

Expansion of the Early Years Entitlements Frequently Asked Questions

In the **Spring Budget 2023** the Chancellor announced the largest expansion of, and investment in, funded childcare ever, aiming to remove barriers to work for nearly ½ million parents with a child under 3. Eligible working parents in England will be able to access 30 hours of funded childcare per week, for 38 weeks of the year (although parents can use fewer hours over more weeks of the year), from the term after their child turns 9 months old to when they start school.

This Frequently Asked Questions document pulls together the latest information we have from the DfE and HMRC.

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Timescales for the expanded early years entitlements

1. When will the expanded entitlements come into force?

The expansion in the entitlements will be introduced in phases:

- **From April 2024** – Eligible working parents of 2 year olds can access 15 hours funded childcare (over 38 weeks a year, equivalent to 570 hours a year) from the term after their child’s 2nd birthday
- **From September 2024** - Eligible working parents of children aged 9 months up to 3 year olds can access 15 hours funded childcare (over 38 weeks a year, equivalent to 570 hours a year) from the term following their child turning 9 months
- **From September 2025** – The offer will be rolled out in full, with eligible working parents of children aged 9 months up until 1st September following their 5th birthday able to access 30 hours funded childcare (over 38 weeks a year, equivalent to 1,140 hours a year) from the term following their child turning 9 months.

2. Why aren’t all the expanded entitlements coming into force at the same time?

The government’s phased approach is intended to give childcare providers time to prepare for the changes, ensuring enough places and staff are ready to meet increased demand.

3. Will there be any change to the existing entitlements?

No, there will be no change to the existing entitlements eligibility and application processes for;

- 15 hours for 2-year-olds disadvantage entitlement
- Universal 15 hours entitlement for all 3- and 4-year-olds
- 30 hours for eligible 3- and 4-year-olds of working parents.

Eligibility and applications for the expanded early years entitlements

4. When will the new cohort of children become eligible?

All three entitlements continue to work on a termly basis, so children of eligible working parents will be able to receive the entitlement from the termly date (1 April, 1 September or 1 January) after they reach the relevant age of eligibility **AND** the child’s parent has a current positive determination of eligibility from HMRC (i.e – a valid eligibility code).

5. How will parents know if they are eligible?

Parents will remain able to check what childcare support they are entitled to via the [Childcare Choices](#) website.

6. Will parents have to apply by 31 March 2024 to be able to claim the 2-year funding on 1st April 2024?

Yes. Parents can apply for a code for this entitlement from 2nd January 2024. A child will need to have reached their 2nd birthday on or before 31 March 2024, and their parents will need to have a current positive determination of eligibility from HMRC to be able to access a place from 1 April 2024. The recommendation is for parents to apply for their codes from mid-January – end of March 2024 to get applications in ahead of the first wave of the rollout. *Please note that depending on when parents apply, they may need to reconfirm their eligibility before their child starts accessing a place. More information on reconfirmation can be found on page 4.*

Please also refer to the [‘Additional information on applying for the working parents of 2 year olds entitlements’](#) issued by the Department for Education in January 2024.

7. How soon can parents apply for the expanded entitlements starting in September 2024 and September 2025?

Following the same principles as the expanded entitlements starting April 2024, parents will be able to apply from the **first date of the term before** their child turns the age of eligibility, to ensure they can access a place from the start of the term after their child turns the age of eligibility. The later rollouts ‘age of eligibility’ will be in relation to the child’s 9 month ‘birthday’.

8. Do parents have to be ‘in work’ before applying for an eligibility code?

Parents can apply up to 31 days before taking up, or returning, to work.

9. Will an eligible 9 month old automatically move onto the 2-year-old offer and then the 3- and 4-year-old offer?

Yes, the child will move automatically through the different age offers as long as the parent reconfirms their codes every 3 months and continue to be eligible. Families will be able to move between funding streams on a term-by-term basis, as current policy.

10. Will the child get a new code as they get older and move through the different offers?

No, an eligible child will keep the same code from 9 months to 4 years, even if they move in and out of eligibility.

11. Can parents move from the disadvantage entitlement for 2 year olds onto the working entitlement for 2 year olds if they meet the eligibility criteria?

Yes. Before September 2025, parents should be directed to the disadvantaged entitlement over the working entitlement and from September 2025, in circumstances where a parent is benefitting from the disadvantaged entitlement but becomes eligible for the working entitlement then they should start taking up the working entitlement at the start of the term following a positive determination of eligibility from HMRC. Parents should also then be made aware that they can lose eligibility for the working entitlement and will need to reconfirm that they meet the eligibility criteria every three months.

12. Will it be possible for a parent to be entitled to both types of 2-year-old funding?

Yes, in some circumstances, but households can only be in receipt of one early years entitlement at a time. The advice to LA’s is that parents in these circumstances should be directed to the disadvantaged entitlement. Parents accessing the working entitlement should be made aware that they could lose eligibility and will need to reconfirm eligibility every three months. In contrast, parents in receipt of the disadvantage entitlement, whose circumstances change, keep the 15 hours entitlement until their child turns 3. At that point the child transitions onto the universal entitlement or 30 hours free childcare if the parents meet the eligibility criteria.

13. How will the LA know which 2 year olds are eligible under which funding stream?

All 2 year olds will be entered on the same headcount but the LA will need to differentiate between the two groups for census purposes. The planned changes to Capita will enable us to distinguish which 2 year olds are accessing which entitlement from April 2024 onwards. The working parent code will look similar to the existing 30 hour 11-digit code and should be entered onto the Working Parent Entitlement under ‘Run a New Check’ on the portal to verify the code. Children accessing the disadvantaged 2 year old entitlement will continue to receive a letter or email to confirm their eligibility and providers should have site of this in order to make a claim for this children on the headcount (*Please note that the TYF code alone does not mean the child is eligible, this is just a reference number*).

14. Would a parent be able to claim the two different 2-year-old entitlements in 2 different local authority areas?

No. This will be built into our current double claims process that we use with neighbouring LA's for the existing entitlements to ensure parents don't access more than the maximum number of entitlement hours per term/year.

15. How do parents apply for the expanded entitlements?

The same as the current 30 hours, parents will apply through the digital childcare service and HMRC will determine eligibility via the Childcare Service. The new cohort will follow the same eligibility criteria and utilise the 30 hours code, which will be renamed the 'Eligibility Code' and will be in the same 11-digit format starting '50...' (or '40...' for foster children).

Parents will be asked to take their eligibility code to their chosen childcare provider for verification, together with their National Insurance number and child's date of birth. Providers will verify the code using the same process as is currently used for checking 30 hour codes. If you need to verify a code whilst Capita is still in its testing phase, please email the details to earlyyears@nottinghamcity.gov.uk and a check can be performed on your behalf.

16. Will foster children be eligible for the expanded entitlements?

Yes, a child in foster care is entitled to free early years provision if the child has attained the age of eligibility and accessing the funded hours is consistent with the child's care plan. In addition, in two foster parent families, both partners hold additional paid employment outside of their role as a foster carer (or the foster parent in single foster parent families).

17. How do Foster Parents apply for the expanded entitlements?

Foster Parents will continue to apply directly to their responsible LA and, if successfully approved will receive an eligibility code, as they do for the current entitlements, beginning '400'. As per current policy, Foster Parents must reconfirm their eligibility with the LA.

18. Will the expanded entitlements be extended to parents who are currently employed and have no recourse to public funds?

Currently, parents will still need to demonstrate they earn between the income thresholds. These are at least the equivalent of 16 hours a week at national minimum/living wage and under £100,000 adjusted net income per year. Both parents must be earning this amount, unless one is receiving certain benefits outlined in Regulations.

Providers should be aware that there is no legislation currently in place with regard to the disadvantaged 2 year old entitlement being extended to households with 'no recourse to public funds' immigration status. These households may still be eligible to access an early years entitlement place and further guidance on how to assess eligibility can be found in the guidance [Accessing Eligibility for Families with No Recourse to Public Funds](#)

Delivery of the expanded entitlements

19. Can parents split their funded entitlement hours between providers?

Yes. As they can now, parents can split their child's funded entitlement between providers. The Parent/Provider Agreement will be refreshed for 2024/25 to allow providers to record how many funded hours are being accessed at their setting and how many are being accessed elsewhere. We are also working with Capita to ensure it is clear which children are accessing which entitlement in order to accurately record take-up in either the school census or the Early Years census.

20. Do providers have to offer these expanded entitlements?

No. Just as per the arrangements for the current entitlements, it is not mandatory for providers to deliver the expanded entitlements. Providers should assess their own business models and decide which of the entitlements they can offer and for how many places. It is the LA's responsibility to ensure there is sufficient provision across the City, which will be measured through our Childcare Sufficiency Assessment.

21. How can we encourage parents to take up the early years entitlements?

We know that some families are not currently taking up the early years entitlements that they are entitled to. There is a page on our website (<https://www.nottinghamcity.gov.uk/earlyyears/section-pages/early-years-funding/provider-information-on-early-years-funding-for-2-3-and-4-year-olds/promoting-the-early-years-entitlements-to-parents/>) where you can find information and resources for providers and parents to encourage parents to take up their funded early years entitlements.

Reconfirmation and grace periods for the expanded entitlements

22. Do parents still need to reconfirm their eligibility every 3 months from 9 months to 4/5 years of age?

Yes, as per the current policy, parents need to reconfirm their eligibility via the Childcare Service, every 3 months, regardless of whether the child has started their place.

23. Will there still be grace periods?

Yes, the current guidance around validity start and end dates and grace period end dates remains the same. The specific grace period cut-off dates are outlined in the new Statutory Guidance and will be reflected in the Provider Agreement 2024-25.

24. What if a parent loses eligibility?

As with current policy, if the parent loses eligibility and their child is already in a place, they will enter a grace period and will be able to retain their place for a short period. If the child hasn't started their place when the parent loses eligibility, they cannot start taking up a place in their grace period.

If a parent loses eligibility but becomes eligible again, they can go into their childcare account and resubmit their childcare service application and present their code to their provider again for verification. They will receive the same eligibility code, not a new one.

If a parent of a 2-year-old is in their grace period for the working entitlement but qualifies for the disadvantage entitlement, then they could move to the disadvantage entitlement after their grace period has lapsed, providing they meet the eligibility criteria.

Funding for the expanded entitlements

25. How will providers receive funding for children taking up the expanded entitlements?

No new processes are being introduced; just the cohort extended. LA's are expected to continue to fund providers for all the early years entitlements in line with our current payment processes.

26. How will estimate payments for new cohorts of children be calculated and paid?

We are aware that the working entitlement for 2 year olds does not start until April 2024 and consequently this cohort of children will not be captured in the 2024 Spring Term Early Years Census which is normally used to fund to 2024 Summer Term, or be included in the normal process for calculating Summer Term 2024 estimate payments. Providers are invited to complete a '[Request for Additional Estimate Payment Funding](#)' for children they know/think will be eligible under the working parents of 2 year olds entitlement. This must be submitted by 3rd April 2024 for a one-off Estimate Payment which will then be balanced at the end of term, as per the normal process, for actual hours attended. We expect this process to be mirrored in the Summer Term for the new cohort of babies that are expected to take up a place under the expansion of the entitlements in September 2024 and more information on this will be issued during Summer Term 2024.

27. Can the funded hours be stretched for fewer hours over more weeks as the current early years entitlements are?

Yes, the expanded entitlements will have the same flexibility as the current early years entitlements.

28. Will the expanded entitlements be audited?

Yes, the expanded entitlements will be streamlined with our existing audit processes.

29. When will the hourly rates for 2024-25 be known?

The provider hourly funding rates for 2024/25 were shared at the Annual Business Meeting on 22nd February 2024 and more information on this can be found [here](#).

30. Will there be different rates for the entitlement for disadvantaged 2 year olds and the 2 year old entitlement for working parents?

LA's are required to ensure that the final hourly rate paid to providers for the disadvantaged 2 year old entitlement is at least equal to (or more than) the final hourly rate paid for the 2 year old working parent entitlement to ensure providers are not disincentivised from offering the disadvantaged 2 year old entitlement. Following the consultation, the local formula for 2 year olds has been constructed to reflect a higher hourly base rate for disadvantaged 2 year olds to meet this requirement.

31. Will the Disability Access Fund (DAF) be extended to cover children aged 2 and under?

Yes. From April 2024 onwards, all children accessing the entitlements, including those aged 2 and under, will be eligible for the DAF providing that they are in receipt of Disability Living Allowance (DLA). DfE are not intending to make any other changes to existing DAF eligibility or policy, which will remain as set out in existing guidance. The funding rate will be £910 per annum and will be the same across all age groups.

32. Will Early Years Pupil Premium (EYPP) be extended to cover children aged 2 and under?

Yes. From April 2024, younger children aged 2 years old and under accessing the entitlements will be able to access EYPP funding should they meet the criteria for this. DfE are not intending to make any other changes to existing EYPP eligibility or policy, which will remain as set out in existing guidance. The funding rate will be 68 per hour for eligible children and will be the same across all age groups.

33. Will the Special Education Needs Inclusion Fund (SENIF) be extended to cover children aged 2 and under?

Yes. LA's will be expected to extend the Special Educational Needs Inclusion Fund to children aged 9 months to 2 years who are eligible for the free entitlements from April 2024.

34. Can childcare providers charge 'top up fees' under the expanded entitlements?

The statutory guidance has not changed. It is clear that a provider cannot charge parents "top-up" fees, which is any difference between a provider's normal charge to parents and the funding they receive from the local authority, to deliver early years entitlement places.

35. Will there be any capital funding to help with the increased sufficiency requirements for the early years entitlements?

The DfE announced Local Authority capital funding allocations in late November 2023. The Early Years Team will update providers in due course around the capital opportunities available locally linked to the expansion of the early years entitlements and the provision of wraparound care for school-aged children.

Schools and Early Years Census

36. How will all these new children be captured in Early Years census?

The first census to pick up the expanded entitlements will be the Summer 2024 school census. The first Early Years census to capture the expanded entitlements will be January 2025. The data collection for both censuses will be amended to reflect the cohort of newly eligible children.

37. If schools take children under 2-years-old, do they need to complete two processes at census?

Where a school provides early years provision to a child under the age of 2 (whether they are a registered pupil or not), the school will have to separately register as an early years provider with Ofsted on the early years register.

Children under 2 who are registered pupils of the school and who are receiving funded early years provision should be recorded on the school census. Children under 2 who are not registered pupils of the school and who are receiving funded early years provision should be recorded on the early years census.

38. Will the frequency of the Early Years Census change to 3 times per year, same as the school census?

There are no current plans to move to a permanent termly Early Years census collection.

New Guidance

39. Will there be new statutory guidance to cover the change in the entitlements?

Yes. The new 'Early Education and Childcare; Statutory Guidance for Local Authorities' published on 1st January 2024. Our Provider Agreement for 2024/25 has been amended to take account of these changes and was shared at the Spring Term Business Meetings. With these entitlements being an extension to what already exists, there are no significant changes to existing policy around charging, flexibility, quality and types of providers who can deliver the entitlements or on the requirements local authorities can place on providers.

Workforce

40. What can be done to help with staffing/recruitment?

The early years sector has told the DfE that the recruitment and retention of staff is a key issue that affects all aspects of their business and recruitment and retention of the early years workforce continues to be a priority for DfE. A national Early Years Recruitment Campaign '[Do Something Big](#)' is underway with DfE who have also launched a digital and social media campaign promoting Early Years Educator apprenticeships. More information can be found at <https://www.apprenticeships.gov.uk/apprentices/early-years-educator>

Other

41. What if there is a different government after the next general election and these plans change?

The DfE can only confirm this government is committed to its transformative reforms to childcare which will be introduced in phases over the next few years.

42. In addition to the expansion of the funded hours parents can access, are there any additional sources of support for parents to help with childcare costs?

Parents may also be able to receive support through Universal Credit and Tax-Free Childcare. They can access further information on the [Childcare Choices Website](#).

43. How will the Early Years Team keep partners and providers updated on this agenda?

Providers should contact their EYFS Support Worker in the first instance with any queries around this agenda, but please note updates will also be shared on the Funding Pages of the Early Years Website, via email, via Stay Connected and on X.

More information can also be found in the FAQ's from the [Business Meeting](#) and the [Funding Pages](#) of the Website.

*Prepared by the Early Years Team
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