

# Treasury Committee

House of Commons, London SW1A 0AA

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9 February 2018

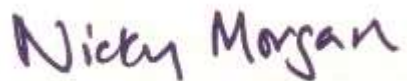
Dear Nick,

Thank you for giving evidence to the Committee on 31 January 2018. During the session you agreed to write to the Committee with the following additional information and clarifications:

- Whether parents have to re-confirm their information once each three months for both the Tax Free Childcare and 30 Hour Free Childcare schemes or whether parents are required to re-confirm their information for each scheme separately.
- Provide a description of the implications for a parent and their child, if a parent's circumstances change throughout the year (such as income fluctuations so that they become ineligible for the Tax Free Childcare or 20 Hour Free Childcare schemes). For example, if a parent's income falls below the eligible threshold would they immediately lose their entitlement and have to withdraw their child from childcare?
- What steps are taken to ensure that those with fluctuating incomes are not disadvantaged by how the system is currently set up?
- The OBR revised down the estimated cost associated with the Tax Free Childcare (TFC) Scheme over 2017/18 from £800m (the expected cost when the TFC was originally announced) to £37m, and the estimated number of accounts opened from 415,000 to 30,000. A written Statement by the Rt Hon Elisabeth Truss on the 15 January 2018 noted that the number of accounts was 170,000. Can you provide an update on what you expect the estimated cost and number of Tax Free Childcare accounts to be over 2017/18. Please outline any assumptions you have made.

- Provide estimates of the number of applicants you are expecting to sign up for Tax Free Childcare by end of autumn – both in terms of the number of accounts you expect will be opened and the estimated cost to the Government.

This letter and your response may be placed in the public domain.

A handwritten signature in purple ink that reads "Nicky Morgan". The signature is written in a cursive, slightly slanted style.

The Rt Hon. Nicky Morgan MP  
Chair of the Treasury Committee