A Parent's Guide to Nursery Funding

Thrive Childcare and Education

Demystifying 15/30 Hours, Tax-Free Childcare, and More

Trying to figure out early years childcare options can often feel like learning a completely new language. Between acronyms, varying eligibility criteria, and shifting application deadlines, navigating the world of nursery funding can quickly become overwhelming for families.

At Thrive Childcare, we believe that choosing the right nursery education for your child should be an exciting milestone, not a financial headache. We believe that transparency is the foundation of a true partnership with families. This comprehensive guide is designed to strip away the jargon, clarify your options, and help you maximise the financial support available to your family.

The Core Funding Schemes Explained

The UK government provides several funded childcare schemes, which have expanded significantly to support working parents with younger children. The entitlement you receive depends primarily on your child's age and your employment status.

1. The Universal 15 Hours (For All 3 and 4-Year-Olds)

Every single child in England is entitled to 15 hours of funded childcare per week starting from the term after their third birthday. This is a universal entitlement. It is not dependent on your income, your working hours, or your employment status. It is designed to ensure that every child has access to high-quality early education before they start primary school.

2. The Extended 30 Hours (For Working Parents of 3 and 4-Year-Olds)

Working families of three and four-year-olds may be eligible for an additional 15 hours, bringing the total to 30 hours of funded childcare per week. To qualify, generally both parents (or the sole parent in a lone-parent family) must be working and earning at least the equivalent of 16 hours per week at the National Minimum Wage, whilst earning under £100,000 per year.

3. Expanded Funding for Younger Children

The funding landscape has evolved to offer substantial support to families with younger toddlers and babies. Working parents can now access 30 hours of funded childcare for two-year-olds and for infants from the age of nine months plus.This funding is accessible the term after a child turns 9 months, for example if a child turns 9 months in May the funding entitlement would start in the September.

If you are currently planning your return to work or assessing your options, reading our detailed breakdown of free childcare for one to two year olds will help you understand how these specific allowances apply to your family's situation.

Child's Age	Universal Entitlement	Working Parent Entitlement
9 Months to 2 Years	None	30 Hours per week
2 Years Old	15 Hours (Criteria applies)	30 Hours per week
3 to 4 Years Old	15 Hours per week	30 Hours per week

Term-Time vs. Stretched Funding: The Crucial Difference

One of the most common points of confusion for parents is how these hours are distributed across the calendar year.

By default, the government's 15 or 30 hours entitlements are calculated over 38 weeks of the year, which aligns with the school term-time calendar. This totals either 570 or 1,140 funded hours per year.

Because Thrive Childcare nurseries are open all year round, we stretch our funding. Instead of taking 30 hours over 38 weeks, you can spread your total annual allowance of hours evenly across 51 or 52 weeks of the year. This reduces your weekly funded hours to around 11 or 22 hours per week, but it ensures your monthly fees remain entirely predictable and stable throughout the summer holidays and half-terms.

When deciding how to structure your week, it helps to balance your professional schedule with your child's developmental needs. For a closer look at structuring your child's time with us, read our expert advice on how many nursery sessions should my child attend.

Maximising Your Savings with Tax-Free Childcare

Tax-Free Childcare is an excellent, separate government initiative that can be used alongside the 15 or 30 hours schemes. It is open to working parents of children up to the age of 12 (or 17 if the child has a disability).

For every £8 you pay into your online Tax-Free Childcare account, the government automatically tops it up with an extra £2. This is effectively a 20% discount on your nursery fees. You can receive up to £2,000 per year per child (or up to £4,000 if your child is disabled).

How to use Tax-Free Childcare at Thrive Childcare:

- You set up an online childcare account via the Gov.uk website.
- You pay your portion of the fees directly into this account via debit card or bank transfer.
- The government top-up is applied almost instantly.
- You instruct the portal to pay Thrive Childcare directly from that balance.

Understanding Essential Extras and Additional Fees

A common question parents ask during nursery visits is why "free hours" do not always equal a completely free nursery bill. The government funding covers the cost of core education and care during those specific hours. It does not cover the cost of meals, snacks, nappies, wipes, suncream, or specialised external enrichment activities.

At Thrive Childcare, we provide fully inclusive care, ensuring our children enjoy freshly prepared, nutritious meals and premium care products. To cover these elements, we charge a clear, transparent essential extras fee for funded hours. We always discuss these details explicitly with you before enrolment so that you can plan your household budget with total confidence.

When and How Should You Apply?

Timing is absolutely vital when it comes to securing your funding. You cannot apply retroactively, and if you miss a deadline, you will have to wait until the start of the following school term to claim your entitlement.

Key Application Windows:

- To start using hours in September: Apply between 1st June and 31st August.
- To start using hours in January: Apply between 1st September and 31st December.
- To start using hours in April: Apply between 1st January and 31st March.

Once your application is approved through the Childcare Choices website, you will receive an 11-digit eligibility code. You must hand this code to your Thrive Childcare nursery manager alongside your National Insurance number and your child's birth certificate. Remember, you must reconfirm your eligibility via your government account every three months to keep the code active.

Making the Right Decision for Your Family

Securing your funding is just one part of the journey. Deciding when to introduce your child to a nursery environment involves balancing financial viability, work commitments, and your child's social readiness. If you are still weighing up your options, you may find our guide on what age should my child start nursery a comforting and informative resource.

When you are ready to visit potential settings, it pays to know exactly what to look for beyond the financial breakdowns. We highly recommend downloading our comprehensive nursery tour checklist to ensure you ask the most revealing questions about quality, safety, and daily life on your upcoming visits.

At Thrive Childcare, our nursery managers are always available to sit down with you, look at your unique working hours, and build a bespoke, transparent fee breakdown that makes the absolute most of every penny of government support available to you.