

Guidance and FAQ for Providers on Parental Agreements

A parental agreement is an agreement between a North Yorkshire Council (NYC) funded early years childcare provider and parents whose children take up government funded hours. NYC provide a sample document that childcare providers can customise to reflect their individual offer, or they can choose the template from the DfE.

Purpose - The purpose of the parental agreement is to ensure that parents can make informed decisions on their choice of childcare and get the parents' permission to make the government funding claim on their behalf. Providers can include the parental agreement in their contract with parents and/or their terms and conditions.

The provider must ensure they see a form of identification and record this on the parental agreement, for example the child's birth certificate or passport to verify the child's full legal name and date of birth - it is not necessary to keep copies of any DOB evidence.

A parental agreement must be completed for all eligible funded children, signed by either the parent or the child's legal guardian, before a child starts accessing their funded place, and must be in place for the duration that a child is accessing their government funded hours.

The provider must keep a copy of the signed parental agreement for each child as proof of the number of funded entitlement hours that the parent has authorised you to claim on their behalf. The parental agreement will be used support the information submitted via the Provider Portal. Copies of parental agreements will be checked during any compliance check of early years funding carried out by the local authority or required as evidence in the event of a duplicate claim.

Copies should be retained and stored securely by the provider for 6 years.

A parental agreement can be in a paper, or electronic format, but must comply with General Data Protection Regulations and stored securely.

Please make your offer clear for parents to understand and ensure that you comply with the Department for Education Statutory Guidance paying particular attention to the Charging section as shown below. The full document can be found here: [Early education and childcare \(effective from 1 April 2025\) - GOV.UK](#)

Charging

A1.32 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.

A1.33 Local authorities should ensure that providers are aware that they can charge parents for the following extras in connection with the free hours, but these charges must be voluntary for the parent:

- *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.*

Providers can also charge parents for any additional, private paid hours according to their usual terms and conditions provided taking up private paid hours is not a condition of accessing a free place.

A1.34 Local authorities should ensure that providers follow these terms in levying any chargeable extras.

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. 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. Local authorities may wish to ensure providers follow DfE's template of how to set out these costs and may exempt childminders and providers caring for 10 or fewer children at any one time. This should be fully implemented by January 2026 at the latest.

A1.36 Invoices and receipts should be itemised, and local authorities should work with providers to ensure their invoices break down separately into:

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

Local authorities should ensure these itemised invoices are in place by January 2026. This is to allow parents to see that they have received their child's free entitlement hours completely free of charge and understand that any fees paid are for additional hours or optional services. Invoices and receipts should include the provider's full details so that they can be identified as coming from a specific provider.

A1.37 Parents must be able to opt out of paying for chargeable extras and the associated consumable or activity for their child. For activities and extra services, providers should be made aware that participation in any optional extra activity should be on the basis of parental choice and a willingness to meet the charges. In these circumstances, local authorities should ensure that children who do not participate in optional activities continue to receive provision that complies with the EYFS.

A1.38 Providers should be mindful of the impact of charges on families, particularly the most disadvantaged. Providers who choose to offer the free entitlements, are responsible for setting a policy on providing parents with options for alternatives to additional charges. This policy must offer reasonable alternatives that allow parents to access the entitlement for free, including allowing parents to supply their own, or waiving the cost of these items.

A1.39 In all cases, these chargeable extras must not be a condition of taking up a free place. All parents, including disadvantaged families, must have fair access to a free place. A local authority should intervene if a provider seeks to make additional hours, optional services, or optional consumables a mandatory condition of taking up a free place.

A1.40 Providers should deliver the free entitlements consistently, so that all children within a setting accessing any of the free entitlements receive the same quality and access to provision, regardless of whether they choose to pay for voluntary hours, voluntary extra services, meals, or consumables.

A1.41 Local authorities must take all steps available to ensure that the free entitlements are available free of charge and therefore that providers do not charge parents for 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, additional charges, enhanced ratios, hourly rates, 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.*

A1.42 Local authorities should ensure providers adhere to the following terms, regardless of whether they charge any chargeable extras.

A1.43 Local authorities should ensure that providers work with parents so that parents understand which hours and sessions can be taken as free provision. Not all providers will be able to offer fully flexible places, but providers should work with parents to ensure that as far as possible the pattern of the entitlement hours are convenient for parents' working hours. Local authorities should ensure that children are able to take up their free hours in continuous blocks if they wish to, and there should be no artificial breaks in the entitlement hours. For example, a provider should not offer 10am to midday and 1pm to 3pm as entitlement hours and offer only private paid hours in between.

A1.44 Local authorities should ensure that providers and parents are aware that the Early Years Pupil Premium (EYPP) provides additional funding to providers to support the quality of early education for eligible children taking up early education and childcare entitlements. The Disability Access Fund (DAF) supports eligible, disabled children's access to the entitlements.

Questions and Answers

Do parental agreements have to be in place for all our funded children?

Yes, parental agreements must be completed and signed by both parties (i.e., the parent and provider) prior to the start of the funded place. You should not claim funding for children whose parents have not signed an agreement. All claims made on a termly headcount should also reflect the number of funded hours per week the parent has signed, and confirmed they wish to access with you, per week.

Do providers need to complete a new parental agreement every term?

No, the agreement has been designed so that only one agreement needs to be completed for each child while they attend your provision - unless significant changes are made to the funded hours the parent wishes to access and for you to claim.

What should I do with the parental agreement?

You should keep the original and keep it in a secure place and give the parents a copy. There is no need to send them to the Early Years Funding Team unless specifically requested to do so, which may happen in the event of an over claim or a disputed claim. The retention period for completed parental agreements is 6 years.

What if the child is attending another provider?

The parent must declare the name of the other provider, the number of hours and if accessing universal or working family funded hours that the child is accessing at the other provider. This reduces the possibility of any overclaim of funding. The parent must also provide you with a copy of their completed parental agreement from the other provider, where applicable.

I have a parent who has not signed a parental agreement.

You must make the parent aware that you will not be able to claim for the funded hours from the local authority until you have a signed agreement.

I have a parent who claims they did not understand what they were signing when they signed the parental agreement and now want to change provider.

NYC allow parents the choice of where their child accesses their funded place. However, parents are responsible for reading the parental agreement before signing; if this is not possible due to sensory impairment or a language barrier the provider should ensure it is fully explained before asking the parent to sign.

Early Years Funding Team April 2025