



Where Little Lambs Learn and Play

Policies and Procedures

PP08 – Finance & Funding Policy

V1.0

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Document History					
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This document is reviewed annually or sooner if required by changes in law, statutory guidance, or operational needs. Any changes, amendments, alterations, or updates of this document will be reviewed and/or approved by the Nursery Manager and a company Director.

All members of staff will be required to read this document in its entirety within 2 weeks of publication and for new starters before working with children, with confirmation that it has been understood.

Inevitably, there will be some situations that arise which are not specifically covered within this document. In such situation, if practicable, the Nursery Manager or Deputy Manager should be consulted for further guidance or instruction.

Any queries arising from this document should be raised with the Nursery Manager or Deputy Manager in the first instance.

This document and its policies and procedures herein, are not intended to replace recognised, established industry or regulatory safety standards, principles, or protocols.

Suggestions for future changes, amendments, alterations, additions, or updates should be sent to the Nursery Manager or Deputy Manager.

Copies of this document are uncontrolled and may not be current. If in doubt, please consult the Nursery Manager or Deputy Manager.

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1. Introduction

Little Lambs Nursery is committed to ensuring that all financial arrangements, fees, funding practices and payment processes are transparent, fair, compliant with statutory guidance, and communicated clearly to families. This policy outlines how fees are charged, how government funding is administered, and the expectations placed on parents and carers. It supports our legal obligations under consumer law, local authority funding rules, and the Early Years Foundation Stage (EYFS) 2025 requirements for transparency, equity and partnership with families.

Our approach is based on honesty, clarity and sustainability. As a privately run early years setting situated within a working farm environment, we ensure that our financial procedures enable us to provide consistent, high-quality care, maintain safe staffing levels, and meet regulatory standards at all times. This policy must be read alongside PP04 (Complaints & Concerns Policy), PP06 (Parent & Community Engagement Policy), PP09 (Emergency & Contingency Policy) and PP10 (Child Welfare & Wellbeing Policy).

2. Legal and Regulatory Framework

This policy is informed by the following legislation and statutory guidance:

- Early Years Foundation Stage (EYFS) Statutory Framework 2025
- Department for Education: Early Education and Childcare Statutory Guidance for Local Authorities (June 2023 and subsequent updates)
- Competition and Markets Authority (CMA) "Consumer Protection: Guidance for Early Years Providers"
- Equality Act 2010
- Consumer Rights Act 2015
- Childcare Act 2006
- Data Protection Act 2018 and UK GDPR

These frameworks require nurseries to provide clear financial terms, fair trading practices, accessible communication, and accurate administration of government-funded entitlements.

3. Principles of Financial Transparency

Little Lambs Nursery is committed to presenting all financial information in a manner that is clear, accessible and easy for families to understand. We ensure that our terms, charges and funding arrangements are communicated openly before a place is accepted, and that parents can rely on accurate, consistent and timely invoicing. We provide information that explains how fees are set, how funding contributes to childcare costs, and what parents are responsible for paying. All financial communications are written in plain language and aim to support families in making informed decisions about their childcare arrangements.

4. Government Funding Entitlements

Little Lambs Nursery offers government-funded early education for eligible two-year-olds and all three- and four-year-olds, including universal and extended entitlements. These hours provide funding for a portion of the childcare place. They do not cover meals, consumables or additional services.

4.1 Eligibility

Eligibility for funded hours is determined by the Local Authority. Parents must submit all required documentation, including eligibility codes, National Insurance details and personal identification, within the required deadlines.

4.2 **Funded Hours Pattern**

As a full-day nursery operating from 8am to 6pm, government-funded hours are incorporated into the structure of the child's full-day booking. Funded hours are not offered as standalone sessions and cannot be separated into alternative time blocks. The nursery allocates where funded hours fall within the day so that staffing levels, adult-child ratios and operational requirements remain stable and consistent. Parents are informed of how funded hours are applied to their invoices and of any relevant termly funding patterns.

4.3 **Stretched Funding**

Little Lambs Nursery offers funding on a stretched basis across all 52 weeks of the year so that families receive consistent support throughout the calendar year. Under this approach, the Local Authority calculates a weekly entitlement equivalent to the standard term-time model. For clarity, the approximate stretched weekly equivalents are:

- 15 hours term-time = **11 hours per week stretched**
- 30 hours term-time = **22 hours per week stretched**

These figures may vary slightly between Local Authorities but will be reflected transparently on each family's invoice.

4.4 **Consumables and Meals**

Government-funded hours cover only the childcare element of a nursery place. They do not provide funding for meals, snacks, wipes, sun cream, craft materials, digital systems, or the additional resources required to maintain a high-quality, farm-based learning environment. For this reason, a daily consumables charge applies to all funded children.

Parents may provide a packed lunch only where there is a documented medical, allergy or SEND requirement. This ensures that the nursery remains fully compliant with CMA guidance while maintaining consistent nutritional and operational standards for all children.

4.5 **Parent Declaration Forms**

Parents must complete a Parent Declaration Form each term. Failure to do so may result in the Local Authority withholding funding, in which case **full private fees will be charged** until eligibility is re-established.

5. Fees, Charges and Payment Terms

5.1 **Daily Rates**

Children attend on a **daily rate**, payable for all contracted days, including bank holidays. Full details of current charges are provided at registration and annually thereafter.

5.2 **Registration Fee**

A **£100 non-refundable registration fee** is payable on application. This fee does not guarantee a place until a formal offer and contract are issued.

5.3 **Payment Schedule**

Invoices are issued monthly and one month in advance. **Payment is due in full before the first day of the month to which the invoice relates.** Parents using childcare vouchers or Tax-Free Childcare must ensure payments are submitted in sufficient time for funds to reach the nursery before the deadline.

Where payments are delayed due to the processing times of third-party schemes, the outstanding balance remains the responsibility of the parent.

5.4 **Late Payment Charges**

Payments received after the 5th of the month incur a **10% late payment fee**.

5.5 Non-Payment Procedures

Where an invoice is not settled by the due date, the nursery issues a reminder and provides a short grace period. If payment is still not received, the nursery may suspend the child's place until the balance is cleared. Continued non-payment may lead to the formal termination of the childcare contract and referral to a debt recovery service. Parents are liable for any reasonable administrative or recovery costs encountered during this process.

6. Cancellations, Session Changes and Notice Periods

A minimum of **six weeks' written notice** is required for all contractual changes, including withdrawing a child, reducing days, altering attendance patterns or adjusting funded arrangements. While the nursery will always consider requests to increase sessions, these are subject to availability and cannot be guaranteed. Notice periods protect staffing stability and ensure compliance with EYFS requirements for ratios and continuity of care.

7. Refunds, Credits and Reductions

Fees remain payable during periods of illness, holiday, or short-term nursery closure arising from adverse weather, emergency situations or operational disruption. Refunds are offered only when a child is admitted to hospital, including same-day A&E attendance, overnight stays or longer admissions. The nursery may request written confirmation of admission in order to apply the refund appropriately. No other credits or fee reductions are provided.

8. Absence, Illness and Attendance

Parents must notify the nursery of their child's absence as early as possible. Fees remain payable for all absences. Sessions cannot be swapped or exchanged for alternative days. Persistent absence may lead to the Local Authority adjusting or withdrawing funding. Where this occurs because of parental action or inaction, full private fees will be charged from the date of withdrawal.

9. Additional Sessions and Ad-Hoc Bookings

Additional days may be offered at the standard daily rate, depending on availability and safe staffing levels. These sessions must be paid for in advance and are non-refundable once confirmed. Ad-hoc bookings are permitted under the same conditions and must be agreed with the Nursery Manager or Deputy Manager.

10. Funding Withdrawal or Eligibility Changes

Where funded eligibility is withdrawn by the Local Authority due to incorrect information, missing documentation, delayed submission or ineligible claims, the nursery will apply full private fees from the date funding ceases. Parents must inform the nursery immediately of any change in eligibility or circumstances that may affect their entitlement.

11. Meals, Consumables and Additional Services

The daily consumables charge contributes to meals, snacks, hygiene products, materials and the enhanced resources required for outdoor, nature-based and farm-linked provision. These items are integral to the care and educational experiences at Little Lambs Nursery. Parents must provide sufficient clothing and formula as appropriate to their child's age and needs.

12. Closures, Training Days and Contingencies

The nursery closes for **three annual training days** and a **two-week Christmas shutdown**, neither of which is chargeable. Short-term closures arising from adverse weather, farm safety incidents or essential maintenance are chargeable because staffing costs and operational expenses continue during these events. In all scenarios, parents are updated promptly through the nursery's communication channels.

13. Payment Methods and Processing

Accepted payment methods include:

- Bank transfer
- Childcare vouchers
- Tax-Free Childcare

We do not accept cash. Parents may request a breakdown of invoices at any time.

14. Late Collection Fees

A late collection fee of **£15 for the first 30 minutes, and £15 for each subsequent 30 minutes**, is charged when a parent is late without prior agreement. Management retains discretion in genuine emergency situations.

15. Debt Recovery and Termination of Place

Where fees remain unpaid beyond the extended deadline, the nursery may:

- Suspend the child's place
- Terminate the childcare contract
- Pursue debt recovery through a third-party agency
- Charge administrative and recovery costs to the parent

Clear records are maintained for all actions taken.

16. Financial Confidentiality and Data Protection

All financial records, invoices, funding information and personal details are processed in accordance with UK GDPR, the Data Protection Act and PP11. Only authorised staff have access to financial documents.

17. Monitoring, Review and Compliance

This policy is reviewed annually, or sooner where statutory guidance changes or operational needs require it. Updates are communicated to parents in writing with a minimum notice period of **eight weeks** for any change to fees.

ENDS