

Funded Early Education Guidance 2024 to 2025

Version 2

From 1 April 2024

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1. Introduction

Welcome to London Borough of Merton's Guidance for the delivery of funded Early Education places for children aged 9 months – 4 years-old. This document sets out the terms and conditions that Early Education providers agree to when delivering funded Early Education places.

These terms and conditions will ensure that the Local Authority (LA) meets its statutory duties under the Childcare Act 2006, the Education Act 2011 and the Early Education and Childcare statutory guidance for Local Authorities (April 2024). This legislation and statutory guidance for LAs underpins all aspects of our local terms and conditions for funding Early Education places. It supports the Merton Early Education Funding Agreement which all providers must sign if they wish to offer funded Early Education in Merton.

Research shows that the impact on children's long-term outcomes is improved when they attend high quality Early Years' provision; especially when those children come from vulnerable backgrounds. Early Years providers have a key role in narrowing the gap in outcomes that some children experience.

This Guidance therefore outlines how the LA works in partnership with providers, ensuring that provision in Merton continues to evolve into high quality, inclusive, customer-focused services which offer real choice for families. Our aspiration is that our Early Years' provision reflects local need and delivers the best possible outcomes for children, as well as supporting parents to return to work or undertake studying/training.

The Guidance explains:

- Eligibility – who is eligible for an Early Education place.
- Flexibility – how Early Education can and should be delivered.
- Quality – the quality standards required to deliver an Early Education place.
- Local limiting conditions that providers must meet to deliver Early Education
- The Single Funding Formula
- Funding – the finance processes for funding Early Education
- Directory of Providers – how to join the Directory, withdraw or be removed from the Directory.
- Compliance – the procedure and possible actions for providers who fall short of terms and conditions of funding.

This document does not provide guidance on how providers operate their private businesses, including charges for provision over and above a child's funded Early Education place. The Local Authority will not intervene in a provider's private business outside of a child's funded Early Education place.

In this document the term '*providers*' refers to an Early Years provider including a childminder registered on the Ofsted Early Years Register; a childminder or childcare provider registered with a

childminder agency which is itself registered with Ofsted; or schools (academies, LA maintained and independent schools 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 and those who have parental responsibility for a child.

2. Key outcomes

London Borough of Merton adheres to the following requirements when managing the delivery of funded Early Education places:

- Allow all providers that meet the quality standard agreed by the Department for Education and the local funding conditions to deliver Early Education places.
- Ensures that, as much as is practicably possible, the models of delivery of funded Early Education are flexible enough within a given local area to allow children to take up their full entitlement at the times that fit with the needs of their parents and that places are offered free of charge.
- Makes sure that children who meet the prescribed criteria are able to take up high quality funded Early Education, regardless of their parents' ability to pay, and that parents are aware this does not offer a guarantee of a place at any particular provider.
- Ensure that providers who deliver Early Education do so in accordance with the Local Authority's terms and conditions as stated in this Guidance.
- Ensure that providers are able to keep children safe.
- Ensure that providers promote equality of opportunities for all children and have arrangements in place to support children with SEN or a disability.
- Ensure providers narrow the gap improving outcomes for children and reducing inequalities.

3. Background

The Childcare Act 2006, Childcare Act 2016 and the Education Act 2011 place duties on Local Authorities to:

- Improve outcomes for all children under five and reduce inequalities.
- Secure enough childcare, in so far as is reasonably practicable, for working parents.
- Secure free early education places for all children who meet the criteria.
- Provide information, advice and assistance to parents.
- Provide information, advice and training to childcare providers.

Section 99 of The Childcare Act allows Local Authorities to collect information about children from providers. These duties are discharged to Local Authorities within the Early Education and Childcare Statutory guidance for local authorities.

4. Early education entitlement places

Outcome: All children who meet the prescribed criteria are able to take up a free early education entitlement place, if parents want one.

Table 1: Child’s qualifying dates of birth

A child born between:	Child will be eligible for funding from:
1 January to 31 March	1 April following the child turning 9 months* or the child’s second or third birthday (as applicable)
1 April to 31 August	1 September following the child turning 9 months* or the child’s second or third birthday (as applicable)
1 September to 31 December	1 January following the child turning 9 months* or the child’s second or third birthday (as applicable)

*From September 2024, as outlined in section 4.3 below

For all entitlements, it is the provider’s responsibility to check the residency and the date of birth of the child by having sight of the child’s original birth certificate or passport.

Eligible children can start in a funded place part-way through a funding period, as long as they have not already received funded hours at another provider in that funding period and subject to being on roll during and/or after the Headcount week (see section 9).

Eligible children who start a funded place part-way through a year can only access the number of funded hours that reflect the portion of their entitlement that remains within the funding periods remaining in that year (i.e. pro-rata hours only).

4.1 Eligibility criteria for 2-year-olds – Families receiving additional government support (15 hours) – Previously known as the ‘disadvantaged entitlement’

Children become eligible for a funded Early Education place of up to 15 hours a week for 38 weeks of the year from the relevant date after their second birthday as in Table 1 above and if the parent meets one of the following eligibility criteria:

- Families in receipt of non-working / working benefits
- A child with an Education, Health, and Care Plan (EHCP)
- A child in receipt of Disability Living Allowance (DLA)
- A child who has left care under an adoption order, child arrangements order or special guardianship order
- A child who is looked after by a Local Authority
- A child who is part of a family with ‘no recourse to public funds’ (NRPF) and lives in England with a household income no more than:
 - £26,500 for families outside of London with one child
 - £34,500 for families within London with one child

- £30,600 for families outside of London with two or more children
 - £38,600 for families within London with two or more children
- And no more than £16,000 in savings or investments.

For the full range of eligibility criteria please refer to [Free education and childcare for 2-year-olds \(www.gov.uk\)](https://www.gov.uk)

Families can check their eligibility via the Merton online eligibility checker: Synergy - Enquiry (servelec-synergy.com). Eligible families will receive a confirmation email and letter with an EY Voucher code. Providers should request a copy of the letter and EY Voucher code from parents as evidence of their eligibility **before the child starts in their place**.

Families who are eligible through non-financial criteria are required to apply and upload supporting evidence to the Merton eligibility checker, which will be checked by the LA **before** an EY Voucher code is issued.

Families with no recourse to public funds are required to contact fsd@merton.gov.uk who will assist with submission of an NRPF application form and supporting evidence to the Merton eligibility checker. This will be checked by the LA **before** an EY Voucher code is issued.

Families from outside the borough wishing to attend a Merton setting are also required to follow the process above and obtain a Merton EY Voucher code.

Families requiring support with applying for this 2-year funding entitlement can contact fsd@merton.gov.uk

Providers must submit a Merton EY Voucher code for every 2-year-old eligible for this entitlement onto the termly Headcount claim on Merton's Early Years Provider Hub (EYP Hub) using the 'Enter EY Voucher' option (please refer to the EYP Hub headcount guidance).

A 2-year-old who has met any of the above eligibility criteria can continue to receive a funded place once they have taken it up, even if the child ceases to meet these criteria at a later date.

In the event a child meets the eligibility criteria for both the 2-year-old entitlement for families receiving additional government support and the new working parent entitlement for 2-year-olds (see 4.3), they can only access one of the entitlements. Providers are encouraged to make a funding claim based on the child's eligibility for the 2-year-old entitlement for families receiving additional government support, to ensure that funding is not removed in the event of any change in circumstances.

Important: All families wishing to take up this 2-year-old entitlement in a Merton setting must obtain a Merton EY Voucher code. 2-year-old children without a Merton EY Voucher code will not be funded by the local authority.

4.2 Eligibility criteria for all 3 and 4-year-olds (Universal Entitlement)

All 3 and 4-year-old children of qualifying age are entitled to a Universal Entitlement place of up to 15 hours a week for at least 38 weeks of the year regardless of their family circumstances, income level or whether they are working. Therefore, no eligibility codes are required to confirm these places, only proof of age. Children become eligible for a funded place from the relevant date after their third birthday as shown in Table 1 above and remain eligible up until the term after their fifth birthday or when they start a school Reception Class place, whichever is the sooner.

4.3 Eligibility criteria for Working Parent Early Education entitlements

Eligible working parents of **3 and 4-year-olds** can access up to an additional 15 hours of childcare a week, known as the 30 hours, extended entitlement. Children become eligible for a funded place from the relevant date after their third birthday as shown in Table 1 above **and** if the child's parent has a current valid eligibility code obtained from the HMRC online Childcare Service. [Check you're eligible for free childcare if you're working \(www.gov.uk\)](http://www.gov.uk)

From April 2024, eligible working parents of **2-year-olds** can access up to 15 hours of childcare a week. Children become eligible for a funded place from the relevant date after the child's second birthday, as shown in Table 1 above **and** if the child's parent has a current valid eligibility code obtained from the HMRC online Childcare Service. [Check you're eligible for free childcare if you're working \(www.gov.uk\)](http://www.gov.uk)

From September 2024, eligible working parents of children from **9 months old** can access up to 15 hours of childcare. Children become eligible for a funded place from the relevant date after the child is 9 months, as shown in Table 1 above **and** if the child's parent has a current valid eligibility code obtained from the HMRC online Childcare Service. [Check you're eligible for free childcare if you're working \(www.gov.uk\)](http://www.gov.uk)

Important: Parents **must** apply for their eligibility code the term before they wish their child to start a working parent entitlement place; by the deadlines shown in Table 2 below. Parents are subsequently required to 'reconfirm' their code every three months via their HMRC Childcare Service account, or the code will expire. Codes are 11 digits long. On occasion parents may be issued a temporary code, temporary codes must be validated, and providers should follow up with parents and validate their permanent code once it is issued by HMRC.

Important: Providers must validate eligibility codes using the EYP Hub Eligibility Checker before confirming a working parent entitlement funded place with parents and then completing the Parent Funding Agreement Form. An email or screenshot of the code from the parent does not suffice, as this will not show if the code has a valid start date (see Table 2 below) or has expired.

To be able to start on or after the dates shown in Table 2 below, the child's parent **must** have applied for their eligibility code or reconfirmed their code by the deadlines also shown in Table 2.

Table 2: Qualifying start dates

For a start date at a setting on or after:	Eligibility code start date must be on or before:
1 April	31 March
1 September	31 August
1 January	31 December

Providers must complete the following actions before a working parent entitlement funded place (all age ranges) is confirmed with a parent:

- Validate the eligibility code on the EYP Hub. Please see the [EYP Hub Guidance](#) for details of how to do this. Mandatory information required for validation is the eligibility code, parent's NI number and child's date of birth.
- Check that the start date of the code shown on the EYP Hub is on or before the deadlines in Table 2 above. **Codes with a start date after the qualifying dates above will not be funded.**
- Check that the end date of the code has not expired (see section 4.4 Grace Period for further details)
- Check the child's identity and date of birth.
- Receive confirmation from the parent that funding has not been received at another setting during the same funding period.

Providers should continue to validate every child's code before the start of **every** new term/ funding period, to check that families are still eligible for the working parent entitlement and that their codes have not expired.

Important: Children whose eligibility codes do not have a valid start date (see Table 2) or whose grace period has expired will not be funded for the working parent entitlement.

The Local Authority will complete audits on the codes as part of the Headcount procedures, but providers can check the status of codes themselves via the EYP Hub at any time. This will help you to manage your communications to parents about reconfirmation of their codes before they fall into the grace period. **Providers are strongly encouraged to regularly remind parents to renew their codes, to ensure that they remain eligible for the working parent entitlements.**

HMRC determine eligibility for the working parent entitlements, and issue eligibility codes, via the Government's online Childcare service. Parents wishing to appeal their eligibility outcome, or who require assistance with their application or childcare account can contact the [Childcare Service helpline \(www.gov.uk\)](http://www.gov.uk) or [Claim compensation for Childcare service issues \(www.gov.uk\)](http://www.gov.uk)

4.4 Eligibility Code Grace Period

A child in receipt of the working parent entitlement will continue to be funded for a period of time, even when their eligibility code expires and/or the parent ceases to meet the eligibility criteria; this is known as the Grace Period. The Grace Period end date will be shown on the EYP Hub when a code is validated using the Eligibility Checker.

Children **cannot** start a new working parent entitlement funded place at a provider during their Grace Period. This includes the following scenarios:

- Where a parent falls into their Grace Period before the child has started a working parent entitlement place;
- Where a parent falls into their Grace Period whilst their child is in a working parent entitlement place and the parent is seeking to move the child to a different provider.

3& 4-year-olds who are no longer eligible for the working parent extended entitlement can continue to take up the 15-hour universal entitlement at the setting.

2-year-olds who are no longer eligible for the working parent entitlement should be made aware of (and, if applicable) encouraged to check their eligibility for the 2-year-funding entitlement for families receiving additional government support.

4.5 Foster Carer eligibility for Working Parent Entitlement

Children in foster care are eligible for the working parent entitlements when the child meets the following criteria:

- The child meets the eligibility age range.
- Accessing the working parent entitlement is consistent with the child's Care Plan.
- The foster carer/s is/are taking up sufficient paid employment outside of their fostering role and does not expect their adjusted net income to exceed £100,000.

It is the role of the responsible Local Authority to determine the eligibility of these children. Eligible foster carers will receive a code beginning with '400'. If providers have any difficulties validating a 400 code via the EYP Hub, they can contact ey.funding@merton.gov.uk

See page 17 of [Early years entitlements: operational guidance \(publishing.service.gov.uk\)](https://publishing.service.gov.uk) for further information on the entitlements for children in foster care.

4.6 Charging

Providers must give equal and fair access to children to the funded entitlements. Therefore, funded Early Education places must be delivered free of charge to the parent. Providers can charge for meals / snacks, consumables such as nappies or sun cream or for other services such as trips / yoga. These charges must be voluntary for the parent.

Providers, who choose to offer the free early education entitlements, are responsible for setting their own policy on providing parents with options for alternatives to additional charges, including allowing parents to supply their own meals or nappies, or waiving or reducing the cost of meals and snacks. Providers should be mindful of the impact of additional charges on parents, especially the most disadvantaged.

Providers must deliver the funded entitlements consistently so that all children receive the same quality and access to provision regardless of whether they opt to pay for additional hours, services, meals or consumables.

Providers must publish their admissions criteria and any fees for consumables, additional hours and services, and make these readily available to parents to ensure that parents understand the hours and sessions that can be taken as funded entitlements and the other hours and services that are charged for **before** they take up a place so they can make an informed choice when choosing their childcare provider.

Providers can charge parents a refundable deposit to secure their childcare place, this deposit must be returned to the parents in full as soon as possible (and no longer than 6 weeks) after the child has started in their place. Providers are strongly encouraged not to charge a deposit for the 2-year-old entitlement for families receiving additional government support (15 hours). The purpose of the deposit is to give providers certainty that a parent will take up the place. Providers should make clear to parents any circumstances in which the provider would not be obliged to refund the deposit, for example if a parent fails to take up their place without sufficient notice.

Providers cannot charge top-up fees (this is the difference between the provider's usual fee and the funding they receive from the Local Authority for the delivery of early education places).

Providers **cannot** charge parents a registration fee for those children just taking up a free early education place as a condition of taking up their child's place. For children taking up an additional paid for childcare place / extra hours, registration fees can be charged but should not be at a level that would prevent a child from taking up their entitlement, for example, providers should consider the amount being charged.

Providers must ensure that their invoices and receipts are clear, transparent and itemised allowing parents to see that they have received their child's free early education entitlement without any charge.

A list of considerations for providers when producing fee information and invoices for parents is available on request to ey.funding@merton.gov.uk

4.7 Inclusion

Providers must make sure that they meet the needs of children by removing barriers to access ensuring that all children can meet their full potential and work within the guidelines set out in the contractual agreement e.g. Children that are looked after, Child in Need (CIN) or a child with Special Educational Needs and or disabilities (SEND).

Merton's Ordinarily Available Guidance provides a set of expectations that encourages consistency between schools or settings across Merton. This guidance is intended to support schools or settings to reflect and develop their inclusive provision to benefit all the children or young people in the school or setting, including those with SEND. [Services for schools: Ordinarily Available Guidance | Merton Council](#) See section 7 for further details on Ordinarily Available and inclusive practice.

Children must be able to take up their Early Education place with a provider that actively promotes fundamental British values.

Providers must not promote views or theories as facts that are contrary to established scientific or historical evidence and explanations.

4.8 Safeguarding

Providers must follow the Early Years Foundation Stage framework and have clear safeguarding policies and procedures in place that are in line with local guidance issued by London Borough of Merton as to how to respond to and report suspected or actual abuse or neglect. A lead practitioner (Designated Safeguarding Lead) must take responsibility for safeguarding and all staff must have training to enable them to identify signs of abuse and neglect. The provider must have regard to 'Working Together to Safeguard Children' 2023 guidance.

The Local Authority will work in partnership with providers to complete an annual review to support safeguarding practice and promotion of the welfare of children for whom funded education is provided. For full details of the review please refer to [Appendix 3 \(Early education funding support\)](#).

5. Flexibility - how the entitlement is delivered.

Outcome: *Children are able to take up their free early education entitlement place at times that best support their learning and development, and at times which fit with the needs of parents to enable them to work or increase their hours of work if they wish to do so.*

Providers are encouraged to offer flexible packages of funded Early Education hours, subject to the following standards which will enable children to access regular, high quality provision in keeping with the evidence of the benefits of doing so, whilst maximising flexibility for parents and ensuring a degree of stability in the market. Delivery should be in line with the following standards:

- No session longer than 10 hours
- No minimum session length (subject to the requirements of registration on the Ofsted Early Years Register)
- Not before 6.00am or after 8.00pm
- At a maximum of two sites in a single day

Children should be able to take up their entitlements as continuous provision as this is the best interests of the child. This should be, as far as is reasonably practicable, in a continuous block and without artificial breaks (for example, a child having to leave after their Universal Entitlement and having to return later to take up their Extended Entitlement).

Early education entitlements can be delivered over 52 weeks of the year, outside of maintained school terms and at weekends.

A child can take up their funded Early Education place with a provider that does not open for 38 weeks or for 15 hours a week where this suits a parent. It is at the discretion of the Local Authority as to whether to contract with providers that are delivering fewer than 38 weeks a year and so cannot offer children their full entitlement of 570 hours. **The reduced offer must be published for parents.**

Providers can 'stretch' Early Education places. This allows a parent to take up fewer hours over more weeks of the year up to the maximum of 570 or 1140 hours a year (depending on the

entitlement). For example, 50.2 weeks means parents receive 11.35 hours per week (based on 570 Hours).

Providers cannot compress hours offered, for example, allowing the take-up of more than 15 (or 30) hour per week.

If a child is moving between providers, it is the responsibility of both parties to ensure effective transitional arrangements are in place to support the child's learning and well-being.

London Borough of Merton is required to publish its local flexible offer of Early Education entitlements for parents; therefore, providers will be required to confirm the pattern they use to deliver funded Early Education as part of their annual Early Education Funding Agreement.

It is possible for parents to defer their child's school entry for one or two terms, depending on when the child turns five. If the child attends a PVI provider, the provider can continue to claim their funded entitlements up to and including the school term in which they turn 5, after which they must start school.

6. Quality

Outcome: *All children are able to take up their early education entitlement hours in a high-quality setting. Evidence shows that higher quality provision has greater developmental benefits for children, particularly for the most disadvantaged children leading to better outcomes. The evidence also shows that high quality provision at age two brings benefits to children's development.*

The Local Authority requires all providers delivering funded Early Education places to be delivering the Early Years Foundation Stage (EYFS) Framework in full and to be registered with Ofsted on the Early Years Register as an Early Years provider, childminder, a childminder registered with an agency or a school and inspected as part of the school Ofsted inspection.

6.1 Quality conditions

Quality will be determined in the following way:

Providers registered with Ofsted

1. All providers who are inspected and judged to be Good or Outstanding by Ofsted or a childminder or childcare provider registered with a childminder agency judged 'effective' by Ofsted are eligible to deliver funded Early Education places for under 2's, 2-year-olds and / or 3 and 4-year-olds.
2. A provider inspected and judged as Satisfactory/Requires Improvement by Ofsted, or a childminder or childcare provider registered with a childminder agency judged 'effective' by Ofsted is eligible to deliver Early Education places to children eligible for the universal entitlement and/or working parent entitlements for all age groups.
3. A provider inspected as Satisfactory/Requires Improvement by Ofsted will not be funded for the Early Education entitlement for 2-year-olds under the eligibility criteria of families

receiving additional government support unless the Local Authority is unable to secure sufficient places to meet parental demand with providers judged to be Good or Outstanding.

4. A provider with no children on roll who receives an Ofsted judgement of Met is eligible to deliver all Early Education places until their Ofsted quality inspection judgement is published; the outcome of which will determine whether they can continue to receive funding as detailed above.
5. A provider with an Ofsted judgement of Not Met will not be funded to deliver Early Education.
6. Providers judged to be Inadequate will not be funded to deliver Early Education.
7. A new provider registered with Ofsted and who holds a valid Ofsted registration certificate is eligible to deliver all funded Early Education places until their first full Ofsted inspection judgement is published; the outcome of which will determine whether they can continue to receive funding as detailed above.
8. It is at Local Authority discretion to fund providers who have exemptions from the Early Years Foundation Stage (EYFS) Learning and Development requirements. The decision will be made based on whether this provider meets the needs of individual parents, or if not funding these providers would mean that the Local Authority is unable to secure sufficient places to meet parental demand. In order for an exempt provider to be considered to join the Directory of Providers they must have already followed the procedures for seeking exemption. Guidance can be found by following the link below.
9. [Exemptions from the EYFS for providers and individual children \(www.gov.uk\)](https://www.gov.uk)
10. An individual child with an exemption from the Learning and Development requirements of the EYFS will be funded.
11. The local Authority will withdraw funding from a provider as soon as practicable, when Ofsted publish an inspection judgment of inadequate or when a childminder agency receives its second consecutive Inadequate judgment (see below for more details)
12. The local authority will withdraw funding immediately from a provider or childminder that has been suspended by either Ofsted or a childminder agency.

Childminders or childcare providers registered with a childminder agency registered with Ofsted

All childminder agencies must be registered with Ofsted.

Childminders or childcare providers are eligible to deliver funded Early Education in the following scenarios:

1. Their childminder agency:
is newly registered as a childminder agency with Ofsted
OR
has been inspected by Ofsted

AND

The childminder or childcare provider:

is newly registered with a childminder agency, pending their first annual quality assurance visit

OR

has received their annual quality assurance visit from their childminder agency with no concerns indicated to the Local Authority

2. Their childminder agency:

receives a second consecutive judgement of 'ineffective' from Ofsted and Ofsted has not identified any concerns about the childminder agency's assessment arrangements (quality assurance visits)

AND

The childminder:

has previously received their annual quality assurance visit from their childminder agency with no concerns indicated to the Local Authority

Childminders are **not** eligible to deliver funded Early Education in the following scenario:

Their childminder agency:

receives a second consecutive judgement of 'ineffective' from Ofsted and Ofsted has identified any concerns about the childminder agency's assessment arrangements (quality assurance visits)

OR

The childminder:

has received their annual quality assurance visit from their childminder agency where the agency has indicated to the Local Authority that the childminder is not of the appropriate quality*

*will not be funded unless it is necessary to do so to ensure sufficiency of accessible places or support parental choice

There may be other scenarios in addition to those listed above. The Local Authority will consider these on a case-by-case basis, within the Early Education and Childcare statutory guidance for Local Authorities (April 2024), working collaboratively with providers and considering the needs of parents. The Local Authority will also consider any information provided by a childminder agency about the childminder registered with them and the childminder's premises.

The Local Authority will follow the procedure as laid out in section 10.3 of this document when a provider fails to meet the required quality conditions to deliver funded a funded Early Education entitlement. There are several other limiting requirements which may result in Early Education funding being ceased for a provider - please refer to section 10.4.

7. Ordinarily available and Inclusive practice

All providers delivering funded Early Education places are required to meet the needs of disabled children and those with Special Educational Needs and or disabilities (SEND). It is a requirement that those providers that deliver funded Early Education have regard to the [SEND code of practice: 0 to 25 years \(www.gov.uk\)](#)

The Local Authority, in partnership with providers, has developed a collaborative framework around Ordinarily Available (OA) and the guidance document can be accessed here [Ordinarily Available Guidance | Merton Council](#)

The SEND Code of Practice describes the principles that should be observed by all professionals working with children and young people who have SEN or disabilities. These include:

- considering the views of children, young people and their families
- enabling children, young people and their parents to participate in decision-making
- collaborating with partners in education, health and social care to provide support
- identifying the needs of children and young people
- making high quality provision to meet the needs of children and young people
- focusing on inclusive practices and removing barriers to learning
- helping children and young people to prepare for adulthood

Providers are expected to identify a Special Educational Needs Co-ordinator and make arrangements to support the special educational needs and disability of any child that is funded, and they must maintain copies of the range of support documents relating to meeting a child's individual needs e.g. Education, Health and Care Plan (EHCP), SEN Support Plan or Behavioural plans.

Some children who have SEN may also have a disability under the Equality Act 2010. For these children, reasonable adjustments and access arrangements should be considered as part of SEN planning and review.

Families can also benefit from published information about the services and support available to them in Merton's [SEND Local Offer](#). It sets out in one place provision available across education, health and social care for children in the Merton area who have SEN or are disabled.

In addition to the above, providers can access inclusion support and funding to help them in their inclusive practice, and a range of training courses for both the SENCo and other staff who support children with SEN.

Disability Access Funding (DAF) is available to support eligible children access to funded Early Education and can be used by a provider to make reasonable adjustments to their setting and/or help with building capacity, be that for the child in question or for the benefit of all children attending the setting.

DAF is available for children aged from 9 months – 4 years that are in receipt of Disability Living Allowance (DLA) and accessing an early education place. Providers are responsible for identifying eligible children for the DAF and claiming the funding.

Parents/carers must complete the DAF section of the Parent Funding Agreement Form and share the child's DLA confirmation letter for the provider to copy and retain with the form for audit purposes.

Providers can claim DAF as part of their funding claim for the child on the EYP Hub Headcount submission and must submit a copy of the DLA evidence with their headcount claim.

Early Years Pupil Premium (EYPP) – funding to improve the education provision for eligible children aged from 9 months - 4 years accessing an early education place up to 15 hours. Children/families must meet the eligibility criteria found via this link [Get extra funding for your early years provider \(www.gov.uk\)](https://www.gov.uk/get-extra-funding-for-your-early-years-provider) . To confirm eligibility and claim for EYPP, providers should follow the processes below;

- **Economic criteria:** Providers can request an eligibility check for children they believe may be eligible for EYPP when submitting their funding claim as part of the termly Headcount on the EYP Hub. Parents of these children must complete the EYPP section of the Parent Funding Agreement Form to give their permission for the check to be performed.
- **A child who is looked after by a Local Authority:** If the child is looked after by the London Borough of Merton, Merton's Virtual School will liaise directly with you regarding the funding. If the child is NOT looked after by the London Borough of Merton, you will need to liaise with the virtual school of the child's Local Authority.
- **A child who has left care** through adoption order, a special guardianship order or a child arrangement order. Parents/carers should share the child's adoption certificate or statement/letter from the Local Authority stating that they have an adoption order, residence order or special guardianship for the child. Providers should retain a copy of this evidence with the Parent Funding Agreement Form for audit purposes.

Providers can claim EYPP as part of their funding claim for the child on the EYP Hub Headcount submission. Providers should email ey.funding@merton.gov.uk when prompted to inform the Local Authority of any children on their claim who meet the adoption/special guardianship criteria.

7.1 Special Educational Needs and Disabilities Inclusion Fund

Providers in Merton who are offering funded Early Education places for children aged from 9 months – 4 years can apply for additional funding from the SENDIF.

Please refer to the Early Years SEND Advisory Support and SEND Inclusion Fund (SENDIF) Handbook and Guidance for further information and links to the relevant forms. These documents are found on the Merton website: [Universal Offer for providers | Merton Council](#)

SENDIF application, decisions and payments are processed outside of the EYP Hub.

The Early Years Funding team will identify any children who have been granted SENDIF and who have been submitted onto a termly Providers' headcount claim. Providers must ensure that the child's details are consistent between the SENDIF application, and the headcount claim on the EYP Hub.

Providers will receive an email confirming the value of the SENDIF payment amount for each child at Phases 4 and/or 6 of the Funding Cycle, as appropriate (refer to section 9.2).

Funded providers will receive an annual [SEND Inclusion Practice Review \(Appendix 4\)](#) to ensure that they are meeting the unique needs of children with differing learning needs. For full details please refer to [Appendix 2 – Annual Reviews and Audit Process](#)

When an EHCP becomes effective for a child, any SEND Inclusion Funding will cease at the end of the funding period. Providers must invoice the SEN team via sen@merton.gov.uk every term to claim EHCP funding.

Providers can find out about training on offer at [Childcare Workforce Training \(Merton Council\)](#)

8. Funding for the entitlements

The Local Authority will base its decision on whether to fund a provider to deliver Early Education on the standards set out in the Merton Early Education Funding Agreement.

8.1 Early Years Single Funding Formula (2024-25)

Funding for Early Education places is a locally determined formula agreed in consultation with the Early Years sector through the Schools' Forum of the Local Authority. This is London Borough of Merton's Early Years Single Funding Formula (EYSFF).

Base Rate

- Under 2's (From September 2024) £12.50
- 2-year-olds £9.00
- 3 and 4-year-olds £5.87

Deprivation Rate

Providers will be funded for children accessing an early education places entitlements based on the number of children on the Headcount who meet the eligibility criteria for Early Years Pupil Premium.

- Deprivation for under 2's £1.32
- Deprivation for 2-year-olds £1.65
- Deprivation for 3& 4-year-olds £2.90

8.2 Disability Access Fund (DAF)

All providers who have eligible children will be entitled to receive DAF payment. The DAF is paid as a lump sum as soon as possible from when the child takes up their entitlement within the funding processes as laid section 9. The DAF payment is based on a 12-month rolling year and will be paid again if the child is eligible on the anniversary of the first payment.

In the case of children whose funded hours are split between more than one provider, the DAF will go to the one provider nominated by the parent.

- DAF Rate (one-off payment) £910 per year

8.3 SEND Inclusion Fund

Providers will be funded for all children who qualify, SENDIF application, decisions and payments are processed outside of the EYP Hub (see 7.1)

The SENDIF payment process is laid out in the Early Years SEND Advisory Support and [SEND Inclusion Fund \(SENDIF\) Handbook and Guidance](#).

8.4 Early Years Pupil Premium

The Early Years Pupil Premium (EYPP) provides additional funding to Early Years settings to improve the education they provide for eligible children who are taking up their early education entitlement

- EYPP Rate £0.68

For Looked-After Children, EYPP will be processed in accordance with national guidance

9. Funding Process

9.1 Funding process overview

The Funding Year runs from 1 April to 31 March and is split into three Funding Periods. (See Table 4). Providers will be paid for the total number of hours assigned to each funding period. There are 6 phases in the funding cycle (see section 9.2) and the deadline dates for each phase can be seen in table 5 below. Providers will receive emails from ey.funding@merton.gov.uk at each phase and will be required to take the appropriate action in the timescales indicated in Table 5.

Table 4: Funding Periods

Funding Period	Number of weeks	Total number of hours
Period 1 Summer	12	180
Period 2 Autumn	14	210
Period 3 Spring	12	180

Table 5: Funding Submission and Payment Dates

Funding Period	Period 1 - Summer	Period 2 - Autumn	Period 3 - Spring
	<i>01/04/2024 - 31/08/2024</i>	<i>01/09/2024 - 31/12/2024</i>	<i>01/01/2025 - 31/03/2025</i>
Phase 1 Estimates	6 Mar - 17 Mar 2024	5 Aug - 18 Aug 2024	4 Dec - 15 Dec 2024
Phase 2 Upfront Payment*	10 April 2024	9 Sept 2024	13 Jan 2025
Phase 3 Headcount Actuals	13 May - 17 May 2024	30 Sept - 4 Oct 2024	13 Jan - 17 Jan 2025
Phase 4 Headcount Payment*	1 July 2024	18 Nov 2024	3 Mar 2025
Phase 5 Late Starter Adjustments	20 May - 30 June 2024	7 Oct – 24 Nov 2024	20 Jan - 7 Mar 2025
Phase 6 Late Starter Adjustments Payment / Account Close*	9 Sept 2024	8 Jan 2025	7 April 2025

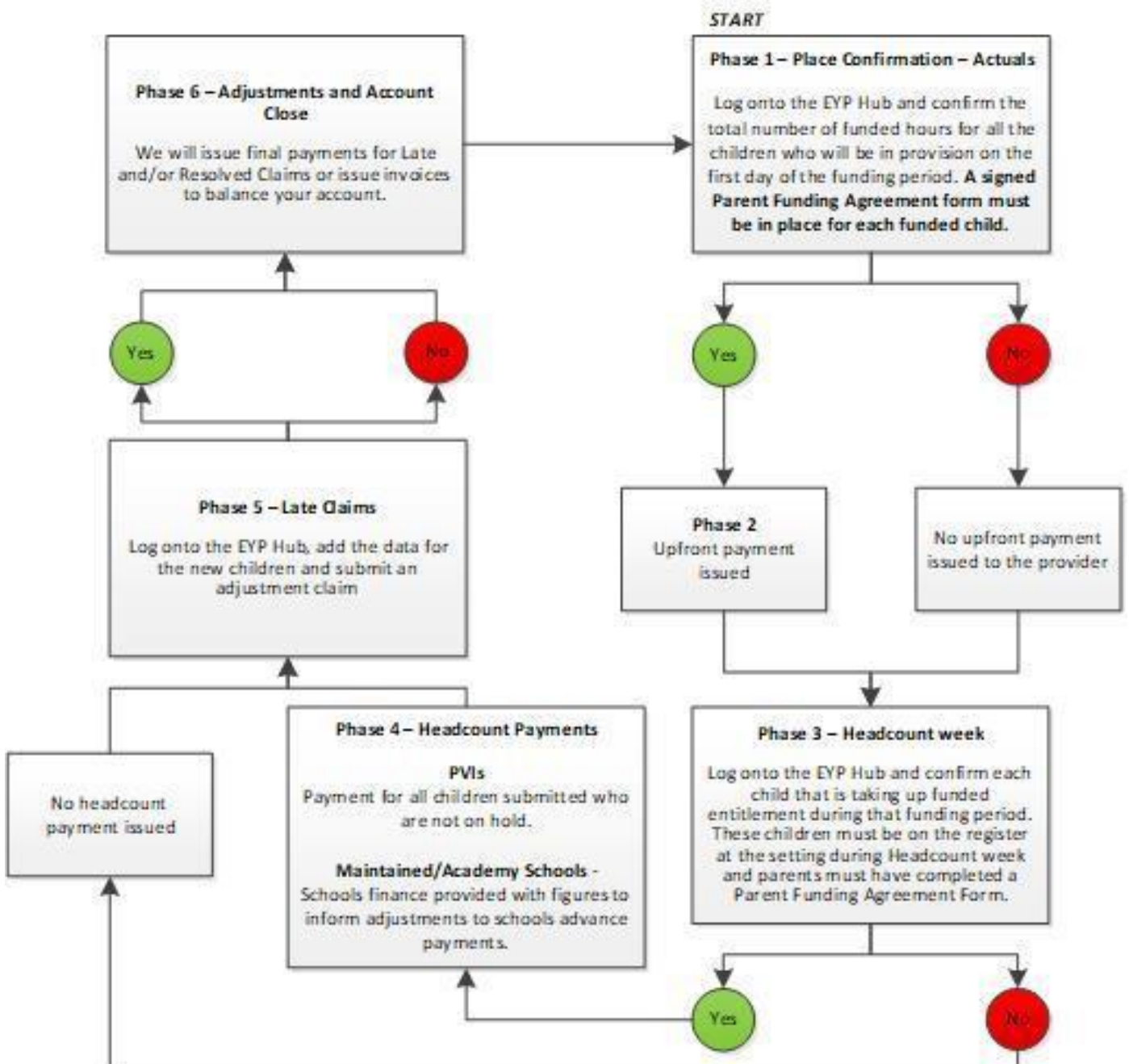
* Published payment dates – providers will receive any payments due by the date published. If providers do not receive an expected payment by that date, they should email ey.funding@merton.gov.uk.

* Providers can start adding and amending children on the EYP Hub in preparation for Headcount, from the beginning of the funding period.

To receive funding payments a provider must have:

- A signed 2024/25 Early Education Funding Agreement with the Local Authority
- Completed and returned a bank details form
- Registered with the Early Years Provider Hub

9.2 Funding Cycle



Annual Estimated Budget

Prior to 31 March, the Local Authority will calculate and issue your estimated 'indicative' annual budget. This is calculated using claims data from the previous calendar year and does not include any assumed income for the new expanded entitlements.

This is only an estimated budget to aid providers' business planning on expected income but does not reflect the actual payments you will receive as this will be based on the actual numbers confirmed by you, the provider at Headcount.

Phase 1: Estimates

Providers are required to log onto the EYP Hub and confirm the total number of weekly funded hours for all children who will be in provision on the first day of the funding period. They must have a signed Parent Funding Agreement Form for each funded child.

Section 2 of the [Parent Funding Agreement Form](#) must be signed and agreed by the parent prior to the start of the new funding period. The submission window and deadline for entering estimates on the EYP Hub is shown in Table 5 in section 9 above. Guidance for calculating and submitting estimates will be emailed to providers prior to the submission window.

Phase 2: Upfront Payment

Only providers who have submitted estimated hours on the EYP Hub during the submission dates in Table 5 will be issued an upfront payment of 80% of the base rate for the total number of funded hours submitted.

- E.g. estimate 120 weekly hours (120 x base rate x total number of weeks in funding period as shown in Table 4 above) x 80%

If the provider has outstanding arrears due to overpayment in a previous funding period, then the arrears will be deducted from the upfront payment.

Phase 3: Headcount Actuals

During Headcount week (see Table 5) providers must log onto the EYP Hub and enter / amend and submit data for each child taking up a funded place during that funding period. **These children must be on the register (on roll) at the setting during Headcount week. Children who have left the setting prior to headcount week cannot be funded***

Only children whose parents have completed a Parent Funding Agreement Form (Appendix 1) fully can be submitted onto the claim. If there is no Parent Funding Agreement in place, this funding will be recouped.

Funding is allocated to providers on a termly basis and cannot be increased, decreased or transferred partway through a funding period*, e.g. if a child leaves the setting after Headcount.

EYP Hub Headcount Guidance will be circulated prior to each headcount and should be followed in full to ensure claims are submitted correctly.

*As outlined in the terms and conditions in section 4 of the [Parent Funding Agreement Form \(Appendix 1\)](#)

Phase 4: Headcount Payment

Providers will not receive payment for all children claimed for who are not on hold for the following reasons:

- Duplicate claim
- Eligibility code is not valid.
- 2-year-old EY Voucher Code is missing/not valid
- Incorrect/ineligible Date of Birth (DOB)
- Missing data

Providers will be paid the monetary value of the claim (other than the entries on hold). If the total value of the claim is less than the 80% already paid, then the arrears will be taken forward and deducted from any final payment of the funding period. (Phase 7).

SENDIF payments are calculated outside of the EYP Hub and will be paid separately and shortly after the Headcount payment. Providers will receive email confirmation of SENDIF amounts to be paid for each eligible child on their Headcount claim.

Phase 5 – Late Starter Adjustments

Children starting in a new funded place after the Headcount, who were not included in your Headcount submission and have not taken up their funded entitlement at another provider during that funding period, can be added to the providers' claim as a Late Starter adjustment. Providers should add the data for these children to the EYP Hub and submit an adjustment claim, as outlined in the EYP Hub Late Starter Adjustment Guidance provided for the relevant funding period.

Late Starter claims can be submitted between the dates set out in Table 5.

Phase 6 – Late Starter Adjustments Payment and Account Close

Providers will receive a final funding period payment for the following children:

- Claims for eligible children submitted through Late Starter adjustments.
- Claims on hold where resolutions have been determined.
- A claim for a child who has gone through SENDIF panel after the Headcount.
- A claim for a child which was a duplicate and resolution has been determined.

If the provider's claim is greater than the funding that has already been issued, a final payment will be credited to them for the additional children claimed for.

If at the end of the funding period, the provider is in arrears the following actions will be taken:

- If the value of arrears is less than 20% (or less than 5K) the arrears will be taken of the upfront payment for the next funding period, apart from funding period 3 when an invoice for overpayment will be issued.
- If the value of the arrears is more than 20% (or more than 5K) of a usual claim value for the provider an invoice will raise for the overpayment.

Failure to pay invoices, or make formal arrangements with the Merton Debt Recovery team within 14 days working days of issue, will result in the provider being removed from the Directory of Providers (refer to section 10.4).

After the Funding Period has ended, the provider cannot request any further amendments to their account.

9.3 Duplicate claims

The Local Authority and Department for Education run checks to ensure that no child has claimed more than their maximum entitlement at multiple settings. The Local Authority will work with the providers to resolve the dispute in one of two ways

- One or more of the parties withdraw their claim
- One or more of the parties reduce the number of hours claimed

If neither party wishes to amend their claim, the Local Authority will audit each provider and determine the outcome based on compliance with the terms and conditions of funding in this Guidance and the Parent Funding Agreement Form.

It is the responsibility of the provider to liaise with and recoup payment from parents for rejected claims.

9.4 Late submission, claims on hold and fees.

Claims on hold

It is sometimes necessary to put an individual child-level Claim 'on hold'. When a Claim is on hold, it will not be processed, and funding will not be released until outstanding issues are resolved.

Any claim that was on hold and subsequently resolved will be paid at Account Close at the end of Funding Period, if not already paid. It is the provider's responsibility to provide the requested information to resolve the claim before Account Close; if the provider fails to do so, the claim will be rejected.

Late submissions and excessive errors

Providers who fail to submit required data in line with the dates published in Table 5 (section 9) will not receive payments as per that table. It may be possible to run separate processes at some parts of the year, but any additional administrative time required will incur a one-off £120 administration fee.

Claim submissions with excessive errors (over 50% inaccurate) that affect census submissions or other Government returns will be rejected and the provider will be charged a fee of £120 for any administrative time required from the Early Years Funding Team.

9.6 Purpose of Funded Early Education

Early Education funding issued to providers is for the sole purpose of delivering a funded early education place for an eligible child from 9 months to 4 years. Any provider who, at short notice, is unable to deliver a funded education place (for example, having been suspended with immediate effect from the Early Years register by Ofsted) will be issued an invoice for any funding that has been paid for the weeks that they are closed. Where possible, any displaced children will be provided places and funded at other providers.

10. Merton's Directory of Providers

London Borough of Merton maintains an up-to-date Directory of Providers that includes all the providers approved to deliver funded Early Education places. This Directory is marketed to parents seeking a childcare place for their child and enables parents to find further details about the provider on the [Merton Family Services Directory](#).

To be included in the Directory, the provider must demonstrate that they can meet the conditions laid out in the Early Education Funding Agreement and confirm which entitlements they will be delivering.

10.1 Providers new to funded Early Education

There is no automatic inclusion in the Directory of Providers. A decision will be made as to the provider's ability to comply with the conditions as stated in the Early Education Funding Agreement. The Local Authority has the right to reject any application on the grounds of:

- Information published by Ofsted or known by the LA
- Evidence that the setting is unable to deliver on the terms and conditions set out in the Early Education Funding Agreement and this document.

A rejected provider can appeal using the procedure set out in section 11.4.

New providers are required to complete an Account Authorisation Appointment where they will be given a detailed overview of the Merton Early Education Funding Process and will be evaluated for the competencies required to administrate their funding claims.

If you are an **existing funded provider** and want to start offering one of the entitlements that is not part of your current Agreement, email a request to providers@merton.gov.uk and a member of the team will get back to you.

10.2 Change of ownership

Where a registered provider in Merton changes owner the current contract with the provider ceases meaning that for the **new owner** there is no automatic inclusion in Merton's Directory of Providers. New owners will need to follow the process as laid out in section 10.1.

10.3 Voluntary withdrawal from the Directory

Any provider who no longer wishes to offer funded Early Education places can withdraw from the Directory of Providers. Providers must inform the Local Authority, in writing, at least two months before the end of any funding period and notify parents of children currently accessing funded Early Education places of the decision to withdraw.

This letter must clearly include the contact details / website address for the Merton Family Services Directory to make sure parents are directed to where they can find alternative provision.

Merton's Family Services Directory

Website: www.merton.gov.uk/fsd

Email: fsd@merton.gov.uk

10.4 Removal from the Directory of Providers

Meeting the quality conditions as defined by Ofsted

A provider can be withdrawn from the Directory of Providers if they fail to meet the quality conditions as defined by Ofsted and in section 6.1 of this document.

Inadequate or Ineffective Ofsted outcome

Providers receiving an Inadequate outcome or childminders / childcare providers registered with a childminder agency receiving a second consecutive Ineffective outcome (see section 6.1) who are delivering funded Early Education will be contacted by the LA upon receipt of the Ofsted daily data feed, reminding them of the processes that will commence once the outcome is published by Ofsted. Once the outcome is published, the provider will be sent a formal notification by the LA within 5 working days of the date of publication stating:

1. The date from which they will be removed from the published Directory of Providers. Providers will not be able to start a child in a funded place at the setting from that date. This will be the date Ofsted publishes the outcome.
2. The termination date of their Early Education Funding Agreement. Providers will not receive any funding for children for taking up their Early Education entitlements from the confirmed termination date. This will usually be the end of the current funding period.

When determining these dates, the Local Authority will take into consideration:

- The sufficiency of alternative funded Early Education provision
- The continuity of care for the children in provision, especially for those children with Special Educational Needs and disabilities
- Ofsted monitoring information about the provider or agency
- For childminder agency-registered providers; the childminder agency assessment of the provider (if Ofsted has not identified any concerns about the childminder agency's assessment arrangements), and the parents' wishes.

The provider must notify parents of their removal from the Directory when the Ofsted outcome is published and direct parents to fsd@merton.gov.uk if they need support to find alternative childcare.

Alterations to funding will be made based on the dates of removal from the directory / termination and over / underpayment of funding will be dealt with on a case-by-case basis. This will include evaluation of any upfront payments for a funding period and any hours of delivery in that funding period, and any necessary debt recovery. Working with providers on a case-by-case basis aims to ensure swift resolution around possible overpayments and how these may be managed across different funding periods, where it makes sense to do this.

Requires Improvement Ofsted outcome

If the Ofsted outcome is Requires Improvement and the provider delivers funded Early Education for eligible children receiving working parent entitlement and the universal entitlement for 3 and 4-year-olds, the provider will be:

- Invited to meet with the Local Authority to review the outcome of the Ofsted inspection and confirm how the setting will address the areas weakness highlighted by Ofsted. Actions and timescales will be agreed and failure to make the appropriate improvements will result in a notice to remove the provider from Merton's Directory of Providers.

A provider that delivers funded places for eligible 2-year-olds from families receiving additional government support who receive a Requires Improvement outcome will be contacted by the LA upon receipt of the daily data feed, reminding them of the processes that will commence once the outcome is published by Ofsted. Once the outcome is published, the provider will be sent a formal notification by the LA within 5 working days of the date of publication.

1. The date on which they will be removed from the published Directory of Providers and from which they will no longer be able to start a child in a funded place at the setting. This will be the date Ofsted publishes the outcome.
2. The termination date of funding for eligible 2-year-olds. Providers will not receive any funding for children taking up their Early Education from the confirmed termination date. This will usually be the end of the current funding period.

When determining these dates, the Local Authority will take into consideration:

- The securing of alternative provision for the children in receipt of funded Early Education
- The continuity of care for the children in provision, especially for those children with Special Educational Needs (SEN) and disabilities

Alterations to funding will be made based on the dates of removal from the directory / termination and over / underpayment of funding will be dealt with on a case-by-case basis. This will include evaluation of any upfront payments for a funding period and any hours of delivery in that funding period, and any necessary debt recovery. Working with providers on a case-by-case basis aims to ensure swift resolution around possible overpayments and how these may be managed across different funding periods, where it makes sense to do this.

Suspension by Ofsted

In the event of a suspension of a provider's registration by Ofsted or childminding agency, the Local Authority will be notified. Within 5 working days of this notification, the provider will be sent written notice of their removal from the Directory from the date of suspension. The provider will remain removed from the Directory until the date Ofsted lifts the suspension, as notified to the Local Authority.

Alterations to funding will be made based on the dates of suspension / lifting of suspension and any over / underpayment of funding will be dealt with on a case-by-case basis. This will include evaluation of any upfront payments for a funding period and any hours of delivery in that funding period, and any necessary debt recovery. Working with providers on a case-by-case basis aims to ensure swift resolution around possible overpayments and how these may be managed across different funding periods, where it makes sense to do this.

Effective use of Early Education funding

A provider can be removed from the directory if they fail to ensure effective use of Early Education funding or if there is evidence that the setting is unable to deliver on the terms and conditions set out in the Early Education Funding Agreement and this document.

The Local Authority is required to ensure that Early Education funds are used properly to deliver high quality Early Education and meet the conditions of delivery laid out in the Early education and childcare statutory guidance

Providers are required to ensure that any funding issued is used for the sole purpose of funding Early Education places for eligible children in accordance with the terms of the Merton Early Education Funding Agreement.

The Local Authority can refuse to fund providers who meet the quality criteria set out at A3.2 and A3.3 of the Early education and childcare statutory guidance if the Local Authority has reasonable grounds to believe that the provider is unable to meet any of the Local Authority terms of funding as set out in A4.18 and A4.19 or the provider falls into one of the categories set out in A4.28 of the Early education and childcare statutory guidance.

Funding Audits

Throughout the year, providers will be randomly selected for Funding Audits or may be identified for a Funding Audit because of a parental complaint. The detail of what is audited can be found in Appendix 2. The provider will be given two weeks' notice of an Audit and will receive a written report within two weeks of the visit. The report will highlight any strengths, recommendations or actions required. Failure to comply with the required actions may result in the provider receiving a notice of removal from the Directory.

Providers who are in arrears by more than 20% of the value of funding in the current or most recent funding period (or more than £5,000) and who have been issued an invoice and failed to repay or have not made Formal arrangements with the Merton Debt Recovery team within 14 days working days may be removed from the Directory.

If a provider is to be removed from the Directory for failure to ensure effective use of the Early Education funding, they will receive a letter stating the reasons and steps will be taken to address these with the provider in accordance with Appendix 5.

Re-admission onto to the directory

A provider who has been removed from the Directory may be re-admitted if the grounds for removal are demonstrably no longer applicable, such as publication of an improved judgement by Ofsted, a suspension being lifted by Ofsted, or an outstanding debt has.

been paid. The provider will be required to request submission back onto the Directory via an email sent to providers@merton.gov.uk

10.5 Appeals process.

A Provider whose registration is rejected or who has been notified that they are to be removed from the Directory can appeal against the decision using the following process:

- Notify the Local Authority in writing within fourteen days from the date of the notification of removal letter of their intention to appeal. The letter must clearly identify the grounds on which the provider is appealing. This should be sent or mailed to:

Head of Service, Early Years, Family Wellbeing and Early Help Service Children, Schools and Families Department, London Borough of Merton Civic Centre, London Road Morden SM4 5DX

Or Email: providers@merton.gov.uk

- The Provider will be invited to attend an appeal panel. This will be within 21 days of the appeal letter having arrived at the Local Authority.
- The appeal will then be heard by two senior officers within the Children, Schools and Families department who will be independent of the decision to reject or withdraw the Provider from the Directory.
- The Provider will then be given an opportunity to make their case submitting any evidence. Minutes will be taken at this panel meeting and a final decision will then be made by the panel members.
- The Provider will then be notified of the outcome in writing within 5 days of the appeal panel meeting.

11. Working with parents and parental support

All providers delivering funded Early Education places have a responsibility to ensure that children receive any additional support through the appropriate referral routes.

The Local Authority is committed to providing outreach and family support services for each identified family to ensure that the best outcomes are achieved from the child's attendance in their Early Education place.

If you have concerns about a child who is attending, you should visit the web page below for details of how to proceed: [Merton Safeguarding Children Partnership \(mertonscp.org.uk\)](https://mertonscp.org.uk)

11.1 Attendance

There is a vast range of evidence that confirms that children who access high quality Early Years settings succeed beyond their peers, especially for those children from vulnerable backgrounds. There is also evidence that erratic attendance can be a key indicator that other factors are impacting on the family. It may mean that additional support services would be of benefit. For all children who are being funded for Early Education, there is an expectation that attendance across a funding period is no less than 95%.

To claim for a child on the Headcount they must be in attendance for the total number of hours agreed on the Parent Funding Agreement Form (Appendix 1), unless there is a valid reason. During an Audit you may incur losses if you cannot demonstrate a viable reason for why a child you have submitted on a Headcount was absent.

Providers should promote good attendance and Ofsted's Welfare Requirements state that you must record children's attendance daily. Attendance by children must be recorded on a daily register with start and end times. If the child is absent, the register should record the reason.

If a child has not attended for two or more days without their parent informing the provider, the provider must contact the parent or legal guardian and check the reason for the non-attendance. If the child has a named lead professional, the provider must contact the lead professional informing them of the absence and any reasons that the parent has given you.

If the child's attendance under either of the above scenarios does not improve, you are required to send a formal letter to the parent explaining that if they do not regularly attend, their place will be withdrawn. Please ensure that you maintain any correspondence that you have with parents; this may well be required as part of any Audits by the Local Authority.

If a child's attendance is a cause of concern, then please follow your child protection procedures.

11.2 Parental concerns/complaints

If a parent has a concern regarding how a provider is delivering the Early Education place, Stage One requires them to first seek to resolve their concern directly with the provider. If their concern is not resolved to their satisfaction the parent can choose to escalate to a Stage Two complaint.

For details of the complaint's procedure, please visit [Complaints Procedure July 2023](#)

An investigating officer will be appointed and will request to see the provider to view any relevant information or paperwork related to the parent's complaint.

If the review concludes that there has been a breach of the terms and conditions, then the provider will be notified in writing of the breach and given a clear action plan with timescales in which to comply. Parents will be notified of the outcome.

If the provider fails to comply with the required actions within the timescale given, they will be formally notified of their removal from the Directory of Providers.

Providers can appeal against the decision to remove them from the Directory of Providers using the appeals procedure.

Please note that the Local Authority will not intervene with disputes involving validity of eligibility codes, as the responsibility lies with providers to ensure that codes are valid before a child takes up a funded place at their setting.

For details of the complaint's procedure, please go to: www.merton.gov.uk/early_years_fund.htm

11.3 Exceptional circumstances during a funding period

Once a parent has completed the [Parent Funding Agreement Form \(Appendix 1\)](#), they will know that the provider cannot Claim funding if they move their child before the Headcount date. However, it is recognised that there may be exceptional circumstances which are underpinned by national guidance and will need to be agreed by the Early Years, Family Wellbeing and Early Help Service

The following circumstances will be considered:

- Safeguarding or where there is evidence that a child's well-being is significantly impaired.
- Permanent closure of a provider resulting in a parent needing to find alternative childcare.
- Removal from the Ofsted Early Years register or by childminder agency.
- New guidance from statutory agencies in response to local and/or exceptional circumstances

If you meet either of the above, please email London Borough of Merton at providers@merton.gov.uk

Appendices

Appendix 1 – Parent Funding Agreement Form

Appendix 2 – Annual Review and Audits for Early Years Providers Delivering Funded Early Education Places

Appendix 3 – Safeguarding Practice Review

Appendix 4 – Inclusion Practice Review

Appendix 5 – Failure to ensure effective use of the Early Education funding

Appendices are available to download from the Merton website at:

[Early education funding support | Merton Council](#)