

*These notes refer to the Local Government Act 2000  
(c.22) which received Royal Assent on 28 July 2000*

# LOCAL GOVERNMENT ACT 2000

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## EXPLANATORY NOTES

### INTRODUCTION

#### Part V: Miscellaneous

##### **Background**

Recoupment by local authorities of cost of providing day care

225. Section 18 of the Children Act 1989 gives local authorities the power to provide day care for pre-school children and out of school care or supervised activities for children attending school. Local authorities have a duty to provide day care and supervised activities outside school hours for children in need in their area. They also have the discretion to provide a similar service to children in their area who are not in need. These services were to be provided free to parents in receipt of Income Support, income-based Jobseeker's Allowance, and (prior to the introduction of the Tax Credits Act 1999) Family Credit or Disability Working Allowance.
226. The Tax Credits Act came into force in October 1999. This led to the replacement of Family Credit and Disability Working Allowance with Working Families' Tax Credit (WFTC) and Disabled Person's Tax Credit (DPTC) respectively. These tax credits provide working families with income to purchase childcare. It is illogical, therefore, that they should receive local authority childcare free of charge. The childcare tax credit element of WFTC is worth 70% of eligible childcare costs, up to a maximum of £70 a week for families with one child and £105 for families with two or more children. This purchasing power should provide income to local authorities to expand childcare provision.