

Invoicing Guidance for the PVI sector

Free Early Education - Guide to Invoicing parents – ENGLAND

Free early education is at the heart of the Government's vision for all children to have access to high-quality early years education that helps them reach their full potential.

All three- and four-year-olds are entitled to 15 hours a week free provision from the 1 April, 1 September or 1 January following the child's third birthday. In addition, forty per cent of two-year-olds are entitled to places in the term following their second birthday if they meet eligibility criteria. From 2017 (2016 in some early implementer areas) three- and four-year-olds of working parents will be eligible for 30 hours a week free provision, subject to meeting eligibility criteria.

The Statutory guidance for local authorities on early education and childcare (September 2014) does not provide guidance on how providers operate their private businesses, including charges for provision over and above a child's early education place. The guidance says local authorities should not intervene in providers' private businesses outside of a child's early education place.

The Statutory Guidance says local authorities should:

Ensure that if providers charge for any goods or services this is not a condition of children accessing their place. Such goods or services might include meals, optional extra activities or additional hours of provision in addition to the funded place

Invoicing arrangements

The invoice for the free early education offer should include a clear fee structure setting out any charges for additional hours/services e.g. cost of meals.

The Statutory Guidance says local authorities should 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.

NDNA has put together a selection of sample invoice templates which demonstrate how free early education hours can be clearly displayed.

Invoicing Templates for Free Early Education

Example A: Child attending full time 10 hours per day 5 days per week at £3.50 per hour

		Hours	Cost £
A	10 hours x 5 x 50 weeks per year	2500	
B	Free entitlement hours (15 hours per week X 38 weeks of year)	570	£00.00
C	Hours Above Free Entitlement A- B	1930	
D	Hourly Rate based on actual take up		£3.50
E	Amount payable by parents/ carers for full year (C X D)		£6755
F	Additional Costs eg Lunch @ 1.20 per day = £6 per week		£300
G	Annual Total		£7055
H	Monthly amount (G/12)		£587.91
I	Weekly amount (G/ 52)		£135.67

Example B: Child attending 5 am sessions per week at £4.20 per hour

		Hours	Cost £
A	5 hours x 5 days	25	
B	Free entitlement hours (15 hours per week)	15	£00.00
C	Hours Above Free Entitlement A- B	10	
D	Hourly Rate based on actual take up		£4.20
E	Amount payable by parents/ carers per week (C X D)		£42.00

Example C: Child attending 3 full days per week (30 hours) stretched over 50 Weeks, £3.60 per hour (based on £36 per day)

		Hours	Cost £
A	3 x 10 per week =	30	
B	Free entitlement hours (stretched over 50 weeks)	11.4	£00.00

C	Hours Above Free Entitlement A- B	18.6	
D	Hourly Rate		£3.60
E	Amount payable by parents/ carers for week (C X D)		£66.96
F	Additional Costs eg Lunch @ 1.20 per day X 3 days		£3.60
G	Total (E+F)		£70.56

Example D: Child attending 2 full days 10.5 hrs) at £3.10 per hour and 1 am session 5.5 hrs at 3.64 per hour (Where a child attends at different times which incurs a different hourly rate an average hourly cost can be applied).

		Hours	Cost £
A	2 x 10.5 + 1x 5.5 per week	26.5	
B	Free entitlement hours (15 hours per week)	15	£00.00
C	Hours Above Free Entitlement A- B	11.5	
D	Hourly Rate based on actual take up $3.10 + 3.64 = 6.74 / 2 = 3.37$ (average)		£3.37
E	Amount payable by parents/ carers for week (C X D)		£38.75
F	Additional Costs eg Lunch @ 1.20 per day X 3 days		£3.60
G	Weekly Total		£42.35

Cost of additional hours above free early education on a sliding scale

Using a sliding scale as below would replace the need to average fees prices out on invoice. Clarity for parents on invoicing

Hours	Cost
1 - 5	£4.50
6-10	£4.25
11-15	£4.00
16-20	£3.75
21-25	£3.50
26-30	£3.25

31-35	£3.00
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Example E: Using a sliding scale

Child attending 3 full days, 10 hours per day and 1 am session 5 hours

		Hours	Cost £
A	3 x 10+ 1x 5 per week =	35	
B	Free entitlement hours (15 hours per week)	15	£00.00
C	Hours Above Free Entitlement A- B	20	
D	Hourly Rate based on actual take up Above 15hrs		£ 3.75
E	Amount payable by parents/ carers for week (C X D)		£75.00
F	Additional Costs eg Lunch @ 1.20 per day X 4 days		£ 4.80
G	Total		£79.80
	Discount for sibling 10%		£ 7.98
	Total after discount		£71.82

Example F:

Using a termly invoice

Child attending for full summer term April – August

Full free entitlement 570 hours over three terms

No. of months in term	No. of weeks in term	No. of funded weeks in term	No. of funded hours in term
5	22	13	195

Child attends only 2 sessions during the Easter break

Day	Times attended	Hours per day	FFE hours	Chargeable Hours
Monday	08:00 - 13:00	5	5	0
Tuesday	08:00 - 18:00	10	7	3
Wednesday	09:00 - 12:00	5	3	2
Thursday	09:00 - 12:00	3	0	3
Friday	09:00 - 12:00	0	0	0

Total		23	15	8
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		Cost £
Funded Weeks (Term)		
FFE Hours	15 hrs x 13 wks = 195	£ 00.00
Additional Hours	8 hrs x13 wks =104 x £5.50	£572.00
Non-Funded Weeks (non term)		
Easter holidays 2 session	2 x £23.00	£ 46.00
Half term and summer holidays (1 full day per week)	7 wks x £40.00	£ 280.00
Half term and summer holidays (2 sessions per week)	7 wks x 2 x £23.00	£ 322.00
Half term and summer holidays (additional hours)	3 hrs x 7 wks x £5.50	£ 115.50
Total		£1,335.50
Monthly Amount (Total/5mths)		£ 267.10