

Councils given flexibility with free childcare funding

Councils will be able to move around government funding for free childcare entitlements in exceptional circumstances, to make sure sufficient childcare places are available for vulnerable children and those of critical workers.

The Government has confirmed that councils will temporarily be able to use the funding they receive for the free entitlements for two, three and four-year-olds differently, redistributing it where absolutely necessary for the benefit of critical workers and the parents of the most vulnerable children, when their usual arrangements are no longer possible as a result of Coronavirus.

This builds on existing commitments to continue paying free entitlement funding – worth £3.6 billion a year – to local authorities throughout the Coronavirus outbreak. Childcare businesses will also benefit from other support schemes, including a business rates holiday, the Small Business grant for those that don't pay business rates, the Self-Employment Scheme and the Coronavirus Job Retention Scheme (CJRS).

On Friday (17 April) the Department for Education published [guidance](#) to set out how the CJRS and free entitlement funding interact, confirming that early years providers can access the CJRS to cover the proportion of their income considered to have been paid from private income, such as parent fees. Any setting which sees their early entitlement funding reduced in order to fund childcare places elsewhere will be able to increase the proportion of their salary bill eligible for the CJRS.

New guidance will be published to support councils with the steps they will need to take if moving around government funding between settings, where all other options have been explored and more childcare places are still needed locally for children for the duration of the Coronavirus outbreak.

In addition, to provide further support to early years settings who are staying open for vulnerable children and children of critical workers, providers will be given greater flexibility in meeting some of the requirements in the Early Years Foundation Stage (EYFS) framework. This is to manage expectations and reduce burdens during an unpredictable time for the sector.

Children's safety remains the priority for the duration of these temporary changes, and safeguarding and welfare requirements will still remain a requirement with the exception of a small number of changes, including staff qualification requirements to allow flexibility around staffing, in recognition of the challenges facing employers whose staff may have to remain at home.

Children's Minister Vicky Ford said:

Our early years professionals are central to this country's response to the coronavirus outbreak, and I'm grateful for their work to continue providing safe and high-quality childcare for those who need it the most: critical workers and parents of vulnerable children.

Councils are best placed to respond to the childcare needs in their area, so it's right that we give them extra support to face these unprecedented challenges. They can use flexibility to redistribute entitlements funding in exceptional cases where other options have been exhausted, helping nurseries and other settings stay open and making sure enough childcare places are available.

The government continues to monitor the early years sector and provide support where possible, including guidance that is currently regularly updated and a range of business support available through the government.