

PARLIAMENTARY DEBATES

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OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

CHILDCARE PAYMENTS BILL

Eighth Sitting

Thursday 23 October 2014

(Afternoon)

CONTENTS

CLAUSES 23 to 30 agreed to, one with an amendment.

Adjourned till Tuesday 28 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)
 Fello, 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**

Public Bill Committee

Thursday 23 October 2014

(Afternoon)

[MRS ANNE MAIN *in the Chair*]

Childcare Payments Bill

Clause 23

REFUNDS OF PAYMENTS MADE FROM CHILD CARE ACCOUNTS

2 pm

The Exchequer Secretary to the Treasury (Priti Patel):

I beg to move amendment 18, in clause 23, page 13, line 33, at end insert—

“(3) In a case where—

(a) a person would (in the absence of this subsection) be required by subsection (1) or (2) to repay an amount (“the repayable amount”) into a childcare account, but

(b) the childcare account has been closed,

the person must pay the repayable amount to the person or body who was the account provider in relation to the account (“the relevant account provider”).

(4) The relevant account provider must—

(a) pay the top-up element of the repayable amount to HMRC, and

(b) pay the remainder of that amount to the person who held the childcare account.

(For provision about calculating the top-up element of an amount, see section 21.)”

This amendment provides that, where a childcare account has been closed, amounts which need to be refunded to the account-holder must be paid to the childcare account provider, who must then repay the account-holder. This ensures that the top-up element of the repayment is returned to HMRC.

The Chair: With this it will be convenient to discuss Government amendments 19 and 20.

Priti Patel: It is a pleasure to serve under your chairmanship, Mrs Main. These are the first amendments that the Government wish to make to the Bill, and they concern the mechanics of payments made into child care accounts. Clause 23 sets out the rules that apply when a person refunds money that has previously been paid from a child care account. In most cases, that person is likely to be the child care provider.

There are a number of possible scenarios in which a child care provider might pay a refund to a parent. A parent might have paid in advance for child care that in the event was not needed, or they might simply have overpaid the child care provider by accident. Whatever the reason might be, the Bill needs to cater for cases where a child care provider needs to refund a parent. Where that happens, the child care provider is required by the clause to pay the money back into the child care account. The child care provider cannot pay the money directly to the parent, and for good reason: the amount

that was originally paid out of the account will naturally contain both the parent’s money and the corresponding Government top-up payment. The same will be true of any refund to the parent. It will be a combination of funds from a parent and support from the Government.

Fundamental to the scheme is the principle that support from the Government cannot be used for purposes other than paying for qualifying child care. A mechanism is therefore needed to ensure that the part of the amount repaid that relates to the top-up payment cannot be used for other purposes, which would be the risk if the refund were paid direct to the parent. For that reason the clause requires the refund to be paid back into the child care account. That will ensure that Government top-up payments can be used only to pay for child care, and will allow the scheme to operate as intended.

However, there is a scenario that was not envisaged when the clause was originally drafted, which is when a parent is due a refund from a child care provider at a time after the child care account has been closed. When that is the case, there will by definition be no account into which to pay the refund, and therefore there is no way in which the refund could be properly paid. The amendments fill a genuine gap in the legislation. Amendment 18 introduces a requirement on child care providers to pay any refund to the account provider. It then requires the account provider to pay the part of the refund representing the top-up payment to Her Majesty’s Revenue and Customs before returning the balance to the parent.

Amendments 19 and 20 are merely consequential changes to clause 39. They address cases where a child care provider fails to meet its obligation to pay a refund to the account provider. Where that happens, the child care provider will be liable to pay the top-up element of the refund to HMRC.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): It is a pleasure to serve under your chairmanship, Mrs Main. I have a question that follows on from our query on clause 22, because there seems to be an anomaly that has not been properly considered. We know that there could be more money in a child care account than would qualify for top-up payments. Again, as with clause 22, clause 23 does not seem to take any account of such circumstances. The clause specifies that refunds must be re-spent on child care or the top-ups must be repaid to HMRC. What about when there are funds in an account over and above the qualifying £2,000-a-quarter allowance to pay for child care that are subsequently refunded? As there is a chance that the original payment consisted of absolutely no top-up element, surely in those circumstances there would be no requirement for the parent, or the account provider, to repay any top-up sum to HMRC. That may be an unintended consequence.

While I fully understand the Government’s aim of ensuring that top-up payments cannot be skimmed off and used without the original funds being present, parents and their employers may be dissuaded from paying into a child care account any funds other than those that directly relate to the top-up payment, thereby undermining the Government’s aim of broadening the scheme, so that it is an easy tool through which parents can pay for child care and third parties can contribute. With particular reference to clause 23, have the Government

considered circumstances in which a child care provider repays money that did not have any top-up element attached to it in the first place?

Priti Patel: I thank the hon. Lady for her points, which provide me with the opportunity to clarify some of my comments on clause 22 this morning regarding the 80:20 ratio and the functioning of the payment mechanism. The child care account is solely for qualifying payments that attract a top-up payment. That is necessary to maintain a constant 80:20 ratio between account holder funds and top-up payments. I said earlier that that will make things simple for both parents and HMRC when they are, for example, dealing with withdrawals, and when the top-up element must be returned to HMRC.

In practice, however, HMRC will work with the account provider to offer a parallel overflow account—parents will be aware of it, but will not see it—for payments in excess of the upper limit; that will address the hon. Lady's concerns. Overflow accounts will be helpful for some parents when, for example, total child care costs exceed the maximum qualifying amount for tax-free child care, or when they want to manage all child care payments in one place. It will also allow the account holder to deposit larger sums of money for child care costs and then draw down funds into the child care account up to the limit of their tax-free entitlement.

Nic Dakin (Scunthorpe) (Lab): I want to clarify something. The scheme will operate as just one account from the parents' point of view, but will operate as two parallel accounts from the other side. Is that right?

Priti Patel: To clarify, that is exactly so. The parent will not see the overflow account. It is in the infrastructure and is part of the enabling architecture. That is about providing parents with clarity and security, which is key when parents are depositing money, particularly if they are depositing more than is required. It is about ensuring that funds are secure and accessible in the right way, and that payments out of and into the account, which could be refunds, are made in a straightforward and simple way.

Amendment 18 agreed to.

Clause 23, as amended, ordered to stand part of the Bill.

Clauses 24 and 25 ordered to stand part of the Bill.

Clause 26

POWER TO OBTAIN INFORMATION OR DOCUMENTS

Question proposed, That the clause stand part of the Bill.

Catherine McKinnell: I want to probe the Minister on one issue. Account holders, who will usually be parents, probably require some reassurance about the information that will be held about them and their child care situation. We have talked about a number of factors relating to that, such as potential disputes in which HMRC might be required to intervene to decide who should hold a child care account and in what circumstances.

Will the Minister provide some examples of the information notices referred to in the clause and how HMRC might use them? That would be helpful. There

is a lot of public anxiety about information and data being held and how they will be used. There needs to be an assurance that that information will be used only in relation to the child care accounts; if it is to be used more widely, we need transparency about that. Will she outline the sort of information that will be held and how it might be used, to provide the necessary reassurance?

Priti Patel: Clauses 26 to 28 deal with the information and documents that HMRC needs to obtain to ensure that the scheme operates effectively. Clause 26 specifically gives HMRC the power to request information or documents relevant to the administration of the scheme.

In the vast majority of cases, HMRC will not need to request additional information from parents to verify their eligibility. The online process, as we have discussed, is straightforward and allows parents to register for the scheme and reconfirm their eligibility. It has been designed with that objective in mind. The information parents provide will in almost all cases be sufficient to allow HMRC to confirm their entitlement to support.

On occasion, however, HMRC could require additional information or documents in order to make accurate and informed decisions regarding a person's eligibility to receive support under the scheme. In most cases, the information or documents that HMRC needs will be held by the parents themselves. However, in other cases they will be held by a third party, such as the parent's partner, employer or child care provider. For example, if HMRC suspects that a person is deliberately abusing the scheme by claiming while continuing to benefit from employer-supported child care, they could seek information from the employer to determine the person's eligibility. The clause therefore allows HMRC to request information or documents from a range of individuals and organisations, solely for the purpose of determining eligibility.

Members of the Committee have had the opportunity to look at the draft regulations, which set out from whom HMRC can request information and what information it must provide when it does so. That will include a statement of the reasons why it is requesting the information.

The clause also makes it clear that HMRC can require a person to provide information or a document only if it is in their possession or power. It provides a simple and pragmatic way for HMRC to obtain the information or documents necessary to verify a parent's eligibility for the scheme.

Question put and agreed to.

Clause 26 accordingly ordered to stand part of the Bill.

Clause 27

INFORMATION SHARING BETWEEN HMRC AND OTHERS

Question proposed, That the clause stand part of the Bill.

Catherine McKinnell: As with the last clause, it would be reassuring to have some clarity for account holders—parent users—about how any information held about them might be shared with third parties. Will the Minister elaborate on that for the Committee?

Priti Patel: The clause establishes a gateway to allow information to be shared between HMRC and other bodies, to ensure that the scheme operates effectively and efficiently. The scheme will take full advantage of modern digital technology to ensure it is simple for parents to apply to and use the scheme. They will be able to register for the scheme via an online Government portal, and in the vast majority of cases will not be required to send in any documentary evidence to support their application. Again, the portal is being constructed to make it simple and quick for parents to access. The exchange of information between HMRC and other bodies will allow HMRC to validate parents' applications seamlessly via automated system-to-system checks, ensuring that claims will take days rather than weeks to process. The clause makes that possible.

The information gateway is essential, to allow HMRC to check that the information received from parents is accurate and complete without putting in place additional burdens by requiring parents to provide supporting documentary evidence. It will also allow HMRC to check that child care providers are registered with the appropriate regulatory authority. Subsection (3) makes it clear that any information disclosed by HMRC must not be disclosed further without the consent of HMRC. That will ensure that a person's information is protected if HMRC needs to share it with another body.

2.15 pm

My hon. Friend the Member for Colchester, who is not here this afternoon, asked in the evidence sessions whether the scheme would have an impact on the child maintenance payment systems. There is a point to make about the information sharing power and the interactions between systems. Specifically on his comment about child maintenance payment systems, I confirm that there will be no impact on how liability is calculated in the scheme administered by the child maintenance service.

I reassure members of the Committee that the effective use of information is central to delivering an efficient and user-friendly service for parents in the right way, safeguarding information and using it only in the most appropriate way.

Question put and agreed to.

Clause 27 accordingly ordered to stand part of the Bill.

Clause 28 ordered to stand part of the Bill.

Clause 29

TERMINATION OF TAX CREDIT AWARDS

Alex Cunningham (Stockton North) (Lab): I beg to move amendment 34, in clause 29, page 16, line 25, leave out “an award of tax credit is or has been made” and insert

“an award of tax credit which includes the childcare element is or has been made”.

The Chair: With this it will be convenient to discuss the following:

Amendment 35, in clause 29, page 16, line 40, after “tax credit”, insert

“which includes the childcare element”.

Amendment 36, in clause 29, page 17, line 2, after “tax credit”, insert

“which includes the childcare element”.

Amendment 37, in clause 29, page 17, line 10, after “tax credit”, insert

“which includes the childcare element”.

Amendment 38, in clause 31, page 18, line 43, after “tax credit”, insert

“which includes the childcare element”.

Amendment 39, in clause 34, page 21, line 3, after “tax credit”, insert

“which includes the childcare element”.

Amendment 40, in clause 34, page 21, line 14, after “tax credit”, insert

“which includes the childcare element”.

Amendment 41, in clause 35, page 21, line 38, after “tax credit”, insert

“which includes the childcare element”.

Amendment 42, in clause 35, page 22, line 4, after “tax credit”, insert

“which includes the childcare element”.

Alex Cunningham: The core purpose of this group of amendments is to broaden the provisions of the Bill to allow households in receipt of tax credits, but not receiving any support whatever for their child care costs in their tax credit award, to receive support from the tax-free child care scheme. Achieving that goal would entail several minor changes to the clauses dealing with the special rules affecting tax credits and universal credit claimants—specifically clauses 29, 31, 34 and 35. As members of the Committee will be aware, the purpose of the tax-free child care scheme is to provide support for child care costs to those who are not eligible for help from elsewhere.

To recap briefly, since the 2004 child care strategy, an infrastructure of support has been developed to help parents meet the costs associated with child care and access to early education. All children are entitled to a free early education offer, which in England is 570 hours annually, or just 15 hours a week over 38 weeks of the year, for three and four-year-olds.

Support also comes in the shape of assistance with child care costs, through the child care element of working tax credit. Working parents on low income are eligible to receive up to 70% of their child care costs through tax credits, up to a maximum cost of £175 a week for one child and £300 a week for two or more children.

If we are serious about encouraging people back into work or to stay in work, we have to deal with the anomaly in the Bill relating to those in our society on the lowest earned incomes. In a peculiar sort of way, the Bill says, “We recognise that you do not get any help through your tax credits, but I will not do anything else to help you either.” I am sure that that is not what the Minister intends.

Many who claim tax credits are working and incurring child care costs, but are not entitled to claim the child care element because, for example, they do not meet the minimum number of working hours per week to qualify. Clause 29 makes it clear that any tax credits award will

be terminated when a valid claim for the tax-free child care scheme is made, regardless of whether the child care element of working tax credit is received. Put into context, that means that households in which one parent is working full time while the other works 12 hours a week will not be entitled to receive the child care element of tax credits to support them in the payment of child care costs. Similarly, single parents working less than 16 hours a week on average will not be entitled to the child care element of working tax credit.

As I have mentioned, many parents will be aware that they do not receive help with child care costs from tax credits. Some are therefore likely to be confused by the message that the tax-free child care scheme is to provide support for child care costs to those who are not eligible for help from other state-funded sources. I for one would not consider it unreasonable or unforeseeable that parents in such circumstances may expect that they can claim tax-free child care in addition to tax credits. However, as I have said before, if they claim tax-free child care, their claim for tax credits will be stopped.

Many people who benefit from the tax credit system already find that the various regulations are complicated enough as they are. I am sure the Minister shares my concern that some parents simply will not realise that there is this additional intricacy and will risk losing the support, which may be the difference between remaining above the breadline and falling below it. It is therefore entirely right to ask the Minister, on their behalf, how she will ensure that families in receipt of tax credit, but not of the child care element of working tax credit, are entitled to receive some support with their child care costs. The Minister will know that families with disabled children are particularly likely to be affected by that anomaly. How will she ensure that families with disabled children in the same circumstances do not lose out?

I know that correcting that anomaly will cost some money, so it will be interesting to know what research the Minister has carried out to determine the costs associated with such a move. I doubt that it will be a huge sum. I am talking about families who are at the very low end of the earned income scale but do not receive any help to pay for child care. They will certainly not be forking out the sums paid by those with salaries of £100,000 a year. Instead, I am asking the Minister today to pay a 20% top-up on small contributions to child care by some of our poorest working people, who are otherwise at risk of slipping through the safety net. I hope that she examines carefully what she could achieve by accepting the amendments: providing some very limited support for those who need it most, and at relatively little cost.

Priti Patel: Clause 29 is the first of the provisions dealing with those who claim tax credits. It prevents someone from receiving support under the scheme while they or their partner, if they have one, are receiving tax credits. It does that by automatically ending a tax credit award as soon as they make a valid declaration of eligibility under the new scheme. I remind the Committee that many families who qualify for tax credits are already in receipt of generous support for their child care costs—they can get 70% of those costs paid by the Government, up to a maximum of approximately £15,600 a year for those who have two or more children. The new scheme will provide support to families as they increase their income and move off tax credits.

The clause sets out the way in which a tax credit award will be ended. When a person opens a new child care account, the tax credit award will terminate on the day before their first entitlement period. When a person already has a child care account and acquires a new partner who is on tax credits, the partner's tax credit award will terminate immediately before the next entitlement period for which a declaration of eligibility is made.

Catherine McKinnell: Going back to the Minister's comments about the generous support that many recipients of tax credits get for their child care costs, my hon. Friend the Member for Stockton North set out clearly why he believes the amendment should apply specifically to those who are in receipt of the child care element of tax credit and why there are concerns about removing all tax credit support immediately from those who do not have any help with their child care. Will the Minister deal with that point?

Priti Patel: I thank the hon. Lady for her contribution. The clause sets out the way in which a tax credit award will be ended, and I will come to that point.

The clause sets out the rules that will apply when a person has applied for a review, or appealed against a decision by HMRC to not award, or to end their entitlement to tax credits. In such cases, the review or the appeal process can continue even if a parent makes a declaration of eligibility to the scheme. That ensures that the person has support with their child care costs while their review or appeal is being considered.

An award under tax credits is normally made on an annual basis, but the effect of the clause is to bring it to an end at any point in the year. That will make moving on to the new scheme simple and straightforward for the parents. They will not need to do anything in relation to their tax credit award because it will end automatically as soon as they enter the scheme. The parent will still be able to return to tax credits at a later time if, for example, their circumstances change and tax credits again provide them with better support. What is considered a change in personal circumstances will be set out in regulations. It will include life events such as becoming responsible for children, losing a job or moving in with a new partner. As the changes occur, parents can move to tax credits or universal credit without having to end their entitlement period.

We also recognise the importance of providing information and support to help parents make informed choices about which scheme they should access. Alongside wider guidance and information, we will provide an easy-to-use online tool for parents choosing between tax credits and the scheme. Parents will be able to enter details about their personal circumstances to see quickly what support they might be entitled to and how much they could get. HMRC has already published its first version of draft guidance, well ahead of the introduction of the new scheme. It will work with parents and other users to ensure the guidance is as helpful and easy to use as possible, so that parents can understand some of the phrases and terminology being used and work out the support that they need.

Nic Dakin: The Minister is spelling things out reasonably clearly, as she has throughout Committee. Some of the witnesses giving evidence last week expressed a concern that the scheme was rather hard on people who applied

[*Nic Dakin*]

in error. Is there a facility to deal with that, so that people do not find themselves in further financial difficulties through misunderstandings and error?

Priti Patel: I think language is important here. Through guidance and working with HMRC, stakeholders and parents, we want to ensure that the information is accurate, factual and correct, and that we provide the right information, guidance and advice to parents. This is not about penalising people who might have made a mistake; absolutely not. Recognising changes in circumstances is complex, as we previously discussed, and we need to ensure that we are working alongside parents on that. This is not about disproportionately hurting anybody; it is about ensuring that the scheme does the right thing.

I turn to amendment 34 and the consequential amendments 35 to 42. They would allow families in receipt of tax credits, but not the child care element, to receive support under the new scheme. The child care element of tax credits is just one component of the package of support designed to help lower-income households with the cost of raising their families, and to ensure that work pays for those who need support the most.

As we have discussed and I have explained, the different components of the tax credit award are not ring-fenced, and awards are paid in cash. That means that a parent can have maximum flexibility in how they use their financial support to meet their household expenses. The child care element is paid to parents who work a set number of hours. That is part of the welfare system designed to encourage progression into work—specifically into working a minimum number of hours to get the child care element—and allow parents to move off benefits altogether. The new scheme should not interfere with those financial incentives. The last thing we want to do is create perverse incentives. What is more, the amendments would create confusion for parents and administrative complexity between schemes. As earnings increase, tax credit payments are gradually reduced, including any child care element a parent may be eligible for, but that is factored into the calculation of the award.

2.30 pm

The reduction of benefit payments as incomes increase is fundamental to progression in work. As I have said, we will provide an online tool to support parents in deciding which scheme will best meet their needs, especially as their incomes increase. It is therefore right that a parent in receipt of the child care element of tax credits cannot receive support under the new scheme; but as their income increases, they may choose to access the new scheme instead. For the first time, families can be sure that support will continue to be available when they move off tax credits. We are also extending child care support under universal credit, as we have discussed. That will be available regardless of the number of hours worked.

I am sure that members of the Committee will agree that the clause provides parents with clarity and a simple way to end their tax credit award if they decide to move into the new scheme. I therefore ask the hon. Member for Stockton North to withdraw his amendment.

Alex Cunningham: I understand what the Minister is saying, but the bottom line is still that the people in the categories I described do not receive anything additional from the Government under this scheme. They are some of the most vulnerable people in our society, with the lowest incomes. They do not qualify for any child care element whatsoever under any of the regimes we are discussing.

If the Government are really committed to helping everyone with child care costs, and those on low incomes in particular, this needs to be thought through again. I invite the Minister to do that, because I will come back to this won Report, but for now I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 29 ordered to stand part of the Bill.

Clause 30

POWER TO PROVIDE FOR AUTOMATIC TERMINATION OF
UNIVERSAL CREDIT

Question proposed, That the clause stand part of the Bill.

Catherine McKinnell: The clause makes the same provisions as set out in clause 29, but with respect to universal credit rather than tax credits. We appreciate that universal credit has some way to go before it is rolled out beyond its current pilot areas, but the clause allows for regulations to provide for the automatic termination of a person's universal credit award, or that of their partner, where that person or their partner has made a valid declaration of eligibility under this scheme.

My hon. Friend the Member for Stockton North has just made a reasonable and impassioned plea for those on the lowest incomes. There are doubts about when families will move to the universal credit system. The current working assumption is that it will happen in the next three years or so, in which case these provisions could impact on families in the long term, once the tax credit system is phased out.

What provisions do the Government intend to put in place to ensure that parents are aware of these automatic processes? This is the same concern that we had with clause 29: a recipient may apply for the scheme and be completely unaware that that application might affect their partner's universal credit entitlement.

I appreciate that the Minister is keen to reassure the Committee that this process is not punitive and that the Government want to support people and are not out to get them. It is fair that HMRC has robust systems in place to ensure that tax benefits are not abused, but people could fall on the wrong side of the system inadvertently. How will the Government and HMRC ensure that parents are fully aware that their universal credit entitlement, or that of their partner, could be terminated on the basis that they applied for this top-up scheme? How will they ensure that people do not unwittingly fall into that trap? What steps will be taken to ensure that the decision can be reversed for those who apply for eligibility for top-up payments at the expense of their universal credit award?

We have discussed a host of concerns about the complexities of the relationship between the new scheme and universal credit, and we have talked about how parents will manage their way through what will be a

labyrinth for many, but particularly for parents whose incomes fluctuate. People have fluctuating family circumstances, be it a change in the number of children or a change in partner, that might unexpectedly change their entitlement. Clauses 29 to 33 contain a series of provisions on universal credit and tax credit awards, all of which could have a serious effect on parents: they could lose one entitlement or the other, which could far outweigh any potential benefit from top-up payments. Can the Minister reassure us that HMRC is focused on that particularly vulnerable group of parents, and will take every step necessary to ensure that the process does not become punitive, but provides the child care support that many parents and families desperately need?

Priti Patel: Clause 30 allows regulations to be made that can terminate a parent's universal credit award when they or their partner make a claim for support under the new scheme. When the regulations are in force, they will have the same effect on those claiming universal credit as regulations under clause 29 will have on those claiming tax credits.

I have explained to the Committee that one eligibility condition of the scheme, set out in clause 11, is that a person or their partner cannot receive universal credit while receiving support under the new scheme. Clause 30 provides the mechanism for ensuring that that condition is met. It allows for regulations that will automatically end a universal credit award when a person makes a valid declaration of eligibility under the new scheme, resulting in the parent or their partner being unable to claim support under both schemes at the same time.

We come back to the provision of information, in this case to ensure that, as the hon. Lady says, no one falls through the gap. We recognise the importance of our duty to provide information and support to help parents make an informed choice about which scheme to access.

Alongside wider guidance and information, we will provide an easy-to-use online tool for parents choosing between universal credit and the new scheme. The tool is very much about enabling parents to enter the details of their personal circumstances and see what support they may be eligible for and how much they would get.

Nic Dakin: We talked earlier about the issues for parents without online access. How will that be picked up in this instance?

Priti Patel: As I have touched on previously, we are working with a range of stakeholders and parents on access outside of online and digital technology. Factors such as tax credit awards and universal credit play into that as well. It is not about looking at one issue in isolation. The online calculator is being designed to enable parents to input information and make a choice, having seen what they are eligible for. That is right and proper. However, there will obviously be a certain small section of the population that will also require support and guidance, and we will provide that through the work that we are undertaking.

As I have said, HMRC has published the first tranche of draft guidance, well ahead of the new scheme's introduction. We intend to continue to work with parents, users and stakeholders to ensure that the guidance is as helpful and user-friendly as possible, so that parents get the provision that they need.

Question put and agreed to.

Clause 30 accordingly ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned.
—(Gavin Barwell.)

2.39 pm

Adjourned till Tuesday 28 October at twenty-five minutes past Nine o'clock.

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

CP08 Chartered Institute of Payroll Professionals