

## **Parents' and carers' guide to funded childcare**

**This document is intended as a guide for childcare providers to give to families. Further details are available at [www.gov.uk/help-with-childcare-costs](http://www.gov.uk/help-with-childcare-costs). All information up to date as of February 2017.**

### **What is 30 funded hours in England?**

From September 2017, three and four-year-olds of working parents in England will be eligible for 30 hours of Government-funded childcare per week for 38 weeks of the year.

The term 'funded' means that the childcare is paid for by the Government. Nurseries may ask parents to pay additional charges for extra services, such as meals and snacks.

Finer details of how the 30 hours scheme will operate are still being decided as pilots continue in eight local authority areas across the country, with a second round of trials beginning in April.

Possible extra support for children with Special Educational Needs or Disabilities (SEND) may be part of this.

The initiative has been introduced under the Childcare Act 2016. It is thought that about 390,000 three and four-year-olds will be eligible.

### **What is happening in Scotland and Wales?**

Plans are now under way for 1140 hours per year – equivalent to 30 hours per week, term-time - in Scotland and 30 hours in Wales with full rollout expected in 2020 in Wales and 'by 2020' in Scotland.

### **How is 30 hours different to current entitlement of funded hours?**

All three and four-year-olds in England currently receive the equivalent of 15 hours' funded childcare during term-time, at participating nurseries.

About 40% of less advantaged two-year-olds also receive this. You can see full eligibility criteria for two-year-olds at [www.gov.uk/help-with-childcare-costs/free-childcare-and-education-for-2-to-4-year-olds](http://www.gov.uk/help-with-childcare-costs/free-childcare-and-education-for-2-to-4-year-olds)

From September, three and four-year-olds with *working* parents will be eligible for 30 hours' funded childcare. This is a doubling of the current entitlement.

### **Will my child qualify for 30 funded hours?**

To qualify for 30 funded hours, each parent – or the sole parent in a one-parent family – must be earning a weekly minimum equivalent to 16 hours at least the National Minimum Wage or National Living Wage.

Self-employed parents and those on zero-hours contracts will be eligible if they meet the average earnings criteria. Families where parents earn more than £100,000 per year are not eligible for 30 hours.

Households where one parent is not in paid employment would not usually qualify though there are exceptions for those on parental, maternity, paternity, adoption or sick leave from their job.

People with caring responsibilities, or a disability, who receive benefits recognising this, will be eligible, if their partner is working. Single parents with a disability or substantial caring responsibilities will not qualify.

Parents or carers who are studying or training are not normally eligible unless they are also in paid work that meets the minimum requirements.

Councils are expected to make checks on eligibility. If a parent's work situation changes making their child ineligible for 30 hours, there will be a grace period to allow a child to continue to attend.

Full details of how the grace period will work are still to be decided and are expected to include councils' discretion to extend the period in exceptional circumstances.

### **Where can my child claim their funded hours?**

Any childcare provider on the Ofsted Early Years Register in England can offer 30 hours. These include private, voluntary or independent nurseries, school or maintained nurseries, childminders and play groups. Schools can also offer places.

It is up to the individual setting to opt in to the scheme. Any childcare provider can register with its local authority to deliver the extended entitlement but no childcare provider has to offer 30 hours, even if they currently offer 15 hours.

Funded childcare can be split between more than one place. So a child might be able to take three hours at a school nursery and seven hours in daycare as part of a 10 hour nursery day.

### **When can my child claim their funded hours?**

Children are eligible from the term after their third birthday. So, for example, a child turning three in December would be eligible from the term starting in January. They will continue to receive 30 funded hours until they go to school.

This means that some children will get a longer duration of funded childcare than others, depending on when their birthday falls.

### **How do I apply for 30 hours?**

Contact your local council for details. You can do this via [www.gov.uk/find-free-early-education](http://www.gov.uk/find-free-early-education)

Parents will apply for both extended free hours and Tax-Free Childcare through an online system through the Government website gov.uk, now under development by HMRC, as the eligibility requirements are the same.

Parents will need to declare their expected incomes and anyone found to have made a dishonest declaration could be fined up to £3,000.

### **Is there any other support available towards childcare costs?**

Parents on low incomes can get up to 85% of their childcare costs reimbursed through the childcare element of Universal Credit, gradually being rolled out across the country.

The maximum amount is £646 for one child per month or £1108 for two or more children. Parents who stop working can continue to claim childcare costs through Universal Credit for at least a month after a job ends. See more detail at <https://www.gov.uk/help-with-childcare-costs/universal-credit>

People claiming Child Tax Credits or Working Tax Credits can also receive 70% of their childcare costs. See more about this at [www.gov.uk/help-with-childcare-costs/tax-credits](http://www.gov.uk/help-with-childcare-costs/tax-credits)

Some grants and support are available for under 20s in education through Care To Learn, over 20s in further education via Discretionary Learner Support or people in higher education through a Childcare Grant.

Many employers offer tax-free Childcare Vouchers of up to £55 per week that can be spent on nursery fees though schemes will close to new joiners in April 2018 and be replaced with Tax-Free Childcare.

### **What is Tax-Free Childcare?**

Tax-Free Childcare will allow working parents to save about 20% on the cost of childcare from later this year, 2017.

The scheme will be rolled out gradually to families, with parents of the youngest children able to apply first.

For every 80p a family pays in, the government will top up an extra 20p.

This is equivalent of the tax most people pay - 20% - which gives the scheme its name, 'tax-free'. The government will top up the account with 20% of childcare costs up to a total of £10,000 - the equivalent of up to £2,000 support per child per year (or £4,000 for disabled children).

Once Tax-Free Childcare launches, new people will not be able to join childcare voucher schemes, but if you currently receive **Childcare Vouchers** from your employer, you can continue to use these.

For more information about Tax-Free Childcare go to

<https://www.gov.uk/government/news/tax-free-childcare-10-things-parents-should-know>

### **How does 30 hours funding work?**

Hourly rates to childcare providers vary by local authority area. While many nurseries are getting ready to offer 30 hours, many others are reticent because the expected hourly rates will not cover their costs.

This could lead them to make losses on funded places, pushing up fees for other parents and putting their businesses under threat.

NDNA is currently campaigning for better rates of pay for childcare providers and more flexibility in the way nurseries deliver the funded hours across England, Scotland and Wales.

This would help to ensure the success of 30 funded hours and make sure that families have a good choice of high-quality childcare and early education to choose from.

### **Can I only access funded childcare during term time?**

The entitlement may be 'stretched' over more than 38 weeks, for example taking it as just under 23 hours a week over 50 weeks.

The contents of this work are exclusively the property of National Day Nurseries Association (NDNA). NDNA would like to point out that although the information in this guide has been completed and checked by experts, it only provides a guide. As legislation and inspection criteria change on a regular basis to reflect new practices it is essential that you confirm legal matters with a solicitor and keep up to date.

NDNA cannot accept any responsibility if you implement the guidance without first confirming your legal position with a suitably qualified person.

We hope that you will continue to use this guide as a useful tool for guidance and would welcome any feedback. If you have any queries or concerns about the guide please do not hesitate to contact us.

**National Day Nurseries Association**

National Early Years Enterprise Centre, Longbow Close, Huddersfield, HD2 1GQ.

Tel: +44 (0)1484 40 70 70, Fax: +44(0)1484 40 70 60, Email: [info@ndna.org.uk](mailto:info@ndna.org.uk), Twitter: @NDNAtalk,

Website: [www.ndna.org.uk](http://www.ndna.org.uk)

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