

Childcare providers' motivations and behaviours towards signing up to Tax-Free Childcare



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Summary of Findings

Research purpose

Tax-Free Childcare (TFC) was introduced on 21 April 2017 to support working parents by contributing towards the costs of childcare. TFC is part of the childcare service, alongside 30 hours free childcare. The childcare service allows parents to apply for both schemes through a single application portal. Childcare providers (CCPs) must sign up to TFC to be able to receive payments from parents via online childcare accounts.

HMRC contacted all registered CCPs during summer 2016 to increase their awareness of TFC. Providers then received an invitation to sign up to the scheme from September 2016. Over the same period, HMRC invested in resources to increase awareness of the new scheme and continues to do so. These resources include the Childcare Choices website (which provides information on government childcare support), direct engagement with larger providers, guidance published on Gov.uk, resources to support stakeholder communications, attendance at roadshows and events, invitation letters and reminder communications.

Qualitative research was undertaken by IFF Research in late 2016, prior to national roll out, to explore CCPs' motivations and behaviours towards signing up to TFC. The purpose of conducting research at this early point was to enable HMRC to understand any barriers or issues relating to sign up early on, and to identify ways to encourage more CCPs to sign up.

Motivation for signing up

Amongst those CCPs that signed up early on, parental demand provided a strong motivator. All CCPs who had, had parents approached them with queries had signed up as a result. Even where providers had not yet heard anything from parents, anticipation of parental demand acted as a prompt to sign up. These CCPs were quick to say that signing up was a "win-win" situation, i.e. signing up will give parents flexibility in payment, whilst also helping to ensure that the CCP is paid on time.

Those CCPs that had already signed up at the time of the research generally understood more of the detail of the TFC scheme than those who had not, such as the eligibility criteria. This understanding meant they were better able to anticipate potential future demand for TFC amongst their parents.

Maximising sign up prior to national roll-out

Amongst those CCPs that had not signed up by the time of the research, the most common reason was that they did not know enough about the scheme. Firstly, they were unsure which parents are eligible and, in particular, whether the TFC eligibility criteria is the same as employer supported childcare. Secondly, these CCPs were also unsure of when TFC would be introduced and how it would affect parents. CCPs reported feeling a lack of pressure to sign up because they did not know the exact date that the scheme would be introduced or the long-term future of employer vouchers.

These CCPs tended to take a more reactive approach to sign up. They waited for parents to prompt them by asking questions about TFC or requesting to pay through their childcare account. This

approach is comparable to the way CCPs commonly deal with employer vouchers i.e. CCPs typically wait for a parent to ask to make a payment using childcare vouchers before signing up with a specific voucher provider.

The research was conducted before the roll out of TFC to parents had started. Findings suggested that providing CCPs with additional, targeted messaging around the practical implications of the scheme (i.e. how payments will work, which specific working families are eligible and how TFC differs from other government schemes) would prompt providers to sign up. Creating a sense of urgency, by communicating a specific rollout date, would also encourage CCPs to sign up more rapidly.

In the period since the research, HMRC has continued to communicate with providers to support the rollout of TFC. The level of information and sources provided to CCPs by HMRC has increased. Supporting materials have been produced and made available to all providers via the Childcare Choices website. HMRC is also working through regulators, local authorities, representative bodies and communicating via social media, along with direct communications to reiterate the key messages identified above.

1 Introduction and Background

Background

- 1.1 Tax-Free Childcare (TFC) supports working families across the UK by providing financial assistance with the costs of childcare. The scheme is administered by HMRC in partnership with National Savings and Investment (NS&I). The rollout of TFC began on 21 April 2017, with parents of children under four invited to enter the scheme first, along with all parents of disabled children under 17.
- 1.2 Working parents, who fulfil the eligibility criteria, are able to open an online childcare account. For every £8 families pay in the Government makes a top-up payment of £2, up to a maximum of £2,000 per child per year, for children under the age of 12. This is increased to £4,000 per child per year, for disabled children under the age of 17. Payments from accounts are made to registered CCPs (from private nurseries to independent childminders). CCPs must be signed up to TFC to receive payments from a parent's childcare account.
- 1.3 HMRC increased awareness of TFC amongst CCPs during summer of 2016 and has continued investing in resources to raise awareness of the new scheme. These resources include the Childcare Choices website (which provides information on government childcare support), direct engagement with larger providers, guidance published on Gov.uk, resources to support stakeholder communications and attendance at roadshows and events.
- 1.4 As part of the ongoing communications campaign, HMRC delivered a targeted introductory communication (via email or letter) to CCPs in July 2016. CCPs then received a follow-up letter, which directly invited them to sign-up to TFC, from September 2016. The invitation letter contained all the information that CCPs would need to sign up, as well as a description of what the scheme was and how parents would use it to pay providers. CCPs received a reminder letter, encouraging them to sign up to the service, in March 2017, and a further reminder was sent in Autumn 2017.
- 1.5 HMRC continues to communicate with providers as TFC rolls out. The level of information provided to CCPs by HMRC continues to increase, with supporting material and toolkits produced and made available to all providers via the Childcare Choices website. HMRC is also working through regulators, local authorities, representative bodies and communicating via social media, media and direct communications to release further information about how the scheme operates.

Research objectives

- 1.6 HMRC commissioned IFF Research to conduct qualitative research in late 2016, prior to national rollout. The purpose of conducting research at this early stage, was to enable HMRC to understand any barriers or issues relating to sign up early on and to identify ways to encourage more CCPs to sign up.
- 1.7 The overarching objectives of this research were to:
 - **Explore what motivates and encourages CCPs to sign up to TFC;**
 - **Examine what is preventing CCPs from signing up; and,**
 - **Identify ways to improve communications and ensure that more CCPs sign up before the national roll-out in early 2017.**

2 Methodology and sampling

Methodology

- 2.1 A total of 51 qualitative interviews were conducted with CCPs. Interviews were conducted with CCPs who had already signed up to TFC (16 interviews) and those who were yet to sign up at the time of the research (35 interviews). The key objective of the research was to understand why CCPs had not signed up to TFC, and what could be done to encourage them to do so. As such, a greater proportion of interviews were conducted with CCPs that were yet to sign up at the time of the research.
- 2.2 Fieldwork was conducted in two phases to align with receipt of invitation letters: ¹
- Phase 1 (consisting of ten interviews with CCPs in Scotland) was conducted in September and October 2016; and,
 - Phase 2 (consisting of 41 interviews with CCPs in England, Wales and Northern Ireland) was conducted in November and December 2016.
- 2.3 Phase 2 interviews were conducted either face-to-face (24 interviews) or by telephone (17 interviews). Face-to-face interviews took place with CCPs based in England and Wales who had not signed up to TFC at the time of the research. Telephone interviews were conducted with all CCPs based in Scotland and Northern Ireland, as well as CCPs in England and Wales that *had* signed up to TFC. Interviews lasted around 45 minutes.

Sampling

- 2.4 A purposive sampling approach was taken in this research, to ensure a representation of a variety of different CCPs. Interviews were conducted with a range of CCPs types, including independent childminders, independent nurseries, nursery chains, play-schemes and school-based schemes.
- 2.5 Further details about the methodology of this research can be found in the Technical Appendix to this report.

About this report

- 2.6 This report summarises views expressed by CCPs during the interviews. The qualitative nature of the research means that findings are not statistically representative of the wider CCP population. The use of words such as 'most', 'many', 'some' and 'few' are illustrative of the data collected for this study and do not represent the views of the general CCP population.

¹ Letters were sent out in batches during September and October 2016.

3 Main Findings

Awareness and understanding of Tax-Free Childcare (TFC)

- 3.1 This chapter explores CCPs' awareness and understanding of TFC and how this affected their attitudes towards signing up to the scheme.
- 3.2 Levels of knowledge of TFC varied considerably among the CCPs interviewed.² A number of CCPs knew that TFC was being introduced but no further details beyond that.

I don't really know. Some [colleagues] have been talking about it on social media groups etc. So I have an understanding that there is a new scheme but to be honest I don't know much more than that.

School-based scheme in Scotland, signed up

- 3.3 Other providers were able to provide a few details about TFC unprompted. However, apart from some of the larger nursery chains, few CCPs displayed a detailed and accurate understanding of TFC. There were two messages that CCPs commonly recalled / understood. Namely, that the Government will contribute **£2 for every £8** put into an account by a parent; and that TFC has been introduced to **help "working families"**. Larger nursery chains generally had a better awareness and understanding of TFC. They were particularly likely to recall the fact that the Government contributes £2 for every £8 put into an account by a parent.
- 3.4 The most common knowledge gap related to the mechanics of the account and how payments work in practice, particularly in terms of **how CCPs will receive the government contribution**.

All I know is for every £8 a parent puts in the Government puts in £2. I don't know if we register, how that is paid, if the £2 goes straight into our account or the parents account and then they pay us... I would think it would go into our account and it comes off what they owe.

Play-scheme in Birmingham, not signed up

- 3.5 Beyond 'working families', there was also a general **lack of knowledge about eligibility**. CCPs were not sure which parents are eligible for TFC.

I know that it is a government scheme to replace childcare vouchers but I'm not sure who would be eligible for it and whether the same people who are eligible for vouchers would be eligible for this too.

Play-scheme in Birmingham, not signed up

- 3.6 CCPs also showed a lack of understanding of **how TFC differs from other government schemes**. Firstly, most CCPs could not say how TFC differs to **employer childcare vouchers**. As a result, they tended to assume they were similar and often questioned whether "tax free" meant that TFC also functions as a salary sacrifice scheme.

² CCPs needed to have at least heard of TFC to take part in the research, see Appendix 2 for the recruitment screener.

Yes, I have read up on the information online. For every £8 put in, the government will put in £2. It is a tax free scheme so I'm taking it that it will come out of employees' wages before tax. I'm not sure how it will be administered – I'm assuming similar to employer vouchers.

Play-scheme in Scotland, signed-up

I thought it was like vouchers... they pay so much into it and then they don't have to pay tax on that amount.

Childminder in Wales, not signed up

- 3.7 The research found that this lack of clarity had fostered a reactive approach to signing up to TFC among CCPs. With employer vouchers, the onus is typically on parents to advise their CCP about which scheme their employer is using. CCPs were therefore similarly inclined to wait for parents to approach *them* before signing up to TFC.

If parents knew about it and asked me I would look into signing up.

Nursery chain in Northern Ireland, not signed up

- 3.8 Lack of understanding that employer childcare voucher schemes will close to new entrants during 2018 also reduced the incentive for CCPs to sign up to TFC. They expected that their customers would continue to pay through vouchers so they did not see any particular incentive to sign up to TFC. When notified in the research interview that employer vouchers would eventually close to new entrants, providers said that they were more inclined to sign up.
- 3.9 Several providers expressed concerns that the process of being paid through TFC would not run as smoothly as employer vouchers. A few CCPs were keen to stress how efficient they found the process of being paid through employer vouchers. They were unsure that Tax-Free Childcare would run as smoothly. This concern seemed to be more common amongst smaller providers, such as childminders, who are reliant on regular payments from their parents. However, one school-based CCP did highlight the administrative burden of managing multiple accounts of voucher providers.
- 3.10 Secondly, CCPs expressed confusion with other government childcare initiatives that are rolling out alongside TFC, in particular the **30 hours free childcare entitlement**. The research found that the prominence of the Trial and future roll out of 30 hours' free childcare in England meant that the parallel roll out of TFC was missed by many. Some CCPs questioned whether the two schemes were the same.

I don't have a clue about it. It is confusing because there has been a lot of stuff in the news about free childcare for working parents.

Independent nursery in Wales, not signed up

The government is funding 15 hours for children – obviously, I know they are looking to do 30 hours now for 3 and 4 year olds. The government will pay into the scheme and the whole purpose is to allow parents to go to work, it will be implemented next year.

Independent nursery in London, signed up

- 3.11 Following this research, the government has launched the Childcare Choices campaign (www.childcarechoices.gov.uk) which clearly explains the available childcare support offers to parents and helps them identify what is available to them.
- 3.12 Finally, findings from the research also suggest that their experience of being paid with **Tax Credits** had caused some CCPs to question how TFC would be paid. Tax Credits were unpopular with a number of CCPs interviewed as they are seen as an unreliable payment method. Parents would receive Tax Credits payments directly into their bank account but often fail to pay the provider on time. Therefore, some CCPs wanted more information and reassurance around how they would be paid through TFC before deciding to sign up. Following the research, the ease and efficiency of the payment process has been stressed in communications materials distributed to providers.

Sources of knowledge

- 3.13 The general lack of knowledge about TFC largely resulted from the fact that the new scheme had not been widely marketed by the time of the research. Some CCPs spontaneously commented that they were surprised by how little they had heard about TFC. They compared it to other schemes like 30 hours free childcare, which they perceived to have had a much higher profile within the childcare sector.³ As noted above, the government has since launched the Childcare Choices campaign which has made TFC more visible to parents and providers. Following its launch the childcare service has also featured in national and regional news, as well as generating significant social media interest from industry bodies, parents and providers. HMRC plans to conduct further communications to further raise TFC awareness amongst parents and providers.
- 3.14 CCPs tended to first become aware of TFC through three main channels. The most common source of information was the introductory communication and / or invitation letter from HM Government. At the time of the research, many did not recall seeing communication about TFC from other sources despite HMRC's efforts to engage with CCPs through representative bodies, local authorities and attendance at stakeholder events etc.
- 3.15 Some CCPs reported they had first become aware of TFC via the news / social media, such as BBC News, Facebook and Twitter. This was particularly common for childminders – some of whom mentioned that they became aware via childminder groups on Facebook or WhatsApp. With this in mind, HMRC continues to communicate regularly with providers via social media.
- 3.16 A number of CCPs first heard about TFC through other professional organisations (e.g. the National Day Nurseries Association, the Professional Association for Childcare and Early Years and the Scottish Childminding Association) or from charities and independent bodies (e.g. Stepping Stones for Families and the Scottish Family Information Service). HMRC has been engaging actively with these organisations to promote TFC and the childcare service. CCPs in Scotland were more likely to have heard about TFC from a greater range of sources, including the regulator, local authorities, charities and professional associations.

³ The information available to CCPs has increased as TFC has been developed and rolled out. HMRC is producing supporting materials which are shared via toolkits emailed to CCPs and representative bodies.

- 3.17 Less commonly, CCPs reported parents having approached them to ask about TFC. In some cases, this was the result of parents learning from their employer voucher companies that childcare voucher schemes would be closing to new entrants.

Recollection of HM Government correspondence

- 3.18 Communications from HM Government, i.e. email and/or letter, were a key way that CCPs had heard about TFC. At the time of this research, all CCPs should have received at least one piece of correspondence inviting them to sign up for TFC. However, overall recollection of the correspondence from HM Government was variable. Many recalled receiving the introductory email or letter and most recalled seeing the invitation letter. A few could not recall receiving either. Since the research was conducted, all CCPs who are yet to sign up to the service will have received a reminder letter encouraging them to do so. A further reminder letter was sent in Autumn 2017.

Some CCPs suggested they may have not received their letters due to incorrect or out of date information being held by the regulator. It is the responsibility of individual childcare providers to update their details with their regulator, if changes occur. However, since the research took place, HMRC have put procedures in place to ensure that, if invitations are not received, CCPs can request a replacement letter to be sent to an alternative address. I don't remember having anything. It may have been sent and not got to me personally, or they haven't got the correct details because I only recently started 12 months ago and it may have been sent to a previous colleague and they just throw it in the bin.

Play-scheme in Wales, not signed up

The main issue is that nurseries don't seem to be receiving the letters. We've not as many as we'd expect to have had so far. I think the only issue really is to do with the fact that the contact information of the people in the nurseries is often out of date or incorrect. The details (particularly email addresses) are an issue - because they have come from the Ofsted registration.

Nursery chain, signed up

- 3.19 Most CCPs agree that a letter is the preferred form of initial communication. They prefer letters to emails, which are more likely to be missed and / or raise security concerns. Some interviewees said that CCPs may suspect that emails are phishing scams. Moreover, the fact that CCPs were more likely to have received / recalled receiving the letter than the email appears to reinforce the notion that letters are a more effective form of contact.⁴
- 3.20 Those CCPs that recalled receiving the invitation letter (or that were shown it during the interview) generally felt it was clear and easy to understand.
- 3.21 However, the research suggests that the letter could be both more engaging and more effective. In most cases the CCPs that had not signed up at the time of their interview stated that the letter did not prompt them sufficiently to take any action. It had prompted some to click on the

⁴ Although this is qualitative research and, as such, not necessarily representative of the experience / opinions of the overall CCP population.

link and look at the online guidance but this tended to be less common. Following the introduction of the scheme and the launch of the communications campaign, future correspondence to providers will include Childcare Choices branding and will be more definitive on dates. This will help to make the communications more engaging and encourage CCPs to sign up.

The main message of the initial email was that Tax-Free Childcare is on its way... to be honest, [after I received it I did] absolutely nothing! I know it gives you website details and everything to check it out but if there wasn't a demand for my parents here then I don't see the necessity to sign up for it. [The second letter] had a few more details in it on how to sign up and it had my user number and things like that and how to [sign up] and it seemed quite straightforward ... [after I got the invitation letter I did] nothing ... for the same reasons; nobody has asked or enquired about it.

Play-scheme in Northern Ireland, not signed up

- 3.22 A number of CCPs suggested that the letter would have had more impact if it had contained more detailed information about TFC. As discussed, they specifically wanted more detail about how TFC payments are made and which parents are eligible. HMRC has advised that further detail on payments and parent eligibility will be included in future government communications to providers.

It doesn't say much – just to sign up now. It doesn't talk about the benefits and what difference it would make for the provider. They aren't giving you any information – they are just basically saying 'sign up'.

Nursery chain in Northern Ireland, not signed up

3.23

Nursery chain in Northern Ireland, not signed up CCPs suggested that the letter needed a 'hook' to encourage them to sign up. A number also suggested that the letter could be accompanied by an information leaflet, which should be visually appealing. This would both incentivise more CCPs to sign up and enable them to disseminate information to parents. With this in mind, HMRC has developed a pack of communications – including an information leaflet – which is available on the Childcare Choices website.

A little more information and how it would benefit the parents – it doesn't really entice you to it, it is very official looking. They should have included a flyer.

Nursery chain in Northern Ireland, not signed up

- 3.24 CCPs in this research stated that the letter should have specified when TFC would be launched, in order to create more urgency to sign up. TFC has since been introduced for parents of under 4 year olds (as of 31 August 2017) and all disabled children. HMRC has advised that this will be made clear in all future communications to providers. The information will be updated as new cohorts of parents become eligible as the gradual age-based rollout of the scheme progresses.

If they said 'we want to get as many people signed up by 5th April as possible' then that would encourage more people to do it. If I had a date to work to I would definitely do it by then... It's not starting until next year and even then we haven't got a proper date yet, so it can wait - there is no sense of urgency.

Childminder in London, not signed up

Reasons for action or inaction

- 3.25 This chapter explores the reasons why CCPs had or had not signed up to TFC by the time of the research, before going on to explore issues affecting the process of signing up.

Reasons that CCPs had signed up

- 3.26 Overall, the research suggests that most CCPs do intend to sign-up to TFC. Even those CCPs who had not signed up by the time of their interview largely intended to do so at some point.
- 3.27 **Parental demand** was a key driver of CCPs' approach to sign up. Many of those who had signed up felt it was important to do so in case parents approached them requesting to pay with TFC or with questions about the new scheme. A small number of providers reported that parents had already approached them with queries about the scheme and that this had provided an impetus to sign up.

I did it early so I wouldn't forget and I didn't want parents coming to me asking questions about it with me not signed-up.

Independent nursery in Scotland, signed-up

- 3.28 Some CCPs stated that the **fear of losing (potential) business** to competitors had motivated them to sign up to TFC as quickly as possible.

Well we've got to sign-up to it otherwise we won't get the payments from the parents and obviously if parents can't pay us through that scheme they might not use the nursery at all.

Nursery chain in Scotland, signed up

- 3.29 Motivations to sign up differed slightly by provider type and size. Larger nursery chains were more likely than childminders and independent nurseries to have explicitly made the link that parents may take their custom elsewhere. This was of less concern to childminders who tended to have a personal relationship with their parents. This suggests that, where possible, future TFC communications might usefully be tailored to address concerns based on the type of provider they are targeting.
- 3.30 CCPs who had already signed up by the time of the research tended to have a **better knowledge of TFC**. Either because they had received information about the scheme from a variety of sources, (not just from Government correspondence) or because they had proactively sought out further information. CCPs who had signed up at the time of research were more likely to have heard about TFC from a wider range of sources. This, suggests that creating more 'conversation' about TFC across the sector may encourage greater sign up. The Childcare Choices brand and communications campaign will support this.

It is all about advertising... like when they were telling people about Tax Credits originally – they used TV ads, ads on hoardings and at bus shelters... I haven't seen any recently. Use public places and use third party organisations like Stepping Stones or the Scottish Childminders

Association... but most of all they need to get the information out to the families.

Childminder in Scotland, signed-up

Reasons that CCPs had not signed up

- 3.31 As discussed, a lack of accurate and detailed understanding of TFC appears to have had a negative impact on sign up. Without fully understanding what TFC is and how it works many CCPs **did not have the confidence** to sign themselves up and / or offer it to parents.

I just felt as though I didn't know enough about it.

Independent nursery in London, not signed-up

No I haven't discussed it with the parents, but I will be sending out an email to them. But at the minute I don't really know whether it will be open to everyone - I'm guessing it is.

Childminder in London, not signed-up

- 3.32 **Parental demand** was clearly a key issue. Smaller CCPs such as childminders and independent nurseries were particularly likely to cite lack of pressing parental demand as a reason for not having signed up yet. These providers felt that their relationship with their customers was such that parents would approach them with a request to sign up which they would then be happy to accommodate.
- 3.33 A number of CCPs reported that their parents were unlikely to qualify for the scheme and they were therefore reluctant to sign up. Whilst in some cases this appears to be driven by a lack of knowledge about eligibility, in others this is probably an accurate reflection of the local population profile. CCPs in more deprived areas identified a lack of demand among their parents due to high levels of unemployment. Parents who are unemployed are more likely to be on Universal Credit or Tax Credits, which provide support with childcare costs, and therefore be ineligible for TFC.

I would expect parents to be asking me questions – am I signed up to this and can we use it with you and no parents have asked that ... if the demand had been there to do it I probably would have signed up.

Childminder in Northern Ireland, not signed-up

- 3.34 CCPs providing Free Early Education Entitlement in deprived urban areas, were also unsure that there would be demand for TFC once 30 hours' free childcare was rolled out. They reported that many parents were not working full-time and they were using childcare services for fewer than 30 hours a week. Similarly, CCPs in these areas had high numbers of parents claiming Tax Credits and were unsure of the future demand they could expect for TFC. This had contributed towards these providers taking a more reactive 'wait and see' stance.
- 3.35 In Wales, CCPs who offered provision through Flying Start tended to structure their provision in 2.5 hour sessions with all parents receiving Welsh Government funding. As a result, they did not feel that there would be demand for TFC or that TFC would be applicable to them.

The process of signing up

- 3.36 Overall, the sign-up process was felt to be smooth and straightforward.

- 3.37 In the early part of the research, there were a small number of CCPs who had encountered some issues with online sign-up. For example, the sign-up link in the letter not working on Internet Explorer or the online application form itself crashing (with progress being lost). Most CCPs described these as minor issues and they do not appear to have impacted on their decision to sign up to TFC or not. Furthermore, HMRC have advised that they have since looked into these issues and had resolved them by the end of the research project.
- 3.38 The research found that the sign-up process was initially more difficult for larger nursery chains operating across multiple sites. Larger chains must co-ordinate all the sign-up letters that are sent to their individual settings which can be labour intensive. An issue arose when NS&I / HMRC operators would only speak to the Ofsted contact named on the letter which meant that chains were not able to request a further copy of missing letters.

If one nursery hasn't received a letter they then have to ring up and request a re-issue but [they] won't reissue it unless they speak to the named contact on the letter, but in some of those cases that person has actually left the nursery.

Nursery chain in Scotland, signed up

- 3.39 HMRC has been working with large organisations to smooth the sign-up process and resolve this issue. Invitations can now be issued to a Head Office address to cover multiple sites.

4 Conclusions

4.1 There are several conclusions that can be drawn from this research which can be used in ongoing communications with providers about TFC:

- **The hard copy letter approach used is the appropriate channel for initial information about the scheme.** HMRC has advised that letters will continue to be the main route for communications with providers, including subsequent reminder letters to encourage sign up.
- **To motivate providers to act communications must be engaging and stand out.** HMRC has advised that this will be achieved in a number of ways in future communications, including the use of appropriate branding now the government's Childcare Choices campaign has launched.
- **To encourage CCPs to react quickly, they need to be given a clear rationale for doing so.** It may also help to communicate that employer voucher schemes are closing to new entrants in 2018. HMRC has advised that future correspondence will contain further details of the roll-out schedule to reinforce the incentive to sign up.
- **Larger providers and private settings are likely to be responsive to messages about the business benefits of being involved in TFC** i.e. that being signed up to the scheme could prevent them losing business to others.
- **Independent childminders are likely to be more receptive to messaging about providing excellent customer service to their loyal parents** i.e. being prepared to receive payments rather than being reactive and causing delays.

4.2 There are also a number of conclusions relating to ongoing actions for HMRC:

- **HMRC should continue its work to increase awareness and provide updated information about TFC. Empowering providers to understand the scheme fully will encourage them to introduce it to parents** (rather than waiting for parents to raise it with them). HMRC have increased the information available to CCPs, including a separate provider page on the Childcare Choices website which has a communications toolkit containing leaflets, posters and emails which providers can to send to parents. These resources are highlighted to providers as part of ongoing communications.
- **Continue to work with representative bodies to disseminate messages about TFC among provider networks.** HMRC has advised that they will continue to provide materials to with key messages, for stakeholders to distribute, as well as continuing to attend events to help communicate the benefits of the service and encourage conversation between providers and parents.
- **Ensure that the online application system continues to be reliable to maximise the customer experience and minimise risks of queries/complaints to NS&I / HMRC.**