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GENERAL COMMITTEES

Public Bill Committee

CHILDCARE PAYMENTS BILL

Fourth Sitting

Thursday 16 October 2014

(Afternoon)

CONTENTS

Examination of witnesses.

Adjourned till Tuesday 21 October at twenty-five minutes past Nine o'clock.

Written evidence reported to the House.

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The Committee consisted of the following Members:

Chairs: JIM SHERIDAN, †MRS ANNE MAIN

† Barwell, Gavin (*Lord Commissioner of Her Majesty's Treasury*)
 Cunningham, Alex (*Stockton North*) (Lab)
 † Dakin, Nic (*Scunthorpe*) (Lab)
 Elphicke, Charlie (*Dover*) (Con)
 Evans, Chris (*Islwyn*) (Lab/Co-op)
 † Ffello, Robert (*Stoke-on-Trent South*) (Lab)
 Glass, Pat (*North West Durham*) (Lab)
 Gummer, Ben (*Ipswich*) (Con)
 Heath, Mr David (*Somerton and Frome*) (LD)
 † Jenrick, Robert (*Newark*) (Con)
 † Jones, Andrew (*Harrogate and Knaresborough*) (Con)

† McKinnell, Catherine (*Newcastle upon Tyne North*) (Lab)
 † Macleod, Mary (*Brentford and Isleworth*) (Con)
 Miller, Maria (*Basingstoke*) (Con)
 † Patel, Priti (*Exchequer Secretary to the Treasury*)
 † Powell, Lucy (*Manchester Central*) (Lab/Co-op)
 † Russell, Sir Bob (*Colchester*) (LD)
 † Smith, Chloe (*Norwich North*) (Con)
 Wilson, Sammy (*East Antrim*) (DUP)

David Slater, *Committee Clerk*

† **attended the Committee**

Witnesses

Spencer Thompson, Senior Economic Analyst, Institute for Public Policy Research

Vidhya Alakeson, Deputy Chief Executive, Resolution Foundation

Priti Patel MP, Exchequer Secretary to the Treasury, HM Treasury

Suzanne Newton, Director of Tax-Free Childcare, HMRC

Mike Purvis, Deputy Director, Tax-Free Childcare, HMRC

Public Bill Committee

Thursday 16 October 2014

(Afternoon)

[MRS ANNE MAIN *in the Chair*]

Childcare Payments Bill

2 pm

The Committee deliberated in private.

Examination of Witnesses

Spencer Thompson and Vidhya Alakeson gave evidence.

2.2 pm

Q192 The Chair: Good afternoon. We have until 2.30 pm for this panel. We are going to hear evidence from the Institute for Public Policy Research and the Resolution Foundation. Just for the benefit of *Hansard*, could I ask the witnesses to introduce themselves and say whom they represent?

Spencer Thompson: I am Spencer Thompson. I am from the Institute for Public Policy Research where I am a senior economic analyst.

Vidhya Alakeson: I am Vidhya Alakeson. I am the deputy chief executive at the Resolution Foundation.

The Chair: Thank you. It is quite echoey in here. You might have to speak up a little for some of our less well hearing Members, myself included.

Lucy Powell (Manchester Central) (Lab/Co-op): Spencer, Vidhya, are you okay with us using your first names?

Spencer Thompson: Yes.

Vidhya Alakeson: Yes.

Q193 Lucy Powell: First of all, by way of introduction, would you like to say a little bit about any general points that you want to make about the Bill and any concerns you might have about the way it will work.

Vidhya Alakeson: We acknowledge that there are some improvements in the Bill through the creation of tax-free child care compared with the current employer-supported voucher, the fact that it is not related to what your employer chooses to do but is available to all parents, and the fact that is available to the self-employed. We have three areas of concern. One is a very broad concern and is perhaps beyond what the Bill Committee can address: at a point of ongoing austerity, is this an effective use of a large amount of public investment in child care? We have questions about the extent to which it will deliver much in terms of change of behaviour in the labour market and so on.

More specifically related to the Bill, we are concerned about the lack of parity that there will be between tax-free child care and universal credit child care support—for example, we are concerned about the number of children that can be claimed for under tax-free child

care compared with universal credit. Thirdly, we are concerned about the complexity for those moving between the two systems. Approximately 100,000 people are estimated to move between the two systems each year. To what extent will they be able to understand which system they should be in and how they will be better off? As 50% of children and families will qualify for universal credit, there will be quite a substantial move between those two systems, particularly where you might have another child. You might be in tax-free child care, have another child and then move into universal credit. Those changes are going to be incredibly difficult for people to understand, and I do not really think we understand the complexity of what a clash between the two systems will create.

Q194 Lucy Powell: Did you have a third point?

Vidhya Alakeson: No, that was three.

Spencer Thompson: I would echo what was just said and add on a couple of points. With any kind of large-scale injection of public funds into a mixed market, such as the child care market, there is a bit of a risk that you could see some cost inflation as a result of extra money being injected. That has definitely been the case in a couple of other countries that tried similar measures to make child care tax-deductible—for example, Australia and the Netherlands. Going forward, we hope that the Government will take an active role in monitoring how child care price inflation proceeds following the introduction of tax-free child care. We also think that there is a case for detailed research to be done on the interaction of public investment in child care via parents with how child care providers set prices.

The second point, which echoes what Vidhya said, is about the interaction between tax-free child care, child care support and universal credit. The way in which tax-free child care is going to be administered is probably the superior of the two, in the sense that you pay up front and then receive your top-up, whereas I believe in UC, as in tax credits, it is the opposite—you pay and then claim back. We would favour a closer integration of the two systems that follows the tax-free child care administrative model.

Q195 Lucy Powell: Both those contributions echo a lot of the evidence that we have heard so far. Vidhya, can you expand on your first point about the use of public funds and whether it is progressive enough in terms of what is available? We had a healthy debate earlier when we took evidence from Kitty Stewart, who suggested that you could possibly make the scheme more progressive by lowering the cap but increasing the percentage. There was some discussion about that. What are your thoughts on progressivity and measures that might make things more progressive?

Vidhya Alakeson: Our analysis shows that 80% of families that will benefit from tax-free child care are in the top 40% of the income distribution. The evidence on how parents respond to child care investment is reasonably limited, but we know from self-reported surveys that parents with a family income of more than about £60,000 a year are not predominantly making work decisions and suchlike on the basis of the affordability of child care. The vast majority of this funding is targeted at those families, which suggests to me that you

are unlikely to see much of a change in behaviour, but you will get a cost shift from parents to Government, rather than an increase in hours or more people going into work. It is clearly not progressively targeted—it is targeted at the top half—and I would very much agree with Kitty's thoughts that other countries tend to support a higher percentage of child care costs, and that you are therefore more likely to get an impact. Internationally speaking, 20% is not a very high percentage of costs to cover. For example, Australia would cover 50% of costs. A lower eligibility threshold and a higher percentage of costs would have a bigger impact.

Q196 Lucy Powell: We had quite an argy-bargy about where the threshold might sit. Say the amount of money available was the same, have you done any work on what the cap and therefore the percentage would be, and what the benefits would be?

Vidhya Alakeson: No, we have not, unfortunately.

Spencer Thompson: I have not dealt with that specific point, but some of the modelling we did looked at this kind of issue. We said that you could potentially consider limiting the number of hours for which you could claim. The chances are that if you are going to be using your full entitlement, you are talking about children being in care for quite a significant number of hours a week. You could limit it to a full-time place, which would be something in the order of 35 hours, which for three and four-year-olds could potentially be 20 hours, because there is the 15 hours free entitlement. If you did that, you could potentially increase the proportion of cost shares by, say, 10%, without having to inject any extra money.

Q197 Lucy Powell: It would be great if you send that work to us. You were talking about price inflation. That is something we have been discussing as part of the oral evidence. Could you expand a bit more on some of the work you have looked at? What do you think the evidence points to in terms of the Bill's impact on price inflation? Over what sort of time frame, therefore, do you think the extra subsidy would be negated for many families?

Spencer Thompson: It is difficult to put specific numbers on those. We are generally talking about a policy where the maximum amount claimable is somewhat fixed and not expected to be updated with inflation every year—that is probably a good idea. If it was updated with inflation every year, there is a chance that some large providers might potentially game the system. I mentioned international examples such as the Netherlands and Australia, where they introduced a form of tax-free child care and also increased the proportion that could be claimed back some years into the policy, so that you could track that against the inflation of child care prices and there was a clear relationship between the two. No one has done any detailed work on or rigorous analysis of that in those countries, but some smaller-scale studies have been done in the US that looked at child care vouchers in a couple of individual states and found some evidence of a link between child care inflation and the introduction of a child care voucher.

Essentially, our concern would be that, when you are talking about injecting a lot more money into the system, providers can use that, often justifiably, as a way to either become profitable or become more profitable

because they see that there is more purchasing power and can then increase their prices accordingly. The danger over some time horizon—I do not think we can be specific about that—is that child care providers raise their prices and eventually you find that the value of the extra money inherent in tax-free child care is eroded. That is one of our main concerns about this kind of demand-side subsidy.

Q198 Lucy Powell: Are there any amendments to the Bill as it stands or models we could look at that would not prevent that happening totally, but mitigate it?

Spencer Thompson: The IPPR has called in the past for some form of cost capping on providers, where they have an annually negotiated limit on the amount of inflation they can put into their child care prices. That policy is very much outside the scope of the Committee. We see that more in the context of reinvesting money that is currently spent on child care through things such as tax credits, and money that will be spent through tax-free child care, into more of a supply-funded model, where you reinvest the money down from local authorities or directly to providers in order to fund child care provision.

Q199 Lucy Powell: You both raised the point about the interaction of universal credit with tax-free child care. Again, it is something we have explored with other witnesses. Perhaps you could expand on your concerns a bit further for the purposes of the Committee. You both produced research to say that a lot of families on that borderline find that their ability to enter the labour market or take on more hours is significantly affected by child care costs. Perhaps you could tell us what you think the solutions are for that interaction problem and how we might overcome it.

Vidhya Alakeson: The real issue is the risk that the complexity of that interaction might undermine some of the benefits that the simplification of universal credit is attempting to create. At some point in the system, you are going to be very unclear about the best way of claiming your child care support. It is unclear how families will receive information and do a “better off” calculation between tax-free child care and universal credit, but that could be addressed. Ultimately, the two systems are seen as separate at the moment when, in reality, they will butt up against each other. At some level, there needs to be a review of how that interaction is going, because it is very hard at this point to conclude definitively what will happen.

Q200 Lucy Powell: One suggestion that I think the Children's Society made was allowing, or at least leaving open at this stage, universal credit recipients to open up a child care account so that they may be able to transition between those systems better. What do you think about that?

Vidhya Alakeson: I think that could potentially be helpful if it was at no cost to the parent. I think the information point is really important and keeping the system as simple as possible to reduce the barriers to entering and progressing in work. What you do not want is people feeling fearful about what is going to happen with their child care costs as they start to increase their hours and earn more, so providing that clarity of information is going to be really critical to managing that interaction.

Q201 Lucy Powell: Spencer, do you have anything that you want to add to that?

Spencer Thompson: No.

Q202 Chloe Smith (Norwich North) (Con): Thank you both for joining us today. May I ask about your views on having a single provider, National Savings & Investments, and also on Her Majesty's Revenue and Customs having the various enforcement and penalty powers? On that latter point, there are changes to what currently happens under the employer-supported child care system. Can you start us off with any reflections you have on either the provider, NS&I, or the HMRC regime?

Vidhya Alakeson: We are quite supportive of the single provider solution; it seems to be one way of simplifying the system for parents. It was unclear whether choice of voucher provider or choice of tax-free child care system was really adding much in terms of parental choice.

In terms of the policing and enforcement of the system, one of the questions I had, which links back to the parity with universal credit, was about the employment test and the extent to which that can realistically be policed. In universal credit, it will be tightly controlled and the real-time information feed will allow people to manage that very clearly. It is unclear to me how, in a tax-free child care system, that could actually be enforced. That feels like a lack of parity and an issue if this funding is supposed to be targeted at families where both parents, or the single parent if there is only one, are at work.

Spencer Thompson: On the first point, we agree with Vidhya in the sense that we are in favour of the single provider system. It seems to me that the market for child care vouchers of this kind is probably a natural monopoly, or close to one, so that makes sense to us. Where there is perhaps a slight risk in moving from the employer-supported child care system to the current one is that a lot of employers have less to offer their employees from such a voucher system because they have seen their role reduced or removed. Perhaps there is a case for some kind of employer involvement where they could host something on their website, intranet and so on that links up more with NS&I as a way of maintaining their involvement, which is valued by them and their employees. We think some form of employer involvement—completely voluntary—should be considered.

On the other side of the equation, we would again agree with Vidhya that there is not a terrible amount of detail about exactly how HMRC is going to perform these various tests. We would definitely like to see more information on that.

Q203 Chloe Smith: Do you think there are any comparisons with other parts of public services and HMRC's powers that we ought to consider? For example, penalties for incorrectly filling in forms for an application for other benefits.

Spencer Thompson: Nothing in particular. I do not think you should necessarily be penalised. As far as I am aware, within tax-free child care, if somebody tries to set up a child care voucher account when they are in receipt of universal credit and they say they are eligible

for tax-free child care, that can then mean they forfeit their UC claim, which sounds slightly severe to me. I do not know whether that is still the case in the Bill as it stands, but I would be concerned about that.

Q204 Catherine McKinnell (Newcastle upon Tyne North) (Lab): I want to explore the issue of maternal employment. I think Spencer has particularly researched that, but I am sure both of you will have comments to make. Sorry, have I got it the wrong way around?

Vidhya Alakeson: Both of us.

Q205 Catherine McKinnell: Both, fine. You mentioned a figure, Spencer, of a £60,000 joint income as the point where you stop taking—

Vidhya Alakeson: That was actually me.

Catherine McKinnell: Sorry. It was household income. In terms of maternal employment, it would be important to extrapolate that a bit. Obviously you could have one earner earning a lot more than the second earner—often it is the mother. So that decision to go back to work starts to look more and more economically unviable when you feel you will spend your entire salary on child care.

Although ideally all households should psychologically split that figure, it does not always work that way for a lot of women. I am interested in the figure that you gave but more generally I would like to know whether the Bill will support more maternal employment—we know the figures in this country are poorer than international comparisons—and if not, how we can improve it.

Vidhya Alakeson: I will kick off, but I know that Spencer has done a lot on this. That figure is from a report from the child care commission, set up by the Department for Work and Pensions, that concluded last year. It was a perception survey. It asked parents what they thought they would do if child care was substantially subsidised. The evidence of what parents do does not give us very strong indications of where that income threshold is. That is the best we have to go on.

We have done other surveys. For example, we published one with Mumsnet at the beginning of this year; it was not a representative survey, but it involved a large number of mothers. It had a similar finding: women lower down the income distribution felt that they were much more likely to change their behaviour as a result of child care subsidies. That is why there is concern about whether this policy really will deliver for maternal employment, given that the vast majority of the money is going to those in the top 40% of the income distribution and the remaining 20% is going to those in the middle.

My suspicion is that the policy will not do a huge amount because the vast majority of people at that top end are not making choices around their work decisions based particularly around child care affordability; many are choosing to work the hours they do because it is a personal choice about how to balance their work and family. I would be more confident of bigger impacts if the money was more heavily targeted at those who were more likely to change their behaviour because they were financially constrained—those in the bottom of the income distribution.

Spencer Thompson: I would echo a lot of what Vidhya has said. Generally speaking, it is those towards the middle and upper portions of the income distribution, in terms of families with young children, who end up spending the biggest proportion of their income on child care. You are right in saying that that is very concerning. Some of the perceptions evidence suggests that it may be having an effect on maternal employment. Generally, the evidence on maternal employment and the price of child care is very mixed. It is hard to draw firm conclusions from that literature.

When you look across countries, generally speaking northern European countries do quite a good job in limiting the price of child care as a proportion of family income down to somewhere in the region of 10% or 12% of their incomes. In the UK, if you are talking about a middle-income family, the kind that would probably be supported by tax-free child care, their child care costs are more in the region of 20% to 25%. There is a definitely a concern there. You can almost see tax-free child care as being not just something that is supposed to support maternal employment but as a support to living standards in the middle of the income distribution. Viewed in that light, there is a case for injecting funds into the system in this way.

Q206 Catherine McKinnell: Is there more of a supply-side system of support for child care in the Netherlands that keeps those prices down or is it similar to the tax-free proposals that the Government are putting forward?

Spencer Thompson: The Netherlands is quite an interesting case because that is more of a UK-style system—

Catherine McKinnell: In terms of the new proposals?

Spencer Thompson: It is typical of the tax-free child care proposals and it has gone more that way in recent years. The IPPR has looked at lots of different countries' systems. We are particularly interested in the Scandinavian countries, particularly Denmark, Sweden and Norway, and also in some others.

The Chair: We have two more questions to get in and only six minutes.

Q207 Mary Macleod (Brentford and Isleworth) (Con): I just want to press you on whether the Bill will get more people into work. You have both said that the Bill improves the current situation; I am interested in entrepreneurs and helping support the self-employed. Do you see this as an approach that will help in making the decision—perhaps largely for women—to get back into work? Linked to that, there is talk here about those who are not in tax, but are you positive about the fact that we have taken the most poorly paid out of tax?

Vidhya Alakeson: In terms of whether this will help entrepreneurs and self-employed people, I will go back to what Spencer said. It will in the sense that what they are currently paying out of pocket will now be partly subsidised by the Government. I am not sure whether it will have a big impact on the behaviour of people who are currently not working or working short hours. Therefore, in a cost of living sense—

Q208 Mary Macleod: What makes you say that it will not change behaviour?

Vidhya Alakeson: Because it is targeted at the top end of the income distribution where most people do not make choices based solely on their finances. They are choosing to work part time because their child is under five and they want to stay at home and look after them some of the time; I do not think that a 20% subsidy of child care costs will significantly change that behaviour pattern. That is what some of the surveys suggest: people on higher incomes are not financially constrained in the same way and, therefore, the behaviour change is likely to be less. We have relatively limited robust evidence about the impact of child care subsidies on maternal employment supply, but, drawing what we have together, that is what I would assume.

In terms of taking people out of tax, we have argued quite strongly—and we are about to again—that if you really want to focus on the lowest income households, more funding for the work allowance and universal credit would be a far more targeted and progressive policy.

The Chair: If you have further points to inform the Committee about, it would be useful if you sent them in.

Q209 Nic Dakin (Scunthorpe) (Lab): Has sufficient provision been made for women on both paid and unpaid maternity leave in these arrangements? Are there any issues relating to that?

Spencer Thompson: In terms of when they are looking to move back into the labour market, many of them will have a job to return to; this money will kick in and be really useful to them when they do decide to do that.

Obviously, there is still a gap between the end of maternity leave and the start of the free entitlement at the age of three, or two for some families, and there is no differential rate depending on the age of the child—as far as I am aware, that has not changed. Therefore there is still a lumpy age profile as to how the funding for tax-free child care works. In that sense, there is a concern, because this does not offer any extra support to people who are in that crucial period between the end of maternity leave and the start of the free entitlement.

Vidhya Alakeson: I have nothing to add on that.

Q210 The Chair: We have a few seconds if you want to add anything to the answers you gave to Mary Macleod.

Spencer Thompson: To come back on the point before, probably the best part about the Bill is that it extends support to the self-employed. That was one of the key gaps beforehand, so we very much welcome that.

On income tax more generally, and particularly for families with young children, we would echo what Vidhya was saying. Especially now that the personal allowance has gone up faster than the rate of inflation for several years, you need to look at other ways to help people and potentially take them out of other taxes, such as national insurance.

Vidhya Alakeson: I have nothing to add on that specific point. The only point I have not made and would like to make is that our final concern is about the increase in complexity of what is already by international standards a highly complex child care funding system. If nothing else, it would be wise to review the extent to

which we are losing efficiency in the public funding of child care by having multiple funding streams. In the transition, that will be even worse.

The Chair: Order. I am afraid that brings us to the end of our time to ask questions of the witnesses. On behalf of the Committee, thank you very much. If you have any further points you wish to send to the Committee, I am sure Members will be pleased to receive them.

Examination of Witnesses

Priti Patel MP, Suzanne Newton and Mike Purvis gave evidence.

2.30 pm

Q211 The Chair: We have until 3.15 pm for this panel. Minister, could your officials please introduce themselves for the record? Also, I believe that you have indicated that you would like to say a few words.

Suzanne Newton: I am Suzanne Newton, director of tax-free child care within Her Majesty's Revenue and Customs.

Mike Purvis: I am Mike Purvis, the HMRC deputy director for tax-free child care design.

Priti Patel: I want to put on the record that I intend to make two changes to the draft regulations before they are made, prompted by comments and feedback from stakeholders. I am incredibly grateful to all those who have fed back to us.

The first change is with regard to support for the self-employed. I would like to widen the scope of eligibility rules as they apply to self-employed parents. Doing so will ensure that individuals can qualify for the support when their income fluctuates—something we heard about in a previous evidence session.

The second area affected is support for those about to start employment. The draft regulations will allow someone to be eligible for support if they are due to start a job within seven days of registering. That might leave some parents unable to use the scheme as they start a new job. I am therefore proposing to change the draft regulations so that a parent can now qualify for the scheme where they are due to start a job within a 14-day period.

I have written separately to members of the Committee providing further information on and details of those changes. I would also like to add that we will be exploring whether there is scope for further changes to regulations as they are brought into force.

Finally, I recognise that parents will need clear and simple guidance to understand what the scheme means for them. They need that guidance as quickly as possible, but to get it right it also needs to be tested. I am pleased to announce today that the first tranche of draft guidance has been published, well ahead of the introduction of the scheme.

The Chair: Thank you.

Q212 Catherine McKinnell: May I put on the record our thanks to the Minister for outlining those changes and for being in listening mode and reflecting some of the concerns that have come out from the evidence

sessions? It is incredibly reassuring to see such a swift response to some of the concerns that have been put forward. I hope that that bodes well for the future, given the ongoing concerns that are being raised.

We all welcome the additional child care support, so it is vital that the Government get the scheme as right as possible for as many people as possible. We therefore very much welcome the approach that the Minister is taking, in conjunction with HMRC, to respond to some of the issues.

I want to touch on a few other concerns from the evidence sessions that have not yet been addressed—in particular, the concerns about the time frames that we are working towards and the delivery of tax-free child care within those time frames. The Government have set out the initial time frame as being autumn 2015. One issue is that that is a little bit vague. We have also heard concerns about the legal challenges that are under way and might contribute to a potential delay. That situation is causing a lot of concern to all stakeholders who are potentially affected. Could either the Minister or the officials dealing with the issue respond to those concerns?

Priti Patel: Thank you for that. It is a fair and valid concern that both the officials and I will reflect on. It is fair to say with regard to the legal challenge and the proceedings taking place that the Government disagree with the substantive claims and are disappointed with the course of action that has been taken. That said—I hope that we will explain this more during the session—we are fully committed to developing and delivering the support as soon as we possibly can.

We will happily explain the mechanisms and the detail of the work taking place today from both the HMRC and NS&I points of view. There is also an ongoing dialogue with our stakeholders. As far as we are concerned, there are two key points. We want to get the issue absolutely right, because it is about providing much-needed and welcome support to hard-working parents. At the same time, we are fully committed to it, and it is deeply disappointing that we have this legal challenge right now.

Suzanne Newton: As the Minister said, we are working closely with NS&I and taking the work as far forward as we can given the challenge that we have from the Childcare Voucher Providers Association and others. We are working closely with them, but it is about working not only with NS&I, but also with colleagues from the Government Digital Service to deliver interactive online tools and guidance and with our own IT colleagues.

I recently set up a stakeholder forum, through which we are bringing in many of the stakeholders from whom you have heard over the past few days. We meet each month to discuss the detail of the scheme and how it will work in practice for parents.

Q213 Catherine McKinnell: NS&I indicated that the legal challenge was hampering its ability to progress as it does not want to spend money on a system when it is unsure whether it will be delivering it. Is there any indication that the roll-out might be delayed?

Priti Patel: As you would expect me to say, we are absolutely keen to get this up and running on time and are committed to that. We are still working to the original timetable in the sense that the work that we are doing, certainly from an HMRC point of view, is completely

on track. Now, we are obviously subject to legal proceedings and the timetable that that dictates, about which there is no certainty. We cannot even comment on the proceedings.

There is nothing stopping us on this side from continuing with the work and the development of the key tools and communications. I have already had the privilege of a walkthrough of the online tools, mechanisms and schematics. We are absolutely working to get the nuts and bolts in place right now. The NS&I piece is very much about the banking infrastructure and architecture. Let us not forget that, because it is a sister agency of Government, it has that know-how, insight and knowledge, as you heard from Jane Platt earlier this week. It has the ability. For us, it is about getting rid of the challenge and then carrying on.

Q214 Catherine McKinnell: I would highlight that Jane mentioned that any delay on the NS&I side would be due to HMRC.

On the proposed process whereby parents would need to validate their claims every three months, NS&I was unwilling to comment on whether it felt that that was necessary. I would be interested to hear how it would work in practice. Will it be in conjunction with the real-time information system? Will it be real-time information? If so, is it absolutely necessary?

Suzanne Newton: We will require parents to do a light-touch reconfirmation each quarter. It will be a prospective look that actually asks them how much they expect to earn in the coming period. The RTI programme that I worked on in the past is obviously backward-looking. We will check what is provided against our RTI data sources, but we do not have some of the other eligibility things, so we would not necessarily be able to check self-employment or some of the child eligibility criteria in real time, for example.

We will make the quarterly reconfirmation as light-touch as we can—hopefully just a few clicks. We will do most of the checking while parents are online. If they have three children, they will reconfirm all three in one go. The system is there to ensure that the right parents get the right money.

Mike Purvis: Is it worth spending one minute on why we are using a quarterly check? Some people have said, “Why not do it like tax credits?” I am told that Members’ postbags are full of complaints about tax credits and so on.

Lucy Powell: Less so now; they were, though.

Mike Purvis: Okay. The design of tax credits is not where we wanted to go. We did not want a very responsive system with parents having to tell us what was going on straight away. We have run a quarterly system past the research groups; parents get it and go for it.

Q215 Sir Bob Russell (Colchester) (LD): Minister, hopefully you recall that at the witness session on Tuesday morning I made an observation to the chief executive of National Savings & Investments that there is probably not an MP in the House who has not had constituents contact him or her because they have had a benefit of one sort or another terminated or suspended, and the first they knew about it was when there was no money there to pay the bills. Jane Platt said that it was a very good point and she would take it away to see what could be done. My question to you, Minister, is: will

you also look at a failsafe system, so that if somebody’s payment is suspended or terminated, that information is simultaneously conveyed to the person or parents, so that they can take whatever action is required to deal with the situation they find themselves in?

Priti Patel: That is a really good point. I came to this when the Bill had already been drafted but, in terms of the development of systems, we have been incredibly conscientious about ensuring that lessons have been learnt from previous systems and the challenges, technical failures and lack of information. We see that now in our work with HMRC, which obviously has a great deal of experience in Government systems, and with NS&I, which is much more of that consumer piece for the end user and how we can connect to ensure that it is seamless, so that people are not falling through in any way. NS&I is in a position where it is very much a delivery provider; it is a banking architect and performs on the payment side. It is incumbent on us to ensure this is integrated and that there are no gaps, and that is where all the trialling and testing is now taking place from our side.

Sir Bob Russell: Thank you very much.

Q216 Lucy Powell: I echo Catherine McKinnell’s comments: it is very refreshing to see a Minister not just in listening but in responding mode. I know that you have only just taken up the role, so I congratulate you on being able to do that so quickly. I want to press you on a few of the points we have heard during the oral evidence. The first is on price inflation and the concerns that, without any mechanisms alongside such an increase of funding into the system, we might see hard-pressed providers—80% of the market is private providers who are very hard pressed at the moment—starting to increase their prices a little, because they know parents have money in their pocket. What can we do to alleviate that?

Priti Patel: You will not be surprised to hear that I have several thoughts on that. We are not talking about a system of price control; we should be absolutely clear about that. We have to look at the issue of child care provision from the supply side, within the wider context of not just tax-free child care but some of the other measures that the Government have in place. It is about the provision of more child care places full stop and getting more people—childminders and nannies, for example—eligible and registered, so that they are part of the wider matrix in provision. I know that some Committees—the Regulatory Reform Committee, for example—are looking at other measures on the regulatory regime for nurseries and increasing supply there. The Department for Education is working on this as well, so there is more funding there in terms of provision.

We also have to look at what schools are doing, because they have a tremendous role to play. Notwithstanding what I now do in a ministerial capacity, I have been to quite a few nurseries in my constituency—new nurseries that are linked to community groups, the private sector and schools. It is about how the system becomes more integrated. The point is that funding through tax-free child care is only one aspect; we have to look at the core purpose of all this, and surely that purpose is delivering good and better outcomes in the early years. We want good providers that can do that. Obviously, Ofsted has a role to play, as does the wider child care system.

Q217 Lucy Powell: I agree with what you say; I think that the challenge is that places are going down. Even with additional funding, such as the two-year-old offer and so on, it is becoming a greater challenge, but I guess that that is something you will have to consider with Department for Education colleagues.

My second, related, point is about the progressive nature of the support for families. We have just heard what I thought was quite an important fact from the Resolution Foundation: 80% of the new money will go to the top 40% of earners. Do you feel comfortable with the progressive nature of it, or will you look at that? Linked to that, critically, is the impact on maternal employment rates. Given that the extra money will go to top earners, what work has been done to analyse whether the measures will have the impact, which I know you and I both desire, of increasing maternal employment rates?

Priti Patel: The core purpose of the Bill is obviously to provide support to working families with child care costs. I do not think we should just look at projections—I hear what you say about research and what the Resolution Foundation has said, but we cannot just look at it in terms of one particular part of the population. We are still providing funding through universal credit—the amount that families can claim for child care costs has gone up, as you know, to 85%—and through the tax credit system too.

It is very much a case of ensuring that we have a clear link between affordable child care and employment and finding ways to support parents making that transition. It is about opportunity. Having affordable child care and access to financial support for child care provision will rightly enable families and parents—mums and dads—to go into the labour market.

We are keen to, and we plan to, evaluate tax-free child care as part of the standard two-year post-implementation review. From the evidence collected, we will seek to set out what the benefits are in terms of the delivery of the scheme, and what the key indicators are. Obviously, we want to support people going back into work. For us, that is not just through tax-free child care; it is through universal credit and other mechanisms provided by Government.

Q218 Lucy Powell: Would you consider looking at the kind of modelling that Kitty Stewart was talking about, in terms of a lower cap and a higher subsidy—perhaps not now, but in future—if you felt that it would have more of an impact on people's decisions whether to go back to work or work more hours?

Priti Patel: At this stage, we are keen to get the scheme up and running; there is no doubt about that. I heard the discussion about moving the cap from 20% to 25%. Obviously, we would have to consider cost as well, because clearly additional costs would be associated.

Q219 Lucy Powell: But what if you lowered the cap?

Priti Patel: We would have to consider the cost implication; I think we should be clear about that. My understanding is that moving from 20% to 25% would cost an additional £260 million. We would have to consider the overall benefits and cost implications of the scheme.

Q220 Lucy Powell: She was talking about having the same money but lowering it, so instead of having to spend £10,000, you would spend an average—

Priti Patel: But there is always a cost implication. We would have to consider how lowering the cap would aggregate across the population and across communities, and the financial implications.

Q221 Andrew Jones (Harrogate and Knaresborough) (Con): Why was NS&I considered the most appropriate provider of tax-free child care? How confident are you of its ability to deliver the scheme?

Priti Patel: NS&I is an interesting organisation. As I mentioned earlier, it is effectively a sister agency to the Treasury. It is fair to say that it has an established track record. It can deliver as a single provider and it has a banking infrastructure that is extraordinary—it supports 25 million customers across a product range that is pretty unique to its own delivery. When Jane Platt came here on Tuesday, she spoke about premium bonds and how they were able to convert the uplift in allowances around premium bonds very quickly, so it has a very strong record. It also has an excellent customer service record. The team here have had a lot of feedback, and we have been engaging with parents on NS&I's reputation and track record, and we have also had a lot of dialogue with parents and stakeholders about how they feel about engaging with NS&I. Do you have any more to add to that, Suzanne?

Suzanne Newton: I will add to it briefly. One of the big selling points of NS&I was around it being a trusted brand, along with the fact that parents' funds are secure—all the money in NS&I is backed by a Government guarantee, which was a big selling feature with the parents we spoke to. Jane spoke the other day about the speed at which they can deliver. We are building on existing banking infrastructure. Yes, there will be some changes to accommodate the rules and regulations around TFC, but we are building on something that is already there—a big, established banking infrastructure. We are also going to be using NS&I for many of the front-line operations, such as their contact centres, their call-handling capability, their secure messaging and their text facilities. We have had really positive feedback from parents in the early days of testing some of the screens—they like the simplicity that NS&I brings to the presentation of the information.

Andrew Jones: May I ask a quick supplementary question, Mrs Main?

The Chair: Very quickly.

Q222 Andrew Jones: Is the plan to use NS&I branding in communication to families?

Suzanne Newton: We are in ongoing discussions with NS&I about the brand. We are clear that we would like a TFC brand so that parents understand what tax-free child care is. Conversations are ongoing about whether an NS&I, HMRC or Government brand would dilute a TFC brand. We are still having those conversations.

Q223 Nic Dakin: We have heard a lot of evidence about the difficulty of moving between universal credit or tax credits and tax-free child care. What are the Minister's or her officials' thoughts about how to make that work?

Priti Patel: I think this comes back to something we have just touched on: it is all about information and communication. Everyone who has given evidence has said that they do not know what the communication is going to be like, which is true because we have not been out there speaking about this publicly. On our thinking and how we have gone about developing much of this from a system point of view, and also looking at how we will engage parents, we have very much been engaging with parents, as well as some of the stakeholders who have given evidence this week, to discuss with them the transitional elements and how we will engage with parents.

It is worth pointing out that many of the stakeholders who have given evidence to the Committee, as well as stakeholder groups with which we have been involved, have a role to play themselves in signposting and sharing information, whether they are schools, children's centres or citizens advice bureaux. We are very clear that once you register online, the signposting, the steps and actions that must be taken and the routes that you can go down are all very simple.

Q224 Nic Dakin: A couple of suggestions have been made, although people have mainly said, "This is a problem," but have not suggested solutions. I recognise that, as the Minister said, communication will be part of the solution, but the evidence we have heard suggests that it is a bit bigger than a communication challenge. A couple of positive suggestions came forward: one was that people on universal credit should be able to open accounts while they are still on universal credit in order to allow them to transfer more easily; another was that people on maternity leave should be allowed to open accounts. Those were two practical suggestions; what are your views on them?

Suzanne Newton: We are working very closely on this with our colleagues at the DWP. Our conversations have led us to believe that extending accounts to people already on universal credit would be quite a big change for universal credit and outside the scope of the Bill; it would be part of the wider welfare reform agenda.

May I clarify the position on women on maternity leave? If somebody already has a child in child care and then goes off to have a second baby, while they are on paid or unpaid statutory maternity leave they can claim TFC for the child that they already have, but they cannot claim it for the baby because they are on maternity leave for it. They can continue to claim TFC for the child they already have to retain that place or leave him or her in child care while they are looking after the baby.

Q225 Nic Dakin: And what about taking out accounts for the first baby when they are on maternity leave and beginning to prepare for that situation?

Suzanne Newton: As the Minister outlined, we will allow them to apply for those accounts 14 days before they return to work.

Q226 Chloe Smith: May I first welcome the points you put in your letter about support for parents of disabled children? I think that is very encouraging and I am just marking my interest as we go through the Committee as to what proposals you bring back there. How would you like employers to interact in this new system?

Priti Patel: It is quite interesting because we have heard from various groups and organisations that have come to the Committee talking about the employer role and potential disengagement from employers as well. I have to say that, unsurprisingly, I disagree. If you are a good employer you are going to want to make it as easy as possible to provide the right kind of working hours and to promote child care benefits to your employee base. It is quite interesting because we have spent quite a bit of time discussing this area with stakeholders as well—organisations ranging from children's centres to the Federation of Small Businesses—and they all maintain that employers and businesses have a role to play here. It is about, as I think was suggested earlier, promoting what the Government are doing and the tax-free child care scheme through the normal avenues of employee communications, while at the same time doing what good employers do already, which is promote their parental leave and flexible working schemes as part of that broader package. Having schemes such as that in place is the only way that companies employ the best people.

Mike Purvis: If they want to, employers can pay straight into these accounts as well; they do not have to go through the parents and so on. If a parent or employer wants to, they can pay straight into the account.

Q227 Catherine McKinnell: I just want to go back to NS&I. You mentioned disappointment about the current legal issues, but can you explain why the proposal to allocate the contract to NS&I was not included in the first consultation process? That seems to have given rise to the legal challenge that we are now facing.

Suzanne Newton: I think it is fair to say that when we did the first consultation, we were very much looking at the design of the scheme and how we would go about it. Relatively late in that consultation process, NS&I, as one of our sister organisations, approached us as a viable provider of these accounts. We realised quite quickly that we needed to consult further on that and that is why we had the second consultation; to establish whether, not just NS&I, but HMRC ourselves could do it in-house, or whether we could go out to the market.

Q228 Catherine McKinnell: On the discussions that you mentioned you have been having with NS&I and the information that is going to be provided for parents and stakeholders, the overwhelming message from the evidence that we have been taking in these sessions is that people do not feel very well informed at the moment. They do not feel very well consulted or that they understand how the system is going to work. NS&I mentioned that it has an awful lot of experience in dealing with these things. Do you have any comments on your inability to engage with NS&I at that level and whether that is ultimately hampering the process itself?

Suzanne Newton: In terms of engaging with the stakeholders, we are still a little way out. As I mentioned earlier, we have just set up a monthly stakeholder forum. We had a really good session with those people on our draft regulations last month, and some of the changes you have seen today have been in response to that. We have another session with them coming up very shortly on the draft guidance, so we are starting to engage with that stakeholder group much more. We will be starting to put communications out, probably from the spring.

[*Catherine McKinnell*]

There is an ideal point to start pushing this out to parents and child care providers more widely. We will be looking to use everybody, really. If NS&I can help us with it, if employers can and if some of the representative bodies can, we will be really keen to engage with them, in whatever way, to do that.

Q229 Mary Macleod: Minister, thank you for your initial announcement about the self-employed. It is excellent that that has been added in. I am referring to the issue of income fluctuation and the support for self-employed people.

I want to ask about two of the concerns that have been raised in our witness sessions. To some extent, this leads on from Lucy's question. Some of the concern was about getting more women into work, and the other bit was that those on low incomes will miss out. Naturally, I want to ensure that we get more women into work and that we are supporting those on low incomes. Do you feel confident that what is proposed is enough to support families on low incomes—the different benefits that are allowed as well as what we are talking about in this case?

Priti Patel: It is a good point. As I explained earlier, everything that we are doing around not just tax-free child care but the wider child care offer is crucial to getting more women into work, and certainly more women on lower incomes into work as well. It should not be overlooked. Regardless of what people may think about other systems, we have the tax credits system, which provides support, but we have the universal credit system, too. The provision for child care in that is high; it is significant and has been increased. Again, it is all about individuals, and creating the opportunity for them by providing the financial support for child care provision. We very much hope that they take up that opportunity to get back into the labour market, at whatever level. As I said earlier, with young children in particular, it is not necessarily about keeping them at home. It is about other options through early years education, and through using the child care system and the nursery system to enhance and bring better skills to children at that early age. That is in addition to helping mothers, in particular, get back to work.

Q230 Mary Macleod: What mechanisms will you use to communicate some of this? Yes, you want the right system, a simple system and something that is communicated well, so that families can access it. What sort of plan is in place to ensure that that communication is effective?

Priti Patel: We have only touched on this. We are adamant that we are going to use every single communications channel available to us. Obviously, there is the Government Digital Service; that network is already there. But it is about more than that. For example, we will very much be using schools where they have early years child care provision. We will be using children's centres as well. I have been to quite a few centres recently. I went to a really good one in Newham on Friday morning run by 4Children. It has become a one-stop shop—an integrated service. You do not just leave your children there so that they get child care. There are also training opportunities there for mums, and it is connected with employment opportunities

through Jobcentre Plus. There are many avenues out there, and we intend to tap into every single signposting opportunity that is available, and to utilise the stakeholders—many of the stakeholders that we have been working with and many of the stakeholders that have been here giving evidence this week.

Q231 Mary Macleod: Maybe you could use MPs to help you as well.

Priti Patel: Absolutely—exactly.

Q232 Lucy Powell: Maybe we should not get into a discussion about Sure Start centres, because we might lose some of the spirit of the Committee so far.

Can I probe a bit further the point about the interaction of universal credit with tax-free child care? I understand that your hands are slightly tied because universal credit is on the DWP side, but can I ask whether you have considered, and if not whether you will consider, all the different scenarios? Of course, one aspect of this is someone moving up the pay scale, going from universal credit and into tax-free child care. But as we heard from much of the oral evidence, it will more commonly be people who are borderline and who are moving between the two systems because of changes to circumstances or pay or because they are having an extra child. It seems that there are quite a lot of penalties in the Bill that people may incur unintentionally. If they accidentally open a child care account thinking that that is something to which they are also entitled, they will automatically lose their universal credit. If they change scheme more than once in a year, they then cannot change for another four years. Could you either reassure me that you have thought about all those different things or have another look to ensure that we are not unfairly penalising families for what would otherwise be perfectly reasonable changes to their life?

Suzanne Newton: If I can pick up the point about moving between the two, we are developing with Government Digital Service colleagues a really easy to use online calculator. People can enter their personal circumstances to try to see which of the schemes would be best for them. That will be not just for TFC but for UC, ESC and other things. That will give them a good feel for which is best for them. If they decide that it is TFC, they will have to stop their UC claim before they claim for tax-free child care. If they are in tax-free child care and there is a change of circumstance, they can immediately move back to UC and the tax-free child care will continue up until the end of that quarterly reconfirmation. There will be a period when they get both, and at the end of that period they will need to stop their tax-free child care and carry on with UC. If there is a valid change of circumstance, such as having a baby or losing their job, that is absolutely fine. The two rule does not apply. The two rule applies only when they just choose to flick in and out without a change of circumstance.

Lucy Powell: Oh, right, okay. Thank you.

Q233 Robert Jenrick (Newark) (Con): This has already been raised by Lucy Powell and others, but one of the key debates that we have had today and in previous oral evidence sessions has been about how much impact the scheme will have, how much bang you get for the buck, how many more women will get back into work and at

what level of income distribution there will be a benefit. The evidence that we have heard is quite conflicting, with Mumsnet saying one thing and later witnesses saying another. It seems like there is not much sophisticated evidence about the impact of the child care subsidy on maternal return to work. This an important area of policy, so what could your Department do to improve that, maybe not on this occasion but going forward, so that we can have some proper evidence to monitor the success of the scheme?

Priti Patel: That is a really good point, because everyone will have different views based on scenarios, conversations and discussions. We have created a tax-free child care impact assessment, which includes evidence showing that subsidies like this have a positive impact, particularly on the individuals we are trying to help here—those entering the workplace who are increasing their working hours.

However, there is no automatic answer, because the scheme is new and is not yet up and running, which comes back to my earlier point. We are planning an evaluation, which we obviously have to do as it is the right thing to do, to set out the benefits of the scheme, what it has delivered and how it has delivered. It is a fact of life that survey data from all stakeholders, certainly those who have come to the Committee, to whom I have spoken and with whom officials have been in touch, shows that more than half of mothers who are not in paid work would dearly love to be could they get access to child care and were they able to pay for it. It is a clearly a positive measure in the right direction, but we will have to assess it in the right way once the scheme is up and running.

Q234 Nic Dakin: Jane Platt, in her evidence to us, seemed to respond to quite a lot of questions about passing issues back to HMRC, much of which, to be fair, you have picked up in the evidence you have given this afternoon. How are you ensuring that standards are robust?

Suzanne Newton: We will have what we are calling a memorandum of understanding between the two Departments, which will set out the service standards that we are expecting NS&I to provide in terms of the availability of its website, the service that we expect through its contact centres and other things. We will monitor progress against that. I know there was mention of a code of conduct. That is one of the things that I would really like to explore with stakeholders over the coming months. We will share with them the service standards that we are going to be suggesting, and then we will pick that up as part of our ongoing conversation.

Priti Patel: I think it is fair to say that we are very mindful of that. As I have touched on already, we are desperately learning from previous systems. Reputationally, this matters—it really does matter, because this is about parents and children at the end of the day, and about putting the needs of children first, as well as supporting parents. We are very much open to suggestions and, obviously, it is just part of that wider ongoing dialogue that we have with our stakeholders, too.

Q235 Nic Dakin: Have you got a sense of how much it will cost Government for each of these accounts to be opened?

Suzanne Newton: Given the legal challenges, it is commercially sensitive at the moment.

Q236 Nic Dakin: But you have an answer to that question. You are just unable to share it, so at the point when you are able to share it, you will share it with members of the Committee.

Suzanne Newton: Indeed.

Q237 Sir Bob Russell: Minister, I would like to congratulate those who have drafted the Bill. Clause 8(2)(a), as paragraph 52 of the explanatory notes states, enables “members of the armed forces who have been posted overseas...to be treated as being in the UK.”

I really am pleased about that, but I want to pursue it a bit further. I am sure, Minister, that you would wish HM Treasury to be practising—not just signing up to, but actually fulfilling—the armed forces covenant. With that in mind, could I ask you and your officials to see how it would be possible to engage the Ministry of Defence to ensure that military personnel can be brought into this scheme more knowingly? My experience is that quite often, Army families miss out because they are not aware, and by the very turbulence of Army life, moving here and there, things can be missed or lost. I make the request that somehow there can be dovetailing with the Ministry of Defence.

One more question: can you give me an assurance that the Bill will not be used, either positively or negatively, by the Child Support Agency to affect in any shape or form the way in which maintenance payments are determined?

Priti Patel: On your first point, absolutely—and yes, it is very important to us. Mike or Suzanne, do you want to comment on the Child Support Agency? I think we might have to take that away and we will definitely look into it.

Sir Bob Russell: Thank you, because any excuse—

Priti Patel: Yes, it is a very valid point.

Q238 Catherine McKinnell: That was a question mark that arose in my mind as you were talking about the calculator and families being able to input lots of data—how confident they would feel that that data would not be misused, so I share that concern.

I also want to follow on from the question that Nic put to you about how important it is to you that this is a successful scheme—that it does not carry any risk. Obviously, NS&I has been quite open and up-front about the fact that Atos runs its back-office operation, and although it has the NS&I brand on it, it very much will, I think, have the Atos brand with it as well. In some of the schemes that it has run for the DWP, that has been nothing short of toxic for quite a lot of people who have not enjoyed its services. What precautions are you taking to make sure that that does not befall this scheme as well?

Priti Patel: It is fair to say, as Jane Platt highlighted, that a very thorough, vigorous procurement process took place for Atos. It has standards and key performance indicators, and is part of a memorandum of understanding, so we treat it very much as a professional organisation, there to be part of the service delivery. I fully concur with your suggestions and your reference to its delivery elsewhere in Government, but at the same time, Atos is delivering many other schemes perfectly well. On that basis, I do not think that we should second-guess or start to undermine its work at this stage. I would

[Catherine McKinnell]

definitely say that NS&I has gone through the right kind of process. It was very transparent and it is confident on the delivery level. For us, it is very much not Atos in isolation. It is NS&I working in conjunction with HMRC to get this scheme up and running and delivered in the right and best possible way for parents.

The Chair: As there are Members who still wish to be called, I will use my discretion under Standing Order No. 83C(11) to extend the sitting by no more than 15 minutes, which will give Mr Flello the opportunity to put his question to the Minister and have an adequate response.

Q239 Robert Flello (Stoke-on-Trent South) (Lab): I am very grateful, Mrs Main. I hope that the question and the response do not take 15 minutes. Can I urge the Minister to go back to those KPIs for Atos? I am worried that the same standards, the same procurement process and the same type of questions have been used for the likes of Capita. I have constituents who have been waiting for almost a year to get a proper result out of Capita. I urge the Minister to go back and have another look at the Atos procurement to be absolutely certain that we do not have the same sort of debacle as we had with Capita and Atos in other circumstances.

Suzanne Newton: We are happy to pick that up. I should build on what the Minister said: we will be using the same contract which is already running premium bonds and 25 million accounts for customers up and down the country.

Priti Patel: I understand the anxieties.

Suzanne Newton: Could I clarify one other thing as

well? Users of the online tool would not enter their name, national insurance number or anything else. They would just say, "I have two children. I earn this amount."

Q240 Catherine McKinnell: That is very helpful. Thank you, Mrs Main, for the slightly extended time. Again, I ask this in the spirit of making sure that this is a successful scheme that works for those who very much need it. Quite a few concerns have been expressed, and there have been reports in the press, about the RTI system causing chaos for some taxpayers. There have obviously been teething problems with the system. Will there be interaction between the new scheme and RTI? If so, what steps are you taking to ensure that these teething problems do not spill over into this child care payment system?

Suzanne Newton: RTI will be one of the data sources that we check against when somebody comes in to claim TFC. The important thing to remember is that we are not looking for an exact amount. We are making sure that they are over the minimum of about £52 a week and below the upper threshold. So if the amount is slightly out, that is not a concern to us. In terms of the issues with RTI, I do not have the brief on it but having been involved with it, I understand there are a number of issues on both the employer side and how we are processing that data. Clearly that is something that we can pick up separately.

The Chair: I thank the Minister and her officials on behalf of the Committee.

3.18 pm

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till Tuesday 21 October at twenty-five minutes past Nine o'clock.

**Written evidence to be reported to the
House**

CP 06 Family and Childcare Trust

CP 07 Childcare Voucher Providers Association

