

# How Working Tax Credits can help families in your school



How families in your school can claim Working Tax Credits for childcare and activities



## Introduction

**Low income and poverty have a major and sometimes devastating impact on all aspects of children's lives – from health and home environment to achievement in school. That's why it is so important for families to be able to find the work and training they need and why Jobcentre Plus offers support to help parents make choices. Extended services in and around schools play a key role in helping parents to work and reducing child poverty, at the same time as offering children a rich variety of activities that lead to better outcomes in terms of their achievements, health, happiness, safety and well-being.**

Many parents need help and support with their childcare or the provision of a positive and safe place for older children whilst they work or train. Childcare and activities in and around the school offer crucial support for families, enabling parents to work with the confidence and peace of mind that their children are well cared for. But paying for childcare and activities can be a struggle for some, and they may not be aware that significant financial help is available through the childcare element of Working Tax Credits.

This guide looks at how schools can help parents find out about the financial support available for childcare to enable them to work or train – and at the same time make extended childcare services more affordable and sustainable.



## What financial help is available for families for childcare and activities?

The Working Tax Credit (WTC) is one of the ways in which families can get financial help towards childcare and activities for older children.

For schools and those providing the childcare this is an important way of ensuring that activities are sustainable. Parents will need to have confidence that their childcare is consistent and reliable. Charging fees which are partially met by WTC for eligible parents will enable schools and partner organisations to cover the costs of delivering high quality and interesting activities that are also affordable for parents.

Parents can get help with up to 80% of childcare/activity costs – subject to a maximum limit in the amount of childcare costs claimed. If parents pay for childcare for:

- One child, the maximum cost that can be claimed is £175 a week
- Two or more children, the maximum cost that can be claimed is £300 a week

This means that the maximum help with childcare costs is:

- £140 a week for one child
- £240 a week for two or more children.

The amount that parents get will depend on their income – the lower the income, the more tax credits they can get. Parents can calculate how much support they would receive through WTC by using the HMRC calculator online:  
[www.hmrc.gov.uk/taxcredits/start/who-qualifies/overview/quick-questionnaire.htm](http://www.hmrc.gov.uk/taxcredits/start/who-qualifies/overview/quick-questionnaire.htm)

*“Without tax credits I couldn’t work”*

Parents can call the HM Revenue & Customs Helpline on 0845 300 3900 to request a WTC pack and application form (open 8am–8pm seven days a week) or visit [www.hmrc.gov.uk/taxcredits](http://www.hmrc.gov.uk/taxcredits).

There are several other sources of financial help for childcare, in addition to the free part-time place available for all 3 and 4 year olds, including:

**The Free Childcare for Training and Learning for Work scheme**, managed by the Learning and Skills Council. This scheme provides childcare support for low income families with dependent children, where one parent is working *and* the other parent is aged 20 years or over, out of work and looking to participate in learning. The household income needs to be £20,000 or less in the previous tax year. You can find out more about the scheme by calling the helpline on 0845 600 2809.

**Care to Learn** – help with childcare costs for teenage parents (under 20 years of age). For more information call 0800 121 8989 or visit [www.direct.gov.uk/caretolearn](http://www.direct.gov.uk/caretolearn).

## Childcare in and around schools

### What counts as ‘childcare’?

*“It’s very helpful in getting me back to work – especially for the school holidays”*

Parents can get help to pay for childcare and activities for children and young people aged up to 15 (to the Saturday following 1 September after their 15th birthday; or up to age 16 if the young person is disabled) through the ‘childcare element’ of Working Tax Credits (WTC) if the childcare or activities are registered by Ofsted or provided directly by the school. Informal arrangements with family and friends are not eligible for support through the childcare element of WTC.

*“I didn’t realise you could use it for after school clubs and activities”*

Extended services activities (breakfast clubs, after school clubs and holiday playschemes, and a range of sports, drama, music, arts and crafts, and language activities) all count as childcare. They offer children and young people exciting opportunities to play, learn and develop, and parents the chance to go to work or study, confident that their children are enjoying high quality activities in a safe environment. Childcare can also include registered childminders who offer care before and after school and during holidays.

The box at the top of the next column outlines the definition of childcare under the Childcare Act, and the local Families Information Service will be able to explain these criteria to parents through their helpline, or can visit the school to talk to parents.

Contact ChildcareLink to find your local Families Information Service: [www.childcarelink.gov.uk](http://www.childcarelink.gov.uk) or use the national freephone helpline: 0800 2 346 346.

The Childcare Act 2006 defines childcare as “any form of care for a child” including “education ... and any other supervised activity”, excluding:

- Education or activities provided by a school for a pupil during school hours (unless that pupil has not yet started key stage 1);
- Care provided for a child by a parent, step-parent or person with parental responsibility; or any relative; or foster parent (local authority or private); or
- Care provided by a children’s home, a care home, a hospital or a residential family centre, a young offenders’ institution, a secure training centre, or a secure care home within any of those establishments.

### A ‘safe place to be’ for older children

Many parents are concerned about their children’s safety and well-being before and after school, and a safe place for their children will be key to their confidence in taking up work or training opportunities.

A ‘safe place to be’ is the name sometimes given to a range of activities coordinated by the school for older children (11+). Parents can claim the childcare element of WTC for these activities for children aged up to 15 (to the Saturday following 1 September after their 15th birthday; or up to age 16 if the child has a disability) as long as the activities/clubs are directly provided by the school or the provider is registered by Ofsted.

## How can your school help parents to get the financial support for childcare that they need?

Parents tell us how important it is when staff within the school are able to provide or signpost them to information about how they can get help through WTC. From our work with schools, it is clear that some parents do not know about the childcare element of WTC (almost a fifth) and that nearly two thirds of those who knew about it did not claim it. It is clear that many parents may be missing out on the help available with childcare costs.

### Provide clear information about Working Tax Credits

Many schools now have Parent Support Advisers, Family Support Workers and other workers attached to the school who can help parents to access the information they need. Staff working in breakfast and after school activities, holiday playschemes and other extended services can also provide parents with information about the childcare element of WTC. Families Information Services can provide support and information leaflets, and it will be useful to advertise their details in the school.

*"It's too hard to claim"*

Some parents have heard that WTC is hard to claim – others had felt that the application forms were too difficult to complete.

*"From what I've seen, the process is far too complicated"*

Parents also tell us:

- They don't know where to go to get the information about the help available with childcare costs through WTC
- The information isn't always available in ways that suit them (for instance parents who have English as an additional language or have literacy needs may need support to make an application)
- They had negative experiences of claiming WTC and are worried about the possibility of reclaimed overpayments

*"I get working tax credit but I didn't know about the childcare element"*

Yet those parents who have claimed successfully find that WTC makes a great difference to their lives. Schools can help by providing information and signposting parents to further sources of support, through newsletters and direct contact, with the help of Families Information Services, Jobcentre Plus and other partners. Schools can also help parents by providing access to computers and the internet, and a direct link from the school website to the HM Revenue & Customs (HMRC) online calculator (see page 7, Information Point).

To qualify for the childcare element of Working Tax Credits (WTC), parents must be aged 16 or over and work at least 16 hours a week, *and*:

- Parent/s must satisfy the qualifying conditions for WTC
- They must be responsible for a child, either a lone parent working at least 16 hours per week, or one of a couple who are both working at least 16 hours per week, unless one parent is in hospital, incapacitated or in prison
- They must have at least one child aged between 0 and 15, or 16 if the child has a disability
- Parents must be paying for registered or approved childcare/activities, or childcare/activities managed by a school

**For example:**

Amy is a lone parent who has an 8 year old boy, Darren. Amy works 35 hours per week and earns £20,000 per year. Amy sends Darren to a registered childminder after school, which costs £50 per week during the school year (38 weeks a year). During the holidays, the cost goes up to £100 per week, but only for 6 weeks as Darren is looked after by Amy's friends and relatives for the rest of the time.

Total cost of childcare per year	£2500
Childcare support through tax credits	£2035
Balance to pay	£ 465

Based on 2009/10 rates for Working Tax Credits

Parents who receive Childcare Vouchers from their employer can use these to pay for registered childcare/activities, but will only be able to claim the childcare element of WTC for any part of the cost of activities and childcare that is not covered by the vouchers.

## Make sure activities meet requirements for Working Tax Credits

Schools can make sure that parents will be eligible for WTC for activities and childcare that are part of the extended services offer by ensuring that activity providers are registered by Ofsted **or** activities are run directly by the school.

If activities and childcare are provided by external organisations, two Ofsted registers apply, as follows.

### The Early Years Register

Childcare for children aged 5 and under must be registered on the Early Years Register if the provision is open more than 14 days in any 12 month period and more than 2 hours a day for any individual child.

### The General Childcare Register

Childcare for children aged 5 to 8 **must** be registered on the General Childcare Register. Activities for children aged 8 and upwards can **voluntarily** register on the Childcare Register.

Parents using childcare that is registered on either the Early Years Register or the General Childcare Register will be eligible for the childcare element of WTC if they meet income and working hours requirements (see pages 1 and 3).

Childcare that is provided **directly** by a school governing body for children aged 3 and over on the school site, where pupils from the school attend, does not need to be separately registered by Ofsted. Childcare provided by schools is inspected through the whole school inspection system. Parents are able to get help through the childcare element of WTC for activities provided by a school.

For more information on registration visit [www.ofsted.gov.uk](http://www.ofsted.gov.uk) or call the Helpline on 08456 404040.

Take a look at the table below to see which activities should be registered in order for parents to claim help with costs through the childcare element of WTC:

Activities on offer	Need to register?	Is there a fee for the activity?	Are parents eligible for the childcare element of Working Tax Credits?
Any activity provided by an outside organisation (arts, sports, etc.)	The organisation will need to register for parents to get help through WTC	Yes	Yes, for children aged up to 15, or 16 if child has a disability
Any activity provided directly by the school	No – the activities are inspected as part of the Ofsted whole school inspection	Yes	Yes, as above
A childminder	The childminder must be registered	Yes	Yes, as above

# Good practice

4Children worked with three local authorities on a project funded by the Department for Children, Schools and Families (DCSF) to explore ways of increasing take-up of the childcare element of WTC for extended services in 2008/09: Dudley Metropolitan Borough Council, Stockton-on-Tees Borough Council and the London Borough of Enfield.

A survey of parents was undertaken in three schools in each local authority to establish awareness and take-up of the childcare element of WTC. Schools were selected by a steering group within each local authority, and the survey was distributed by school staff with a covering letter.

A range of strategies for promoting take-up of WTC were developed and agreed with the pilot schools and local steering groups, as outlined below.

## Identify an information champion

A member of staff or parent who leads on providing information about the childcare element of WTC can help parents to fill out forms and offer one-to-one contact with a familiar, trusted person. This can be a Parent Support Adviser, a Family Support Worker, the Receptionist or a parent. For parents who have English as an additional language, a worker or parent who speaks their language can be particularly helpful.

### Information Champions in Dudley

Many parents say that 'word of mouth' is the best way for them to find out about services. A known, trusted person in their community, with whom they meet and speak to on a regular basis, can be a vital source of accessible information.

As a response to this, and to ensure that the local authority meets its new Childcare Act duty to provide information to parents, Dudley Families Information Service (FIS) regularly delivers 'Information Champions' training.

Anyone coming into contact with parents is invited to attend the training. Participants include parents, receptionists, extended schools coordinators, a school bursar, cleaners, cooks, school caretakers, children's centre outreach workers, family support workers and Police Community Support Officers.

The training programme was set up in 2006. Training sessions run every month over two sessions and cover:

- The role of Dudley FIS
- The different types of childcare available in the borough
- The range of funding available to help with the cost of childcare, including the childcare element of WTC
- The Data Protection Act and the confidentiality aspect of the role of an Information Champion

Training sessions and two-monthly support network meetings include guest speakers from Jobcentre Plus, the Library service, Dudley Council, the Citizens Advice Bureau and any other partner agencies. Training has been delivered to all extended schools, children's centres and neighbourhood learning centres.

Dudley FIS sees the Information Champion's role as:

- Someone who can give parents and carers of children aged 0 to 20 years access to a wide range of information
- Someone who can offer impartial advice and information
- Someone who can research for or refer parents and carers to someone with specialist knowledge

For more information please contact:

belinda.clark@dudley.gov.uk or  
leila.hornblower@dudley.gov.uk.

*"I have gained a wealth of information which I was not previously aware of before, which will be very useful within my role. Anything I am unsure of I will be able to signpost to the FIS"*

The Children's Plan makes a commitment to ensuring that Parent Support Advisers in schools provide parents with the information and support they need and continue to improve outcomes for children, closing the gap between the most and least disadvantaged children in the UK.<sup>1</sup>

**Parent Support Advisers** can offer advice about a range of topics and are seen as a critical link and a 'familiar face' for parents. They are already familiar to parents as they move around schools, and they are able to introduce parents to the wealth of family support available around the school and in the community. They are ideally placed to point parents to the information about WTC and to support them in the application process. One thousand schools already have Parent Support Advisers.

Extended Services Advisers will also be able to advise schools on any training available for workers undertaking the role of Parent Support Adviser. The Training and Development Agency (TDA) delivers a range of support to schools and local authorities to help them develop Parent Support Adviser services.



## Arrange information sessions for parents and staff

Families Information Services can provide information sessions for parents and leaflets that explain how to apply for the childcare element of WTC. Information stands at events such as parents' evenings, with enough staff to take time to talk to parents, are often the most successful.

### **"Getting help with childcare costs" parents' information sessions in Enfield**

4Children tested out a series of parents' information sessions with Carterhatch Junior, Bowes and Eastfield Primary Schools as part of the Working Tax Credit and Childcare Eligibility Project in the London Borough of Enfield.

It was agreed that using school events would be a better way of reaching parents than organising separate information sessions. The parents' information sessions were 'piggy-backed' on parent consultation days, which parents would be likely to attend to discuss their children's progress with teachers.

Informed Families (Enfield's Families Information Service), 4Children and the school Parent Support Adviser staffed an information stand, well stocked with WTC and childcare information as well as a good selection of 'giveaways' for children and adults. The stands were sited either in the main school foyer or the school hall, easily visible to parents coming and going for their appointments.

In all, 112 parents were reached during three sessions. The success of these events was due a number of factors, not the least of which was the schools' willingness and enthusiasm for working in partnership to give parents help and advice:

- The stands were well resourced (three staff) to allow one-to-one interaction with parents
- Staff were friendly, proactive about approaching parents and sensitive to the fact that parents may not wish to talk at that point
- A Turkish speaking outreach worker from Informed Families was welcomed by the large numbers of Turkish parents attending the schools
- A play activity at one session drew children and their parents to the stand
- Parents were a 'captive audience' and could be approached while they were waiting to see their child's teacher
- The school Parent Support Advisers knew many of the parents and were a 'familiar face' at the sessions
- The schools were keen to organise more events on helping parents with childcare costs through WTC as well as other issues.
- The need to offer a whole package of employability help which extends beyond childcare (ESOL classes, work and study options, benefits advice)
- The importance of forging links between schools and Families Information Services

A parent came to an information session at Bowes Primary School in Enfield, run as part of the WTC project and staffed by Jobcentre Plus, the school Family Outreach Worker, Informed Families and Enfield's Families Information Service. The parent had just got a new job, but was only employed for 15.5 hours, thus unable to claim the childcare element of WTC. The Jobcentre Plus Lone Parent Advisor called the parent's new employer then and there to explain the situation. The employer increased the hours to 16 per week, thus making the parent eligible to claim WTC and get help with the costs of using after school facilities at Bowes.

For more information please contact Informed Families: email [if@enfield.gov.uk](mailto:if@enfield.gov.uk).

An information page on how to claim the childcare element of WTC on the school website can also be an effective way of providing support for parents – at the same time as helping to ensure that extended services are sustainable.

## Provide the right information to parents

### **Stockton-on-Tees information packs**

Stockton-on-Tees Borough Council Families Information Service has developed two information packs on a full range of services.<sup>2</sup> Both packs consist of an A5 folder with a holder for the individual information sheets. The folder and cards are bright and use corporate branding. The packs are small enough to carry around and can be pinned to a notice board for quick reference.

The packs can be used and distributed by, among others, outreach workers, Parent Support Advisers, children's centre staff, Jobcentre Plus advisers and school staff.

### **The parents' information pack**

These contain information tailored to parents' needs. Fact sheets include:

- Child Tax Credits and Working Tax Credits
- Care to learn, help for students and NHS bursary childcare allowance
- Jobcentre Plus, New Deal for Lone Parents and help to go back into work
- Childcare Vouchers, salary sacrifice
- Information about direct payments for families with disabled children
- Disability Living Allowance
- National and local helplines and websites

The parents' pack also has a statement of service from Stockton-on-Tees Families Information Service, detailing what the service can provide, how parents can contact them, their opening hours and who their partners are.

## The developing childcare information pack

This pack is for schools looking for information on all aspects of childcare.

Fact sheets available from 2009 are:

- Why should I choose to provide out of school services/ childcare in my school?
- The extended services core offer
- Establishing out of school services and childcare on a school site
- Providing out of school and childcare services
- Guidance for schools on childcare provision
- Preparing for school managed childcare
- Tender process to identify a private provider
- Ofsted Registers – new regulations
- Exemptions from Ofsted registration
- Information on Working Tax Credits
- Information on childcare vouchers and salary sacrifice

For more information on these information packs please contact: Chris.cooke@stockton.gov.uk or Janet.marriott@stockton.gov.uk.

## Working with parents

A number of practical suggestions were identified by schools and partners including:

- One-to-one contact with a familiar, trusted person (a Parent Support Adviser, Family Support Worker etc.)
- Face to face contact with Families Information Service and other staff who have time to answer questions, highlight and explain written materials
- Written materials in clear, plain language that everyone can understand
- For parents who have English as an additional language, a worker who speaks their language
- Information stands at events such as parents' evenings that are visible and accessible, with enough staff to take time to talk to parents
- Help with a complete 'getting to work package' which includes advice on WTC, childcare and, in some cases, an ESOL course to start the whole process
- Help with completing the WTC application form

## Working in partnership

Schools don't have to 'go it alone' and working with partners can make it easier.

Most schools are working with the local authority and Jobcentre Plus partners to develop sustainable extended services and to get information out to parents about the benefits of these services and the help that is available. Dialogue with partners and joint planning can help to develop a range of approaches to address the challenges parents face in finding childcare. Drawing on the expertise of the Families Information Service is crucial.

## Working with the local authority

Local authorities have a duty to ensure that there is sufficient childcare to meet the requirements of parents in their area, so far as is reasonably practicable, in order to enable them to work or undertake education or training leading to work (Childcare Act 2006, Section 6).

## Families Information Service and Early Years and Childcare Teams

Every local authority also has a statutory duty to provide free information for families with children aged 0-19, and this is usually delivered through a Families Information Service or call centre. Your local authority Families Information Service will be a vital partner in helping parents to access childcare and making extended services sustainable.

In addition, the local authority Early Years and Childcare Team will be able to advise on all aspects of childcare and to support the development of partnerships between schools, childcare providers and other key partners such as Jobcentre Plus.

## Local Area Agreements

Every local authority is required to work with central government to develop three-year agreements for delivering on 37 targets, set in the context of 189 National Indicators. Some local authorities have signed up to National Indicator 118 as part of their Local Area Agreement, making a commitment to: *"increase take-up of formal childcare by low income working families"*.

Some have also made a commitment to reducing the proportion of children living in poverty, through National Indicator 116.

The Early Years and Childcare Team will be able to advise if your local authority has made this commitment and to share the action plan with you. This may give you further ideas and resources to support parents.

## Funding, training and support

Extended Services Advisers will also be able to advise schools on the funding and training available to help staff to support parents to access the childcare element of WTC as well as Parent Support Advisers.

## Disadvantage Subsidy

The DCSF is providing additional funding to ensure that children from disadvantaged backgrounds have a chance to benefit from out of school clubs and activities. The funding will enable some schools (and from 2010, all schools) to offer those children two hours per week of group activities in term time, plus 30 hours of additional activities over the holidays.

# Working with Jobcentre Plus

Jobcentre Plus advisers may be able to visit the school and provide information sessions for parents about the support available to help them to work or train. For example:

## Lone parents

Lone parents with a youngest child aged 12 years and over are now expected to claim Jobseeker's Allowance and to be actively looking for work. Phased arrangements apply for lone parents who are currently receiving Income Support:

- Income Support for lone parents who have a youngest child aged 12 years and older will end between 6 July 2009 and 31 December 2009

This is likely to increase the number of parents who will need help with childcare and activity costs through the childcare element of WTC.



# Information point

## 4Children

The national charity dedicated to creating opportunities and building futures for all children, young people and families.  
Information Helpline: 020 7512 2100  
[www.4Children.org.uk](http://www.4Children.org.uk)

## Care to Learn

Help with childcare costs for teenage parents (under 20 years of age).  
For more information call 0800 121 8989  
[www.directgov.uk/caretolearn](http://www.directgov.uk/caretolearn)

## Families Information Services

Contact ChildcareLink to find your local Families Information Service.  
National freephone helpline: 0800 2 346 346  
[www.childcarelink.gov.uk](http://www.childcarelink.gov.uk)

## Free Childcare for Training and Learning for Work

Information about help with childcare costs for those aged 20 or over who want to do a course.  
Helpline on 0845 600 2809  
[www.direct.gov.uk/en/EducationAndLearning/AdultLearning/FinancialHelpForAdultLearners](http://www.direct.gov.uk/en/EducationAndLearning/AdultLearning/FinancialHelpForAdultLearners)

## Office for Standards in Education, Children's Services and Skills

For all registration and inspection enquiries.  
Ofsted Helpline: 08456 404040  
[www.ofsted.gov.uk](http://www.ofsted.gov.uk)

## Working Tax Credits

For everything you need to know about Working Tax Credits.  
HMRC Helpline: 0845 300 3900 (open 8am–8pm seven days a week)  
[www.hmrc.gov.uk/taxcredits](http://www.hmrc.gov.uk/taxcredits)

The Working Tax Credits Calculator on the HMRC website can be used by parents to calculate how much support they would be eligible for:  
[www.hmrc.gov.uk/taxcredits/start/who-qualifies/overview/quick-questionnaire.htm](http://www.hmrc.gov.uk/taxcredits/start/who-qualifies/overview/quick-questionnaire.htm)

[www.direct.gov.uk/en/MoneyTaxAndBenefits/TaxCreditsandChildBenefit/index.htm](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/TaxCreditsandChildBenefit/index.htm)

# Action checklist for schools

What works for parents	Action: Making it happen	Local response/plan
One-to-one contact with a familiar, trusted person (a Parent Support Adviser, Family Support Worker, etc.) – an ‘Information Champion’	Who would this be in your school?  Could parents be trained as ‘Information Champions’?	
Face to face contact with Families Information Service and other staff who have time to answer questions and explain written materials	Do you link with your local Families information Service?  Do staff need training on helping parents with childcare costs?	
For parents who have limited or no English, a worker who speaks their language	Are there resources in your school for interpreting and translation?  Could community groups help?	
Information stands visible and accessible, with enough staff to take time to talk to parents at events such as parents’ evenings	Make sure there are enough staff to be on the stand, roam about talking to parents, and ensure that any supporting play activities are safe and stimulating	
Written materials in clear, plain language that everyone can understand	Less is more – simple and eye-catching leaflets on one topic can be more effective than a booklet with too much information	
Help with a complete ‘getting to work package’ which includes advice on WTC, childcare and how to set up a placement, help with costs and in some cases, an ESOL course to start the whole process	What links do you have with Jobcentre Plus Advisers?  Does your local authority have employability initiatives that you could link with and signpost parents to?  Do you know how to signpost parents to ESOL classes?	
Help with completing the WTC application form	Can Parent Support Advisers offer help? Linked with Jobcentre Plus?	

