

## Funding FAQ's

### 1. What is NEF?

A: NEF stands for 'Nursery Education Funding'. The government funds 570 hours of early education a year for every 3 and 4-year-old from the start of the term following their third birthday. This is known as Universal Funding. Working parents can apply for an additional 570 hours which is known as Extended Funding. The money for the funded hours is paid directly to the Childcare Provider (in this case LEYF) by the local authority:

- For all family's resident in England including those on work or student visas and asylum seekers (excludes those on tourist or business trip visas)
- For all 3 and 4-year-old children (there is a separate scheme for disadvantaged two-year olds)
- Universal Funding is allocated in schools as 15 hours a week during term-time. There are 190 school days a year, so sometimes this is described as 38 weeks of funded early education.
- Extended Funding is allocated in schools as 30 hours a week during term-time, so sometimes this is described as 'the 30 hours' funding.
- Some providers 'stretch' the hours over 52 weeks, using fewer hours per week.

### 2. What is the 2-year-old offer?

A: Your 2-year-old can get free childcare if you live in England and get one of the following benefits:

- Income Support
- Income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Universal Credit, and your household income is £15,400 a year or less after tax, not including benefit payments
- Tax credits, and your household income is £16,190 a year or less before tax
- The guaranteed element of Pension Credit
- The Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)

2-year-olds can also get free childcare if they:

- Are looked after by a local authority
- Have a statement of special education needs (SEN) or an education, health and care (EHC) plan
- Get Disability Living Allowance
- Have left care under an adoption order, special guardianship order or a child arrangements order

You may have to pay for extra costs like meals, nappies or trips.

Contact your childcare provider or local council to find out more.

If you are a non-EEA citizen who cannot claim benefits your 2-year-old may get free childcare if you are getting support under the Immigration and Asylum Act and have either:

- Claimed asylum in the UK and are waiting for a decision (known as ‘part 6’)
- Been refused asylum in the UK (known as ‘section 4’)

A 2-year-old you care for may also get free childcare if your household income is £15,400 a year or less after tax, and you have either:

- Leave to remain with ‘no recourse to public funds’ on family or private life grounds
- The right to live in the UK because you’re the main carer of a British citizen

### 3. What is Early Years Pupil Premium? (EYPP)

A: EYPP is a financial allocation made by the Government to give providers of early years education extra funding to support disadvantaged 3 and 4-year-olds.

The EYPP is an extension of a funding system that has been in place for some years. All early year’s providers who are eligible to receive funding for the 3- and 4-year-old early education entitlement are also eligible to receive the EYPP.

#### Eligible children

Guidance on identifying eligible children is provided on the DfE website. This states that 3 and 4-year-olds in state-funded early education will attract EYPP funding if they meet at least one of the following criteria.

1. Their family receives one of the following:
  - Income Support.
  - Income-based Jobseeker’s Allowance.
  - Income-related Employment and Support Allowance.
  - Support under part VI of the Immigration and Asylum Act 1999.
  - The guaranteed element of State Pension Credit.
  - Child Tax Credit (provided they are not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190).
  - Working Tax Credit run-on, which is paid for 4 weeks after they stop qualifying for Working Tax Credit.
  - Universal Credit.
2. They are currently being looked after by a local authority in England or Wales.

3. They have left care in England or Wales through:
- An adoption
  - A special guardianship order
  - A child arrangement order

The guidance stresses that children must be in receipt of Universal Offer funded hours in order to attract EYPP funding.

#### **4. What is Disability Access Funding (DAF)?**

A: The Disability Access Funding (DAF) is funding for early years providers to support children with disabilities or special educational needs. It aids access to early years places by supporting providers in making reasonable adjustments to their settings.

LEYF can claim the funding once the parent/carer has nominated them as the main provider of their child's FEEE and demonstrated their child is in receipt of Disability Living Allowance.

#### **5. If I am not receiving 15/30 hours funding a week, how many hours am I receiving per week?**

A: All our nurseries have booking plans that allow you to access your full entitlement to government funded hours. For our all year-round booking plans, these funded hours are allocated as around 11 or 22 hours a week instead of the 15 or 30 hours allocated at a school during term-time. The number of funded hours available in part-time plans varies by nursery. If we do not have a package of funded and private hours that works for you at one nursery, we may be able to help at one of our other nurseries.

#### **6. If I am receiving 22 hours funding a week and my child attends nursery for 2 days which amounts to 22 hours per week, why am I also paying fees?**

A: When you agreed and signed your terms and conditions on joining the nursery, our Customer Services team or the Nursery Manager will have let you know how many hours funding you will receive at your setting. The funding rates vary by Local Authority, meaning that in some nurseries LEYF gets less than per hour than the real cost of the nursery place.

To keep the nursery and the organisation sustainable, we include some private hours in all the booking plans at some nurseries. The private hours in these booking plans are charged at a higher rate than the government funding. You are choosing a private booking plan that includes some funded hours. If you are unsure, please contact your Nursery Manager.

**7. Why do I have to wait to access nursery funding until the term after my child's 3<sup>rd</sup> birthday?**

A: This rule is set by the Department for Education (DfE). The earliest you can access the funded hours is the term after your child's 3<sup>rd</sup> birthday effective 1<sup>st</sup> January, 1<sup>st</sup> April or 1<sup>st</sup> September. Different schools and nurseries have different term dates, so they may not start allocating funded hours straightaway. For example, most schools and nurseries start their Summer Term after Easter and not on 1<sup>st</sup> April.

**8. What are the cut off points for the funding to be accessed?**

A: To access NEF (Nursery Entitlement Funding) your child must be 3-years-olds by the deadlines outlined here - this excludes Westminster where the summer term starts 1<sup>st</sup> May (please note this only affects new parents accessing the funding for the first time):

When your child turns 3 years old	When they can get 30 hours from	Recommended time to apply	Deadline to apply
1st September to 31st December	1st January	15 October to 30 November	31st December
1 <sup>st</sup> January to 31st March	1st April	15 January to 28 February	31st March
1st April to 31st August	1st September	15 June to 31 July	31st August

**9. I have a valid 30-hour code which has been confirmed so why can't this be used this term?**

A: The HMRC gives out the codes very early - you can apply from when your child is 2 years and 36 weeks old. However, if you apply more than 3 months before the first term you want to use, you will have to reconfirm your eligibility in your online HMRC account to keep your code valid.

**10. Is there a cut-off point for families joining the nursery and wanting to use the 30-hour code? (Similar to when children become entitled to funding, does the code have to be valid from a certain date.)**

A: For children born between April 1<sup>st</sup> and August 31<sup>st</sup>, the earliest they can start accessing their hours is September the same year. Children born between September 1<sup>st</sup> and December 31<sup>st</sup> can start accessing their hours in January and children born between January 1<sup>st</sup> and March 31<sup>st</sup> can start accessing their funding the term after Easter (terms dates vary across boroughs).

## 11. Why am I not receiving the funding when I am entitled to it?

A: You may not be entitled to the funding due to the below reasons:

- HMRC have not agreed your 30 hours code
- You began the nursery after the Local Authority headcount date when they allow nurseries to make their claim for funded hours
- Your 30 hours code is not valid, or your household circumstances have changed in a way that makes you ineligible for the funding, e.g. a parent has lost their job or their hours.
- You are accessing the funding for the first time or have moved to a LEYF nursery from another setting and your code is in its grace period (this is the time you are given if you fall out of eligibility before you lose your extended hours).

Please discuss with the nursery management team if you feel that you are entitled to the funding and they will help you to seek further advice.

## 12. How are the funding hours and fees calculated?

A: The funding rates vary by Local Authority, meaning that in some nurseries LEYF gets less than per hour than the real cost of the nursery place.

To keep the nursery and the organisation sustainable, we include some private hours in all the booking plans at some nurseries. The private hours in these booking plans are charged at a higher rate than the government funding. You are choosing a private booking plan that includes some funded hours. The more private hours that are in the plan, the cheaper these hours are.

## 13. Do I receive less funded hours the more days I attend?

A: No, the more days you have in your booking plan, the more funded hours you can access up to the maximum entitlement.

## 14. Why can't I use my funded hours only to attend the nursery all year round?

A: You may be able to. Please refer to the fee sheet that clearly shows what sessions are available at the nursery. There may be another nursery nearby that can offer you what you are requesting. Please discuss further with the Nursery Manager.

## 15. What is Tax-Free Childcare?

A: The Government-backed Tax-Free Childcare scheme essentially gives eligible families 20% off childcare costs. You open an online Tax-Free Childcare account and the Government adds 20p for every 80p you pay in. You then pay your childcare provider from that account. Tax-Free Childcare is for:

- Working families, including the self-employed, in the UK
- Those earning under £100k and at least £139 per week (equal to 16 hours at the National Minimum or Living Wage) each
- Those who aren't receiving Tax Credits, Universal Credit or childcare vouchers

Those with children aged 0-11 (or 0-16 if disabled). For every £8 you pay into an online account, the government will add an extra £2, up to £2,000 per child per year.

Once you put money into your Tax-Free Childcare account, you will need to set up a regular payment to your childcare provider - please remember payments take 3-5 working days to reach your provider.

**16. Is the Tax-Free Childcare scheme the same as the Nursery Education Funding (NEF), also known as the 15- and 30-hours funding? Can I use both at the same time?**

A: They are two separate schemes that can be used together. Families that are eligible for Tax-Free Childcare are usually also eligible for the 30 hours funding the term after their child turns three.

**17. How do I find out more about Tax Free Childcare and set up payments?**

A: Please visit <https://www.gov.uk/tax-free-childcare> for further details or call their helpline on 0300 123 4097 to apply please visit [Apply online for Tax-Free Childcare](#)

**18. Why do I need to reconfirm my code every 3 months for my 30 hours funding?**

A: These are HMRC rules. You must reconfirm your eligibility every 3 months and declare any changes to your household circumstances. If you apply more than 3 months before the deadline for the term in which you want to start, you will have to reconfirm your eligibility in your account in order to keep your code valid. The sign in page is here: <https://www.gov.uk/sign-in-childcare-account> See table with Q8.

**19. If my code is not confirmed do the funding hours stop right away?**

A: If your child receives 30 hours funded childcare, you will be able to keep your childcare place for a grace period. Your childcare provider will tell you how long this will last. A grace period will always end at the end of a term. The grace period only applies if your child is already in a 30 hours place when you lose your eligibility, e.g. one parent loses their employment.

**20. What is the 'grace period' and what does it mean for me in regard to the funding?**

A: As Above, please see question 19

**21. Why are the hours stretched across the year?**

A: Universal Funding hours are delivered in schools as 15 hours per week term-time only (38 weeks per year). At nurseries that open all year (such as LEYF), the hours are "stretched" and delivered as 11 hours per week all year-round.

If you are eligible for the Extended Entitlement for working families, you may be able to take up to 1140 hours funded childcare across the year. Extended Funding hours are delivered in schools as 30 hours per week, term-time only (38 weeks per year), and at nurseries that are open all year (LEYF), the hours are ‘stretched’ and delivered as 22 hours per week year-round. Please discuss further with your Nursery Manager how many hours your child will receive.

For families, the main benefit of the year-round arrangement is that there is an even level of support year-round and any additional fees will not vary between each funded period. This means that families claiming tax credits only need to tell the Tax Credit Office when their child starts being funded rather than needing to contact them every time term-time as the funding stops and starts. For LEYF, as the nursery provider, it simplifies the delivery of the NEF.

Hours may be capped on 2-day bookings, so please check with the Nursery Manager before accepting a place.

## **22. How many weeks is my child entitled to have the grant funding?**

A: Please see answer to question 21.

## **23. What do I do if I want to change my current booking and have the 30 hours funded and just pay for any extra hours at nursery at the same rate as before?**

A: We do not offer this type of booking plan. Our nursery booking plans are either:

- NEF only (funded only) or
- Private booking plans that include some government funded hours.

In exceptional circumstances such as a job loss, we would consider each case individually. You will still receive the extended funding to the end of that term due to the grace period (see question 15 above).

## **24. Can I change my booking mid-term, and will this affect my funding?**

A: Local Authority rules and LEYF’s Terms & Conditions do not allow changes to funded hours mid-term. This means that you will only have the option to switch to certain alternative booking plans, for example switching or adding days. At nurseries that offer both term-time only and all year-round booking plans you cannot switch between the two types of plan during the term.

## **25. Where do I find more information about eligibility and the different types of funding?**

A: You will find more information on the Childcare Matters website  
<https://www.childcarechoices.gov.uk/>

**26. Can I split my child's entitlement between LEYF and another provider?**

A: In the following circumstances, LEYF is able to manage splitting hours:

Families accessing both the Universal and Extended Entitlements and wishing to use the two entitlements at separate childcare providers. This would mean taking the Universal Entitlement (47.5 hours per month) with LEYF and the Extended Entitlement of 47.5 hours elsewhere.

When a LEYF part-time bookings plan includes a limited number of funded hours. In this situation, parents may be left with a small number of funded hours to use elsewhere. For example, at a nursery with a maximum of 8 funded hours a day, a child accessing the Extended Entitlement would only use 16 hours a week at LEYF and have 4 funded hours a week to use elsewhere. Please let us know if you use funding with another childcare provider.

**27. If my child is going to school in September and at the same time still attending nursery, why can't I access the nursery funding.**

A: The school will automatically receive the funding instead of the nursery. Please also refer to answers to Q33.

**28. I am a parent who is eligible to access the 30 hours but there are no spaces left at the nursery what should I do?**

A: Please talk to the Nursery Manager who will suggest alternative settings.

**29. I changed my booking and now I am being charged when I want a funded term-time only place.**

A: Please refer to question 17. You have exceeded your entitlement for the year, and you will need to now pay for hours in excess of the 570 hours covered by funding.

**30. I have a funded 30-hour place why do I need to pay a deposit?**

A: The Extended funding (30-hour place) as the funding is not guaranteed for the whole year, as it must be reconfirmed every three months. The deposit will contribute to your last month's payment you if you fall out of eligibility.

**31. Why am I being asked to complete a parental declaration and what is this for?**

A: Parental Declaration Form is for 2, 3 & 4-Year-old Funding. You need to complete this Declaration Form for each provider that cares for your child as part of their Two Year Old Offer or Universal Offer of 15 hours a week term-time only (11 all year round) or Extended Entitlement of 30 hours a week term-time only (22 all year round) hours per week). This ensures that the provider can claim the funding from the relevant Local Authority (LA). This form needs to be completed each time you increase or reduce sessions or if your personal details change (for example, change of address).

### **32. Why am I being asked for my National Insurance Number?**

A: Your nursery provider will need to verify the 30hrs funding code with the LA in order to offer you a nursery place. They will require the following details in order to do this:

- 30-hour funding code (it begins with 500 and is 11 digits long\*).
- Child's Date of Birth.
- Parent NI Number.
- Name of Parent who applied for the funding.

\*Please note your code will be the same for each child throughout their nursery education.

### **33. What will happen to my funding if I wish to request a transfer to another Nursery?**

A: Unfortunately, we are unable to transfer any funding over to external nursery providers. However, we can make an internal transfer of funding if you wish to move to another LEYF Nursery.

### **34. My child has been offered a school place on a short notice and I wish to give notice to leave immediately.**

A: Your booking will change to a 100% private booking plan for the whole of the current term as the funding will automatically go to the school for the whole of the term including any part of term that we have already billed for. Therefore, you will be charged privately for any hours that appeared on previous invoices as funded for the term. For example, if you use Spring Term funded hours in January and February and then move to a school at Spring half-term, we would bill you for the difference between what you were charged for January and February and what we normally charge for a 100% private booking plan. You would also be charged at the 100% private booking plan rates for the minimum 6-week notice period.

If you are interested in the debate about nursery funding there are many articles available online <https://www.bbc.co.uk/news/education-50166627>