

Minister for Children, Young People and The Promise

Ministear airson Clann, Daoine Òga is An Gealladh

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Graeme McAlister

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Our Reference: 202600502727

Your Reference: HMRC: Unexpected change to childminders' tax-free 'wear and tear' allowance

9 February 2026

Dear Graeme ,

Thank you for your letter of the 19th of January regarding the HMRC change to childminders' tax-free 'wear and tear' allowance. Thank you for bringing this issue to my attention and for your efforts already in discussing this with HMRC directly.

Whilst Making Tax Digital is a long-standing HMRC strategy and I respect that decisions on self-assessment for income tax are a matter reserved to the UK Government, given the devolved nature of childminding legislation and regulation, it is understandable that Scottish childminders are disappointed that they were not consulted by the UK Government on the impacts to changing the wear and tear allowance.

I understand the concerns the sector has raised with regards to increased administrative work for childminders as a result of this change, when the [evidence](#) is clear that the administration involved in running a childminding business has been a factor in childminders leaving the profession.

I am also concerned about the rollout creating a two tier system which may drive decisions to limit provision. By March 2028, all childminders earning more than £20,000 will only be able to benefit from the relief through additional Making Tax Digital administration. Therefore, those in the sector earning under this threshold will be able to benefit from the existing arrangements of declaring 10% of income as tax-free for 'wear and tear', creating a two tier system which may lead to decisions that scale back provision. I am concerned this may lead to reduced childcare capacity for families and lower income for childminders, potentially affecting the long term sustainability of their businesses.

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While the Scottish Government has no direct power to intervene on these changes, I can confirm the Cabinet Secretary for Finance and Local Government and I have written to Daniel Tomlinson MP, Exchequer Secretary to the Treasury, outlining our concerns and ask him to consider pausing implementation.

The Scottish Government remains committed to the sustainability of the childminding sector, investing in recruitment and support for existing childminders, and I want to thank you again for your ongoing support to childminders in Scotland.

I look forward to continuing our work together to strengthen and support our vital childminding sector, and I would be grateful if you could share this letter with the many SCMA members who have taken the trouble to write to the Scottish Government on this issue.

Yours sincerely



NATALIE DON-INNES

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