

Funding

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Intention

This policy aims to provide parents/carers with a clear understanding of how Early Years Funding works at our nursery, outlining eligibility criteria, the number of funded hours available, when funded hours can be used, what is included in the funding, potential additional fees, and details on the nursery's cost-free alternative. Our overall goal is to ensure transparency regarding the funding options we offer and how they are implemented.

Legislative context

Legal guidelines and framework

- Childcare Act, 2006
- Childcare Act, 2016
- Childcare (Free of Charge for Working Parents) (England) Regulations 2022
- Early education and childcare, 21 February 2025
- Early Years Statutory Framework, 2024 (EYFS)

Legal duties

Nursery providers have a legal duty to ensure eligible children can access their early years funding entitlements in line with statutory requirements.

Definitions

Early years funding

There are various terms used by local authorities and government bodies when referring to early years funding, such as 'Free Entitlement,' 'Universal Funding,' 'Two for You,' and '30 hours childcare.' To avoid confusion, throughout this policy we use the term 'Early Years Funding' to refer collectively to all forms of government-provided funding aimed at providing eligible children with access to funded early education and childcare provision.

Enhanced extracurriculars

This policy refers to the delivery of enhanced extracurriculars. This refers to the provision of specialist learning opportunities over and beyond the requirements of the. These may include:

- Drama classes.
- Dance classes.
- Music sessions.
- Foreign language classes.
- Sports sessions.
- Forest school.
- Gardening classes.
- Yoga and mindfulness activities.
- Sensory play experiences.
- STEM-based explorations.
- Cooking and nutrition workshops.
- Loose parts activities.

The specific extracurricular offerings may change over time based on factors such as the availability of specialist instructors, resources, and the needs and interests of the current cohort of children.

Updates to this policy

This policy may be unilaterally updated at any time with immediate effect to ensure clarity and compliance with the latest government legislation and guidance. Please refer to the 'More Information' section on the website for the latest copy of this policy.

What is Early Years Funding?

Early Years Funding is a national scheme, administered by local authorities, which offers funded childcare hours with an Ofsted registered childcare provider. How many funded hours a child is eligible for will depend on the child's age and the family's situation. Nurseries can choose how to offer the Early Years Funding as long as the following parameters are met:

- Funded childcare cannot be longer than 10 hours in a single day.
- Funded childcare must be accessed between 6am and 8pm.

What is the maximum amount of funding that can be used a week?

The government provides funding for 38 weeks a year. For the balance of the year there is no funding available. During the 38 weeks, funding is offered for either 15 hours a week or 30 a week, depending on individual family circumstances. If you attend the nursery on a full year plan, we stretch the funding so that an equal amount of funding is applied against your invoice each week.

Stretch funding

If you are eligible for 15 hours funding per week that means you are eligible for 15 hours of funding per week for 38 weeks across the academic year, meaning you are eligible for a total of 570 funded hours per year. Under stretch funding, you receive these 570 hours over the full year instead of over 38 weeks. This means the 570 hours is divided by the number of weeks we are open in the year rather than 38 weeks. The below table shows how funding is stretched over the full year, depending on the amount of hours you are entitled to.

Number of funded hours you are entitled to per week over 38 weeks	Number of weeks funding is provided for	Number of funded hours you are entitled to over a year	Number of weeks the nursery is open	Number of funded hours you are entitled to per week over the year ¹
A	B	A x B	C	(A x B) / C
15	38	570	42	14
30	38	1140	42	28

¹ The weekly funded hours are rounded to the nearest hour due to system limitations. As a result, you may receive slightly more or slightly fewer funded hours than your total annual entitlement. If you wish to claim any additional free hours related to this rounding, please contact the nursery. These hours can be scheduled at a time when there is availability.

How are funded hours applied?

Funding is applied in order of session price, where funding is applied to the lowest price sessions first. If sessions are priced equally, funding is applied in chronological order. A maximum of 10 hours can be funded in a single session.

Headcount week

All children in receipt of Early Years Funding must have taken up a place before the headcount week (except in the case of children meeting the Late Starter criteria). The "headcount week" refers to a specific week in each term where local authorities count the number of children attending childcare providers and claiming funded hours. This count determines the amount of funding the provider will receive for that term.

SEND

There is no additional charge for enhancements where a child has SEND.

Session times

Funded hours can be used on any session on any day of the week.

Changing nursery

It is possible to change nursery mid-way through a funding period without impacting your funding entitlement. The funding will follow your child to their new provider. The nursery will inform the council that your child has left the setting and we will stop claiming funding for the child on the day they leave the setting.

Curriculum and Consumables (C&Cs)

The funding provided by the Department for Education supports the delivery of basic education and childcare in line with the minimum standards of the Early Years Foundation Stage (EYFS). However, this funding does not cover the cost of consumables such as meals, snacks, or the delivery of a curriculum that goes above and beyond the EYFS requirements.

At our nursery we provide a high-quality experience that goes beyond the basic expectations of the EYFS. We enrich our provision with thoughtfully planned activities, stimulating learning opportunities, and a nurturing environment that supports every aspect of a child's development. As part of this, we offer nutritious, well-balanced meals and snacks that are freshly prepared and tailored to meet the specific dietary needs of young children. These enhancements form what we refer to as Curriculum and Consumables (C&Cs).

C&Cs are charged during funded hours to help cover the cost of these enhancements. It is important to note that this is not the same as charging the difference between the local authority's funding rate and our standard hourly fee. Instead, C&Cs reflect the added value and enriched experiences we provide beyond the core funded entitlement.

What are the C&Cs paying for?

Please see the following page for a summary of what the C&Cs fee goes towards.

Item	Type
Lunch.	Meals & snacks
Tea.	
Snack (morning & afternoon).	
Food waste disposal.	
Materials & equipment required for food preparation.	
Additional staffing & training costs for food preparation.	
Materials, equipment & learning resources for enhanced extracurriculars.	Enhanced extracurriculars
Third-party costs related to the delivery of enhanced extracurriculars.	
Additional staffing requirements & training costs for enhanced extracurriculars.	
Materials, equipment or learning resources for the delivery of outings & trips.	Outings & trips
Third-party costs related to the delivery of outings & trips.	
Additional staffing requirements & training costs for outings & trips.	
Materials, equipment & learning resources for special events & celebration days.	Special events & celebration days
Nappies, nappy sacks, wipes, creams, suncream.	Essential consumables
Emergency medication.	Emergency consumables
Famly app.	Learning journey
Computing and photography equipment related to posting on Famly.	
Additional staffing requirements & training costs related to posting on Famly.	

How much are C&Cs?

Please refer to the most recent Price List.

Are C&Cs voluntary?

If you are unwilling or unable to pay for C&Cs, there is the opportunity to apply for Community Hours.

What are Community Hours?

Community Hours are sponsored hours at the nursery, where the nursery covers all the additional costs when funded hours are being used. This initiative is a reflection of our commitment to fostering an inclusive space and supporting the local community, where there is a cost-free alternative to paying for C&Cs. Community Hours are not applicable on privately paid sessions, they can only be applied on funded hours.

How do Community Hours work?

If you are awarded Community Hours then Community Hours are applied instead of C&Cs. Community Hours are completely free of charge meaning families do not pay anything for these hours. No Registration Fee is charged when Community Hours have been awarded to a child.²

How many Community Hours are available?

The nursery will offer up to 1140 Community Hours each year. There may be times where, if it is commercially viable, the nursery will offer more than this. If the nursery choose to award more than 1500 Community Hours this is entirely at the discretion of the nursery and should not be interpreted as a precedent for future offerings.

How many Community Hours can I apply for?

The maximum number of Community Hours you can apply for is 15 hours per child (term-time equivalent), i.e., $15 \times 38 = 570$ hours per year. It is important to note there is very limited availability of Community Hours and we encourage parents/carers to only apply for the exact number of Community Hours that suit their specific need.

Who is eligible to apply for Community Hours?

Anyone who attends the nursery or is scheduled to attend the nursery using funded hours is eligible to apply for Community Hours. The only exception is children of staff members, who are not eligible for Community Hours.

When are Community Hours allocated?

Applications for Community Hours are reviewed three times a year and apportioned as below. We withhold a percentage of the available funded hours to ensure families who join the nursery later in the academic year have a chance to be awarded Community Hours. The below tables shows the percentage of the annual budget of Community Hours that is distributed each term.

² If you have already paid a Registration Fee and you are later awarded Community Hours, the Registration Fee is not refundable.

Review of applications	Term to be applied	% of Community Hours to be distributed.
Last Friday of June	Autumn	40%
Last Friday of November	Spring	30%
Last Friday of February	Summer	30%

How are Community Hours allocated?

Priority for Community Hours is given to families who:

- Receive funding for 2-year-olds for vulnerable families.
- Receive the Early Years Pupil Premium (EYPP).

These families receive priority because these funding types are means-tested, aiming to support young children facing disadvantages. This third-party assessment provides an objective indicator of vulnerability, eliminating the need for the nursery to make subjective judgments. After priority allocations, the remaining hours available are assigned on a first-come, first-served basis until capacity is reached.

If insufficient hours are available, hours are distributed evenly among families, ensuring a minimum of 7 hours per week (term-time equivalent) per family (not per child), i.e., $7 \times 38 = 266$ hours per year.

If insufficient hours remain to guarantee the above stated minimum, a waiting list is established in order of application date.

Families who already have one child receiving Community Hours or who are not already receiving the max allocation of 15 hours per week (term-time equivalent) may apply for additional Community Hours. These requests are considered only after the waiting list is cleared.

How long will I keep my Community Hours for?

Once you have been awarded Community Hours these will stay on your account until your child leaves the setting or you inform us that they no longer require them. We encourage families whose circumstances have changed to consider returning any unrequired hours, allowing us to reallocate them to other families in need.

How do I apply for Community Hours?

Please email the management team with the number of Community Hours you are applying for and the child's details. We only accept applications for Community Hours the term before your funding is due to start.

Are Community Hours only usable on certain sessions?

The nursery may choose to restrict the use of Community Hours to certain attendance plans or specific days (for example Full Year, PM sessions or Mondays and Fridays). This is help balance attendance.

What if Community Hours aren't available and I don't want to pay the Curriculum & Consumables fees (C&Cs)?

If there are no more Community Hours available, you have the right to apply for Basic Entitlement Hours. This means your child will not benefit from any of the enhanced activities, resources, or services that the C&Cs fee supports. Please speak to the nursery manager for more details.

Partially funded sessions

If your session is part funded, the C&Cs are charged on a pro-rata basis for the hours which are funded. This means if your session is 10 hours long, but only 5 hours are funded, you will pay 50% of the value of the C&Cs and 50% of the value of the session.

Invoicing for C&Cs

The price for any funded hours is zero. C&Cs are then added onto your invoice on a per hour basis. For example, if you are applying 5 hours of funding onto a Full Year 8AM-1PM session, your invoice will show a line item indicating the C&Cs as below. The FY stands for Full Year (whereas TT stands for Term Time). The AS stands for Additional Services, which is the legacy term we used to describe the fees related to C&Cs.

- 5 x FY AS 0830-1200 [1H]

Bank Holidays

Funding that falls on a Bank Holiday is not automatically applied onto alternate unfunded sessions.

More information on funding

If you would like to find out more about funding, we encourage you to look at the Childcare Choices website: <https://www.childcarechoices.gov.uk/>

Complaints about funding

Please follow the procedure outlined in our Complaints and Compliments Policy.