

Early end to subsidised childcare tax credits scheme costs parents dear ^[1]

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Michelle Burke from Barnet, London, a single parent whose eight-year-old son has Asperger's syndrome, told Nursery World she has been told to pay back the money she was given as an advance towards childcare costs.

The two-year pilots funded by HMRC were designed to test out different ways of accessing the childcare element of tax credits (News, 25 February 2009).

The first trial involved 500 families having 100 per cent of their childcare costs paid by HMRC, and the second involved subsidised childcare for parents of disabled or SEN children. The pilots were intended to run alongside the Childcare Affordability Programme 2009-2012, run by the London Development Agency.

Ms Burke signed up to the scheme only a few months ago, after receiving a letter from the then DCSF inviting her to take part.

Last week she received a letter from the Department for Education confirming the pilot is being discontinued from 15 September.

The letter said, 'We had expected the scheme would run from 27/05/2010 to 26/05/2011. However, I am sorry to have to inform you that as part of the Government's drive to reduce public expenditure, ministers have decided to bring forward the end of the childcare support pilots.'

Ms Burke said, 'Parents will be expected to pay back £500. I for one cannot afford it. I was told that if you leave the scheme you have to pay back the £500, which they give you as a stop-gap to help you sort out childcare. But it's the Government that are now telling me I have to pay back the £500. They're leaving the scheme!'

Ms Burke, whose job often takes her away, has to pay around £60 a night for overnight childcare. She receives around £100 a month towards the cost of paying for a childminder through the pilot.

'This is not going to make a huge dent in the national debt,' she said. 'This is hitting vulnerable people who need tax credits the most.'

'Once I didn't get a payment for six months and a couple of years ago I was given £2,000 in overpayments. I queried it again and again and it sat in my son's savings account. This year they've realised their mistake and they've taken my Working Tax Credit off me.'

Denise Burke, integrated and extended services consultant and former head of childcare at the LDA, said, 'The pilot may not have been perfect, but the parents affected by the scrapping of the scheme will feel very let down and it will have a significant financial impact.'

'Unemployed parents were targeted to take part in the pilot and assured that all their childcare costs would be covered for the duration of the pilot. This was one of a number of child poverty pilots to rigorously test approaches exploring the impact the affordability of childcare has on sustainable parental employment.'

'It's very disappointing that the Government has brought forward the end date of these pilots, especially before there has been the opportunity to evaluate the success of the pilots.'

'The cost of childcare, particularly in London, remains the main barrier to sustainable employment for many parents and it's well documented that work is the route out of poverty.'

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-reprinted from Nursery World

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Links

[1] <https://childcarecanada.org/documents/child-care-news/10/08/early-end-subsidised-childcare-tax-credits-scheme-costs-parents-dear> [2]

<https://childcarecanada.org/category/region/europe> [3] <https://childcarecanada.org/category/tags/affordability> [4]

<https://childcarecanada.org/category/tags/funding> [5] <https://childcarecanada.org/category/tags/demand>