

Local Authority Funding Agreement for the Provision of Early Education & Childcare
Effective from 1 January 2026

Summary of Changes

Clause/s	Changes
5.2	Additional clarity included.
10.5	Additional clarity included regarding hours that children do not attend.
13.2	Updated to reflect revised DfE Model Agreement published 1 April 2025.
14.19a	Additional clarity included.
Clauses 15.1-15.16	Updated to reflect the revised DfE statutory guidance on charging that came into effect on 1 April 2025.
16.7	Updated to reflect that all providers must submit their estimated hours each term to receive an interim payment. Estimates will no longer be based on previous terms hours.
16.8	Updated to reflect the Council decision to pay all providers monthly. Whilst the Funding Agreement is effective from 1 January 2026 this clause will not be implemented until 1 April 2026 to allow a 5 month transition period for providers. The payment date of the 7 th of each month has not changed, nor have the % that will be paid each month. There are no changes to providers that already receive monthly payments.
16.17	Additional clarity included if providers are unable to offer all hours originally agreed in the Parental Agreement.
16.27h	New clauses regarding compliance checks/audits.
17.3	Updated clauses regarding compliance checks/audits.
17.7, 17.8	New clauses regarding compliance checks/audits.
18.3	Updated to clarify that funding will be withdrawn where a provider no longer has an active registration with Ofsted.
18.5	Updated to reflect the new gradings within the Ofsted Inspection Framework.
18.7	Updated to reflect the new gradings within the Ofsted Inspection Framework.
18.10	Updated to reflect the new gradings within the Ofsted Inspection Framework.
21.5	New clause to provide clarity on funding implications where children do not regularly attend.
Annex C	Childcare Offer & Charges Template – added to support providers to ensure all required information is made available on their website, or the Council Family Information website.