

Tax-Free Childcare: Name Change Research

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1 Executive Summary

Background and methodology

- 1.1 Her Majesty's Revenue and Customs (HMRC) commissioned IFF Research to explore perceptions of Tax-Free Childcare (TFC), including the name itself - whether it is a barrier to take-up, and whether alternative names might improve take-up.
- 1.2 Since 2017 TFC, a contribution to childcare costs, has been a key part of the Government's support for working parents across the UK. However, take up has been substantially lower than forecast.
- 1.3 There were two stages to the research.
 - Firstly, the name TFC was semiotically analysed, and ten focus groups were conducted to qualitatively explore awareness, knowledge and perceptions of the scheme amongst parents and childcare providers.
 - Secondly, potential alternative names were developed (based on the initial findings) and tested amongst six further focus groups with parents.

Associations with the name Tax-Free Childcare

- 1.4 Both parents and providers had largely negative associations with the name 'Tax-Free Childcare', especially the word 'Tax'.
- 1.5 The name generated a number of misconceptions and doubts. Working parents predominantly assumed they would not be eligible because they were working and / or earned too much. Commonly parents were unsure of how the scheme would work and what 'tax free' meant in practice.
- 1.6 Providers' associations with the TFC name were influenced by their prior knowledge of the scheme. Larger providers tended to be more knowledgeable about the scheme and to have fewer negative associations with the name.

Knowledge and journey to up-take of Tax-Free Childcare

- 1.7 Parents who were aware of TFC commonly knew it was a government contribution to childcare costs but more detailed knowledge on the scheme varied.
- 1.8 Providers who offered the scheme had a better understanding of the key elements of TFC. Larger providers understood the scheme in more detail, but some smaller providers were unclear what the scheme specifically covered and how it worked. TFC participation was largely dependent upon the profile of providers' parents.
- 1.9 Both parents and providers found the TFC information on GOV.UK confusing and off-putting. Only parents with a strong incentive to apply actually did so.

Views on the offer and how well the name fits

- 1.10 When the TFC offer was outlined parents and those providers with little prior knowledge were positively surprised that most working parents would be eligible.
- 1.11 There were, however, concerns and questions about eligibility and the administrative process, particularly for single parents, the self-employed, those working variable hours and those claiming other benefits or credits. Parents in Northern Ireland were unsure if they would be eligible despite it being presented as UK-wide.
- 1.12 Parents and providers thought the key messages to communicate about TFC included:
- The breadth of eligibility e.g. higher income households, working parents, single parents and for children aged up to 12, and will not affect existing benefit eligibility
 - The nature of the scheme e.g. a 'top-up' contribution, flexible and controlled by parent, subsidised support, do not have to apply through employer
 - The amount which could potentially be saved, but also clarity on the cap (i.e. up to £2,000 per child)
 - How easily providers could sign up
- 1.13 Parents and providers highlighted multiple drawbacks to the existing name; they felt that it was not immediately obvious what the scheme does or who it is for. They did not feel it supported the key messages outlined above.

Views on potential new names

- 1.14 Of the 12 potential new names tested amongst parents '**Working Parents Childcare Top-up**' was generally preferred as it clearly signalled that working parents would be eligible. 'Top-up' was positively thought to reflect the nature of the scheme (i.e., small payments on top of parental contribution) and suggested ease of use.
- 1.15 Whilst some of the other name suggestions also conveyed some key messages that parents thought important, only 'Working Parents Childcare Top-up' was thought to communicate *all* key messages. For example, 'Childcare Top-Up' was also thought to express ease of application, the scheme mechanism and provision of a modest sum, but not the breadth of eligibility.

Recommendations

- 1.16 Consider changing TFC name to remove negative associations with 'tax', confusion about what the scheme is, and perceptions of restricted eligibility and administrative burden.
- 1.17 Consider changing the name to '**Working Parents Childcare Top-up**' to convey eligibility, relevance, ease and flexibility as well as helping parents understand the nature of the scheme. Accompanying messaging should convey the simplicity of the process and mechanism.
- 1.18 Consider a communications campaign to increase parental awareness and understanding of the scheme, as this is likely to have a positive impact on take-up. Support childcare providers with further information on the scheme, both for themselves and to hand out to parents.

2 Background and Methodology

Background and context

- 2.1 Her Majesty's Revenue and Customs (HMRC) commissioned IFF Research to explore perceptions of Tax-Free Childcare (TFC), including the name itself - whether it is a barrier to take-up, and whether alternative names might improve take-up.
- 2.2 TFC was introduced by the government in phases between April 2017 and February 2018. It offers working families across the UK a Government contribution towards qualifying childcare costs. To be eligible for TFC, parents must each earn at least the equivalent of 16 hours a week at the national minimum wage but have an income of no more than £100,000 per year. Eligible parents can open an online Childcare Account and for every £8 they pay in, government will add £2, up to a maximum of £2,000 per child each year, until they reach 12 years old, or £4,000 for a disabled child until they reach 17 years old.
- 2.3 TFC is a key part of the Government's offer to support working parents. HMRC estimate that around 1.3 million families in the UK would be eligible for help with their childcare costs through TFC. Current take-up of TFC, while increasing, is significantly below the original forecast: as of December 2020, 248,000 families used the scheme to pay a childcare provider for 287,000 children.¹
- 2.4 Understanding and accessing Government offers of support for childcare can be complex for parents. There is evidence that a lack of awareness and understanding of the TFC scheme are barriers to parents participating in it. There is also anecdotal evidence that the name 'Tax-Free Childcare' can be confusing, resulting in parents either assuming they are ineligible or being deterred from applying by the word 'tax'.² In this context, HMRC commissioned IFF Research to explore parents and childcare providers' perceptions of the name and whether it is a barrier to understanding and take-up of the TFC scheme. Findings will be used to inform decisions regarding re-branding the scheme and a potential name change.
- 2.5 IFF Research partnered with Sign Salad in this research. Sign Salad are a cultural insight agency, specialising in semiotics and language analysis.

Research objectives

- 2.6 The objectives of the research were to explore:
 - What eligible parents' perceptions of TFC are, based on its name – including the word 'tax' (gaining a 'rounded picture' of the influence of the current name).
 - To what extent the name is a barrier to take-up, relative to other identified barriers.
 - Whether there is a case for renaming / rebranding to increase take-up.
 - Whether there are differences by nation/region or audience (e.g. types of parent).

¹ Tax-Free Childcare statistics: December 2020 - [Tax-Free Childcare Statistics Commentary December 2020 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/tax-free-childcare-statistics-commentary-december-2020)

² Tax-Free Childcare: Barriers to sign up and use report - <https://www.gov.uk/government/publications/tax-free-childcare-barriers-to-sign-up-and-use>

- What potential alternative names might be, and how might these contribute to the messages parents receive about TFC.
- To what extent might these alternative names have potential to increase comprehension and take-up.

Methodology

- 2.7 The research methodology consisted of a two-stage approach, combining semiotic analysis with qualitative focus group discussions. Stage 1 of the research initially involved language analysis by Sign Salad, of the 'Tax-Free Childcare' (TFC) name. The findings from this fed into the design of the topic guide for the focus groups with parents and providers. Focus group discussions explored awareness and knowledge of TFC, misconceptions, barriers to take-up, perceptions of the current name and initial ideas about both potential new names for the scheme and key messages to communicate to parents and providers about it.
- 2.8 Following the stage 1 focus groups with parents and providers, and analysis of the findings, a second stage of research was conducted – focusing specifically on potential alternative names for TFC. At the beginning of stage 2, Sign Salad analysed transcripts from four of the focus groups from the first stage of the research. This analysis was then used to develop a 'lexicon of positive terms' which could be used as building blocks for alternative names. Using this 'lexicon of positive terms', alongside suggestions emerging from the stage 1 focus groups, IFF Research and HMRC then developed a list of priority names, as well as a longer list of possible (non-priority) names, to test among parents in the stage 2 focus groups.
- 2.9 The key components of both stages of the research are outlined in table 2.1.

Table 2.1 Detail of stage 1 and stage 2 research components

	Semiotic analysis	Parents	Providers
Stage 1 – Analysis and perceptions of 'Tax-Free Childcare' name	Language analysis of 'Tax-Free Childcare' name	<ul style="list-style-type: none"> • 6 focus groups • 48 parents took part overall • Coverage across 4 nations in each group • The groups were split between those that were aware and not aware of TFC • Mix of single parents and couples. Some parents currently claiming free hours or vouchers • All parents were eligible to claim 	<ul style="list-style-type: none"> • 4 focus groups and 2 in-depth interviews • 20 providers • Coverage across 4 nations in each group • The groups included a mix of providers that were and were not aware of TFC • Range of provider types i.e. childminders, nurseries, playschemes

	Semiotic analysis	Parents	Providers
		TFC but were not currently claiming	
Stage 2 – Potential alternative names for ‘Tax Free Childcare’	Analysis of four transcripts of stage 1 focus groups to develop ‘lexicon of positive terms’ – used as a building block for alternative names	<ul style="list-style-type: none"> • 6 focus groups • 47 parents • 4 nations in each group • The groups were split between those that were aware and not aware of TFC • Mix of single parents and couples. Some parents currently claiming free hours or vouchers • All parents were eligible to claim TFC but were not currently claiming 	<ul style="list-style-type: none"> • No provider focus groups for stage 2 of the research

About this report

2.10 This report is based on a thematic structure, with all stages of the research discussed together where relevant. Chapter 1 provides a summary of key findings; Chapter 2 (this chapter) discusses the background to the research and the research methodology; Chapter 3 focuses on parent and provider associations with the name ‘Tax-Free Childcare (TFC)”; Chapter 4 examines knowledge of the TFC offer and the journey to uptake; Chapter 5 investigates perceptions of the current TFC scheme and if the name fits the offer; Chapter 6 summarises views on potential new names for the TFC scheme; and finally Chapter 7 sets out the key conclusions from the research.

Please note that this is qualitative analysis, intended to understand individuals’ circumstances, attitudes and behaviour in depth and detail, rather than to be ‘representative’ or measure the incidence of these attitudes/behaviours in the wider population. When describing the results, we use terms such as ‘many’, ‘some’ or ‘few’ to give a relative indication of the extent to which views were expressed or behaviours reported. The term ‘many’ is used to mean that a view or behaviour is fairly widespread within a particular group of customers; while, at the other extreme, ‘few’ indicates that a finding applied only to a small handful. ‘Some’ is used to indicate a middle-ground between ‘many’ and ‘few.’

3 Associations with the name Tax-Free Childcare

The following chapter explores parent and provider associations with the name 'Tax-Free Childcare'. It also discusses misconceptions and questions generated by the name.

Associations with the name

- 3.1 Both parents and providers had largely negative associations with the name 'Tax-Free Childcare'. For both, the findings suggest that the name is unclear at best and off-putting at worst. It is not immediately obvious what the scheme does or who it is for. 'Tax' in particular generated a range of negative associations for almost all participants. That said, larger, more TFC-knowledgeable providers had fewer negative associations with the name. Some took the name at face value and said it "does what it says on the tin".
- 3.2 It is important to note that participants who were aware of the scheme prior to group discussions were asked to put aside what they knew about it, and to focus only on their thoughts on the name itself. However, provider associations with the TFC name were still to a degree influenced by their prior knowledge of, or interaction with, the scheme, as they struggled to put what they knew aside. This was particularly the case for larger providers as smaller providers tended to not have extensive knowledge of the scheme even if they were aware of it prior to taking part.
- 3.3 Whilst providers were asked to think about the name from the perspective of a provider, it was often difficult for them to dissociate the 'parent' from the 'provider' view (this was particularly true for childminders). Providers generally felt that they would not recommend an offer to a parent that they would not use themselves.

Associations with 'tax'

- 3.4 Providers associated the word 'tax' with an administrative burden both for parents, and for themselves. Providers felt that a scheme involving the word 'tax' may be off putting or intimidating for parents, who would find the thought of calculating tax confusing and time intensive. Equally providers associated 'tax' with 'filling in lots of paperwork,' a complicated application process and having to 'jump through hoops,' to be eligible for the scheme.

"Some of our families are probably going to be put off just by anything sounding hard to do. So, they may not even attempt it because they think it's too difficult for them and they might not get it anyway. So, disregard it out of hand".

Provider, Playschemes and school-based schemes

- 3.5 Discussions with parents validated provider comments, with many also making the link between 'tax' and an administrative burden. Parents made associations with having to fill in tax returns and the possibility of an inaccurate application resulting in an over-payment.
- 3.6 Parents and providers alike also made the connection between 'tax' and government support through tax credits. This was felt to be a negative association, with some parents expecting that they may be ineligible for TFC due to their income, as they have been ineligible for tax credits in the past.

“When I hear, kind of, like ‘Tax-Free Childcare’, I think, ‘Oh, is it going to be another scheme that I can’t qualify for because of my husband’s earnings, or because I’ve got, in theory, money in the bank?’”

Parent, Claiming childcare cost support

- 3.7 Other parents had been eligible for and even claimed tax credits in the past, but they equally had negative associations with the TFC name as they had experienced overpayments and therefore thought it may be possible for something similar to happen through TFC.
- 3.8 Providers also worried that some parents may feel stigmatised in claiming support through a scheme that sounds similar to tax credits, as they were concerned parents may associate tax credits with benefits, and they may therefore not feel comfortable taking up the offer.

Associations with ‘free’

- 3.9 Associations with the word ‘free,’ produced more mixed feedback from providers, with views differing by provider type. Whilst independent nurseries thought the word ‘free’ would be appealing to parents and offset any concerns they have regarding ‘tax’, nursery chains found its inclusion to be misleading, suggesting that it implies receiving something completely for free. As with the associations with ‘tax’ and tax credits, nursery chains and playschemes also felt that the words ‘tax-free’ may lead some employed parents or those on high salaries to assume they are ineligible for the offer.
- 3.10 Some parents initially made some positive associations with the word ‘free’ and felt that ultimately any offer with ‘free’ in the name would result in cheaper childcare, or childcare provided at a discounted rate (with the discount subsidised by the government). However, after some consideration, parents were generally suspicious of its inclusion in the name, as they had assumed or knew that it was a government scheme and therefore felt there must ‘be a catch’, as ‘nothing comes for free’.

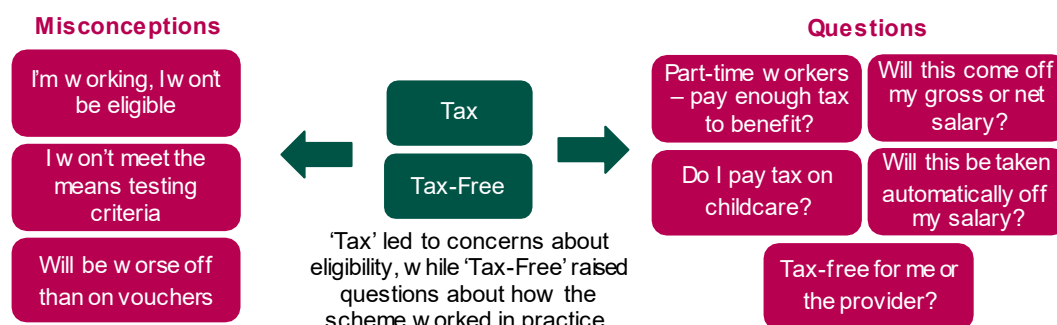
“It’s always, whatever you’re getting in one way, you get reduced from somewhere else. So, it just makes me a little bit wary after knowing a bit more about the way the systems usually work”.

Parent, Single parent eligible for TFC

Misconceptions and questions on the offer from the name

- 3.11 The name generated a number of misconceptions and questions among parents and providers, which have been summarised in Figure 3.1.

Figure 3.1 Misconceptions and questions generated by the name



- 3.12 Associations made by parents with ‘tax’ and ‘tax-free’ produced a number of misconceptions of the offer from the name. Misconceptions were largely related to eligibility and meeting the criteria for the offer. Those on higher incomes felt that the use of ‘tax-free’ indicated a government benefit, and as they were working full-time, they assumed that they would not be eligible for the scheme. Prior experience of means-testing and salary caps for previous schemes often were key to parents feeling they would not be eligible for TFC.

“[Why they don’t think the programme is relevant to them] Because I know when they brought out a previous scheme when I looked at the criteria, I wasn’t eligible for it, and the government’s not going to suddenly become more generous. They’re cutting with their spending. So, I know that if I didn’t qualify then, I certainly won’t now”.

Parent, Single parent eligible for TFC

- 3.13 Part-time workers and those that had experience of using childcare vouchers, assumed that they would be worse off under the scheme. Part-time workers were concerned about how much tax they had contributed and that their more limited tax contribution would mean that the offer would be less beneficial for them. Those claiming vouchers were convinced that the voucher scheme was better than the scheme being discussed. In part, this may be due to parents equating vouchers to receiving something positive and seeing it more as a ‘gift’, whereas ‘tax-free’ does not sound as positive and indicates something being taken away rather than given.

“I think, like, a voucher is something you get given, in that sense. Like, I associate ‘voucher’ with Christmas vouchers, and things, like a gift. Whereas, like what she was saying tax free I don’t think is inviting and-, I can’t think of the word. More enticing than, like, the childcare vouchers”.

Parent, Claiming childcare cost support

- 3.14 Most parents assumed from the name that the scheme would likely involve a 20% reduction in childcare costs (given 20% is the basic rate of income tax). This often brought up some practical questions. Most commonly, parents were unsure whether the scheme would work along the same lines as childcare vouchers, or whether the reduction in childcare costs would be based on gross or net salary.
- 3.15 A few parents were generally very confused as to how ‘tax’ related to their childcare at all. They started asking questions as to whether they pay tax on their childcare and if the ‘tax-free’ element relates to them or the provider of their childcare.

4 Knowledge of and journey to uptake of Tax-Free Childcare

The following chapter explores how parents found out about TFC and their knowledge of different elements of the scheme. It also considers providers' knowledge of TFC and how this varies by provider type.

Existing knowledge of Tax-Free Childcare

Parents

- 4.1 The focus groups with parents were split between those that were and those that were not aware of TFC. All of the parents were eligible for the offer.
- 4.2 Among parents who were aware of TFC, they typically knew it as a government contribution to childcare costs. However, knowledge of individual elements of the scheme varied widely, with some parents knowing a lot about the scheme, while others highlighted just one or two features which they had heard of.
- 4.3 Elements of the scheme that were commonly mentioned by parents included the 20% contribution to childcare costs, the parental contribution of £8 and government contribution of £2, and the government contribution of up to £2,000 a year. Features that were mentioned, but less often, included the reconfirmation process every three months and the necessity for an online account for each child. Very few parents were aware of all of the features highlighted, including parents who were previously aware of the scheme.

"I think if your childcare bill for each child is no more than £10,000 a year, then you would get the tax free benefit on that."

Parent, Claiming childcare costs support

Providers

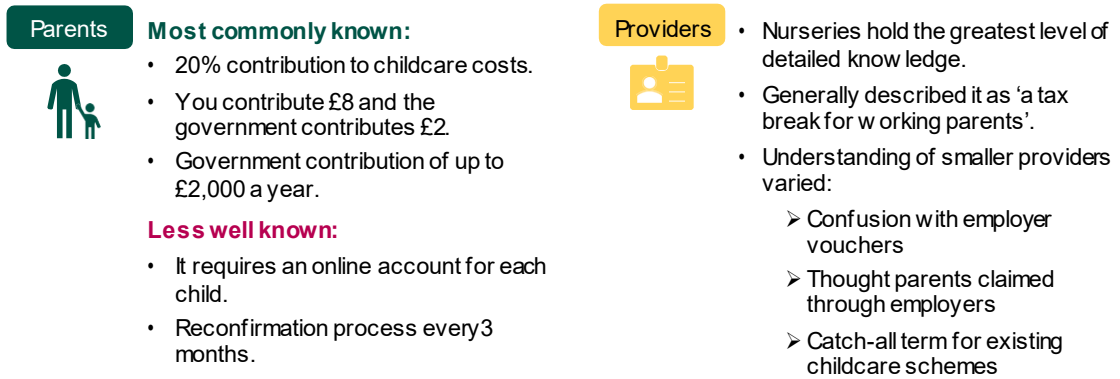
- 4.4 As summarised in Figure 4.1, the research demonstrated that providers who already offered the scheme to parents (both independent nurseries and those that were part of a chain) had a more detailed and accurate understanding of the key elements of TFC. Within this group, many said they fully understood TFC and summed it up as 'a tax break for working parents' or a scheme for parents to pay less tax on their childcare.

"Rather than paying us directly they pay it into the Tax-Free Childcare account and then they get a tax break on it and they use that to pay their childcare invoices."

Provider, Nursery chain

- 4.5 However, smaller providers such as childminders and playschemes, including those who offer the scheme, tended to be less well informed. Some of these providers tended to confuse the TFC scheme with employer vouchers or were under the impression that parents claimed through employers. Others, meanwhile, viewed TFC as a catch-all umbrella term for all existing childcare schemes (e.g. vouchers, 15/30 free hours for children), rather than the name of a specific scheme. Some thought it might be related to Universal Credit.

Figure 4.1 Knowledge of TFC – parents and providers



Sources of information about TFC

4.6 Parents found out about TFC through a range of sources, but most commonly through word of mouth; from friends or family, or via employers. Others had found information on the GOV.UK website. Sources of information about the scheme that were mentioned less frequently included posters or other forms of advertising.

“From friends, like mum friends, just word of mouth, really.”

Parent, Claiming childcare costs support

4.7 All private nurseries (independent and chains) who were participating in the TFC scheme and had typically signed up as a result of receiving communication (e.g., letters) from government, and/or umbrella bodies. Another key source of information was guidance from their local authority. One provider acknowledged that they had signed up after a parent approached them to ask about it. Some childminders and playschemes had also signed up, either because a parent had prompted them to, or because they received a government letter about it and thought ‘why not?’.

“I know, because we’ve been sent letters...I think it’s two or three years ago.”

Provider, Childminder

Figure 4.2 Source of information about TFC – Parents and providers



The journey to take-up of TFC

Parents

- 4.8 The route to take-up among parents was varied. As highlighted in the previous section, their sources of information were frequently word-of-mouth via friends and family or employers. Those who had visited the GOV.UK website to find out more, were frequently left frustrated by the experience and either gave up looking for information or making an application at that point. Parents reported that they found the GOV.UK website hard to navigate or that the information was confusing or unclear. Some parents who had visited the website talked through the difficulties they encountered locating key information, such as eligibility to make an application, which appeared to involve navigating through a number of links or pages.

“Yes, GOV.UK. Like, I don't know, even searching ‘childcare’, there's so many things that come up and then it's like-, it's so many different steps to get to where you need to be, I find.”

Parent, Claiming childcare costs support

“Millions of link s. Links to different pages, linking and linking. Until you actually find what you're looking for.”

Parent, Claiming childcare costs support

- 4.9 Those who did progress to the application stage tended to have a pressing motivation to do so. Parents provided examples of how a change in their personal circumstances meant that they could no longer apply for childcare vouchers or were struggling financially, so were looking for methods to lower their childcare costs. Any issues around the name ‘Tax-free Childcare’ or the GOV.UK content did not prevent this group of parents from looking for information about the scheme. However, parents not experiencing these ‘push’ factors tended not to bother looking into TFC. This included those who had reached the first step of visiting the GOV.UK, but, due to issues navigating the website, decided not to take it further.
- 4.10 There was some discussion as to whether the scheme had been made intentionally complicated to put people off claiming, linked to which were the questions parents had around the how the scheme operated. Some queried why TFC was not operated directly through providers or why it was not modelled on the ‘15/30 hours’ free childcare scheme, which, in comparison, was regarded as successful because of its simple application and set-up.

Providers

- 4.11 The starting point for TFC take-up for providers was typically GOV.UK; at first to find out more about the scheme and eligibility, and then to register. The initial reaction was that most of the questions on the relevant pages were oriented towards parents, and not designed to answer questions providers might have, for example, about parent eligibility. As with parents, some providers – particularly childminders - noted that GOV.UK was confusing and sometimes even off-putting. Some had found it hard to navigate the website, feeling that it contained very dense and poorly organised information.

“I think the .GOV website is extremely difficult to navigate.”

Provider, Playschemes and school-based schemes

4.12 However, those providers who had signed up to TFC mostly said the process had been simple. Even providers who had put off signing up because they thought it might be a difficult process admitted that in reality it was a lot simpler than they thought it would be. There were also positive comments from independent childminders about the Childcare Choices website, and they mentioned that they then often directed parents there for more information.

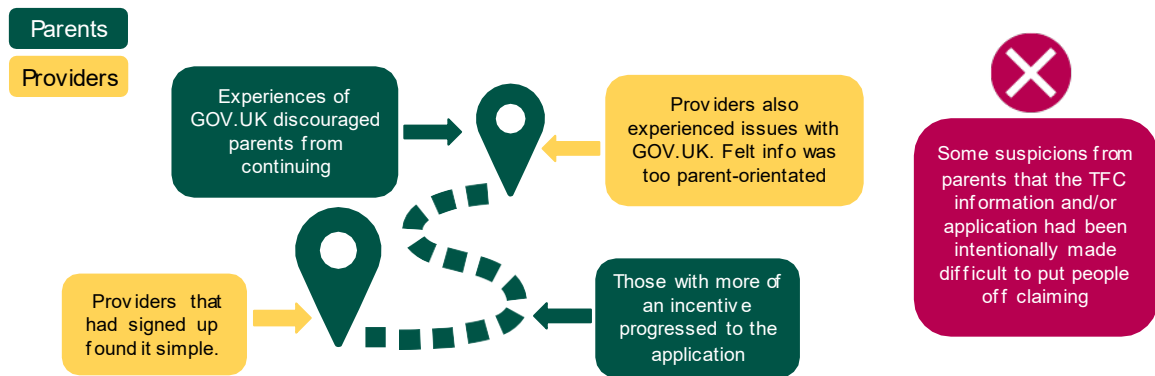
“When somebody approached me I was fine, and it was easily done. I don’t know why I was putting off doing it [signing up], to be fair, because it was quite-, it was very easily set up, you know.”

Provider, Childminder

4.13 It is important to note that the journey to take-up of TFC for providers tended to depend on the profile of parents they were supporting. The research found that the ‘push’ factor for providers who were actively using TFC was the type of parents they were supporting, namely those who typically worked relatively long hours, had higher childcare costs and were aware of the scheme themselves. Indeed, looking at the flip side of this, low parental awareness appears to be a significant issue as some larger providers were signed up to the scheme but were not using it due to lack of parental appetite. This research and previous studies indicate that smaller providers would be driven to sign up for the scheme by parental demand, which would be driven by increased parental awareness of the scheme.

4.14 The journey to take-up of TFC among parents and provides is summarised in Figure 4.3.

Figure 4.3 The journey to take-up of TFC - Parents and providers



5 Views on the Tax-Free Childcare offer and reflections on how well the Tax-Free Childcare name fits the offer

This chapter explores the reactions of parents and providers after being provided with information about the Tax-Free Childcare scheme and outlines the questions they still have. It also offers reflections on how well the Tax-Free Childcare name fits the offer and considers whether there is a case for a name change and what that might be.

Briefing on Tax-Free Childcare

- 5.1 Parents and providers were read out and shown the information on the TFC offer outlined in Figure 5.1. After being shown this information parents and providers were asked to comment on the information they had been given and then the reflect on how well the 'Tax-Free Childcare' name fitted with the scheme as described.

Figure 5.1 Information provided to participants on the TFC scheme

Background

Tax-Free Childcare (TFC) offers working families across the UK a Government contribution towards childcare costs. To be eligible for TFC, parents must each earn at least the equivalent of 16 hours a week at the national minimum wage but have an income of no more than £100,000 per year. Eligible parents can open an online Childcare Account and for every £8 they pay in, government will add £2, up to a maximum of £2,000 per child each year, until they reach 12 years old, or £4,000 for a disabled child until they reach 17 years old.

Parents can apply for TFC through an online application available on gov.uk. If eligible, a Childcare Account is set-up following this application. Parents can then use the money in their Childcare Account to make payments to their childcare provider. For parents to benefit from TFC, their childcare providers must be signed up to receive TFC payments and be registered with national regulators. Parents must reconfirm their eligibility every three months in order to benefit from the scheme.

Parents

- 5.2 The first and most immediate response from parents on being provided with information about TFC, was surprise about the broad eligibility criteria. The £100,000 cap whether it was per household or per parent was regarded as unexpectedly high, and very much welcomed, particularly for households with two working parents who had found that thresholds for other benefits were set too low for them to be eligible. However, a few felt that this was too high and meant the scheme was available for parents who might not need any assistance with the cost of childcare.

“I thought it would be a very small section of people who would be eligible for this... but most people are actually eligible.”

Parent, Two parent household

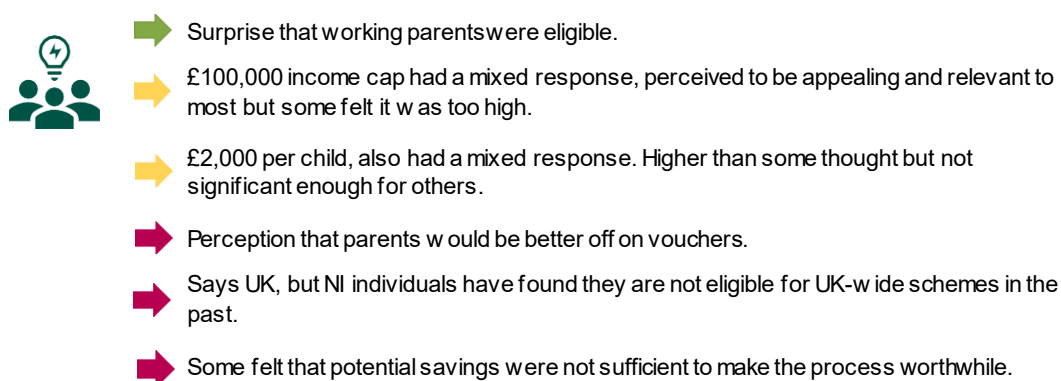
- 5.3 The offer of up to £2,000 per child received a mixed response: some parents felt that this was higher than they had expected from the government, while a few initially felt this was ‘a drop in the ocean’ in comparison to the cost of their childcare overall. Mentions of specific sums of money in initial messaging can therefore appeal to or deter parents, depending on their circumstances and how the sum of money initially ‘lands’ with them.

“Something rather than nothing is a good thing [but] . . . It seems a bit silly that you’re not even covering a reasonable amount.”

Parent, Single parent eligible for TFC

- 5.4 During stage 2 of the research, some parents expressed concern that savings made via TFC would not be sufficient to make an impact on the cost of childcare for parents working full-time. Many of them thought it could be potentially more useful for those with lower childcare costs. However, there were a few parents that changed their minds once they had heard more about the scheme and talked through the details of the offer. A few parents also felt that it was wrong to restrict eligibility to children aged 11 or under, as it was incorrect to assume that those aged 12 and above would not require childcare. Others queried whether parents would benefit more from childcare vouchers, rather than TFC.
- 5.5 Nevertheless, even among parents who voiced concerns, after hearing more about TFC most felt that it was ‘better than nothing’ or viewed it as a little ‘cherry on the cake’ and saw it as a way of recognising working parents who say they often feel penalised for working.
- 5.6 Parents living in Northern Ireland tended to assume that the scheme would not apply to them. The description of ‘across the UK’, was not sufficient to convince them, as other schemes labelled as ‘UK-wide’ did not always cover Northern Ireland. As such the assumption is that unless explicitly stated, there would be a caveat excluding citizens in Northern Ireland.

Figure 5.2 Reactions to information about TFC - Parents



Providers

- 5.7 When briefed on the TFC scheme, providers with little or no knowledge of the scheme, including childminders, playschemes and one independent nursery, tended to react in the same way as

parents, with surprise about the eligibility criteria. Initially there was some negativity as they perceived the income threshold of £100,000 to be too high, and unusual for a ‘benefit’. Providers also queried whether parents earning this much should receive financial help and whether they would take it up because of the association with the word ‘tax’, or government benefits such as ‘tax credits’.

“Why would somebody who’s on £100,000 a year need [it] ... it would be better to have a lower threshold and people on lower incomes get more.”

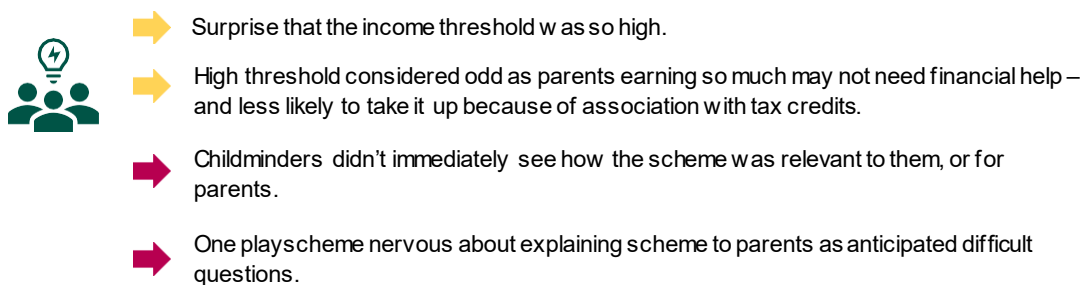
Provider, Playschemes and school-based schemes

5.8 Childminders did not immediately see how the scheme was relevant to them as providers, nor did they see it as particularly relevant to the parents they worked with – thus *‘not worth the paperwork’*. One playscheme provider felt nervous about trying to explain the scheme to parents as they anticipated difficult questions about how the scheme worked which they did not feel equipped to answer.

“I think it will be too complicated for most families ... they can’t see from that how they’re really benefitting.”

Provider, Childminder

Figure 5.3 Reactions to information about TFC - Providers



Identification of misconceptions and unanswered questions

5.9 Having received further information about the TFC scheme, most parents and providers had points of detail which required further clarification. The most immediate reaction – from both providers and parents – was to question whether single parents were eligible due to the use of the phrase *“parents must each earn at least the equivalent of 16 hours a week at the national minimum wage.”*

“It doesn’t say about single parents ... they probably need more information ... it isn’t clear.”

Provider, Independent nursery

5.10 Parents also raised questions about the criteria of the scheme in regard to receipt of other benefits and income, flexible working hours, the use of informal childcare, and the number of children in the household. Providers not already using the scheme also had unanswered questions about how it worked – specifically around eligibility. These are shown in Figure 5.4.

Figure 5.4 Outstanding questions on the criteria for TFC – Parents and providers



- Is it £2,000 per child or for all children?
- Are single parents eligible? ('Each parent' – makes it seem not)
- How does this work in practice for single parents (including where non-resident parent pays childcare)?
- My hours are so varied will I be eligible? Will it be worth my while?
- Is the '£2 for every £8' on a 'per hour' basis?
- Does claiming other benefits limit your eligibility for it?
- Is the income ceiling based on individual or household?
- Is it of any relevance to informal childcare support, e.g. grandparents who are paid in kind?

5.11 Questions did not only focus on eligibility; most parents and some providers wanted more information on the process. The immediate focus was on the reconfirmation requirement, which prompted concerns around administrative burden for many, and particularly for self-employed parents and those working variable hours with flexible childcare use.

5.12 One frequent question raised around the re-confirmation process was how it would work every three months, and why it had to be conducted so often, with the suggestion of every six months instead. Parents wanted more information on what would be involved in the re-confirmation process. Some felt that if it simply involved 'ticking a box' within the online account that would be acceptable but anything beyond that would feel like a burden.

"I would never remember, and that's just another thing to put in your diary."

Parent, Claiming childcare costs support

"That's possibly something they could be following up on less frequently. Seems a bit much."

Parent, Single parent eligible for TFC

5.13 A number of single parents assumed that the re-confirmation process was linked to ensuring parents were still eligible and did not understand why this would be necessary if the government already had their PAYE information.

"Why is it not possible from the tax information they have about you anyway?"

Parent, Single parent eligible for TFC

5.14 There were further concerns around the flexibility of the system for parents on zero-hours contracts and parents with irregular working patterns or variable hours, who could be unintentionally claiming something they are not entitled to in any given week or month. For this group childcare needs change frequently, and they find it hard to plan ahead, so there was a question around whether the scheme could be responsive to their needs.

"It would be a pain for me ... having to explain myself constantly."

Parent, Single parent eligible for TFC

"It seems like it might be another stressor. It's more set out for people that have stability."

Parent, Single parent eligible for TFC

- 5.15 Other outstanding queries on the process, highlighted confusion around whether individual accounts would need to be set-up for the household or per child they were applying for and whether separated parents could contribute to the same account. There were also unanswered questions around payment; and whether parents are required to pay up-front and claim back. If so, they questioned whether this approach could lead to over-payment and whether they would be able to claim money back.

Figure 5.5 Outstanding questions on the process for TFC – Providers and parents



- How would the reconfirmation process work every 3 months?
- Is the online account per child or for all children?
- Do I have to pay up-front and claim back? Is there a danger of overpayment / owing money?
- Can separated parents contribute to same account?
- How many providers? How likely is it my provider is signed up?
- If parents forget to reconfirm, does that mean I won't get paid?
- Can you get money back if you don't use the whole amount you put in?
- Is it available in Northern Ireland?
- How long does application form take to fill in / how long between completing form and payment?

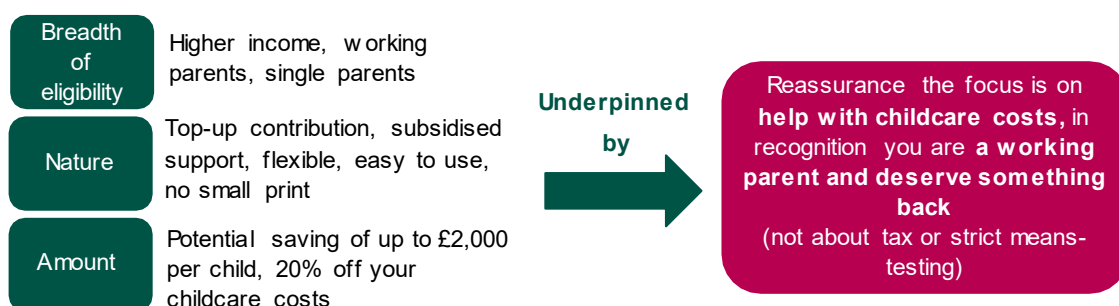
Key future messages

- 5.16 Using the briefing information, parents identified the key messages they felt should be communicated about TFC. These focused on reassurances around the breadth of the eligibility, the nature of the scheme and the size of the saving. Key recommendations were:
- Highlight that the support is available for higher income households and for single parents.
 - Publicise that it is offered to all children up to 12 years of age, as this is a real selling point of the scheme – compared to the '15/30 hours scheme' this age range was seen as more generous by many.
 - Draw attention to the flexible nature of the scheme, the fact that it's based on top-up contributions and offers subsidised support.
 - Clearly convey the actual content of the scheme and the amount that parents can hope to save, so that it is not oversold or misleading. For example, ensure clarity around the £2 discount on every £10 paid, the cap of £2,000 and highlight that the government will pay 20% of the childcare costs 'up to a cap'. Some parents recommended providing worked examples (e.g., £X per month, or one free week of childcare every six months), others showed strong support for a calculator tool.
- 5.17 Other messages which parents in stage 2 of the research highlighted as key included:
- Parents must earn at least the equivalent of 16 hours per week at the national minimum wage.

- Your childcare provider must be registered for the scheme.
- You can apply yourself, rather than having to apply through an employer.
- You are in full control of the account and can decide how much you do or do not put in.
- Claiming TFC will not impact other benefit claims such as Child Benefit.

5.18 Overall, parents felt there was a need to emphasise the TFC scheme’s focus on helping with childcare costs, in recognition that working parents deserve to be ‘given something back’. In general, most parents felt that the ‘Tax-Free Childcare’ name was very unhelpful in supporting these key messages.

Figure 5.6 Key messages - Parents



 **Mostly parents felt the current Tax-Free Childcare name was very unhelpful in supporting these messages**

5.19 Providers were also asked to consider what should be the key messages to convey, not only to parents but also to other providers. The focus for messages to other providers tended to be on ease of use and commercial benefits:

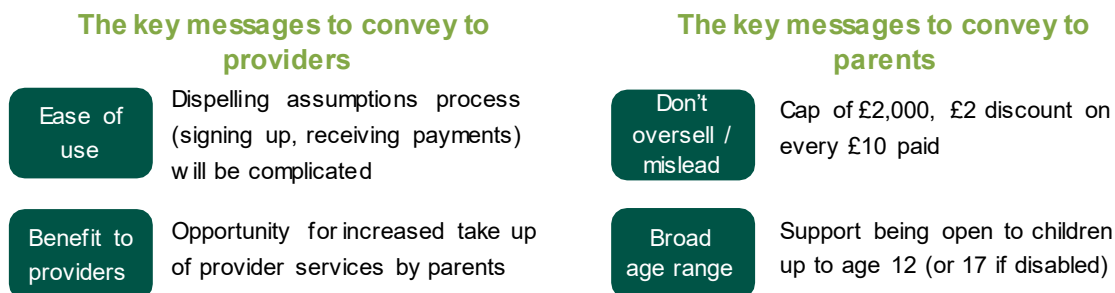
- Childminders and independent nurseries wanted to get across that it was easy for providers to sign up to the scheme – this was seen as key, as the assumption is that the process would be complicated. Independent nurseries also thought a positive comparison could be made with the multiple voucher schemes they currently manage – i.e., that there is one single account for TFC which would reduce the administrative burden.
- Nursery chains were keen for the name of the scheme to be more generic, e.g., ‘support with childcare costs’ so that parents would not see the name and assume they would not be eligible due to misconceptions about it being associated with tax credits.
- Independent nurseries and playschemes wanted the emphasis to be placed on the benefits for providers. For example, if parents wanted to use TFC and they were choosing between settings, they might base their decision on providers that were committed to the scheme.

5.20 When thinking about what to convey to parents, providers said the age range should be emphasised and the scheme content accurately communicated (Figure 5.7).

5.21 Providers felt that the current name was hindering the communication of all these messages – and indeed many of the key messages were seen as a way of clearing up misconceptions caused by the current name. For example, that the offer is in some way related to the tax that

parents pay, the offer will be providing ‘free’ childcare or that the discount or subsidy is very significant.

Figure 5.7 Key messages - Providers



While providers were less negative about the name, many felt that the ‘tax’ association, and to a lesser extent ‘free’, were unhelpful in the communication of these messages.

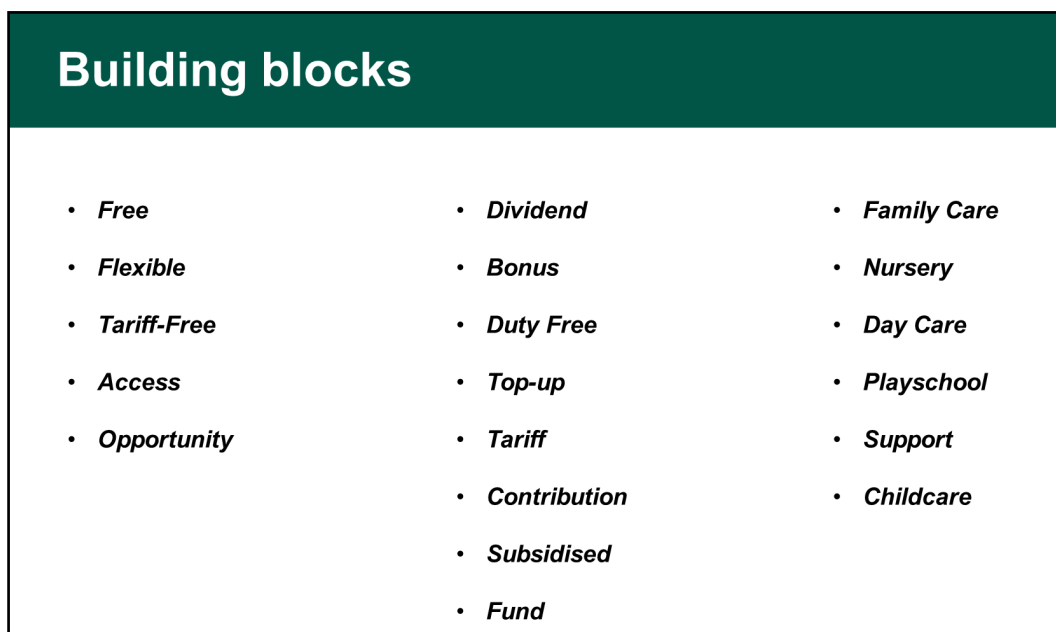
Reflections on how well the Tax-Free Childcare name fits the offer

- 5.22 Parents and providers highlighted multiple drawbacks to the existing name; they felt that it was not immediately obvious what the scheme does or who it is for, which indicates that a new name would be beneficial.
- 5.23 The consensus was that the use of ‘tax’ in the name was misleading as they did not see a link between the scheme as described, and ‘tax’. Many felt that as the money will be taken out of their net, not gross salary, it made no sense to introduce ‘tax’ as a concept and wondered where the ‘tax’ element comes in. Explaining the detail of the scheme only heightened negative reactions to the name, with most parents and some providers not seeing the relevance of ‘tax’ or ‘tax-free’
- 5.24 The name also led to concerns about whether working parents would be eligible for the scheme, as well as questions about how it worked in practice.
- 5.25 When reflecting on key messages about the scheme, as highlighted above, parents focused on reassurances about eligibility and size of saving, while providers focused on aspects like ease of use and accurately conveying the scheme content. It was widely felt that the existing name was unhelpful in communicating these messages.

Potential new name suggestions

At stage 1, parents were also asked to consider new names for the scheme. They were initially asked to spontaneously suggest some new possible names and then they were shown some ‘building blocks’ (positive alternative terms generated by the Sign Salad analysis) outlined in Figure 5.8.

Figure 5.8 ‘Building blocks’ provided to participants



5.26 Their initial spontaneous suggestions commonly included the phrases ‘contribution’, ‘top-up’ and/or ‘working parents’.

“Top up’, ‘contribution’ – nicer, more positive words that sound like you’re getting something. . . We do associate tax as something that’s taken off of us rather than given back.”

Parent, Claiming childcare support costs

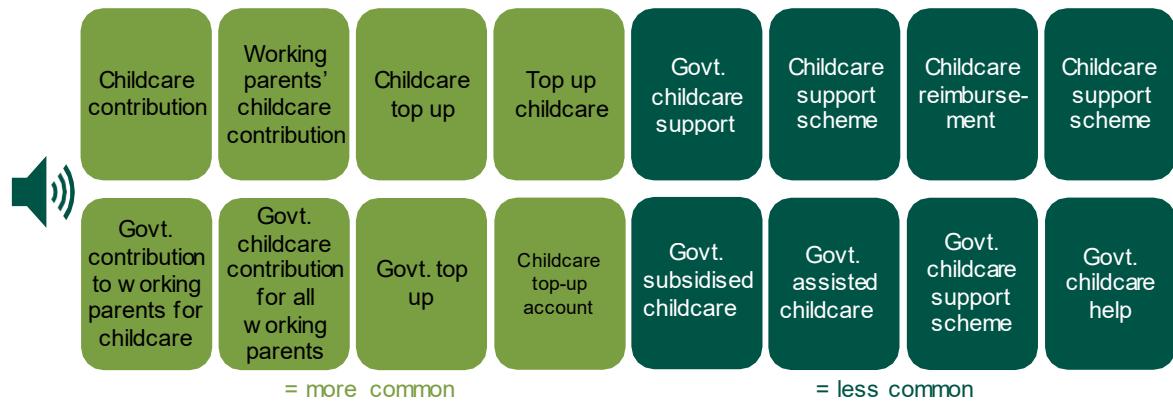
5.27 Once the ‘building blocks’ had been shown there was general agreement that ‘childcare’ should stay in the name, as other suggestions within the list, such as ‘family care’, ‘nursery’ and ‘day care’, did not communicate the relevance of the scheme as clearly. It was felt that ‘family care’ could include care for the elderly relatives or other family members and ‘nursery’ and ‘day care’ were felt to be too specific and would not cover the variety of childcare relevant to the scheme.

5.28 Other suggestions included referencing the term ‘fund’, rather than ‘account’. ‘Fund’ was thought to have more positive connotations than ‘account’, and it was felt that it sounded like you would be getting something for free. Some also thought it was important to reference ‘flexibility’ in the name, to reflect the possibility of circumstances changing.

5.29 Parents’ suggestions nearly always avoided use of ‘tax’. Providers also felt ‘tax’ was misleading, and that ‘free’ was overselling the scheme.

5.30 Figure 5.9 below highlights the names most commonly suggested by parents, with the most common suggestions on the left.

Figure 5.9 New name suggestions - Parents



6 Views on potential new names

This chapter outlines the findings from the second stage of research which further explored potential alternative names for TFC, based on a 'lexicon of positive terms' developed by Sign Salad, a cultural insight agency specialising in semiotics and language analysis.

Developing names for testing

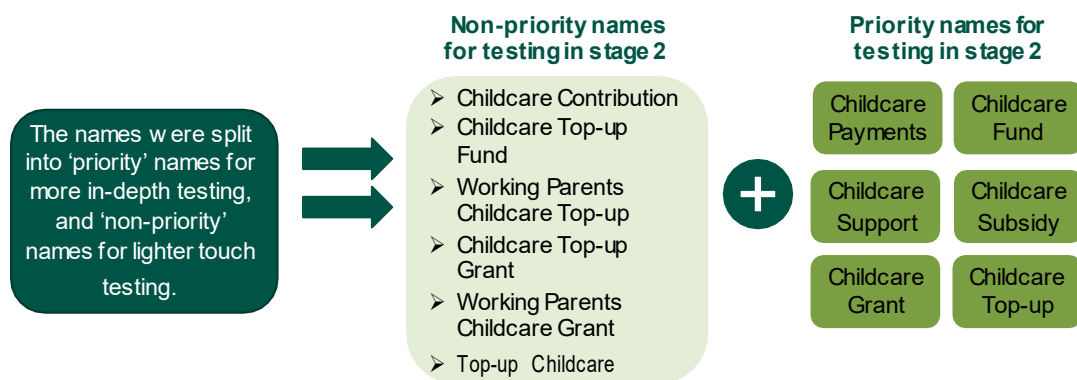
- 6.1 Following stage 1 of research with parents and providers, Sign Salad analysed transcripts from four of the focus groups and used this analysis to develop a 'lexicon of positive terms' which could be used as 'building blocks' to shape alternative names.
- 6.2 This 'lexicon of positive terms' aimed to reframe TFC in terms of positive gain, by drawing upon the language of financial reward. Terms that sought to signal financial reward included: 'dividend', 'top-up', 'tariff', 'contribution', 'subsidised', 'fund', 'vouchers', 'certificate', 'grant', 'reward' and 'credit'.
- 6.3 The 'lexicon of positive terms' was also developed to help explore how a new name could counteract negative language codes, which had been identified during the analysis of transcripts from four focus groups during stage 1 of the research. The negative language codes identified through the semiotic and language analysis were as follows:
 - *Unknown risk* – related to seeing TFC as a 'dubious trap' or 'minefield'; this was particularly linked to the term 'tax'.
 - *Tax as an affliction* – TFC was linked to 'tax relief' or 'tax break', which aligned with framing of tax as a negative affliction which you could get a 'break' or 'relief' from.
 - *Don't trust the government* – TFC was associated with government schemes that are inefficient, bureaucratic, and offer 'dubious' benefits.
 - *Ominous faceless authority* – respondents referred to 'the taxman' as an ominous figure associated with owing money, bills, and unknowable government authorities.
 - *Unhelpful name* – respondents felt that 'TFC' was unclear and not representative of how the scheme actually worked, calling for more tangible monetary language.
 - *Complicated and bewildering challenge* – respondents referred to 'TFC' conjuring up thoughts of a difficult challenge.
 - *Obstacle course* – some thought of TFC as a matter of 'jumping through hoops', particularly in relation to eligibility and the application process.
 - *Need for flexibility* – respondents expressed a desire for a flexible service that accommodates changing lifestyle requirements.
 - *Desire for ease* – respondents also expressed frustration with existing complicated processes around e.g. navigating the government website.

- *Need for constant upkeep* – there was also frustration at the idea of needing to reconfirm their status every three months, conjuring up thoughts of constant maintenance work.
- *Change as instability* – due to above factors, respondents referred to a preference to stick with what they know and being averse to the idea of change.
- *Gain vs absence* – while the name ‘Childcare Vouchers’ is framed in terms of positive addition/benefit, ‘TFC’ is built around absence (‘tax-free ness’).

Names tested

6.4 Using this ‘lexicon of positive terms’, alongside suggestions emerging from the stage 1 groups, IFF Research and HMRC then developed a list of priority names, which were tested in-depth with parents only, during stage 2 of the focus groups. In addition, a longer list of non-priority names was also devised for lighter touch testing in the stage 2 focus groups. Both lists are outlined in Figure 6.1.

Figure 6.1 Priority and non-priority names developed from semiotic analysis at stage 1



6.5 During the stage 2 focus groups each of the six priority names were shown on individual slides and parents were asked for their immediate thoughts. They were then asked to consider what each name meant to them and what message they felt it conveyed. Parents were then shown one summary slide which offered both the priority and non-priority names for consideration.

Feedback on ‘priority names’

Childcare Payments and Childcare Support

- 6.6 Parents were initially asked to focus on the ‘priority names’. Of these, both ‘**Childcare Payments**’ and ‘**Childcare Support**’ raised questions over the nature of support received and had connotations of restricted eligibility.
- 6.7 The name ‘**Childcare Payments**’, led parents to question who makes the payment. It was criticised for not implying support or contribution from others, leaving parents feeling that they alone might need to pay for the childcare. It was also viewed negatively as it was felt to evoke the names of other government benefits, and hence restricted eligibility. Words associated with this name included ‘cold’ and ‘regimented’.

"[Childcare Payments] just sounds like no help at all ... I would never associate that with a government scheme that was going to help you."

Parent, Claiming childcare support costs

- 6.8 'Childcare Support' as a name was regarded as too broad and vague in that it did not even imply that it was offering financial aid. As with 'Childcare Payments' it was perceived to sound too similar to other government benefits, such as income support, which implied eligibility restricted to those who were struggling financially ('help when you can't manage by yourself').

"[Childcare Support] really feels like something that is for people who are on extremely low incomes and need that support."

Parent, Single parent eligible for TFC

"It's quite ambiguous, I don't really know if it's financial support or more ideas about how to find childcare or after-school clubs, I don't really know."

Parent, All parents in household working

Childcare Fund and Childcare Grant

- 6.9 Parents initial reaction to the name 'Childcare Fund' was to think of a savings account, rather than anything to do with paying for childcare. One positive connotation was that savings accounts are open to all, which suggests this form of support would be. However, the name does not imply that parents would receive financial help from another source, and it raised questions as to whether this was a 'fund' from which they could withdraw money. It also evoked thoughts of charity fundraising, implying limited sums of money would be available to a restricted number of recipients. A few parents also felt that it was not clear enough what the money was for and it could be for other costs in relation to their children rather than childcare, for example, clothes or food.

"I think of that maybe as a savings account that you could pay for your childcare with."

Parent, Claiming childcare costs support

"It definitely sounds like more sort of for lower income [recipients], just because of the word 'fund' in it."

Parent, All parents in household working

"Childcare Fund I think it could be a number of different things, because it doesn't necessarily mean to me childcare, as in looking after your child while you're working; it could be caring for your child in terms of payments to help with food and clothing and things like that"

Parent, Single parent eligible for TFC

- 6.10 The name 'Childcare Grant' was also associated with charities, and loans for people in 'dire need', which would need to be repaid and thus implied strict eligibility criteria. The term 'grant' was specifically highlighted as a negative word to use as it is associated with completing applications involving a long 'messy process with lots of rigmarole'.

"Putting in applications for grants generally isn't an easy process, you know you have to jump through a lot of hoops."

Parent, All parents in household working

"I feel if I tried to apply for this, I'd have to fill in a big form and I'd have to wait to see if I would meet the criteria."

Parent, All parents in household working

Childcare Subsidy and Childcare Top-up

- 6.11 Both '**Childcare Subsidy**' and '**Childcare Top-up**' offered people a more accurate understanding of the nature of the benefit and suggested a broader eligibility. These two alternative names implied that parents were responsible for contributing towards childcare, which in turn suggested less of a 'hand-out' scheme than some of the other names. Both names also evoked the childcare vouchers scheme, as well as government schemes more broadly.
- 6.12 There was a mixed reaction to the term 'subsidy'. While some felt that it implied a minimal contribution ('discount'), that could potentially be too small to be considered worth applying for, others suggested that it inferred a substantial amount, more than a 'top up'. There were also some suggestions that it sounded very 'official' and was 'government' language, which would not be familiar or inviting for parents. It should be noted that not everyone was sure what 'subsidy' meant.

"[Subsidy] is a very 'government', 'official' word."

Parent, All parents in household working

"A government payment scheme that subsidises some of the costs towards childcare, but you don't actually see the cash yourself, and it's not something you can apply for."

Parent, Claiming childcare support costs

- 6.13 The phrase 'top-up' implied a modest amount and that parents would make a contribution, which would be 'topped-up' by employers, the government or others. It was regarded as a similar phrase to 'Childcare Subsidy' but slightly more informal and 'friendly'. 'Childcare Top-up' evoked thoughts of the straightforward process of topping up a mobile, which implied something that would be easier to use than a 'subsidy'. Parents still associated the name with childcare voucher schemes, but there was less of a correlation with other government benefits.

"It sounds more informal than some of the other terms ... I associate it more with like topping up your phone."

Parent, All parents in household working

Feedback on 'non-priority names'

- 6.14 When parents were shown both the priority and non-priority names together, those referencing 'working parents' were immediately welcomed, as they communicated relevance to working parents and so signalled eligibility. This was regarded as crucially important as working parents tended to assume that they would not be eligible for government support.

"I'm a working parent, I have a child, so that name says, 'that's me, I could access that.'"

Parent, Claiming childcare costs support

- 6.15 Building on this positive reaction to the inclusion of 'working parents' in the title, parents considered two names to be the most promising: '**Working Parents Childcare Top-up**' and '**Working Parents Childcare Grant**'. The former was generally preferred as it sounded punchy,

straightforward, and informal. It also ‘doubled up’ on the communication of broad eligibility as ‘top-up’ implies a small sum, which respondents felt they were more likely to be eligible for. Overall, the phrase ‘top-up’ was regarded as having connotations of something that might be open to all. ‘Top-up’ was also regarded as accurate because most parents saw the 20% saving on childcare as a ‘little bonus’ or ‘top-up’.

- 6.16 In comparison, the term ‘grant’ was not perceived as an appropriate fit for the scheme as it implied a substantial one-off sum in extremis and set expectations of more money than ‘top-up’. For example, some participants mentioned university or business-based grants which they felt were quite different to what was on offer through the scheme.
- 6.17 As summarised in Figure 6.2, in the opinion of parents ‘**Working Parents Childcare Top-up**’ also accurately captured the mechanism of the benefit i.e., small payments and parent contribution, thus offering the best ‘guess-ability’ of what the TFC scheme does. It thus met the desire for a name to both explain eligibility easily and inform i.e., ‘does what it says on the tin’.

“It mentions ‘working parents’, which we’ve all agreed that’s kind of exactly what it is - you have to be a working parent - and then ‘grant’ doesn’t fit, doesn’t fit it at all, whereas ‘top up’ does.”

Parent, Single parent eligible for TFC

Figure 6.2 Comparing each name to the key messages to be conveyed

(Appropriately) modest sums of money	Broader eligibility criteria	Easier application process	More accurately conveys the mechanism <i>Childcare Subsidy</i>
<i>Childcare Top-up</i>		<i>Childcare Top-up</i>	<i>Childcare Top-up</i>
<i>Working Parents Childcare Top-up</i>	<i>Working Parents Childcare Top-up</i>	<i>Working Parents Childcare Top-up</i>	<i>Working Parents Childcare Top-up</i>
<i>Childcare Subsidy</i> <i>Working Parents Childcare Grant</i> <i>Childcare Fund</i> (Inaccurately) larger sums of money	<i>Childcare Top-up/Subsidy/Support</i> <i>Childcare Grant</i> <i>Childcare Fund</i> <i>Childcare Payments</i> Narrower eligibility criteria	<i>Working Parents Childcare Grant</i> <i>Childcare Payments</i> <i>Childcare Grant</i> More onerous application process	<i>Working Parents Childcare Grant</i> <i>Childcare Support</i> <i>Childcare Fund</i> Conveys the mechanism less accurately

- 6.18 As noted in Figure 6.2 and in the previous section, there had initially been a positive reaction to the ‘priority’ name ‘**Childcare Top-up**’, as it also suggested a broad eligibility criterion for participants, which other tested names failed to imply, and conveyed the mechanism of the scheme. Further to this, this shorter name could potentially address one criticism levelled at ‘Working Parents Childcare Top-up’; that it is quite long, and there is potential for a link to be drawn between the lengthy name and an onerous bureaucratic process for the scheme. If the name were changed to the simpler ‘Childcare Top-up’, a messaging campaign focusing on eligibility would be needed to tackle the key barrier of parents assuming that they would not be eligible as they were working, as the shorter name alone would not achieve this. This messaging campaign could tie into the broader need for increased information on the scheme for parents and providers.
- 6.19 As an aside, a few parents felt that the term ‘working parents’ was exclusionary, signposting that those who were unemployed would not be eligible. This led on to a discussion about the possibility of disabled people who were not able to work being excluded (this was highlighted by someone who was disabled and in work but was bothered by what she saw as the implication).

- 6.20 Other names from the non-priority list were discussed and largely discarded. These included **'Top-up Childcare'** which was regarded as a clunkier way of phrasing 'Childcare Top-up' and not as 'snappy' sounding. **'Childcare Top-up Grant'** was felt to have the double negative of implying it offers both a modest sum of money and only for those in dire need.
- 6.21 Overall, parents viewed **'Working Parents Childcare Top-up'** as the name with most potential from the list of both priority and non-priority names, because it was perceived as clearly signalling that working parents would be eligible. The assumption of not being eligible (as they are not normally eligible for benefits or credits) was reiterated by parents during the focus groups as being one of the biggest barriers to engaging with TFC.

7 Conclusions

Key barriers to take-up and potential impact of name change on these

Providers

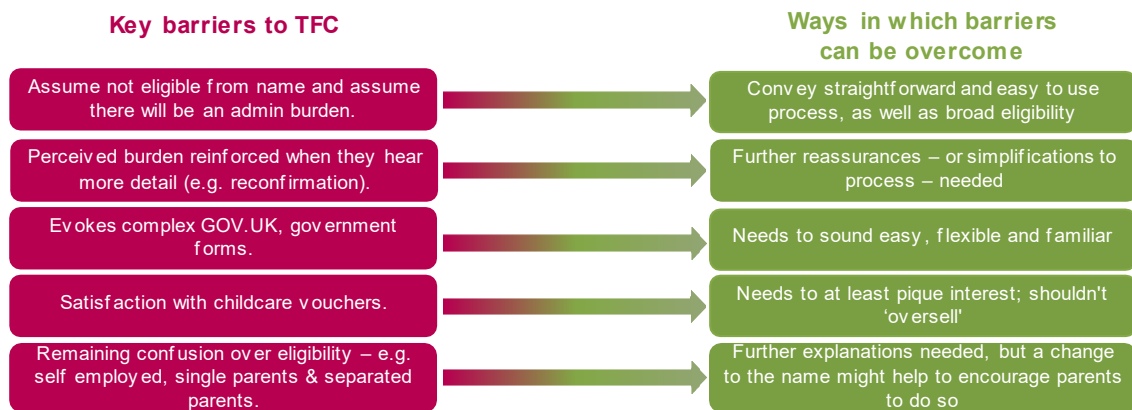
- 7.1 Overall, the name 'Tax-Free Childcare' is less of a barrier for providers than parents, although there are variations by provider type, with childminders most likely to consider the name a major barrier. Childminders regard the name as rather intimidating, definitely unclear, and somewhat misleading.
- 7.2 Aside from childminders, other providers did not emphasise the importance of the name as much, but they did highlight a lack of awareness and understanding among parents. They felt this lack of awareness could be counteracted by better advertising and communication from government and employers.
- 7.3 Providers felt that changing the name in itself is unlikely to have a major direct impact on their usage unless it is accompanied by a broader information and communications campaign to address key barriers to take-up. However, a major barrier identified by providers is the lack of parent appetite and understanding, and this is influenced by the name, so changing the name may have a big indirect impact.

Parents

- 7.4 In comparison to providers, the name is important for parents and does appear to be preventing them from engaging further, due to concerns over eligibility. However, there are other barriers that will still remain even if the name is changed.
- 7.5 One of the main concerns raised was around the potential administrative burden of the scheme, notably the application process, setting up an account and the reconfirmation process every three months. These perceived burdens were only reinforced when parents were provided with more details about the scheme, specifically in relation to the reconfirmation process. Those who work shifts, have multiple jobs, work irregular hours or are self-employed expressed specific concerns around the reconfirmation process and the possibility of having to resubmit information on their earnings. Questions typically focused on what would happen if they missed the reconfirmation process, and whether they would end up owing the government money. Some parents raised concerns around tax credits and having overpayments in the past.
- 7.6 Other key barriers to take-up included negative experiences with GOV.UK and government forms, concerns around whether this scheme would impact on their tax code, whether the income ceiling is per household or per parent, and that the offer only covers children up to 12 years old. In addition, there remained confusion around the eligibility of single parents and separated parents due to references to 'parents' (plural) in the information.
- 7.7 Overall satisfaction with the childcare vouchers scheme is also a barrier, as most parents using vouchers do not see a benefit in switching unless they have to. They are happy with the voucher scheme they are currently using and commonly assume they are better off on vouchers.
- 7.8 On balance, the findings suggest that changing the name from TFC to make it less off-putting, for example, removing 'tax', and using another term that better describes what it does, such as

‘top-up’ would be beneficial in encouraging parents to at least explore whether TFC could be beneficial for them. However, other barriers to use remain, as shown in Figure 7.1. Some, such as the perceived burden of reconfirmation, may be addressed through better information and messaging (while also ensuring that the TFC process itself is as straightforward as possible). Other barriers, such as the long-term commitment to childcare vouchers, are likely to be harder to address.

Figure 7.1 Summary of key barriers and ways to overcome these barriers



Recommendations

7.9 ‘Tax-Free Childcare’ and ‘Working Parents Childcare Top-up’ bring very different connotations:

‘Tax-Free Childcare’:	‘Working Parents Childcare Top-up’:
<ul style="list-style-type: none"> implies restricted eligibility and means-testing evokes complex government forms and processes sounds intimidating, unclear, and misleading 	<ul style="list-style-type: none"> clearly signals to parents that they are eligible for the scheme sound easy, flexible, familiar implies accurately what the scheme is

7.10 Semiotically ‘Working Parents Childcare Top-Up’ therefore has a good blend of positives. As a result of these factors, parents said they would be more likely to look into the offer if it was called ‘Working Parents Childcare Top-up’, and we therefore recommend considering this name change.

7.11 There is potential for a link to be drawn between a long name and a long, time-consuming, onerous bureaucratic process, however, messaging around the simplicity of the scheme could counteract this.

7.12 However, while changing the name to ‘Working Parents Childcare Top-up’ would help overcome some barriers to parental take-up exacerbated by the existing name, it would not be enough in

isolation. Providers, in particular, identified a pressing need for awareness-raising of the scheme among parents. While some providers felt they could play a role in increasing awareness of the scheme, others felt they would need to be supported with information and communications from the government.

- 7.13 Ultimately, changing the name of the scheme – whether to ‘Working Parents Childcare Top-up’ or something similar – would at least overcome the initial hurdles by signalling relevance to parents and making them more likely to investigate the scheme. However, this would need to be accompanied by a messaging and information campaign – addressing parents’ remaining concerns – to have a meaningful impact on take-up of the scheme. It may also be worth revisiting the scheme processes (e.g., for signing up and reconfirming eligibility) to ensure they are as straightforward and intuitive as possible.

“IFF Research illuminates the world for organisations businesses and individuals helping them to make better-informed decisions.”

Our Values:

1. Being human first:

Whether employer or employee, client or collaborator, we are all humans first and foremost. Recognising this essential humanity is central to how we conduct our business, and how we lead our lives. We respect and accommodate each individual’s way of thinking, working and communicating, mindful of the fact that each has their own story and means of telling it.

2. Impartiality and independence:

IFF is a research-led organisation which believes in letting the evidence do the talking. We don’t undertake projects with a preconception of what “the answer” is, and we don’t hide from the truths that research reveals. We are independent, in the research we conduct, of political flavour or dogma. We are open-minded, imaginative and intellectually rigorous.

3. Making a difference:

At IFF, we want to make a difference to the clients we work with, and we work with clients who share our ambition for positive change. We expect all IFF staff to take personal responsibility for everything they do at work, which should always be the best they can deliver.



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