

## GOVERNMENT-FUNDED CHILDCARE FOR 9MTH; 2YR; AND 3 & 4 YEAR OLDS

In this document we try to explain what it is, how it works and how your child will benefit.

### 1. An Introduction

'Funding' is the common term for the subsidy paid to nurseries by the Local Authority on behalf of each qualifying child typically understood to be "15 hrs of free childcare".

- Qualifying children are entitled to funding from the term after they reach 9mths until the end of the summer term before they leave for school.
- Children that do not qualify will still receive funding from the term after their third birthday.

To check your eligibility and to apply for funding, please visit [www.gov.uk/get-free-childcare-if-youre-working](http://www.gov.uk/get-free-childcare-if-youre-working). You will receive a unique code which you must give to the nursery at the earliest opportunity (along with the National Insurance Number of the person that has applied).

Your monthly invoices will show the number of 'free' hours that you have been allocated, and you will be liable to pay any balance for additional hours your child attends.

#### ***Simple!***

The specifics, however, are more complex than you might imagine. A disjointed introduction has resulted in an unnecessarily clumsy system in desperate need of an overhaul. Until that happens, allow us to both inform and baffle you. Good Luck!

### 2. Does my child qualify?

The answer is not straight forward....

For the majority of parents, your child qualifies for 'free childcare if you're working' if both work 16hrs/week or more (at minimum wage or above) and neither earns more than £100,000/yr. However there are multiple exceptions to the working parent rule so please [visit the government website](#) to find out more. We strongly recommend that you do so, even if you believe that you do not qualify.

The qualifying criteria (and the application process) is the same as for Tax Free Childcare. TFC is a separate benefit to help you save money on any paid proportion of your childcare costs, with further savings of up to £2000 a year. Well worth looking in to!

### 3. Entitlement – 15 or 30hrs?

Funding was originally introduced for ALL 3 and 4 year olds (known as Universal Funding). The scheme was then extended to include qualifying 2 year olds, and then qualifying 9mth olds.

- The basic offer is the equivalent of '15 hours of free childcare a week over 38 weeks' (570hrs a year), commonly referred to as '15hr funding'.
- Qualifying children can claim an additional 15 hours of 'Extended' funding a week (a total of 1140hrs a year), referred to as '30hr funding'.

Entitlement can be summarised as follows:

| Age       | 15hr funding        | 30hrs funding       |
|-----------|---------------------|---------------------|
| 9 months  | Qualifying Children | Not until Sep '25   |
| 2 years   | Qualifying Children | Not until Sep '25   |
| 3&4 years | All Children        | Qualifying Children |

Throughout this document, figures relating to 15hr funding are quoted (with 30hr funding figures stated alongside in brackets).

38 weeks of funding only covers part of the year, so settings that are open all year can spread their funding.

- Parents at Young Sussex receive 11.25 (22.5) hrs of free childcare a week over 50.6 weeks.
- For children attending term-time only at our Brighton and Hove nurseries, 13.5 (27.0) hrs is spread over 42 weeks.

#### 4. When exactly will my child be eligible for Funding?

Please be aware that qualifying children will be eligible for funding from the start of the term AFTER they reach 9mths (or 3yrs for universal funding), and not on their actual birthday. Equally, 2 yr old funding will continue until the end of the term in which your child's third birthday falls, after which point 3 & 4 yr old funding applies.

The term start dates are as follows:

| Term   | Start Date  |
|--------|-------------|
| Autumn | 1 September |
| Spring | 1 January   |
| Summer | 1 April     |

So, for example, if your child was born on 14 February, they would be 9mths old on 14 November (during the Autumn Term). They would therefore qualify for funding from the start of the Spring Term that follows.

To process your claim you must provide Young Sussex with a valid Eligibility Code (obtained from the government website) **before** the start of term. Eligibility Codes are only valid for 3 months and must still be valid at the start of term. As such it is advisable to neither apply too early (and risk having to revalidate your code) or too late (and miss out on funding altogether). The optimum window to apply is between 10 weeks and 10 days before the start of your child's first eligible term.

#### 5. Ok, I think I get it....

Be forewarned that it only gets more complicated from here... Please read on only if you have a clear head and a strong cup of coffee by your side!

Each childcare provider must comply with the conditions set out by central government. Local authorities then impose their own (broadly similar) requirements that must be met. Within these parameters, providers may then stipulate how the funding is offered to suit their operational needs.

What follows is information on how Young Sussex offers funding. Other nurseries' guidelines will differ.

## 6. When can I use my funded hours?

Each session type has a maximum amount of funding allocated to it (between the hours of 9am and 5pm), as follows:

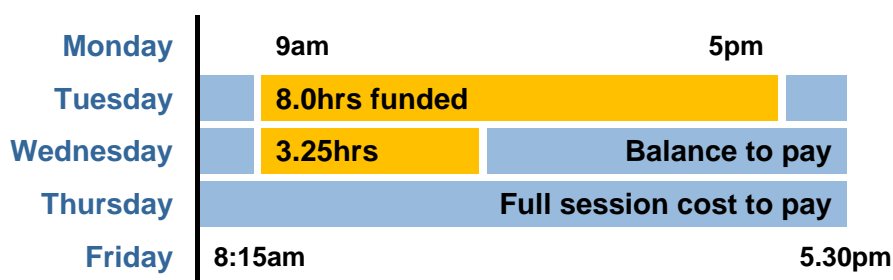
| Session Name | Maximum Funding |
|--------------|-----------------|
| Morning      | 4 hours         |
| Afternoon    | 4 hours         |
| School Day   | 7 hours         |
| Full Day     | 8 hours         |

As such, a child attending only 2 School Days or 3 Mornings/Afternoons can claim their full 11.25hr entitlement.

Funding will be allocated to the sessions that your child attends each week, up to the session maximum shown above, until you have no further funding remaining for that week.

Our software system automatically allocates maximum funding to the first session attended in the week, followed by each subsequent session until the weekly funding limit of 11.25 (22.5) hrs is reached. How your hours are allocated, and to which sessions, will mean that your monthly invoice may show the same session charged at different rates.

The diagram below shows a typical scenario for a child attending 3 Full Day sessions a week (8:15am to 5:30pm), who is claiming '15hr funding' only (11.25hrs/wk). You can see that the funding (in orange) has been applied to Tuesday in full (8hrs applied 9am to 5pm), with the balance applied to Wednesday's session so as not to exceed the 11.25hr weekly maximum allowance.



As a result, the balance to pay for each session (in blue) is different, and your monthly invoice breakdown will show the same session priced at these three different rates. To complicate matters further, the final week of each term may include fewer funded hours as the maximum allowance for the term might have already been reached.

## 7. How much will I save?

Two hours of funding applied to a four hour session will **not** give a 50% discount to the session cost.

As a business we strive to be clear and transparent in all that we do, especially regarding financial matters. In order to meet our funding obligations and still remain viable as a business, we have had to introduce measures that appear to complicate our simple pricing structure.

Funding is paid to nurseries by the Local Authority at different hourly rates for each age group, but is offered to parents as 'free' hours. Where the funding we receive is insufficient to cover our costs, our charges for non-funded hours must increase to compensate. Different nurseries address this shortfall in different ways, but the issue is universal and even the government is changing its terminology from 'free' to 'government-funded' childcare.

This quirk makes cost/saving calculations much harder for parents. However, the nursery managers have a funky little excel spreadsheet that they can use to advise you on the session costs and savings you will make depending on your chosen attendance. If you have access to Excel you can download the Parent version [on our website](#), which will allow you to calculate your weekly and average monthly childcare costs after funding has been applied.

Please be aware, that based on current funding rates, and the government's under-funding of 3 & 4 year olds, there is a significant jump in the parent share of costs when you switch to 3 & 4 year funding (for the term after your child's third birthday)

## 8. Funding-Only Sessions

We also have a limited number of funding-only sessions (please contact the nursery for availability). Any combination of the following funding-only sessions, up to a maximum of 11.25hrs (22.5hrs), can be attended at no cost. Below is a summary of the maximum number of sessions your child could attend (subject to availability), depending on whether you are in receipt of 15hrs or 30hrs of funding:

| Session         | Session Times             | 15hr Max.    | 30hr Max.   |
|-----------------|---------------------------|--------------|-------------|
| Morning         | 8:15am – 1:00pm (4.75hrs) | 2 (9.5hrs)   | 4 (19.0hrs) |
| Short Afternoon | 1:00pm – 4:45pm (3.75hrs) | 3 (11.25hrs) | 0 (n/a)     |
| Afternoon       | 1:00pm – 5:30pm (4.5hrs)  | 2 (9.0hrs)   | 5 (22.5hrs) |

Any incidental Extra Sessions can be booked but must be paid for at the time of booking. Any increase in regular sessions to include hours outside of the funded only sessions will result in a change to how funding is applied to all sessions (in line with the maximum hours listed above). You will also be required to pay a deposit equal to two weeks of your full regular attendance.

Please be aware that any switch between Funding-only and regular funding can only happen from the start of the following term. Funding-Only children can opt out of attending any of their regular sessions that have no funding allocated, or can chose to attend, but will be liable to pay the full session cost upfront.