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Early Years recruitment grant pilot

Last Modified February 20, 2024



New staff in early years could be entitled to a golden hello payment

During February 2024 Department for Education launched this limited pilot to help deliver the childcare expansion at pace and test whether financial incentives in early years would help boost recruitment in a similar way that it has for school teachers.

Our pilot will help attract new or returning early years staff by paying an incentive of £1000 shortly after they take up their role. We are testing whether a 'golden hello' can be an effective way to recruit early years staff in high demand areas.

Blackpool is one of twenty areas that has been selected to take part in this pilot scheme. The scheme is planned to run until December 2024 but we reserve the right to end this earlier if the funding is allocated sooner than anticipated.

Eligible individuals

- Applying for their first role at an early years provider required by section 40(2) of the Childcare Act 2006 to implement the early years foundation stage – other than a childminder or a reception class
- Or applying for their first role at an early years provider required by section 40(2) of the Childcare Act 2006 to implement the early years foundation stage – other than a childminder or a reception class
- Or returning to working in a role as above after a break of at least six months
- And are employed by a provider agreed by Blackpool Council to be part of this pilot
- Will be employed in a role that involves working directly with children for at least 70% of their employed hours

Returners and transfers between settings

- Returners are defined as those who left the profession at least 6 months before they applied to rejoin
- Anyone who left the profession less than 6 months before they applied to re-join will not be eligible for an incentive. Eg those transferring between settings with a short or no gap in employment will not be eligible
- Those transferring from settings in different local authority areas are also not eligible if the gap is less than 6 months

Apprenticeships

- An apprentice who gains a position in the same early years setting as they carried out their apprenticeship would be eligible to receive an incentive when they move from being an apprentice to an employee
- In order to receive an incentive, apprentices must have passed their apprenticeship and be taken on in a permanent role

Temporary and part-time workers

- Those on **temporary contracts** are not eligible to receive an incentive. They are only available for those recruited on a permanent basis.
- Part time permanent workers are eligible subject to the full criteria of the scheme. We may need to consider grant amounts for some part-time roles on an individual basis, we can discuss eligibility once a setting submits an initial request (part one) application to us

Childminder assistants

- New childminder assistants employed by a childminder are eligible subject to the full criteria of the scheme

Role of providers

- Early years settings are key to the success of the pilot. They will be responsible for ensuring that the incentives are actually paid to the eligible individual. We are not expecting providers to materially change their recruitment systems or processes for the pilot, but they will need to ensure that their marketing campaigns include reference to the fact that they have an incentive attached to them so that those seeking employment in an early years setting can see where incentives are available
- They will need to work collaboratively with Blackpool Council so that they have assurance that the funding is being used as intended and that Blackpool Council can complete its reporting requirements to DfE
- Providers will be responsible for paying the incentives to individuals and ensuring that employee tax/NI and employers NI are paid. Payments will be grossed up to take this into account
- They will also need to ensure that incentives are only given to those who are eligible to receive them (for example those who are working at least 70% of their time with children, who are either new to EY or who haven't worked in EY for the last 6 months). They will need to declare this as part of regular reporting
- To allow us to test the effectiveness of the pilot we will need to gather information about the response to job adverts with an incentive attached. As this is a pilot we welcome frequent feedback about the scheme

The individual

- The individual is the person who will receive the incentive when they are successfully employed by a provider
- The individual is expected to receive up to £1000 tax/NI free, which will be paid in the first pay packet after the individual has been working for the provider for 12 weeks
- The individual is responsible for confirming to the provider that they are eligible for the payment (for example, that they have not been working in a nursery or pre-school in the last 6 months)
- The individual is only entitled to one incentive payment for the duration of this programme
- Early years providers will need to share information about the individual with the council and should obtain their consent

The process

Settings can obtain an application form or contact us for further questions please email freentitlement@blackpool.gov.uk

Setting to complete part one application – prior to advertising your role

- In order that we can reserve funding and confirm eligibility for your role you **must** complete and return part one of the application prior to advertising your role
- We will review the information and confirm eligibility with a confirmation reference number
- You may then advertise the role advising that the applicant **could** be eligible for a tax free golden hello payment of up to £1000
- We recommend using "could" and "up to" in your advertising as the final award will be subject to final eligibility checks and clarification of the individuals tax circumstances
- Providers are not expected to complete documentation if they do not wish to offer the incentive
- We would still like to know about new employees that start during the pilot period that have not been entitled to the incentive eg those transferring settings without a gap in employment etc

Setting to complete part two application – once the new employee starts work

- We will review the information and confirm that the new employee is eligible for payment of the incentive
- We will usually pay the early years provider £1596. This is grossed up to include tax and NI so that the employee will receive a tax free payment of £1000 The employer should incorporate any tax and NI from the grossed up amount and also base any employer NI contributions on the grossed up amount. If the employer is also liable to pay Apprentice levy this should also be calculated from the grossed up value
- The incentive will not be grossed up if the employee is not liable for tax and NI
- The actual calculation may vary according to individual circumstances
- The early years provider should make payment to the employee in the next pay packet after they have been continuously employed for 12 weeks
- If after the council have made payment to the early years provider but the employee has subsequently left employment prior to completing 12 weeks the payment must be returned to the council
- You will need to advise your employee that you will be sharing their personal information with us and obtain their consent
- As part of the audit and review process Blackpool Council will contact the employee to confirm they have received the incentive payment and for the purposes of review and evaluation
- If you employee prefers not to give consent then they will not be eligible for the scheme
- Early years providers will be required expected to comply and take part in any audit and evaluation of the scheme, including access to records and compliance with verification of payments

Blackpool Council

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