

# FAQs: 30-hour early education and childcare entitlement

The [Childcare Act](#) (2016) states that some three- and four-year-olds of working parents have been eligible for 1,140 hours of government-funded early education and childcare per year – the equivalent of 30 hours per week over 38 weeks.

Local authorities have a duty to ensure that funded hours are delivered in line with the [statutory guidance](#) under the Act. The Government produced a [model agreement](#) between local authorities and providers to standardise agreements and ensure consistency across different authorities and has published practical [operational guidance](#) for local authorities and providers to support delivery of all entitlements for two-, three- and four-year-olds.

## Who is eligible?

**The 30 hour entitlement is available to three- and four-year-olds of working parents who meet the earnings criteria. To qualify, each parent (or the sole parent in a single parent family) need to expect to earn, on average, at least the equivalent of 16 hours on the national living/minimum wage per week (£120 per week for those aged 25 or over, slightly less for younger parents), and no more than £100,000 per year, over the next three months.**

The number of hours worked is less important than the money earned, so a high-earning parent could be working only a few hours per week and still be eligible.

Self-employed parents and parents on zero-hours contracts will be eligible if they meet the average earnings criteria. Newly self-employed parents do not need to demonstrate they meet the income criteria for 12 months.

Families where one parent is not in paid employment (or neither parent works) will usually not be eligible for 30 hours. There are exceptions for parents who are on parental, maternity, paternity, adoption or sick leave. Parents who are studying or in training will not be eligible unless this is combined with paid work which meets the minimum average earnings threshold.

However, parents will be eligible where one parent is in receipt of benefits relating to caring responsibilities or serious disability and the other parent is working. Single parents who are disabled or have substantial caring responsibilities will not be eligible.

If parents are separated, eligibility requirements will apply to the parent with whom the child 'normally lives', and any partners of parents will also be required to meet them.

If either parent is a non-EEA national, they must not be subject to immigration control and have recourse to public funds.

From September 2018, some children in foster care have been eligible for the 30 hour entitlement, providing they meet the criteria outlined in the [statutory guidance](#). Foster parents must apply directly to their local authority for 30 hours rather than HMRC. More details are provided in the [operational guidance](#).

As with the universal 15-hour entitlement, children become eligible the term after they turn three and their parent has had their eligibility confirmed by HMRC:

| <b>Date of child's third birthday</b> | <b>Earliest date child becomes eligible for the 15-hour and 30-hour entitlement (if parents have had eligibility confirmed)</b> |
|---------------------------------------|---|
| 1 January – 31 March                  | Start of term beginning on or following 1 April   |
| 1 April – 31 August                   | Start of term beginning or following 1 September  |
| 1 September – 31 December             | Start of term beginning or following 1 January  |

**All** three- and four-year-olds – and the 40% most disadvantaged two-year-olds – will remain entitled to 570 hours of early education per year (15 hours per week during term time), regardless of the employment status or earnings of their parents.

Children will no longer be eligible for 30 hours once they are in a full-time reception place or reach compulsory school age (the term following their fifth birthday) – whichever comes first.

### **How do parents apply?**

**Parents must apply for both the 30-hour entitlement and the [Tax-Free Childcare scheme](#) through the Government's digital [childcare service](#), as the eligibility requirements for both schemes are broadly aligned.**

They can receive more information from the Government's [Childcare Choices](#) website. Parents can also apply via telephone by ringing the childcare service helpline on 0300 123 4097.

Parents who only wish to claim the universal 15-hour entitlement do not need to make an application.

**Parents must make their application the term before they wish to start receiving the entitlement.** They can apply the term before their child turns three if they meet the earnings requirement, although they can only start claiming their 30 hour place the term following the child's third birthday or the term following the date the eligibility code was issued –

whichever is later.<sup>1</sup> Parents are advised to apply as early in the term as possible to ensure they can reserve a place with their chosen provider(s).

As part of the application process, parents will need to create a Government Gateway account (if they don't already have one), and provide their name, address, and national insurance number, as well as the same information for their partner (if they have one). They will be asked if they expect to meet the income requirements over the coming three months and whether they are in receipt of any relevant benefits.

When parents receive confirmation of their eligibility from HMRC, they will receive a unique 11-digit code beginning with either '500' or '11', which they must take as soon as possible to their chosen provider(s).

**As a provider, you will be required to confirm the validity of this code through your local authority. You will need to obtain written consent from the parent to do this. You will also need the parent's national insurance number<sup>2</sup> and the child's date of birth.**

The Government has published a sample parental consent form in Annex A of the [model agreement](#).

Local authorities have been advised to give providers access to a digital portal so that they can check eligibility themselves quickly with minimum burden. However, some authorities will require all checks to be made by their own staff and communicated to providers.

**Once an eligibility code has been successfully verified by your local authority, you can offer the parent a place and agree a start date. You are advised not sign any agreement with parents until you have verified both the age of the child and the validity of the code.**

Parents will be required reconfirm their eligibility every three months by making a declaration that they expect their earnings to fall within the required threshold. They will be prompted by text message or email to do this<sup>3</sup>, and if they fail to do so they could lose their eligibility. Parents who make inaccurate or dishonest declarations can be fined between up to £3000.

Local authorities will be required to complete audit checks to review the validity of eligibility codes at a minimum of six points in the year, both at half-term and at the end of term. **It is the local authority's responsibility to notify a provider if a parent has fallen out of eligibility. If a parent tells you that they are no longer eligible, you should not take any action until you hear from your local authority. However, once you do hear from your**

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<sup>1</sup> The earliest a parent can receive a 30 hours code for their child is 16 weeks before their child turns three. The latest a parent can receive a 30 hours code is 22 weeks after the child turns five, as long as (s)he is not in enrolled full-time in a state-funded school.

<sup>2</sup> A partner who is listed on the application may come in place of the applicant and should bring their own national insurance number, as well as that of the applicant. Providers only need to verify the code against the applicant or the partner listed on the application, not both.

<sup>3</sup> Parents who made their application via telephone will also need to reconfirm their eligibility by telephone.

**local authority that a parent is no longer eligible, you should notify the parent within five working days.**

Local authorities are also encouraged to help secure a 30 hours place for parents who have applied or reconfirmed by the deadline, but receive their valid eligibility code after the beginning of the term.

### **What will happen if a parent suddenly becomes ineligible – will they lose their funded place immediately?**

**No. There is a national grace period to enable parents to retain their funded place for a short period if they become ineligible for the 30-hour entitlement.**

The grace period works the same way in every part of the country, and the online Eligibility Checking Service (ECS) automatically encodes the grace period end date to all eligibility codes:

| <b>Date parent receives ineligible decision on reconfirmation</b> | <b>Local authority statutory audit date ( and suggested audit window)</b> | <b>Grace Period end date</b> |
|---|---|------------------------------|
| 1 Jan – 10 Feb  | 11 Feb (11– 18 Feb)   | 31 March                     |
| 11 Feb – 31 March   | 1 April (24 March – 1 April)  | 31 August                    |
| 1 April – 26 May  | 27 May (27 May – 2 June)  | 31 August                    |
| 27 May – 31 Aug   | 1 Sept (24 Aug – 1 Sept)  | 31 December                  |
| 1 Sept – 21 Oct   | 22 Oct (22 Oct – 29 Oct)  | 31 December                  |
| 22 Oct – 31 Dec   | 1 January (24 Dec – 6 Jan)  | 31 March                     |

Local authorities have the discretion to extend the grace period in very exceptional circumstances, for example if the child’s parent has experienced domestic violence and has left their job and home to escape the situation.

Any child who loses their eligibility for the 30-hour entitlement will still be entitled to the universal 15-hour entitlement. If the child has been taking up the 30-hour entitlement with more than one provider, parents will need to inform their local authority where they would like to receive their 15 hours.

If a parent becomes eligible again for 30 hours after they have fallen out of eligibility, they will have to make a new application through the childcare service and present their code to their provider(s) again for verification. If the same parent completes the application, the code will not change.

If a parent falls into the grace period before their child has started their 30-hour place, they should not take it up. In exceptional circumstances, outlined in the [operational guidance](#), a child may change providers during the grace period.

### **Can I deliver funded places?**

**Any early years provider on the Ofsted Early Years Register can choose to register with their local authority to deliver the extended entitlement, including childminders, day**

**nurseries, playgroups, pre-schools and nursery schools. Funded places can also be taken up by primary schools offering early years provision and childminders registered with an Ofsted-registered childminder agency.**

Nannies and any other providers not on the Early Years Register are not permitted to deliver funded places.

The Government's intention is that, as far as possible, free places are delivered by providers with a 'good' or 'outstanding' grade from Ofsted. Providers with a lower grade will be able to provide places at the discretion of their local authority.

New providers awaiting a full Ofsted inspection with an initial Ofsted judgment of 'met' will be able to offer funded places, but if they are later found to be less than 'good' by Ofsted, the local authority will have the discretion to either stop them from offering funded places or impose further requirements related to their inspection. Providers with an initial Ofsted judgement of 'not met' are not permitted to deliver funded places.

Local authorities are not allowed to impose any additional quality assessment processes or training or other quality improvement programmes on providers, unless it has been specifically identified in an early years provision inspection report. If Ofsted has identified the need for specific training or quality improvement, the local authority cannot require that it is provided by itself; providers should have the discretion to choose where and how they take up training or quality improvement.

Childminders are not permitted to deliver any funded early education or childcare places to any children related to them by blood or marriage, or for which they have parental responsibility, even if they are claiming for other children. PACEY believes this is unfair, and we are raising this issue at every opportunity with government. Local authorities can choose to fund a childminder providing childcare for a related child, but this must come from the local authority's own funds.

Parents will be permitted to split their funded hours between multiple providers, though these cannot be on more than two sites in one day. The guidance says providers 'should bear in mind the impact that multiple providers may have on a child's learning, development and wellbeing'.

Parents do not have to take up the full entitlement, and can take as many funded hours up to 1,140 per year as they wish.

### **Do I have to deliver funded places?**

**No. Offering funded places is not compulsory.**

Providers who opt-out of the 30-hour scheme can still deliver the universal 15-hour offer.

You are also free to offer a limited number of funded places if that is what suits your business. You can set your own criteria for the admission of children, providing you are not in breach of equality and anti-discrimination legislation, and you should ensure this is clear and accessible to parents.

## How much will I get paid for delivering funded places?

**You will need to contact your local authority as rates for providing funded places to three- and four-year-olds are based on the [Early Years National Funding Formula](#).**

The Government has [published the rates](#) it pays to local authorities based on this formula. From April 2018, they must pass on 95% of funding to providers. Local authorities also have some discretion over funding supplements and how much they put in their local SEN inclusion fund. For more information about how the funding formula will work in practice, see PACEY's [FAQs on early years funding](#). To confirm the rate you will receive, contact your local authority.

Local authorities should pay all providers the full amount owed to them monthly unless they have good reason not to do so, for example, if, after consultation, the clear majority of providers opt for an alternative method of payment. Local authorities should be mindful of the concerns of smaller providers, particularly childminders, about their cash flow when making decisions about payment methods. Local authorities should regularly review how they pay providers to ensure that it continues to meet the needs of all providers in their area.

Local authorities are expected to pay providers the same rate for all funded hours for three- and four-year-olds, whether for the universal 15-hour entitlement or the extended 30-hour entitlement. This is because the statutory framework and quality requirements are the same. However, funding for two-year-olds is paid at a different rate using a separate funding formula.

## Are any additional charges permitted?

You are not permitted to charge parents top-up fees (the difference between your private fees and the hourly rate you receive from your local authority) or require a registration fee.

You can require parents to pay a deposit to secure a child's free entitlement place, but this must be fully refunded within a reasonable time scale determined by your local authority if the place is taken up.<sup>4</sup>

Government funding is intended to cover the cost to deliver 15 or 30 hours a week of free, high quality, flexible childcare. It is not intended to cover the cost of meals, consumables, additional hours or additional services.

This means parents can expect to be charged for meals and snacks, and as well as for other consumables such as nappies, wipes and sun cream. You can also charge for additional activities and services such as outings and trips; classes (e.g. French, yoga, Forest School, etc.); drop-offs and pick-ups (e.g. to and from another setting); and for being 'on-call' when a child is at another setting. However, parents must have the choice of whether or not they wish to purchase additional activities and services, and these charges cannot be a condition of taking up a funded place.

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<sup>4</sup> Local authorities have the discretion to waive a deposit if they think it is likely to prevent a child from taking up a free entitlement place.

As a provider you are required to deliver the entitlements consistently so that all children receive the same quality and access to provision, regardless of whether parents pay for optional extras. While a child is taking up a 30-hour place, there should be no restrictions on that place. For example, parents should not have to reserve a place each term.

It is essential that you are as transparent as possible at all times about any additional charges, and ensure that all your invoices and receipts are clear, transparent and itemised.

The Government advises providers to have a written agreement with all parents that take up a free entitlement place that outlines when the free entitlement is being delivered and whether the parent has agreed to any additional hours, activities or services for a fee – and for how long, as well as the circumstances in which a parent can opt out of the additional charges. A parent signature on such an agreement is evidence of consent to the charges.

The [statutory guidance](#), [model agreement](#) and [operational guidance](#) all specifically state that the local authority 'should not intervene where parents choose to purchase additional hours of provision or additional services providing that this does not affect the parents' ability to take up their child's free place.'

The guidance also says that local authorities should ensure that providers are 'mindful of the impact of additional charges on the most disadvantaged parents'.

### **What if parents refuse to pay any additional charges?**

Providers are required to offer 'alternative options' for parents unwilling or unable to pay for additional charges. You should set your own policy about how you will respond in this situation, with options including waiving or reducing the cost of meals, snacks and other consumables or allowing parents to supply their own.

### **When do I have to provide funded hours?**

**Funded hours can be provided any day of the week, including weekends, between 6am and 8pm. There is no longer any minimum session length, and the maximum session length is still 10 hours. There should not be any artificial breaks between funded sessions. Within these constraints, it is up to you as a provider to decide how and when you offer parents funded hours. There is no mandatory pattern of delivery, and you do not have to deliver all 30 hours.**

As a provider you have a duty to clearly communicate to parents the days and times that you offer free places, along with any information about additional voluntary charges. You must also share this information with your local authority. The Government advises providers to publish an admissions policy containing this information.

The [statutory guidance](#) states that 'providers should work with parents to ensure that as far as possible the pattern of hours are convenient for parents' working hours'. Local authorities also have a duty to ensure that children are able to take up their free places in continuous blocks, avoiding artificial breaks being created throughout the day, for example over the lunch period.

It is the Government's aim that funded places should not be any less flexible or more uncertain for those parents unwilling or unable to pay for additional hours or services. You can limit the number of funded places you offer, but not according to whether parents choose to pay for additional hours or services. Parents should not have to reserve a place each term.

### **Do I have to provide funded hours during term time only?**

**No – that is only the minimum period that is required. Both the 15-hour and 30-hour entitlements can be 'stretched' across up to 52 weeks to include school holidays and weekends, and the Government is actively encouraging this.**

For example, you could choose to deliver the 1,140 hours of the extended entitlement over 48 weeks, amounting to 23 hours and 45 minutes per week, rather than 30 hours. If you chose to deliver it over the whole year it would amount to around 22 hours per week.

However, free entitlement hours cannot be compressed (i.e. a parent cannot take more than 15 or 30 hours per week over fewer than 38 weeks of the year). A parent can choose a provider that is open for fewer than 38 weeks of the year and therefore receive 15 or 30 hours a week during fewer weeks.

The extended entitlement can be taken at a maximum of two sites per day. Parents may choose to split their funded hours between a childminder and sessional nursery or pre-school, for example.

There is no restriction on the number of providers that parents can use in a week or a month, although the Government is advising parents and providers to 'be mindful of the impact on the continuity of care for the child when using a number of providers'.

### **It's not worth my trouble to offer funded places due to issues such as delayed payments and red tape. Is anything being done to address these?**

**Yes. The Government wants to increase the number of providers – and childminders in particular – offering funded places. Following campaigning from PACEY and since September 2018 local authorities are expected to pay providers, particularly childminders monthly. . The government also has produced a [model agreement](#) to cut down on red tape and bring clarity and consistency to agreements between local authorities and all types of providers.**

Local authorities are required to have due regard to this agreement and use all of its provisions unless there is good reason not to. It requires local authorities to clearly set out the documentation they need to receive from providers and the timetable providers need to follow. Authorities are not permitted to carry out audit regimes which are disproportionate or unnecessarily burdensome to providers.

### **What are the expected ratios?**

**The existing adult: child ratios set out in the [Early Years Foundation Stage \(EYFS\)](#).**



## What were the Early Implementation pilots?

**In September 2016, eight local authorities began trialling the extended entitlement to selected three- and four-year-olds in their area.**

The so-called 'early implementers' are: Wigan, Staffordshire, Swindon, Portsmouth, Northumberland, York, Newham and Hertfordshire. In April 2017, early implementation was rolled out to an additional four local authorities: Dorset, Leicestershire, North Yorkshire and Tower Hamlets.

The Government published an [independent evaluation](#) of the 30-hour pilots in July 2017.

## Am I entitled to any additional support?

The [Childcare Business Support Grants Scheme](#) supports the set-up of new childcare businesses that will commit to delivering 30-hour places on their own or in partnership with other providers.

The Government published an [early years workforce strategy](#) in March 2017 which outlines a series of measures to attract new joiners to the sector, as well as retain and develop existing members of the workforce. PACEY has been working closely with government to ensure that this continues to translate into practical, tangible support for the entire sector, including childminders.

## How do parents find out about the extended entitlement?

**The Government website Childcare Choices aims to support parents by making them aware of 30 hours and other government support for childcare. In addition, the Childcare Act requires local authorities to publish more detailed and up-to date information on childcare in their area.** This should include information about vacancy rates, as well as Ofsted registration status and inspection judgments. Local authorities will be required to update this information at least termly and make it available online.

## What to do if a child is sick?

It is always best to check with your Local Authority what their specific procedure is. Some councils recommend if a child is absent you retain the funding as you will be holding a place open for the child. Where this is an extended leave of absence you must obtain a return date for the child in order to keep the place open

## What to do if you are sick?

It is always best to check with your Local Authority what their specific procedure is. In some councils, if the provider has a few days of sickness they would be expected to make up for the time missed. If the sickness was for a substantial amount in some cases they may also need to pay funding back to their local authority or source an alternative care for the child where the funding can be passed on to.

## What other support is available to families to help with childcare costs?

Working parents who are eligible for the 30 hours of free childcare will additionally receive support with childcare costs of up to £2000 per child through the [Tax-Free Childcare scheme](#).

Please note that Tax-Free Childcare is not available to parents in receipt of tax credits, Universal Credits or childcare vouchers, but it can be used at the same time as 30 hours free childcare.

Parents on low incomes will get up to 85% of their childcare costs reimbursed through the childcare element of [Universal Credit](#), which is gradually being rolled out across the country over the next several years. Since October 2019, the time allowed for parents to claim back these costs has increased. See our [news story](#) for details.

More information about support for childcare is provided on the [Childcare Choices](#) website.

PACEY is always on hand to provide practical advice and guidance for members on how you can support families to participate in all of these schemes.

**If you have any queries about 30 hours free childcare or early years funding, please [contact our policy team](#).**

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