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Planning

Tax-Free Childcare New IT solution: Helping Parents Access Government Funds Via Cashless Payment Systems

H M Revenue & Customs

F01: Prior information notice

Prior information only

Notice identifier: 2023/S 000-033561

Procurement identifier (OCID): ocds-h6vhtk-041811

Published 14 November 2023, 10:05am

Section I: Contracting authority

I.1) Name and addresses

H M Revenue & Customs

100 PARLIAMENT STREET

LONDON

SW1A2BQ

Email

ben.leath@hmrc.gov.uk

Country

United Kingdom

Region code

UK - United Kingdom

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

<https://www.hmrc.gov.uk>

I.3) Communication

Additional information can be obtained from the above-mentioned address

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

Other activity

Tax Authority

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Tax-Free Childcare New IT solution: Helping Parents Access Government Funds Via Cashless Payment Systems

II.1.2) Main CPV code

- 66000000 - Financial and insurance services

II.1.3) Type of contract

Services

II.1.4) Short description

His Majesty's Revenue and Customs (HMRC) helps families and individuals with targeted financial support, alongside collecting tax to pay for the UK's public services. The department is taking steps to support working parents with their childcare costs by improving access to Tax-Free Childcare (TFC) by introducing a technical enhancement for educational cashless payment systems.

This technical investment supports the government's ambition for wraparound childcare, that no matter where parents live, they should be able to access wraparound childcare for primary-age children in their local area. Enabling access to TFC through cashless payment systems will help many parents access government support more easily.

What is Tax-Free Childcare (TFC)?

Tax-Free Childcare (TFC) is a government childcare support scheme. Eligible parents can get up to £500 every 3 months (up to £2,000 a year) for each of their children to help with the costs of childcare. This goes up to £1,000 every 3 months if a child is disabled (up to £4,000 a year).

Our challenge

Many schools use cashless payment systems to manage and process payments from parents such as dinner money, school trips and before and after school clubs. These applications currently do not allow parents to use government childcare support, with many working parents missing out on childcare funding for breakfast and after school clubs, which they may be entitled to.

Currently parents are only able to access government funding to pay for their childcare by logging into the Childcare Service on [gov.uk](https://www.gov.uk). We want to help parents, making it easier for them to access government support, through other digital applications.

Your opportunity

HMRC are scoping technical requirements and would like to understand market interest and insight on the effectiveness on potential Application Programming Interfaces (APIs). Our ambition is a smoother customer journey for parents who use cashless payment systems to access government support to reduce their childcare costs. Therefore, we are keen to understand how our APIs can work with cashless payment systems to support eligible working parents access the government funding they are entitled to.

If you are a software company that operates a cashless payment system that has been adopted by schools that parents use to pay for their breakfast and after school costs and would like to find out more about our solution, please contact the team by email at taxfreechildcareteam@hmrc.gov.uk

This Information Notice will be available to comment on for sixty days if you wish to contact us. Information received will be treated as confidential.

How Tax-Free Childcare works

- Working parents can open an online Tax-Free Childcare account using their Government Gateway / One Login account. For every £8 a parent pays into their account, the government will pay in £2 for them to use to pay their provider. For example, if a parent's childcare bill was £500/month, they'd multiply £500 x 0.8 to get £400. They'd put £400 into their Tax-Free Childcare account and the remaining £100 (20%) will then be topped up by the Government. Across the year, this reduces £6,000 annual costs to £4,800.
- The scheme is available for children up to 11 years old (up to 16 if disabled) where their parent(s) meet eligibility criteria regarding their income. Information on eligibility criteria can be found on www.gov.uk/tax-free-childcare
- Parent applies for TFC and, if eligible, a TFC account is set up for each child they applied for. Parent then reconfirms their details every three months.
- Parent deposit money into their child's TFC account, government adds top-up, then parent pays out money to a childcare provider that has signed up for TFC.

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

This PIN is not a call for competition.

HMRC are looking to gauge market interest and insight on the effectiveness on potential API's and how HMRC API's could work with cashless payment systems.

If you would like to find out more about the solution please contact the team by email at taxfreechildcareteam@hmrc.gov.uk.

II.2.14) Additional information

Additional PowerPoint Slide deck providing further information can be requested by emailing the team at taxfreechildcareteam@hmrc.gov.uk

II.3) Estimated date of publication of contract notice

15 January 2024

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes