
Milton Keynes
City Council
Early Education
Funding Guidance.
April 2026

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1. Introduction

Welcome to the Milton Keynes Early Education Provider Guidance.

This guidance is for all Early Years Providers in Milton Keynes that offer Early Years Funded Places. It is your guide to the standards for offering early learning for Early Years Funded places for eligible 9 months, two, three and four-year olds.

Details of providers offering this entitlement will be listed in the Family Information Directory. This is a service which enables parents/carers to search for early years providers across Milton Keynes.

This guidance is effective from 1st April 2026 and replaces all previous guidance documents provided by the local authority.

1.1 Key Local Authority Responsibilities:

- Local authorities must secure a free entitlement place for every eligible child in their area
- Local authorities must work in partnership with providers to agree how to deliver free entitlement places
- Local authorities must be clear about their role and the support on offer locally to meet the needs of children with special education needs and/or disabilities (SEND) as well as their expectations of providers
- Actively promote fundamental British Values and not promote views or theories as facts which are contrary to established scientific or historical evidence and explanations
- Local authorities will engage with providers with less than the 'Expected Standard' Ofsted outcomes through supportive challenge: so that an 'Expected Standard' grade can be secured at the next inspection. Support will include a post Ofsted action planning meeting to identify improvements made and actions planned. This may also include signposting to training or other quality improvement programmes which have been identified as necessary to address concerns raised in their Ofsted inspection report
- Local authorities must contribute to the safeguarding, and promote the welfare, of children and young people in their area
- Local authorities are required only to remove Early Education Funding from a provider from the date of the provider's published Ofsted report if the outcomes are below the 'Expected Standards' and/or safeguarding is not 'Met'
- Local authorities are required to fund providers from the date of the provider's published Ofsted report if the outcomes meet the 'Expected Standards'.

1.2 Key Provider Responsibilities (if these are not delivered then funding will be withdrawn):

- The provider must comply with all relevant legislation and insurance requirements
- The provider must ensure compliance with all aspects of this guidance, including engagement with the local authority audit, application of notice periods, ensuring transparency of additional fees and charges
- The provider must deliver the free entitlement consistently to all parents/carers, whether in receipt of 15 or 30 hours and regardless of whether they opt to pay for optional services or consumables. This means that the provider must be clear and communicate to parents/carers details about the days and times that they offer free places, along with their services and charges. Those children accessing the free entitlements should receive the same quality and access to provision
- Providers must ensure their invoices and receipts are clear, transparent, itemised, and clear what is being charged for any additional hours
- The provider must follow the statutory Early Years Foundation Stage (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 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/carers
- Planning Guidance: All providers must have appropriate planning permission for the use concerned. This is particularly so if the premises is operated as a Day Nursery or as a Care Home business looking after children. In the case of childminders, this may be applicable if you work with an assistant, another registered childminder or care for more than six different children within a 24 hour period. For clarification, you should submit an application for a lawful development certificate or seek approval where the use requires planning permission. For further information, you can use our Planning Pathways. Environmental Health: All providers must comply with Environmental Health legislation and should download and complete a Safer Food Better Business pack from the Food Standards Agency website . For any further information or guidance contact ehfst@milton-keynes.gov.uk or 01908 252100
- Continuity of Education: Providers must support the local authority to ensure parents/carers apply for a school place on time. To ensure children have opportunity to access local high quality education provision
- The provider must provide the local authority with information and data, including take up and capacity of childcare places and support the local authority to understand ongoing supply and demand of childcare places.

1.3 Safeguarding

Providers **must** ensure children are kept safe. If a professional working with children has concerns regarding the well-being of the child and / or their family a referral must be made to the Multi Agency Safeguarding Hub (MASH) on 01908 253169 or 01908 253170.

The Local Authority Designated Officer (LADO) must also be notified of any concerns. Further details of the LADO role and contact details are available.

Providers (which includes setting leader, committee and/or management) must follow the EYFS and have clear safeguarding policies and procedures in place that are in line with local guidance and procedures for responding to and reporting suspected or actual abuse and neglect.

The setting leader, committee and/or management must understand and take responsibility for their safeguarding policies and procedures.

A Designated Safeguarding Lead (DSL) practitioner in settings and schools must take responsibility for safeguarding. In a childminding setting the childminder is the DSL. All staff must have training to identify signs of abuse and neglect.

The DSL should update their training every two years. All other staff should update their training every two years, plus an annual update. This can be in the form of a staff meeting where safeguarding is the main focus, keeping updated on documents and procedures.

Providers **must** have regard to the following guidance:

- Working Together to Safeguard Children
- Keeping Children Safe in Education
- Early Years Foundation Stage (EYFS) Statutory Framework
- Prevent Duty Guidance

If providers have concerns about children's safety and welfare, they must notify agencies with statutory responsibilities without delay. This means the local children's social care services and, in emergencies, the police.

1.4 Legal Framework and Statutory Guidance

The following frameworks and legislation underpin this guidance:

- Early Education and childcare, Statutory guidance for Local Authorities 2025
- Childcare Act 2006
- Childcare Act 2016

- Equality Act 2010 (Amendment 2023)
- School admissions code 2021
- Statutory framework for the Early Years Foundation Stage 2024
- Local Authority, (Duty to Secure Early Years Provision Free of Charge) Regulations 2024
- The Childcare (Early Years Provision Free of Charge) (Extended Entitlement) Regulations 2020
- CFA 2014 and SEND Regs 2012
- UK General Data Protection Regulations (UK GDPR)

1.5 Definitions

In this guide the following words shall have the following meanings:

MKCC	Milton Keynes City Council
Eligible Children	Children who meet the MKCC funding criteria as set out in the eligibility section of this guidance.
Funded Early Education (FEE)	Provision of early education to eligible children.
Early Education Funding (EEF)	Funding from MKCC to a provider for the provision of early education.
Early Learning for Two-Year Olds (EL2)	Funding for families with 2-year olds, previously known as Disadvantaged funding.
Provider	Person or place registered to provide funded early education. This includes Pre Schools, Day Nurseries, Childminders, Independent Schools, Maintained Nursery Schools, Maintained Schools, Academies, Childminder Agencies.
Block	Period of time related to three funding blocks, starting, and ending on fixed dates. These fixed start dates are 1st January, 1st April , and 1st September. There are three blocks a year that run consecutively.
Funded Session	Provision by a provider of funded early education between specified times on a single day.

2. Eligibility

2.1 General Information

A provider should check original copies of documentation to confirm a child has reached the eligible age for all free entitlements to commence. The provider should retain paper or digital copies of documentation to enable MKCC to carry out audit and fraud investigations if necessary. 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, in accordance with the current General Data Protection Regulation (GDPR) legislation.

Providers should make parents/carers aware that there is a review and appeals process available to them if they disagree with the eligibility outcome as determined by HMRC. The review and appeals process is managed by HMRC.
In the first block that a child becomes eligible, whether it be under two, two, three or four-year old funding, the initial completed parental contract and a copy of the child's identification (birth certificate, passport, legal document, etc.) must be scanned and emailed to: nursery.education@milton-keynes.gov.uk . The local authority must ensure that a child has a free entitlement place no later than the beginning of the term following the child and parent/carer meeting the eligibility criteria for the free entitlements.

Alongside the eligibility codes, (under two, two, three or four-year olds) a provider must acquire written consent from, or on behalf of, the parent/carer to be able to receive confirmation and future notifications from MKCC of the validity of the parent/carer eligibility codes. This written consent form is part of the Parental Contract which all funded children's parent/carer must sign at the beginning of the block in which their eligibility starts.

Providers must ensure that a parental contract is completed with a parent/carer before a child takes up a free place. This contract should set up their free hours, the pattern of hours taken up during the week and any additional optional charges the parent/carer has opted to pay for. This is to ensure both parents/carers and providers have clarity of the number of entitlement hours and any additional charges agreed. Providers should work with parents/carers to understand which hours and sessions can be taken as free provision.

All parents/carers have to sign a Parental contract and they will be liable for false claims. Consequently, providers will be liable for false claims and may lose out on funding if they have failed to obtain a signed parental contract.

Once a provider has received a signed parental contract each funding block, they should verify the eligibility codes on the eligibility checker on the provider portal, before entering the codes on the block task. Providers should be aware that a code must be verified on the Provider Portal before a child can take up the Working Parents entitlement. The eligibility checker on the provider portal will confirm the eligibility of the eligibility codes to allow a provider to offer the funded places for the eligible under two, two, three or four-year olds.

Changes to applying for validity codes for parents/carers returning to work

A change has been made to the Childcare Regulations to extend the validity code application window for those who are planning to start a new job or return to work from parental leave. This includes maternity, paternity, shared parental or adoption leave.

Previously parents/carers were only able to apply for an eligibility code 31 days before the date they started new work or returned to work from parental leave. From now on, parents/carers will be able to apply from the following dates:

Date of starting or returning to work	When can parents/carers apply from	When can parents/carers use entitlements from
1 May to 30 September	1 April to 31 August	1 September
1 October to 31 January	1 September to 31 December	1 January
1 February to 30 April	1 January to 31 March	1 April

Funding for families – Early Learning for Two-Year Olds (EL2)

A child eligible for EL2 funding can access the 15 Universal hours only.

Full information about the funding is available.

A parent/carer can make an application through the portal.

A child is eligible if:

- They are looked after by the local authority
- They meet the criteria for Free School Meals (see paragraph below)
- They have a current Education, Health and Care Plan
- They are entitled to Disability Living Allowance
- They are no longer looked after by the local authority as a result of an adoption order, a special guardianship order or child agreements order
- The family receives Working Tax Credits and has an annual gross income of no more than £16,190 per year
- Child of Zambrano Carers
- Child of families with no recourse to public funds with a right to remain in the UK on grounds of private/family life under Article 8 of the European Convention on Human Rights – if a two parent/carer family, both parents/carers must have No Recourse to Public Funds to be eligible
- Child of a subset of failed asylum seekers (supported under Section 4 of the Immigration & Asylum Act 1999 – 'the 1999 Act').

Children are eligible to receive Free School Meals if their parents/carers are in receipt of any of the following benefits:

- Income Support
- Income-based Job Seekers' Allowance
- Income-related Employment and Support Allowance
- Universal Credit – if a parent/carer is entitled to UC and they have an annual net earned income equivalent to and not exceeding £15,400 assessed on up to three of the parent/carer most recent UC assessment periods

- National Asylum Seekers Support (NASS)
- The Guarantee element of State Pension Credit
- Child Tax Credit only, and have an annual gross income of no more than £16,190
- Working Tax Credit 'run on'.

For children born on or after 1 January 2016, eligibility must be checked through an assessment of the parent/carer net earned income over up to three of the UC assessment periods immediately preceding the date of the request for a two-year old entitlement place. Checking earnings over up to three UC assessment periods will take into account families with fluctuating earnings.

The provider should ensure that they identify the relevant children in their setting as part of the process for checking Early Years Pupil Premium (EYPP) eligibility. They should also use EYPP and any local available funding streams or support to improve outcomes for this group of children.

Free entitlement begins the block after the child's second birthday:

A child born between:	May be eligible for a funded place from:
1 January – 31 March	Block 1 – 1 April (following 2nd birthday)
1 April – 31 August	Block 2 – 1 September (following 2nd birthday)
1 September – 31 December	Block 3 – 1 January (following 2nd birthday)

- Eligible Children will remain eligible until the term after their third birthday when they will transfer to the three and four-year old funding that is available to all three and four-year olds
- Children will remain eligible even if there is a change in household circumstances or looked after status, after they have been accepted onto the EL2 funding
- Two-year olds who become eligible after the beginning of the term following their second birthday must be found a place by the start of the next term
- Eligible Children moving into Milton Keynes from another area or country can access EL2 funding at any point during the block.

2.3 Working Parents Entitlement: Under Two's and Two-Year Olds

A parent/carer can make an application through the Gov.uk website.

The beginning of the following term from when a child turns nine months old or two-years old of a working family, may be eligible for some funded childcare. If the eligibility criteria below are met, the child would be entitled to 1,140 funded hours from the extended entitlement. Parents/carers of a two-year old should also be encouraged to apply to see if they are eligible for the EL2 funding.

If a family becomes eligible for the Working Families two-year old funding it will not necessarily make a two-year old child eligible for the EL2 funding. If a child hasn't previously been recorded as using the EL2 funding, the eligibility must be checked before they can receive this funding for a place.

From 1st September 2025, parents/carers may meet the criteria for both EL2 funding as well as the Working Families two-year old funding. If this is the case, MKCC will fund the first 15 hours under the EL2 funding before they fund the Working Families two-year old funded hours. The entitlement is based on a maximum of 15 hours per week for 38 weeks per year.

A child will be eligible if:

- The parent/carer of the child (and their partner where applicable) should be seeking the funded childcare to enable them to work
- The parent/carer of the child (and their partner where applicable) should also be in qualifying paid work. Each parent/carer 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
- If either or each parent/carer's income exceeds £100,000 they will not be eligible for the Working Parents Entitlement
- Where one or both parents/carers 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 before they return to work for those parents on family leave that was started because of the birth or adoption of a 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 relating to caring, incapacity for work or limited capability for work that they are treated as though they are in paid work
- Where a parent/carer is in a 'start up period' (i.e. they are newly self-employed), they do not need to demonstrate that they meet the income criteria for 12 months to qualify for the Working Parents Entitlement.

For the Working Parents Entitlement for nine months plus the entitlements begin the block after the date on which the child turns nine months old:

For the two-year old Working Parents the entitlements begin the block after the child's 2nd birthday:

A child born between:	**May be eligible for a funded place from:**
1 January – 31 March	Block 1 – 1 April (following 2nd birthday)
1 April – 31 August	Block 2 – 1 September (following 2nd birthday)
1 September – 31 December	Block 3 – 1 January (following 2nd birthday)

- MKCC will audit the codes of resident children in receipt of the extended entitlement at six predefined dates in the year to ensure the child has not become ineligible
- Once a child becomes ineligible the child will enter a '**Grace Period**' (the provider can view the status of a child's code on the dashboard on the

provider portal). During this '**Grace Period**' the child will continue to be funded for the 570 hours until the specified grace period end date arrives

- To access the extended hours when a validity code has been issued mid-block, it will be from the block following a child's second birthday or the block following the code's issue.

Parents/carers must check their eligibility for the extended hours through the Government's online childcare service. Funding is available from the block following their second birthday until the child reaches compulsory school age or they become ineligible.

2.4 Three and Four-Year Olds

Universal entitlement

Every three and four-year old is eligible for 570 hours of free early education. Funding is available from the block following their third birthday until they enter school, unless formal deferred entry is agreed. If children have a deferred entry, they continue to be entitled to claim funding at a provider until the end of the school term in which their fifth birthday falls.

When a child starts school, they may be phased into the school gradually. If a child continues to attend another provider during this transition period, they can claim funding at both providers for a maximum of four weeks.

Childminders are not able to claim for their own children or any child that is a blood relative, stepchild or foster child.

Extended entitlement

A three or four-year old child of a working family may be eligible for 1140 hours of free childcare. If the eligibility criteria are met, the child would be entitled to 570 free hours from the universal entitlement and a further 570 free hours through the extended entitlement.
A parent/carer can make an application through the Gov.uk website.

A child will be eligible if:

- The parent/carer of the child (and their partner where applicable) should be seeking the funded childcare to enable them to work
- The parent/carer of the child (and their partner where applicable) should also be in qualifying paid work. Each parent/carer 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
- If either or each parent/carer's income exceeds £100,000 they will not be eligible for the Working Parents Entitlement
- Where one or both parents/carers 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 before they return to work for those parents on family leave that was started because of the birth or adoption of a 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 relating to caring, incapacity for work or limited capability for work that they are treated as though they are in paid work
- Where a parent/carer is in a 'start up period' (i.e. they are 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 Parents Entitlement
- If a non-EEA national, the parent/carer must have recourse to public funds.

Parents/carers must check their eligibility for the extended entitlement through the Government's online childcare service. Funding is available from the block following their third birthday until the child reaches compulsory school age or they become ineligible.

Three and four-year old entitlements begin the block after the child's 3rd birthday:

A child born between:	**May be eligible for a funded place from:**
1 January – 31 March	Block 1 – 1 April (following 2nd birthday)
1 April – 31 August	Block 2 – 1 September (following 2nd birthday)
1 September – 31 December	Block 3 – 1 January (following 2nd birthday)

Eligible children of working parents/carers will continue to be entitled to free early education place as part of the universal entitlement until they enter school or they become ineligible.

- MKCC will audit the codes of resident children in receipt of the extended entitlement at six predefined dates in the year to ensure the chid has not become ineligible
- Once a child becomes ineligible the child will enter a 'Grace Period' (the provider can view the status of a child's code on the dashboard on the provider portal). During this 'Grace Period' the child will continue to be funded for the extra 570 hours until the specified grace period end date arrives
- To access the extended hours when a validity code has been issued mid-block, it will be from the block following a child's third birthday or the block following the code's issue.

Children in Foster Care

- A child will be entitled to the extended hours from the block after their 9 month birthday
- Children in foster care who have attained the relevant age are also eligible for the working parent entitlement, provided the foster parent is in paid work outside their fostering role and does not expect their adjusted net income to exceed £100,000 and the foster parent does not have to meet the minimum income requirement

- The foster carers or single foster carer must be engaging in paid employment other than that as a foster parent for the foster child to be eligible for the Extended hours and their adjusted net income does not expect to exceed £100,000
- Access to the extended hours has to be consistent with the child's care plan, placing the child at the centre of the process and decision making. The foster carer should apply to MKCC to ensure that accessing the additional hours is consistent with the child's care plan
- If all the above criteria cannot be met, the foster carer must apply for a validity code from HMRC and meet all the qualifying criteria in their own right
- Other than the code application process and reconfirmation process, all other provisions apply to children in foster care accessing the extended hours in the same way as they do to all other children
- Foster carers who are unhappy about decisions made by MKCC should seek resolution through their social worker or through the MKCC complaints process.

Validity Code Deadline

The deadline for parents/carers to apply for validity codes and pass to their provider for each block are:

31 March	Block 1
31 August	Block 2
31 December	Block 3

For families that may have a delay with their code being issued by HMRC, MKCC will accept code start dates up to the dates below – this only applies to parents/carers who have applied or reconfirmed by the 31st deadline but receive their valid code after the beginning of the new term (evidence from the parent/carer's HMRC secure account will need to be seen as proof of application/reconfirmation on or before the 31st deadline):

- Parent/carer applied/reconfirmed by 31st March – code validity start dates will be accepted between 1st and 14th April
- Parent/carer applied/reconfirmed by 31st August – code validity start dates will be accepted between 1st and 14th September
- Parent/carer applied/reconfirmed by 31 December - code validity start dates will be accepted between 1st and 14th January
- Outside of these circumstances, if the start date of a code is after the 31 March/August/December then the extended hours aren't accessible until the following funding block.

2.5 The Grace Period

The Grace Period enables parents/carers to retain their childcare place for a short period if they become ineligible for 30 hours. The Grace Period checking dates are:

Validity End Date	**LA Audit Date**	**Grace Period End Date**
1 January – 10 February	11 February	31 March
11 February – 31 March	1 April	31 August
1 April – 26 May	27 May	31 August
27 May – 31 August	1 September	31 December
1 September – 21 October	22 October	31 December
22 October – 31 December	1 January	31 March

- Parents/carers reconfirm their eligibility around every three months depending on when they first applied for their validity code. There will be three dates attached to each code (only MKCC and the provider sees these dates)
- The 'validity start date' is the date on which the parent/carer has applied and been issued a code. The 'validity end date' is the parent/carer 'deadline' for reconfirming. Their 'Grace Period' date is the last date on which they should receive their Extended hours place
- The Eligibility Checking System (ECS) will automatically assign Grace Period end dates to every eligibility code. When the local authority funding system is updated overnight with code details, the provider can check on the dashboard on the provider portal the current position with regards to the validity of a code
- When a parent/carer applies to HMRC to re-validate their validity code and they are no longer eligible, usually due to a change in their personal circumstances, then the Grace Period becomes applicable, and the child can access the extended hours up to the end of the Grace Period date that is issued with every validity code – see table above for the applicable dates. The Grace Period doesn't apply if a parent/carer decides to not revalidate their code once it has expired.

Children should not be permitted to start an Extended hours place at a provider during the Grace Period. This includes the following scenarios:

- Where a parent/carer falls into their Grace Period before the child has started the Extended hours place
- Where a parent/carer falls into their Grace Period whilst their child is in their Extended hours place, and the parent/carer seeks to move the child to a different provider.

Parents/carers should be reminded by providers that if a family cease to meet the eligibility criteria for the extended hours and any grace period has expired, they can still continue to use the child's universal hours, providing they have not exceeded the total number of hours due each block. If a child attends more than one provider, then the parent/carer should choose at which provider they wish to access just the universal hours.

3. Flexibility

Children should be able to take up their full entitlement to early education at times that best support their development, learning and at times which fit with parental/carer needs.

Providers can deliver their own model of flexibility using the following principles:

Childcare Session	Quantity
Minimum length	No minimum session length *(subject to requirements on the Ofsted Early Years Register)*
Maximum length	10 hours
Time of Delivery	6.00am to 8.00pm
Weeks of childcare	38 weeks – 52 weeks
Childcare days	Up to 7 days a week
Number of providers	A maximum of 2 providers in a single day

Providers have total autonomy to decide how they offer childcare places in line with the parameters outlined above and are not required to offer the full entitlement in order to receive funding for the delivery of universal free places.

The extended entitlement for working parents/carers awards eligible children access to up to 1140 hours of free childcare over a 52 week period. How the free childcare hours are used is the responsibility of the parent/carer. Therefore, parents/carers have the freedom to decide when, where and how many hours they access to suit their needs. The free childcare hours can also be accessed outside of school term dates and at weekends. Providers should work with parents/carers to understand which hours and sessions can be taken as the free provision. Not all providers will be able to offer fully flexible places, but providers should work with parents/carers to ensure that as far as possible the pattern of the entitlement hours is convenient for parents/carers working hours. There is no requirement that free places must be taken on or delivered on particular days of the week or at particular times of the day.

Providers need to be aware that the free entitlement hours cannot be compressed i.e. a parent/carer cannot take more than 15 or 30 hours per week over fewer than 38 weeks of the year. However, a parent/carer 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.

The provider should work with the local authority and share information about the times and periods at which they are able to offer free entitlements to support the local authority to secure sufficient stretched and flexible places to meet demand in the local area. The provider should also make information about their offer and admissions criteria available to parents/carers at the point the child first accesses provision at their setting.

Research has shown that continuous provision is in the best interests of a child, hence it is encouraged that providers attempt to offer the provision hours in continuous blocks with no artificial

breaks throughout the day. For example, a provider should not offer 10 am to midday and 1 pm to 3pm as entitlement hours and offer only private paid hours in between.

It is possible for children to claim their funding from no more than one provider in any one day. If considering more than two providers, parents/carers should be encouraged to consider the impact on the continuity of care for the child when accessing the free entitlement at multiple providers. The provider should discuss and work closely with parents/carers 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.

A child is able to access entitlement across two providers, though no more than two sites in one day, however, **BOTH** need to provide the same offer i.e., both term time only **or** both stretched. It is critical that providers have clarifying conversations with parents with regards to how entitlement hours will be accessed and whether multiple settings are being accessed. If a split across providers is being requested and it is not in line with provider guidance, then this should be made clear at the time and the parent should be advised of the impacts of proceeding. If shared care is in place, both providers must ensure they share information about the child's learning, needs and progress. This is to ensure consistency for the child and for providers to be able to share with Ofsted the shared care approach.

When using more than one provider, if a parent/carer ceases to meet the eligibility criteria for the Extended entitlement, the parent/carer must choose which provider they will continue to take up their child's universal 15 hours entitlement as long as the child meets the age criteria.

A provider should work with the parents/carers to ensure continuity of care for children and effective transitional arrangements to support children's learning and wellbeing when enabling children to take up their early years entitlement at more than one provider or on more than one site.
It is the decision of a provider if they choose NOT to offer the funding entitlement. Providers are not required to be open for minimum of 38 weeks.

4. Quality

All children should be able to take up their funded hours in high-quality early years provision. Evidence shows that higher quality provision has greater developmental benefits and outcomes for children, particularly for the most disadvantaged and two-year-olds (Early Learning for Two-year olds).

This guidance reflects the Government's intention that, as far as possible, funded places are delivered by providers who have achieved a rating in all evaluation areas of at least the 'Expected Standard' at their most recent Ofsted inspection.

All children deserve the care and support they need to have the best start in life. Children learn and develop at a faster rate from birth to five years old than at any other time in their lives, so their experiences in early years have a major impact on their future life chances. A secure, safe, and happy childhood is important in its own right. Good parenting and high-quality early learning provide the foundation children need to fulfil their potential.

The statutory Early Years Foundation Stage (EYFS) framework sets the requirements that all providers must comply with to ensure that children learn and develop well and are kept healthy and safe. It promotes teaching and learning to ensure children's 'school readiness' and gives children the right foundation for good future progress through school and life.

Providers must ensure that the statutory 'Two-Year Old Progress Check' is undertaken to support the early identification any areas of concern or additional development needs in the three prime areas of learning. Providers must work with parents and other professionals to put in place appropriate support and intervention. The provider should request parents/carers share the Two-Year Old Progress Check if it has been undertaken elsewhere and also request to see the Two-Year Old Development Check undertaken by their Health Visitor. Providers must meet the needs of disabled children and those who have a Special Educational Need.

The decision to fund a provider to deliver early education places will be solely based on the provider's most recent Ofsted inspection outcome.

- A new provider registered with Ofsted or a Childminding Agencies (CMA) will be funded until their first quality Ofsted inspection outcome is published
- A provider with a 'Met' outcome will be funded until their first quality inspection outcome is published
- A provider with an at least 'Expected Standard' in all evaluation areas will be funded for all entitlements including:
  - Under two-year olds of working parents (from 9 months)
  - Two-year olds of working parents
  - EL2 funding
  - Three and four-year-olds.

However, some provision will not be funded following Ofsted's new inspection framework (November 2025). DfE has confirmed the following triggers (thresholds). MKCC continues to be guided by the most recent DfE guidance for local authorities.

The process for withdrawing or refusing entitlements funding will be instigated following a provider's published Ofsted inspection report which includes one or more of the triggers below:

- All entitlements – where there is a 'Safeguarding' outcome of 'Not Met'
- 30 hours childcare for eligible working families, EL2 funding and the universal three and four- year old funding – where 'Leadership and Governance' has been graded as 'Urgent Improvement'
- The entitlement for EL2 funding - where 'Leadership and Governance' has been graded as 'Needs Attention' or below
- Childminders who are registered with a CMA will be funded providing the CMA has an 'Effective' Ofsted outcome
- Childminders who are registered with a CMA will not be funded if the CMA inform MKCC about their action of issuing a 'Notice of Intention to cancel their registration'
- Following a CMA's second consecutive 'Ineffective' inspection judgement, Childminders registered with the CMA should continue to be funded if the CMA has assessed them as

being of acceptable quality and Ofsted has not identified any concerns about the CMA's assessment arrangements
- When Ofsted publish a report about a childminding agency which has an 'Ineffective' outcome, MKCC will be guided by current DfE information Early education and childcare - GOV.UK regarding 'Ineffective' childminder agencies.

When making funding decisions, MKCC will:

- Consider any information published by Ofsted about a provider or CMA, including the recent history about childcare provision at a particular address. This includes Ofsted involvement, reports, concerns and complaints about the provider and non-compliance of EYFS. safeguarding/welfare requirements and SEND responsibilities will also be considered
- Refuse to fund a provider if it has reasonable grounds to believe that the provider is unable to meet any of the requirements set out in the provider guidance.

5. Special Educational Needs and Disabilities (SEND)

A provider must ensure owners, and all staff members are aware of their duties in relation to the CFA 2014 and SEND Regs 2012. Arrangements should include a clear approach to identifying and responding to children with SEN or disabilities.

MKCC will be clear and transparent about the support on offer in their area, through the Local Offer, so parents/carers and providers can access the support. The Milton Keynes full Local Offer is available to view. Providers can also access information and signposting via the SEND Local Offer Facebook page.

A provider should ensure that they keep up to date with information and communications provided by the local authority with regards to SEND such as:

- SEND Support offer to schools and settings
- Ordinarily Available Provision local area documents
- Centralised Training
- Termly SENCO meetings and SEND Update Newsletter
- Accessing the SEND Support Service for general enquiries that cannot be answered through use of the SEND Local Offer

A 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/carers. A provider should contact the MKCC School and Setting Support team for advice and guidance should there be any questions or concerns about the participation and/or inclusion of children with SEND attending their setting. The MKCC School and Setting Support team will actively engage with providers and challenge when necessary to ensure that children with SEND have access to early years provision that meets their needs. This will be escalated to senior leaders as appropriate.

The MKCC School and Setting Support team may contact Early Years Providers upon receipt of a Health Notification Form concerning children who may have SEND or medical needs - next steps will be determined via a triage process.

Early Years providers can themselves seek support for individuals or groups of children by contacting SENDsupport@milton-keynes.gov.uk. In doing so, providers will be asked to demonstrate that they have first sought advice and guidance from the SEND Local Offer and are using the Ordinarily Available Provision document as part of the graduated approach to meeting need.

Providers should ensure they have a strong multi-agency focus by securing local partnerships between professionals including education, health and social care.

Any Inclusion Grant Funding awarded to a provider will be monitored by MKCC to make sure it is being used as agreed in the best interests of the child. Failure to provide agreed support may result in withdrawal of funds. Early Years providers can access guidance and application forms for IGF at Early Years documents | Milton Keynes City Council.

5.1 Disability Access Fund (DAF)

This is a funding measure for early years providers to support children with SEND. The DAF aids access to early year places by, for example, supporting providers in making reasonable adjustments to their settings, purchasing specialist equipment and/or seeking specialised training that would support providers to meet a child's needs.

Eligibility

Under two's, two, three and four-year olds will be eligible for DAF if the child is in receipt of Disability Living Allowance (DLA) and the child receives funded early education. Four-year olds in Maintained Schools Reception Classes are NOT eligible for DAF.

Entitlement for providers

To apply for DAF a provider must submit an application form and a copy of the child's DLA Award Letter to the Monitoring & Payments Officer – Early Years. Providers who have eligible children will be entitled to £975 per financial year. This will be paid in a one-off payment and is not based on an hourly rate, it is an additional entitlement. A child does not have to be taking up the full funded hours of early education to receive the DAF. For a child who accesses two providers for their free entitlement, a parent/carer will need to indicate on their Parental Contract which provider they wish the DAF to be paid to, it can't be split over two providers. Once the yearly amount has been paid to a provider, if the child leaves their setting, they retain the funding, it doesn't have to be repaid to MKCC and it doesn't follow the child to their new setting. The new provider wouldn't be able to claim the DAF for the child until the next financial year. Where a child accesses a provider in a local authority different to the one in which they live, the provider's local authority is responsible for checking the child's eligibility and for funding the DAF.

Identifying eligible children

A provider is responsible for identifying eligible children. Providers are encouraged to speak to their parents/carers in order to find out who is eligible for DAF. Parents/carers of children qualifying for DLA will be required to provide documented evidence of this entitlement. Providers will need to complete an application form and attach the two documents to the online application system on the provider portal under the Disability Access Funding tab.

6. Partnership Working

MKCC will promote partnership working between different types of providers, including childminders. This will be across all sectors: encouraging more providers to offer flexible provision, alongside existing providers.

The providers should work in partnership with parents, carers and other local providers to improve provision and outcomes for children in their setting.

The provider should work with parents/carers to ensure continuity of care for children. This includes effective transitional arrangements to support children's learning and wellbeing when enabling children to take up their free place at more than one provider or on more than one site.

7. Social Mobility and Disadvantage

MKCC will promote equality and inclusion (particularly for EL2 families, looked after children, and children in need) by removing barriers of access to free places and working with parents/carers to give each child support to fulfil their potential.

The provider should ensure that they have identified disadvantaged children in their setting as part of the process for checking Early Years Pupil Premium (EYPP) eligibility. The provider will use EYPP and any locally available funding streams e.g. Deprivation Funding or support to improve outcomes for this group.

The provider will ensure that the impact and outcomes of EYPP spending on each eligible child can be evidenced to MKCC and for the purposes of their Ofsted inspection.

8. British Values

MKCC will investigate concerns about early years providers that do not actively promote fundamental British values, or which promote views or theories as fact which are contrary to established scientific or historical evidence and explanations.

The learning programmes in the EYFS are clear that providers are expected to offer a broad and balanced curriculum to ensure that children 'understand the world' and learn about similarities and differences between themselves and others. This includes learning about different families, communities, and traditions.

Providers who wish to celebrate religious and cultural festivals, for example putting on a nativity play, a harvest festival or a celebration of Eid, can still do so.

Early education places cannot be secured at a provider who MKCC has reasonable grounds to believe:

- is not meeting the independent school standard in relation to the spiritual, moral, social and cultural development of pupil
- is not actively promoting fundamental British values of democracy, the rule of law, individual liberty and mutual respect and tolerance of those with different faiths and beliefs
- is not Is promoting as fact views or theories which are contrary to established scientific or historical evidence and explanations.

Where MKCC has reasonable grounds to believe that one or more of the criteria set out above applies, funding will be withdrawn.

9. Charging

Government funding is intended to cover the cost 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/carers. There must not be any mandatory charges for parents/carers in relation to the free hours.

Government funding is not intended to cover the cost of meals, other consumables, additional hours or additional services.

Providers can charge parents/carers for the following extras in connection with the free hours, but these charges must be VOLUNTARY for the parent/carer:

- 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 EYFS statutory framework.

Providers can also charge parents/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 free place.

Providers must follow these terms in levying any chargeable extras:

- The costs of chargeable extras should be published on the provider's website or, where they don't have a website, on the MKCC Family Information Directory
- The chargeable extras should be clear, up-to-date and easily accessible to parents/carers to enable them to make an informed choice of provider
- The provider should set out the amounts charged for all the chargeable extras listed above, as well as the pattern of hours that parents/carers can use to take up the entitlements.

Providers **cannot** charge parents/carers for:

- Top-up fees – any difference between a provider's normal charge to parents/carers and the funding they receive from MKCC to deliver free places
- The supply of or use of any materials – this includes, but not limited to, craft materials, crayons, paper, books, instruments, toys, other learning resources that are necessary for the effective delivery of childcare
- Business running costs – including, but not limited to, rent, staff wages, cleaning materials, insurance, utility bills
- Non-refundable registration fees as a condition of taking up a child's entitlement place
- Non-refundable deposits as a condition of taking up a child's entitlement place. The provider may retain their deposit if the parent/carer does not take up their place
- Non-refundable retainer fees in relation to entitlement places
- Additional support cost for children with SEND as part of their entitlement hours or as a condition of accessing an entitlement place
- General charges – including, but not limited to, non-itemised enrichment charges, sustainability charges, business continuity charges, additional charges, enhanced rations, 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.

Transparency

Providers must publish their admissions criteria and any fees for consumables, additional hours and services and make these easily available to parents/carers to make an informed choice of provider. Providers should also make parents/carers aware of what types of alternative arrangements are available for those parents/carers who do not wish to purchase these chargeable extras.

The costs of chargeable extras should be published on provider websites or where they do not have any website, on MKCC Family Information Services. These should be clear, up-to-date and easily accessible to parents/carers, to enable parents/carers to make an informed choice of provider. They should set out, for each setting, the amounts charged for all the chargeable

extras listed above, as well as the pattern of hours that parents/carers can take the entitlements. MKCC advise providers to follow the DfE's template of how to set out these costs and are exempt for childminders and providers caring for ten or fewer children at any one time.

Invoices and receipts should be itemised, and be broken down separately into:

- the free entitlement hours
- additional private paid hours
- food charges
- non-food consumable charges
- activities charges.

This will allow parents/carers to see that they have received their child's free entitlement hours completely free of charge and understand that any charges are for additional hours or voluntary services. Invoices and receipts should include the provider's full details so that they can be identified as coming from a specific provider.

Parents/carers 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, providers should be aware that participation in any voluntary extra activity should be on the basis of parental choice and a willingness to meet the charges. Providers need to ensure even if parents/carers opt out of the chargeable extras, their child must continue to receive provision that complies with the EYFS.

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/carers with options for alternatives to additional charges. This policy must offer reasonable alternatives that allow parents/carers to access the entitlement for free, including allowing parents/carers to supply their own, or waiving the cost of these items.

In the cases listed above, the chargeable extras must not be a condition of taking up a free place. All parents/carers, including disadvantaged families, must have fair access to a free place. MKCC will intervene if a provider seeks to make additional hours, voluntary services or voluntary consumables a mandatory condition of taking up a free place.

Providers should deliver the free entitlements consistently, so that all children within their setting accessing any of the free entitlements receive the same quality and access to provision, regardless of whether they chose to pay for voluntary hours, voluntary extra services, meals or consumables.

Free School Meals: where a child is attending an academy, maintained nursery school or nursery class before and after lunch a child may be eligible for free school meals. To qualify the parents/carers must be in receipt of specified benefits. The school is required to provide a free school meal to eligible children wishing to take up their entitlement. Where a child would qualify for free school meals but chooses to take up their free entitlement in a PVI setting, the meal will not be funded by the local authority. THREE AND FOUR-YEAR OLD CHILDREN ONLY: Providers can charge parents/carer a deposit to secure their child's free place but should refund the deposit in full to parents/carers within a calendar month of the child taking up their place. The purpose of the deposit is to give providers a certainty that a parent/carer will take up a place. It should be made clear to a

parent/carer by a provider that if a parent/carer fails to take up their place, a provider is not obliged to refund the deposit.

The provider must ensure that a parent/carer identifies in the relevant section on the block parental contract if they are using more than one provider for their child, the parent/carer should detail in full which hours/days they are using the second provider alongside that of the first provider. If a parent/carer doesn't identify this themselves, MKCC will allocate to one of the providers accordingly.

Providers should publish their admissions criteria and ensure parents/carers understand which hours/sessions can be taken as their free provision, which optional extras are available to them and the types of reasonable alternatives they have if they choose not to take up these extras.

An eligible child should claim funding from the local authority where the provider operates.

In order to claim funding a child must attend for a minimum of 63% of the agreed free entitlement hours for the block; exceptions to this will be at the local authority's discretion. Providers **must** inform MKCC if a child's attendance drops below the minimum attendance so that the relevant decision can be made regarding their funding.

Providers **must** ensure that funding is spent during the block for which it has been allocated and for the benefit of the funded children for that block. However, in some circumstances it may be justified for the provider to use the funding outside of the allocated block.

An audit will be carried out by MKCC, with prior notice to a provider, to ensure the funding guidelines are being adhered to. The rolling audit programme will inspect providers at least every three years unless there is reason for an audit to be carried out sooner.

10. Funding and Payments

Funding is determined using the local Early Years Single Funding Formula (EYSFF). The rates for 2026/27 are:

Under Two-Year Old Funding	£11.68 per hour – all providers
Two-Year Old Funding	£8.37 per hour – all providers
Three & Four-Year Old Funding	£6.01 per hour – all providers

To claim funding, providers will be expected to submit information to MKCC via the provider portal. This includes regular updates to the Self-Update section of the provider portal to ensure information about their provision is up to date. All information must be submitted to MKCC by the dates specified on the Annual Timeline. Failure to do so will result in monthly payments being withheld or delayed.

If a child claiming the free entitlement leaves/joins after headcount day, the provider must inform MKCC immediately, using the Adjustments Task on the Portal. Funding cannot be used to pay for arrears built up outside of the free entitlement.

Funding can only be claimed for the total weekly funded hours that a parent/carer has completed on their Parental Contract, which should also agree with the number of hours the child actually attends the setting as per the Attendance Register. Registers will be checked as part of a provider's Early Years Funding Audit.

Funding can be claimed by a provider when a child informs them that they are leaving their setting, up to a **maximum** of four weeks. The four weeks' notice period will include term time and non-term time weeks and starts on the day that notice is given in writing from the parent/carer (letter or email form).

Providers must ensure that parents/carers are clear when they sign the provider's contract that they understand about the notice period and that if they don't give the contracted notice this may affect funding being moved to a new provider.

It is strongly encouraged that providers:

- Make explicit to parents during induction that there is a four-week notice period
- Make the four week notice period requirement bold on websites
- Ensure the four week notice period is clearly understandable on enrolment information/form that parents sign to say they are aware of the notice period
- Give the parent/carer a copy of the MKCC Provider Guidance or a link where it can be found online
- Ask the parent/carer to confirm that their child has completed their four week notice period with the 'previous' provider before starting with their 'new' provider
- Tell the parents that if their child is still in the notice period from the 'previous' provider, the parent/carer must pay for their child's place until funding is transferred to the 'new' provider.

The local authority has discretion to amend the four weeks' notice period in exceptional circumstances for example where children are being removed for safeguarding reasons so that children are able to take up their new placement as early as possible in the best interests of the child. In no circumstances will we continue to fund a setting where the child has given four weeks' notice, even if the parent/carer has signed a longer agreement with an individual provider. We would also encourage providers to consider the length of notice periods and consider whether this is appropriate in the spirit of the funding and the best interests of the child.

If a child is excluded from a provider for non-payment of fees, the child cannot be excluded for the flexible free entitlement hours. The only hours that can be stopped are the extra hours being charged for independently by the provider.

Payments are made to providers in three funding blocks. Initial payments will be based upon the estimated number of children and hours to be attended during that block. In exceptional circumstances for example issues identified in the audit process the local authority may decide to pay funding based only on actuals, however individual providers will be informed along with the

reasons for this decision. The final payment in each block is based upon actual attendance for the block. The final payment will reconcile any over or under estimations within the initial payments.

All funding payments are made on a monthly basis, in advance, on or around the 26th of each calendar month. Further payments may be made on submission of new claims through the Adjustments Task. The deadline for Adjustments requests for payment is the last day of each block. Any overpayments of block funding or adjustment payments will automatically be deducted by MKCC from any future payments. A provider will be notified by the Monitoring & Payments Officer – Early Years of any such deductions. If a provider is not due any future funding payments, an invoice will be issued for the outstanding amount.

Calculating Initial Payments:

i. Parent/carer completes and returns Parental Contract to provider
ii. Provider completes and submits estimates during preceding block
iii. MKCC makes monthly payments, and the provider portal is updated

Calculating the final Payment:

i. Provider completes and submits actual data on a set date in each block
ii. MKCC will calculate the final payment of each block and the provider portal will be updated

11. Compliance/Audit

Providers will fill in the requisite forms correctly and return them by the date required. MKCC reserves the right to carry out spot check audits: to ensure compliance with Early Education Funding Guidance and to detect false claims. Providers must maintain all attendance and finance records for a period of six years.

When requested, providers must have at the audit copies of:

- children's attendance registers for the identified funding block
- parental contracts for the identified funding block
- bank statements for the identified funding block
- two to three samples of invoices/charges to parents/carers, if applicable
- records of Income and Expenditure for the identified funding block
- Documentation to prove the current status of the setting e.g., Registered Charity,
  Incorporated Company, Private Owner, Social Enterprise, Ofsted Registration
- copy of current business plan
- copies of accounts
- proposed budget for the year

- any other evidence that can be reasonably requested.

For funding payments, providers must maintain a specific, non-personal bank account, which is dual signatory unless a sole trader.

At the conclusion of an Audit, if any overpayments are found to have been made, these will be clawed back from the next funding payment to that provider. This will be discussed and confirmed with the provider as part of the conclusion of their Audit.

If the funding received for the free entitlement exceeds the amount the provider would normally charge, the provider can keep the excess. However, MKCC will examine financial records to determine how the excess is spent. Providers must contact MKCC upon receipt of any payment for ineligible children.

Failure to provide documentation that is requested to carry out an audit may result in future funding payments being withheld until the audit can be completed.

Any change of circumstances or organisational details, including name, must be reported to MKCC, by the provider as this may result in a change of funding arrangements.

12.Termination and Withdrawal of Funding

Following Ofsted's new inspection framework, DfE has confirmed the following triggers (thresholds) which came into force on 10 November 2025, MKCC has been guided by the recent changes to the DfE guidance.

The process for withdrawing or refusing entitlements funding will be instigated following a provider's published Ofsted inspection report which includes one or more of the triggers below:

- All entitlements – where there is a 'Safeguarding' outcome of 'Not Met'
- 30 hours childcare for eligible working families, EL2 funding and the universal three and four year-old funding – where 'Leadership and Governance' has been graded as 'Urgent Improvement'
- The entitlement for EL2 funding – where 'Leadership and Governance' has been graded as 'Needs Attention' or below.

All entitlements – where there is a 'Safeguarding' outcome of 'Not Met'.

- Providers must inform their parents and make available to them the Ofsted inspection report.
- Providers must inform MKCC
- Following publication of the provider's inspection report, MKCC will contact the provider to ensure they understand that funding will be removed, their current children will be removed

and no new children to be admitted to the setting. MKCC will work with the setting to find alternative places for the current children

- MKCC will consider an appropriate timescale for removing funding and inform the provider. If, for example, MKCC inform a provider that their funding will stop in September, it means the last payment will be in August as payments are made in advance
- The provider will be expected to attend action planning meetings with MKCC so that it can take action to be graded 'Safeguarding Met' at its next inspection.

30 hours childcare for eligible working families, EL2 and the universal three and four-year old entitlement – where 'Leadership and Governance' has been graded as 'Urgent improvement'.

- Providers must inform their parents and make available to them the Ofsted inspection report
- Providers must inform MKCC
- Following publication of the provider's inspection report, MKCC will contact the provider to ensure they understand that funding will be removed, their current children will be removed and no new children to be admitted to the setting. MKCC will work with the setting to find alternative places for the current children)
- MKCC will consider an appropriate timescale for removing funding and inform the provider. If, for example, MKCC informs a provider that their funding will stop in September, it means the last payment will be in August as payments are made in advance
- The provider will be expected to attend action planning meetings with MKCC so that it can take action to be graded at the 'Expected Standard' for 'Leadership and Governance' at its next inspection.

The EL2 funding – where 'Leadership and Governance' has been graded as 'Needs attention' or below

- Providers must inform their parents and make available to them the Ofsted inspection report
- Providers must inform MKCC
- Following publication of the provider's inspection report, MKCC will contact/call the provider to ensure they understand that funding will be refused for any EL2 children new to their setting and no EL2 children new to their setting to be admitted from the date of the published report
- Following the call, MKCC will check the availability of places available at providers with at least 'Expected Standard for Leadership and Governance, Good or Outstanding' grades in the local area. If the 'Expected Standard for Leadership and Governance, Good and 'Outstanding' provision is available, MKCC may decide not to fund eligible disadvantaged two-year-olds new to the setting graded as 'Needs Attention' for 'Leadership and Governance'
- A provider with a 'Needs Attention' outcome will only be funded for EL2 children if there is not sufficient to at least the 'Expected Level or Good or Outstanding' provision in the local area and the provider is willing to accept the local authority requirements.

To note:

- Funding for providers who are graded 'Not Met' for 'Safeguarding' will not have funding resumed until their next inspection report is published stating 'Safeguarding' is 'Met'
- Funding for providers who are graded as 'Leadership and Governance' as needing 'Urgent Attention' will not have funding resumed until their next published inspection report states 'Leadership and Governance' met at the 'Expected Standard'
- Funding for providers who are graded as 'Needs Attention' for 'Leadership and Governance' will not have their funding resumed until their next published inspection report states 'Leadership and Governance' met the 'Expected Standard'
- Funding is not resumed from the inspection date as Ofsted reports need be moderated by the Ofsted moderation team (which means the outcome is not confirmed) before being published. Therefore, any provider with a 'Needs Attention, Urgent Improvement or 'Not Met' grade continues to have this outcome until their new outcome is published. Funding is not back dated to the inspection date
- Providers who do not have funded EL2 children at the time of a published 'Needs Attention, Urgent Improvement or safeguarding Not Met' outcome report are also included in the processes above.

Funding may also be removed if MKCC is concerned about a provider not complying with statutory EYFS compliance which includes safeguarding, welfare and SEND requirements.

A provider who has had an 'Urgent Improvement' and/or 'Not Met' inspection outcome and has deregistered then reregistered with Ofsted to avoid taking the required actions to improve their provision will not be funded.

MKCC will work with the provider to secure alternative provision for the existing children and withdraw funding from a provider (other than a local authority-maintained school), as soon as is practicable, when Ofsted publish an inspection judgement of 'Urgent Improvement and Safeguarding Not Met' or when Ofsted publish a second consecutive inspection judgement of a childminder agency of 'Ineffective'.

Childminders who are registered with a CMA will be funded providing the CMA has an 'Effective' Ofsted outcome.

Following a CMA's second consecutive 'Ineffective' inspection judgement, Childminders registered with the CMA should continue to be funded if the CMA has assessed them as being of acceptable quality and Ofsted has not identified any concerns about the CMA's assessment arrangements.

When Ofsted publish a report about a childminding agency which has an 'Ineffective' outcome, MKCC will be guided by current DfE information Early education and childcare - GOV.UK regarding 'Ineffective' childminder agencies.

13. Data Protection/GDPR

Data from which it is possible to identify children, or any living person (in any medium, including within a Management Information System) is personal data. Such personal data must be

managed and processed in accordance with the requirements of the UK General Data Protection Regulations (UK GDPR) and Data Protection Act 2018 (''Data Protection Legislation''). Data controllers must ensure that their data handling rules comply with the Data Protection Legislation and that staff understand these. It is the providers' responsibility to hold their data in accordance with the Data Protection Legislation including issuing parents/carers with a Fair Processing Notice explaining how their data and data about their child is to be used. The Data Protection Legislation puts in place safeguards regarding the use of personal data by organisations including DfE, MKCC and schools. The Act gives right to those (known as data subjects) about whom data is held. This includes:

- the right to know the types of data being held
- why it is being held
- to whom it may be communicated

A 'Privacy Notice' is a good way to be able to meet data subjects' rights and therefore providers should issue a Notice to parents/carers and staff to explain how their data is being used in the census collections carried out by MKCC during each year. DfE have created a draft template of a Privacy Notice which you can download, if you wish to use this format. The templates will be reviewed and updated by DfE on a regular basis. Best practice is also to include the link which explains how DfE collects and shares data.

Providers are recommended to include a privacy notice in staff induction packs and to make this available to parents/carers via the providers' website as well as featuring it on staff notice-board and/or intranet. They do not need to be issued on an annual basis as long as new staff/parents/carers are made aware of the notices and they are readily available electronically or in paper format.

LEGAL DUTIES UNDER THE DATA PROTECTION ACT 2018 / DATA SECURITY

Providers have a legal duty under the Data Protection Legislation to ensure that personal data is processed securely. Processing includes the collection, handing (use), storage, transmission and deletion of data. Providers could face financial penalties if the Information Commissioner's Office (ICO) fines them for data breaches. Further information can be found at the Information Commissioners Office website.

If personal data is not properly safeguarded it could damage your reputation and compromise the safety of individuals. The provider's responsibility as a data controller/processor extends to those who have access to data beyond your Organisation if working on your behalf, that is, if external IT suppliers can remotely access your information.

It is vital that all staff with access to personal data understand the importance of protecting it; that they are familiar with your security policy; and that they put security procedures into practice. It is recommended that staff are provided with appropriate initial and refresher training. Further useful information can be found at:
The National Cyber Security Centre has information on 10 Steps to Cyber Security

14. Equality

The Equality Act 2010 offers protection against discrimination, harassment, and victimisation. It applies to statutory and non-statutory early years organisations and the provision of early years services. It applies to nine “protected characteristics” - age, disability, marriage and civil partnership, pregnancy or maternity, sex, race, religion or belief, gender reassignment and sexual orientation.

The Equality Act sets out the legal obligations for local authorities to plan what disabled children and young people might require and what adjustments might need to be made to prevent that disadvantage.

Local authorities and other listed public authorities (which include local authority maintained schools and academies) must comply with the public sector equality duty (found in section 149 of the Equality A 2010) which sets out the three “equality needs” that they must have due regard to when making decisions:

- to eliminate discrimination, harassment, victimization, and any other conduct prohibited under the Act
- to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Local authorities and other listed public authorities must also comply with the requirements of the Equality Act 2010 (Specific Duties) Regulations 2011. This places a duty on them to publish information annually demonstrating how they are complying with the public sector equality duty. They must also prepare and publish one or more specific and measurable equality objective every four years.
While private, voluntary, and independent settings are not bound by the public sector equality duty which applies to public authorities, the principles of equity and justice underpinning the law should be applied as good practice. Where provision is overseen, coordinated, or advised by the local authority (or a partnership with local authority membership) the local authority will have responsibility to ensure the duties are fulfilled.

15. Criminal Offences

Notification offences

These are committed where processing is being undertaken by a data controller who has not notified the Commissioner either of the processing being undertaken or of any changes that have been made to that processing. Failure to notify is a strict liability offence.

Procuring and selling offences
It is an offence to obtain, disclose, sell, or advertise for sale, or bring about the disclosure of personal data, without the consent of the data controller. It is also an offence to access personal data or to disclose it without proper authorisation. This covers unauthorised access to and disclosure of personal data. There are some exceptions to this.

Enforced subject access offence

Unless one of the limited statutory exceptions applies, it is an offence for a person to ask another person to make a subject access request in order to obtain personal data about that person for specified purposes, such as a precondition to employment.

Other offences

It is an offence to fail to respond to an information notice or to breach an enforcement notice. Unauthorised disclosures by the Commissioner or her staff are forbidden and breach of those provisions.

Disclosure

Staff should not disclose personal information unless they have specific instructions or procedures from their manager permitting the disclosure. This includes email, fax, letter, verbal or allowing an unauthorised person to view data on the VDU.

16. Complaints and Appeals Processes

Advice on how to complain to the council is available on the MKCC website. Alternatively, you can contact MKCC on: 01908 691691.

All providers should have a complaints procedure in place that is published and accessible for parents/carers. This should be shared with parents/carers from the time that their child is eligible to receive the free entitlement. A parent/carer also has the right to complain if they are not satisfied that their child has received their free entitlement in accordance with the legislation or the guidance in this document.

Where there has been a decision not to provide funding, or to withdraw funding from a provider, a written explanation from MKCC will be provided. The provider has the right to appeal the decision if they feel it is not in line with the guidance. The provider should do this by putting their reason for appeal in writing, addressing it to the Assistant Director of Education and Learning. This should be done within seven days of receiving notification that funding is to be withdrawn.

The Director of Children's Services will consider the appeal against the information provided in conjunction with the Education Performance Board. This will be done within 20 working days. The provider will be informed of the final decision.

A provider who is not satisfied with the MKCC process and feels that maladministration has occurred, may make a complaint to the Local Authority Ombudsman on 0845 602 1983 after the full appeals process with MKCC has been exhausted.

17. Provider Agreement

The provider agreement has been drawn up to ensure MKCC and providers improve outcomes for children.

If a provider fails to adhere to any aspect of the provider agreement or fails to adhere to any other rules or procedures that it must abide by (for example Ofsted standards), then funding may be withdrawn. If MKCC decides not to provide funding, a written explanation will be provided.

However, MKCC seeks to work with providers to ensure that they have the appropriate support and guidance needed to deliver on the necessary commitments, and to ensure that any likely breach is resolved as soon as possible.

All providers must acknowledge receipt of this provider agreement and adhere to the requirements. Failure by a provider to sign and return the agreement means there is no binding agreement that requires MKCC to fund the provider for the provision of early education and childcare.

All providers must read, sign and return the provider agreement (pages 34 – 38) by 1 May 2026.

EARLY EDUCATION FUNDING PROVIDER AGREEMENT

THIS AGREEMENT is made the_____ day of _____2026

BETWEEN: -

Milton Keynes City Council of the Civic, 1 Saxon Gate East, Milton Keynes, MK9 3EJ ("the Council") and

Name of Provider ("the Provider")
OFSTED Number:
Address:

BACKGROUND

(A) The purpose of this Agreement is to formalise the relationship between the Council and the Provider with regard to the provision of Under Two, Two, Three and Four-Year Old Early Education Funding for the delivery of free 'Early Education' to qualifying children in Milton Keynes.

(B) In entering into this Agreement, the Provider is agreeing to comply with **all** the requirements of the Agreement.

(C) The Council will view any failure to comply with the terms of this Agreement as a breach of the legal obligations required of the Provider, which may result in a requirement to repay part or the whole of the Early Education Funding or the Provider ceasing to be entitled to receive Under Two, Two, Three and Four-Year Old Early Education Funding, as detailed in this Agreement.

(D) For the avoidance of doubt the Early Years Provider Guidance shall form part of this Agreement as if it had been repeated here in full.

OPERATIVE PROVISIONS

IT IS AGREED AS FOLLOWS: -

1. Obligations of the Council

1.1 The Council shall pay Under Two, Two, Three and Four-Year Old Early Education funding to the Provider in accordance with the Provider Guidance, subject to the Provider providing the Funded Early Education in accordance with the terms of this Agreement.

2. Obligations of the Provider

2.1 The Provider shall provide the Funded Early Education for Under Two, Two, Three and Four-Year olds in accordance with the Provider Guidance and any other reasonable additional requirements of the Council, notified in writing by the Council to the Provider.

2.2 The Provider shall confirm in all respects with the provisions of the Provider Guidance and all relevant legislation including the provisions of any general or local Act of Parliament and the regulations and by-laws of any local or other statutory authority that may be applicable to the provision of early education or the employment of the Provider's staff.

2.3 Without prejudice to any requirements of this Agreement, the Provider must in particular ensure compliance with the following:

2.3.1 All Eligible Children are entitled to up to 30 hours of free early education per week, for 38 weeks a year, if taken during normal term times; alternatively, up to 22 hours may be taken over the full financial year where a Provider is able to offer the free entitlement on this basis.

2.3.2 The Provider shall provide the Funded Early Education:

a) In accordance with the new Ofsted inspection and reporting framework as detailed above; and

b) in accordance with the curriculum guidance for the Early Years Foundation Stage, and

c) to a standard acceptable to an Ofsted inspector; and

d) in accordance with the criteria set out in the Flexibility section of this guidance

2.3.3 The Provider will be required to submit to an audit of their provision of Funded Early Education, when required by the Council.

2.3.4 The Provider shall promote equality of opportunity and shall ensure that it complies with all statutory obligations as regards preventing discrimination on the grounds of colour, race, nationality, cultural or ethnic origin, marital status, gender, age, disability, religion, gender reassignment or sexual orientation.

Failure by the Provider to comply with the terms of this Agreement and any other reasonable additional requirements notified in writing by the Council to the Provider may

result in a requirement to repay the whole or any part of Under Two's, Two-Year Old, Three and Four-Year Old Early Education Funding or may result in the Provider ceasing to be entitled to receive Under Two's, Two-Year Old, Three and Four-Year Old Early Education Funding.

3 Termination

3.1 The Council may terminate this Agreement for any reason on no less than four weeks written notice to the Provider.

3.2 Notwithstanding clause 4.1 of this Agreement the Council may terminate this Agreement immediately on written notice to the Provider if: -

- The Provider commits a material breach of this Agreement which seriously affects the provision of Funded Early Education, or
- A receiving order is made against the Provider, or the Provider shall become bankrupt or insolvent or shall compound with or assign in favour of creditors (or being an incorporated company) shall resolve to wind up or be ordered to be wound up or shall carry on business under a receiver.

3.3 The provider may terminate this agreement for any reason on no less than six weeks written notice to the Council. Such notice shall clearly identify that it relates to this agreement and shall be sent to Sufficiency, Access and Attendance Team at Civic, 1 Saxon Gate East, Milton Keynes, MK9 3EJ.

4 General provisions

4.1 Insurance

For the duration of this agreement, the provider shall insure against all relevant risks and if requested shall be required to provide written evidence that insurance cover is in place to the Council's required levels which are currently:

(a) Employer's liability – at least £10,000000

(b) Public liability – at least £5,000000

4.2 Variations

If the Council wishes to vary this agreement to ensure better service or to harmonise the service with its changing procedures it shall serve a written notice on the provider to set out the variation and the provider will be deemed to accept the variation to this agreement.

4.3 Waivers

No exercise or failure to exercise or delay in exercising any right, power or remedy vested in any party under or pursuant to this agreement shall constitute a waiver by that party of that or any other right, power or remedy.

4.4 Contracts (Rights of Third Parties) Act 1999

The parties to this agreement do not intend that any provision is to be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this agreement.

4.5 Law and Jurisdiction

This Agreement shall be subject to and governed by English Law. Only the Courts of England will have jurisdiction over matters arising from this Agreement.

Please complete and sign by 1 May 2026:

I agree to my locality and contact details being shared in the online 'Family Service Directory' for parents/carers looking for childcare in Milton Keynes ☐

I wish to deliver funded hours for (Please tick all those that apply):

Under Two-year old provision ☐

Two-year old provision ☐

Three and four-year old provision ☐

SIGNED for and on behalf of the PROVIDER

Authorised signatory for the Provider

Name in full: ……..

Position: ……

Date: ……

SIGNED for and on behalf of MILTON KEYNES CITY COUNCIL



Marie Denny
Assistant Director for Education & Learning


Milton Keynes
City Council