

September 2025 early education and childcare entitlements expansion

Local authority system guidance

October 2024

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Purpose of document

This document is designed to support local authorities and their third-party providers to deliver the expansion of early years entitlements to offer 30 hours of free early education and care per week (over 38 weeks a year) to eligible working parents of children aged 9 months and older from September 2025.

This document follows the April 2024 Early Years Entitlements Expansion Systems Guidance, issued on 30 November 2023 and the September 2024 guidance, issued on 2 April 2024. We have updated this guidance to cover the expansion to 30 hours of free early education and care per week from September 2025, where not previously stated.

This document is designed to support development of digital systems and is not statutory guidance which was issued on 1 January 2024 and sets out in full the duties on schools and local authorities under section 2 of the Childcare Act 2016 and sections 6, 7, 7A, 9A, 12 and 13 of the Childcare Act 2006. The regulations giving effect to these changes came into force on 1 January 2024. The 2024 to 2025 sets out guidance local authorities should follow when funding childcare providers to deliver the early years entitlements in the financial year 2024 to 2025. The guidance for the financial year 2025 to 2026 is expected to be published in Autumn 2024.

Who this publication is for

This guidance is for:

- Suppliers of software for Local Authority management information systems (MIS),
 specifically those that provide early years entitlement systems
- Users of Local Authority MIS software

Summary of policy changes from September 2025

At the 2023 Spring Budget it was announced that the early education and childcare entitlements would be expanded to children aged 9 months and older over. Two phases of this expansion have already happened:

- Since April 2024, eligible working parents of 2-year-olds have been able to access up to 15 hours of free early education and care per week (over 38 weeks a year).
- Since September 2024, this has been extended to eligible working parents of children aged from 9 months and above.

From September 2025 the final stage of the rollout will occur, with eligible working parents able to access up to 30 free hours per week (over 38 weeks a year) for children aged from 9 months old until they start school.

Extensions to local funding rules were agreed alongside the expansion of eligibility for Early Years Pupil Premium (EYPP) and Disability Access Fund (DAF) to the children accessing the new entitlements.

Summary of technical changes from September 2025

Eligibility Checking Service

For the September 2025 expansion, there will be no further changes to DfE's Eligibility Checking Service (ECS) and the API remains unchanged. We will be building a replacement service for the ECS. The entitlement checks currently provided by the ECS will migrate to the new system over 2025, and the first entitlement to do so will be the Free School Meals Service. There are no fundamental changes to the front-end application and user experience planned that will impact supplier system builds.

Codes for the expanded hours will be issued in the same format (11 digits starting '50...'). As with the previous expansions, this may mean that codes will start to appear starting 502, 503 etc., so if local authorities' systems have validation in place this will need to be updated. The local authority will continue to verify the code via the ECS, depending on the system the local authority has in place.

Guidance on policy that impacts system build

Terminology

DfE are using the following terminology to refer to the new entitlements:

Table 1

Terminology	Meaning	
Free education and childcare for families of 2-year-olds receiving additional support.	This may also be known as the 'disadvantage entitlement' or 'entitlement for families receiving additional support'. We have changed how we are referring to this entitlement in response to feedback. This should have no material consequence for systems. This entitlement is for 15 hours of early learning for 2-year-olds who are least likely to attend but stand to benefit the most.	
Universal entitlement	The 15-hour universal entitlement for parents of 3- and 4-year-olds	
Working parent entitlement	 The entitlement for eligible working parents of 3- and 4-year-olds (currently 'extended hours' for census purposes) The introduction of new entitlements for eligible working parents (currently 'expanded hours' for census purposes): Since April 2024, the 15-hour entitlement for parents of 2-year-olds; Since September 2024, the 15-hour entitlement for parents of 9-month-olds; and From September 2025, the 30-hour entitlement for parents of children aged from 9-month-olds 	

Application process

There will be no changes to the application process.

A child will be entitled to the additional free hours from the term after both of the following conditions are satisfied: (1) the child has attained the relevant age; (2) the child's parent has a current positive determination of eligibility from HMRC i.e., a valid eligibility code.

Parents will apply through the digital Childcare Service, or in some circumstances, by phone using the Childcare Service helpline. HMRC will check eligibility and if the application is successful, issue an eligibility code.

Some parents who are unable to obtain a code digitally will be issued a temporary code starting with '11' rather than a digitally issued code which will start with '50'. Temporary codes are issued manually, outside of the Childcare Service.

Foster parents will continue to apply directly to their responsible local authority – and receive codes beginning '40' as set out in the <u>guidance for children in foster care</u>.

The local authority will continue to verify the code through DfE's Eligibility Checking System (ECS), depending on the system the local authority has in place. The local authority staff will communicate the outcome to providers including the code's validity start date.

The same code will carry through for the same child from the point at which they become eligible until (at the latest) they reach compulsory school age (the term following their fifth birthday), regardless of whether they drop in and out of eligibility. The exception to this are temporary codes, which can only be used once and need to be replaced with the child's permanent eligibility code, which will then remain eligible until (at the latest) they reach compulsory school age (the term following their fifth birthday).

When parents can apply

Parents should apply during the term before they wish to take up a place, with the earliest possible point to apply being 16 weeks before their child turns 9 months old.

Parents need to reconfirm their eligibility every 3 months. This means any parents that apply more than 3 months before the start of the term their child is first eligible for will need to reconfirm their eligibility before the term begins to take up a place.

If parents apply in the term before they wish to take up a place and HMRC needs time to decide on eligibility, they have 14 days after the start of term to make a decision. If the code is valid, auto-rollback will be applied so that the code will show as valid from the previous term (allowing parents to access an early education and care place in the term they wish to take it up).

Previously parents were only able to apply for an eligibility code up to 31 days before the date they started new work or returned to work from parental leave. Since 12 May 2024, this has now been changed. Parents will be able to apply from the following dates:

Table 2

Date of starting or returning work	_	When parents can use entitlements from
1 October to 31 January	1 September to 31 December	1 January
1 February to 30 April	1 January to 31 March	1 April
1 May to 31 September	1 April to 31 August	1 September

When children become eligible

All entitlements will 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 September, 1 January, or 1 April) after they reach the relevant age, and the parent has successfully applied.

As with current policy, parents are only legally entitled to start claiming the 30 hours entitlement for their child the term following the date of a successful application.

Reconfirmation

There will be no change to reconfirmation policy. Parents will still be required to reconfirm every 3 months as per current policy, via the Childcare Service, regardless of whether their child has started their place. Temporary codes beginning '11' can only be used once and so parents will need to reconfirm by completing a new Childcare Service application online.

The grace period

There will be no change to the grace period. Where parents cease to meet the eligibility criteria for the working parent entitlements upon reconfirmation, but the child has already taken up a place, local authorities should continue to fund a place for the child for a limited 'grace period' and ensure that providers and parents are aware of this.

Local authorities will be able to access information about parents that have entered the grace period via the ECS, which will automatically encode the grace period end date to all eligibility codes.

Audit

As with current policy, local authorities should continue to complete an audit check on eligibility codes at 6 fixed points in the year, both at the start of term and half-term across the year (in line with the dates listed in Table A of the <u>early education and childcare</u> <u>statutory guidance</u>) Local authorities can then prompt providers to inform parents when they will lose funding for their child's place. They can also ensure that children who have fallen out of eligibility do not start places. Authorities can then prompt providers to inform parents when they will lose funding for their child's place. They can also ensure that children who have fallen out of eligibility do not start places.

Local systems (which access ECS via the web services interface) will be able to run an automatic check against all previously verified eligibility codes and will associate codes with relevant providers. If local authorities use the ECS web browser, they will need to keep a record of codes verified and which providers are relevant so they can undertake a batch check and communicate the results to the right providers.

Local Authorities should use the ECS 'Eligibility Code Cross Border Report' to check which working parent eligibility codes they have approved for funding have also been checked in other local authorities and make contact to reduce the risk of a parent accessing more than the maximum funded hours they are entitled to. We would recommend local authorities audit children across entitlements, including those receiving the entitlement for families of 2-year-olds receiving additional support.

Free education and childcare for families of 2-year-olds receiving additional support

The early education and childcare statutory guidance and The Childcare (Free of Charge for Working Parents) (England) (Amendment and Transitional Provision) regulations 2023 state 'in calculating the number of hours available under the working parent entitlement, local authorities must first account for any hours available under the universal or disadvantaged 2-year-old entitlements. In other words, where parents meet the eligibility criteria for both entitlements from September 2025, they should take up the entitlement for families receiving additional support **and** 15 hours of working parent entitlement. The rationale for this policy position is that disadvantaged children cannot lose eligibility for the 15 funded hours once these have been taken up. This protects the continuity of provision until they become eligible for the universal entitlement should parental circumstances change. We are also aware that some providers do not charge for meals/consumables where a child is recorded as using the disadvantage entitlement. From a provider perspective, where a local authority has chosen to adopt a higher hourly funding rate for the disadvantage entitlement, this position ensures that the provider will receive the correct rate.

We are developing how local authorities should treat children receiving both free education and childcare for families of 2-year-olds receiving additional support and working parent entitlement for census purposes. This will be set out in the Autumn 2025 School census technical specification (expected to be published in December 2024/January 2025) and the January 2026 Early Years census technical specification (expected to be published in May 2025).

Local authorities may want to consult with their Data Protection Officer and review the privacy information provided on their parent declaration form to enable local authorities to use the data to check if a parent is eligible for other early years funding streams – for example, entitlement for families receiving additional support or EYPP. Local authorities have access to data sources which can be used to identify parents potentially eligible for free education and childcare for families of 2-year-olds receiving additional support. These sources include children with EHCPs in their area, children in foster care, and lists of households in receipt of Universal Credit, provided by DfE.

Allocating hours when provision is split

Where parents of 2-year-olds receiving both entitlements split their child's provision between providers, local authorities and/ or providers will need to distinguish between the 15 hours for families of 2-year-olds receiving additional support and the 15 hours working parent entitlement in order to accurately record take-up in either the school census or the early years census. Local authorities and providers may wish to use the parental declaration form to enable parents to indicate at which provider they are taking their 15 hours for families of 2-year-olds receiving additional support and, where appropriate,

pass this information onto the provider or local authority. Local authorities should take account of the statutory guidance. This states that, if a parent ceases to meet the eligibility criteria for the working parent entitlement, the parent may, at that point, choose which provider they continue to take up any funded hours they remain eligible for.

Moving from both entitlements to only free education and childcare for families of 2-year-olds receiving additional support

There might be circumstances where a two-year-old receiving both entitlements loses their eligibility for the working parent entitlement. Where this happens, they may benefit from working parent entitlement until their grace period has come to an end. They will continue to receive their 15 hours for families of 2-year-olds receiving additional support until the term following their 3rd birthday when they will benefit from the universal entitlement for 3- and 4-year-olds. If the household meets the eligibility criteria for the working parent entitlement at this time, they can benefit from 30 hours free childcare for their 3-year-old.

Funding

The early years entitlements: local authority funding operational guidance 2025 to 2026 is expected to be published in the Autumn 2024. This will set out the rules and principles local authorities should follow when funding childcare providers to deliver the early years entitlements in the financial year 2025 to 2026.

All the early years funding streams for the main entitlements are listed below (please note this excludes the separate funding strands for EYPP and DAF):

- 15 hours of entitlement for families receiving additional support
- Universal 15 hours entitlement for all 3- and 4-year-olds
- Extended 15 hours for eligible 3- and 4-year-olds of working parents
- Expanded 30 hours for eligible 2-year-olds of working parents
- Expanded 30 hours for eligible 9-month to 2-year-olds of working parents

Families will continue to be able to move between funding streams on a term-by-term basis as current policy. All entitlements will continue to work on a termly basis, so children of eligible working parents will be able to receive the entitlement, including if they are moving from one entitlement to another, from the termly date (1 September, 1 January or 1 April) after they reach the relevant age.

Both Term Time Only and All Year Round stretched funding will be available for all children. This will have the same flexibility as the current process.

Early Years Pupil Premium and Disability Access Fund

EYPP and DAF eligibility policy will remain as set out in the existing guidance. This includes:

- Continuing to pay EYPP as a rate per hour per eligible child **up to a maximum of 570 hours** per year.
- EYPP becoming payable from the beginning of the term after an eligible child turns 9 months old, or the beginning of the term following their second or third birthday.
- Looked after children receive a full 570 hours' worth of EYPP regardless of the number of hours they take up.
- DAF is paid as an annual rate per child, issued to the provider as soon as possible when the child takes up the relevant entitlement for children aged 9 months up to 4 years.
- Children do not have to take up the full 1140 hours of early education that they are entitled to, to receive DAF. Children will be eligible where they take up any period of free entitlement and receive Disability Living Allowance.
- Where children remain eligible for DAF, providers should receive payments annually on the anniversary of the first payment until the child starts school.

• If a child eligible for the DAF is splitting their free entitlement across 2 or more providers, local authorities should ask parents to nominate the main setting. Local authorities should pay the DAF for the child to the nominated main setting.

As EYPP is only available up to a maximum of 570 hours per year, it should be applied to only 15 hours of childcare a week. If a 2-year-old child is eligible for both the families receiving additional support and working parent entitlements, EYPP should be applied to the entitlement for families receiving additional support hours.

There may be circumstances where a child is in receipt of EYPP and splitting their provision across two or more settings. If a child is eligible for EYPP because they meet the income criteria, then the funding should be allocated proportionately. I.e. if a child is taking up 10 hours at Provider A and 5 hours at Provider B then 10 hours of EYPP funding will be allocated to Provider A and 5 hours of EYPP funding to Provider B.

If a child is eligible for EYPP because they are looked after or previously looked after, then, local authorities should work with the virtual school head to determine how to allocate the funding.

Censuses

School census

The first school census to pick up the September 2025 changes will be the **Autumn 2025 school census**. There will be no new data items in the 2025/26 school censuses with regards to the early years entitlements September 2025 changes. The technical specification for the 2025/26 school census is expected to be published in December 2024/ January 2025.

Early Years census

The first Early Years census to capture the September 2025 changes will be the **January 2026 Early Years census**. There will be no new data items in this census with regards to the early years entitlements September 2025 changes. The Department aims to publish the technical specification for the January 2026 Early Years census in May 2025.

Temporary termly Early Years data collections for new entitlements

For financial year 2024 to 2025 we introduced two additional termly data collections in the 2024 Summer and Autumn terms to ensure local authorities would be accurately funded for the hours they delivered under the new entitlements.

The full technical guidance for local authorities was issued in April 2024.

As the new entitlements continue to be rolled out, we are considering the funding approach to ensure local authorities continue to receive accurate funding for the new entitlements in 2025 to 2026. We will confirm the position, alongside the DfE announcing the funding rates to local authorities for 2025 to 2026.



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