

Luton Council Provider Agreement

Appendix 1

Funding FAQs

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Early years funding

What is early years funding?

The government provides [early years entitlements](#) for all 3 and 4 year old children and some 2 year olds to attend early years provision for 570 hours per year. Some eligible 3 and 4 year olds are entitled to 1140 hours per year (30 hours a week term time).

How much am I paid for providing early years funded childcare?

Funding rates for 2023/24 are as follows:

- hourly rate for 3 and 4 year olds - £4.84
- hourly rate for 2 year olds - £5.61

Do I need to meet criteria to become an early years provider?

If you have already been inspected by Ofsted, you will need to be judged 'Good' or 'Outstanding' by Ofsted to receive early years funding for 2, 3 and 4 year old children. If you are a new provider registered with Ofsted, but have not yet been inspected, you will be able to take up funded children after you register your interest with Luton Council. Your continuity of service provided to funded children depends on your first full Ofsted inspection judgement.

What do I need to do to deliver early years funding?

To offer funding you must:

- be registered with the Secretary of State, Ofsted or a childminding agency
- agree to comply with the current Luton Provider Agreement
- be aware that the funding is claimed via an online portal; therefore, access to a tablet or private computer is required
- be aware that you will need to use Egress switch, the secure email solution that the council uses for email communication for personal and sensitive information <https://switch.egress.com/ui/registration/accountcreate.aspx>

How do I register?

Please register your interest by emailing nursery.headcount@luton.gov.uk. You will then receive an email with the relevant documents along with a copy of the Luton Council Provider Agreement.

The Provider Agreement will need to be signed, returned and accepted by Luton Council before you can start to deliver early years funding.

I have received an 'inadequate' or 'requires improvement' Ofsted judgement; what happens now?

Once we receive notification from Ofsted that a setting has been judged as 'inadequate' or 'requires improvement', we will be in contact with the setting. Please see the Luton Council Provider Agreement for further information.

How many weeks does Luton Council fund per year?

Term time only, which equals to 38 weeks per year and is split over three terms:

- **summer** 13 weeks
- **autumn** 14 weeks
- **spring** 11 weeks

How is the funding calculated?

Early entitlement funding for each term is initially calculated based on an estimate submission.

You will receive **two payments** per term:

- **First Payment (75%)** based on the indicative budget or a forecast task at the beginning of the term.
- **Second Payment (balance of actual headcount)** based on your actual headcount submission for the term minus first payment received.

It is essential that providers submit actual headcount returns via the Provider/Establishment Portal by the required deadlines.

When can a 2-year-old access their funded entitlement?

Eligible 2-year-olds can claim funding from the term after their second birthday or from the date of their eligible application, whichever is later.

When can a 3 or 4-year-old access their funded entitlement?

All 3 and 4-year-old children can claim funding from the term after their third birthday. For extended childcare funding (30 hours funding), the funding starts from the term after the child turns three or when their parents receive their eligibility code from HMRC, whichever is later (subject to termly deadlines).

At which age is the child no longer eligible for early years funding?

Once the child has reached compulsory school age (the term following their fifth birthday) or once they have taken a place in a reception class in a school.

How long do I need to retain early years documentation?

You are required to retain paperwork for the current financial year plus six previous years. Also, please consider the requirements of your Liability Insurance as well as the above.

Are providers allowed to charge a 'top-up fee'?

No, providers are not allowed to charge parents the difference between the hourly rate funded by the local authority and the amount they usually charge per hour.

Can funding be backdated?

No, you need to ensure you claim all the funding within the correct term as Luton Council cannot back date funding to previous terms once they are closed.

I have accepted a child after headcount date; do I receive funding?

As funded two year olds can start at any time in the term, funding can be claimed – please contact nursery.headcount@luton.gov.uk

Universal or extended hours can only be claimed if a child is moving into the local authority area as funding is based on the headcount week.

Providers can write a business case if they have taken on more children which may have noticeable financial impact on their business operation for Luton Council to evaluate as a special case.

I have opened part way through the term; do I receive funding for the full term?

No, you will receive funding for the number of weeks open, the number of children on roll and their funded hours.

How many times a year will a provider have to verify a parents' 30 hour eligibility code?

The eligibility code only needs to be verified by the provider once, when the parent initially comes into the setting and presents the code. After this, it is the parents' responsibility to re-validate their code with HMRC when they are notified via emails/texts from HMRC and inform providers immediately of the outcome. Luton Council provides information on the portal for providers to support their families and check if any codes are due for renewal.

Are children eligible to start with a new provider in their grace period?

No, parents cannot start their children at a new setting within their grace period, but they are able to continue in their place with their current provider until the end of the grace period.

Can providers share funding?

Parents may split their funding between multiple providers, though no more than two sites in one day and must not exceed the maximum entitlement of 15 universal hours per week (570 hours per annum) or 30 hours per week for both universal and extended (1140 hours per annum).

It is the parents' responsibility to clearly indicate details of all providers on the Parental Declaration Form and specify where they want the 'universal' and 'extended' hours to be claimed. However, continuity of care is important for the child, therefore consideration should be given to the impact that multiple providers may have on a child's learning, development and wellbeing.

Can a parent stretch the funding over more than 38 weeks?

Yes, parents can agree with their provider to take fewer hours over more weeks, for example 11.4 hours over 50 weeks (universal entitlement) or 22.8 hours over 50 weeks (extended entitlement). Invoices must clearly show how the entitlement is being delivered as claims may be audited at any time.

What is Early Years Pupil Premium (EYPP)?

[EYPP](#) is an additional £0.62 per hour of universal funding to support eligible 3 and 4 year old children's early education. If a child is eligible, the childcare provider or school that the child attends can receive EYPP to help support and improve the child's individual learning.

Providers must enter the child's carer's details including date of birth and NI number to allow EYPP eligibility to be checked on the portal.

If a child may qualify on non-economic criteria, please contact fis@luton.gov.uk for assistance.

Can a child receive funding whilst waiting to start school?

No, once a child is on the register for a school, even if only part time or waiting for a staggered start, they cannot use early years funding.

Who should I contact with any queries?

Please email all queries to nursery.headcount@luton.gov.uk