

Childcare Support is Expanding - Early Years Funding Entitlement

This information is applicable for parents/carers in England



In the 2023 Spring budget the Government announced new working parent entitlements for children aged 9 months up to and including 2 years old to expand on the existing childcare support for 3 and 4 year olds. This means that there will be funding to reduce your childcare costs from the end of your maternity leave until your child starts school. This will be rolled out in phases, so I have pulled the information together for you here.

April 2024 sees the start of some significant changes to extend the existing 15 and 30 hours childcare support in England. The expansion will be introduced in phases; by September 2025, most working families with children under the age of 5 will be entitled to 30 hours of childcare support.

The current offer

All parents/carers of 3 and 4-year-olds are entitled to 15 hours a week childcare support with registered childcare providers.

Eligible working parents and carers of children aged 3-4 can also get an additional 15 hours childcare support, bringing their total up to 30 hours a week.

Eligible parents of 2-year-old children may also be entitled to 15 hours childcare support if they receive some additional forms of government support.

The expansion

In addition to the current offer:

From **April 2024**, eligible working parents of 2-year-olds will be able to access 15 hours childcare support.

From **September 2024**, 15 hours childcare support will be extended to eligible working parents of children from the age of 9 months to 3-year-olds.

From **September 2025**, eligible working parents of children under the age of 5 will be entitled to 30 hours of childcare a week.

Is it really free?

The Government are investing over £400 million in 2024-2025. The guidance refers to early years provision free of charge (sections 7 and 7A [Childcare Act 2006](#)) and free childcare for eligible working parents (section 2 [Childcare Act 2016](#)) as the 'free entitlement(s)', a 'free place' or 'free hours'. However, as the funding rates sometimes do not fully meet the actual cost of providing childcare we often refer to this as funded hours or subsidised hours.

Every Local Authority (LA) has a funding rate set by the Department for Education (DfE). From this, local authorities retain some of this rate to fund some of the early years services they provide. The pass-through rate to the childcare provider must be a minimum of 95% of government funding unless there is a specific exemption.

Sadly, in some cases, the hourly funding rate received by childcare providers is lower than they would usually charge and does not meet their running costs. This obviously affects

the sustainability of pre-schools, nurseries and childminders, so you may find that your childcare setting asks you for a consumables contribution to cover things such as snacks, meals and outings.

In context, if a 30 hour place without funding would cost me £170 a week, I would be delighted if the funding reduced my costs to just £30 or £45 per week. You can also use Tax-Free Childcare or Universal Credit for Childcare whilst claiming your 15 or 30 hours of childcare support.

As I am writing this (4 January 2024), some LAs have not yet informed childcare providers of the funding rates for the financial year starting April 2024. Therefore, some childcare providers may be able to take your expression of interest for a place in April 2024 but you may have to wait for more information from them. Childcare providers can choose not to deliver 'free' places, or they may ask you for a consumables contribution if the hourly funding rate does not meet the cost of providing a childcare place.

Who can provide funded childcare hours?

- Any early years provider (such as a private day nursery, pre-school, childminder, childcare on domestic premises or school nursery) registered on the Ofsted Early Years Register
- A childminder or childcare provider registered with a childminder agency which is itself registered with Ofsted
- Schools taking children age 2 and over which are exempt from registration with Ofsted as an early years provider

When will my funded childcare place start?

Funding usually starts the term after your child's eligible birthday. For example:

- Children born in the period 1 January to 31 March: the start of term beginning on or following 1 April after the child's relevant birthday or date of turning 9 months old
- Children born in the period 1 April to 31 August: the start of term beginning on or following 1 September after the child's relevant birthday or date of turning 9 months old
- Children born in the period 1 September to 31 December: the start of term beginning on or following 1 January after the child's relevant birthday or date of turning 9 months old

However, it is important to check your exact start date with your chosen childcare provider as they may be closed on certain days due to school holidays, INSET days (staff training) and bank holidays.

Flexibility

The 15 and 30 hour funding is calculated over 38 weeks a year (term time only like in a school). However, it may be possible to take up your child's funded hours in patterns of hours that "stretch" your child's entitlement if your childcare provider has the capacity. For example:

- Just under 12 hours a week for 48 weeks of the year where the child is entitled to a total of 570 hours per year
- Around 23 hours a week for 48 weeks of the year where the child is entitled to a total of 1140 hours per year

However

- No session can be longer than 10 hours
- Funded hours cannot be used before 6.00am or after 8.00pm
- And there is a maximum of 2 sites in a single day if you want to split your funding between 2 childcare providers

The free entitlement hours cannot be compressed (so you cannot take more than 15 or 30 hours per week over fewer than 38 weeks of the year).

Holidays and illness

Please ask your childcare provider about their contract:

- When are they closed for holidays or training days?
- What happens if you take your child out of childcare to go on holiday?
- What is their policy around illness as there will possibly be times when your child cannot attend if they are ill

Eligibility for working parents entitlements

A child is entitled to free/funded early years provision if the child has attained the relevant age, is under compulsory school age and the child's parent(s) meets the eligibility criteria set out below:

- The parent of the child (and their partner where applicable) should be seeking the free childcare to enable them to work
- The parent of the child (and their partner where applicable) should also be in qualifying paid work. The definition of qualifying paid work is set out in regulations 16 and 17 of the 2022 Regulations, and the minimum income requirement is in regulation 18. Each parent or the single parent in a lone parent household will need to expect to earn the equivalent of 16 hours at the national minimum wage rate over the forthcoming quarter
- Where one or both parents are on certain forms of family leave from work (including maternity, paternity or shared parental leave) or in receipt of certain forms of statutory pay in connection with sickness or parenting, they are treated as though they meet the minimum income requirement. This will apply for the 31 days before they return to work for those parents on family leave in relation to the child in free childcare
- Where one parent (in a couple household) is in receipt or could be entitled to be in receipt of specific benefits related to caring, incapacity for work or limited capability for work that they are treated as though they are in paid work
- Where a parent is in a 'start-up period' (ie they are newly self-employed), they do not need to demonstrate that they meet the income criteria for 12 months in order to qualify for the working parent entitlement
- If either or each parent's income exceeds £100,000, they will not be eligible for the working parent entitlement

Children in foster care who have attained the Relevant Age are also eligible for the working parent entitlements, provided the foster parent is in paid work outside their fostering role, does not expect their adjusted net income to exceed £100,000 and the responsible local authority^[footnote 15] confirms it is satisfied that the foster parent engaging in paid work,

other than as a foster parent, is consistent with the child's care plan. The foster parent does not have to meet the minimum income requirement.

When to apply

Currently, you can apply [on-line](#) from when your child is:

- 1 year and 36 weeks for 15 hours free/funded childcare
- 2 years and 36 weeks for 30 hours free/funded childcare
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Your child's birthday	When they can get their hours from	Recommended time to apply
1 September to 31 December	Term starting on or after 1 January	15 October to 30 November
1 January to 31 March	Term starting on or after 1 April	15 January to 28 February
1 April to 31 August	Term starting on or after 1 September	15 June to 31 July

It can take 20 minutes to apply. You may find out if you're eligible straight away, but it can take up to 7 days. Once your application has been approved, you'll get a code for free childcare to give to your childcare provider. You have to reconfirm your eligibility every 3 months. If you apply more than 3 months before the term starts, you'll have to reconfirm your eligibility in your account in order to keep your code valid.

If you already have a tax free funding account you may have to wait until you reconfirm your information to apply for your code. Please note that it may be beneficial to apply for a code in February as if you apply too early you may have to reconfirm your code before your funding starts at the beginning of the term.

You can check the latest information about whether you are eligible for up to 30 free hours of childcare a week and Tax-Free Childcare for you child/children [here](#)

You can also use your Family Information Service, children centres, family hubs and any childminder agencies to find out more about the childcare providers offering funded places in your area.