



# Transforming Early Entitlements up to 2025

May 2023

# Key messages

- The focus is on giving children the best start in life, including supporting parents to access affordable, high-quality Early Years provision.
- More parents are going to be able to return to work while balancing childcare commitments. As a result of a **£4 billion per year expansion of early years entitlements** in England.
- This is the largest expansion of funded early years entitlements ever and will remove barriers to work for nearly half a million parents with a child under 3 in England.



# What was announced in the Spring Budget?

In the Spring Budget 2023 the Chancellor announced a revolution in childcare.

**30 hours** childcare for every child over the age of 9 months with working parents by **September 2025**, where **eligibility will match** the existing 3-4 year-old 30 hours offer.

- This will be **introduced in phases**, with
- **15 hours** childcare for **working parents** of **2-year-olds** coming into effect in **April 2024** and
- **15 hours** childcare for **working parents** of **9 months – 3 years old** in **September 2024**.
- The **funding paid** to early years providers for the existing offers will also be **increased** by £204 million from **this September** rising to £288 million next year.



# What was announced in the Spring Budget?

- **Schools and local authorities** will receive a share of £289m in funding for a ‘**pathfinder**’ to increase the supply of **wraparound care**, so that parents of primary school age children can access childcare between **8am and 6pm** – tackling the barriers to working caused by limited availability of wraparound care.
- Childcare costs for parents moving into work or increasing their hours on Universal Credit paid upfront rather than in arrears, with the maximum claim boosted to £951 for one child and £1,630 for two children – an increase of around 50%.
- In recognition of both the importance and short supply of childminders, incentive payments of £600 will be piloted from Autumn of this year for those who sign up to the profession (rising to £1,200 for those who join through an agency) to increase the number available and increase choice and affordability for parents





# What is the existing offer for free childcare?

- Currently, **all parents** are **entitled** to **15 hours** per week childcare for **3 and 4-year-olds**.
- Parents who work more than 16 hours a week and earn less than £100,000 are entitled to [30 hours free childcare](#) a week for children aged 3 and 4.
- Parents of **disadvantaged 2-year-olds** are also **entitled** to **15 hours** per week childcare.





## How will this change up to 2025?

- The Early Years Entitlements are being extended to support more parents returning to work after their parental leave ends.
- By **September 2025, working parents** of all children over the age of nine months will be entitled to **30 hours of early years education**. So that Early Years providers can prepare to deliver such a major expansion, it will be rolled out in phases:
  - From **April 2024, working parents** of **2-year-olds** will be able to access **15 hours** Early Years education.
  - From **September 2024, 15 hours** early years education will be extended to all children of **working parents** from age of **9 months**
  - From **September 2025**, working parents of children under the age of 5 will be entitled to 30 hours childcare per week.



## Why won't this additional support be fully available until 2025?

- This staggered approach will give Early Years providers time to prepare for the changes, ensuring there are enough places and staff ready to meet increased demand.



## Will there be changes to childcare available for primary school-age children?

- **Yes.** Local authorities and schools will be given more funding to set up 'wraparound care' outside of normal school hours, so that parents of school-age children can access childcare in their local area from **8am – 6pm**. This could include [breakfast clubs](#) and after-school clubs. The expectation is that by September 2026, most primary schools will be able to provide their own before and after school care.



# How are Early Years providers being supported to deliver the new offer?

There will be an **increase** in the **hourly rate** paid to EYFS providers by the government, to help them to deliver the 30 hours entitlements.

An investment of £204 million from this September rising to £288 million next year (*for the financial year 2024 to 2025*) will allow the national average rate for local authorities for 2-year olds to increase by **30%** from the current national average rate of £6 per hour to around £8 per hour from September 2023.

The **national average** 3 to 4 year old rate for local authorities will **rise in line with inflation** from the current national average rate of £5.29 per hour to over £5.50 per hour from **September 2023**.



Further details on the distribution of additional funding to local authorities as well as local authority level funding rates for 2023 to 2024 will be provided in due course and for 2024 to 2025 in the autumn in line with the usual funding cycle. The department has also published an [early education entitlements and funding update](#).





## Changes to Staff /Child Ratios?

- The number of children a member of staff can look after - known as the staff-to-child ratio is being increased. From September 2023, one member of staff will be able to look after **five 2-year olds**, up from **four** 2-year olds which is the current rule. This is brings England in line with Scotland and other comparable countries. These changes to ratios are optional and intended to give providers more flexibility in how they run their businesses.

**END**