All parent/carer policies and procedures should be available to share with families so that they can make an informed decision about their childcare arrangements.

It is good practice to ensure these documents are available in a typed format and include a version date/number and review date.

A Charging Policy must be submitted with other documentation for a provider to become an Approved Provider to offer Early Education. A provider may choose to combine policies for Early Education to reduce the admin burden, and therefore we expect the requirements to be stated in at least one policy which is written for and shared with families.



**Your Charging Policy**

Your setting is unique, your Charging Policy must clearly explain your fees so that parents/carers are aware when they will occur and will be applied. It is important that –

* there is consistency when charging
* the policy withstands challenge
* avoids misunderstanding
* the administrative burden is considered when implementing the fee structure

The policy must also meet the obligations of consumer law.

For your Funding Agreement Documentation, your Charging Policy must clearly articulate compliance to the Statutory Guidance and Funding Agreement in relation to the funded entitlements.

It must clearly show that –

* there are no mandatory charges, families can opt out when accessing funded hours
* alternative options are available to families where they have decided to opt out

All policies will be compliance checked prior to a provider being Approved.

Any policy relating to fees and charging must meet the obligations of consumer law and detail how the requirements of offering early education will be met. This means families will have a clear understanding about the early education offer available to them, when/what charging will apply and the cost.

It is necessary for the provider to publish their admissions criteria and ensure parents understand which hours/sessions can be taken as funded provision.

A Parent/Carer contract/agreement should clearly state the terms and conditions regarding the funded entitlement.

When drafting your policy, please note the following –

Government funding is intended to deliver 15 or 30 hours a week of free, high quality, flexible childcare. The 15 or 30 hours must be able to be accessed free of charge to parents. There must not be any mandatory charges for parents in relation to the funded hours. Government funding is not intended to cover the costs of meals, other consumables, additional hours or additional services.

Deliver the free entitlements consistently so that all children accessing any of the free entitlements will receive the same quality and access to provision, regardless of whether they pay for optional hours, services, meals or consumables.

The reference to quality refers to the Early Years Foundation Stage Statutory Framework which is mandatory for all early years providers in England and sets out the standards that must be met to ensure that children learn and develop well and are kept healthy and safe.

That the funded place is free of charge and providers are aware that they can charge families for these voluntary chargeable extras:

* consumables to be used by the child, such as nappies or sun cream
* meals and snacks consumed by the child
* extra optional activities such as events, celebrations, specialist tuition (for example music classes or foreign languages) or other activities that are not directly related or necessary for the effective delivery of the Early Years Foundation Stage (EYFS) statutory framework

and providers do not charge:

* Top-up fees (any difference between a provider’s normal charge to parents and the funding they receive from the local authority to deliver free places)
* the supply of or use of any materials, including, but not limited to, craft materials, crayons, paper, books, instruments, toys, or other equipment or learning resources that are necessary for the effective delivery of childcare
* business running costs, including, but not limited to, rent, staff wages, cleaning materials, insurance, or utility bills such as energy, gas or water
* registration fees as a condition of taking up a child’s free entitlement place
* non-refundable deposits as a condition of taking up a child’s entitlement place
* general charges, including but not limited to, non-itemised enrichment charges, sustainability charges, business continuity charges, additional charges, enhanced ratios, hourly rates, or any other supplementary charges on top of the free hours
* any additional fees that are not specifically identified and itemised as being for chargeable extras as described in the Statutory Guidance

When deciding if chargeable extras will form part of your fee structure, it is recommended that your offer to families is compared with the standards set in the Early Years Foundation Stage Statutory Framework. Please also refer to our Chargeable Extras Guidance.

Based on the above, we do not expect non-food consumables to be items that are required by your business to enable children to learn and develop and to keep them healthy and safe.

It is acceptable to implement a non-food consumable charge for each entitlement offered to families.

Invoices issued to families must be clear, transparent, and itemised. The document must allow families to see directly or easily calculate that they have received their child’s funded place (hours) completely free of charge and chargeable extras are listed. It is also expected that invoices and receipts contain the [providers full details](https://www.gov.uk/invoicing-and-taking-payment-from-customers/invoices-what-they-must-include).

All fees must be clearly explained in the Charging Policy so that parents/carers are aware when they will occur and will be applied. It is important that –

* there is consistency when charging
* the policy withstands challenge
* avoids misunderstanding
* the administrative burden is considered when implementing the fee structure

Where families have decided to opt out of chargeable extras, a provider is responsible for setting their policy for alternative options to the additional charges. This policy must be reasonable to allow families to access the entitlement for free, including allowing parents to supply their own, or waiving the cost of these items. It also means that families will have fair access to a funded place.

You will also need to consider the following when developing your policy:

* Conditions are not imposed on parent/carers wishing to access a funded entitlement
* Taking up of additional services cannot be made a condition of receiving the funded entitlement
* Other allowable fees
* Accepted payment method
* Payment terms
* Notice period to amend a childcare arrangement
* The process which informs parent/carers that the payment term has not been met
* When fees are reviewed, and the notice period given prior to an increase
* Parents/carers can be charged for non-attendance and when hours are not funded by the Local Authority

**An example of the process where the payment term has not been met**

E.g. –

|  |  |  |  |
| --- | --- | --- | --- |
| **①** | **②** | **③** | **④** |
| Reminder | Letters | Referral to Committee | Court  Action |

The steps that will be taken and the consequence of non-payment should be defined within the Charging Policy, so that parents/carers are aware that fees must be paid on time.

It is important

* that evidence of process and the actions taken are documented in the event court action is taken
* the process outlined in the policy is followed for all families and any departure to the policy instruction is suitably agreed and recorded

It is acceptable to charge for late payment of fees. The cost of this must be clearly stated in your Charging Policy

**Rules when charging families accessing Early Education**

Government funding is intended to deliver 15 or 30 hours a week of free, high quality, flexible childcare. The 15 or 30 hours must be able to be accessed free of charge to parents. There must not be any mandatory charges for parents in relation to the funded hours. Government funding is not intended to cover the costs of meals, other consumables, additional hours or additional services.

This means chargeable extras are allowable, and other certain charges. They must however fall within the rules detailed in the funding agreement (Section 10) and the Statutory Guidance.

It should also be noted that there are charges which are not permissible.

Allowable Charges:

* **Additional Non-Funded Hours**

As part of the childcare arrangement, families may opt to purchase additional hours/sessions. These fees would be non-funded and would be charged at the providers usual rates.

* **Chargeable Extras**
  + **Optional Services and Activities**

These services and activities are additional and are notdirectly related or necessary for the effective delivery of the EYFS statutory framework. A family may agree for their child to participate in additional activities, eg. Trip. These can be charged for if they are not included as part of any other charge. Participation cannot be a condition to accessing a funded place.

* + **Food Consumables**

If meals and/or snacks are provided, then it is permissible to charge. Families wishing to opt out may need to adhere to your Food and Nutrition Policy.

* + **Non-Food Consumable**

These are items which are consumed by the child whilst attending and are items such as nappies and sun cream. There are strict rules determining what these items are. Please refer to the Charging Section of the Funding Agreement and our Guidance for Chargeable Extras.

* **Deposit**

A provider can charge parents/carers a deposit to secure their child’s free place. The provider should be clear what the deposit secures (e.g. place on the waiting list or confirmed start date) and how/when it will be refunded.

For families that commence their childcare arrangement at the point of eligibility for the funded entitlement, then their deposit must be refunded no later than 6 weeks after the first day that funding is claimed. Where families have a combination of funded and non-funded hours, it is recommended that the deposit is returned when the contract ends, and all fees have been paid.

* **Registration Fee**

This charge should not be confused with a Deposit. This fee is generally intended to cover the cost of administration. This fee **must be voluntary** where families do not pay for any additional hours.

**Other charges**

These fees are usually a private matter between the parent/carer and provider because they will occur outside the pre-arranged and agreed funded childcare arrangement.

* **Retainer fee**

This fee can be charged where a parent/carer wishes to ensure their childcare arrangement is secured during a long absence when the setting would normally be open for business.

In most cases funded hours will not be claimed during this extended absence. Please seek guidance from the Early Years Finance team concerning the funding claim.

* **Late Payments**

This fee can be charged when invoices are not paid within the payment terms, and an outstanding balance remains on the account. The fee could be a % of the balance owed or set rate.

* **Late Collection / Pick Up**

A provider may decide to charge parents/carers when they arrive late to collect their child. It is recommended that your policy clearly defines how and when this charge will be applied.

* **Notice Periods**

The method to terminate a childcare arrangement and notice period should be clearly stated in the Charging Policy and Childcare Contract. We recommend that this should be no more than one half term (6 weeks) to support changes to family circumstances.

Where the termination occurs without notice, fees can continue to be charged up to the end of the notice period.

The Local Authority will at its discretion agree to pay the funding entitlement for a maximum of 4 weeks where no notice period has been given. In its decision to fund, the Local Authority will consider –

* the last day of attendance within a claim period
* if a parent/carer claim form has been signed
* the circumstances which resulted in the noncompliance of the notice period
* the ability for the parent/carer to maximise their access to funding

IMPORTANT: Providers must email to request that they can claim for a notice period where the family have left unexpectedly.

* **Setting Closure (e.g., bank holidays, extreme weather conditions, staff development days, sickness, local or national elections, or damage to the premises)**

Terms and conditions should clearly state when a fee will be charged or when funding will be claimed instead. These charges must comply with consumer law.

For short term closures, parents/carers must be informed if their child will not receive their full entitlement because funding has been claimed.

IMPORTANT: Funding cannot be claimed when a provider is closed for business.

**Compliance Check**

When submitting your Policies for a compliance check, the Early Years Finance team will review the content of each policy to ensure that it meets the requirements of the Funding Agreement and Statutory Guidance for Early Education and Childcare.

Please refer to the [Compliance Check Guidance](https://www.schools.norfolk.gov.uk/media/41860/Compliance-Checks-Guidance/doc/t7GUIDANCE_-_Compliance_Checks.docx?m=1750856370783) for suggested wording to add to your Charging policy.