

Funding handbook for Coventry Childcare Providers

Early Education Entitlement Funding





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This guidance has been created by Coventry's Business, Sufficiency and Funding Team to support childcare providers in meeting the terms and conditions of Early Education Entitlement Funding delivery, as set out in the following Government and Local Authority documentation:

- *Early education and childcare: Statutory guidance for local authorities*
- *Early years entitlements: operational guidance: For local authorities and providers*
- *Coventry Annual Provider Funding Agreement*

**Throughout this document we will use the term 'provider' when referring to 'an Ofsted registered childcare provider who has entered into an agreement with Coventry City Council to deliver any or all of the government funding entitlement places.*

***The term parent is used throughout this guidance to refer to the person who has parental responsibility for a child.*

Admissions policy

All parents should have the same rights to access a funded entitlement place regardless of whether they choose to pay for additional hours, food consumables, non-food consumables and activities. Providers should publish admissions information, which is clear and can be easily understood by parents. This is to support parents to make an informed decision about where they wish to use their child's funded entitlement.

The admissions information should clearly identify which hours/sessions can be taken as funded provision.

Termly headcount

All children in receipt of early education entitlement funding must be registered and attending, no later than the termly headcount date.

These dates are included on the early years Funded Week and Payment Schedule which is published on the Council website

There are some occasions when the local authority will authorise a child to begin a funded place after the termly headcount has closed. To see if the child meets the criteria for funding via the exceptional circumstances route, providers should visit the **Early Years Website pages**.

Operational models of delivery

Providers should deliver flexible packages of childcare, which support families to take up funded places within the parameters set out in the statutory documents. Funded places should be free at the point of delivery; no mandatory charges should be attached to any hours during which funding is being delivered. For children accessing funded hours before and after lunch, the lunchtime period should form part of the funded hours offer and must not be charged as a 'privately paid for' hour

E.g. for a child taking up 30 hours, over 5 days per week: 8:30 -2:30; you may offer parents the option of 'purchasing' additional hours around the funding block, although this must be optional

Government requirements stipulate that children should be able to take up their funded place in continuous blocks of time

To enable parents to make an informed decision about where their child takes up a funded place, providers should publish information about how and when they deliver funded places. The Department for Education expect this information to be published on the provider website or Coventry Family Information Directory by January 2026. This requirement is applicable to all provisions that have 10 or more children in attendance at any one time. Information should include but not be limited to:

- days and times of funded sessions.
- the times and costs of any additional 'privately paid for' hours.
- any additional charges, which are not covered by the funded entitlement, must be offered to parents as a voluntary purchase option. This may include but not be limited to food consumables, non-food consumables such as sun cream or nappies, activity charges and additional hours.
- where the provider asks parents to pay for additional hours and services, they must have a policy/statement which sets out alternative options for parents who choose to opt out of 'voluntary charges', items and or services. For example, allowing the parent to supply their own items.



Examples of models offering both funded and privately paid for hours

Model 1

Model 1 assumes that the child is eligible to receive 15 hours funding per week. The child attends a funded morning session, and the parent is opting to pay for additional periods and services which fall outside of the funded hours. E.g. 7.30am to the start of the funded hours.

Model 1	Privately paid for hours/ periods	Funded hours	Max hours funding available per week	Hourly/session charge for 'privately paid for' hours	Cost for (Optional buy in)	
7.30am – 11.30am	7.30am – 8.30am	8.30am– 11.30am @ £0.00	15	5 hours per week at £? (Provider to insert charge)	Food	£?
					Consumables	£?
					Activities	£?

Model 2

Model 2 assumes that the child is eligible to receive 30 hours funding per week. This child attends all day and accesses funded hours between 8:30am - 2:30pm. The parent is opting to pay for additional hours and services which fall outside of the funded hours.

Model 2	Privately paid for hours/ periods	Funded entitlement hours	Max hours funding available per week	Hourly/session charge for 'privately paid for' hours	Cost for (Optional buy in)	
8.30am – 6pm	2.30pm - 6pm	8.30am - 2.30pm @ £0.00	30	17.5 hours per week at £? (Provider to insert charge)	Food	£?
					Consumables	£?
					Activities	£?

Registration Fees

Providers are not permitted to ask parents to pay a Registration/Administration fee in connection with government funded hours.

Deposit

Providers may ask parents to pay a 'refundable' deposit, to secure a child's funded place.

This deposit must be refunded to the parent, by the end of the first term in which the provider receives the remittance payment of government funding for the named child, from Coventry City Council.

Providers will not be required to refund the deposit where;

- a parent has secured a place at the setting, but the child does not start at the setting before the termly headcount date
- the child has been attending the provision but moves to a new provider/school after the start of a new funding term, but before the termly headcount date

Charging policy

The provider's policy for optional charges must be published on their website or Coventry Family Information Directory no later than January 2026. This is applicable to all provisions that have 10 or more children in attendance at any one time. The charging policy must identify any charges made for:

- cost of additional 'privately paid for' hours
- food consumables
- non-food consumables
- and activities

This policy should include a breakdown of what is included within each charge and highlight what happens in circumstances where the provision is closed, the child is absent, or the child relocates to another setting.

The policy will need to provide parents with options for alternatives to additional charges, such as allowing parents to supply their own, or waiving the cost of these items. **Please note** where parents have opted out of additional payment for activities, children must continue to receive provision that complies with the EYFS.

Although charges for additional items and services must be optional for parents, in order to support business sustainability, providers are able to ask parents to agree these on a term-by-term basis, in advance of the forthcoming term. Written agreements with parents should include a section to show whether individual parents have opted in or out, of specific additional items/services and for how long e.g. termly. Coventry's Early Years Annual Parent Funding Agreement may be used for this purpose.

Fee and charging information

Providers should be transparent about their fee information, billing approach, frequency and payment methods. For example, whether invoices will be issued weekly, monthly or termly; and whether tax-free childcare and other voucher schemes / discounts can be used if applicable. **Invoices will not be required where parents access funded hours only and do not opt in to purchase any additional extra items or services.**

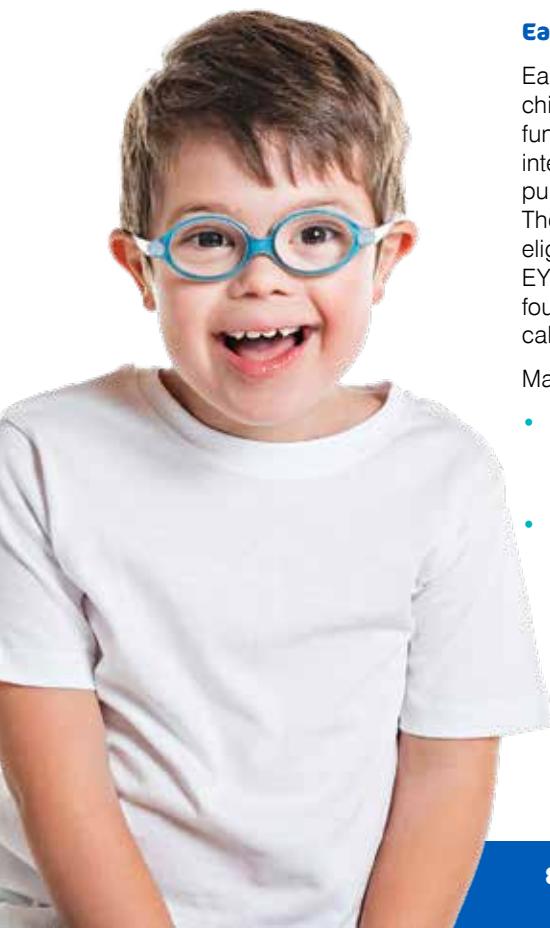


Table 1 is a checklist of all items to include in fee information for parents

**Fee information checklist for childcare provider delivering
early education entitlement funding**

Does the fee information....	Yes	No
Include the name, address, telephone, and email contact details of the provision?		
State opening hours?		
Make clear to parents that funded entitlement hours are completely free of charge during specified hours/sessions/days?		
Tell parents which times and days funded hours will be delivered?		
Tell parents about the maximum number of funded weeks/hours in each term and academic year, and which weeks/dates are covered in each funding period?		
Highlight to parents that all children in receipt of funding must have taken up a place before the termly headcount date?		
Make clear to parents, the policy the provision will follow, where parents choose to relocate their child to a new provision/school, following the submission of termly headcount data to Coventry City Council.		
Highlight to parents who are in receipt of a 30-hour funded place, that they must re-confirm their eligibility every 3 months, as prompted by HMRC and the consequences, should the parent fail to do so.		
Include charges for 'privately paid for' hours		
Set out contractual expectations relating to 'privately paid hours and optional items and services.		
Clearly outline eligibility requirements for each of the funding entitlements offered and tell parents how they can apply?		
Highlight to parents that the provision of items and services, including food consumables, non-food consumables, activities and additional hours will be offered as an optional extra which parents may purchase. Costs for each item/service should be stated. E.g. <ul style="list-style-type: none">• additional hours ~ £?• food charges ~ £?• non-food consumables charges ~ £?• and activities charges ~ £?		
A comprehensive breakdown of all items and services that are covered by the optional extras policy, under each of the following headings <ul style="list-style-type: none">• food charges e.g. snacks, breakfast, lunch and tea• non-food consumables charges e.g. nappies and sun cream• activities charges e.g. weekly gym tots session		

Does the provider's fee information...continued	Yes	No
Highlight to parents the policy you will follow on how you will respond if parents choose to opt out of the additional charges.		
State the terms, conditions and costs incurred for late collection?		
Enable parents to easily reconcile fee information against their invoice, so that they can clearly identify what they have been charged for and why. Headings must include but may not be limited to <ul style="list-style-type: none"> • the number of free entitlements hours • the number and cost of additional privately paid hours • food consumable charges • non-food consumables charges • activities charges 		
State how parents can apply for and use a Tax-Free childcare account?		
Inform parents about additional funding payments such as Early Years Pupil Premium (EYPP) and Disability Access Funding (DAF)?		



Early Years Pupil Premium (EYPP)

Early years providers can claim (EYPP) for eligible children who are in receipt of early education funding. Funding provided through EYPP is intended for use enhancing the environment, purchasing additional resources or staff training. The payment covers the first 15 hours of each eligible child's entitlement. The hourly rate for EYPP is subject to annual change and can be found on the Early Years website in a document called 'Funded Weeks and Payment Schedule'

Making a claim for EYPP

- Providers must use the Coventry Schools and Early Years Portal to make and validate EYPP claims
- Parents must complete the relevant section of the Coventry Early Years Annual Parent Funding Agreement, prior to any information being uploaded to Coventry Schools and Early Years Portal

Disability Access Funding (DAF)

- DAF is an additional annual payment made to providers for eligible children who are accessing a funded place and are also in receipt of Disability Living Allowance (DLA)
- the funding provided through DAF is intended for use in supporting the provision to make reasonable adjustments, which help to remove barriers to attendance for children with SEND

Making a claim for DAF

- claims must be made via the Coventry Schools and Early Years Portal. Parents will need to provide evidence that their child is in receipt of DLA. This evidence will need to be uploaded to the portal
- parents must complete the relevant section of the Coventry Early Years Annual Parent Funding Agreement, prior to any information being uploaded to Coventry Schools and Early Years Portal

Invoices and receipts

Providers should ensure they have clear invoice/receipt structures in place which enable parents to easily reconcile invoices with charges detailed in the provider's fee information. Invoices must be itemised to show a break-down of all aspects of the overall cost including, additional 'paid for' hours items and services. Invoices must show

- the number of free entitlements hours
- the number and cost of additional privately paid for hours
- food consumable charges
- non-food consumables charges
- activity charges

Please note, funded hours **must not** be presented as a monetary value and therefore must be shown as zero cost. This is to ensure that parents can see that their children have received funded hours completely free of charge at the point of delivery.

Many providers now choose to bill parents in equal monthly amounts, known as an annualised format; this creates convenience and certainty for both providers and parents in terms of cash-flow. It does however create a couple of infrequent complications which providers must make clear and communicate to affected parents:

- if a child does not take up a funded place until part-way through the year, parents need to be made aware that any additional, optional charges covering the remainder of the academic year will be spread across fewer monthly payments. This may mean higher payments for these months to cover childcare costs during holiday periods, where a provider operates 51 weeks of the year

- if a child leaves the childcare place part-way through a year, the parents may have been paying a higher monthly fee to cover holiday periods which they would then not access. Providers would be required to re-calculate the costs incurred for that year to ensure that affected parents have not been overcharged, and to reimburse parents where they have overpaid

Invoices will not be required where parents access funded hours only and do not pay for any additional hours, items or services.

Table 2 is a checklist of all items which need to be included on invoices / receipts.

Table 2 - Checklist for Invoices and Receipts

Is the following information clearly detailed on the invoice/receipt issued to parents?	Yes	No
Provider Name:		
Provider Address:		
Provider Contact:		
Invoice Number:		
Invoice Date:		
Provider Tel/Email:		
Parent Name & Contact Details		
Child's Name:		
Itemised pricing information which is clearly reconcilable with the information you have provided on the fee information.		
The total number of funded hours and weeks allocated for the term		
The total number of hours contracted to attend in this invoice period (Both privately paid for and funded hours)		
The total number of funded hours claimed. These must be shown as hours and are not represented as a monetary value. E.g. 60 funded entitlement hours = £0.00		
Additionally purchased 'privately paid for' hours are clearly itemised E.g. 10 hours @ £? (School rate)		
Food charges		
Non-food charges consumable charges		
Activity charges		

Early Education Funding Delivery - Compliant Invoice Examples

The following pages include examples of invoices that would be considered compliant with government and Coventry City Council requirements. Providers should use these examples to ensure compliance against the requirements.

We have included annualised invoice examples, which are used by some providers. Annualised invoice calculations are used to spread the total cost of provision over a set number of months, up to a maximum of 12.

Where the examples refer to non-annualised invoices, this is where the provider calculates the charge based on hours attended in the invoice period.



Model 1 – Calendar month example

Child attends 30 hours per week, term time only, over 5 days per week (6 hours per day).

The parent opts to purchase

- food consumables
- non-food consumables

The parent does not opt to purchase

- additional hours
- activities

The parent has a 10% sibling discount

Provider Name	Child's Name	Invoice No:	inv-220001			
Provider Address Line 1	Parent's name	Invoice Date:	01/04/2022			
Provider Address Line 2	Parent's contact number/email	Inv Period:	Apr-22			
Post Code			Billing Contact Number/email			
Provider Contact Number/email						
Term	Sessions being attended	Non-funded Weeks	Funded Weeks	Funded Hours per Week	Maximum Funded Hours per Term	
Autumn	5 x 6 hrs per day (9am-3pm)		3	14	30	420
Spring	5 x 6 hrs per day (9am-3pm)		3	12	30	360
Summer	5 x 6 hrs per day (9am-3pm)		7	12	30	360
Total			13	38	90	1140
Term time weeks - with extended entitlement				Contracted Hours Each Month		
	Cost	Amount	Monthly cost	Month	Hours	
Funded day 9:00am-3:00pm	FREE	11	FREE	September	114	
Funded Morning 8.30am - 11.30am	FREE	0	FREE	October	96	
Paid morning hours	£8.50	0	£0.00	November	132	
Funded Afternoons 12.30pm - 3.30pm	FREE	0	FREE	December	78	
Paid afternoon hours	£8.50	0	£0.00	January	126	
Food consumables	£8.00	11	£88.00	February	90	
Non food consumables	£2.00	11	£22.00	March	144	
Activities	£2.00	0	£0.00	April	66	
	Total monthly cost		£110.00	May	120	
				June	108	
				July	66	
				August	0	
Non-term-time weeks - no funded hours				Monthly billing info		
	Daily cost	No. Sessions	Monthly Total	Total term-time costs	£110.00	
Funded day 9.00am-3:00pm	N/A	0	NA	Total non-term-time costs	£0.00	
Funded Morning 8.30am - 11.30am	N/A	0	NA	Total Costs	£110.00	
Paid morning session	£30.00	0	£0.00	Months in invoicing period	1	
Funded Afternoons 12.30pm - 3.30pm	N/A	0	N/A	Monthly charge	£110.00	
Paid afternoon session	£30.00	0	£0.00	Total cost / months		
Food consumables	£0.00	0	£0.00	Less:		
Non food consumables	£0.00	0	£0.00	10% Sibling Discount	-£11.00	
Activities	£0.00	0	£0.00			
Paid full day rate	£55.00	0	£0.00	Monthly Fee to pay	£99.00	
	Total monthly cost		£0.00			

Model 2 – Annualised invoice

Child attends 5 mornings 8am – 1pm (term time only)

The provision is open for 51 weeks a year.

Child is eligible to access funding from Spring term only

Child accesses 15 hours funded entitlement (24 funded weeks remaining)

Parents opt to purchase

- 10 additional hours per week term time
- 25 hours per week outside term time
- The parent has purchased an additional afternoon session during the invoice period

The Parent **does not opt** to purchase

- food consumables
- non-food consumables
- activities

Term	Sessions being attended	Non-funded Weeks	Funded Weeks	Funded Hours per Week	Maximum Funded Hours per Term
Autumn	Not eligible for funding		3	14	0
Spring	5 x 5hrs per day (8am-1pm)		3	12	180
Summer	5 x 5hrs per day (8am-1pm)		7	12	180
Total			13	38	360

Term time weeks - with free entitlement			
	Cost	Amount	Weekly cost
Funded day 9:00am-3:00pm	FREE	0	FREE
Funded Morning 9.00ams - 12.00pm	FREE	5	FREE
Paid morning hours	£8.50	5	£42.50
Funded Afternoons 12.30pm - 3.30pm	FREE	0	FREE
Paid afternoon hours	£8.50	5	£42.50
Food consumables	£8.00	0	£0.00
Non food consumables	£2.00	0	£0.00
Activities	£2.00	0	£0.00
Total weekly cost			£85.00
Total funded weeks			24
Total term-time cost = weekly cost x funded weeks			£2,040.00

Total annual costs & monthly billing info	
Total term-time costs	£2,040.00
Total non-term-time costs	£1,500.00
Total Costs	£3,540.00
Months in invoicing period	8
Monthly charge	£442.50
Total cost / months	
Plus:	
Extra 'afternoon' 05/04/22	£30.00
Monthly Fee to pay	£472.50

Non-term-time weeks - no funded hours			
	Cost	Amount	Weekly Total
Funded day 9:00am-3:00pm	N/A	0	N/A
Funded Morning 8.30ams - 11.30am	N/A	0	N/A
Paid morning session (8:00-1:00)	£30.00	5	£150.00
Funded Afternoons 12.30pm - 3.30pm	N/A	0	N/A
Paid afternoon session	£30.00	0	£0.00
Food consumables	£2.50	0	£0.00
Non food consumables	£8.00	0	£0.00
Activities	£2.00	0	£0.00
Paid full day rate	£55.00	0	£0.00
Total weekly cost			£150.00
Total Non-funded weeks			10
Total non-term-time cost = weekly cost x non-funded weeks			£1,500.00

Model 3 – Annualised invoice

The child attends 30 hours per week. Based on the provider's operational model the child is able to access 7 funded hours per day

- the child attends 3 x 10-hour days per week
- the parent opts to pay for an additional 9 hours per week to facilitate the child to attend 3 x 10-hour days.

The parent opts to purchase

- additional hours
- food consumables
- non-food consumables

The parent does not opt to purchase

- activities

The parent is eligible for an NHS Discount of 5%

Provider Name	Child's Name	Invoice No:	Inv-220001		
Provider Address Line 1	Parent's name	Invoice Date:	01/04/2022		
Provider Address Line 2	Parent's contact number/email	Inv/Period:	Apr-22		
Post Code					
Provider Contact Number/email	Billing Contact Number/email				
Term	Sessions being attended	Non-funded Weeks	Stretched Weeks	Funded Hours per Week	Maximum Funded Hours per Term
Autumn	3 x 10hrs per day (8am-6pm)	0	16	22	352
Spring	3 x 10hrs per day (8am-6pm)	0	13	22	286
Summer	3 x 10hrs per day (8am-6pm)	0	27	22	484
Funded hours remaining from the annual allowance which have not been used = 18					
Total		0	51	64	1140
Stretched weeks - with extended entitlement.					
	Cost	Amount	Weekly cost		
Funded day stretched: > 7 hours (8am-6pm)	FREE	3	FREE		
Funded Morning stretched	FREE	0	FREE		
Funded evenings stretched	£8.50	3	£25.50		
Funded afternoons stretched	FREE	0	FREE		
Funded evenings	£8.50	6	£51.00		
Food consumables	£8.00	3	£24.00		
Non-food consumables	£2.00	3	£6.00		
Activities	£2.00	0	£0.00		
Funded day session	£55.00	0	£0.00		
	Total weekly cost	£106.50			
	Total funded weeks	51			
Total term-time cost = weekly cost x funded weeks					
		£5,431.50			
Total annual costs & monthly billing info					
Total term-time costs					£5,431.50
Total Costs					£5,431.50
Months in invoicing period					12
Monthly charge					£452.63
Total cost / months					
Plus:					
Extra hours/session in this invoice period					
Less:					
5% NHS Discount					£22.63
Monthly Fee to pay					£429.99

*Non-attendance table would be used if funding was accessed over fewer weeks e.g. 45 and summer holidays were fully paid for hours.

*Non-stretch table would be used if funding was accessed over fewer weeks e.g. 45 and summer holidays were fully paid for hours.

The child attends 30 hours per week. based on the provider's operational model the child is able to access 6 funded hours per day. **Based on the above attendance pattern, the child would access 918 funded hours out of a potential allowance of 1140 hours.*

The parent opts to pay for an additional 12 hours per week to facilitate the child to attend 3x 10 hour days.

Model 4 – Calendar month invoice

Child accesses 30 hours funding per week, term time only (6 hours per day)

- the child attends 5 days per week @ 8 hours per day
- the parent purchases an additional 2 hours per day.

The parent opts to purchase

- additional hours
- food consumables
- non-food consumables
- activities

The parent has not opted out of any charges for additional items or services.

Provider Name	Child's Name	Invoice No:			
Provider Address Line 1	Parent's name	Invoice Date:			
Provider Address Line 2	Parent's contact number/email	Inv Period:			
Post Code		Billing Contact Number/email			
Provider Contact Number/email					
Term	Sessions being attended	Non-funded Weeks	Funded Weeks	Funded Hours per Week	Maximum Funded Hours per Term
Autumn	5 x 8hrs per day (8am-4pm)	3	14	30	420
Spring	5 x 8hrs per day (8am-4pm)	3	12	30	360
Summer	5 x 8hrs per day (8am-4pm)	7	12	30	360
Total		18	38	90	1140
Term time weeks - with extended entitlement				Contracted Hours Each Month	
Funded day 9:00am- 3:00pm (6 hours)	Cost	Amount	Monthly cost	Month	Hours
FREE	11	FREE		September	152
Funded Morning 9:00am - 12:00pm	FREE	0	FREE	October	128
Paid morning hours	£8.50	11	£93.50	November	176
Funded Afternoons 12:30pm - 3:30pm	FREE	0	FREE	December	104
Paid afternoon hours	£8.50	11	£93.50	January	168
Food consumables	£8.00	11	£88.00	February	120
Non food consumables	£2.00	11	£22.00	March	192
Activities	£2.00	11	£22.00	April	88
	Total monthly cost		£319.00	May	160
				June	144
				July	88
				August	0
Non-term-time weeks - no funded hours		Total annual costs & monthly billing info			
Funded day 9:00am- 3:00pm (6 hours)	Daily cost	Amount	Monthly cost	Total term-time costs	£319.00
N/A	0	0	N/A	Total non-term-time costs	£0.00
Funded Morning 9:00am - 12:00pm	N/A	0	N/A	Total Costs	£319.00
Paid morning	£30.00	0	£0.00	Months in Invoicing period	1
Funded Afternoons 12:30pm - 3:30pm	N/A	0	N/A	Monthly charge	£319.00
Paid afternoon	£30.00	0	£0.00	Total cost / month	
Food consumables	£8.00	0	£0.00	Plus/less:	
Non food consumables	£2.00	0	£0.00		
Activities	£2.00	0	£0.00		
Paid for Full day	£55.00	0	£0.00	Monthly Fee to pay	£319.00
	Total monthly cost		£0.00		

For queries relating to any of the information included in this document please contact:

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