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Childcare Choices: 30 Hours Free Childcare

Ref: A17397816/CD/ts

31st October 2017

I am writing in response to your letter to at HMRC dated 13 October 2017. Your letter has been passed onto the Department for Education as the department responsible for policy on free childcare entitlements and related content on the Childcare Choices website. Thank you for agreeing to extend the deadline for a response to 31 October 2017.

In your letter you ask for information in relation to a challenge from the complainant that the claim "30 hours free childcare" is misleading, specifically:

'He considers the claim gives the impression that existing childcare services will be available free, but in in his experience, childcare providers are not providing 30 hours "free". Rather, they offer discounts to their existing rates consistent with the actual amount of funding being offered to them as compensation. According to the complainant, this can be less than their actual hourly rates, particularly in London. He also understands that the scheme's average number of free hours over a year is less than 30 hours per week'.

Charges

The 30 hours content on Childcare Choices refers to free childcare. We are clear in statutory guidance¹ (for local authorities) and operational guidance² (for local authorities and childcare providers), that Government funding is intended to deliver 30 hours a week of free, high quality, flexible childcare. Government funding is not intended to cover the costs of meals, other consumables, additional hours or additional services.

The statutory guidance is clear that parents must not be required to pay any fee as a condition of taking up a free entitlement place, and must be offered alternative options to paying any fees. Local authorities have a responsibility to ensure parents are not charged "top-up" fees (the difference between a provider's usual fee and the funding they receive from the local authority to deliver free places). Where parents

 $^{^1}https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/596460/early_education_and_childcare_statutory_guidance_2017.pdf$

²https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/629544/Early_years_e ntitlements-operational_guidance.pdf

choose to purchase additional hours of provision, consumables or additional activities, this is a private matter between the provider and the parent.

We have restated our position on charging in the operational guidance. In this we are clear that to ensure that parents can make informed decisions on their choice of childcare, providers should publish a statement of how they intend to deliver the free entitlement and any additional charges for optional activities outside of the entitlement. This should set out clearly the charges for meals, additional activities or additional hours.

Flexibility

The statutory guidance makes clear that free childcare entitlements can be delivered:

- 'stretched' over 52 weeks of the year
- at weekends

There is no national requirement that childcare providers must deliver free hours at particular times of the day or on particular days of the week. However, the he statutory guidance encourages local authorities to support delivery of flexible childcare provision to meet parental need. For example, it encourages providers to help parents to 'stretch' the free entitlement over the whole year, meaning a parent can take fewer hours over more weeks, if there is provider capacity and parental demand. On the Childcare Choices website, we refer to this when we state "If eligible, you're entitled to an extra 570 hours of free childcare a year to use flexibly, so 1140 hours in total".

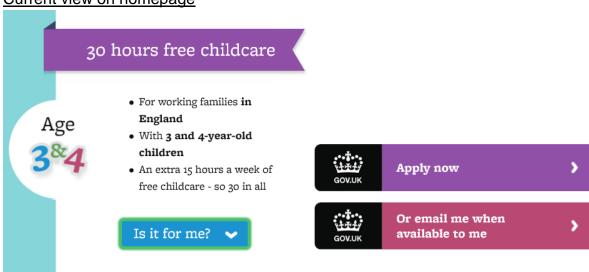
Our response

While information on charging is publically available to parents in the statutory and operational guidance, we agree that it would be helpful for this to be incorporated into the Childcare Choices website. We are in the first full year of roll-out for 30 hours and routinely update the Childcare Choices website to ensure it is relevant and helpful to parents. Our latest update includes information on charging. We have been advised by HMRC who host the Childcare Choices website that the updated pages will go live by 3rd November 2017. A copy of the revised pages is attached at **Annex A**. I would be grateful if you could review these and let me know whether this addresses sufficiently the points made by the complainant, please. We are happy to discuss any further amendments that may be necessary with you, with a view to this matter being resolved informally.

It is also worth noting that we will be carrying out an independent evaluation of the first two terms of 30 hours' delivery. This will include monitoring the impact of charging on providers and parents and will provide recommendations to improve delivery at a national and local level.

I look forward to hearing from you at your earliest convenience.

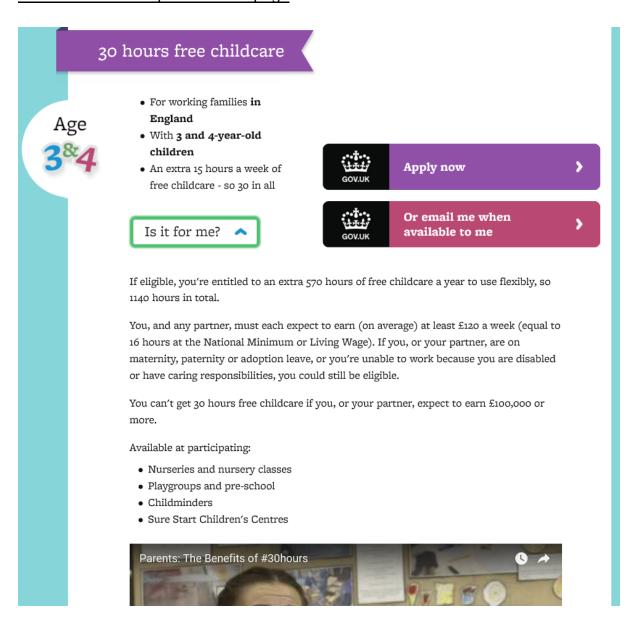
Annex A Current view on homepage



Proposed new copy

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	30 hours free childcare		
Age 3 & 4	 For working families in England With 3 and 4-year-old children A total of 1,140 hours per year, that you can use flexibly with one or more childcare provider 		
	Is it for me? [button]	Apply now for a January start [button]	
		Or email me when I can apply [button]	

Current view on drop down homepage



Proposed new copy

	30 hours free childcare	
Age 3 & 4	 For working families in England With 3 and 4-year-old children A total of 1,140 hours per year, that you can use flexibly with one or more childcare provider 	
	Is it for me? [button]	Apply now for a January start [button]

		Or email me when I can apply	
	If all with to consider and the address and the	[button]	
	If eligible, you're entitled to an additional 570 hours of free childcare a year to use flexibly, so 1,140 hours in total. You, and any partner, must each expect to earn (on average) the equivalent o working 16 hours a week at your national minimum wage (£120 at the National Living Wage, less if you are on the National Minimum Wage) If you, or your partner, are on maternity, paternity or adoption leave, or you're unable to work because you are disabled or have caring responsibilities, you could still be eligible.		
	You will not be eligible for 30 hours free childcare if you or your partner expect to earn £100,000 or more.		
	Your child can start in their childcare place the term after they turn 3 years old and have received a valid 30 hours code, whichever is later . Term start dates are 1 st September, 1 st January and 1 st April. Apply now to start a place next term. You may get asked for further information, so we strongly advise you to apply before 30 November.		
	You will need to reconfirm your elig child's 30 hours place.	gibility every 3 months to retain your	
	 Available at participating: Full day care (e.g nurseries) Schools Childminders Sessional providers (e.g. playgroups) Sure Start Children's Centres After school clubs 		
	The 30 hours free childcare offer is meals, other consumables (such as hours or additional activities (such for these additions. If you choose to	s nappies or sun cream), additional as trips). Providers may charge a fee o pay for these it is an arrangement vider. However, parents must not be ion of taking up a free entitlement	