The Early Education and Childcare Entitlements Statutory Guidance - Frequently Asked Questions for Childminders about charging

This document from the Department for Education answers frequently asked questions from Childminders about the updated charging section in the <u>Early education and childcare</u> <u>entitlements statutory guidance</u>, which is effective from 1 April 2025. However, please refer to the actual guidance when considering charging practice

Summary

- The Department for Education publishes guidance which governs the delivery of the early education and childcare entitlements (the 15- or 30-hours working parent entitlement, universal 15hrs entitlement for 3- and 4-year-olds and the 15 hrs entitlement for children aged 2 years receiving additional forms of support).
- The Department has clarified the guidance as it relates to additional charges it is vitally important that the entitlements remain accessible and affordable for families as they are expanded.
- The Department is **not** seeking to stop childminders from being able to charge for voluntary extras. However, charges must not be mandatory or a condition of accessing an entitlement place. This has always been the case and has been reaffirmed by a recent High Court judgment.
- Government funding for the entitlements does not cover consumables like meals, nappies or sun cream or additional activities, such as trips, so providers are able to ask parents to pay for these things. The Department is not encouraging parents to opt out, and we know that many parents prefer to purchase consumables from their provider.
- The updated guidance has introduced some new expectations around transparency for parents, although these don't take effect until January 2026. This includes asking providers (including childminders) to break down invoices into categories of charge.
 Larger providers are expected to detail charges on their websites, but the guidance says LAs can exempt childminders from this.
- We know childminders do a brilliant job for parents and children and the updated guidance should support transparency and consistency. Childminders are a key part of the early years sector, providing high-quality, flexible, and affordable early education and childcare, and playing an important role in delivering entitlements and wraparound care.

Questions and Answers for Childminders

Are you stopping childminders from charging?

No, the updated guidance does not stop childminders from being able to charge for voluntary extras, which they can continue to do. The guidance makes clear that childminders can charge parents for extras, as long as charges are not mandatory or a condition of accessing a place. This has always been the case.

How do we manage if parents change their mind about paying for consumables?

Childminders may wish to agree a termly arrangement with parents prior to that term commencing 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

Are the new entitlements good for childminders?

Like other registered early years providers, childminders can deliver the government's funded early years entitlements. This includes the universal 15 hours for all 3- and 4-year-olds and some 2-year-olds, and 30 hours for eligible working parents.

Childminders can contribute to the delivery of the expanded entitlements to younger children and the expansion could benefit childminders in different ways.

We know the expansion is likely to stimulate demand for childminder places or additional hours and the additional funding going into the system should support the sustainability of the sector. Although hourly funding rates will vary between local authorities reflecting the different communities that local authorities serve, the overall DfE funding rates for the new entitlements are substantially above the average level of private paid fees charged by Childminders, so the expansion should support increased revenues.

Why does the funding rate decrease when children turn 3?

The early years is a diverse market, made up of a range of for-profit and not-for-profit provider types including chains of nurseries, single site providers, school-based providers and childminders.

Therefore, our principle since the introduction of the EYNFFs in 2017 has been to distribute funding fairly, efficiently and transparently across the country and across provider types.

The hourly funding rate paid to local authorities for these entitlements is designed to recognise the average costs across different provider types and is intended to reflect staff and non-staff costs.

We know, from listening to the sector and from our own regular research, that the cost of care is highest for younger children, which the funding rates reflect.

However, funding is not ring-fenced by age, and we know many childminders often look after children at a range of ages, often below and above age 3. Where this is the case childminders can use all the funding they receive from their local authority to support with costs across all the children they look after.

27 MARCH - FOR CHILDMINDERS

Overall, through our regular research we know that the funding rates for younger children will often be significantly above previous parent paid-rates and the childminding sector will benefit from the expanded entitlements for working parents. Childminders are not prohibited from using any surplus generated from funding for younger children to support older children.

If parents want to make a voluntary contribution, are they able to?

If a parent wishes to make a voluntary contribution, then they can do so, provided that it is wholly voluntary, and they are not being charged a 'top-up fee' or for other services or items detailed at paragraph A1.41 of the <u>guidance</u>. This has always been the case.

Can providers charge deposits?

Local Authorities must ensure that providers do not charge parents non-refundable deposits as a condition of taking up a child's entitlement place. It is therefore permissible to charge a reasonable refundable deposit in relation to the entitlement hours, that must be paid back to parents within a reasonable period after taking up their place (but can be retained if the child does not take up the place without sufficient notice.)

Do providers need to itemise everything so the cost for each item in a day or week, or can they aggregate over a week/ month?

Local authorities should work with providers to ensure that by January 2026, their invoices break down separately into:

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

As long as the categories of charge are clear as above, including how many free hours parents are getting per day and per week, a pragmatic approach to aggregating costs can be taken and every single individual cost does not need to be itemised.

Paragraph A1.35 of the updated guidance also says that costs of chargeable extras should be published online by January 2026. However, local authorities may exempt childminders from this expectation regardless of the number of funded and non-funded children they care for.