All parent/carer policies and procedures should be available to share with them 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 to offer Early Education as part of the Local Authority Funding Agreement. 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.

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.

There is no longer reference to charges being voluntary, but families should be provided with other options if they are unable to pay either a consumable charge or a charge for meals. Whilst families should expect to pay a consumable charge if it forms part of your Charging Policy, providers MUST be mindful of the impact of additional charges. It remains a requirement that providers must set their own policy on providing alternative options where families are unable to pay for meals and consumables.

It is not permissible to charge families a “top-up” (the difference between a provider’s normal charge for a place and the funding received from the local authority). A fee cannot be charged to recover this business loss.

When deciding what a consumable charge comprises, providers should remember that “the government funding paid to providers is intended to deliver free, high quality, flexible childcare. It is not intended to cover the cost of meals, other consumables, additional hours, or additional services.”

It may be useful to compare your offer to families and the standards set in the Early Years Foundation Stage Statutory Framework. Based on the above statement, we do not expect 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 consumable charge for each entitlement offered to families.

The provider should 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 their family opt to pay for optional hours, services, meals, or consumables.

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 additional fees 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

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

* Whether your setting is listed with Norfolk County Council as a provider offering the Early Education funding entitlements, and has agreed to meet the current requirements of the –
  + Early Education and Childcare Statutory Guidance
  + Local Authority Funding Agreement
* How the funded entitlement is offered to best support a child’s learning and development and enables parents to work or increase their hours

IMPORTANT: If the number of hours available to claim is restricted this should be made clear to parent/carers so that they understand it may not be possible to receive their full entitlement and can make an informed choice about their childcare arrangements

* A commitment that parent/carers are not charged a top up fee to recover income where the setting’s hourly rate is greater than the rate received from the Local Authority
* Conditions are not imposed on parent/carers wishing to access the funded entitlement
* Taking up of additional services cannot be made a condition of receiving the funded entitlement
* Each parent should receive a written invoice clearly showing the services being charged for and the hours they have received free of charge for the Early Education place
* Additional hours or sessions (either due to parental choice or for hours exceeding the maximum available per claim period) should be charged at the provider’s non funded rate

It is not acceptable to charge those accessing funding a different rate for additional hours

* Accepted payment method (e.g. childcare vouchers / standing order / cash / direct debit)
* Payment terms (e.g. required in advance)
* The process which informs parent/carers that 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

* 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

**Rules when charging families accessing Early Education**

The provider can charge for meals and snacks as part of a funded entitlement place, and they can also charge for consumables such as nappies or sun cream and for services such as trips and yoga. Where parents are unable to pay for meals and consumables, providers who choose to offer the free entitlements are responsible for setting their own policy on how to respond, with options including waiving or reducing the cost of meals and snacks or allowing parents to supply their own meals.

It is not permissible to charge families a “top-up” (the difference between a provider’s normal charge for a place and the funding received from the local authority). **A fee cannot be charged to recover this business loss.**

* **Additional 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.

* **Additional Services**

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.

* **Additional Charges**
  + **Meals and Snacks**

If meals and snacks are provided, then it is permissible to charge. Families unable to pay must be given an alternative option including waiving or reducing the cost or allowing parents to supply their own.

* + **Consumable Charge**

When deciding what a consumable charge comprises, providers should remember that “the government funding paid to providers is intended to deliver free, high quality, flexible childcare. It is not intended to cover the cost of meals, other consumables, additional hours, or additional services.”

It may be useful to compare your offer to families and the standards set in the Early Years Foundation Stage Statutory Framework. Based on the above statement, we do not expect consumables to be items that are required by your business to enable children to learn and develop and to keep them healthy and safe.

* **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 long absence (more than two weeks) and therefore the charging arrangement is a private matter between the parent/carer and provider.

Please seek guidance where a period of long absence occurs from the Early Years Finance team.

* **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.

Parents/carers must be informed if their child will not receive their full entitlement because funding has been claimed when the setting has been closed.

* **Setting Closure - usual business arrangements (e.g. closed during school holidays)**

No charge should be made.

**Local Authority Funding Agreement**

When opting to offer Early Education to families in Norfolk, it will be necessary to have a Local Authority Funding Agreement in place. Additional documentation is also required as part of this agreement which includes a Charging Policy.

To meet the terms of the agreement the following must be included in your policy.

|  |  |  |
| --- | --- | --- |
| **Agreement Requirement** | | **Suggested Wording**  (Please insert detail where the text is highlighted red) |
| **[2.47]** | Government funding is intended to deliver 15 or 30 hours a week of free, high quality, flexible childcare. It is not intended to cover the cost of meals, other consumables, additional hours or additional services. | Government funding is intended to cover the cost to deliver 15 or 30 hours a week of free, high quality, flexible childcare only. It is not intended to cover the cost of meals, consumables, additional hours, or additional services. |
| **[2.48]** | The provider can charge for meals and snacks as part of a free entitlement place and they can also charge for consumables such as nappies or sun cream and for services such as trips and musical tuition. Providers should be mindful of the impact of additional charges, especially on the most disadvantaged parents. Where parents are unable to pay for meals and consumables, providers who choose to offer the free entitlements are responsible for setting their own policy on providing parents with options for alternatives to additional charges, including waiving or reducing the cost of meals and snacks or allowing parents to supply their own meals. | The following fees apply when families claim a funded entitlement as part of childcare arrangement –   * Additional hours   Additional hours including those not funded by the local authority will be charged at the current hourly rate.  The current hourly / session rates are –  Insert fees   * Additional services   Charges for additional services such as trips will be agreed in advance with families.   * Cost of meals and snacks   Meals and snacks will be charged at £x   * Consumable Charge   Consumable Charge will be charged at £x  The consumable charge contributes towards the following x  There are no charges for meals or snacks. Families must provide a packed lunch for their child attending during lunch.  If you are unable to pay these charges, please speak with x to discuss the alternative options available.  The alternative options include –   * Waiving or reducing costs * Families to supply a packed lunch and snacks * Families to supply toiletries and personal care products * Where criteria is met, attending fully funded sessions between x and x * Insert your own options   Other charges –   * Deposit – This fee is charged to secure a place at the setting. Add amount and details when fee will apply * Retainer Fee – This fee will secure your child’s place where an extended absence is . Add amount and details when fee will apply * Registration Fee – This fee is voluntary where families do not pay any for any additional hours. Add amount and details when fee will apply * Late Payments – This fee will be charged when invoices are not paid within the payment terms and an outstanding balance remains on the account. Add amount and details when fee will apply * Late Collection – This fee will be charged when children are not collected on time at the end of their session. Add amount and details when fee will apply   All fees will be charged unless specific arrangements have been agreed and whilst a childcare contract remains in place. Families wishing to terminate their childcare contract must provide 4 weeks’ notice in writing to x. Any funding entitlement claimed beyond the notice period is transferrable to your new childcare provider via the local authority where the funding criteria is met. Where a child leaves the setting before the end of the agreed notice period, we will seek authorisation from the local authority to claim any funding applicable to your entitlement up to the end of the notice period, together with any additional fees which formed part of your childcare arrangement (contract).  Our fees are reviewed annually in January. Families will be given at least 6 weeks’ notice in writing to inform them of any change, and given the opportunity to discuss their options with x.  Where a time lapse has occurred between the point of enquiry and their child’s start date, families should check that the information shared about funding and fees remains current so that any applicable charges can be checked / finalised before the childcare arrangement (contract) is formalised. |
| **[2.49]** | The provider should deliver the free entitlements consistently so that eligible children accessing them will receive the same quality and access to provision, regardless of whether they opt to pay for optional hours, services, meals or consumables. | The funded entitlements will be delivered consistently so that all children accessing any of them will receive the same quality and access to provision, regardless of whether families opt to pay for optional hours, services, meals or consumables. |
| **[2.52]** | The provider can charge parents a deposit to secure their child’s free place but should refund the deposit in full to parents within a reasonable time scale. | **(if a deposit is not charged, please state this instead)**  A deposit of £0.00 will be charged to secure a place at this setting.  For funded only children, the fee will be returned in full within 6 weeks following the first day of attendance for early education. Where families have agreed a contract for more hours than the early education entitlement, the deposit will be returned when the contract is terminated, and any outstanding fees have been paid in full.  The deposit will not be returned where a place is no longer required. |
| **[2.53]** | The provider cannot charge parents “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) or require parents to pay a registration fee as a condition of taking up their child’s free place. | The entitlement place is offered free.  Parents will not be charged a “top-up” fee to recoup the difference between the amount received from the Local Authority and the current hourly rate.  **(if a registration is not charged, please state this instead)**  A registration fee of £0.00 is charged once a childcare place has been offered.  This is voluntary for those families whose child(ren) only access a funding entitlement. |
| **[2.54]** | The provider should ensure their invoices and receipts are clear, transparent and itemised, allowing parents to see that they have received their free entitlement completely free of charge and understand fees paid for additional hours. The provider will also ensure that receipts contain their full details so that they can be identified as coming from a specific provider. | All families will be issued an invoice monthly in advance unless the balance equals zero.  The payment term is within 10 days.  The invoice will be itemised to provide clear and transparent information concerning the charges as agreed in the childcare contract.  It will allow parents/carers to see that the entitlement is received completely free of charge and understand additional fees that have been applied. |

**Should you require any further assistance please contact:**

Early Years Finance Team – [earlyyearsfinance@norfolk.gov.uk](mailto:earlyyearsfinance@norfolk.gov.uk)