

## **INFORMATION AND GUIDANCE RELATING TO BILLING**

### **Free at the point of delivery**

Free Early Education (FEE) places must be provided free at the point of delivery, this means that providers cannot charge parents for any part of their free hours, refund them at a later date or charge a top-up fee (the difference between what a provider would normally charge for a non funded session and the amount they receive from the LA to deliver the FEE place).

DfE statutory guidance states the following in relation to the free early education places:

- If providers charge for any goods or services, for example meals, uniform, optional extras or additional hours of provision outside of the free early education place, this should not be a condition of children accessing their free place.
- Ensure that parents can clearly see, from the information they receive from their provider, that they have received their child's full 15 hour place completely free.

If the Free Early Education place accessed by a child covers a lunch/snack period, there are three options:

- The provider can choose to include the cost of the lunch/snack within the free hours
- The provider can make a charge for lunch/snack and the parent/carer pays the additional charge.
- The parent/carer can bring a packed lunch/snack for the child.

If the parent/carer does not want to / cannot afford to pay for a lunch/snack for their child, they must be given the option of providing a packed lunch/snack.

Any charges made for lunch / snacks or additional hours should be clearly explained to the parent/carer. We recommend that all settings should provide parents with full written details of their funding structure prior to their child taking up a place at the setting.

### **Charging for additional childcare**

Providers should clearly show on the invoice to parents the number of free hours which have been deducted in respect of their child's free place. Additional charges, such as lunch/snack costs and charges made for attendance outside of the free entitlement hours should be clearly stated on the invoice.

To help calculate a parent/carers bill, providers will need to determine the hourly rate / session rate for the additional hours accessed over and above the FEE place.

Some providers use different rates depending on whether a child attends full time, full days, half days or a combination of these.

If parents are eligible for help with childcare costs through Working Tax Credits (WTC) the amount declared on the tax credit form must be the amount they actually pay for childcare (i.e. cost of childcare less the reduction for the FEE place). It is the parents responsibility to claim WTC, provider should signpost parents to the WTC Helpline on 0845 3003900.

### **Example Billing Template**

The nursery in this example is open from 8 am to 6 pm, 50 weeks of the year.  
Full day rate is £35.00 (equivalent hourly rate £3.50 per hour).

The child in this example is booked to attend 3 full days every week for a full year.

|   | <b>Item</b>                         | <b>Comments/<br/>Description</b>                                | <b>Hours</b> | <b>Amount (£)</b> |
|---|-------------------------------------|-----------------------------------------------------------------|--------------|-------------------|
| A | Total hours booked                  | 10 hours per day<br>X 3 days per week<br>X 50 weeks per<br>year | 1,500        |                   |
| B | Free Early Education<br>hours       | 15 hours per week<br>X 38 weeks per<br>year                     | 570          |                   |
| C | Hours parents need to<br>pay for    | A – B                                                           | 930          |                   |
| D | Hourly rate as above                |                                                                 |              | £3.50             |
| E | Total amount parents<br>need to pay | C X D                                                           |              | £3,255.00         |
| F | 12 equal monthly<br>payment         | E / 12                                                          |              | £271.25           |

The above example is for a very common take-up pattern in York nurseries, however, a number of other templates could be used where a daily rate rather than an hourly rate is used or when the bill is calculated on a monthly basis rather than equal payments spread across the year.

### **Support available**

The Childcare Strategy Service can support providers to ensure that parents' invoices are set out clearly so that parents can easily recognise and understand the hours they have accessed in relation to the Free Early Education place and how any fees relate to additional services or hours.

For further support, please contact the Business Support Adviser on 01904 551006.

Please note that the LA has a duty to investigate any complaints received from the parents concerning charging discrepancies.