

Funding (Free Entitlement) Explained

Myth: 15 or 30 hours funding is for all weeks of the year

False - the government often advertise that funding for 15 hours for some 2 year olds and all 3 and 4 years old and 30 hours for some 3 and 4 years old is available. What they never explain is that this is term time only i.e. for 38 weeks a year.

They also never explain that this funding starts the term after the child turns 2 or 3.

2 Year Funding

Some children are entitled to 15 hours for this type of funding. Please visit www.childcarechoices.gov.uk to see if you are eligible.

Once your child is eligible for a place, they stay eligible, even if your circumstances change.

3 & 4 Year Funding

15 universal hours per week for 38 weeks is available to all children. An additional 15 hours is available to children who have parents that both work and earn under a specified amount. This equates to 15 or 30 hours for 38 weeks or 11 or 22 hours for 52 weeks. Please visit www.childcarechoices.gov.uk to see if you are eligible.

A code is given to all children who are entitled to 30 hours. This code has to be re-validated every term. These additional hours may be withdrawn if the parents stop meeting the criteria or the code isn't validated by 31/3, 31/8 or 31/12. A grace period is given to allow parents time to find new employment if they lose their job.

General

The amount of funding we receive for 2-, 3- & 4-year-olds differ, with the rate being higher for the 2-year-olds. Currently the 3- & 4-year-old rates does not anywhere near equate to the fees we and many other settings charge, with the loss being 41 to 81% with an average of 50%.

This inadequate funding, is why many settings are going out of business. If a setting is open for school hours just in term time, the funding will probably not cover their costs.

There are a few ways of recouping some money and these are as follows:

1. Ratios for 3 & 4 years old is 1 adult to 8 children. If you have a qualified teacher, the ratio increases to 1:13. We feel the latter is too high for

the safety and well-being of the children. A 1:13 ratio may be possible if everything goes well but as soon as there is a problem, such as a child falling over in the garden and a member of staff needs to help them, then another staff member has to care for the additional 12 children and we do not consider that children can be safely cared for.

2. Charge for meals and extras. For those parents paying full fees or partly paying for their sessions, we like fully inclusive fees so parents know what fees they have to pay each month. We strongly believe that children should have a hot cooked meal at lunchtime. We do not want parents asking if they can bring in a packed lunch to save money as this would cause cold storage issues, we would have to check all lunchboxes to ensure the contents are healthy and allergy free and we prefer all the children to eat the same meals. Please note that for **completely free funded places** we do now charge a small fee per session to help cover these costs as funding is only intended to cover the educational part of our service. The sessions are also only available term time only and outside of our lunch hour.
3. Open for longer than a school day which allows the setting to offer fixed sessions with a number of funded hours attached to each. The non-funded period of the session is then payable.

Option 3 above is how we stay in business and we are open all year rather than just for 38 weeks at 2 of our settings. Please see our website for how your free hours can be used.

Every year the Living Wage and Minimum Wage increases and since April 2023, we pay all our staff at least the Living Wage.

Every spring, we calculate how much our salary bill is going to increase. Fees are then calculated to cover the cost. Most years we don't include other rises in the costs for food, energy bills, rates etc. Therefore, we have no other option but to increase our fees each year as this is the only way the business can survive.

Fizzy Fish offers a number of completely free places in each of our settings. We don't always stick to the limit and in 2019/20 I calculated the amount of money we were having to subsidise these places. It was a staggering £37,000, so going forward, we have no other option but to limit the number of places and offer them on a Term Time only basis.

Here at Fizzy Fish, I often heard Lou say "We might not be the cheapest but we aim to give children the high quality care that they deserve". I truly care about the children in our settings and offer many extras in the inclusive fees (meals, snacks, milk, suncream and Spanish lessons). We spend time preparing

the children transitioning to school so they are *School Ready* and we are prepared to consider any requests from our families.

If you have any questions about this factsheet, please do not hesitate to contact us. Thank you