

Funding Policy



Early Years Funding

Early Years Funding is a national scheme, administered by local authorities, which offers funded childcare hours with an Ofsted registered provider. A variety of funded hours are available depending on the child's age and the family's situation. Childcare providers 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.
- Funded childcare is available at a maximum of two childcare sites in a single day.

Types of Early Years Funding

Universal 3 and 4 year old funding

All three- and four-year-olds are entitled to 570 funded childcare hours a year the term after their third birthday. Regulation requires us to validate a child's age. Parents will need to provide evidence of a child's birth date (normally a passport or birth certificate) This can be taken as 15 hours per week for 38 weeks of the year.

Working Parents Entitlement

Working Families Funding is for qualifying working parents with a child aged 9 months or older, 2, 3 or 4 years old. A child will be entitled to 570 funded hours a year from the term after they have attained the relevant age and the eligibility criteria, set by the government, has been met. This is allocated as 30 hours per week over 38 weeks of the year. Parents must apply for a positive determination of eligibility from HMRC via Childcare Service Account i.e. a valid eligibility code. This eligibility code must be provided to us before the Early Years Funding can be claimed. The parent is responsible for re-validating the eligibility code every three months when reminded by HMRC and Little Bears Daycare. Failure to do so may result in the Working Families Funding being withdrawn.

24U funding

A child will be entitled to 570 funded hours a year from the term after both the child has attained the age of two and the child or parent meets the eligibility criteria. This can be taken as 15 hours per week for 38 weeks of the year. Where a child is in receipt of 24U funding they will continue to receive their funded place until the point when the child becomes eligible for the

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Universal Funding, even if the child or parent ceases to meet the eligibility criteria during this time.

Other typers of funding

Early Years Pupil Premium (EYPP)

EYPP is additional funding that Little Bears can claim to help improve outcomes of eligible children. The local authority pays the EYPP directly to the provider. EYPP is available to support children whose parents meet the eligibility criteria and are in receipt of Early Years Funding. Local authorities are responsible for checking that the EYPP eligibility criteria are met.

Eligibility criteria can be found here: <https://www.gov.uk/get-extra-early-years-funding> Little Bears Daycare will use EYPP funding to support positive impacts on the child's development.

Special Educational Needs and/or Disability (SEND) Funding

Every local authority has SEND inclusion fund to support providers in meeting the needs of individual children with SEND. SEND funding is paid directly to Little Bears Daycare by the local authority. Children who have an EHCP will automatically be allocated SEND inclusion funding by Shropshire Council. Little Bears Daycare will use SEND Funding to support the child with any learning and development delay or special educational needs or disability by accessing specialist resource and equipment. SEND inclusion funding will be used towards the cost of lower staffing ratios for the child, at times that it is deemed necessary to meet the child's development and safety needs.

Disability Access Funding (DAF)

DAF is available to children in receipt of Disability Living Allowance and Early Years Funding. Local authorities are responsible for checking that the DAF eligibility criteria are met. It is a oneoff annual payment directly to the provider. If the child changes provider during the year, the DAF will remain with the original provider. If a child attends more than one provider, then the parent must allocate the DAF to one provider. This funding cannot be shared across providers. Little Bears Daycare will use any DAF to support making reasonable adjustments/adaptations to enable the child to have equal access to the provision in the same way as any other child or for resource that will be beneficial to the child. Little Bears Daycare will liaise with the child's parents and engage with any relevant professionals to ensure that DAF is spent appropriately. Where we have more than one child accessing DAF we may use the money for all children to support an adjustment or purchase resource that will benefit more than one child. Any resources purchased as part of DAF remain the property of Little Bears Daycare and can be used to support future children to access the provision. If a child moves provision, it is Little Bears Daycare's discretion whether to transfer any resource purchased using DAF to the new provider. DAF may also be used for additional staffing costs and/or staff training.

Deprivation Funding

Deprivation Funding is paid directly to Little Bears Daycare by the local authority. Deprivation Funding is available to support children whose parents meet the eligibility criteria and are in receipt of Early Years Funding. Local authorities are responsible for checking that the Deprivation Funding eligibility criteria are met. The eligibility criteria is set by the local authority (which varies per local authority) and may take into account: -

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- Child's postcode
- Eligibility for Support Two-year-old Funding
- Eligibility for EYPP Deprivation Funding is not child specific and can be used to support all children within the setting. Little Bears Daycare will use Deprivation Funding to close the gap in attainment of children in the nursery.

Information on all the Early Years Funding eligibility criteria can be found here:

<http://www.childcarechoices.gov.uk>

How Little Bears offers Early Years Funding

Little Bears Daycare aim to ensure that all families use their funding to its full potential. Families can maximise their funded childcare by using up to 10 hours of funding in the core day before purchasing any additional hours and without any artificial break in the day (either in form of 8-4 or 8-6 session). Funding cannot be used for the additional 30 minute early start or if you need to break any of the fixed session time of 8-4 or 8-6. Little Bears Daycare applies up to 30 hours per week term time only for 38 weeks of the year and the remaining 13 weeks will be chargeable at full hourly fee. Little Bears Daycare reserves the right to make exceptions to its funding framework on a case-by-case basis at its sole discretion. Where parents/carers request to swap a session, this can only be offered if the occupancy levels allow it. Term time only contracts are offered if a parent works as a teacher or within a school, subject to availability but only 22.5 hours of funding per week can be claimed for. This is to essentially protect and hold your space for the 13 weeks your child will be off each year.

Making a claim for funding

Parent Declaration Form

Regulation requires childcare providers to enter into a funding agreement with parents, called the Parent Declaration Form. Local authorities require parents to enter into a Parent Declaration Form covering the Early Years Funding. The local authority Parent Declaration form must be signed each term. If the local authority Parent Declaration Form is not signed and returned to us, Early Years Funding cannot be claimed and the full fees (without the Early Years Funding applied) will be charged to you. Little Bears Daycare will retain all parent declaration forms for a period of 6 years, in line with government requirements.

Required documentation

Regulation requires childcare providers to obtain documentation to evidence eligibility for the Early Years Funding as per below:

- Supported Two-year old Funded Childcare: Child's birth certificate or passport, confirmation of eligibility (e.g. local authority confirmation letter/email or code);
- Universal Funded Childcare: Child's birth certificate or passport; and
- Working Families Funding: Child's birth certificate or passport, Parent's full name, date of birth, eligibility Code issued by HMRC, and national insurance number. Additional documentation may be required for SEND and DAF funding claims as per Shropshire's requirements.

Setting and Attendance details

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Regulation allows children to attend a maximum of two sites in a single day and if your child attends more than one setting the funding will be split between the settings. You will be asked to provide the following information for the nursery your child attends, nursery name, entitlement hours attended per day, total number of hours per week and total number of weeks per year. By signing a parental declaration, parents/carers are confirming where they use the funded hours. It is parents/carers responsibility to only use the hours you are entitled to. If the local authority advises Little Bears Daycare that parents/carers are over claiming hours, they will receive an immediate charge for the hours used at our hourly rate. Local authority role Little Bears Daycare enters into an agreement with the local authority to provide the Early Years Funding. The local authority pays Little Bears Daycare directly for the Funded Childcare it provides to the eligible children. The parents of the eligible children do not have access to, or the right to access, the Early Years Funding paid by the local authority.

This Policy Was Adopted By	Little Bears Daycare
Last updated	22 July 2026
Signed on Behalf of Provider	Signed by: 22 July 2026 
Name of Signatory	Laura Leath
Role of Signatory	Chairperson of Little Bears Daycare