

PROVIDERS ADDITIONAL CHARGES

The local authority is continuing to receive numerous queries from parents regarding how providers are applying charges when accessing the government's early years entitlement funding.

The key emphasis around the April 2025 Department for Education (DfE) [Early education and childcare \(effective from 1 April 2025\) - GOV.UK](#) Statutory Guidance is transparency in how the entitlements are passed on to parents.

Providers should ensure the information available to parents is clear and transparent prior to offering a funded place and that any charges around the funded hours are voluntary. This will support parents in making an informed choice of provider and ensure they understand when they can access their child's funded hours.

Provider's policies and procedures must be clear and transparent for parents, along with any optional services and charges. ***Whilst providers are able to charge for extras, these must be voluntary for parents in relation to the funded entitlement hours. There must not be any mandatory charges for parents in relation to the funded hours.*** Children accessing the funded entitlements should receive the same quality and access to provision as non-funded children. The DfE have stated that they are not seeking to stop providers from being able to charge for voluntary extras, however, in line with the [High Court Judgement](#), ***charges must not be mandatory or a condition of accessing a funded place.*** This has always been the case. The DfE have also stated that they are not encouraging parents to opt out, as many parents prefer to purchase consumables from their provider. However, the guidance is clear that providers should be mindful of the impact of charges on families, particularly the most disadvantaged.

What can be charged for? (A1.33 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

What can't be charged for? (A1.41 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 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, charges for enhanced ratios, 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 A1.33.

A1.32 of the Statutory Guidance states that 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 free hours. Government funding is not intended to cover the costs of meals, other consumables, additional hours or additional services.

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.

The charging section of the Guidance can be found in paragraphs A1.33 – 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 (A1.37). 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 (A1.38) and that in all cases, chargeable extras must not be a condition of taking up a funded place (A1.39). The guidance also makes 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.

A2.14 of the Statutory Guidance encourages providers to work with parents to enable 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 link below 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

A1.35 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 website (by January 2026). 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 all 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 this:

[Chargeable extras .docx](#)

TRANSPARENCY, MANDATORY CHARGES, CONSUMABLES AND FLEXIBILITY

- Charges should be published
- Invoices should be broken down
- No mandatory charges
- Clarity on voluntary consumables
- No artificial breaks
- Updates to reflect the expansion
- Updates following Ofsted changes

INVOICING

A1.36 of the guidance also sets out the categories providers are expected to break their costs down into to emphasise transparency of how the entitlement should be passed on to parents, including that any agreed costs should be clear on invoices and websites.

Please see the DfE's expectations for invoices below:

- The entitlement hours (allowing parents to see they have received their child's funded entitlement completely free of charge);
- Additional private paid hours;
- Food charges;
- Non-food consumables charges;
- Activities charges.

The DfE guidance allows providers a lead-in time in which to adapt their invoices to reflect the above expectations, with a requirement for this to be fully implemented by January 2026.

As long as the categories of optional chargeable extras are clear and transparent, including how many early years entitlement hours parents are getting per day / per week, a pragmatic approach to aggregating costs can be taken and every single individual cost does not need to be itemised.

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 2025) 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.
