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Press release

Government funding boost kickstarts delivery of historic new free childcare offers

£204 million cash boost given to nurseries to support the expansion of childcare places

From:

[Department for Education \(/government/organisations/department-for-education/\)](/government/organisations/department-for-education/), [HM Treasury \(/government/organisations/hm-treasury/\)](/government/organisations/hm-treasury/), [The Rt Hon Gillian Keegan MP \(/government/people/gillian-keegan/\)](/government/people/gillian-keegan/), and [The Rt Hon Jeremy Hunt MP \(/government/people/jeremy-hunt/\)](/government/people/jeremy-hunt/)

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Nurseries are set to receive a £204 million cash boost as part of the Government's promise to deliver the largest ever investment in childcare.

The plans, which were announced in the Spring Budget, are designed to remove significant barriers to support parents to return to work and help to grow the economy by making childcare more accessible.

Every area across the country is getting a share of the government funding which childcare providers can use to ease cost pressures such as staffing costs, training and bills. Funding rates per child paid from September will increase from an average of £5.29 to £5.62 for three and four-year-olds, and from an average of £6.00 to £7.95 for two-year-olds.

The increase in funding will support the early years sector to deliver the biggest investment in childcare ever.

From April 2024, eligible working parents of two-year-olds will get a new offer of 15 free hours per week of free childcare. From September 2024, eligible parents will get 15 free hours from nine months until their children start school, and from September 2025, they will get 30 free hours from nine months until the start of school.

Separately, the government has today confirmed plans to deliver its ambition for all parents of primary school aged children to access childcare in their local area between 8am and 6pm.

16 local authorities from Barnsley to Wiltshire have been selected to work with the government to develop plans for this universal provision, with some of these areas

expected to be the first to rollout the wraparound care as early as summer 2024.

All local authorities will start to receive their share of £289 million in funding from January 2024 to support their delivery of the programme, with parents expected to see an expansion in the availability of wraparound care from September 2024.

Chancellor of the Exchequer, Jeremy Hunt said:

“ I know the cost of childcare can be a real struggle for parents and can become a barrier to work.

“ That’s why we announced the largest ever expansion of free childcare at Spring Budget, and today we’re increasing hourly funding rates to make sure the system is ready to deliver, including uplifting rates for a two-year-old by a third.

“ These reforms will be transformative, and ensure that we build a childcare system comparable to the best.”

Education Secretary, Gillian Keegan said:

“ Today is a great step forward as we deliver on the largest ever expansion of childcare which will be transformational for working families and will help grow our economy.

“ I want childcare to be truly affordable and available when and where parents need it.

“ This initial investment of over £200 million will go a long way in supporting the fantastic early years sector to prepare for the expansion of free childcare hours available to parents next year.”

There will be further funding increases in the amounts paid to local authorities to pass to providers for delivering the government’s free childcare places moving forward, with an additional investment of £288 million already announced at the Spring Budget for 2024-25.

The Department will shortly launch a consultation on how the funding for the new entitlements in 2024-25 will be distributed, to make sure it remains fair in light of the radically expanded free childcare offers.

A further £12 million is also being given to local authorities this financial year to support them to effectively roll out the new offer.

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