



Nadhim Zahawi MP  
Parliamentary Under Secretary of State for Children and Families  
Department for Education  
Sanctuary Buildings, Great Smith Street  
London SW1P 3BT

23<sup>rd</sup> January 2018

Dear Mr Zahawi,

I'm writing on behalf of our members – 30,000 childminders, nursery workers, nannies and early years students – to congratulate you on your appointment as Parliamentary Under Secretary of State for Children and Families. As the Professional Association for Childcare and Early Years (PACEY), our aim is for all children to experience high quality childcare and early learning. We support early years practitioners to provide first-rate provision through training, resources, advice and peer support, and we champion the vital role they play in helping prepare children for a bright future.

As you take up your post, childcare and early years provision in England is truly at a crossroads. Whilst the overwhelming majority (94 per cent) of providers are now good or outstanding according to Ofsted, they are also under increasing pressure to survive. Growing costs alongside poor funding levels for 'free' places for are beginning to take their toll. On top of this, the number of registered childminders has dropped by more than a quarter (26 per cent) in the past five years.

Childminders remain a great untapped source of potential for free entitlement places. At last count, only a third of childminders were delivering funded places, and forty per cent of childminder have not been asked by a parent to provide one. It is clear from PACEY research that childminders could deliver substantially more funded places if four key barriers were removed: the low hourly rate<sup>i</sup>; delayed/uncertain payments and other red tape associated with the administration of the entitlement<sup>ii</sup>; and low levels of parental awareness about childminders.

Another key barrier is the ban on providing funded places to any related children. In the context of falling numbers of registered childminders and an under-representation of childminders in delivering funded places, the ban is another factor contributing to a decline in childminder morale and sustainability. It is forcing many parents to take their child out of a relative's setting, regardless of their personal preferences and the best interests of the child and the wider family, including siblings. It is also perceived by childminders as deeply unjust, as it does not affect staff in non-domestic settings such as pre-schools and nurseries.

We are asking you to harmonise at the earliest opportunity the criteria for using childcare provided by relatives, so that parents in England can use related childminders for the early education and childcare entitlements, just as they can for Tax-Free Childcare, childcare vouchers, and the childcare element of Working Tax

Credit/Universal Credit – as long as the childminder is registered with Ofsted and the care is being provided outside the child’s home.

The registration and inspection process with Ofsted is sufficiently rigorous that a person would be extremely unlikely to be motivated and able to successfully pass through it if she or he were not a genuine childminder. Indeed, there is no evidence that this is happening in relation to tax credits, which provides a greater degree of financial support (between 70 to 85 per cent of childcare costs for several years).

If you were to amend this policy, it would send a very strong message of support to registered childminders. It would be a clear demonstration that the Government views childminders as professionals who are providing the same quality of care and education as nursery and preschool settings.

In addition, we look forward to hearing more about the Government’s plans to improve the pathways to graduate level, particularly in the PVI sector. There is increasing evidence that this issue requires urgent attention. We will shortly be releasing new research that we have conducted in collaboration with Voice that demonstrates some of the challenges to overcome.

PACEY views the substantial public investment in early years made through the 30-hour entitlement and the Tax Free Childcare scheme as a vital opportunity to leave a lasting legacy on the early years workforce- and correspondingly, the quality of early education and care for young children in England. I would very much welcome the chance to meet with you as soon as possible to introduce PACEY, and I look forward to hearing from your office to arrange a possible meeting date. I would also be happy to help arrange some visits to early years settings, for example a nursery and a childminder.

Yours sincerely,



**Liz Bayram**

Professional Association for Childcare and Early Years

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<sup>i</sup> For example, [independent research](#) found it costs £4.77 on average to deliver a childminding place to a three- or four-year-old, but the average base rate is £4.28 – and 29 per cent of LAs had a base rate under £4 in 2017-18. [PACEY research](#) has found the average childminder stands to lose an average of £400 per year for every 30-hour place they offer, a significant amount for a microbusiness with limited cash flow and little or no profit.

<sup>ii</sup> Whilst the statutory and operational guidance has been improved, PACEY is still hearing regular reports of delayed payments and excessive red tape associated with the administration of the entitlement. We need a long term sustainable funding plan and improved enforcement of the statutory guidance.