Funded Early Education Provider Agreement Updates

1st September 2026 – 31st August 2027

SURREY
COUNTY COUNCIL

Summary for Providers

This document highlights the main changes and updates in the Provider Agreement for 1 September 2026 to 31 August 2027. It focuses only on new or amended requirements and does not restate unchanged policy.

Throughout the document for 2026-27

- **Reference to Funded Early Education for Two year olds (FEET) has been changed to Early Learning for 2 year olds.**
- **Reference to Ofsted gradings has been changed to reflect the new 'report card'**
- **From April 2026 All Schools will claim their funding through the Establishment Portal and not through Schools Finance. Therefore any reference to this has been removed.**

Section 1 - Overview

Length of agreement and novation

- Due to Local Government Reform (LGR) A new clause allows Surrey County Council (SCC) to novate (transfer) the agreement to another public body from 1 April 2027.

Section 3 - Safeguarding

Strengthened Wording (3.3 – 3.5)

- Clearer wording confirming that funding may be withdrawn where safeguarding allegations are substantiated.
- Providers must inform SCC of any actions taken to safeguard children following an allegation.
- Direct link made between safeguarding breaches and the withdrawal of funding process.

Section 5 - Grace period

Clearer Rules

- More detail on:
    - When a child enters the grace period.
    - How SCC applies grace period end dates automatically.
    - What happens to funding during and after the grace period.
- Clarification that new working parent entitlement places cannot start during a grace period.

Section 6 - Charging

Prohibited charges (12.1 – 12.3)

- The list of charges that **must not** be applied to funded hours has been expanded in line with the Early Education and Childcare April 2026.
- Explicitly prohibited charges now include:
    - Hourly food or consumables charges linked to funded hours
    - Sustainability, business continuity or enrichment charges
    - Any non-itemised or compulsory top-ups

Reasonable alternatives to charges – new definition (12.3)

- A clear definition of what SCC considers a “reasonable alternative” where optional charges apply.
- Examples of what SCC does not consider reasonable (e.g. replicating menus, specialist containers).

Section 14 - Payments

Claims (14.3)

- Removal of the option for providers to submit late claims up to six weeks after the end of the funded period

Monthly Payments (14.13)

- SCC states its intention to move to monthly payments from October 2026.

Stretched funding (14.16.2 – 14.16.3)

- Clearer explanation of Provider responsibilities where:
    - More hours are claimed than delivered, or
    - More hours are delivered than can be claimed
- Providers must set this out clearly in their terms and conditions.

Section 21 - Data protection

Expanded obligations (21.1 – 21.6)

- Data Processor responsibilities are expanded and clarified, including:
    - Breach notification requirements
    - Audit and indemnity provisions
    - Data retention and security expectations

Section 12 - Directory of Providers

Refusal and re-registration

- Expanded circumstances in which SCC may:

    - Refuse registration or re-registration
    - Remove a Provider from the Directory
- Includes previous non-compliance, audit failure or attempts to avoid Ofsted improvement.

Section 15 - Compliance

Compliance audits – strengthened approach

- Greater detail on:
    - What documents may be requested
    - Self-audit tools
    - Consequences of failing to comply or provide evidence