**30 Hours Extended Free Entitlement (EYE) for three and four year olds**

**Delivering in partnership: Frequently Asked Questions (FAQs)**

This document presents some of the most frequently asked questions about the 30 hours extended free entitlement. Questions have been grouped into categories as follows:

1. [About the Extended Free Entitlement](#AboutEYE)
2. [Funding rates](#Funding)
3. [Early Implementers and Early Innovators](#Implementers)
4. [Supply and demand planning](#Supplyanddemand)
5. [Partnership approaches to delivering the entitlement](#Supplyanddemand)
6. [What the entitlement means for different types of providers](#Providers) (PVI, school and childminder)

**1 About the Extended Free Entitlement**

**Q:** What is the new entitlement for three and four year olds from September 2017?

**A:** The new entitlement is1,140 hours of early education for children whose parents are working i.e. 30 hours over 38 weeks (Term-time Only – TTO) or c23 hours per week if extended over the year

**Q:** Who is entitled to the full 1,140 hours?

**A:** The additional hours will be available to children in families where:

* both parents are working (or the sole parent is working in a lone parent family)

and

* each parent earns, on average, a weekly minimum equivalent to 16 hours at national minimum wage (NMW) or national living wage (NLW), and less than £100,000 per year.
* it is a one parent household and the working parent meets the income rules.

Working will include employed and self-employed persons.

Parents **will not necessarily need to actually work 16 hours a week**, but rather their earnings must reflect **at least 16 hours of work** at NMW or NLW. This means that, when the new entitlement goes live, a working parent who is over 25 will need to earn a weekly minimum equivalent of £115.20 whereas a working parent who is 21 will need to earn weekly minimum equivalent of around £107 (at this year’s rates). Parents on zero contract hours who meet the criteria are included in the entitlement criteria.

There are some **exceptions** from two parent rules and children will also be entitled if:

* both parents are employed but one or both parents is temporarily away from the workplace on parental, maternity or paternity leave
* both parents are employed but one or both parents is temporarily away from the workplace on adoption leave
* both parents are employed but one or both parents is temporarily away from the workplace on statutory sick pay.
* one parent is employed and one parent has substantial caring responsibilities based on specific benefits received for caring; or
* one parent is employed and one parent is disabled or incapacitated based on receipt of specific benefits.

**Q:** What will the children whose parents do not meet the employment or exemption criteria be entitled to?

**A:** The three and four year olds whose parents do not meet the criteria will continue to be entitled to the universal offer of 570 hours per annum or 15 hours over 38 weeks (TTO).

**2 Funding rates**

**Q:** What hourly funding rate will be paid for the new offer?

**A:** The Government has pledged to increase national **average** early years funding rates to £4.88, including the early years pupil premium (EYPP) for three and four year-olds, and £5.39 for two year olds, from April 2017. Individual funding rates for different local authorities and providers have yet to be confirmed.

The new formula will commence, for the existing 15 hours, in April 2017 together with the revised funding rate and for the additional 15 hours, in September 2017, when 30 hours of free childcare is implemented nationally.

The Government consultation on the new funding formula closed on 22 September 2016.

Broadly, the proposed formula has as its basis three funding factors that determine the funding per child that each local authority receives:

* a universal base rate of funding for each child;
* an additional needs factor
* an area cost adjustment aimed at reflecting the different costs of providing childcare in different areas of the country.

It will look like this:

Figure 1 Early Years National Funding Formula[[1]](#footnote-1)



It is proposed to introduce a new Disability Access Fund to support children with SEND to access the free entitlement. This targeted funding would be paid to all providers for each child in receipt of Disability Living Allowance (DLA) taking up a place in their setting and will be allocated as a total annual sum rather than an increase on the hourly rate.

The details of the proposals and the projected hourly rates for each local authority can be found at: <https://consult.education.gov.uk/early-years-funding/eynff>

**Q**: Is it definitely going to be one rate for the full 30 hours or will the funding be different for the existing 15 hours and the additional 15 hours funding?

**A:** The then Early Years and Childcare Minister confirmed in November 2015 that there will be a single funding rate across the full 30 hours when the scheme rolls out in full. The government is also funding the eight Early Implementer local authorities at a single rate across all 30 hours, although some local authorities are splitting this into two separate rates for providers as they have been unable to amend their funding systems in time for the trial.

**Q:** Will local authorities pass on all the funding they receive to providers in the future?

**A:** The intention is to require that all local authorities pass 93% in 2017-18 then 95% in 2018-19 of early years funding to providers. Part of the plans is to introduce a universal base rate that local authorities will apply to fund providers for each hour of the free entitlement, by no later than 2019-20. There would be supplementary funding for maintained nursery schools for at least two years as a transition to a universal base rate.

A set of permitted funding supplements would be permitted under the proposals, limited to those which reflect drivers of cost and incentivise providers to meet the needs of parents. These supplements would be capped at 10% of the hourly funding rate.

**Q:** Is there capital money available?

**A:** There is a fund of £40m nationally which local authorities bid for at the end of August. Each local authority could put forward between four and six projects.

**3 Early Implementers and Early Innovators**

**Q:** Who are the Early Implementers and Early Innovators?

**A:** The Early Implementers are the local authorities who will be piloting delivery of the offer from September 2016 and they are:

* Wigan
* Staffordshire
* Swindon
* Portsmouth
* Northumberland
* York
* Newham
* Hertfordshire

The Early Innovators are local authorities who are testing out approaches on particular issues and they are:

* North West: Stockport, Bolton, Trafford, Cheshire West & Chester, Bury
* Midlands: Nottinghamshire, Nottingham City, Walsall
* South West: Cornwall
* South & South East: Hampshire, West Sussex, Medway, East Sussex, Brighton & Hove
* London & East: Kingston & Richmond, Barking & Dagenham, Islington, Ealing, Hillingdon
* North East & Yorkshire and the Humber: Gateshead, Bradford, Sheffield, East Riding, Wakefield, North Yorkshire.

The Early Implementers and Innovators are working on themes such as capacity, flexibility and innovation, rural issues, as well as ensuring that all eligible children, including those with special educational needs, can access the 30 hours.

**4 Supply and demand planning**

**Q:** How many new placesare going to be needed?

**A:** The Department for Education (DfE) estimates that 90,000 new places will be required nationally.

**Q:** Is there an estimate of what take up is likely to be?

**A:** The DfE currently estimates an 80% take up in the first year.

**5 Partnership Approaches to delivering the entitlement**

**Q:** There wasa 30 Hours ‘Mixed Model’ Partnership Approaches Project in 2016. What did it test?

**A:** Family and Childcare Trust (FCT) were contracted by the DfE to support local authorities (LAs) and early education providers to explore options for delivering the new entitlement in ways that did not affect the sustainability of providers and ensured that children and their families could get a high quality, seamless offer that best meets their needs.

The focus of the project that ran from April to July 2016 was to test out how partnership arrangements can be put in place between different types of providers to make this happen. There was an expectation in the project that the partners would begin to deliver the offer before the legal entitlement begins in September 2017.

**Q:** What does partnership working to deliver the new entitlement mean?

**A:** The partnership model is based on providers working together to deliver the new early education entitlement with any of the following (or a combination of all of them) participating:

* schools
* private, voluntary and independent (PVI) sector, including sessional and specialist, providers e.g. for children with SEND and those who currently only deliver out of school (OOS) provision
* childminders
* children’s centres.

Key principles are to maximise the use of space in buildings across the day and year and use a pool of staff available locally to achieve efficiency in delivery.

An element of this might involve retraining of sessional staff to deliver specialist OOS provision for children with SEND and also to increase the generic workforce.

An optional but welcome extra would include partnerships where children’s centres are also working closely with early education providers to deliver family support, employability and early education readiness services to children and their families.

It is not envisaged that a partnership necessarily has to consist of a formal legal arrangement but could involve protocols between the partners and a joint business plan.

**Q:** How would partnership delivery of the offer work?

**A:** There are various ways a partnership could work. These include:

* Sessional and term-time only:
  + A school that provides a sessional offer currently and does not have enough space to accommodate the number of children they currently have in the Nursery; the school could work in partnership with a local PVI provider and/or childminders to accommodate the overspill but facilitate transition to the school Reception class; this could work well for children for whom a longer day in a group setting may be too challenging
* Stretched offer Example A:
  + A school provides the core day hours and a PVI provider delivers the additional hours during term-time and the holiday periods on the school premises to make up an all year round offer 8am-6pm, 50 weeks per year; in this case, the PVI providers delivers the offer by transporting their Ofsted registration to the school site
* Stretched offer Example B:
  + A school provides the core day hours on the school site and a PVI provider delivers the additional hours during term-time and the holiday periods on their own site
* Stretched offer Example C:
  + A school provides the core day hours on the school site and a PVI provider delivers the additional hours during term-time on the school site and the holiday periods on their own site
* Stretched offer Example D:
  + A partnership between a school, childminders, a voluntary sector play organisation with the school providing core day hours and a combination of childminders and a play centre delivering the additional hours, including a Saturday offer, during term-time and throughout the holidays
* Stretched offer Example E:
  + A partnership between a specialist provision for children with SEND and local childminders and PVI providers can deliver an offer that is suitable to the needs of the individual children
* Working in partnership with a focus on outdoor learning as part of the offer
  + Where indoor space is a challenge, a partnership of various providers, including specialists in outdoor learning, can maximise the use of the outdoor space available and integrate outdoor learning into the offer

For more information, please see the [**Delivery Models**](http://www.familyandchildcaretrust.org/delivery-models-dfes-30-hours-mixed-model-partnership-toolkit) section of this toolkit where we present in more detail some of the case studies from the project.

**Q:** What do we need to think about if we wanted to deliver the offer in partnership?

**A:** There are a number of matters that will need to be considered when putting a partnership arrangement in place to deliver the offer. These include:

* Managing the partnership relationship
* Staff contracts if they working on different sites
* Insurance
* Inspection
* Health & safety and safeguarding
* Communication between partners
* Assessing demand and tailoring supply to meet it
* Action planning
* Financial modelling
* Agreements about communication with parents, including home visits
* Marketing/communicating the offer to parents
* Joint management of a child’s education, including transition
* Family and employability support
* Charging policy
* Help with childcare costs.

These are dealt with in detail in the following parts of the toolkit:

* [**Getting Started**](http://www.familyandchildcaretrust.org/getting-started-dfes-30-hours-mixed-model-partnership-toolkit)
* [**Partnerships**](http://www.familyandchildcaretrust.org/partnerships-dfes-30-hours-mixed-model-partnership-toolkit)
* [**Working with Parents**](http://www.familyandchildcaretrust.org/working-parents-dfes-30-hours-mixed-model-partnership-toolkit)

**6 What the entitlement means for different types of providers (PVIs, schools and childminders)**

**Q:** We are a **small PVI provider** and deliver the current early education offer on a sessional basis and during term-time only (TTO). What are the implications for us?

**A:** Since the Government have estimated that 80% of working parents will take up the offer for their child, you will have to rethink your business model if many of the children in your setting become entitled. It is likely that parents will go elsewhere to access the offer if you don’t deliver it. There are a number of choices open to providers:

* Remodel their business to increase hours and weeks of delivery in order to stretch the offer over the year and, thereby, continue to have the ability to sell additional hours to parents who want longer days and an all year round offer
* Deliver on more than one site in order to expand their business and increase income
* Work in partnership with another provider to deliver additional hours on their site e.g. deliver additional hours on a school site for children attending the school nursery
* Deliver the universal offer of 570 hours per annum to children whose parents do not meet the eligibility criteria;

All of the above options would require robust financial modelling and planning in order to ensure business sustainability.

It is worth noting that a parent who wants an all-day (8am-6pm) and all year round (50 weeks per annum) offer for their child requires 2,500 hours of early education. 1,140 of these hours will be funded from September 2017 but that leaves 1,360 hours that will be purchased and can be charged at a market rate, thereby generating a considerable level of income for a provider.

**Q:** We are a **school** thathas a 26-place nursery class and we offer two sessions a day, five days and week TTO. We can only accommodate up to 30 children in the space but run with the 26 places because of ratios. What options are open to us since we want to maximise the intake of children to our reception class via transition from the Nursery?

**A:** There are a number of possibilities schools could explore:

* Undertake financial modelling to reach a firm conclusion about the likely impact on the school budget of the reductions in numbers in order to inform your decision-making
* Conduct a space assessment in the school (including outdoor space) to explore options for expansion
* Consider the option of the school directly delivering an extended day and/or all year round offer that might not increase the number of children that the Nursery could accommodate, but would increase the school’s potential income through the possibility of selling additional hours in the case of a negative budget impact of the reduction in numbers of children in the Nursery
* Consider entering into a partnership agreement with a local PVI provider and/or childminder(s) to share the funded hours for children entitled to the additional hours between the school but ensure the transition to the school is guaranteed; this might include an extended day and/or all year round offer with the additional hours being provided on your site or in a combination of sites
* Enter into a partnership agreement with a local PVI provider and/or childminder(s) so that the school is the sole provider of sessions for children who are entitled to the universal offer (15 hours a week, TTO) and accommodate a number of children who are entitled to the new offer; the other providers would deliver places, including extended places, to children who are entitled to the new offer and assist with transition to the school’s reception class.

**Q:** I am a **childminder** and would like to deliver the new entitlement. What are my options?

**A:** There are various ways in which a childminder could become involved:

* reconfigure their business and deliver the offer themselves
* work with a group of childminders to deliver the offer between them
* use the opportunity to work 50% of the week off domestic premises and work in partnership with a school and/or PVI provider
* use the opportunity to work in partnership with a school and/or PVI provider to split the childcare across providers
* become part of a childminding agency to work in partnership to deliver the offer

1. DfE 2016, *An early years national funding formula And changes to the way the three- and four-year-old entitlements to childcare are funded* [↑](#footnote-ref-1)