Childcare Payments Bill

Amendment briefing: 40% top up for disabled children

**Amendment**

*Clause 1, page 2, line 4, at end insert—*

*( ) The amount of the top-up payment is 66.66% of the amount of the qualifying payment where the qualifying child is a disabled child.*

**Summary**

The recent independent Parliamentary inquiry into childcare for disabled children highlighted that parents with disabled children are often excluded from childcare due to a range of barriers, including affordability.[[1]](#footnote-1) Parents with a disabled child are often asked to pay significantly higher childcare fees than those for a non-disabled child. The tax-free childcare scheme in its present form, in which all parents receive a flat rate subsidy, will not effectively address these additional affordability barriers for parents with disabled children. To help address this problem and provide an equal level of support for such parents, the government should provide an additional top-up payment for disabled children through the tax-free childcare scheme.

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**Background**

Surveys have consistently shown that parents with disabled children are often asked to pay much more than the typical rate for childcare. Most recently, a survey of parents with disabled children conducted to support the independent Parliamentary inquiry into childcare for disabled children found that, of parents who were using childcare, 86 per cent were paying more than the national average and 38 per cent were paying more than £10 per hour.[[2]](#footnote-2) The main reason for these high costs is the additional cost of one-to-one care or extra supervision. Providers may also need to meet the cost of physical adaptations and staff training.

High childcare costs are a barrier to inclusion for both parents and children. Of parents who responded to the inquiry survey, 80 per cent of lone parents and 66 per cent of couple parents who did not work full time said they wanted to find work or work more, whilst 72 per cent of families with disabled children had cut back or given up work because of childcare problems. The survey also highlighted that, without access to mainstream childcare, parents were struggling to find opportunities for their children to be independent, build confidence and make friends.

Of the 1,200 parents and carers responded to the survey, over 500 respondents left comments about their experiences. It is overwhelmingly clear from these comments that existing financial support for disabled children is not addressing affordability barriers, and that parents have an extremely limited choice of suitable childcare. Both of these issues must be addressed to remove barriers to social inclusion and support parents to work.

Children with disabilities should be included in childcare to meet basic principles of fairness, equality and inclusion. There is also huge value for children’s social and educational development and parents’ wellbeing and long-term economic prospects in providing equitable access to affordable, flexible and high quality childcare. The government should aim to establish a framework that delivers this goal.

**Amendment**

This is a probing amendment: support for disabled children should reflect further work on the most effective way to overcome the affordability barriers parents face.

The amendment provides for a 40 per cent top up through the tax-free childcare scheme for disabled children. The figure of 66.66 per cent derives from the need for the legislation to top up the payment made into the childcare account by the parent.

To achieve the current tax-free amount of 20 per cent, the top up stated in the legislation (section 1, clause 4) is 25 per cent. This is because to make a £100 payment to a provider, a parent makes an £80 payment into the account which is topped up by £20 by HMRC (£20 is 25 per cent of £80). To reach a 40 per cent top up, this percentage must be increased to 66.66 per cent. (For a £100 payment to a provider in which £40 is paid by HMRC and £60 by the parent, the payment into the account would be £60 and the top up £40: £40 is 66.66 per cent of £60).

The definition of disabled child is made elsewhere in the legislation and does not need to be included here.

1. Contact a Family et al (2014) *Independent Parliamentary Inquiry into Childcare for Disabled Children* [↑](#footnote-ref-1)
2. EDCM and Family Fund (2011), Breaking Down Barriers; Department for Education (2011), Qualitative research into families’ experiences and behaviours in the Childcare Affordability Pilots (CAP09): Disabled Children’s Pilot [↑](#footnote-ref-2)