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our future*

Supporting the cost of home-based childcare

A proposal to approve home childcarers, and so enable parents to access the childcare tax credit element of the Working Tax Credit

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Credit for Michael painting to follow

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Foreword

from the Parliamentary Under Secretary of State for Early Years and Schools Standards

For many parents – particularly those who have children with disabilities, or those who work outside conventional hours – existing forms of formal childcare are not always accessible or affordable. The evidence is plain. Almost two-thirds of working families have at least one parent who works outside traditional Monday to Friday, nine to five hours. A third of working families have a parent who works weekends; three in ten families have a parent who works long hours and more than one fifth have one who works in shifts.

But formal childcare services remain largely geared to the traditional working week. Families with children with disabilities are less likely to be able to access childcare because of a lack of disabled access and facilities, or perhaps because of a lack of suitably qualified staff. What people in this situation often need is home-based childcare, which is not always affordable or available.

We need to develop and support childcare services that not only better reflect working patterns and parents' family needs, but are delivered in such a way that people on lower incomes can afford them. That is why, in the Budget on 17 April 2002, the Chancellor announced that tax credit support would be available to parents using approved childcare in their own home. The proposals outlined in this consultation document are aimed at doing just that.

I hope you will take the time to read this consultation document and respond to it. I have no doubt that these proposals, when implemented, will have a major impact on many people's lives. This is a key development in our National Childcare Strategy and I hope people will want to support it.

Catherine Ashton

Executive Summary

- The Government provides help to working families with their childcare costs (currently as part of the Working Families Tax Credit and Disabled Persons Tax Credit, but from April 2003 as part of the new Working Tax Credit). That support is limited to certain types of childcare, which some people – particularly those who work unsociable hours and parents of children with disabilities – find hard to access. The Government therefore intends to introduce a new form of approved childcare, which would take place in the parent's home – the home childcarer. Parents using approved home childcarers will be able to receive support with the costs through the childcare element of the Working Tax Credit from April 2003. This consultation seeks views on the home childcarers scheme.
- Home childcarers will need to adhere to certain criteria. These criteria will be set out in a Code of Practice produced by the Office of Standards in Education (OFSTED). They will be based on the National Childminding Standards for Under Eights Daycare & Childminding, because there are clear similarities between childminding and home childcaring.
- Domiciliary careworkers and nurses provide personal care to many individuals, including children. Working parents, who employ someone who works for a registered agency to look after their child, will also be eligible to claim the childcare element of the Working Tax Credit. They will be able to do so from April 2003.
- Two Bills currently before Parliament – the Tax Credits Bill and the Education Bill – will, when enacted, contain the necessary provisions to allow eligibility for the childcare element of the Working Tax Credit to be extended to new forms of childcare.
- This paper seeks the views of shiftworkers (especially lone parents), parents of children with disabilities, childminders, representative groups and Early Years Development and Childcare Partnerships (EYDCPs) on proposals for supporting the cost of home-based childcare. We will also be consulting parents and children to seek their views on this proposed scheme.
- Responses may be made public unless confidentiality is specifically asked for. The consultation period is twelve weeks. We would therefore ask for responses to be received by 30th August 2002.

Supporting the cost of home-based childcare

A Consultation

- To The target audience that this consultation document is aimed at includes:
- Parents who require home-based care for their children
 - Shiftworkers
 - Lone parents
 - Parents of children with disabilities
 - Existing childminders
 - Disability organisations
 - Childcare organisations
 - EYDCPs

Issued 07.06.2002

The consultation paper meets the Cabinet Office Code of Practice on written consultation. Details can be found on the web site at www.cabinet-office.gov.uk.

Background and Context

Current childcare tax credit rules do not support parents who use formal childcare in their own home. This can be a particular problem for families with particular needs, such as those with children with disabilities who need home-based care, or parents who work outside conventional hours. In light of this, in March 2001 the Government undertook to consider how these families might be helped.

In April this year the Chancellor announced that, from April 2003, eligibility for the childcare tax credit element of the Working Tax Credit will include those who use approved childcare in their own home.

This document consults on a scheme to approve home childcarers in England.

The scheme will allow individuals to apply to an organisation (OFSTED) to become home childcarers. OFSTED are best placed to oversee the home childcarers scheme due to their experience and expertise in the childcare field. Parents using home childcarers, who are otherwise entitled, will be able to receive childcare support through the Working Tax Credit and the Disabled Person's Tax Credit, providing the person providing the care is not related to the child.

This document also provides information on another form of approved home childcare – childcare provided by domiciliary careworkers and nurses employed by agencies registered by the National Care Standards Commission under regulations soon to be introduced by the Department of Health.

Introduction

This document has the following key objectives:

- To set out the principles of a proposed new form of approved childcare: “a home childcarer”, and to seek views on this. In particular, to seek views as to whether the proposed scheme will be effective in addressing the needs of parents and childcarers, particularly those working shifts or in jobs that involve work outside of traditional hours or with disabled children. Working parents who use home childcarers to care for their children in the parents’ home would be eligible to claim support with the costs of this care through the childcare tax credit element of the Working Tax Credit from April 2003.
- To explain that working parents who use domiciliary careworkers and nurses, employed by an agency regulated under the National Care Standards Commission, to look after their children will also be eligible to claim the childcare tax credit element of the Working Tax Credit from April 2003.
- To set out the timetable for implementing the new proposals.
- To explain the legal implications.

Whenever the word ‘parent’ is used in this document, it should be taken to mean the child’s main carer.

Section 1A

Home Childcarers

1A.1 The proposal in outline

The Government provides help to working families with their childcare costs (currently as part of the Working Families Tax Credit and Disabled Persons Tax Credit, but from April 2003 as part of the new Working Tax Credit). In order to ensure that the Government only funds safe, good quality childcare, parents must use certain forms of eligible childcare. However, it can be difficult for parents to access eligible forms of childcare for care in their own home. The Government therefore intends to introduce a new form of formal childcare for the home, which we call the home childcarer. Parents using home childcarers will be able to receive support with the costs through the childcare tax credit element of the Working Tax Credit.

The purpose of this scheme is to widen the availability of tax credit support, by ensuring that parents can access approved forms of childcare to use in their homes. It does not introduce compulsory regulation for those who wish to look after children in someone else's home.

1A.2 What is a Home Childcarer?

A home childcarer would be a person who usually looks after children in the home of the children's parents. They would be professional childcarers, offering children safe, good quality care and providing them with play and learning opportunities that contribute to their development. Home childcarers would have to meet criteria set out in a Code of Practice (see Annex 1 for an outline Code). The Code would be produced and monitored by the Office for Standards in Education (OFSTED), which has, since 1 September 2001, been the national body responsible for registering and inspecting childcare and early years settings in England. ***(For more information about the role of OFSTED please contact them direct: details can be found in the further information section at the end of this document.)***

1A.3 Who can become a home childcarer?

In order to become a home childcarer, a person would initially need to be a registered childminder. Registered childminders work on domestic premises, (usually in their own homes) and look after one or more children under the age of eight for reward and for a total of more than 2 hours in any day. The definition of “Reward” can be money or payment in kind. Childminders need to comply with the Standards for Childminding. ***(You can get a copy of the National Childminding Standards by contacting the DfES. Their details can be found in the further information section at the back of this document.)*** We think that, to start with, home childcarers will have to be existing childminders, because there are clear similarities between childminding and home childcaring and because childminders will already be qualified professional childcarers. We propose to monitor this carefully and, in the light of that, we will consider whether entry into the home childcarers scheme can be widened to include people who are not childminders.

There is a question about whether people providing childcare for their own relatives should be able to become home childcarers. The Government has received representations emphasising the role that relatives play in providing childcare and enabling parents to work. For many parents, care provided by their relatives may be the most convenient and trusted form of care, particularly if they have particular needs not met by traditional forms of formal childcare.

However, there are arguments against covering relatives under the home childcarers scheme. Some people would object strongly to the Government interfering unnecessarily in family relationships, particularly by regulating the suitability of people to care for their own relatives, and also by requiring the creation of the financial and contractual relationships necessary if a parents was to receive support through the childcare tax credit for the costs of care provided by a relative. In addition, to the extent that the government could simply be subsidising the childcare family members would otherwise provide for free, the scheme could be costly without significantly increasing either the supply of childcare or the ability of parents to go out to work.

Of course, any restrictions would not prevent people from caring for their relatives because childcare between relatives is not restricted by law. Currently, for these reasons, if someone is only looking after children to whom they are

related, OFSTED is not able to register that person as a childminder. If they want to look after a mixture of related children and other children, then OFSTED can approve them.

This is a complex issue, and the Government will consider the position on home childcare further before coming to a decision, in advance of making the necessary regulations.

1A.4 What is the difference between a home childcarer and a childminder?

A home childcarer would normally work in the parents' home; whereas a childminder would normally look after children in the childminder's own home. Childminders seeking to become home childcarers would need to attend a short training course focusing on the difference between home childcaring and childminding. For example home childcarers would be trained in the area of risk assessment and risk management, negotiating daily routines and supporting/advising families, record keeping and activities, keeping themselves safe, accessing support and the Code of Practice. ***(Further details on the training module can be found in the Outline Code of Practice.)***

1A.5 Isn't a nanny also a home childcarer?

A home childcarer would *have* to comply with objective criteria about the standard of care that they provide, and be approved by OFSTED. And initially, in order to be eligible, they would have first to be a childminder. (Although nannies also provide childcare in parents' homes, they are not classed as childminders and so are not regulated and do not conform to uniform or objective standards.) Families using nannies for childcare are therefore not eligible for help with their costs through the childcare tax credit component of the Working Tax Credit or Disabled Person's Tax Credit. However, nannies may wish to qualify as childminders or home childcarers in time.

Section 1B

The Code of Practice

Home childcarers will need to adhere to certain criteria in order to make sure that they are providing safe, good quality care. These criteria will be set out in a Code of Practice produced by OFSTED. They will be based on the National Standards for Childminders, because there are clear similarities between childminding and home childcaring. The key differences will reflect the fact that the childcare is taking place in the parent's home rather than the childminder's home. The Code Requirements are set out in the attached outline Code, and supporting criteria and guidance will complement these. This will ensure that both parents and home childcarers are clear about the nature of the care that should be provided, and that parents and children can be assured that the care is safe and of good quality.

Section 1C

Ongoing quality and safety of care

The Early Years Directorate of OFSTED is responsible for the registration and inspection of early years provision – for example, OFSTED currently regulates childminders. We intend that OFSTED should also administer the home childcarers scheme, since it is naturally placed to do so. The outline Code of Practice, and section 1.A above set out the general requirements to become a home childcarer.

Another important aspect of the administration of the scheme is to ensure that home childcarers continue, over time, to provide good quality, safe care. The outline Code of Practice sets out arrangements for the ongoing monitoring of home based child-care.

Section 2

Domiciliary careworkers and nurses

From summer 2002, the National Care Standards Commission will register agencies employing domiciliary careworkers, and nurse agencies. There will be a requirement on regulated agencies to have a process and procedure for consulting with service users and their careworkers about the care service on a regular basis and assuring quality and monitoring performance. This includes: a minimum of 2 visits to service users per year, one with the careworker present and one without; checks on records, timesheets etc; an annual survey of service users and careworkers; and regular meetings between careworkers and their line managers.

Domiciliary careworkers and nurses provide personal care to many individuals, including children. It is often the case that the care is needed in order to help a person with a disability or their family. Working parents who pay for the services of someone who works for a registered agency, to look after their child, will be eligible to claim the childcare tax credit element of the Working Tax Credit. They will be able to do so from April 2003. As discussed in section 1A.3, there is a question about whether care provided by relatives should be included in the home childcare scheme. This is a complex issue, and the Government will consider the position on home childcare further before coming to a decision, in advance of making the necessary regulations. ***(For where to find out more about domiciliary careworkers and nurses, please see the further information section at the end of this document.)***

Section 3

Timetable and evaluation

The aim is that, from April 2003, parents will be able to access the childcare tax credit component of the Working Tax Credit to pay for the cost of home childcarers and regulated domiciliary careworkers and nurses. Key points in the process, designed to deliver this aim, are outlined in the flowchart below. In addition, we intend to evaluate the arrangements to (a) test their effectiveness and (b) to consider how they could be developed further in the future.

Timetable

17th April 2002	Budget announcement on childcare tax credit eligibility extension
Early June 2002	Launch consultation
July 2002	Domiciliary careworkers and nurses agencies become regulated through the National Care Standards Commission (NCSC)
End July 2002	Consultation concludes
August 2002	Regulations in force for the home childcarers scheme
February 2003	First home childcarer approved by OFSTED
April 2003	Parents start to receive help through the tax credits for childcare provided by home childcarers, domiciliary careworkers and nurses

Section 4

The legal implications

There are two Bills currently before Parliament – the Tax Credits Bill and the Education Bill – which will, when enacted, contain the necessary provisions to allow eligibility for the childcare tax credit element of the Working Tax Credit to be extended to new forms of childcare. Clause 12 of the Tax Credits Bill contains a regulation making power, which would allow the Secretary of State for Education and Skills to set out a childcare scheme that would be eligible for support through the childcare tax credit element of the Working Tax Credit. It also allows the Secretary of State to specify an organisation to administer the scheme. Clause 146 of the Education Bill allows the Secretary of State to confer, by statutory Order, on Her Majesty’s Chief Inspector of Schools (and therefore OFSTED), powers that he needs to run a scheme made under the Tax Credits Bill (when it is enacted).

The Government intends to make regulations, and if necessary any Order, in the summer. Regulations will, subject to the outcome of this consultation, allow home childcarers, and regulated domiciliary careworkers and nurses to be eligible forms of childcare for tax credit purposes.

Section 5

Further Information

The Office for Standards in Education (OFSTED)

OFSTED's Regional Centres can advise you on the regulations and requirements for registration as a childminder.

Registration information: 0845 601 4771 (your call will be redirected to your local regional centre).

Website: www.ofsted.gov.uk

Your local Early Years and Development Childcare Partnership (EYDCP)

Your local EYDCP can provide you with information and advice. You can obtain details of your local EYDCP through the Department for Education & Skills (DfES).

Department for Education & Skills: 0870 001 2345 (your call will be redirected to a EYDCP advisor).

Website: www.dfes.gov.uk

Children's Information Services (CIS)

Your local CIS can provide you with information about existing childcare services in your local area. You can obtain details of your local CIS through Childcare Link.

Childcare Link: 08000 960 296

Website: www.childcarelink.gov.uk

Childcare Tax Credit

For information about the childcare tax credit please contact the Working Tax Credit Helpline on 0845 609 5000.

Website: www.inlandrevenue.gov.uk

Domiciliary Careworkers and Nurses

For more information about domiciliary careworkers and nurses please contact the Department of Health.

Department of Health information line: 020 7972 4039.

Website: www.doh.gov.uk

Annex 1

Draft Code of Practice

Section 1: Approval process

Stage 1 – Enquiry

The person telephones the OFSTED information helpline. The helpline offers general information and advice, including how to get an application pack and about attending a pre-approval briefing session. The person is sent an application pack if they ask for one.

Stage 2 – Application

The person completes an application form and sends this to OFSTED. The relevant OFSTED regional office carries out any necessary checks on the person to help determine if there are reasons why the person would not be suitable to have close contact with children. Where applicants are already registered childminders, no further checks should be necessary.

Stage 3 – Interview

OFSTED contacts the person to arrange an interview to discuss their application and to determine their suitability to care for children. The interview is with an OFSTED inspector, who will recommend to Her Majesty's Chief Inspector (HMCI) whether the application should be accepted. Where applicants are already registered childminders, the discussion will focus mostly on the differences between caring for children in the parent's home and within the childminders home. The OFSTED inspector will also check that the applicants do not intend to care solely for their own relatives.

Stage 4 – Decision

HMCI (or his delegated representative) will decide whether to grant the application. If approved, the home childcarer will receive a certificate. If not approved, the applicant will be given full reasons in writing and be given advice about how to appeal against the decision.

Section 2: Code requirements

1. Suitable Person

The Home Childcarer demonstrates that they are a suitable person to look after children.

2. Working in partnership with parents

The Home Childcarer works in partnership with parents at all times.

3. Confidentiality

The Home Childcarer acts with integrity and maintains confidentiality about everything to do with the family.

4. Organisation

The Home Childcarer uses the space and resources of the home effectively and does not exceed the agreed number of children.

5. Care, learning and play

The Home Childcarer ensures children are well cared for and provides activities that contribute to their learning and development.

6. Safety

The Home Childcarer is aware of hazards and keeps children safe at home and on outings.

7. Health

The Home Childcarer promotes good health for children.

8. Food and drink

The Home Childcarer provides drinks and food that are adequate for children's needs and conform to parents' wishes.

9. Equal opportunities

The Home Childcarer promotes equality of opportunity for all children.

10. Special needs

The Home Childcarer is aware that some children may have special needs and works with parents to take appropriate action to meet them.

11. Behaviour

The Home Childcarer manages children's behaviour in a way that promotes their welfare and development.

12. Child protection

The Home Childcarer knows what to do if concerned about the welfare of a child.

13. Documentation

The Home Childcarer keeps any records that are necessary for the welfare of children and shares them with parents.

Section 3: Supporting criteria/guidance

(Note: The term 'parents' as used in this document should be taken to mean any person who has main parental responsibility for the child when the home childcare is taking place. For example, if the care takes place in the home of the child's grandparent, then he/she should be deemed the parent for the purposes of meeting the Code.)

[This section will need to be developed to include further illustrations about how criteria could be met, including case studies. It will also offer advice about where to go for further support and training]

1. Suitable person

The Home Childcarer can demonstrate suitability if they:

- Comply with any conditions of approval;
- Agree to OFSTED undertaking checks to ensure they are suitable to be in contact with young children, such as criminal records checks and medical checks;
- Complete a Home Childcarer training package (including first aid training and risk assessment) within six months of registration;
- Tell OFSTED about changes that might affect their suitability to care for children, for example changes to their physical or mental health.
- Intend to look after children, to whom they are not related, in the parent's own home.

2. Working in partnership with parents

The Home Childcarer is expected to:

- Have a written agreement with each parent, which might cover issues such as the care of the children, the activities to be provided, and business arrangements;

- Share information with parents on a regular basis;
- Ensure they have parents' emergency contact details, and GP contact details.

3. Confidentiality

The Home Childcarer is expected to:

- Treat any information about the family as confidential;
- Respect the privacy of the family;
- Act with integrity in all dealings relating to the family.

4. Organisation

The Home Childcarer is expected to:

- care for no more children than stated on the approval certificate:
The maximum number of children for whom a homecarer will normally be allowed to care is as follows:
 - 6 children under 8 years of age
 - of these, no more than 3 children may be under 5 years of age
 - and of these, normally no more than 1 child may be under one year.Exceptions may be made where care is provided for siblings, for example twins under the age of one. Any care for children over the age of eight should not adversely affect the care of the younger children.
- Discuss and agree with parents how the space and resources within the home are to be used, including any arrangements for sleeping, feeding and nappy changing.

5. Care, learning and play

The Home Childcarer is expected to:

- Discuss and agree with parents the individual needs of each child looked after, and how these will be met;
- Provide play and learning opportunities which meet the agreed needs, and which develop the children's emotional, physical, social and intellectual capabilities;
- Listen to and value what the children say;
- Help the children to learn about what is right and wrong.

6. Safety

The Home Childcarer is expected to:

- Undertake an initial risk assessment, in consultation with the parents, and agree what can be done to minimise any risks;
- Be aware of continuing risks within the home and discuss these with parents;
- Take proper precautions to prevent accidents;
- Prevent children from exposure to particular hazards within the home, for example if they have access to the kitchen or to an outside play area;
- Supervise children properly during outings;
- Agree with parents the conditions under which any vehicle is to be used for outings;
- Carry public liability insurance.

7. Health

The Home Childcarer is expected to:

- Promote good hygiene, and know what to do when children are taken ill;
- Smoke in the home only if parents have given consent;
- Agree with parents any access by the children to aspects of the home where particular health issues may arise, for example contact with animals, sandpits, food etc.;
- Agree with parents the arrangements for administering medicines;
- Where there is a child with a long-term medical condition, take steps to develop a full understanding of that condition and how to administer treatment or medicines;
- Tell parents about issues that may affect children's health.

8. Food and drink

The Home Childcarer is expected to:

- Agree with parents the dietary needs of the children and ensure these are met;
- Ensure that food is hygienically stored, prepared, cooked and served.

9. Equal opportunities

The Home Childcarer is expected to:

- Provide care and an environment that meets the needs of each child. The particular needs of a child may be influenced by the child's race, nationality, religion, gender or disability/special need.

10. Special needs

The Home Childcarer is expected to:

- Discuss with parents any special needs of the children, including special educational needs and disabilities;
- Provide children that have special needs with relevant activities and play opportunities that promote their welfare and development;
- If parents request it, attend discussions with relevant professionals in relation to the special needs of the children;
- Demonstrate respect for children whose special needs mean they are to be provided with intimate care.

11. Behaviour

The Home Childcarer is expected to:

- Manage behaviour in a way which respects the children's' age and development;
- Agree with parents how they will manage behaviour;
- Never shake the children;
- Never smack the children unless they have the parents' written agreement to do so;
- Tell parents of any significant behaviour problem and agree any action to be taken.

12. Child protection

The Home Childcarer is expected to:

- Recognise that the protection of the child is their first priority;
- Know how to recognise signs and symptoms of potential abuse and who to ask for advice;
- Know how to respond to allegations of abuse;
- Report any concerns in accordance with the approved Area Child Protection Committee (ACPC) procedures.

13. Documentation

The Home Childcarer is expected to:

- Give all parents a copy of this Code of Practice, and discuss with them how they aim to meet the Code's requirements;
- Show all parents their Home Childcarer's registration certificate;

- Keep written records about individual children in consultation with parents, for example accident/incident logs, record of medicines administered, note of appointments with health professionals.
- Explain that help with the costs of home childcare may be available through the Working Tax Credit.

Overnight care

In addition to the general requirements of the Code, the following criteria are relevant to Home Childcarers looking after children overnight.

The Home Childcarer is expected to:

- Agree with parents the sleeping arrangements for both the child and the Home Childcarer;
- Cover sleeping areas in risk assessments;
- Discuss and agree with parents preferred bedtime routines;
- Share information with parents about any problems with bedtime routines, for example bedwetting.

Section 4: Ongoing quality assurance

In order to ensure that the quality and safety requirements of the Home Childcarer's Code of Practice continue to be met, OFSTED will need to assess the care at regular intervals after approval as a Home Childcarer has been granted. An outline of a process for ongoing monitoring is set out below.

Components of ongoing quality assurance

- An update form, which states where the home childcare is taking place and provides basic information about the care, such as the number and ages of children being cared for;
- A questionnaire for parents to complete, or a telephone interview with them, to judge their satisfaction with the quality of care;
- A brief interview with the Home Childcarer to explore how they are working to the Code of Practice, preferably in the presence of the children being cared for;
- An opportunity to see the Home Childcarer interacting with one or more of the children and to talk to the children, preferably in the surroundings in which they are normally cared for. Permission would be sought from parents to carry out the interview and observation in their home in order to see the carer and children in the most familiar context. If this was refused, arrangements would need to be made to meet with the Home Childcarer and one or more of the children at a drop-in centre, local library or health clinic, or wherever it was convenient.

