



Guidance for childcare providers in North Yorkshire who are considering registering to offer early years government funding.

The information in this document may not answer all questions for anyone wishing to register to offer early years government funding, but it will help you to make an informed decision. Childcare providers who have an Active registration and are based in North Yorkshire can register to claim government funding. The setting up process can take up to 20 working days so please allow enough time to avoid delays in meeting parents funded childcare requests.

Once you have read the information in this document and decide to become registered to offer government funded places you must register your interest by sending an email to the Early Years Funding Team eyft@northyorks.gov.uk

Important note: Offering government funded places is a business choice made by the childcare provider and is not mandatory.

The local authority is required by legislation to ensure that all eligible children can take up their funded entitlement place free of charge at any childcare provider who chooses to be registered for funding – this is fully explained in the government statutory guidance: [Early education and childcare \(effective from 1 April 2025\) - GOV.UK](#)

The guidance makes clear that providers **can** charge parents for additional hours, consumables, and extra services, but these charges must be **voluntary**. The children who do not participate in optional activities must continue to receive provision that complies with the EYFS. Funded providers must offer reasonable alternatives to parents that enable them to access the entitlements for free if they wish.

Providers are expected to be transparent in their charging arrangements, and to itemise their invoices, in order to make their charging arrangements clear and easy to understand for parents. As per the [recent High Court judgment](#), any mandatory charges in connection with the free entitlement hours are inconsistent with the legislation.

If you decide to offer funded places, then you should ensure your offer is transparent and invoices are broken down showing the following, the free entitlement hours (with no charge); additional private paid hours; food charges; non-food consumables charges; and activities charges.

This is so that parents can see that they have received their entitlement hours completely free of charge, in accordance with legislation, and can easily understand what is and is not included in those entitlement hours. These changes should also be introduced by January 2026.

Parents must not be charged “top-up” fees (any difference between a provider’s normal charge to parents and the funding they receive from the local authority). The government funding must not be used as a subsidy. Funded childcare providers must ensure that invoices and receipts must be clear, transparent, and itemised allowing parents to see that they have received their child’s funded entitlement completely free of charge and understand any fees paid for any additional hours or services. Invoices and receipts should include the provider’s full details so that they can be identified as coming from a specific provider – as explained in the section A1.32 Charging here [Early education and childcare \(effective from 1 April 2025\) - GOV.UK](#)

Where it is reasonably practicable, children should be able to take up their funded hours in continuous blocks and providers should avoid artificial breaks being created throughout the day, for example, over the lunch period. Providers should allow a parent to choose an alternative to the paid for meal such as bring their own food, so that they can take up their funded entitlement without having to purchase any additional services.

If you are not already set up for Tax Free Childcare, please use these links to learn the benefits and how to register: [Tax-Free Childcare | Best Start in Life](#) [Sign up to Tax-Free Childcare if you're a childcare provider - GOV.UK](#)

You can promote your business free of charge on the North Yorkshire Connect website, to register for an account please use this link: [Sign up | NY Connect \(northyorkshireconnect.org.uk\)](#)

The Local Authority (North Yorkshire Council) pay government funding based on the Ofsted/Childminder Agency inspection judgment, and any providers who are judged less than 'good' will not receive funding for any new eligible 2-year-old children in receipt of the following funding type: [15 hours for 2 year olds receiving support | Best Start in Life](#)

The list below shows the different types of childcare provider who can become registered to offer early years government funding:

- NYC Maintained Nursery School and Classes with the age range 2-11yrs, or 3-11yrs children are on the school roll.
- Maintained Schools with state-funded Governor Run under community powers do not need to change their age range and children are not on school roll.
- Academy Nursery Class, direct school provision, children must be on the school roll.
- Academy state-funded Governor Run, community powers are not available to academies therefore they must extend their age range to 2-11yrs or 3-11yrs. Children can be on the school roll, or not on the school roll.
- Nursery Unit of Independent schools
- Private Day Nursery (Group setting)
- Pre-school playgroup (Group setting)
- Childcare on Domestic Premises registered with Ofsted or Childminder Agency (Group setting)
- Childminder registered with Ofsted, or with a Childminder Agency
- Childminder without Domestic Premises registered with Ofsted, or a Childminding Agency

What will be required if you choose to become registered to claim funding?

You are expected to:

- Have access to an electronic device that is linked to the internet. All data submissions and communications are done electronically.
- Be familiar with North Yorkshire Council systems and procedures that relate to claiming funding.
- Keep up to date with the information sent from the Early Years Funding Team, this means accessing the email account specific to your provision to ensure you keep up to date with deadlines.
- Have regard to the necessary data governance and ensure that any data, or information we require from you to administer funding is provided in an accurate and timely manner.

Which children are eligible?

2-year-olds – Families in receipt of some additional form of support (formerly known as 'Disadvantaged funding') - This type of funding is primarily designed to provide a funded place to families receiving economic support, as well as looked after children, children leaving care and children in receipt of Disability Living Allowance or with an Education Health & Care Plan. The eligibility criteria can be found here: [Early years funding for 2 year olds | North Yorkshire Council](#).

A child will be entitled to up to 15 hours per week over 38 weeks of the year from the term after the child has attained the age of 2 (see below) and the child or parent meets the eligibility criteria.

Child's 2nd birthday falls between	Can access a funded place from:
1 st September – 31 st December	1 st January
1 st January – 31 st March	1 st April
1 st April – 31 st August	1 st September

Parents must apply for 2YO Additional Support Funding using the online link [Early years funding for 2 year olds | North Yorkshire Council](#) to North Yorkshire Council (not HMRC). If found eligible, the parent will receive an email with a letter and 6-digit code from North Yorkshire Council which they show to their chosen childcare provider. If the parent has a letter of eligibility from another Local Authority, they must apply to North Yorkshire, using the link above. Funding cannot be given unless we have conducted our own eligibility checks and issued a letter of confirmation letter to the parent.

Once a 6 digit code is provided, this does not need to be re-confirmed with North Yorkshire. Eligibility remains in place until the term after the child's third birthday.

If you have a specific query related to a child and their eligibility for 2YO additional support funding, please contact Families information service on 0300 131 2 131, or by email at fis.information@northyorks.gov.uk

If a family are eligible for 2-year-old additional support funding as well as working family 2-year-old funding, then you should make the claim for additional support funding, but the parent must be encouraged to continue to reconfirm their working family eligibility on their government childcare account for when the child becomes eligible for 3- & 4-year-old funding.

3 & 4-year-old Universal funded entitlement - All 3- & 4-year-old children are eligible for the 15 Universal weekly hours from the beginning of the school term **after** their third birthday, up until the end of the school term in which they have their fifth birthday. Parents do not need to apply for universal funding and a provider can claim this on behalf of any eligible child as long as there is a Parental Agreement in place.

Working Parent Entitlement funding for 9 – 23 months, 2, 3- and 4-year-olds (Expanding to 30 hours for the under 3's from Sept 25)

To qualify for working parent entitlement a parent must meet the income requirements based on information held by HMRC. The parents must set up a government childcare account here <https://www.gov.uk/apply-free-childcare-if-youre-working> and if after applying are found to be eligible, HMRC will issue the parent with an 11-digit code, known as an Eligibility code.

The parent is responsible for reconfirming their code with HMRC and they must do this every 3 months via their online government childcare account.

Full details and eligibility criteria can be found here: [30 hours childcare for eligible working families in England | Best Start in Life](#)

A child will be entitled to up to 15 hours per week (expanding to 30 hours for the under 3's from Sept 25) over 38 weeks of the year from the term after the child has attained the age of 2 or 3 (see below) and the parent meets the income eligibility criteria.

Child's birthday falls between	Can access a funded place from:
1 st September – 31 st December	1 st January*
1 st January – 31 st March	1 st April*
1 st April – 31 st August	1 st September*

*Please see the start dates for each school term using this link: [School term and holiday dates | North Yorkshire Council](#)

Please note that once a child enters reception class in a state-funded school they will cease to be eligible receive early years funding.

Working parent entitlement for 9 – 23-month-old beginning in September 2024, the parent must meet the income eligibility and have a valid 11-digit code and the child must be of the relevant age, as shown below:

A child must be 9 months old on:	Can access a funded place from
31 st December	January
31 st March	April
31 st August	September

Independent School and VAT

Private schools are required to account for VAT on fees or other consideration received for supplies of education, boarding or vocational training. Per pupil funding counts as school fees for the purposes of the legislation, including local authority funding for Education, Health and Care Plans (EHCPs) and the early years funding entitlement (where the class of those receiving the early years funding entitlement is in scope of policy – further detail below). Local authorities can reclaim VAT incurred using the existing ‘section 33’ processes. To do so local authorities will need a VAT invoice from schools and can contact schools to request this if these have not been provided. You can find out more information about section 33 in [Local authorities and similar bodies \(VAT Notice 749\) - GOV.UK](#)

If a school does meet the definition of a private school, then whether it will need to account for VAT on early years funding entitlement will depend on which type of class children in receipt of the entitlement are in and if this is in scope of VAT;

- Nursery classes attached to private schools continue to be exempt from VAT if they are wholly (or almost wholly) composed of children under compulsory school age who wouldn't be expected to turn compulsory school age that academic year.
- Reception classes within private schools are usually subject to VAT, given children within them turn compulsory school age during the academic year they are in that class. Given most children start in reception in the September after their 4th birthday and are eligible for the early years funding entitlement until a date following their 5th birthday, children in these classes may both have fees subject to VAT and be eligible for early years funding.
- Mixed aged classes which don't meet the above definition of a nursery class are subject to VAT.

Foster carers who have employment outside of fostering will be required to complete a form with their Social Worker and the child's Social Worker. Details and form can be found here: [Working Family Entitlement Funding Information for Foster Parents - NYC 2025-2026 0.pdf](#)

Once a childcare provider is set up to offer funded places, they are given access to a provider portal called the Synergy Web system to enable them to carry out checks on the validity dates of the 11-digit Eligibility Code. This check should always be done, before each term starts and before a provider offers a parent a Working Parent Entitlement funded place. Once validity is confirmed, the provider will use this 11-digit code on the child's headcount claim to claim Working Parent Entitlement Funding

Further information on a range of subjects for childcare providers is available at:

[Department for Education - Help for early years providers : Get help for your setting](#)

[Foundation Years - Foundation Years - Latest news, policy and resources for early years professionals](#)

Funding Rates – 2025/2026

Government funding for early years funded children consists of:

Eligible 2-year-old children = £7.30/hour base rate

Eligible 3- & 4-year-old children = £5.36/hour base rate

Eligible 9 – 23-month-old children = £9.91/hour base rate

Additional funding supplements may also be payable for 9 – 23-month-old, 2-year-old, 3 & 4-year-old children alongside the basic funding rate shown, based upon a child's/family's eligibility: -

- Deprivation weighting funding for 9 – 23-month-old, 2,3 & 4-year-old children is based on a child's postcode and is split into bands A - £0.54/hour, B - £0.07/hour, C - £0.04/hour, D - £0.00/hour.
- Early Years Pupil Premium for a maximum of 15 hours per week for eligible 9 – 23-month-old, 2,3 & 4-year-old children = £1.00/hour. For 3&4 YO children Early Years Pupil Premium is paid on Universal funded hours only.
- Disability Access Funding for eligible 2,3 & 4-year-old children in receipt of Disability Living Allowance and accessing funded hours = £938.00 lump sum payment, per 12-month period.

Funding is paid to the local authority for 38 weeks in a financial year (April-March). The funded weeks are based over the three school terms to best fit the North Yorkshire school term dates.

For example: In 2025/26 early years funding is paid in Summer term 2025 for 13 weeks, Autumn term 2025 for 14 weeks, and Spring term 2026 for 11 weeks.

Payments

Payments are made monthly, on or around 15th of the month, and only if an estimate is provided and a headcount claim is submitted.

Summer Term	Payments made in April, May and June based on estimates that you must provide. Payment made in July is based on Actual headcount, and includes funding supplements where applicable, e.g., Deprivation, Early Years Pupil Premium, Disability Access Funding. Final payment made in August based on Actuals.
Autumn Term	Payments made in September, October and November based on estimates provided. Payment made in December based on Actual headcount and includes funding supplements where applicable, e.g., Early Years Pupil Premium, Disability Access Funding.
Spring Term	Payments made in January and February based on estimates, Payment made in March based on Actual headcount and includes funding supplements where applicable, e.g., Early Years Pupil Premium, Disability Access Funding.

Providing Estimates

To enable payments to begin, providers will be asked to provide an estimate of the weekly funded hours that the eligible children will be using at the provision. Providers are given a link to an online estimate form where they will provide the estimated weekly funded hours for each type of funding. Providers are encouraged to err on the side of caution to ensure they are paid accurately.

If an 'estimate' isn't provided, then a funding payment cannot be made.

In addition to providing estimated weekly funded hours, providers must submit the child and parent details and confirm the number of funded hours per week using the Synergy Provider Portal – this is called the headcount. If your actual headcount funded hours per week are different to the estimated hours per week, then an adjustment will be necessary once the headcount data is finalised. If necessary, we may also invoice you to recover any overpaid funding that cannot be recovered.

Calculating funding payable

Registered funded childcare providers are expected to check and calculate the monthly payment they receive from NYC. If any discrepancy is found, then the Early years Funding Team should be contacted to discuss further.

How to calculate funding - Example

Summer Term 2025

3- & 4-year-old funding of 75 weekly hours for 13 weeks = 975 total termly hours.

Total termly hours = $975 \times £5.36 = £5,226$ termly funding.

Termly funding of £5,226 is divided by 5 months in Summer term = £1,045.20 monthly payment.

2-year-old funding of 15 weekly hours for 13 weeks = 195 total termly hours.

Total termly hours = $195 \times £7.30 = £1,423.50$ termly funding.

Termly funding of £1,423.50 is divided by 5 months in Summer term = £284.70 monthly payment.

9-23 month funding of 30 weekly hours for 13 weeks = 390 total termly hours.

Total termly hours = $390 \times £9.91 = £3,864.90$ termly funding.

Termly funding of £3,864.90 is divided by 5 months in Summer term = £772.98 monthly payment.

Parental Agreement

A Parental Agreement is a document that providers give to parents to ensure that both parties are clear about where the funding is being taken and what charges may be made. NYC have produced a sample document that the early years childcare provider should tailor to their individual offer - it can be an electronic or paper document. It can be as long, or as short as you wish, but you must ensure that it includes information for parents explaining how the funding can be claimed, and parents can see what charges may be made for any extra services available. It is vital that you get the parents' permission to use their data in line with GDPR. You should not send it to NYC except when requested - usually in the event of a duplicate claim. The sample parental agreement and additional guidance can be found on our website here: [Early Years Funding | CYPInfo](#)

Early Years Pupil Premium (EYPP)

Funded providers can claim extra funding through the Early Years Pupil Premium (EYPP) to support children's development, learning and care. Providers can use the extra funding in any way they choose to improve the quality of the early years education for eligible children. This could include, for example, additional training for staff on early language, investing in partnership working with colleagues in the area to further expertise or supporting staff in working on specialised areas such as speech and language or offering the child extra funded sessions. The childcare provider must notify all parents if their child has been identified as being eligible for EYPP. Further information on EYPP for registered providers is available here: [Early Years Funding | CYPInfo](#)

Disability Access Funding (DAF)

Eligibility

9–23-month-olds, 2, 3 and 4-year-old children will be eligible for the DAF if they meet the following criteria:

- child is in receipt of a current Disability Living Allowance award letter, and this is in place on headcount week of the term DAF is being claimed for and.
- child is in receipt of early years funded childcare.

Identifying eligible children

Early years childcare providers are responsible for identifying eligible children and the NYC Parental Agreement template has a section covering DAF where the parent can nominate the name of the provider, they wish to claim the DAF. The provider will need to send a copy of the parental declaration and a copy of

the child's current Disability Living Allowance award letter to the Early Years Funding Team by the deadline for the term the claim is being made.

Further details on Disability Access Funding can be found here at: [Early Years Funding | CYPInfo](#)

Communication

All communication about early years funding is sent by email to an NYC email account. This is created for funded providers when they are set up to offer funded places with NYC. Emails sent to this account can be forwarded to other email accounts of your choosing - guidance is sent on how to do this. It is vital that this email account is regularly checked and monitored to ensure you are up to date with any deadlines relating to headcount and accurate payment can be made.

Maintained and Governor Run Nursery Classes and Academy Schools are contacted using their admin email address; however, the school or academy trust is responsible for cascading the information to the relevant person.

Submission of headcount data

A 'headcount' of child data is required once every term, this is based on the children who are registered **and** attending a childcare provider during the termly headcount week. All childcare providers are required to submit a headcount of all eligible children and, where applicable, parent details by using a system called Synergy Web Provider Portal.

Headcount week is always the first Thursday in October, Third Thursday in January, and Third Thursday in May.

A manual on how to use the Synergy Provider Portal to submit funded children is available on the website here: [Early Years Funding | CYPInfo](#)

Parents must be invoiced for any additional hours, over and above the government funded hours. A claim cannot be made if a child leaves before headcount week and a provider cannot charge the parent. The Department for Education recommend that childcare providers consider charging parents a refundable deposit - this will give providers some form of income if a parent withdraws their child from the provision before headcount week.

Additional Information

Maintained Nursery Classes - If you are a maintained school with an age range 2-11 you can claim funding for all 3 terms that a 2-year-old child is eligible.

If you are a maintained school with an age range of 3-11 you can claim funding for the final term that a 2-year-old child is eligible, i.e., once they have had their 3rd birthday.

Early Years Provision made under Community Provision Powers (Section 27) – State-funded governor run.

Where provision is set up under Section 27 of the Education Act 2002 (community powers), then the governing body can use the ratios and qualification requirements set out for early years providers. In this case, they can use either 1:8 or 1:13 ratio for children aged three or four years old staffed appropriately. If the school accepts children who are two years olds, the correct adult: child ratio must be provided in line with the EYFS Statutory guidance for this age group. Must always deliver the learning and development part of the EYFS. This flexibility (to operate without a schoolteacher leading provision) applies where the children are not registered pupils – so it will only apply to community provision.

Schools will be able to choose which staffing model is most appropriate to their situation. Once a child is a registered pupil, then that is their status. For example, it is not possible for a child to be a pupil in the morning and a non-pupil in the afternoon. We expect that, as the governor-run early years provision is part of the school, and will be inspected as part of the school, that the head and governing body will ensure that the provision is adequately supervised and run, even if a schoolteacher is not working directly with the children.

Funding is claimed termly by headcount process via the Provider Portal

- Children will not be eligible for a free school meal as they are not on the school roll.
- The early years children must not appear on your termly school census but instead will be recorded on the Synergy Provider Portal each term.
- Funding will be paid direct into your school bank account each month and not via ORACLE.

Childminders

Children who are related to funded childminders.

The Department for Education have confirmed that the local authority **cannot** fund childminders for providing childcare for related children, even if you are in receipt of funding for other children, because such care does not come within the scope of early years provision that can be funded. The definition of childcare specifically excludes care provided for a child by a parent or stepparent, a person with parental responsibility for a child or a relative of the child.

Data Protection

You must be registered with the Information Commissioner for Data Protection purposes where required.

Further Documentation

The following documentation will be sent to all providers, except Maintained Nursery Classes: -

- A bank account details form and estimate request - must be completed and returned as soon as possible to enable payments to be made. Childminders – funding cannot be paid into a joint bank account.
- NYC Email Account set up letter (N/A for Maintained, Governor Run and Academy Nurseries)
- A funding agreement between the early years provider and North Yorkshire Council will be sent via a Digital Signing Hub (N/A for Maintained Nurseries). A personal email address of the person/s legally responsible for the provision must be provided to enable the agreement to be signed using the Signing Hub. All relevant parties must sign the funding agreement before the funding can commence.

All Providers will be given a link to access the following: -

- Parental Agreement Form – this is a sample document that can be tailored to the early years provider offer.
- Privacy Notice – for secure data handling and this contains suggested text that can be tailored to the needs of individual provider offer.
-