



HM Revenue
& Customs

Research Report

**HMRC Customer Experience Survey 2017-
2019 (Waves 1 to 4):**

**Parents' and Providers' Experiences of
Tax-Free Childcare and
30 Hours Free Childcare**

Research Report 523

August 2019

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Glossary

TFC	Tax-Free Childcare: a government scheme to help working families with the cost of childcare. Parents open an online account and get £2 for every £8 they pay in, to spend on regulated childcare.
30 hours	30 hours free childcare (30 hours). 15 hours of free childcare for 3 and 4 year-olds of working parents, in addition to the universal 15 hour offer.
The Childcare Service	The online application portal and supporting services (e.g. helpline) for parents and providers using TFC or 30 hours
Childcare Vouchers (ESC)	Employer Supported Childcare: a government scheme to support working parents with the cost of childcare. Working parents do not have to pay tax and National Insurance on childcare vouchers. This scheme closed to new applications on 4 th October 2018.
HMRC	HM Revenue and Customs
DfE	Department for Education
UC	Universal Credit: a new government scheme being rolled out to replace a collection of existing benefits and tax credits including Jobseekers' Allowance, Housing Benefit, Working Tax Credit, Child Tax Credit, Employment Support Allowance and Income Support.
Providers	Early Years childcare providers: for this study we included: nursery provision in independent and state-funded schools, day nurseries, nursery provision for children with special needs, playgroups and pre-schools, holiday clubs, out of school clubs, childminders and nannies (both those who were and were not provided through agencies). Only providers who are registered on the early years register (or schools who are exempt) are able to deliver 30 hours.

Executive Summary

Background

Tax-free Childcare (TFC) was launched in April 2017 and offers working families a government contribution towards qualifying childcare costs. 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 government contribution per child per year (£4,000 for disabled children).

The 30 hours free childcare policy, which was launched in September 2017, builds on DfE's universal entitlement for 3 and 4-year olds, and offers working parents of 3 and 4-year olds an additional 15 hours of free early education and childcare a week, over 38 weeks of the year.

Families can apply for both TFC and 30 hours through a single online application. If eligible, they will get an account where they can reconfirm their eligibility for the schemes, update their details, access their 30 hours eligibility code and make TFC payments to childcare providers.

In May 2017 HMRC commissioned an external supplier, IFF Research, to conduct the Customer Experience Survey to understand parents' and providers' experiences of the Childcare Service, TFC, and 30 hours, using online surveys.

This report outlines key findings from the first four waves of online surveys with parents and childcare providers, which took place between April 2017 and March 2019. This report also includes findings from follow-up qualitative research conducted with tax credits customers, after it was identified that a number of these customers were applying for TFC and requesting that their application be cancelled shortly after.

An additional follow-up survey was also carried out in September 2018 covering more detailed questions about the impact of TFC and 30 hours on labour market participation, use of childcare and household income. Findings from this survey are also detailed in this report.

Key Findings

Outlined below are the headline findings from the four waves of the survey, the qualitative research with tax credits customers and the policy impact follow-up survey.



Overall experience of using the Childcare Service

Overall satisfaction with the Childcare Service among parents has increased with 84% of parents rating their experience as very good or fairly good in Wave 4 up from 81% in Wave 3, 68% in Wave 2 and 65% in Wave 1. Although the experience of providers is not as positive as parents, there has also been an improvement in their overall experience, up from 46% in Wave 1 to 53% in Wave 3 (providers were not surveyed in Wave 2 or 4). It should be noted however that many providers responded 'neither' or 'don't know'.



Knowledge of TFC and 30 hours

Parents' and providers' knowledge about TFC has increased, however both parents and providers knew substantially more about 30 hours than TFC across all of the waves. There has been an upward trend in knowledge of most measures. Over half of parents (57%) in wave 4 are aware that there are limits to how much you can earn while being eligible for TFC. Wave 4 parents are also more aware that you can claim TFC for more than one child (69%) up from Wave 3 (63%) and Wave 2 (66%). Wave 4 parents claiming 30 hours were more aware of the income eligibility criteria (72%).



Application process

Satisfaction with completing the online application remained high across all waves for both TFC (83%) and 30 hours (86%) parents. However, 25% of providers in Wave 3 reported having issues when signing up – up from 19% in Wave 1.



Online accounts

Once signed up to the Childcare Service, parents have their own online account where they can update their details, reconfirm eligibility and TFC parents can make payments to their childcare providers. More parents are logging back into their online account and are finding it easier to do so. At Wave 4, 94% of parents had logged back into their account, compared to 93% at Wave 3, 92% at Wave 2 and 83% at Wave 1.



Payments

TFC parents make payments to their provider through an online account. At Wave 4 the number of parents who had made a payment had increased, as had the number of providers who had received a payment. However some parents and providers were experiencing issues with the online payment process.



Reconfirmation

Every 3 months parents have to sign into their online account and check their details are up to date to reconfirm their eligibility for 30 hours and/or TFC. The majority of parents are now doing this with 98% of parents at Wave 4 having done so, up from 93% at Wave 3, 90% at Wave 2 and 80% at Wave 1.



Childcare Service Helpline

The proportion of new applicants contacting the helpline has decreased over time from 34% in Wave 1, 33% in Wave 2, 22% in Wave 3 and 21% in Wave 4. 74% of all parents who contacted the helpline in Wave 4 rated their experience as 'Good', up from 71% in Wave 3, 60% in Wave 2 and 59% in Wave 1.



Impacts of TFC and 30 hours

TFC and 30 hours both appear to be having an impact on families' ability to increase their working hours, with 29% of 30 hours parents and 16% of TFC parents claiming in Wave 4 of the survey that at least one partner is working more hours as a result.

TAX CREDITS

The qualitative research with tax credits customers found that customers tended to pay little attention to the application process and did not notice that they would not be able to claim TFC and tax credits at the same time. Parents indicated that they wanted to be told what the best childcare support option was for them and did not think the government would let them apply for something that would leave them financially worse off.

POLICY IMPACT FOLLOW-UP SURVEY

The policy impact follow-up survey found that both TFC and 30 hours reported an impact on the number of hours they were able to put their children into childcare and this impacted parents ability to start work, or to increase their working hours.

Introduction

Background

At Budget 2013, the government announced its intention to introduce a new policy, Tax-Free Childcare (TFC), and in the 2015 manifesto announced a commitment to introduce 30 hours free childcare (30 hours). TFC and 30 hours were introduced by HM Revenue and Customs (HMRC) and the Department for Education (DfE) respectively as part of a wider package of childcare reforms in the United Kingdom.

TFC offers working families a government contribution towards qualifying childcare costs. Eligible parents can open an online childcare account and for every £8 they pay in, the government will add £2, up to a maximum of £2,000 government contribution per child per year, (or £4,000 for disabled children). The TFC scheme was launched in April 2017, first to parents who had a child under 4 (born on or after 1st September 2013) and disabled children aged under 17. It was then gradually rolled out throughout the year to older children. Under 12s were the final group to become eligible for the scheme on 14 February 2018. For parents to benefit from TFC, their childcare providers must be signed up to receive payments.

DfE launched 30 hours in September 2017. The 30 hours entitlement builds on DfE's universal entitlement of 15 hours for 3 and 4 year olds, offering eligible working parents with 3 and 4 year olds an additional 15 hours of early education and childcare a week, over 38 weeks of the year.

To be eligible for TFC and 30 hours the parent(s) or carer(s) must be in work and each earning at least the minimum wage for 16 hours a week but have an income of no more than £100,000 per year. The child must usually live in the household, not be a foster child¹ and must be from inside of the European Economic Area (EEA).

Parents are not able to get TFC at the same time as claiming Working Tax Credit, Child Tax Credit, Universal Credit or childcare vouchers. Unlike TFC, parents can still receive 30 hours free childcare at the same time as claiming Universal Credit, tax credits, childcare vouchers or TFC.

Families can apply for both TFC and 30 hours through a single online application in the Childcare Service. If eligible, a childcare account is then set-up following the application. Parents must reconfirm their eligibility every three months. This means signing back into their account and confirming their details are up to date. Reminder emails are sent to parents 4 weeks and 2 weeks before the reconfirmation deadline to prompt them to reconfirm.

With TFC, parents pay into their childcare account and the government top-up is automatically applied. Parents can then pay their childcare provider directly from their childcare account. Payments work similarly to an online bank account and can take up to 3 working days to clear. Each child's payment has a unique reference

¹ From September 2018, eligible foster parents were able to apply for 30 hours for children in their care through their local authority.

number to ensure providers are able to identify their payments. For 30 hours the Childcare Service generates an eligibility code for parents which they take to their childcare provider in order to take up a 30 hours place. Childcare providers will then check the code's validity with their local authority before agreeing a start date. Each child gets a separate TFC account or 30 hours free childcare code, though they can all be managed within the one Childcare Service account.

In May 2017 HMRC commissioned IFF Research, an independent research agency, to undertake a programme of research to help understand the experiences of parents and providers throughout the early stages of the national implementation of TFC and 30 hours. The research provides regular feedback to HMRC operational teams that are responsible for delivering the Childcare Service, as well as the TFC and 30 hours policy teams at HMRC and DfE. It has supported both departments to understand the issues and to identify any potential changes that are needed.

This report outlines key findings from the four waves of the online surveys with parents and childcare providers. In this report we will talk about “parents” and “providers” to distinguish between the views of the two groups.

Research Aims & Objectives

The overall aims of the Childcare Service Customer Experience Surveys are to:

- Monitor parent and provider experience using the Childcare Service through multiple waves of research;
- Measure parent and provider understanding of the Childcare Service;
- Monitor families' experience of using the 30 hours and TFC offers;
- Monitor providers' experience of delivering the 30 hours and TFC offers.

Methodology

Customer Experience Survey: Four waves

The Customer Experience Survey is an online survey with parents and childcare providers. A pilot was carried out in August 2017 with a subsequent five waves of research planned over the following two years. Four of the waves have been completed, with the fifth wave planned for later in 2019/20. Waves 2 and 4 are with parents only.

Qualitative research was also commissioned to follow-up on findings from the main quantitative research, and other issues that arose that were related to the research objectives.

The survey schedule is outlined in Figure 1 and response rates in Table 1 below.

Figure 1: Survey timeframes

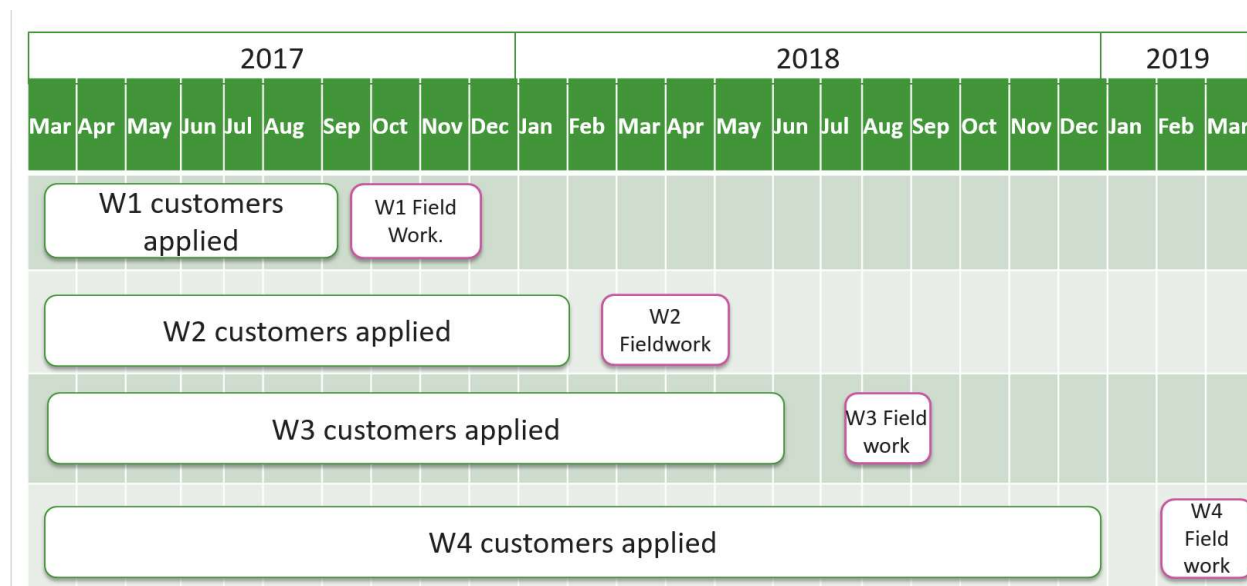


Table 1. Survey Response Rates

Wave	Parents		Providers	
	Number of Responses	Response Rate	Number of Responses	Response Rate
Wave 1	4,752	19%	985	12%
Wave 2	1,886	15%	-	-
Wave 3	1,464	19%	742	13%
Wave 4	1,236	20%	-	-

The first wave of the research was conducted in October 2017 with parents and providers, and achieved a total of 4,752 responses from parents (19% response rate) and 985 responses from providers (12% response rate). The second wave of the research was conducted in April 2018 with parents only and achieved a total of 1,886 responses (15% response rate). The third wave of research was conducted in August 2018 with parents and providers and achieved a total of 1,464 responses from parents (19% response) and 742 responses from providers (13% response). The fourth wave of the research was conducted in February-March 2019 with parents only and achieved a total of 1,236 responses (20% response rate).

The survey questionnaire has been amended slightly between each wave, with most significant changes happening between Wave 1 and 2. This means that in some cases it is only possible to compare changes from Wave 2 or later.

Parents recruited included a mix of income levels, full time, part time, employed and self-employed workers and results were weighted to be representative of the Childcare Service population. A full list of provider-types covered by the survey is included in the glossary to this report.

All directional changes quoted in this report i.e. references to figures increasing or decreasing are statistically significant at the 95% confidence level.

Tax Credit Qualitative Research

Qualitative research was carried out to help HMRC understand the experiences of parents in receipt of Tax Credits who had used the online Childcare Service to apply for TFC or 30 hours.

The fieldwork took place in March 2018 (between Wave 2 and Wave 3 of the Customer Experience Survey). A total of 30 telephone interviews were carried out with Tax Credit Customers who had applied for TFC and 30 hours.

Policy Impact Follow-Up Survey

The Policy Impact Follow-Up Survey was designed to cover more detailed questions about the impact of TFC and 30 hours on family labour market participation, use of childcare and household income.

All parents who responded to the Wave 1 or Wave 2 Customer Experience Survey were asked if they were willing to be re-contacted for further research. Respondents who agreed were emailed a follow-up survey in September 2018. A total of 835 households who had made a TFC payment and 953 households who were using or had used 30 hours responded to the survey (40% response rate). Results were weighted to reflect the profile of respondents in Waves 1 and 2.

Main Findings

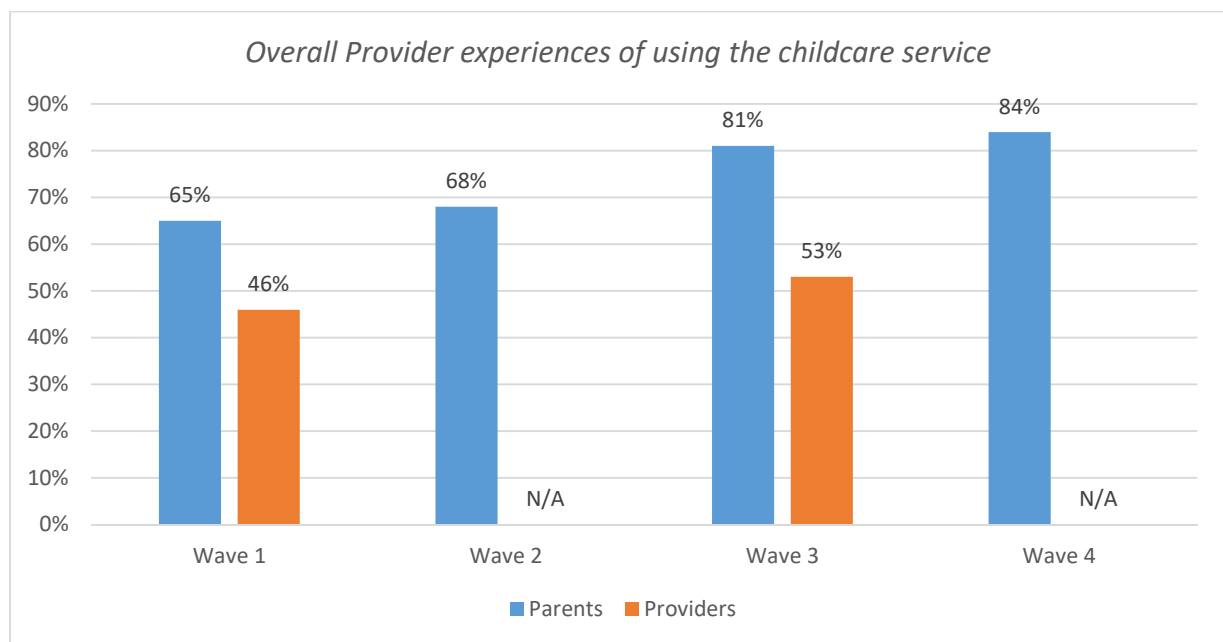
Overall Experience of using the Childcare Service

Overall satisfaction with the Childcare Service has improved for both TFC and 30 hours parents. Satisfaction has also improved for providers, but remains lower overall when compared to parents.

Parents

Parents were more likely than providers to rate their overall experience of the Childcare Service as good (Chart 1). Recent customers had a more positive experience of using the Childcare Service than those at Wave 1 (84% of Wave 4 parents rated their overall experience of the Childcare Service as good or fairly good, up from 81% in Wave 3, 68% in Wave 2 and 65% in Wave 1).

Chart 1: Proportion of parents and providers (TFC and 30 hours) who rated their experience of using the Childcare Service as good or fairly good



Parent sample base: W1 (4752), W2 (1886), W3 (1464), W4 (1236)
Provider sample base: W1 (961), W3 (722)

The proportion of parents rating their overall experience as poor has consistently reduced with only 6% of Wave 4 parents rating their experience as poor, compared to 10% in Wave 3 and 20% in both Wave 2 and Wave 1. At Wave 4 the most common reasons for a poor rating for both TFC and 30 hours parents were:

- Website was not user friendly (14%)

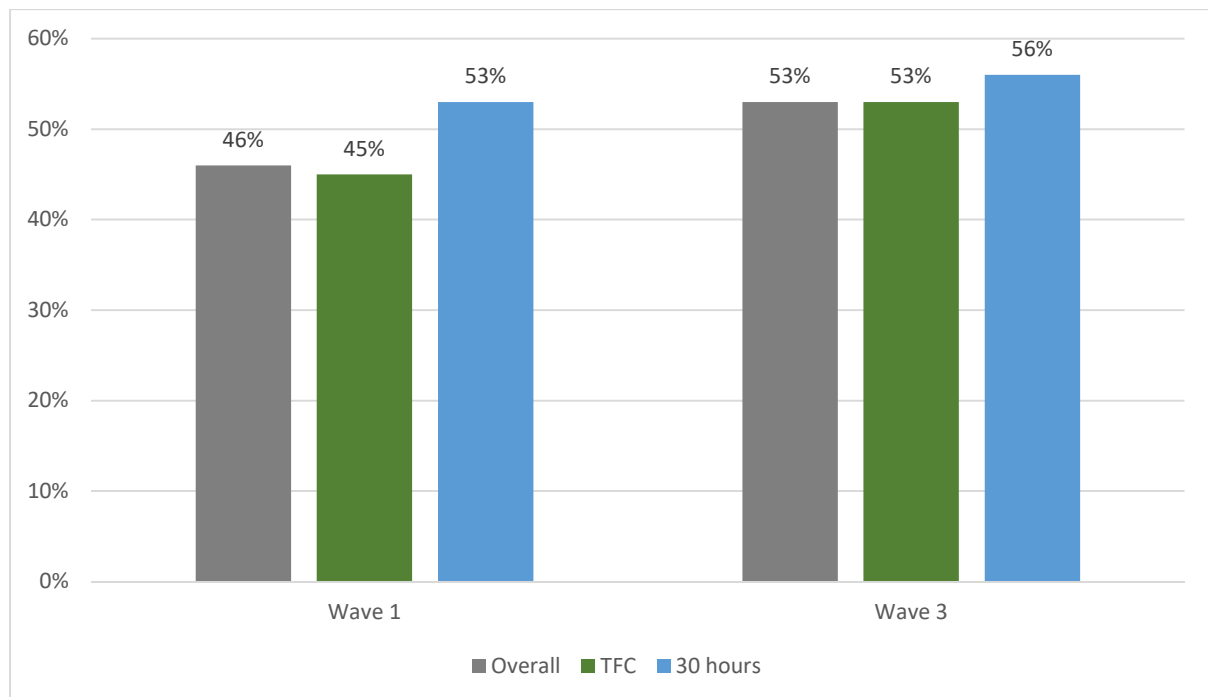
- Website lacking in clear guidance (9%)
- Delays (10%)
- Technical issues with website (5%)

Parent sample base who gave a poor rating W4 (74)

Providers

Overall satisfaction with using the Childcare Service has also increased amongst providers for both TFC and 30 hours, albeit from a lower starting-point (from 46% at Wave 1 to 53% at Wave 3 (Chart 2)). Providers who had received a TFC payment were more likely to have had a good experience of TFC, (58% in Wave 3 compared to 54% in Wave 1).

Chart 2. Providers who rated their experience of using the Childcare Service as good or fairly good



Provider sample base: W1 (961), W3 (722)

At Wave 3 only 12% of providers rated their experience as poor, which was in line with Wave 1 (13%). Providers who had contacted the Childcare Service helpline were more likely to have had a poor experience of the Childcare Service, with 20% of those in Wave 3 who had made contact reporting a poor experience compared to 11% who had not.

It should be noted that many providers gave neither or don't know answers (Wave 3 neither 30%, don't know 5% and Wave 1 neither 32%, don't know 9%).

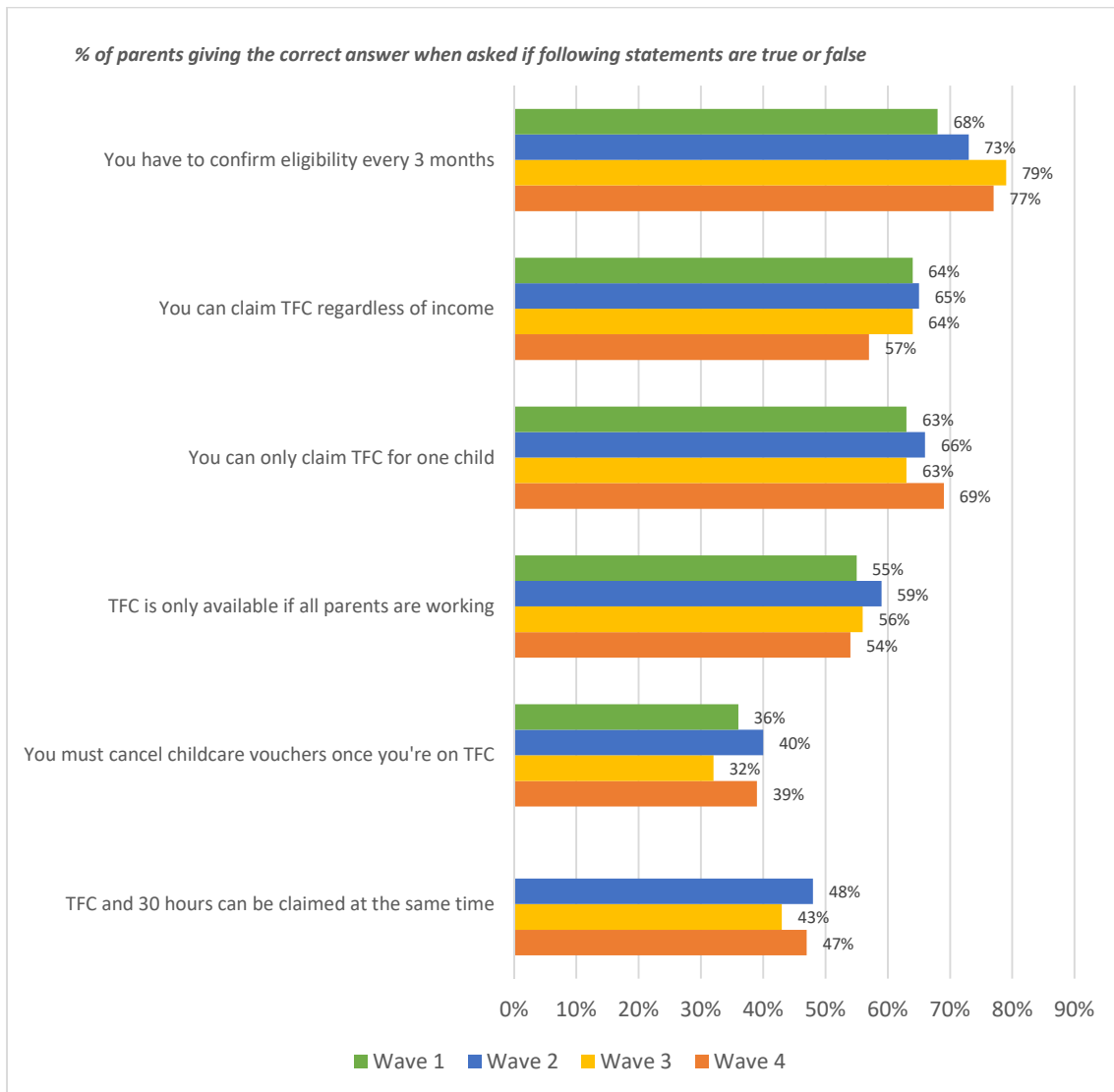
Knowledge of TFC and 30 hours

Overall there is better knowledge and understanding of the 30 hours scheme than there is of TFC. Knowledge and understanding of the TFC scheme has however improved across the four waves, with those who have made a payment in Wave 4 having a much better level of understanding of the key concepts of the schemes and eligibility criteria than equivalent groups in previous waves. Despite this however, there is still limited understanding among both TFC and 30 hours parents of certain aspects of the schemes, particularly being able to use both at the same time.

Parents' knowledge of TFC

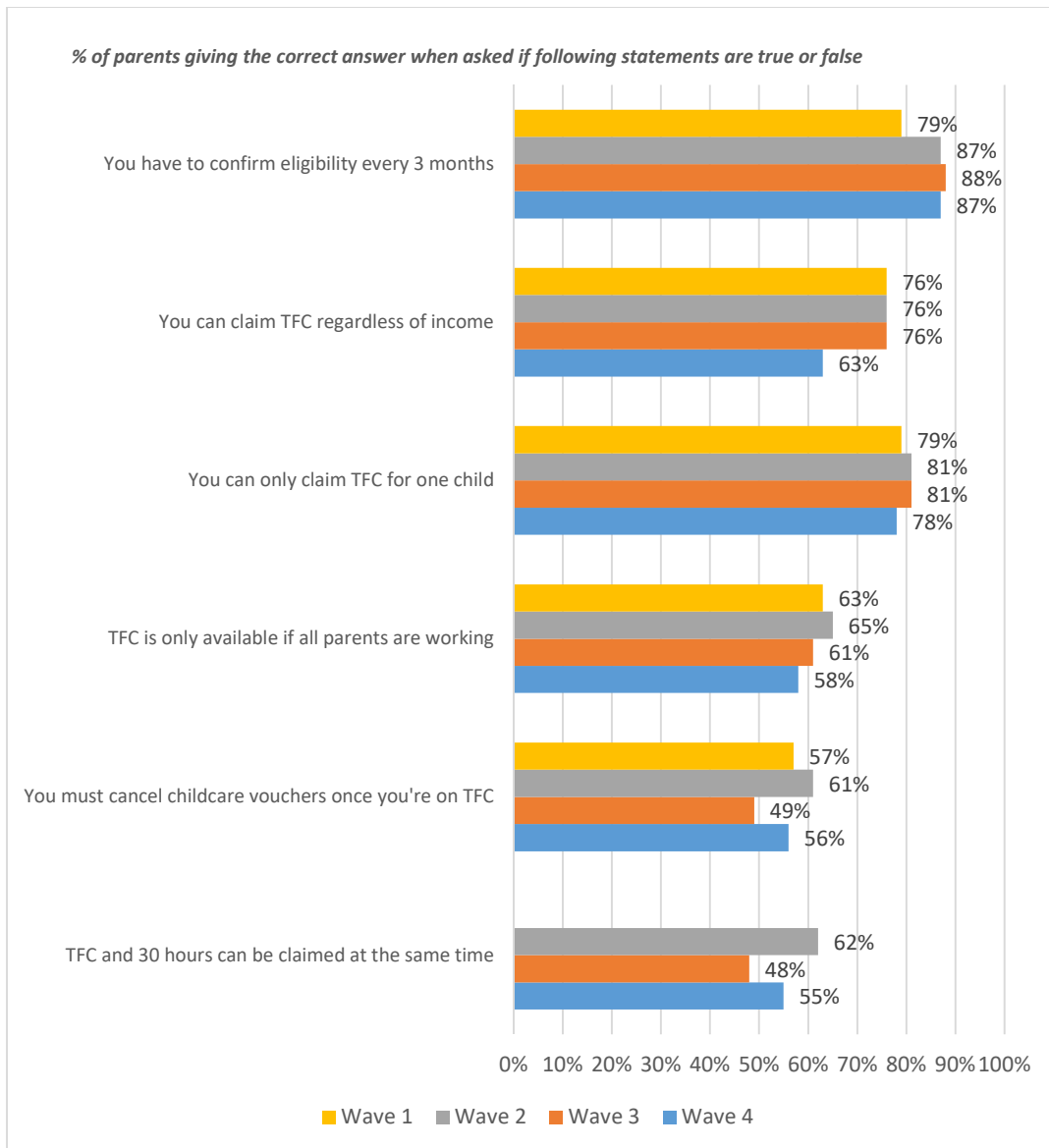
At Wave 4 most parents had a good understanding of the need to reconfirm eligibility every 3 months for TFC (77%), (79% in Wave 3, 73% in Wave 2 and 68% in Wave 1). Knowledge of the need to cancel childcare vouchers once parents have applied for TFC increased again in Wave 4 after falling in Wave 3 (39% in Wave 4, 32% in Wave 3, 40% in Wave 2 and 36% in Wave 1). Awareness of being able to claim TFC and 30 hours at the same time remains similar to Wave 2 (47% in Wave 4, 43% in Wave 3, and 48% in Wave 2). However, fewer parents are aware that earnings will be taken into account when claiming for TFC in Wave 4 (57%) down from 64% in Waves 1 and 3 and 65% in Wave 2.

Chart 3. Parents Knowledge of Tax-Free Childcare Eligibility Criteria



Sample base: Parents who applied for TFC, W1 (2,996), W2 (1,193), W3 (981), W4 (970)

Chart 4. Parents Knowledge of Tax-Free Childcare Eligibility Criteria (Made a Payment)

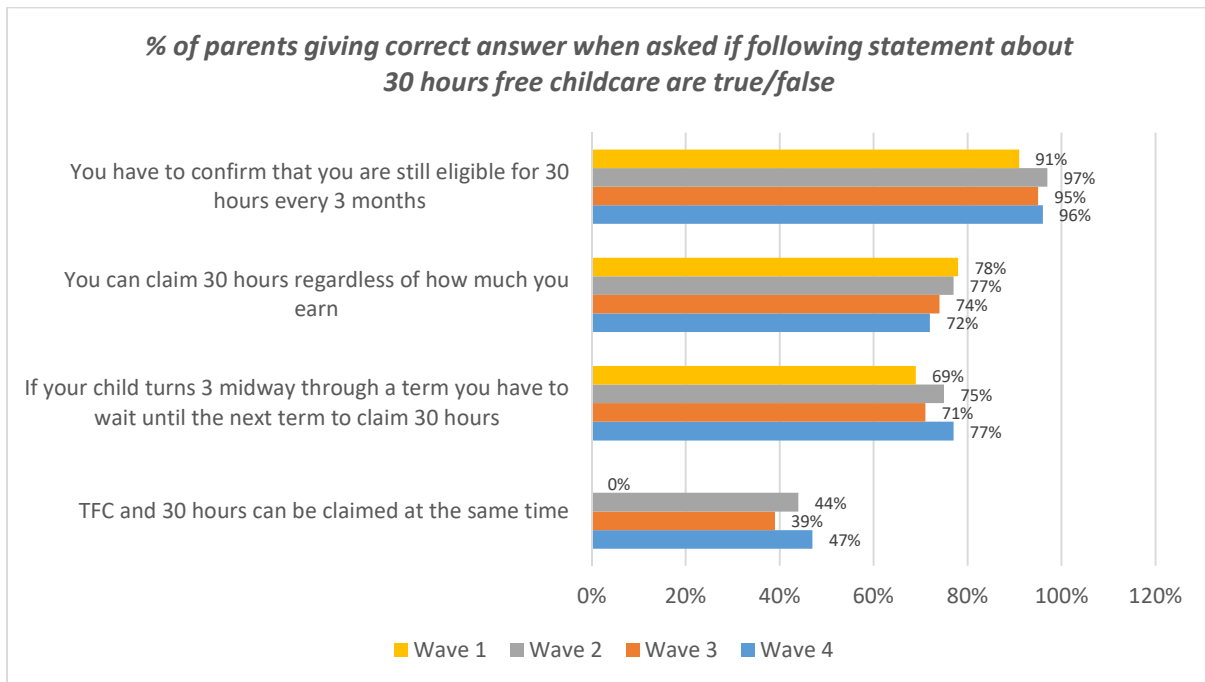


Sample base: Parents who applied for TFC and made a payment, W1 (2,479), W2 (1,084), W3 (726), W4 (907)

Parents’ knowledge of 30 hours

Across the four waves, parents’ knowledge of 30 hours was generally higher than TFC. Most parents had a good understanding of the need to reconfirm eligibility every 3 months for 30 hours (96% in Wave 4 compared to 95% in Wave 3, 97% at Wave 2 and 91% at Wave 1). Although knowledge of 30 hours is high, less than half of parents were aware that TFC and 30 hours can be claimed at the same time (47% in Wave 4, 39% in Wave 3, and 44% in Wave 2). (Chart 5)

Chart 5. Parents' knowledge of 30 hours free childcare

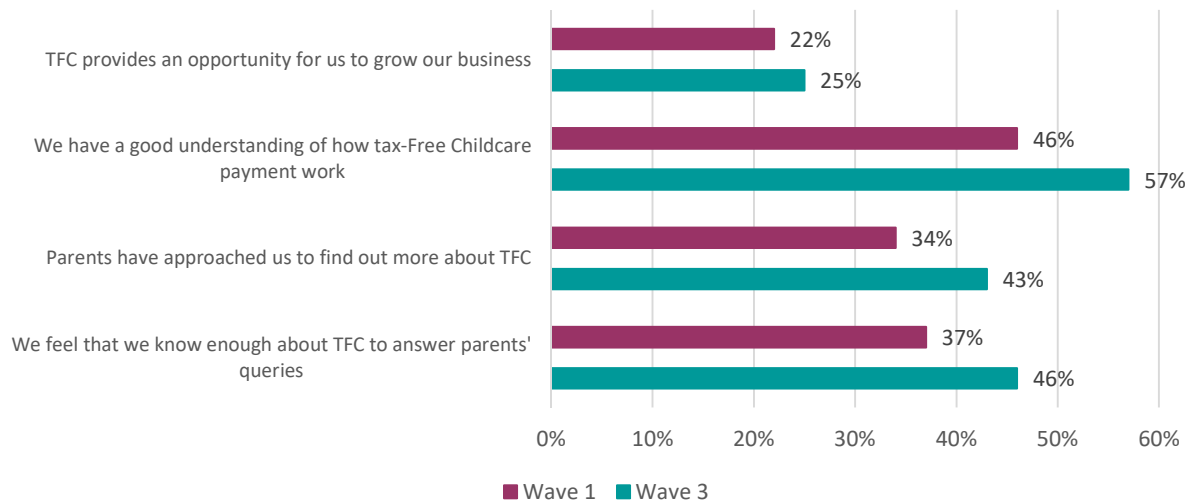


Sample base: Parents who applied for 30 hours, W1 (3807), W2 (1294), W3 (885), W4 (837)

Providers' knowledge of TFC

At Wave 3 providers' knowledge and understanding of TFC had increased since Wave 1, but knowledge is still limited (Chart 5). Improvements can be seen in providers' understanding of how TFC payments work from 46% in Wave 1 to 57% in Wave 3. This can also be seen in their confidence to answer parents' queries up from 37% in Wave 1 to 46% in Wave 3. More parents had also approached providers to find out about TFC, up from 34% in Wave 1 to 43% in Wave 3.

Chart 6. Providers Knowledge of Tax-Free Childcare – % who totally agree

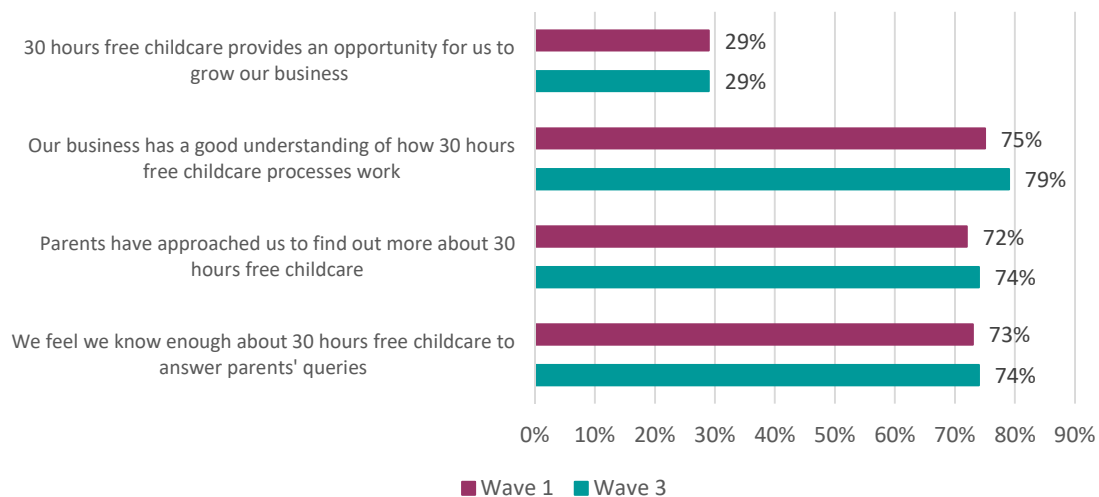


Sample base: Provider signed up for TFC, W1 (961), W3 (722)

Providers' knowledge of 30 hours

Providers' knowledge and understanding of 30 hours was high in both Wave 1 and Wave 3. 79% of providers interviewed in Wave 3 had a good understanding of how 30 hours worked (75% in Wave 1) and 74% felt confident they could answer parent queries (73% in Wave 1).

Chart 7. Provider Knowledge of 30 hours - % who totally agree



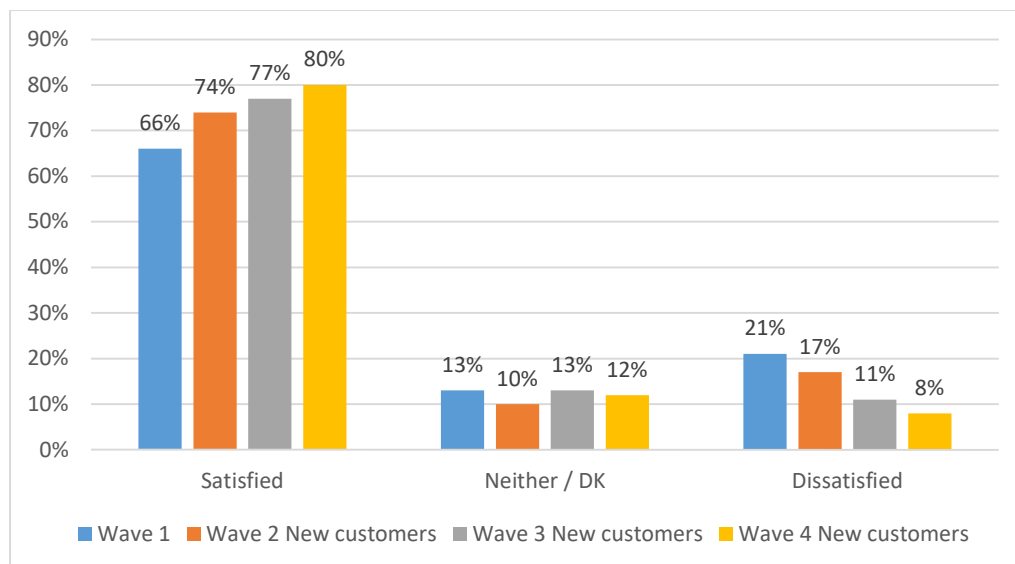
Sample base: Providers signed up for 30 hours, W1 (666), W3 (516)

Completing the Childcare Service Application Process

Parents

Overall satisfaction with the application process has improved for both TFC and 30 hours customers. Over three quarters of parents (particularly newer customers) are satisfied with the application process overall. There has been an increase in satisfaction among TFC parents (80% in Wave 4, 77% in Wave 3, 74% in Wave 2, and up from 66% in Wave 1 (Chart 8).

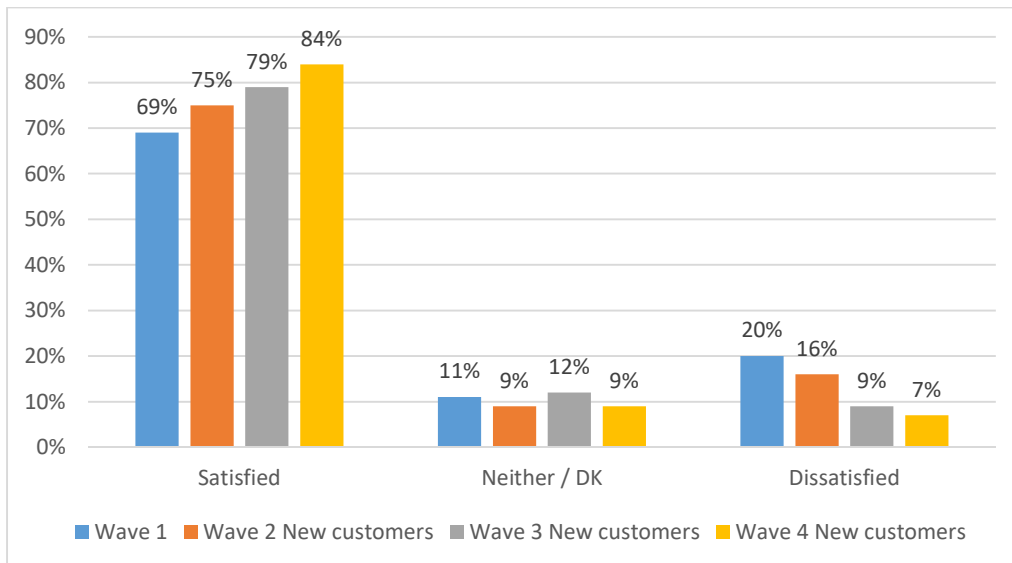
Chart 8: TFC Parents' satisfaction with the application process



Sample base: TFC Parents, W1 (3304), W2 (382), W3 (652), W4 (436)

Satisfaction with the application process has also increased for 30 hours parents, with a 15 percentage point rise in reporting of satisfaction with applying for 30 hours between Wave 1 (69%) and Wave 4 (84%) (Chart 9).

Chart 9: 30 hours parents' satisfaction with the application process



Sample base: 30 hours parents, W1 (3,807), W2 (363), W3 (467), W4 (374)

The majority of parents completed the application online without any help (W4 91%, W3 90%, W2 91%, W1 91%) with 50% of those who have applied for TFC in Wave 4 having used the childcare calculator before applying, down from 58% in Wave 3 and compared to 40% at Wave 2.

The biggest improvements seen in the application process have been in parents' ability to find out the status of their application. Overall, 80% of TFC and 30 hours parents are finding it easy to determine the status of their application in Wave 4, up from 77% at Wave 3, and compared to 69% at Wave 2 and 60% at Wave 1. There has also been an increase in parents being able to locate the application webpage (W4 72%, W3 73%, W2 67%, W1 60%).

Before applying for the Childcare Service parents need to set up a Government Gateway account. This is an online cross-Government platform which allows access to national and local government services. Setting up the Government Gateway account remains difficult for some with just 60% of parents finding this aspect of the application easy in Wave 4 (W3 61%, W2 59%, W1 57%).

Dissatisfaction with the application process has decreased for both TFC and 30 hours parents. For TFC parents, dissatisfaction has fallen (from 21% at Wave 1 and 17% at Wave 2, down to 11% at Wave 3 and 8% at Wave 4). Of the 8% who were dissatisfied with the experience at Wave 4, the main reasons for dissatisfaction were:

- Lack of guidance and support (27%)
- Takes too long/too many delays (22%)
- Website not user friendly (21%)
- Payment process (14%)

Base: W4 All newer customers who applied for account and were dissatisfied with application process TFC (39).

For 30 hours parents, a similar fall in dissatisfaction was reported, down from 20% in Wave 1 and 16% at Wave 2 to 9% in Wave 3 and 7% in Wave 4. Of the 7% of 30 hours parents who were dissatisfied at Wave 4, the main reasons for dissatisfaction were:

- Lack of guidance and support (38%)
- Technical issues with the website (24%)
- Website not user friendly (20%)
- Application process too complicated (18%)

Base: W4 All newer customers who applied for account and were dissatisfied with application process 30hrs (26),

Providers

Overall, 70% of providers at Wave 3 found the process of signing up for TFC fairly or very easy, which has remained unchanged since Wave 1.

However one in four (25%) providers who had signed up for TFC in the previous three months had experienced problems. The most commonly encountered problems were:

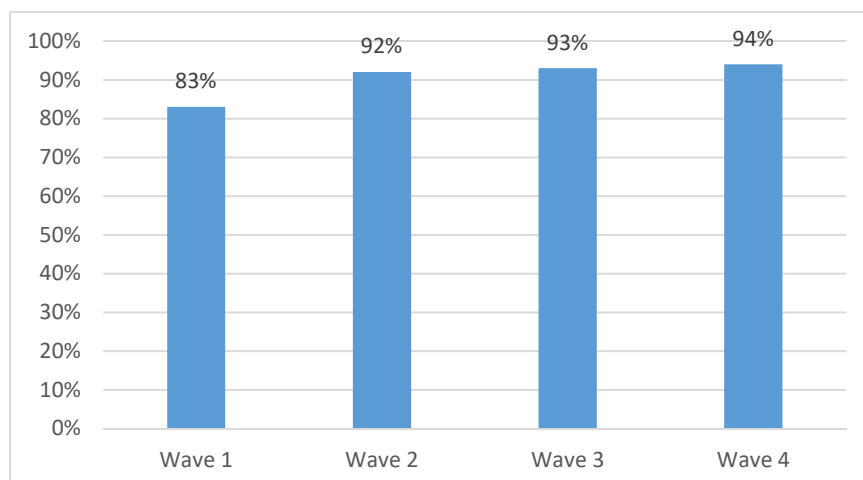
- Technical difficulties when completing the online application process (41%)
- Didn't have the Unique Tax Payer Reference (UTR) / or it took a long time to receive it (37%)
- The user ID was not accepted (34%).

Using TFC Online Account

Parents

There has been consistency in the proportion of parents logging back into their accounts (94% in Wave 4, 93% in wave 2, and up from 83% in Wave 1) (Chart 10).

Chart 10: Percentage of parents who had logged back into their online account



Sample base: Parents, W1 (4752), W2 (1886), W3 (1464), W4 (1236)

12% of Wave 4 customers had experienced some kind of technical issue the last time they logged in, in line with 13% in Wave 3 and down from 28% at Wave 2. Customers' definition of a technical issue can be quite broad. The main responses at Wave 4 were: issues accessing account (4%), website unavailable (2%), and password issues (2%).

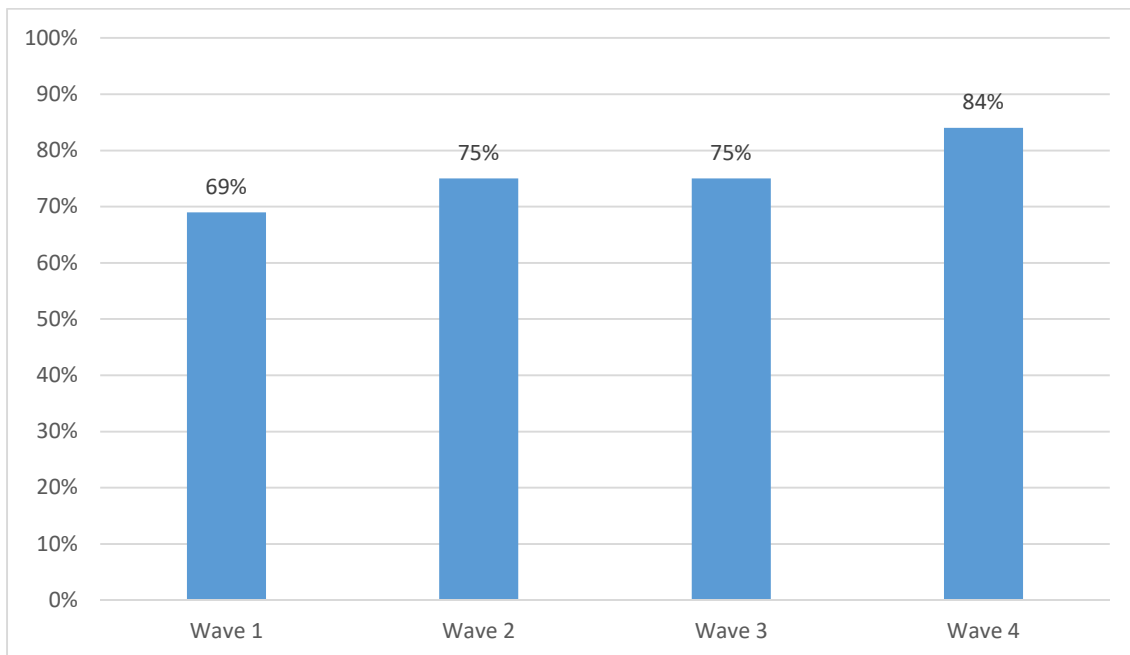
Experience of Making TFC Payments

TFC parents are finding it easier to make a payment than they were in Wave 1. However there are still issues related to the time it takes for providers to receive payments, which is sometimes perceived as a delay.

Parents

There have been improvements in the ease of making TFC payments. In Wave 4, 84% of parents found the process of making a payment to a provider easy, up from 75% in Wave 2 and 3, and 69% in Wave 1 (Chart 11).

Chart 11: Percentage of parents who had made a payment and found the process easy



Sample base: Parents who have made a TFC payment, W1 (1354), W2 (785), W3 (726), W4 (622)

The most common reasons for difficulties in making a payment in Wave 4 were:

- Payment went through late (25%)
- Issues with the website (21%)
- Issues with setting up direct debit / standing order (21%)

Sample base: Parents who found it difficult to make a TFC payment: W4 (54).

Many parents were expecting quick if not immediate payment through their TFC account. At Wave 4, 24% of parents thought payment would reach providers immediately or within 1 working day (W3 29%, W2 33%, W1 N/A) and 19% of parents at Wave 4 felt the length of time taken was not acceptable (in line with 21% at W3, 17% at W2, W1 N/A).

A total of 5% of parents in Wave 4 had not made a payment due to their provider not being signed up to receive TFC (down from 9% in Wave 3, 5% in Wave 2 and 4% in Wave 1).

Providers

There have also been improvements for providers in receiving payments since Wave 1. There has been an increase in providers receiving payments via TFC, from 37% in Wave 1 to 58% in Wave 3. However, 20% of providers in Wave 3 are still experiencing issues receiving payments.

The most frequently reported payment-related issues for Wave 3 providers were:

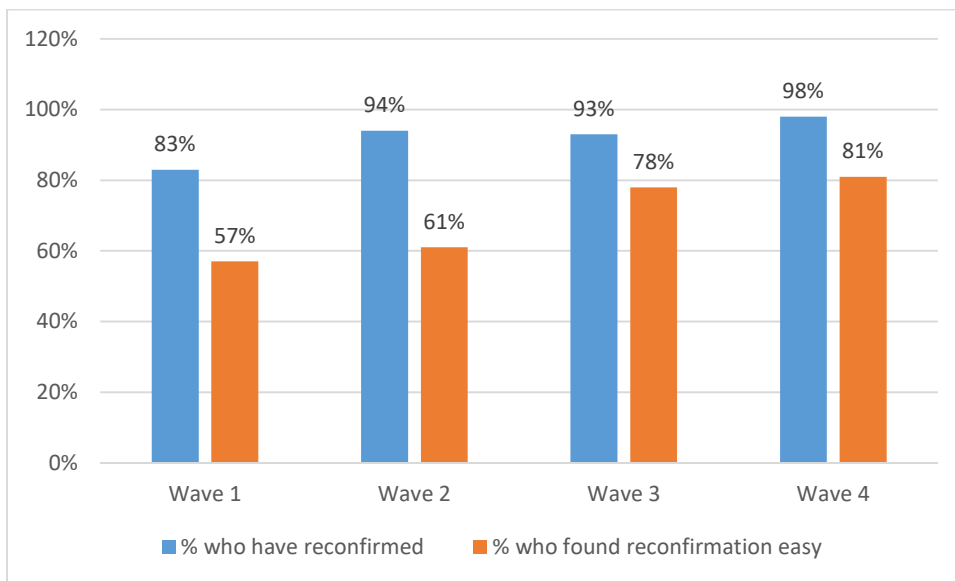
- Had not received payment on time (14%)
- Had issues with reconciling payments (4%)
- Parents were unable to select the provider in the account (3%)
- Parents making a payment before passing on reference for child (3%)

Reconfirming Eligibility

To continue receiving 30 hours and TFC, parents must sign into their account every 3 months and reconfirm their eligibility by confirming their details are up to date. The majority of parents are now reconfirming their eligibility and are finding it easier to do so.

In Wave 4, 98% of parents who had logged back into their Childcare Service account had reconfirmed their eligibility which was up from 93% in Wave 3, 94% in Wave 2 and 83% in Wave 1. Ease of reconfirming eligibility has also improved over time. In Wave 4, 81% of parents who had reconfirmed felt that it was easy to do, up from 78% in Wave 3, 61% in Wave 2 and 57% in Wave 1 (Chart 12).

Chart 12: Parents' experience of the reconfirmation process



Sample base: Parents who have logged back into their account, W1 (3266), W2 (1638), W3 (1264), W4 (1147)

Parents are sent a reminder email four and two weeks before the reconfirmation deadline for TFC or 30 hours prompting them to log into their Childcare Service account to reconfirm their eligibility. At Wave 4, 97% of parents recalled receiving this message, an increase from Wave 3 (96%), Wave 2 (88%) and Wave 1 (64%).

Overall, 9% of parents at Wave 4 found the reconfirmation process difficult, down from Wave 3 (12%), Wave 2 (25%) and Wave 1 (20%).

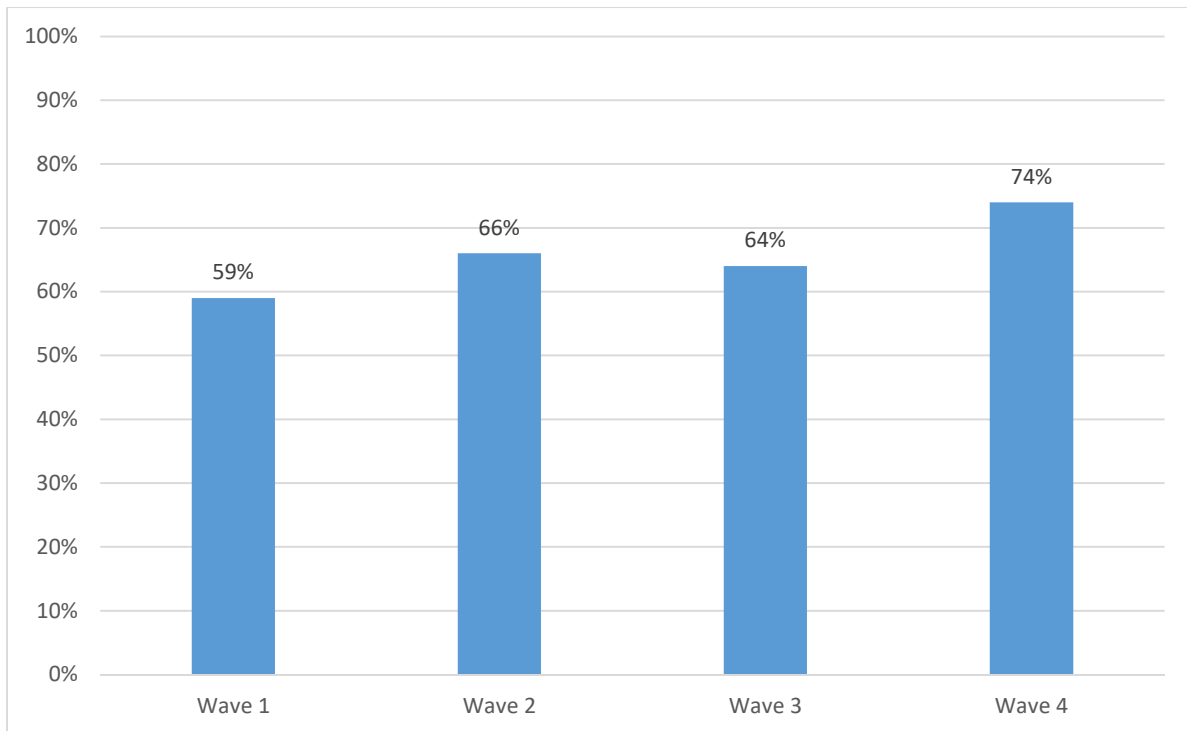
Contact with HMRC

There has been a decrease in both parents and providers contacting the helpline and call resolution rates have improved over the waves. Satisfaction with the service has also increased for parents. However no improvement has been seen in providers' experience of using the helpline.

Parents' experience of using the Childcare Service helpline

The proportion of new applicants who have contacted the helpline has reduced over time (21% in Wave 4, 22% in Wave 3, 33% in Wave 2 and 34% in Wave 1). At Wave 4, 74% of parents rated their experience of using the helpline as good, up from 64% at Wave 3, 66% at Wave 2 and 59% in Wave 1 (Chart 13).

Chart 13: Percentage of parents who had a good overall experience of using the helpline



Sample base: Parents who had called the helpline, W1 (1,835), W2 (296), W3 (499), W4 (343)

65% of parents who had made contact in the last 3 months in Wave 4 had all their queries fully resolved, up from Wave 3 (51%), Wave 2 (53%) and Wave 1 (40%).

Providers' experiences with the Childcare Service helpline

There has been a decrease in the proportion of providers contacting the helpline. However, there has been no change in the experience of calling the helpline for providers who do call.

In Wave 3, 11% of providers had contacted the helpline in the last 3 months, down from 18% in Wave 1. A quarter of those who called (26%) had only called once.

The most frequently reported reasons for calling the helpline were:

- Issues with 30 hours eligibility codes (34%)
- Issues encountered during TFC sign-up (29%)
- Issues with TFC payments (28%)
- To find out more information on behalf of a parent (28%)

Overall, 61% of providers rated their overall experience of the Childcare Service helpline as good, with no change from Wave 1. Experience was less good on 'advisor following up what they said they would do on the call' (56%) and being re-contacted when promised (41%).

Impacts of TFC and 30 Hours

Impact for parents

TFC and 30 hours both seem to be having an impact on families' ability to increase their working hours, with 28% of 30 hours parents and 16% of TFC parents claiming that at least one partner is working more hours as a result of TFC and 30 hours in Wave 4.

The main impacts TFC parents reported were:

- Being able to keep working the same number of hours (36% in Waves 4 and 3, 33% in Wave 2)
- Being able to stay in work (31% in Wave 4, 25% in Wave 3 and Wave 2)
- Working more hours per week (16% in Wave 4, 18% in Wave 3, 19% in Wave 2).

Parents using 30 hours reported similar impacts on their family employment. However, 30 hours parents reported a greater impact on working more hours:

- Being able to keep working the same number of hours (32% in Wave 4, 30% in Wave 3, 31% in Wave 2)
- Being able to stay in work (32% in Wave 4, 30% in Wave 3, 27% in Wave 2)
- Working more hours per week (28% in Wave 4, 31% in Wave 3, 29% in Wave 2)

Around a third of TFC parents say that the scheme has had no impact on their family employment (31% in Wave 4, 26% in Wave 3 and 32% in Wave 2). A fifth of 30 hours parents felt the scheme had no impact on family employment (W4 20%, W3 18%, W2 20%).

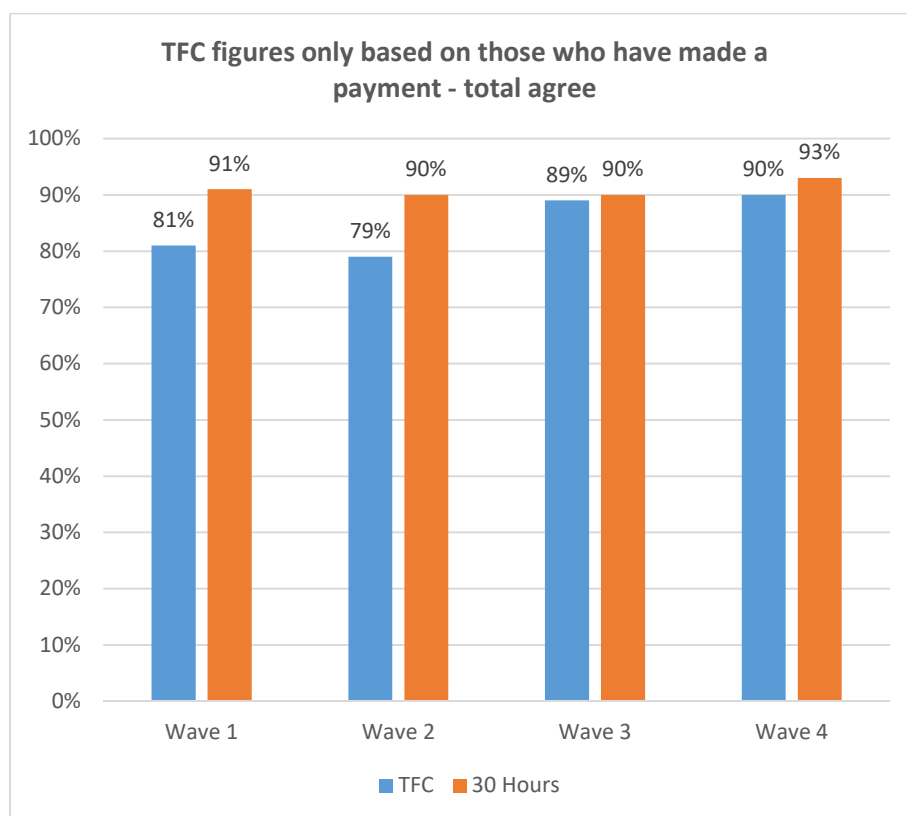
Impact on providers

In Wave 3, 25% of providers saw TFC as an opportunity to grow their business (not statistically different from Wave 1, 22%). Almost one third felt this way about 30 hours in both Waves 1 and 3 (29%).

Would parents recommend the scheme(s)

In Wave 4 90% of parents who had made a payment said they would recommend TFC to other parents, up from 79% in Wave 2 and comparable to 89% in Wave 3. The proportion of parents who would recommend 30 hours has remained high across the four waves (W4 93%, W3 90%, W2 90%, W1 90%) (Chart 14).

Chart 14: Proportion of parents who would recommend the scheme



Sample base: Parents who have made a TFC payment, W1 (1354), W2 (785), W3 (726), W4 (622); Parents who have applied for 30 hours, W1 (3807), W2 (1294), W3 (885), W4 (837).

Conclusion

The four waves of the Childcare Service Customer Experience Survey show that during the early stages of the national rollout, customer satisfaction with the Childcare Service was not satisfactory, and this is reflected in the results from Wave 1. At Waves 2 and 3 the customer journey had improved for the majority of TFC and 30 hours parents and improvements have become further imbedded in Wave 4.

Parents are finding it easier to apply for the scheme and easier to log back into their account and to reconfirm their eligibility. They are also experiencing fewer technical difficulties although some parents are still having difficulties setting up a Government Gateway account.

There have been reductions in the proportions of those contacting the helpline which suggests improvements made to the application process and account have enabled more parents to self-serve. For parents, two-thirds of all queries are being fully resolved. However, there are still a number of repeat calls.

Knowledge and understanding of 30 hours is good. Understanding of TFC is less consistent, with good understanding of some aspects (e.g. reconfirmation) but less so of others (e.g. the ability to use TFC and 30 hours together).

Satisfaction with the payment process has improved. However payments are still causing some parents and providers difficulties, with perceived delays leading to late payments for providers.

The research has found that both TFC and 30 hours have enabled some families to work more hours, demonstrating that the support provided by these schemes can help families to increase participation in the labour market if they choose to. In addition, users of the schemes see their benefit, with 9 in 10 parents stating they would recommend the scheme to other parents.

Tax Credit Qualitative Research

Background

Parents are not able to claim tax credits and TFC at the same time. Once a TFC account is opened, tax credits are automatically stopped. HMRC identified an issue whereby customers on tax credits would apply for TFC but then request that their application be cancelled and their tax credits reinstated soon afterwards². This places an administrative burden on HMRC and has potentially negative implications for families.

A follow-up qualitative research study was designed and carried out by IFF Research to help HMRC understand the experiences of parents in receipt of tax credits who had used the online Childcare Service to apply for TFC or 30 hours. The aim of the research was to understand the customer journey and identify ways to improve the process and to improve the information and guidance provided before, during and after their application for TFC.

The fieldwork took place in March 2018, between Wave 2 and Wave 3 of the Customer Experience Survey.

Methodology

The study used a qualitative approach. A total of 30 telephone interviews were carried out with Tax Credit Claimants who had applied for TFC or 30 hours. The achieved sample is outlined in the table below:

Scheme applied for:	
TFC only	7
30 hours only	20
Don't know	03
Age of Child	
2-4	24
Older/younger	06
Whether disclosed tax credit on childcare service application	
Yes (9)/Unknown (11)	20
No	10
Whether tax credits reinstated	
Yes	27
No	03

² This was the process at the time the research was conducted. HMRC have subsequently ceased reinstating tax credits. Customers should now apply for Universal Credit if their tax credits are stopped.

Main Findings

This research was qualitative and so can provide an indication of experiences, but cannot be viewed as representative of the population.

The main research findings are outlined below.



TFC and 30 hours free childcare has a joint application process. This was generally unexpected for those interviewed. They tended to have paid little attention to the application process and seemed to have limited recall of any reference to tax credits before and during the process.



Childcare providers were encouraging parents to apply for 30 hours and this meant that parents interviewed had hurried through the application process.



Parents interviewed did not think the government would let them apply for something that would leave them financially worse off and thought the process was an eligibility checker rather than an application.



Parents generally wanted to be told what the best childcare support option was for them (rather than work it out themselves). Although parents felt the childcare calculator was useful for this, those interviewed did not see/use it.



Parents with a pending or appealed tax credit claim, or a claim that varies but was not currently being paid, tended to not view themselves as being a tax credit claimant and therefore did not disclose tax credits in the application.



Generally parents found the process of getting tax credits reinstated was quite long and could result in financial hardship.

Policy Impact Follow-up survey

Survey background

This survey was designed to cover more detailed questions about the impact of 30 hours and TFC on family labour market participation, use of childcare and household income.

All parents who responded to the Wave 1 or Wave 2 Customer Experience Survey were asked if they were willing to be re-contacted for further research. Respondents who agreed to be contacted were emailed a follow-up survey in September 2018.

835 households who had made a TFC payment and 953 households who were using or had used 30 hours responded to the survey (40% response rate overall).

Key findings for TFC users

Key findings from the follow-up survey amongst households who had made a TFC payment were as follows:

- 15% of households who were using TFC to top-up childcare payments had not been using formal childcare before TFC.
- A further 18% of households had increased their childcare use
 - 76% of these reported that the increase in childcare hours was made possible by receiving TFC either to a great or a fair extent.
- In 5% of households a parent had started work since accessing TFC
- In a further 19% of households one or both parents had increased their working hours since accessing TFC
 - 65% of these households reported that the change in working hours had been made possible by TFC to a great or a fair extent.

Key findings for 30 hours users

Key findings from the follow-up survey amongst households who were using or had used 30 hours were as follows:

- More than a third (37%) of parents reported that the child receiving 30 hours free childcare was using more childcare hours since receiving the entitlement than previously, 4% reported using fewer childcare hours and 57% said that childcare hours had stayed about the same.

- 2% of respondents who were working and using 30 hours had not been working previously.
- A further 15% reported increasing their work hours since receiving the 30 hours entitlement.
 - 80% of these households reported that the change in working hours had been made possible by 30 hours to a great or a fair extent

Technical Annex

The research was developed by IFF Research in cooperation with HM Revenue and Customs and Department for Education. The main aim was to monitor the experience of parents and providers as they use the Childcare Service.

The survey questionnaires and topic guides used in the fieldwork are available as separate annexes and are published alongside this report. The survey was conducted online.

Sampling Approach Wave 1-4 Surveys

The sample file was supplied by HM Revenue and Customs. The sample is based on a random probability sample representative of the Childcare Service customer base.

The parents sample covered those who had applied for TFC and 30 hours between April 2017 and December 2018 and had a live TFC account or a valid 30 hours code. These parents will have either applied within the last three months or reconfirmed their eligibility within the last three months.

The sample was stratified by their original claim (TFC only, 30 hours only or both) and the length of time that it has been since parents made an application.

The providers sample included a range of types of providers, including nurseries, childminders, after-school and holiday clubs, and nannies.

Respondents who had previously been selected for any Childcare Service research, or 30 hours childcare evaluation conducted by DfE, were excluded from the study.

Weighting

Cognitive interviews and a pilot survey of 795 interviews were conducted with parents at the start of the project to inform the design of the online survey. A simple non-response weight was added to the pilot data.

At each wave (1 to 4), the sample of parents was split to ensure an even spread of parents who applied for TFC only, 30 hours only and for both, and the same was done for providers at Wave 1 and 3, offering TFC only, 30 hours only and both. We accounted for the changing profile of parents between waves by ensuring the sample for each wave reflected the overall population of parents at the time.

At Wave 1, 4,752 interviews with parents were achieved in total and weighting was applied to correct for slight differences in levels of response by demographics and payment status and to adjust for the different sampling fractions used for the schemes (TFC only, 30 hours only or both). For providers, 985 interviews were

achieved and a non-response weight was applied to ensure that the results were representative by country and childcare type (nannies/childminders v. other).

At Wave 2, 1,886 interviews were completed with parents only, and weighting was applied to correct for slight differences in levels of response by whether or not the parents reconfirmed their eligibility. As with Wave 1, we also adjusted for the different sampling fractions used for the schemes.

At Wave 3, 1,464 surveys were achieved with parents and data was weighted to adjust for non-response (ensuring the profiles of whether parents had made a payment and whether they had reconfirmed matched the population). It was also weighted to correct for disproportionate sampling based on time of application and the scheme applied for. We also completed 742 surveys with providers at Wave 3 and applied a non-response weighting by country and personal contact vs organisation. The design weighting corrected for disproportionate sampling by time of application and number of sites.

At Wave 4, 1,236 surveys were achieved with parents and data was weighted to adjust for non-response (whether parents had made a payment and whether they had reconfirmed). To account for disproportionate sampling, the sample was weighted by time of application and scheme applied for as well as to correct for the boost to parents with only children over the age of 5, who are not eligible for 30 hours.

All directional changes quoted i.e. specific reference to a metric increasing or decreasing are statistically significant. A 95% significance value has been used. Significance testing has been carried out using the weighted percentages and the unweighted sample base.