

EARLY YEARS ENTITLEMENT: ADDITIONAL CHARGES, TRANSPARENCY AND COMPLIANCE

INTRODUCTION:

This document outlines the key requirements that providers must adhere to when delivering the early years entitlement hours. It is not intended to be exhaustive, and providers are strongly encouraged to familiarise themselves fully with the Department for Education (DfE) updated [Early education and childcare \(valid from 1 April 2026\) - GOV.UK](#) Statutory Guidance and the terms set out within their signed Provider Agreement.

The local authority continues to receive parental queries around how providers are applying charges to the early years entitlement funding.

Providers should ensure the information available to parents is clear and transparent. This will support parents in making an informed choice of provider and ensure they understand when they can access their child's funded hours.

Please note: where the local authority identifies a breach in a provider's delivery of the early years entitlement funded hours, the local authority may, at its absolute discretion, withhold, suspend, withdraw and/or require repayment of all or part of the early years' entitlement funding.

CHARGING FOR EXTRAS:

Providers are able to set their own models of delivery for the early years entitlement funding, whilst ensuring they are in-line with the updated DfE Statutory Guidance and signed Provider Agreement.

Whilst providers are able to charge for extras, these must be voluntary for parents in relation to the funded entitlement hours. Parents should not be required to purchase additional hours, or incur mandatory charges, in order to access their child's early years funded entitlement hours.

Parents must be able to opt out of paying for chargeable extras and associated consumables. Providers should make parents aware of what types of alternative arrangements are in place.

Important: There **must not** be any mandatory charges for parents/carers in relation to any of the funded hours delivered.

Children accessing the funded entitlements should receive the same quality and access to provision as non-funded children, regardless of whether they choose to pay for additional hours, optional extra services, meals or consumables. This has always been the case. The guidance is clear that providers should be mindful of the impact of charges on families, particularly the most disadvantaged. All parents, including disadvantaged families, must have fair access to a funded place.

What can be charged for? (A1.32 Statutory Guidance):

- 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](#)
- Additional Private Hours according to a provider's usual terms and conditions, provided taking up private paid hours is not a condition of accessing a free place

What can't be charged for? (A1.38 Statutory Guidance):

The following in connection with the entitlement hours:

- 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 the Early Years Statutory Framework and the learning and development requirements
- business running costs, including, but not limited to, rent, mortgage payments, staff wages, cleaning materials, disposal of waste materials, insurance, or utility bills such as energy, gas or water
- non-refundable 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. The provider may retain the deposit if the parent does not take up their place
- non-refundable retainer fees in relation to entitlement places
- additional support costs for children with special educational needs and disabilities (SEND) as part of their entitlement hours or as a condition of accessing an entitlements place. See paragraphs A1.45 and A1.46 regarding the Disability Access Fund and special educational needs (SEN) Inclusion Fund
- 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 A1.32

The charging and transparency section of the Guidance can be found in paragraphs A1.31 – A1.44, which states that local authorities should ensure that providers are aware that they can charge parents for meals and snacks consumed by the child in connection with the funded hours, but these charges must be voluntary for the parent.

Furthermore, it makes clear that parents must be able to opt out of paying for chargeable extras, such as meals and snacks. It also states that providers who choose to offer the funded entitlements are responsible for setting a policy that includes providing parents with options for alternatives to any additional charges. This policy must offer reasonable alternatives that allow parents to access the entitlements for free, including allowing parents to supply their own meals and snacks, or waiving the cost of these items and that in all cases, chargeable extras must not be a condition of taking up a funded place.

A2.14 of the Statutory Guidance encourages providers to work with parents to ensure continuity of care for children and effective transitional arrangements to support children's learning and wellbeing when enabling children to take up their free place at more than one provider or on more than one site.

In relation to food safety, there is a requirement within the EYFS that states: *'Before a child is admitted to the setting the provider must obtain information about any special dietary requirement, preferences, food allergies and intolerances that the child has, and any special health requirements'*. From September 2025 the DfE have strengthened the requirements around safer eating and in addition, to require that all settings must have ongoing discussion with parents and where appropriate health professionals to develop allergy action plans for managing any known allergies and intolerances. This information must be kept up to date by the provider and shared with all staff. Providers must ensure that all staff are aware of symptoms and treatments for allergies and anaphylaxis, the differences between allergies and intolerances and that children can develop allergies at any time. The DfE encourages settings to refer to the NHS advice on food allergies to support these arrangements.

There is now a requirement in the EYFS that children must always be within sight and hearing of a member of staff whilst eating and that where possible, a member of staff should sit facing children whilst they eat so they can make sure children are eating in a way to prevent choking and so they can prevent food sharing and be aware of any unexpected allergic reactions.

These requirements do not, and should not, prevent settings from allowing parents to bring in their own packed lunches or snacks. However, settings may choose to produce a 'packed lunch policy' or 'food and nutrition policy' which is shared with parents and/or carers to help them understand a settings regulatory obligation to provide healthy, balanced and nutritious food to children and encourage healthier food choices for packed lunches. The EYFS Nutritional Guidance states *'all foods brought from home should be checked for potential allergens so that the risk of cross contamination is reduced'*. Providers are free to set their own policies for food and nutrition and foods brought from home, but this must comply with equality legislation. Having a policy which is communicated to parents and/or carers is to ensure all children are being offered healthy and nutritious food and to ensure the safety of all children.

For full information and requirements, settings should refer to the [Early Years Foundation Stage Framework](#) and the [Early Years Foundation Stage Nutrition Guidance](#) for further guidance.

Providers, including childminders, may wish to agree a termly arrangement with parents regarding the additional hours or consumables purchased, to aid with business

planning and provide for stability of income, as long as charges are not mandatory. This may include asking parents to decide on a term-by-term basis whether they want to opt in or out of any charges for food, consumables or additional services.

The following link relates to an article where a parent was charged a fee per funded hour.

[Father given £1,173 refund from nursery in England after 'top-up' fees investigation | Childcare | The Guardian](#)

Please be reminded that by delivering the early years entitlement funded hours, you have agreed to adhere to the outlined specifications in the local authority's Provider Agreement.

Where it is identified a provider is in breach of the specifications outlined in the DfE Statutory Guidance or local authority's provider agreement, the local authority may, at its absolute discretion, withhold, suspend, withdraw and/or require repayment of all or part of the funding.

PROVIDER WEBSITES

To support parents, make an informed choice of provider and enable parents to understand that the early years entitlement funding is available free of charge, providers should ensure they publish their admissions criteria (if relevant) and any any fees for consumables, additional hours and services. Providers should also make parents aware of what types of alternative arrangements are available for those parents who do not wish to purchase these chargeable extras.

The Guidance states (A1.40), the costs of chargeable extras should be published on provider websites or, where they do not have any website, on local authority Family Information Services. These should be clear, up to date and easily accessible to parents, to enable parents to make an informed choice of provider. They should set out, for each setting, the amounts charged for the chargeable extras listed, as well as the pattern of hours that parents can take the entitlements.

Please see the DfE's guidance document to support with illustrating a breakdown of costs:

[DfE's Chargeable extras: template.](#)

INVOICING

In order to allow parents to see that they have received their child's early years entitlement funded hours completely free of charge and understand that any fees paid are for additional hours or optional services, providers should ensure their invoices are itemised as stated in A1.42 of the [Early education and childcare \(valid from 1 April 2026\) - GOV.UK](#) Statutory Guidance.

A1.42 Invoices and receipts should be itemised, and local authorities should work with providers to ensure their invoices break down separately into:

- the free entitlement hours
- additional private paid hours
- food charges
- non-food consumables charges
- activities charges

Invoices and receipts should include the provider's full details so that they can be identified as coming from a specific provider.

The local authority's updated Provider Agreement (April 2026) includes supporting invoice templates.

TAX FREE CHILDCARE

Parents should be encouraged to utilise the government's Tax-Free Childcare (if eligible) to support with their optional chargeable extras.
