

FUNDING EXPLAINED

Nursery Education Funding is government-funded childcare support for 38 weeks of the year. This can be delivered in full over 38 weeks or stretched over additional weeks, with a maximum of 10 hours per day claimable.

Funding Available

Child Age	38 week offering	Eligibility
2 years	15 hours	Families receiving Government support
3-4 years	15 hours	All Parents
From 9 months – 4 years	30 hours	Eligible Working Families

Eligibility Criteria

If your child is born between:	They are eligible for the funding from:
1st April and 31st August	1 st September after reaching 9 months*, second or third birthday until statutory school age
1st September and 31st December	1 st January after reaching 9 months*, second or third birthday until statutory school age
1st January and 31st March	1 st April after reaching 9 months*, second or third birthday until statutory school age

*Check Government eligibility criteria regarding when you return to work

National Education Grant – Universal Offer

At the age of 3 years, all children become eligible for 570 hours of funded education. This equates to 15 hours per week over 38 weeks of the year. As we are open all year round, we stretch this to 11.18 hours per week. This ensures that your monthly fees remain the same throughout the year. A child becomes eligible to this universal funding, **the term after** their 3rd birthday and the funding remains in place until they leave for school. These funded hours are automatically applied to the invoice and parents will only pay a ‘consumables’ charge (see below) and any hours accessed in addition to the funded hours.

The nursery will apply for this funding directly from the Local Authority on a termly basis, however, each term length is different and so these amounts vary across the year. In order to equalise this out for parents, we need to make a distinction in the hours we can allocate over the year, based on the term in which a child qualifies for funding.

At Rainbow Corner, we use September as the starting point for the count of these hours and so all children eligible for funding by 1st September (i.e. all those who turn 3 by 31st August) will receive their hours spread over the following 12 months at 11.18 hours per week.

For children starting their funding in January (i.e. those who turn 3 by 31st December), we will only receive 360 hours, which will be spread over the following 8 months (34 weeks) to the

next starting point in September. This means that when spread over this period, you will receive 10.59 hours per week.

For children starting their funding in April (i.e. those who turn 3 by 31st March), we will receive 195 hours, which will be spread over the following 5 months (22 weeks) to the new starting point in September. This means that when spread over this period, you will receive 8.86 hours per week.

However, if you do start to receive the funding in January or April, then your hours get reset for the following September and you will then receive the full 570 hours for the whole following year, which equates to 11.18 hours per week.

Obviously, this affects the amount of hours we can count as funded hours and so, where your funding starts in the January or April, your fees will appear higher, and, subject to fee increases themselves, will actually reduce slightly in the following September. Please note that if you are paying via Tax Free Childcare you will need to update this each term as the invoice amount will change.

Working Family Funding 9months, 2 and 3 & 4 year olds (WFF)

From September 2025, all children of working parents, from 9 months and upwards are eligible to apply for working family funding. Please access the Government's Best Start in Life Parent Hub website (<https://www.beststartinlife.gov.uk>) for more information. Funding will apply **the term after** the child turns 9 months. Funding codes need to be applied for by the following dates: 31st August, 31st December and 31st March. Failure to obtain a code by these deadlines, may mean you are not eligible to the funding until the start of the following term. All codes need to be revalidated when prompted to do so every 3 months.

The funding available is 30 hours per week, term time only, which we apply in line with Nursery Education Grant – Universal Offer.

Split Funding

Children may access some or all of their funded entitlement with us. Children attending two settings will have entitlement split between the settings. The decision about which hours go to which setting is not always the choice of the parent and we will advise on the Local Authority requirements should you wish to do this. Rainbow Corner reserves the right to refuse split funding in some circumstances.

2 Year Old Funding (FEET)

15 funded hours for 2 year olds are available for eligible families (see government criteria on their website). 2 year funded places are limited and are subject to availability. Please check our Admissions Policy for more information. We stretch 2 year old funding in the same way we stretch the 3 and 4 year old funding, to 11.18 hours per week over the year. This will reduce the number of hours you are able to access each week. Parents will need to provide eligibility of 2 year old funding when applying for a place at the nursery.

EYPP

We may be able to claim Early Years Pupil Premium (EYPP) for some eligible children. This is additional funding used on an individual basis to enhance learning.

Transparency of Charges

From April 2025, all providers must clearly show how funded hours are delivered and what additional charges apply. To comply with this, we have:

- Broken down our pricing into additional hours, snack and meals
- Sessions that allow you to attend at no cost, in patterns that we plan out for efficiency
- Created flexible fully inclusive offers where parents choose one of our **All-In** packages

Additional Charges Explained

Government policy states: ‘Government funding is intended to cover the cost to deliver 15 or 30 hours a week of free, high quality, flexible childcare. It is not intended to cover the cost of meals, consumables, additional hours or additional services’.

Consumables include but are not limited to

- all meals, snacks and drinks during the nursery day.
- All nappies, wipes and creams as required throughout the day
- Children’s paracetamol
- Sun creams as required
- Extra curricular activities, such as forest school
- Parent admin app
- Graduation
- Free settling in sessions

Are These Charges Mandatory?

No. You may opt out of some or all additional charges. The core **Early Years Foundation Stage (EYFS) provision** will **always** be provided at no cost, ensuring no compromise to their basic education.

Notice Period

In all cases, where a child is in receipt of the early education grant funding, we require a whole term’s notice if a child leaves the nursery. If you choose to leave the setting at the end or part way through a funded period, your child may not receive their full year allocation of 570 funded early education entitlement hours (1140 hours if eligible for the extended entitlement). A reconciliation of hours claims v’s hours accessed will be carried out and if it is found that an overclaim of funding has been made, then it will be the parent’s responsibility to cover the cost of this and reimburse the nursery.

Funding Loop

Funding Loop is an electronic system used by Rainbow Corner to make the process of applying for funding quicker and easier for the parents and to make sure we are compliant should we be audited by the Local Authority.

You will receive an email approximately 6 weeks before the new funding term begins with clear instructions on what you must complete. Failure to complete this form in a timely manner, may result in the nursery being unable to claim the funding and allocate the funded hours on the invoice.

For parents using Funding Loop for the first time:

You will receive an email with a link to the system and you will need to set up a Funding Loop account. (Please check your junk folders as sometimes the first email can go here in error).

There will be a series of questions that will need to be answered the first time you use the system (some of the information that you will need to complete will be pre-populated from our nursery management system 'Parent Admin'). You will need to check this information is correct, for example your child's name, as per their birth certificate, and your home address details.

Once all the information is completed, documents added, and the form is signed electronically, the form will be emailed back (within the Funding Loop system) to the nursery to finalise and process.

Going forward, once the initial set up has been completed, it will just be a case of checking all the information is correct and there have been no changes, and then electronically signing the form on a termly basis.

For parents who have registered with Funding Loop previously:

You will receive an email to log into your account, check that all the information is still correct and no amendments are needed. If everything is still current, then you will just need to re-sign the form electronically and submit it for our approval.

Final Notes

Once your child is eligible for funding, we will support you in accessing the right pattern for your needs. The nursery reserves the right to revise packages in line with government guidance and funding changes. We aim to be fully transparent, fair and flexible while supporting high-quality childcare for every family.

This policy was reviewed on: 1st March 2026

By: Lucy Whitehead (Director)