

Gordon Brown does U-turn over childcare tax break ^[1]

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EXCERPTS

Gordon Brown is to make an embarrassing climbdown on plans to abolish a childcare tax break, after a rebellion by female Labour MPs.

The prime minister is to announce that childcare vouchers, which benefit working families by up to Â£2,390 a year, will now be saved.

The U-turn follows a letter to Brown signed by nine former ministers warning that scrapping the scheme, which helps 340,000 parents, would cost votes at the next election.

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Defenders of the voucher scheme, used to pay for nannies, childminders and nurseries, say they are popular with the middle-class families whose support will be vital in marginal seats.

In an interview in today's News Review, Caroline Flint, the former Europe minister, warns that the abolition plan would be a "cap on aspiration".

No 10 insiders said that, under a revised proposal being drawn up, parents paying the basic rate of income tax would still be eligible to claim the vouchers. Higher-rate taxpayers - those earning more than 43,875 pounds a year - will no longer be able to claim.

The U-turn means almost three-quarters of those parents involved in the scheme - and most potential Labour voters - will still be able to benefit.

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- reprinted from the London Times

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