



**Department
for Work &
Pensions**

Minister for Family Support,
Housing & Child Maintenance
4th Floor
Caxton House
Tothill Street
LONDON
SW1H 9DA

www.dwp.gov.uk

Rt Hon Frank Field MP

Da Frank,

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On 24 October the Work and Pensions Select Committee held a session on childcare costs as part of its inquiry into Universal Credit.

It was agreed that the Departmental response would be dealt with by correspondence, and I include this response in relation to the Committee's questions below.

Question 1

What proportion of current UC claimants are:

- a) **Claiming help with childcare under Universal Credit;**
- b) **Expected to claim help with childcare under Universal Credit once the benefit is fully rolled out?**

Departmental Response

- a. The number of households claiming childcare costs under Universal Credit continues to increase as Universal Credit rolls out and we promote the childcare offer.

In August 2018, there were 15,900 households claiming Universal Credit whose claim included an entitlement to Childcare. This represents 4.6% of those households with an entitlement to the child element of Universal Credit.¹²

- b. We forecast that about 12.5% of the number of households with children will claim help with childcare once Universal Credit has fully rolled out and the remaining types of households move onto the benefit.

¹ Source: Figures taken from Stat-Xplore on 13/11/2018. <https://stat-xplore.dwp.gov.uk/webapi/jsf/dataCatalogueExplorer.xhtml>

² Figures include households who are claiming on both Full and Live Service systems.

Question 2

Of those claiming UC help with childcare, what proportion are claiming back the maximum amounts of £646 per month or £1108 for two or more children?

- a. Does the Department gather or plan to gather data on claimants' childcare costs in excess of these caps?**
- b. Might you please provide any assessment the Department has carried out of whether these maximum amounts are sufficient to ensure claimants across the country can access high quality childcare?**

Departmental response

This information is not currently available. The department is investigating the data and will provide an update on progress in 2019.

Question 3

Has the Department considered bypassing the UC claimant and paying childcare costs directly to providers? Why/why not?

Departmental response

Like most jobs, Universal Credit is paid in a single monthly amount direct into people's bank accounts, giving them control over their own money and making the move into work easier. Universal Credit aims to help claimants to get into and progress in sustainable work which includes monthly budgeting for costs such as household bills and childcare. This is a fundamental principle of UC.

Universal Credit is fundamentally different to tax credits and includes a wide-range of extra support not offered under the legacy system. Childcare in Universal Credit is designed to avoid the high levels of fraud and error inherent in the Tax Credits system which often resulted in overpayments and difficulty verifying childcare providers etc. Paying childcare providers directly would essentially take childcare costs out of the Universal Credit system directly and make calculating the Universal Credit Award more challenging. This would require fundamental changes to the payment system which would need prioritisation (impacting other crucial changes) and would be highly unlikely to be delivered for several years.

Question 4

How much of the Flexible Support Fund was spent on childcare support in:²

- a. 2015/16;**
- b. 2016/17;**
- c. 2017/18?**

Departmental response

The most recent information on how much of the Flexible Support Fund was spent on childcare is contained within the response to PQ 186330 (2014) as follows:

Stephen Timms: To ask the Secretary of State for Work and Pensions how much of the Jobcentre Plus Flexible Support Fund budget for 2012-13 was spent on (a) transport, (b) childcare, (c) training and (d) other costs. [186330]
Esther McVey: The information requested is set out in the following table. Transport and child care costs relating to training have been listed under 'Training':

Flexible Support Fund expenditure 2012-13

(a) Transport (excluding training related transport) £6,384,284

(b) Childcare (excluding training related childcare) £26,686

(c) Training:

—training related transport £4,131,054

—training related childcare £1,483,924

—training provision and other related costs £63,256,111

(d) Other costs £47,068,679

Updates to these statistics are not in the public domain; in order to update them DWP would need to release them via a publication.

Question 5

How are claimants made aware of support they could be receiving for childcare costs as part of the Flexible Support Fund (FSF)?

- a. Might you please supply Work Coaches' training schedules on the uses of the Flexible Support Fund?**

Departmental response

We regularly update guidance and training products and have also developed bespoke products specific to childcare. Such products reflect the possible use of the Flexible Support Fund for childcare and promote the Government-wide childcare offer to ensure that claimants are given the best possible information.

Training schedules vary considerably across different areas/regions and offices and is, to some extent, at the discretion of local managers. Therefore, information on these schedules cannot be provided.

Question 6

What communication does the Department have with nurseries and childcare providers regarding the FSF?

Departmental response

DWP's National Employer Partnership Team have a relationship with DFE's children's policy team as well as major national childcare providers, trade associations and sector skills councils to discuss key issues affecting the sector.

We do not know if the Flexible Support Fund hasn't been a specific issue discussed as part of this ongoing work but it's being considered as part of our continued emphasis on childcare communications. Jobcentres may also have close working relationships with their local childcare providers.

This team also work closely with some expert organisations in this sector with a view to developing resources to support our Work Coaches in promoting the sector as a career of choice for our customers.

Question 7

Might you please clarify whether the FSF can be used to cover the deposit of a childcare arrangement?

Departmental response

The Flexible Support Fund is a localised, discretionary fund so its' use may vary between areas and offices but it is possible for the Flexible Support Fund to be used to cover the deposit or first payment of childcare costs, where it is deemed appropriate and relevant, and within the maximum amounts.

Question 8

Where UC payments are made late by the Department resulting in delayed payment of childcare costs from the claimant, does DWP reimburse claimants for the cost of fines from the childcare provider? If not, why not?

Departmental response

DWP's response to late payments is dependent on the individual circumstances.

If the late payment is considered an official error, compensation for any hardship caused can be considered as appropriate.

I hope you find this useful.

Kind regards,



Justin Tomlinson MP
Minister for Family Support, Housing & Child Maintenance