

What is the problem?

The definition of 'childcare' in the Childcare Act 2006 excludes care provided for a child by parents or any other relatives. In England, the Government has interpreted this to mean that childminders cannot deliver the early years and childcare entitlements to any related children, whom they may already be looking after for payment. This includes the 15-hour entitlement for all three- and four-year-olds and disadvantaged two-year-olds, and the extended 30-hour entitlement for three- and four-year-olds of working parents. However, other important forms of childcare support in England *do* permit parents to use related childminders, as long as they are Ofsted-registered and caring for the child outside the child's home.

Why does it matter?

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 the best interests of the child and the wider family, including the interests of siblings and parents' work. 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.

The number of registered childminders in England is falling.

Childminder numbers in England are falling, with a drop of over a quarter (26%) since 2012.

Childminders are under-represented in the free entitlements

The ban has long been a barrier to engaging more childminders in the delivery of the free entitlement. Only three per cent of two-year-olds and one per cent of three- and four-year-olds are currently taking up a funded place with a childminder. It now has the potential to become an even bigger barrier with the doubling of the early education and childcare entitlement for three- and four-year-olds of working parents.

The ban disrupts continuity of care

For example, the ban is forcing many grandchildren and nieces and nephews of highly professional, long-term registered childminders to move to new settings to take up their entitlement, disrupting continuity of care. This can be particularly detrimental for children with disabilities and/or special needs, or for families with irregular or unsociable working hours.

Childminders feel the ban is deeply unjust

The ban on providing funded places to related children in England is unique to childminders; individuals working in or owning a nursery, pre-school, or school are permitted to deliver funded places to related children in their setting, no matter how small. As an increasing number of childminders (23 per cent at last count) are working with one or more assistants or other childminders, with more children on their roll, this disparity is becoming more incongruous.

Additional government support for childcare

Parents in receipt of Tax-Free Childcare (TFC), childcare vouchers, Working Tax Credit (WTC), Universal Credit (UC) and students are able to obtain significant support with their childcare costs if they use a childminder who is related to them, as long as they are registered and caring for the child outside the child's own home.

What can be done?

The Government should harmonise 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 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 much greater degree of financial support (between 70 to 85 per cent of childcare costs for several years).

Case studies

Vicki, Hampshire

"I had cared for my nephew since he was one year old, but once he was eligible for the funded hours in September, my sister had to find an alternative childcare setting for him. This has proved very difficult for her, as she has to travel greater distances to get to the new nursery. She can also no longer work irregular shifts, as they are outside the nursery's working hours.

"This has caused much distress to my nephew, who enjoyed coming to my setting and had a strong bond with the other children there. He has lost the sense of security, friendship, and fun that he enjoyed whilst in my setting. I have always followed the EYFS for my nephew, as for the other children, and he has a learning journal just like they do. It's about time that registered childcare provider relatives were able to claim funded hours. If you had a relative who was a professional childcarer, where would you want to send your child?"

Millie, Bristol

"I am a childminder with almost seven years' experience. I operate predominantly from my spacious woodland garden as a Forest School setting. I work alongside my husband, a registered assistant, caring for six young children. Sam is a qualified and experienced primary school teacher and I myself have two relevant level 3 qualifications and am in my final year of a BA in Early Years. We are a highly qualified and skilled team offering a unique outdoor service to local families.

"I have been working with my niece since she was 11 months old. She is treated the same as all other children in the group (e.g. pays the same rate and has the same contract conditions for things like notice periods, late fees etc.). She turns three in March, and her parents would like her to remain with me as they don't feel it would be in her interests to move on to a new setting. Why should she and her parents have to go through the transition of changing setting to somewhere less suited to their preferences and needs? Would it not be in the interests of her continuity of care to stay on with me? Ofsted acknowledge that children who have good outcomes in primary school have experienced fewer transitions between settings."

Louise, Gloucestershire

"I am an Ofsted-graded 'Outstanding' childminder. I have been caring for my nephew since he was a baby, but he had to finish with me in August in order to take up the 30-hour funding with another childminder. This has been completely heart-breaking, for not only myself, but for my nephew and his parents. I would not benefit financially by looking after him (the funding rate in my area is under what I charge), but of course I would have done this for my family. My brother and girlfriend are not well-off, and both work long hours in order to provide for my nephew. They needed to be able to access the 30 hours funding, and therefore had to go somewhere else

to get this, which I understand completely. What I don't understand is why I couldn't provide this. Where is the continuity for my nephew?"

Samantha, West Sussex

"I am an Ofsted registered childminder (graded 'Outstanding'). I have been caring for my twin nephews since they were six months old for three days a week. My sister has paid me (with a family discount). We have just found out that I will not be able to offer them the funded hours. My sister is heartbroken. Not only will the boys have to go to another provider, breaking the continuation of care, but I will lose that precious time with my nephews. But my sister cannot turn down 60 hours of funded child care per week."

Rose, East Sussex

"I work with my husband and we have been graded 'Outstanding' in our inspections since 2009. It seems most unfair and discriminatory that we cannot provide funded places to our grandchildren, as we are paid to care for them, provide learning journeys, have contracts – just the same as for the other children in our care. Our daughter is very upset that we cannot provide this for her child, and she is losing out financially. We have other grandchildren who will soon be eligible. Now that 30 hours of free childcare is available for working parents, surely childminders are needed to provide these extra places?"

Diane, Yorkshire

"I have been a Registered Childminder for 20 years, and I now have six grandchildren who all live locally and are able to come to my setting to be cared for. One of my grandsons is two, and has been with me part time since he was six months old. He suffers from various allergies and has severe eczema and asthma. He is happy and settled with me, but his parents feel they need to move him elsewhere to be financially better off when he turns three, despite the fact they are worried he will not receive the special care his medical conditions require.

"My youngest granddaughter is just two months old, and was diagnosed shortly after birth with cancer. She is undergoing chemotherapy at present, and the doctors are hopeful of a positive outcome. She has an older sister who is eligible for the two-year-old funding. Her mum likes the local nursery, but she is very concerned that normal childhood illnesses such as chicken pox, coughs, and colds etc., may be picked up by her older child and carried home, with very serious consequences for her sister. Of course, I can't guarantee being germ-free at all times, but the risks are lessened in a smaller setting with fewer children. Accessing the funding to which they are entitled, in the setting of their preference, would make such a big difference to my family during a very traumatic time."

Charlene, Norfolk

"I am a registered childminder who was graded 'Outstanding' 12 months ago, I also work alongside another 'Outstanding'-graded childminder and we employ assistants. We are a large setting and have the maximum nine early years children per day. My niece currently attends the setting and is entitled to receive two-year-old funding. She is not able to access this because we are related. Her parents are reluctant to move her to another setting as very few nurseries in our area are rated 'Outstanding', and she is very settled within ours. There has been a notable difference in her development since she joined us. Her parents now face a tough decision in September: should they risk disrupting her education and emotional wellbeing by moving her to another setting to enable them to claim her universal and extended entitlement? Or leave her where she is happy and developing exceptionally well, but continue to strain their extremely tight finances?"