

Grants for Dependants Childcare Direct

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Agenda

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- 2 The Application Process

- 3 The Calculation and Thresholds

- 4 Payment Process and Third Party Provider

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What's changing & Who will be affected



What is changing?

- The application process
- The calculation
- The payment process



Who will be affected?

- All SFE students who apply for GFD's from AY 2019/20
- New and Returning students

The Application process

- Estimations of childcare costs will no longer be required
- CCG1 and CCG2 forms will no longer be required
- Students will apply for funding on a PN1/PR1
- Evidence of child dependents will still be required
- Late applications will be on a Dependents Grant Form

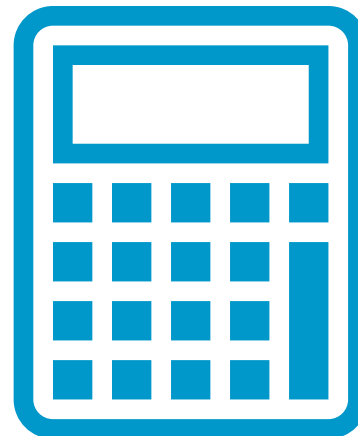


The Application process



The Calculation

- CCG, PLA and ADG will be assessed individually
- Clear lower and upper income thresholds will be applied to each GFD product (CCG will have two sets of thresholds for students applying for more than one child)
- Disregards will no longer be used
- The reduced CCG threshold applied where the student does not name their provider will no longer be used, as no payments will be made until the CCP is identified and registered with the third party.



GFD Income Assessment in 2019/20

	PLA	ADG	CCG	
Max Entitlement	£1716	£3007	(1 child) £8,804.12	(2+ Children) £15,094.04
Minimum Payable	£50	£0.01	£0.01	£0.01
Lower income threshold for max grant	£14,910	£8,746	£9,727	£11,118
Upper income threshold for minimum grant	£18,432	£14,760	£18,531.12	£26,212.04
Grant reduction amount (Loss of Grant per £1 of income after deduction of lower threshold)	£0.50	£0.50	£1.00	£1.00

Example

We have Rachel and her partner who are both eligible for all products, they have two children in childcare and have a household income of £12,000.

Adult Dependant Grant

- Income minus lower ADG threshold $£12,000 - £8,746 = £3,254$
- ADG reduction amount $£3,254 \times 0.5 = £1,627$

ADG entitlement

$£3,007 - £1,627 = £1,380$

Childcare Grant

- Income minus lower CCG threshold $£12,000 - £11,118 = £882$
- (*two+ children threshold*)
- CCG reduction amount $£882 \times £1 = £882$
- Max CCG entitlement (*two+ children*) $£15,094.04$

CCG entitlement

$£15,094.04 - £882 = £14,212.04$

Parents Learning Allowance

- Rachel is entitled to the maximum PLA as her dependants' income is below the income threshold for maximum PLA

PLA entitlement

£1,716

Exercise

Emma is married with one child in childcare and has a household income of £13,835.

ADG =

CCG =

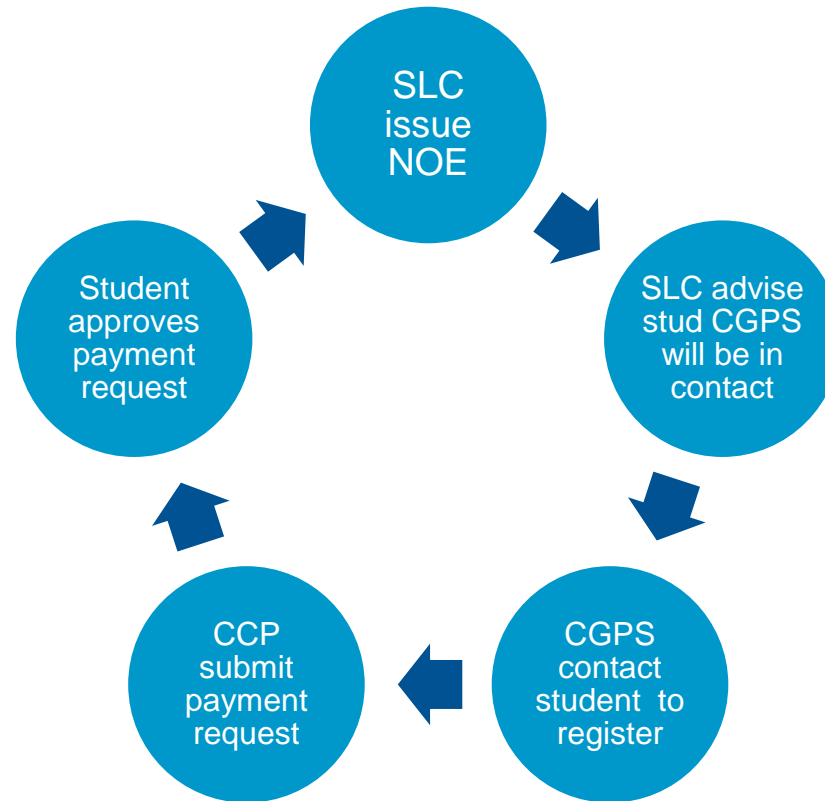
PLA =

Grant calculation

- $\text{Income} - \text{Lower threshold} = \text{Income Used}$
- $\text{Income used} \times \text{grant reduction amount} = \text{total grant reduction}$
- $\text{Full grant} - \text{total grant reduction} = \text{Grant entitlement}$



The Payment Process



The Payment Process

- Confirmation of Registration will be required before a CCP can make a CCG payment request and before any payments can be released
- Before the payment process can be triggered, the student must approve the payment request via the third party system



- The third party system will ensure that the CCG payment does not exceed the maximum weekly cap, i.e. it must not exceed the lower of the following:
 - 85% of actual childcare costs, or
 - The weekly maximum CCG entitlement amount (1 child- £169.31
2+ children - £290.27)

The Payment Process

- The CCP will request payments from the third party system for childcare that has been provided. This is flexible and can be done weekly or monthly, depending on the CCP's needs
- Any remaining balance will not be added to other GFD products and will not be rolled over to the next AY
- Payments will cover costs of care provided, absences where the student is still charged and other additional costs that the CCP charges



The Third Party Provider

The Third Party Provider that have been selected to pay the Childcare Providers direct is the “Childcare Grant Payment Service” which is administered by Wider Plan.



Summary



1. Students can apply for CCG on 3 forms:
PN1/PR1 or a Dependents grants Form
2. The benefits of changing the way we pay CCG:
 - will simplify the assessment and improve customer journey
 - Reduce reassessments of students accounts
 - Ensure lower income households are assessed properly
 - Improve customer journey
 - Remove under and over payments
3. GFD's will be calculated as 3 separate products with clear min/max thresholds in which SLC will assess the application
4. CCP will request payment from CCGPS to which the student has to approve before it is released replacing the CCG2 form?
5. Does the student have any control over how much the CCP is paid?
6. Any CCG entitlement left at the end of the year will be passed back to SLC

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Thank you