



[Home](#) ▾ [Education, training and skills](#) ▾ [School and academy funding](#)
▾ [Funding for different types of schools and settings](#) ▾ [Early years funding](#)
▾ [Early years free school meals \(EYFSM\) expansion grant: 2026 to 2027](#)



[Department
for Education](#)

Guidance

Early years free school meals expansion grant: conditions of grant for financial year April 2026 to March 2027

Published 24 June 2026

Applies to England

Contents

1. [Introduction](#)
2. [Eligibility](#)
3. [Payments](#)
4. [Permitted use of funding](#)
5. [Assurance](#)
6. [Further information](#)
7. [Variation](#)
8. [Recovery of funds](#)
9. [Overpayments](#)

1. Introduction

1.1 Legislation

The early years free school meals (EYFSM) expansion grant will be paid by the Secretary of State for Education as a grant under section 14 of the Education Act 2002. In accordance with section 16 of the act, the Secretary of State attaches the following terms to the grant payable.

Where this document uses ‘must’, the associated instruction is a condition of the grant. Otherwise, this is supporting guidance to help administer the grant in accordance with its objectives.

The EYFSM expansion grant is subject to the [DfE standard grant funding agreement terms and conditions](#).

1.2 Purpose

In June 2025, the UK government announced that, from the 2026 to 2027 academic year, the eligibility criteria for free school meals (FSM) in England will be expanded to all children in households receiving Universal Credit, including those in eligible early years settings. Find more information on how schools and local authorities can prepare for the expansion in our [guidance for local authorities, local-authority-maintained schools, academies and free schools](#). Maintained schools, academies, free schools or maintained nursery schools already have a statutory duty to provide FSM to pupils in receipt of early years entitlements who attend before and after lunch and whose households meet the current income criteria.

The Department for Education (DfE) has announced over £1 billion over the multi-year spending review period to fund the expansion of FSM. This includes funding for eligible early years providers to support them to deliver this expansion.

DfE will pay the EYFSM expansion grant to local authorities for school-based nurseries and maintained nursery schools. They will be paid on behalf of the Secretary of State for Education.

For full details of how funding rates have been calculated, this guidance should be read in conjunction with the [methodology document](#).

1.3 Period

These conditions of grant cover the financial year 2026 to 2027.

2. Eligibility

2.1 Types of local authorities

Local authorities that fund the government's free early years entitlements are eligible to receive funding through the EYFSM expansion grant. This includes the Isles of Scilly and City of London.

2.2 Types of settings

The EYFSM expansion grant will provide funding to state-funded schools delivering early years provision, where the children attending are registered pupils of the school. This may include maintained schools, academies, free schools or maintained nursery schools. A child will not be regarded as a pupil eligible for FSM merely by attending community provision provided under [section 27 of the Education Act 2002](#).

3. Payments

3.1 Calculations

Allocations of this grant have been calculated using the methodology provided in the [EYFSM expansion grant methodology document](#). This document includes part-time equivalent (PTE) rates for each of the entitlements for each local authority.

3.2 Payment timetable

Local authority level allocations for this grant will be published in October 2026.

We have published a [calculator tool](#) to support local authorities determine local distribution ahead of allocations being announced.

We will pay the grant to local authorities in November 2026. This payment is separate to the entitlements funding rates announced in December 2025 and, as such, local authorities are not expected to amend their local funding formulae.

Local authorities will receive one payment to cover the 2026 to 2027 financial year. As set out in the methodology document, this payment will be based on PTEs using data from the spring 2026 school census. The allocation will not be adjusted.

3.3 Local authority duty

Local authorities must pass on the grant funding in full to eligible settings. Funding allocations should be communicated and passed on as soon as possible after local authorities receive notification of their allocations, and in any case before 31 March 2027.

The approach DfE recommends for local authorities is to distribute the funding using the same criteria applied in their local early years funding formula deprivation supplement, restricting it to eligible settings only. This is to ensure this funding is distributed in a way that more accurately reflects relative deprivation. Local authorities should use data covering all age groups, not just 3 and 4-year-old PTEs, and as this reflects the ages of pupils within scope of the FSM expansion. However, local authorities may choose a different approach such as early years pupil premium

(EYPP) data for example, where it better meets local needs or incorporates more up-to-date information.

The EYFSM expansion grant is not part of a local authority's schools budget for the purposes of [section 45A\(2\) of the School Standards and Framework Act 1998](#) or [regulation 7 of the School and Early Years Finance \(England\) Regulations 2026](#).

We encourage local authorities to engage with local partners but to allow local authorities to provide timely allocations to providers, they do not need to consult with their schools forum on passing on the EYFSM expansion grant funding to early years providers. We encourage local authorities to work with schools to ensure that they are accepting and processing applications promptly to ensure that eligible families are benefiting from FSM funding from September.

4. Permitted use of funding

Local authorities must ensure that all the EYFSM expansion grant funding they receive is distributed to eligible early years providers listed in section 2.1 in their area.

Local authorities should note that all funding received via this EYFSM expansion grant must be distributed to eligible early years providers as additional funding and, regardless of distribution method, must not be used:

- as a substitute for entitlements funding, early years pupil premium, disability access funding, special educational needs (SEN) inclusion funding or high needs funding
- for contingency purposes
- for local authority central or administration costs

This funding must be used by settings to provide a meal to eligible pupils. [The Education Act 1996](#) as amended, places a duty on state-funded schools to provide a free school meal to pupils of all ages that meet the eligibility criteria. This includes pupils in maintained schools, free schools, academies and maintained nursery schools.

Even though providers will not receive the funding until later in the academic year, they should begin preparations for September 2026 by encouraging applications from parents and confirming eligibility as soon as possible.

5. Assurance

5.1 Assurance requirements

Local authorities will need to have their own arrangements in place to ensure funding has been passed onto its providers and that the funding has been used for the purposes intended. DfE will gain assurance of these arrangements through the [section S151 return](#).

5.2 Carry forward

Local authorities must not carry funds from the EYFSM expansion grant forward past 31 March 2027. Any funding not distributed by the local authority for the purposes outlined in these conditions by this date should be returned to DfE.

5.3 Records required

Local authorities and settings are required to maintain and keep clear records of income and expenditure in relation to this grant, including evidence of the use of funds. Local authorities should ensure they publish their eligibility criteria.

6. Further information

Books, other documents and records relating to the recipient's accounts shall be open to inspection by the Secretary of State and by the Comptroller and Auditor General.

The Comptroller and Auditor General may, under [section 6 of the National Audit Act 1983](#), carry out examinations into the economy, efficiency and effectiveness with

which the recipient has used its resources.

Local authorities and schools shall provide information as may be required by the Secretary of State to determine whether they have complied with these conditions.

7. Variation

The basis for allocation of grant may be varied by the Secretary of State from that set out above, if so requested by the local authority.

8. Recovery of funds

If a local authority or setting fails to comply with the terms and conditions set out in this document, the Secretary of State may recover some or all of the EYFSM expansion grant that has been allocated. This will be notified in writing to the local authority, school or college.

Recoveries will be made by invoice or by offsetting the amount against subsequent payments due from the department.

The recipient must notify DfE immediately through the [customer help portal](#) if it becomes aware of any instance of error, suspected fraud or financial irregularity in the use of the funds.

9. Overpayments

If a local authority identifies that it has been overpaid, it must contact DfE to arrange repayment of the excess. Where DfE identifies an overpayment, it may seek to recover the excess. The local authority will be notified of this in writing.

10. Enquiries

For queries relating to these terms and conditions use the [customer help portal](#).

[↑ Back to top](#)

Help us improve GOV.UK

To help us improve GOV.UK, we'd like to know more about your visit today. [Please fill in this survey \(opens in a new tab\)](#).

Cancel



Services and information

[Benefits](#)

[Births, death, marriages and care](#)

[Business and self-employed](#)

[Childcare and parenting](#)

[Citizenship and living in the UK](#)

[Crime, justice and the law](#)

[Disabled people](#)

[Driving and transport](#)

[Education and learning](#)

Government activity

[Departments](#)

[News](#)

[Guidance and regulation](#)

[Research and statistics](#)

[Policy papers and consultations](#)

[Transparency](#)

[How government works](#)

[Get involved](#)

[Employing people](#)

[Environment and countryside](#)

[Housing and local services](#)

[Money and tax](#)

[Passports, travel and living abroad](#)

[Visas and immigration](#)

[Working, jobs and pensions](#)

[Help](#) [Privacy](#) [Cookies](#) [Accessibility statement](#) [Contact](#)

[Terms and conditions](#) [Rhestr o Wasanaethau Cymraeg](#)

[Government Digital Service](#)

OGL

All content is available under the [Open Government Licence v3.0](#), except where otherwise stated



[© Crown copyright](#)