 2025

Section 9 of the Childcare Act 2006 gives Local Authorities powers to make sure that any provider (except the governing bodies of maintained schools) with whom they enter into a financial agreement meets the requirements imposed on them. This allows the Local Authority to withdraw funding if a provider fails to meet the contractual conditions contained within this Agreement.

For 2024 to 2025, this declaration form is to be completed and signed electronically via your setting's account on the Merton Early Years Provider Hub.

[Sign In - Synergy \(servelec-synergy.com\)](http://servelec-synergy.com) The Annual Agreement form can be found under the Forms tab.

If you are a setting registered owner / manager who does not administer the funding for your setting and so does not have access to the EYP Hub, you will need to ask your funding administrator to complete this on your behalf.

All parts of the electronic declaration form must be completed in full and the required signature provided before this Agreement can be processed.

Any queries regarding the EYP Hub should be directed to ey.funding@merton.gov.uk