

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 government funding that providers claim from their Local Authority on behalf of each qualifying child.

- Qualifying children are entitled to '30hrs' of 'Working Parent' 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 '15hrs' of 'Universal' funding from the term after their third birthday.
- Some two year olds whose families receive additional government support are eligible for '15hrs' of 'Early Learning for 2yrs olds' funding from the term after their 2nd birthday.

To check your eligibility and to apply for funding, please visit 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 working parent entitlement if you both work 16hrs/wk 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. We strongly recommend that you [visit the government website](#) to find out more, 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 into!

3. Entitlement – 15 or 30hrs?

Funding was originally introduced for ALL 3 and 4 year olds (known as Universal Funding). This is the equivalent of '15 hours of childcare a week over 38 weeks' (570hrs a year), and remains in place for parents that do not qualify for the working parent entitlement. This is referred to as '15hr funding' in this document.

The scheme was then extended to increase the funding hours for qualifying 3 and 4 year olds and to include qualifying 2 year olds and 9mth olds. This expansion allows the majority of our children

to now qualify for 30hrs of working parent funding a week over 38 weeks' (a total of 1140hrs a year) - referred to as '30hr funding' in this document.

Entitlement can be summarised as follows:

Age	30hr funding	15hr funding
9 months	Qualifying Children	N/A
2 years	Qualifying Children	Qualifying 2yr olds
3&4 years	Qualifying Children	All Children

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

38wks of funding only covers part of the year. Settings that open all year can spread their funding:

- Parents at Young Sussex receive 22.5 (11.25) hrs of free childcare a week over 50.6 wks.
- For children attending term-time only at our Brighton and Hove nurseries, 27.0 (13.5) hrs is spread over 42.2 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, 2yr 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

If your child was born on 14 Feb, for example, they would be 9mths on 14 Nov (during the Autumn Term) and 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 will differ.

6. When can I use my funded hours?

We offer two sessions types:

- Funding-Only – for those only wanting a limited number of core sessions, funding-only sessions may be ideal. Less flexibility, but 100% free of charge (See section 6.1 below).
- Standard – our usual, paid for sessions (of which a number of hours will be free due to the funding allocation), offering maximum hours and full flexibility (See section 6.2 below);

You cannot mix funding-only and standard sessions – if your needs cannot be met by our funding-only sessions, you will need to switch to standard sessions. Any switch between Funding-only and Standard sessions can only happen from the start of the following term.

6.1 Funding-Only Sessions

Subject to availability, any combination of the following funding-only sessions can be attended at no cost. Below is a summary of the maximum number of sessions your child could attend per week, without exceeding the maximum funding allocation of 22.5hrs (11.25hrs):

Session	Session Length	Maximum No. of Sessions 30hr	(Maximum No. of Sessions 15hr)
Morning	4.75hrs	4 (19.0hrs)	2 (9.5hrs)
Afternoon	4.50hrs	5 (22.5hrs)	2 (9.0hrs)
Full Day	9.25hrs	2 (18.5hrs)	1 (9.25hrs)

- Any incidental Extra Sessions can be booked, but must be paid for at the time of booking.
- Funding-Only sessions cannot be attended term-time only.
- Please note that parents attending funding-only sessions cannot make use of our Session Swap facility.
- There are no conditions to access funded hours (such paying for meals or additional paid hours), though you may choose to have these if you wish.
- Any increase in regular hours that exceeds the maximum funding will result in a change to how funding is applied to all sessions (in line with the maximum hours listed in 6.2 below) and will require you to pay our regular deposit of £150 or £250, depending on attendance.

6.2 Standard Paid Attendance

With our standard offer, each core session has a maximum amount of funding allocated to it (between the hours of 9am and 5pm), as follows:

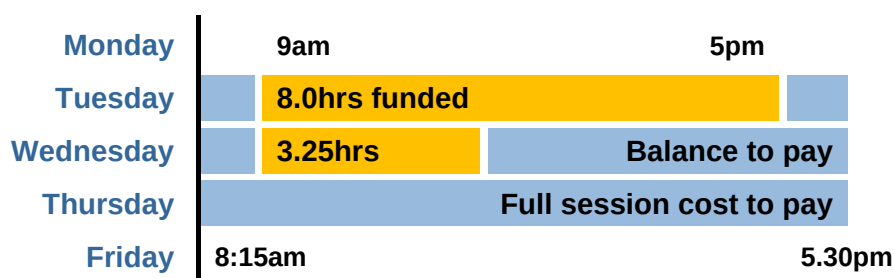
Session Name	Maximum Funding
Morning	4 hours
Afternoon	4 hours
School Day	7 hours
Full Day	8 hours

As such, a child attending 3 Full Days can claim their full 22.5hr 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 22.5hrs (11.25hrs) 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.

7. How much will I save?

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

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. As the funding we receive is insufficient to cover our costs, our charges for non-funded hours (before 9am and after 5pm) have increased 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 harder for parents. However, the nursery managers have a 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](#), which will allow you to calculate your weekly and average monthly childcare costs after funding has been applied. The Excel will also indicate if you can benefit from funding-only sessions which are 100% free of charge.

8. Changes in Funding and Sharing Funding

8.1 Headcount Day

The amount of funding that you will get will be based on your regular attendance pattern in the week that Headcount Day falls. Headcount Day is a date set by the Local Authority which usually falls in the first 2-5 weeks of each term. For example, if your child attends two funding-only Full

Day Sessions in the week of headcount (equal to 18.5hrs of funding), this will be multiplied by the total weeks in the term to calculate the total termly claim.

8.2 Mid-term Changes in Attendance after Headcount Day

- a In Brighton and Hove (affecting our Hove and Brighton nurseries), funding will increase or decrease to reflect any change in attendance.
- b In West Sussex (affecting our Shoreham Nursery), any increase in attendance that term will **not** result in an increase in funding awarded. Funding will decrease with any corresponding decrease in attendance. It is therefore prudent to ensure that any mid-term increases in attendance (resulting in an increase in funding) take place early in the term and prior to Headcount Day.

8.3 Sharing Funding across Settings

Funding can be shared across more than one nursery or childminder so long as the total claim across all settings does not exceed the annual entitlement (see Section 3 above). Parents can stipulate how they wish to use their entitlement at each setting (within the rules set out by each provider).

In agreement with the other setting, changes to how funding is shared can generally be accommodated at short notice, if not immediately. However, the appropriate notice period must be given for any associated change in attendance at Young Sussex.

8.4 Changing Funding Categories

To correctly calculate the funding due, each child is allocated to the relevant funding category for that term, e.g. “2yr Term-Time Only” or “9mth Funding Only”. As such, changes between All-year and Term-time attendance, or between Funding-Only and Standard attendance, can only take place from the start of each term.

In practice, this means from the start of the following term, however, circumstances may allow for us to back-date the change to the start of the current term, resulting in a recalculation of any monthly invoices already issued.

9. Conclusion

As you can see, funding is complex. Ultimately, we understand that for most parents, the main motivation is to maximise savings. The Parent Fee Calculator (link in Section 7 above) will help you calculate cost and optimise savings, or speak to the nursery managers. If you take nothing else away from this document, make sure that you apply for the funding that you are entitled to and give us your eligibility code in good time!