

Flexible Support Fund (FSF) - Payment of Childcare Costs

Introduction

1. Helping parents overcome their childcare barriers to work plays a key part in the strive to eradicate child poverty; a target enshrined in law.
2. One of the largest causes of child poverty is worklessness. Latest figures show that some 2.6 million children live in relative poverty. Everytime you engage with a customer with dependant children and support them into work you are helping to eradicate child poverty.
3. In order for many parents to enter sustained employment many will need to source and utilise formal childcare. Jobcentre Plus recognises the importance of childcare as a key enabler to work and provides support and assistance to parents to remove childcare as a barrier to work.
4. This chapter sets out the national guidance relating to the payment of childcare costs.
5. If something is not specifically mentioned in this chapter, decisions should be made locally, taking into account guidelines set by the District Manager.

Eligibility

6. Financial assistance with the cost of childcare is available to eligible parents, undertaking activity to move them closer to the labour market, or for a limited period of time once they start work
7. Dependent children are those up to, but not including, the first Tuesday in September following their 15th birthday.
8. When a child is in receipt of Disability Living Allowance ([DLA](#)) or [Personal Independence Payment \(PIP\)](#) or is registered blind payment can be made for a dependent child up to, but not including, the first Tuesday in September following the child's 16th birthday.
9. Parents participating in Steps to Employment (Wales) and the work programme are not eligible for help with the cost of childcare through the FSF as assistance is the responsibility of the provider.
10. Parents participating in Training for Work (Scotland) are only eligible for financial assistance with the cost of childcare when it is confirmed that this cost is not the responsibility of the provider.

When can I consider awarding childcare costs?

11. Financial assistance may be awarded when a parent is:
 - Attending an interview with a Jobcentre Plus adviser / training provider or employer.
 - Participating in an activity/provision; such as a training course.
 - Undertaking a work trial;
 - Participating in work experience or undertaking a work placement.
 - In the first two weeks of employment; (upfront childcare costs).

- Whilst working under 16 hours a week; (childcare subsidy).
 - Childcare Subsidy is paid to a maximum of £87.50 per week for one child and £150 per week for two or more children and paid for a maximum 52 weeks period from when the parent first starts part-time work
- In the week before work starts –
 - **up to 5 days** childcare in the 7 days immediately before they start work of at least 8 hours per week (childcare assist)
- During the first 6 months of employment.
 - please note this is only available to lone parents who are eligible for In-work Emergency Payments .

Note: working includes those parents entering self employment.

What you must do when awarding childcare costs

12. When agreeing to pay childcare costs for parents Districts must adhere to the following i.e. local flexibilities do not apply:

- Pay childcare costs for parents attending mandatory interviews or training (not including participation in the Work Programme) if they require it.
- The childcare must be registered - Tax Credits description of registered childcare should be applied, please see the HMRC site registered or approved childcare for tax credits.
- With the exception of upfront childcare costs - all payments must be paid in arrears.
- All payments must be made directly to the childcare provider into their nominated bank / building society account via RM.
- The parent must identify the childcare provider; any contract for childcare is be between the parent and the childcare provider and must not involve Jobcentre Plus.
- Any agreement to meet childcare costs on behalf of the parent must not exceed the maximum permitted amounts, these are childcare costs up to £175 per week for one child (up to a daily limit of £35) or £300 per week for two or more children (up to a daily limit of £60) can be paid.
 - **Please Note:** if awarding childcare for parents working over 8 hours and under 16 hours the maximum permitted amounts are lower.
- You must also be satisfied that the amount being charged for childcare is reasonable, taking into account average charges in the local area.
- If combining work and training it is important that the parent is made aware of the maximum childcare payments available.
- When agreement has been made to meet the cost of childcare for an extended period of time; care must be taken to ensure that the parent has not had any changes to their circumstances which would mean they are no longer eligible for continuing payment of childcare costs.
- The child details functionality on the parent's client record on LMS must be up to date.

Formatted: Default Paragraph Font, Char Char1 Char Char Char

- All payments for the cost of childcare must be recorded and submitted on the appropriate FSF forms .

What you can not do when awarding childcare costs:

13. When agreeing to pay childcare costs for, parents Districts can not do any of the following i.e. local flexibilities do not apply:

- Make payments for care that is funded elsewhere. For instance most 3 and 4 year olds are entitled to 15 hours free childcare per week; some two year olds are also eligible for free childcare per week. See the childcare intranet site for further information.
- Enter into a contract of care. This remains the responsibility of the parent and the childcare provider
- Recommend a childcare provider to a customer. External organisations and internet sites can help parents source care to meet their needs.
- Agree to pay childcare costs for claimants participating in the work programme
- Make childcare payments over the permitted limits.
- Issue any payment until the parent has attended the interview, or started their training/provision course or until employment has been confirmed
- Agree to pay childcare costs to childcare providers that are not registered.

Process for awarding and paying childcare costs

14. When awarding payments from the flexible support fund; it is important that Districts maintain an audit trail i.e. how and why a decision to deploy the fund was made. For further information regarding why this is necessary see the Flexible Support Fund – Guide for District Managers.

15. For awarding childcare costs there are three FSF forms (FSF 3 -5) to complete. All three must be fully completed before a payment can be made to a childcare provider.

16. Depending on the circumstances of the parent; the adviser and customer sections of all three forms can be completed during one adviser interview (except part 6 of the FSF5).

17. When it is identified that a parent may be eligible for financial support with the cost of childcare you must complete the FSF forms in the following order;

- FSF 3 - Agreement to meet care costs.
 - The FSF 3 is an internal form between the parent and jobcentre adviser; required in order to provide an audit trail. Under no circumstances must it be passed to a childcare provider.
 - It provides a formal record (signed by both the adviser and parent) stating the specific childcare costs the Jobcentre has agreed to pay. This helps to mitigate the risk of fraud.
 - The FSF3 must be completed in full and must include all relevant information in sufficient detail to fully support your decision to award payment.

- To support staff in completing the FSF3 local offices may decide the level of information they expect to see in Part 2 of the form.
- When completing Part 4 of the FSF3 use one line per child
- When the parent completes Part 6 ensure they tick all the boxes appropriate to them
- Ensure that you make parents aware that they will be liable for overpayments. See the Overpayment section in this chapter for further details.
- It should be explained to the parent that although the jobcentre has agreed to meet the cost of childcare specified on this form; payment cannot be made to a childcare provider until forms FSF4 and FSF5 have been completed.
- Once the FSF3 is fully completed and the parent has sourced suitable childcare complete the FSF4
- FSF4 – Notification to care provider that Jobcentre Plus will meet care costs;
 - Parents must source childcare that meets the needs of their children. Jobcentre Plus can not be held responsible regarding the welfare of their child(ren). It is vital that the care provider's agreement to the terms of payment is sought before the parent uses childcare for the reasons stated in Part 2 the FSF3.
 - You must ensure that the information contained on Part 2 of the FSF4 is exactly the same as the information contained in Part 4 of the FSF3.
 - FSF4 can be issued and returned with the FSF5 but under no circumstances should any payments be made until the provider has signed and returned the FSF4.
 - When the FSF4 has been returned confirming the providers agreement (or when the FSF4 is issued) give the parent the appropriate number of FSF5 forms to cover the period of care agreed. One FSF5 covers one calendar month.
 - **Please Note:** Only one copy of the FSF4 is required regardless of the duration of care agreed.
- FSF5 – Childcare Care Providers claim form.
 - On receipt of the FSF5 there are a number of checks you should make before the payment can be authorised.
 - Are the details at Part 3 on the FSF5 the same as the details at Part 2 on the FSF4?
 - Has the parent signed the FSF 5 at Part 6?
 - Are the provider's business details on the FSF5 the same as on the FSF4?
 - Did the parent attend their approved activity; interview or start work?
 - Once these checks are complete and you are satisfied that the childcare provided is as agreed, transfer the details on the FSF5 to RM1 and submit to Purchase to Pay.

Notes to support completion of the FSF 3-5

Authorising and approving awards for childcare costs:

18. To comply with financial requirements and mitigate the risk of fraud all payments must be approved by one person (usually the adviser) and then authorised by a different person (either another adviser or their line manager depending on the level of delegated financial authority required); this is referred to as separation of duties.

Paying childcare costs:

19. Payments of agreed childcare costs must always be paid directly to the childcare provider into their nominated bank / building society account.

20. When the FSF5 has been authorised for payment, transfer the details onto the RM1 and submit to purchase to pay.

- Guidance on making payments through RM is available on the intranet.

Cost Centre and Account Codes:

21. It is important that the correct Cost Centre Code and Account Code are used. You must obtain these from the Account Codes Made Easy (ACME) tool available from your desktop.

Labour Market System (LMS) Action

22. All childcare expense payments must be registered on the LMS ADF Hotspot.

Document Retention

23. All three childcare forms FSF 3 – 5 must be retained in line with current DWP policy.

Recovery of Overpayments and Incorrect Payments

24. The responsibility for any overpayment rests with the parent. Jobcentre Plus does not enter into any contract with childcare providers; only an agreement to make a specified cost on the parents behalf.

25. By signing Part 5 of the FSF3 the parent declares that they understand the terms by which the agreed childcare costs will be paid by Jobcentre Plus on their behalf. When a claim for expenses is submitted by the childcare provider; no payment can be made until the parent has signed the FSF5 at Part 6. When the parent signs FSF5 they declare that care has been provided for the reason agreed. Anything contrary to this declaration means the parent has submitted a fraudulent claim.

26. For details on how to recover overpayments and incorrect payments, see Chapter 15 - Overpayments of the FSF guidance.

Suspected Fraud

27. In case of suspected fraud, access the Fraud Referral Form (FRF) icon on your desktop and follow the on-screen completion instructions. See the FRAIMS Guidance for full details of the FRF.