

Ms Elizabeth Truss MP  
Minister for Education and Childcare  
Department for Education  
Sanctuary Buildings  
20 Great Smith Street  
London

SW1P 3BT

Dear Ms Truss,

On behalf of our childminder members, PACEY would like to raise with you an inconsistency in the guidance concerning delivery of free early years education (EYE), associated with the recent decision by several local authorities to no longer allow childminders to claim free EYE funding for the children in their setting to whom they are related. This decision has been made despite many childminders also delivering free EYE places for other, unrelated children, and receiving EYE funding for related children for several years without adverse consequences.

Given the Government's stated aim to encourage more childminders to deliver free EYE to children, especially disadvantaged two-year-olds, we wish to bring this to your attention. We are hearing from an increasing number of childminders that this change is impacting on them. PACEY believes that if changes were made to allow childminders to deliver free EYE to related children, as long as they also have other (unrelated) children in their setting, it would serve to encourage more to become involved in this important programme.

As you are aware, a large number of childminders join the profession to be able to care for their own children and earn a living. Many currently have to send their child to a nursery for the child to benefit from free EYE, which consequently reduces the incentive for them to deliver free EYE in their own setting.

PACEY believes that permitting all registered childcare providers who care for children to whom they are related to claim EYE funding with respect to those children would:

- ***Distribute funding more equitably across all types of childcare setting*** – the most recent communication from the Department to local authorities on this issue stated that a childminder's provision for a related child does not count as childcare in legal terms, but did not also apply this restriction to group settings such as nurseries. Enabling childminders to claim EYE funding for related children would ensure that all registered childcare professionals have equal access to this funding, regardless of the setting from which they choose to operate.
- ***Improve the sustainability of childminding by encouraging more childminders to deliver EYE*** – Childminders often provide care for related children. Allowing access to EYE funding for these children would enable childminders to address the perceived loss of earnings commonly associated with choosing to deliver EYE. This would increase the capacity to deliver more EYE places as the disadvantaged two year old programme is extended, as well as giving parents more choice.

- ***Bring EYE funding criteria in line with other forms of childcare support*** – The regulations for Working Tax Credits<sup>1</sup> and employer-supported childcare vouchers<sup>2</sup> both allow registered childcare providers to receive this support with respect to related children, as long as the childcare is delivered away from the child's own home and also provided to non-related children, in addition to the related child or children. Extending these principles to EYE funding would make the funding system simpler and more consistent for parents and providers.
- ***Provide a positive message of confidence and support for childminding*** – Overall, a solution to this issue would demonstrate the Department's commitment to childminding, and its wish to support childminding's future growth and sustainability.

We believe that this issue has arisen because of a notification from the Department for Education, which brought local authorities' definition of early years provision which qualifies to receive EYE funding into line with paragraphs 20, 18.4 and 18.8(c) of the Childcare Act 2006. Adhering to this definition of early years provision prevents any childcare providers who are related (by blood or marriage) to a child claiming EYE funding with respect to that child.

Before this change, many local authorities' decision to offer EYE funding to care for related children may have originated from the wider definition of "prescribed early years provision", as found in The Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2012. This definition only prescribes requirements for early years providers to pay regard to the learning, development and welfare requirements of the EYFS, and does not state the underlying definition of early years provision as childcare, with its associated prohibition of care provided by relatives.

PACEY would welcome a commitment from you to recognise the benefits of adopting a broader definition of EYE funding, for all the reasons set out in this letter. Given the heightened level of concern amongst childminders about a number of forthcoming policy changes, this decision would send a positive message to the childminding community as well as improving the range of early education services available to families. We would be keen to explore with you the possible measures (legislative or otherwise) which would enable childminders to receive EYE funding for related children. We look forward to hearing from you.

Yours sincerely,



**Liz Bayram**  
Chief Executive  
Professional Association for Childcare and Early Years

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<sup>1</sup> **HMRC Digital Service** (2014) Working Tax Credit – Help with the costs of childcare (guidance note)  
<http://www.hmrc.gov.uk/leaflets/wtc5.pdf>

<sup>2</sup> **HMRC Digital Service** (2013) Paying for childcare – getting help from your employer (guidance note)  
<http://www.hmrc.gov.uk/leaflets/ir115.pdf>