



Transforming childcare support up to 2025

DfE stakeholder information pack

Version: May 2023

About this pack

This stakeholder information pack is for **stakeholders with an interest in childcare, including early years providers, sector bodies, employers, and parents and carers.**

This pack contains **key messages, communications resources and answers to frequently asked questions** to support you to communicate with providers and parents about the changes to childcare policy announced in the [Spring Budget](#) on 15 March 2023. This includes:

- Expansion of childcare support for working parents to include children age 9 months up to school age
- Wrap-around care and childminders
- Changes to universal credit childcare payments

These are transformational changes that will make a difference to families across the country. We are working to help parents and providers understand the new entitlements, as well as how and when they will be able to access it.

This pack will be regularly updated. For more information on these resources, please contact external.affairs@education.gov.uk.

Key messages

We are focused on giving children the best start in life, including supporting parents to access affordable, high-quality childcare.

More parents are going to be able to return to work while balancing childcare commitments, thanks to the government's **£4 billion per year expansion of childcare** in England.

This is the largest expansion of funded childcare ever and will remove barriers to work for nearly half a million parents with a child under 3 in England.

Cost of living pressures are affecting families across the country. This childcare transformation will expand 30 hours childcare for parents with children over the age of nine months, saving up to £6,500 a year for parents for just a single child. This is on top of the upfront childcare support we're providing for parents in Universal Credit, and the support that is available through Tax-Free Childcare.

Explaining the changes to your audiences

- Download and share this [childcare explainer](#), which summarises the offer available to parents for children aged [9 – 23 months](#), children aged [2 years](#) and children aged [3-4 years](#).
- The [Childcare Choices campaign](#) helps parents understand the government childcare offers available to them. Further resources are available to support sharing information about the campaign with your audiences:
 - [Childcare Choices parent information toolkit](#)
 - [Childcare Choices provider information toolkit](#)
- The DfE [Education Hub](#) provides accessible information for parents, pupils and education professionals, including these pieces on [how we are growing our 30 hours free childcare offer](#) and [Budget 2023: Everything you need to know about childcare support](#).
- Support and share information and content provided on DfE social channels, including [Twitter](#), [Facebook](#), [LinkedIn](#) and [Instagram](#).
- Information about wider support for families and households is available on the [Help for Households website](#).
- **Please share this information with your audiences, including your own employees with children, or who may be going on maternity or paternity leave.**



Childcare
Choices

Help for
Households



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 childcare providers (including nurseries and childminders) for the existing offers will also be increased by £204 million from this September rising to £288 million next year.
- Schools and local authorities will receive £289m in funding for a 'pathfinder' to increase the supply of wraparound care, so that parents of primary school age children can drop their children off between 8am and 6pm – tackling the barriers to working caused by limited availability of wraparound care.
- Childcare costs of parents moving into work or increasing their hours on Universal Credit paid upfront rather than in arrears, with 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?

We're extending [childcare](#) 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 childcare. So that nurseries and childminders 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 childcare.
- From **September 2024**, 15 hours childcare will be extended to all children 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 nurseries and childminders time to prepare for the changes, ensuring there are enough places and staff ready to meet increased demand. We want to make sure that taxpayers' money is used efficiently, and the new offer is delivered in the best way.

As with the current offer, providers may ask for charges in addition to the free childcare. Visit childcarechoices.gov.uk for further information.



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 what's known as '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. We expect that by September 2026, most primary schools will be able to provide their own before and after school care.



How are you supporting nurseries, childminders and childcare providers to deliver the new offer?

We're increasing the hourly rate paid to childcare providers by the government, to help them to deliver their existing 30 hours entitlement.

An investment of £204 million from this September rising to £288 million next year (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.



We will provide further details on the distribution of additional funding to local authorities as well as local authority level funding rates for 2023 to 2024 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](#).



How many children can a childcare provider look after?

We are increasing the number of children a member of staff can look after - known as the staff-to-child ratio. From September 2023, one member of staff will be allowed to look after five 2-year olds, up from four 2-year olds which is the current rule. This 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.



What childcare support is available for people on universal credit?

Parents on [Universal Credit](#) are also set to get further support. Currently, up to 85% of childcare costs can be claimed back. However, by Summer 2023 parents will be able to access the funds upfront to make it easier for them to get a job or increase their hours. This removes any gap in funds and eases parents into the childcare costs payment cycle.

The maximum amount of support will also be increased by almost 50%, to £951 for those with one child and to £1,630 for those with two.