12-23: Changes to childcare

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Introduction

1. This memo gives guidance on The Universal Credit (Childcare) (Amendment) Regulations 2023, which come into force on 28.6.23¹.

1 SI 2023 No 593

Payments from the FSF

2. When considering the charges for the provision of childcare in the calculation of childcare costs, amounts met by other relevant support¹ are not included and any childcare charges are reduced by that amount in the calculation. Other relevant support includes payments from the Flexible Support Fund (FSF).

1 UC Regs, reg 34(2)(b)&(3)

- 3. From 28.6.23 payments from the FSF are not considered other relevant support and can be included in the amount of childcare charges¹ providing the following conditions are met
 - 1. The claimant has
 - 1. taken up, or is due to take up, paid work or
 - 2. has increased, or is due to increase, their hours of work, and
 - 2. the claimant is required to pay childcare charges before any UC entitlement reflects the increase in the claimant's earned income, and
 - 3. the claimant is less likely to take up paid work or increase the hours of work if the FSF payment was not included.

Example 1.

Fiona works 16 hours a week and, in order to increase her hours, needs to secure extra childcare. As she is now able to access funding from the FSF she has, with effect from 7.9.23, increased her hours of work to 32. Her AP is 27 to 26 of the month. She has secured additional relevant childcare and applies to the FSF for financial help to pay for the additional childcare costs for the period 7.9.23 – 30.9.23. The funding from the FSF is issued to the childcare provider on 2.9.23. The claimant provides evidence of that payment and her UC for the period 27.8.23 to 26.9.23 will be calculated taking into account the FSF payment as if the claimant had paid this herself.

Maximum amounts of childcare costs element

4. From 28.6.23 the maximum amounts for the childcare costs element of UC increases to £950.92 in respect of one child and £1,630.15 for two or more children¹.

1 UC Regs, reg 36(3)

Annotations

Please note this memo (Memo ADM 12/23) will be annotated against the following

F7080, F7085

Contacts

If you have any queries about this memo, please write to Decision Making and Appeals (DMA) Leeds, 3E zone E, Quarry House, Leeds. Existing arrangements for such referrals should be followed, as set out in – Memo 7/19 Requesting case guidance from DMA Leeds for all benefits.

DMA Leeds: June 2023