

**FREE EARLY EDUCATION ENTITLEMENT SCHEME  
CHARGING GUIDANCE FOR PROVIDERS**

**LEICESTERSHIRE COUNTY COUNCIL**

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## Introduction

1. This note is intended to help registered childcare providers (*including Nurseries, Children Centres and Childminders*) to deliver the Free Early Education Entitlement Scheme (the “FEEE Scheme”).
2. Specifically, this advice note explains how providers, delivering the FEEE Scheme, should approach the issue of charging. The note draws upon the contents of, relevant materials (*including Statutory Guidance, Operational Guidance and Model Agreement Guidance*) referred to in Appendix 1.
3. *Specific advice related to the funding of the FEEE scheme during the Covid pandemic is set out on the Council’s website<sup>1</sup>.*

## Context

4. The Free Early Education Entitlement is a central government scheme which is funded via local authorities.
5. Under the Childcare Act 2006 and Childcare Act 2016, English local authorities have a statutory duty to secure early years provision free of charge.
6. The FEEE Scheme provides up to 15 or 30 hours per week of free childcare for children aged 2, 3 or 4 years old (*subject to eligibility criteria*) until they reach compulsory school age.
7. The FEEE Scheme is important for many reasons:-
  - a. Early education benefits children’s social, physical and mental development. Evidence suggests that the scheme leads to more positive outcomes for children from both disadvantaged and non-disadvantaged families. Comparative evidence demonstrates that children who attend some formal early education before primary school are on average, a year ahead of their peers.<sup>2</sup>
  - b. The Scheme also offers wider benefits to society. It can enable parents who would otherwise struggle with the cost of childcare to continue working. *In that sense the scheme is in the nature of an investment by government in children and families for their benefit and the benefit of wider society.*
  - c. Providers can also benefit because the state funds the costs of large amounts of nursery hours and many families, attracted by the Scheme, also purchase hours on a privately paying basis on top of the funded FEEE hours.
8. The take up of the FEEE scheme for 3- and 4-year olds is high.
9. Despite its advantages and popularity, the scheme has come in for criticism. One Member of Parliament has labelled the scheme as confusing for parents<sup>3</sup>.

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<sup>1</sup> <https://www.leicestershire.gov.uk/education-and-children/early-years-and-childcare/funded-childcare-places/funded-childcare-places-more>

<sup>2</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/738776/Take-up\\_of\\_free\\_early\\_education\\_entitlements.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/738776/Take-up_of_free_early_education_entitlements.pdf)

<sup>3</sup> Darren Jones MP – Feb 2019 <https://hansard.parliament.uk/Commons/2019-02-19/debates/18149229-C56C-400E-ACBA-2B0226C50AD3/FreeChildcareCostsAndBenefits>

10. Another major Report identified that, some parents were concerned about unexpected additional costs such as top up fees and registration fees<sup>4</sup>. There was a complaint made to the Council, which stemmed from the perceived complexity of a nursery's charging arrangements.
11. It is vitally important that parents retain confidence in the FEEE Scheme. Accordingly, it is important that providers are clear and transparent in their charging arrangements (*particularly related to the cost of private nursery hours*).
12. It is not the Council's intention to create bureaucratic hurdles for providers. The Council wishes to see a flourishing local market for childcare provision and it wishes to maintain strong and constructive relationships with providers.
13. Part of this relationship involves sharing best practice and supporting continuous professional development.
14. In drafting this guidance, the Council has paid specific attention to the requirement contained at section A4.19 of the Statutory Guidance (*which requires the Council to limit its requirements to those measures that are necessary to achieve certain stated objectives*<sup>5</sup>).

### **FEEE Hours**

15. The FEEE Scheme is intended to be genuinely free to families of qualifying children. No other fees are to be charged by providers as a condition of children accessing their place. The Model agreement guidance confirms that:-

*"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."*<sup>6</sup>

### **Stretched Entitlement**

16. Providers may choose to offer a 'stretched entitlement' which allows parents to take up patterns of hours which stretch their child's entitlement by taking fewer hours per week over more weeks in the year.
17. A qualifying child can still only access the same number of funded hours, but these can be taken over more funded weeks. For example, 1,140 hours taken over 48 weeks equates to 23.75 hours per week.

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<sup>4</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/738776/Take-up\\_of\\_free\\_early\\_education\\_entitlements.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/738776/Take-up_of_free_early_education_entitlements.pdf)

<sup>5</sup> Which include that:- places are delivered completely free of charge to parents; places are provided flexibly; that funding provided is used properly ; that the provider meets the needs of disabled children and children with special educational needs; there is effective safeguarding; British values are promoted & there is effective administration of the arrangements [A41.8].

<sup>6</sup> Section 2.53 of the Model Agreement Guidance.

### **Accessible blocks of care.**

18. The Operational Guidance requires that children should be able to take up their free hours as part of continuous provision and providers should avoid artificial breaks in the day wherever possible. The permissible timings are Set out at Section A2.4 of the Statutory Guidance.
19. For example, the lunch time hour/session should form part of the free provision where the child is attending a morning and afternoon session.<sup>7</sup>

### **Consistency**

20. Providers are expected to deliver the free entitlements consistently to all parents regardless of whether they opt to pay for optional services or consumables. Children accessing the free entitlements should receive the same quality and access to provision as those paying for provision.

### **Additional / Private Hours**

21. Leicestershire County Council has no wish to restrict the amount of private nursery hours sold to parents. Additional hours are essentially a matter between parents and providers.
22. The Statutory Guidance advises Councils not to intervene where parents choose to purchase additional hours of provision or additional services providing that this does not affect the parent's ability to take up their child's free place.<sup>8</sup>
23. Nor does the Council seek to control what hourly rate private nursery care should be set at. The Council recognises that the costs of nursery care can vary from provider to provider.

### **Consumables**

24. The Government funding is intended to deliver 15 or 30 hours a week of free childcare. It is not intended to cover the costs of meals or other consumables.
25. Providers are therefore entitled to 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 specialist tuition. Parents can therefore be expected to pay for these, although these charges must be voluntary for the parent.<sup>9</sup>
26. However, providers must offer alternative options for parents. This could include, for example, allowing a parent to bring in their own consumables or a packed lunch or snack, where the meal offered is not suitable for children with specific dietary needs or the parent prefers a lower cost option.

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<sup>7</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/718181/Early\\_years\\_entitlements-operational\\_guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718181/Early_years_entitlements-operational_guidance.pdf)

<sup>8</sup> A1.27

<sup>9</sup> A1.25

## Provision of Advance Information

27. Providers are free to set their own criteria for the admission of children, providing they comply with all relevant legislation in respect of equalities and non-discrimination.
28. Parents should be given advance information about the arrangements for FEEE hours and any private hours.
29. The Council is itself expected to maintain a register of providers' information under regulations<sup>10</sup>. Before entering into a contractual relationship, the Council would expect registered providers to provide similar information to Parents.
30. In order that parents can make informed choices, providers should seek to make the following information available to parents: -

Provider details	<ol style="list-style-type: none"> <li>I. the registered person's name;</li> <li>II. the business name, if any, under which the childcare is provided by the registered person;</li> <li>III. the address of the relevant premises, except where the relevant premises are the home of any child to whom childcare is being provided by the registered person;</li> <li>IV. the address of the registered person, if different from the address of the relevant premises;</li> <li>V. any telephone number, fax number or email address of the registered person or the relevant premises;</li> </ol>
About the provider	<ol style="list-style-type: none"> <li>VI. The type of the childcare provided and whether SEND support is available;</li> <li>VII. The number and ages of children to whom childcare is provided<sup>11</sup>;</li> <li>VIII. Details of the most recent Ofsted inspection (if any);</li> </ol>
Accessibility	<ol style="list-style-type: none"> <li>IX. Details of the days and times that the Provider offers free FEEE places;</li> </ol>

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<sup>10</sup> Childcare Act 2006 (Provision of Information to Parents) (England) Regulations 2007/3490

<sup>11</sup> This is in keeping with

	<p>X. Qualifying parents should be informed of their entitlement of 570 or 1,140 hours of funded provision in a year and that they can take up as much or as little as they wish.</p> <p>XI. Providers should make it known that the Early Years Pupil Premium (EYPP) provides additional funding to providers to support disadvantaged three- and four year-olds in early years settings.</p>
Charging	<p>I. Qualifying parents should be made aware that, if their funded child exceeds their maximum funded entitlement, that they will be subject to charges as per the terms and conditions of their contract.</p> <p>II. Parents should be notified in advance of the cost of private nursery care. Information should be presented in such a way that a parent can calculate both in advance and with reasonable certainty, what would be the actual cost of a given pattern of use.</p> <p>Accordingly, if for example, a working parent wanted to take up their funded FEEE hours and purchase 9 private hours per week then the disclosed information should enable the parent to understand (a) that they will be liable for 9 hours of private nursery care and what the actual total cost to them would be.</p> <p>III. Any additional charges made to parents/carers of funded children should be identified in the terms and conditions of the contract with parents.</p> <p>IV. The provider should also provide details of any deposits required and when they will be returned.</p>

## Charging

31. Invoices and receipts are required to be clear, transparent and itemised allowing parents to see that they have received their child's free entitlement completely free of charge and understand fees paid for additional hours or services.<sup>12</sup> The Council would expect that invoices would comply with the following requirements:-

FEEE Provision	<p>I. Invoices and statements should identify the number of FEEE hours received by the child in a particular time period (<i>e.g. monthly</i>).</p> <p>II. The invoice should identify that the FEEE hours have been paid in full.</p>
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<sup>12</sup> A1.33

	<p>III. No monetary value should be applied to the FEEE hours as this is a matter between the provider and the Council.</p> <p>IV. Funding should not be described as a subsidy.</p>
Privately funded elements.	<p>V. <i>Where parents are to be charged for the services they receive, the levied charges should only relate to the following elements:-</i></p> <p style="padding-left: 40px;">a. <i>Additional hours purchased;</i></p> <p style="padding-left: 40px;">b. <i>The cost of consumables (e.g. meals &amp; snacks).</i></p> <p>VI. The Council encourages simplicity in charging. This assists with clarity and transparency.</p> <p style="padding-left: 40px;"><i>The charges (excluding VAT) should be itemised and structured in such a way that a parent can quickly and easily understand how the cost has been calculated (e.g. 25 additional hours in July @ £6.50 per hour = £162.50).</i></p> <p>VII. <i>The rates claimed should be consistent with the advance charging information disclosed to the parent at the time of contract.</i></p>
Additional Information	<p>VIII. Invoices and receipts should include the provider's full details so that they can be identified as coming from a specific provider. This will include the business name, address and contact details.</p>

## Deposits

32. The Statutory Guidance contemplates that providers may require a deposit to secure a nursery place (Section A1.31 of the Statutory Guidance).
33. The Statutory Guidance expects that the deposit should be refunded in full to parents within a reasonable time scale. Leicestershire County Council considers that a reasonable time scale means that a deposit should be repaid within 30 days of the child ceasing to receive services from the Provider.

## Enforcement of Requirements

34. The Council wishes to have a positive working relationship with providers. However, the Council takes a failure to comply with the Statutory Guidance seriously. A serious or repeated failure to comply with the Statutory Guidance may cause the Council to

remove Free Early Education Funding from a provider and require a provider to reapply.

35. This point is made at Section 9 of the Council's guidance on the removal of funding:-

*“Failure to administer the FEEE in line with the guidance Failure to administer and implement the FEEE funding in line with statutory and local guidance, may result in removal or withholding the funding. Providers will need to demonstrate that they are administering the funding appropriately to have their funding reinstated. Please see the links at the bottom of this policy document for details of statutory and local guidance.”<sup>13</sup>*

### **Monitoring and compliance**

36. The Council does not intend to implement a monitoring regime which is disproportionate or are unnecessarily burdensome to providers. Nevertheless, the Council reserves the right to make visits to private, voluntary and independent providers to verify compliance with the Statutory Guidance and terms of the providers' agreement.

### **Complaints**

37. The Provider should ensure they have a complaints procedure in place that is published and accessible for parents who are not satisfied their child has received their free entitlement in the correct way. Providers should keep a log of complaints including any complaints related to alleged over charging. Providers should provide a copy of the complaints log and related materials to Council' officers upon request.

### **Guidance and Support**

38. Further guidance and support can be obtained by contacting:- [FEEE@leics.gov.uk](mailto:FEEE@leics.gov.uk) or by calling 0116 305 5788.

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<sup>13</sup> [https://resources.leicestershire.gov.uk/sites/resource/files/field/pdf/2020/1/22/removal-of-fee-funding\\_0.pdf](https://resources.leicestershire.gov.uk/sites/resource/files/field/pdf/2020/1/22/removal-of-fee-funding_0.pdf)

## Appendix 1

### Resources.

Childcare Act 2006 (Provision of Information to Parents) (England) Regulations 2007/3490	<a href="https://www.legislation.gov.uk/uksi/2007/3490/contents/made">https://www.legislation.gov.uk/uksi/2007/3490/contents/made</a>
<i>Early Education and childcare Statutory guidance for local authorities June 2018</i>	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718179/Early_education_and_childcare-statutory_guidance.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718179/Early_education_and_childcare-statutory_guidance.pdf</a>
<i>Early years entitlements: operational guidance For local authorities and providers June 2018</i>	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718181/Early_years_entitlements-operational_guidance.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718181/Early_years_entitlements-operational_guidance.pdf</a>
<i>The Model Agreement Early years provision free of charge and free childcare June 2018</i>	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718184/Early_years_provision_free_of_charge_and_free_childcare-model_agreement.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718184/Early_years_provision_free_of_charge_and_free_childcare-model_agreement.pdf</a>
<i>SEND Code of Practice</i>	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/398815/SEND_Code_of_Practice_January_2015.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/398815/SEND_Code_of_Practice_January_2015.pdf</a>
<i>Equality Act 2010</i>	<a href="https://www.legislation.gov.uk/ukpga/2010/15/contents">https://www.legislation.gov.uk/ukpga/2010/15/contents</a>