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Evaluation of Early Rollout of 30 Hours Free Childcare

Research report

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Executive Summary

Introduction

The Free Early Education Entitlement currently offers 15 hours of early education for 38 weeks each year to all three and four year old children and the most disadvantaged two year olds in England. This universal offer for three and four year olds was extended to 30 hours for children of working parents¹ in September 2017 with the national rollout of 30 hours free childcare. While the universal entitlement is focused on supporting child development, the aim of this extension is that “Additional free childcare will help families by reducing the cost of childcare and will support parents into work or to work more hours should they wish to do so”.²

Early rollout of 30 hours free childcare began in four Local Authorities (LAs) in April 2017 with an offer of extended hours places to all eligible children in each LA. The focus of the early rollout was to test sufficiency of delivery and take-up by eligible parents and whether there were any early indications of impacts on childcare use or parental work. It followed two earlier programmes. First, early implementation began in eight LAs in September 2016 with a universal offer to all eligible children in one LA and a rationed offer in the other seven LAs and aimed to test sufficiency in the delivery of places and maximising parental take-up, as well as trial a range of approaches and models to help improve efficiency, flexibility and capacity in childcare provision. Second, the early innovators programme was introduced in April 2016 in 32 LAs (including the 8 early implementer LAs) which did not offer any extended hours places but provided funding for LAs to explore innovative approaches to support the national rollout of the 30 hours free childcare.

This report presents the findings from an independent evaluation of the early rollout undertaken by Frontier Economics, NatCen Social Research and researchers from the University of East London. It is the second report from a broader evaluation of all three “early” programmes, following a report on the early implementer and early innovator programmes published in July 2017³. The evaluation of the early rollout aimed to build on the findings from the initial evaluation report and provide further evidence on:

¹ Working parents are defined as those who earn or expect to earn the equivalent to working 16 hours each week at the national minimum or living wage. This currently equates to earnings of £115.20 a week (or around £6,000 per year) for parents aged 25 or older.

² Department for Education (2015), *Childcare Bill: policy statement*, DFE-00177-2015, December, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482517/Childcare_Bill_Policy_Statement_12.03.2015.pdf, page 4.

³ Paull, G. and La Valle, I. with Speight, S., Jones, H. and White, C., (2017), *Evaluation of Early Implementation of 30 Hours Free Childcare*, Department for Education Research Report DFE-RR708, July <https://www.gov.uk/government/publications/30-hours-free-childcare-early-implementation-evaluation>

- What challenged and what facilitated the delivery of 30 hours free childcare?
- How did childcare providers respond? Were sufficient places delivered?
- How did parents respond? What were their experiences of using the extended free hours?

In order to answer these questions, a range of quantitative and qualitative evidence was collected using:

- Data collected from each of the four LAs on registered childcare providers, parent applications for the extended hours and headcount data on the use of places.
- In-depth case studies with each of the four LAs undertaking early rollout.
- A large-scale survey with all registered providers in the four LAs.

The learning from the early rollout added to that from early implementation in several important ways:

- Early rollout involved complete implementation in all four LAs whereas early implementation involved only partial implementation in seven of the eight LAs. This provided a stronger test than early implementation of sufficiency of delivery and take-up by parents.
- Early rollout began in April at the start of the school summer term when spare capacity in provision is at its lowest point across the year whereas early implementation began at the most favourable time of year at the start of the school year when spare capacity is at its highest level.
- The four LAs undertaking early rollout were selected to reflect different delivery challenges and local contexts in which to test the policy whereas the eight LAs in early implementation were selected on a number of criteria including a track record of ability to deliver innovative policies.
- The funding rates paid from DfE to the four LAs during early rollout were the rates that will be paid in September 2017. The additional development funding in early rollout was less than in early implementation which created conditions more akin to those that will prevail during the national rollout when there will be no development funding.

The four LAs participating in early rollout were purposefully selected to further test delivery in four specific conditions: high eligibility for the extended hours, rurality, high PVI (private, voluntary and independent) provision and high deprivation levels. The LAs had a range of contextual characteristics across labour market conditions, affluence/deprivation, rurality, and ethnic mix. Local childcare provision was

predominantly by PVI providers in two of the LAs and more mixed in the other two. The funding rates paid from DfE to the LAs were identical across three of the LAs and notably higher in the fourth, while the local rates paid from LAs to providers varied by provider type and with the payment of supplements for specific conditions. While three LAs used their own local method for checking parental eligibility for the extended hours, one LA was testing the national online eligibility checking system (the childcare service). Finally, it is worth noting that early years staff in one LA reported being significantly challenged in the implementation of early rollout by a recently downsized early years team and with the separate schools team joining the early rollout at a later stage.

Findings

Early rollout confirmed many of the findings from early implementation under conditions that were more similar to the national rollout. This means that many of the recommendations for the national rollout from early implementation are reiterated here with minor modifications.⁴ In order to facilitate comparison with the early implementation evaluation, the evidence from early rollout is structured in a similar way around seven questions.

1. Were providers willing to offer the extended hours?

As in early implementation, a high proportion of providers in the early rollout areas (83 percent of providers delivering the free entitlement and 62 percent of all registered providers) were willing and able to deliver the extended hours and the patterns of delivery across provider types reflected the local mix of provision. The proportion of providers delivering the extended hours was substantially lower in one LA, but this is likely to have been due to a smaller proportion of children being eligible and the specific local implementation challenges faced by this LA.

As in early implementation, providers delivering the extended hours were doing so for positive reasons around supporting the policy (61 percent) and the business opportunity that it offered (34 percent), but were also responding to parental requests for the extended hours (63 percent) and LA encouragement to deliver them (51 percent).

Early rollout provided new evidence on providers not delivering the extended hours. As shown in table 1, awareness of the 30 hours free childcare was almost universal among all registered providers. Most of those not delivering the extended hours during early rollout were offering the additional hours⁵ (6 percent of all registered providers) or

⁴ These modifications are documented in the main body of the report, but only the final early rollout recommendations are presented in this Executive Summary.

⁵ These providers were offering the extended hours to parents but did not currently have any children in their care to whom they were delivering the extended hours.

planned to offer them (10 percent of all registered providers). Only 12 percent of all registered providers reported that they did not plan to offer the extended hours.

Table 1: Providers current delivery and plans to deliver extended hours

	Private	Voluntary	Childminder	Maintained	All types
Currently delivering	83%	76%	61%	59%	71%
Offering but not currently delivering any places	3%	6%	13%	1%	6%
Not currently offering but planning to offer in the future	7%	6%	12%	18%	10%
Not currently offering and not planning to offer in the future	8%	12%	14%	21%	12%
Not aware of the policy	<1%	0%	1%	0%	<1%
Total	100%	100%	100%	100%	100%
Number of providers	446	169	417	135	1,193

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Providers offering but not currently delivering any places were those who were offering the extended hours to parents but did not currently have any children in their care to whom they were delivering the extended hours. Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

Those not yet offering the extended hours but planning to do so were primarily waiting due to a lack of immediate demand, but some were waiting for spaces to become available in September or needed time to prepare their processes or adjust provision, while a small proportion were waiting to see how the policy developed. Almost half of the 12 percent of providers who were not currently offering and not planning to offer the extended hours reported that one reason was that the funding level was too low, while smaller proportions reported reasons related to other specific issues with the policy; resource constraints (such as a shortage of staff or venue space); or lack of demand.

As in early implementation, the key factor that shaped providers' decisions to deliver the extended hours in the early rollout was the anticipated impacts that the offer would have on their business. However, it may take some time for providers to fully consider the financial implications and reach longer term decisions around continuing to deliver the extended hours and the number of places to offer.

The evidence from the case studies showed that the key factors supporting the engagement of providers were:

- An efficient LA early years infrastructure with experienced early years advisers with close links to providers; training and business support programmes for providers; and provider networks and newsletters to provide a steady stream of information about the offer.
- Local events to launch the offer including 30 hours briefings to begin a dialogue about the opportunities and challenges of delivering the extended hours, with opportunities for providers to ask questions and share ideas and experiences.
- Tailored advice and guidance for settings to explore different options for delivering the offer, ideally with a named LA contact and proactive visits to providers not offering the extended hours to identify and potentially address the barriers.
- Minimising the risk of any “admin nightmare” by ensuring a “smooth journey” for providers through effective systems for checking parents’ eligibility codes, making claims and receiving payment.

Most providers delivering the extended hours in the early rollout (66 percent) reported that they had received sufficient support from the LA. However, one quarter would have liked more support and the primary need was for more, better and earlier information about the policy for both providers and parents. A substantial proportion also suggested that more business support and assistance checking parents’ eligibility codes would have been helpful.

The evidence supports the following recommendations for the national rollout:

(A) Providers of all types are likely to be willing to offer the extended hours, but there is a need to recognise that different types may face different challenges in delivery and the kind of support offered will need to reflect this variation.

(B) An important issue in recruiting providers to deliver the extended hours will be to address the uncertainty about the financial implications by providing business support at the local level.

(C) The design of local and national processes needs to support the participation of providers by being efficient and reliable.

2. Were providers able to offer sufficient hours and were there any adverse impacts on other provision?

As in early implementation, the quantitative evidence from early rollout did not indicate any insufficiency in the delivery of the extended hours to meet demand. The evaluation survey of providers also showed that:

- 36 percent of providers had increased occupancy due to the delivery of extended hours (that is, had used spare capacity).

- 40 percent had increased staff hours or the number of staff in order to deliver the extended hours.
- 31 percent could definitely offer more free entitlement places and 27 percent could possibly (but not definitely) offer more places.

The case study evidence from early rollout indicated that some parents were not able to use the number of extended hours they wanted or use them when they wanted them. These difficulties were partly related to a lack of time to plan to increase provision and partly due to the more limited spare capacity in the summer term of the school year.

There were no indications of any substantial adverse effects on other free entitlement and paid provision, although LAs were closely monitoring any early signs of adverse effects on free entitlement provision. However, early rollout also highlighted a case in one LA illustrating potential adverse effects on other types of free provision: it was reported by the early years staff that an existing local programme offering ten additional free hours to more disadvantaged three and four year olds will be phased out because of the extended hours and disadvantaged children with parents who are not working will no longer receive free additional hours.

As in early implementation, the evidence suggested that expansion in provision could be limited by staff recruitment difficulties or limited venue space (particularly for playgroups using shared venues). In addition, early rollout showed that low demand for extended hours could be a barrier to expansion, particularly for playgroups in disadvantaged areas and for childminders in areas with traditionally low parental demand for childminding provision and where childminder engagement with the free entitlement is low.

The evidence supports the following recommendations for the national rollout:

(D) Compared with early implementation, the early rollout tested sufficiency in conditions more akin to those in the national rollout, but it is still recommended that a national level review of sufficiency in the delivery of extended hours places and impacts on other types of provision would be helpful in April 2018 when demand will be peaking for the summer term and the policy has had more time to establish itself across all LAs.

(E) In case a substantial expansion in capacity is required to meet the demand for the extended hours, consideration could be given to the sharing of any learning on facilitating utilisation of existing building space (currently being explored by some early innovators); provision of capital funding for small and large expansion projects; and continued support for increasing the supply of good practitioners through the Early Years Workforce Strategy presented in March 2017.

3. Did providers work in partnerships?

The evidence from early rollout showed that partnership working can support providers to deliver the extended hours and is encouraged by the greater need for shared care with the introduction of the extended hours. Indeed, 11 percent of providers reported in the evaluation survey that they had formed new partnerships to offer the extended hours. There is a potential role for LAs to support the development of partnerships in order to support the delivery of the extended hours, especially those involving childminders and out-of-school clubs.

The evidence supports the following recommendations for the national rollout:

(F) LAs need to actively support the development of new and effective partnerships.

(K) To help support the use of multiple providers, national or local training and workshops for providers could promote good shared care practice for children using multiple providers. Consideration could also be given to the provision of information and example cases for parents on how to manage a good package of care when using multiple providers.

4. How flexible and free were the extended hours?

As in early implementation, most providers delivering the extended hours did not need to extend their opening hours as they were already offering full-day provision, but 12 percent had increased their opening hours in response to the extended hours. However, only 19 percent of voluntary providers and 10 percent of maintained providers (and 64 percent of private providers) delivering the extended hours were open throughout the year (shown in table 2). The proportions were slightly lower for providers not delivering the extended hours. This may limit the ability of many providers to offer to spread the extended hours throughout the year.

Early rollout provided new information on opening hours for providers not delivering the extended hours. These providers were less likely to be open continuously throughout the day than those delivering the extended hours (77 percent compared to 95 percent) and this difference was substantially larger for voluntary and maintained providers (shown in table 2). There were similar patterns in opening times with providers not delivering the extended hours less likely to open before 9am or after 3pm than those delivering the extended hours. The finding that most providers not delivering the extended hours were open continuously throughout the day and for an extended day shows that insufficient opening hours was not a primary reason that providers were not delivering the extended hours. However, the substantial proportions who were not open continuously indicates that a substantial number of providers not currently delivering the extended hours would only offer them if they changed their opening hours or shared care with another provider.

Table 2: Opening times for providers delivering and not delivering extended hours

	Private	Voluntary	Childminder	Maintained	All types
Percentage open year round					
Providers delivering extended hours	64%	19%	94%	10%	61%
Providers not delivering extended hours	45%	3%	88%	7%	54%
Percentage open continuously throughout the day					
Providers delivering extended hours	95%	91%	98%	94%	95%
Providers not delivering extended hours	76%	55%	94%	48%	77%
Number of providers					
Providers delivering extended hours	369	129	253	80	847
Providers not delivering extended hours	77	40	163	55	345

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: See table 3 in section 2.2 for a description of the provider types. Italics indicate statistics based on samples of less than 50.

As in early implementation, most providers delivering the extended hours (90 percent) reported that they offered parents a free choice or at least some choice in when they took the extended hours. However, there were several ways in which some providers limited parental choice mainly to ensure that the offer did not undermine the setting's financial viability. In addition, some providers sought other means to help ensure financial viability. Around 17 percent of providers had introduced or increased additional charges for parents because of the extended hours. In the case studies, some parents reported that they made payments associated with the extended hours and were not always clear what the charges were for. More broadly, some parents were paying nothing or substantially less than they had previously and regarded the offer as a huge financial help. Other parents had expected the extended hours to result in a larger saving on their childcare bill and some were paying more than they had before because they had increased the hours of childcare. Some parents understood that settings had to charge for additional costs to remain financially viable, but others resented the additional charges.

The degree to which the extended hours were “flexible and free” was closely related to how providers were achieving a financially sustainable business model to deliver the extended hours. Compared with early implementation, evidence from the early rollout showed that some providers had a better understanding and more confidence about developing what they considered financially viable models for delivering the extended hours in different ways, with support and advice from LA early years staff. Day nurseries appear to have particularly benefited from the financial models developed during the early implementation. The early rollout evidence from providers and LAs suggested that DfE was playing a stronger role than had been observed in early implementation in helping LAs to guide providers to develop business models which both supported their financial sustainability and were within the guidelines for the free entitlement provision.

The evidence from the early rollout suggests the following recommendation for the national rollout:

(G) DfE should continue to fully engage with LAs to support providers to develop financially sustainable models of delivery for the extended hours which ensure consistency of interpretation and application of the guidelines on flexibility, additional charges and parental payments for additional hours.

5. What was the financial impact for providers?

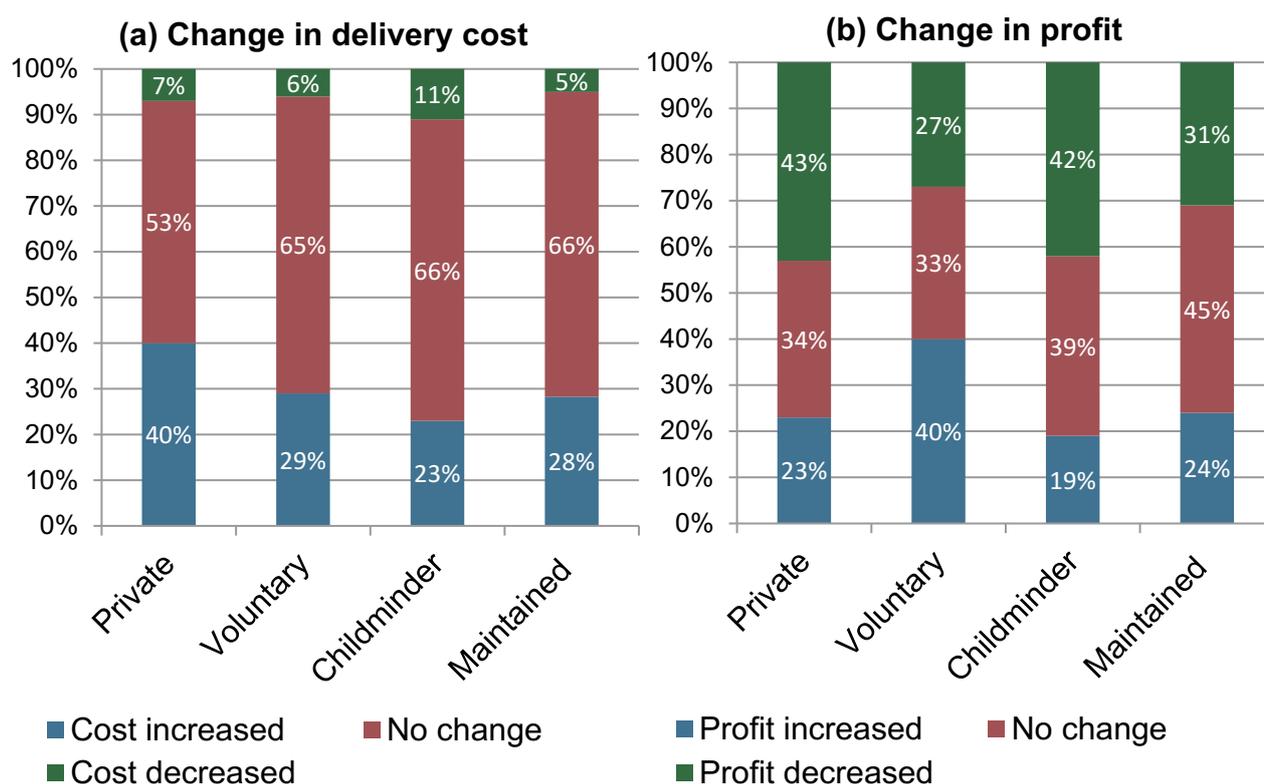
As in early implementation, providers delivering the extended hours in the early rollout reported mixed financial impacts from delivering the extended hours, although the tendency was towards higher costs and lower profits. In the evaluation survey of providers:

- 60 percent of providers reported that there had been no impact on the hourly delivery cost per child⁶, while 8 percent reported that the cost had decreased due to the delivery of the extended hours and 32 percent reported it had increased.
- 37 percent of providers reported that there had been no impact on profits, while 24 percent reported that profits had increased due to the delivery of the extended hours and 39 percent reported they had decreased.

Private providers were most likely to report an impact on costs, while private and voluntary providers were most likely to report an impact on profits (figure 1). For voluntary providers, the proportion reporting a positive impact is notably larger than those reporting a negative impact.

⁶ Throughout, cost refers to the cost for each child per hour, sometimes termed the “unit cost”.

Figure 1: Financial impacts on providers



Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Sample sizes for private, voluntary, childminder and maintained are 347, 121, 245 and 74 in panel (a) and 302, 97, 241 and 58 in panel (b). Delivery cost is hourly cost per child. Maintained providers may have interpreted the question on profit as asking about “surplus” rather than profit strictly defined.

As in early implementation, the overall financial impact on providers depended upon a combination of (a) the impact of the change in the balance of the income source from parental fees to free entitlement funding and (b) any impact of delivery of the extended hours on delivery cost. However, the early rollout evidence from the survey of providers suggested two new insights on the financial impacts:

- The change in income source increased and reduced profits for roughly equal proportions of providers delivering the extended hours.
- Delivery costs were not reduced to any substantial degree by increases in occupancy, but were increased by other factors including rises in hourly staff pay and adjustments to provision needed to deliver the extended hours.

The evidence supports the following recommendations for the national rollout:

(H) In future reviews of funding rates in the Early Years National Funding Formula (EYNFF), there is a need to be explicit about the level of service that the funding rates are expected to support in terms of quality and flexibility. In addition, these reviews need to consider the drivers of ongoing changes in delivery costs.

6. How did parents use the extended hours?

Most parents used the full additional 15 hours for their child, but a substantial proportion (44 percent) used fewer hours. Almost one in five children (18 percent) using the extended hours received free entitlement hours from more than one provider. As in early implementation, once aware of the offer, parents were positive about the policy and were generally sufficiently self-serving to approach providers for a place. There was also evidence of a number of positive impacts on families from using the extended hours including direct benefits to the child; increased work flexibility; reduced stress as less juggling was required to minimise childcare costs and less reliance on grandparents for informal care; and improved family finances. In some cases, the additional help with childcare costs made a big difference, as illustrated by a quote from one parent:

“Two years ago I was nearly crying at the price of childcare. Now I’m laughing really compared with what I was paying at the beginning [before becoming entitled to the universal entitlement as well as extended hours].”

However, the evidence from the one LA using the childcare service during early rollout identified several difficulties with the parent application process in this service. These difficulties created considerable uncertainty for parents (and providers) and have highlighted the crucial importance of an effective system to support parental take-up of the offer.

Parents also suggested that better information is needed on charges for extras and the limitations applied by individual providers on the use of the free entitlement as this would enable parents to “shop around”.

The evidence supports the following recommendations for the national rollout:

(I) Active marketing through childcare providers and LA publicity can assist parental take-up, particularly while the policy is still relatively new and the more usual word-of-mouth dissemination is less influential. Assistance with understanding how individual providers limit the use of extended hours and make charges should have higher priority than assistance with brokerage to find a place.

7. What challenged and what supported implementation?

The key reported challenges to implementation were:

- The name of the policy: calling it “30 hours” and “free” was seen by some providers and parents as raising false expectations.
- The short timescales: the amount of time to prepare for early rollout was found to be unrealistic for LAs and providers, particularly as it took time for key information about the offer to become available and for parents’ eligibility to be confirmed.

- The negative publicity and misinformation in the national media: as this LA early rollout manager explained:

“... national media messages that come out aren't clear enough and haven't been helpful in many examples, because actually they're firing it up to fail really and so it's a negative thing and it's not clear enough, which does then lead to confusion and misunderstanding...”

- Uncertainty about the accuracy of the eligibility estimates and level of parental take-up: some LA early years staff felt that the DfE eligibility estimates and local data collected to estimate parental take-up were too approximate for planning purposes.

The key facilitators for implementation were:

- A well-resourced LA early years team: this was seen as key to supporting implementation and evidence from an LA where the early years team had been substantially reduced showed the crucial importance of having sufficient experienced early years staff.
- Having developed comprehensive plans for the national rollout prior to engagement with the early rollout: considerable preparatory work in two of the LAs meant that they “*hit the ground running*” when they signed up for the national rollout.
- Support of a multi-service team within the LA: including support from Family Information Services, communications and IT.
- A strong and positive relationship between the LA and providers: this allowed LA staff to have frank and constructive discussions about the challenges of delivering the extended hours.
- The support provided by DfE and HMRC officials: while there were some difficulties around the testing of the childcare service and the slow flow of information (particularly around the time of the election), LA staff reported that officials were quick to respond and DfE help in determining whether emerging delivery models were in line with the guidance was particularly appreciated.

The role of Childcare Works (the national delivery support organisation contracted by DfE) was reported to have been very limited in the early implementation because they had only recently been appointed, while their contribution was more noticeable in the early rollout. The facilitation of national and cluster meetings by Childcare Works and their website and newsletter were reported to have been very useful. Some LA early years staff thought that review meetings with Childcare Works were helpful and that Childcare Works were quick to respond to queries and had provided helpful consultancy on different aspects of delivery, such as partnership working, ratio modelling and SEND.

However, others reported that the review meeting discussions showed that Childcare Works did not fully appreciate the challenges faced by LAs and providers and that Childcare Works were slow to respond to their questions.

The evidence supports the following recommendations for the national rollout:

(L) Consideration should be given to how DfE can most effectively support LAs to implement the policy, including ensuring adequate funding for staff resources to fully implement the policy; direct DfE encouragement of senior level sponsorship within the LA; and providing timely information to LAs on the plans for the national communications strategy.

(M) For the national promotion of the policy, it would be useful to consider the need for simple, key positive messages to promote the policy to providers and parents; promotion of some of the additional benefits; robust responses to some well-publicised perceptions of problems; and how to separate out other broader childcare issues such as workforce development from the 30 hours free childcare.

Limitations on learning from early rollout

It should be noted that there are some important limitations on how far lessons can be drawn from early rollout for the national rollout:

- Early rollout operated on a very short timeframe, particularly in the limited preparation time after LAs had been informed that they would be part of the early rollout.
- The timing of early rollout during the summer term meant that some parents would only be applying for one term of extended hours which may have affected the take-up of the extended hours.
- The evaluation evidence on sufficiency, take-up and impacts was collected in the first two months after the policy began but major policies like this one typically take much more time to fully embed. Relatedly, the evaluation did not include a survey of parents and very limited evidence was collected on initial impacts on families.
- Learning was limited by the fact that two of the four LAs had specific implementation issues which meant that parental demand was lower than it might otherwise have been and sufficiency of delivery was not fully tested.
- Schools had limited involvement in early rollout partly because there was little maintained provision in two areas and partly because schools were reported by LAs to be waiting until September to make any changes as they tend to require more time to plan adjustments to provision.

- Financial impacts may not have been fully captured because some providers may not have had enough time to fully understand the financial implications of delivering the extended hours and others were waiting until September to adjust their provision and financial model.

Conclusions

Many of the findings from early rollout reinforce those from early implementation, suggesting that some of the caveats on those initial findings were not so important. Hence, the evidence from early rollout provides further support for the conclusion from early implementation that there is no specific reason to believe that 30 hours free childcare will not be a success. In particular:

- A high proportion of providers were willing and able to offer extended hours places and there was no evidence that financial implications were a substantial barrier to the delivery of the extended hours.
- Parents were keen to take up the extended hours and the numbers of children receiving extended hours were close to the estimated number of eligible children in two LAs.

Two further conclusions from early implementation could not be tested during early rollout but it is useful to note these findings again here:

- Take-up of the extended hours was associated with increases in the use of formal childcare; longer work hours for mothers and fathers; and some indication of higher work retention for mothers.
- There were additional perceived benefits for families in terms of enhanced work opportunities, direct financial support and broader wellbeing.

The evidence from early rollout led to only minor modifications to the recommendations from early implementation and reinforced that the key priorities should be:

- To be mindful of the policy technical details both at the national level and at the local level. Minor points of detail around the eligibility checking and payment processes or in the statutory guidance could be critical to ensuring that the policy is implemented in the way intended and achieves its objectives.
- Sufficient support from DfE to the LAs to adequately implement the policy including funding for staffing resources; clarity and active assistance on the guidance; and promotion of the policy at senior levels within LAs.
- Positive promotion of the ultimate objectives of encouraging parents to work and supporting working families financially and in broader measures of wellbeing

rather than a simple focus on the interim output of delivering more free entitlement hours.

1. Introduction

The Free Early Education Entitlement currently offers 15 hours of early education for 38 weeks each year to all three and four year old children and the most disadvantaged two year olds in England. This universal offer for three and four year olds was extended to 30 hours for children of working parents⁷ in September 2017 with the national rollout of 30 hours free childcare. While the universal entitlement is focused on supporting child development, the aim of this extension is that “Additional free childcare will help families by reducing the cost of childcare and will support parents into work or to work more hours should they wish to do so”.⁸

In preparation for the national rollout in September 2017, the Department for Education (DfE) undertook three “early” programmes which tested and prepared for the policy in different ways:

- The **early innovators** programme was introduced in April 2016 in 32 Local Authorities (LAs) (including eight LAs which were also involved in early implementation). No extended hours places were delivered under this programme, but funding was provided to LAs to explore innovative approaches to support the national rollout of the 30 hours free childcare and test how best the policy can be supported in different local contexts.
- **Early implementation** began in eight LAs in September 2016, one year prior to the national rollout. Early implementation aimed to deliver the extended hours to around 5,000 children, with a universal offer to all eligible children of working parents in one LA and an offer of places to around 400 to 600 children in each of the other seven LAs. In addition to testing sufficiency in the delivery of places and maximising parental take-up, early implementer LAs were required to test a range of approaches and models to help improve efficiency, flexibility and capacity in childcare provision.
- **Early rollout** began in four LAs (including one early innovator) in April 2017 with a universal offer of extended hours places to all eligible children in each LA. The focus of the early rollout was to test sufficiency of delivery and take-up by eligible parents and whether there were any early indications of impacts on childcare use or parental work.

⁷ Working parents are defined as those who earn or expect to earn the equivalent to working 16 hours each week at the national minimum or living wage. This currently equates to earnings of £115.20 a week (or around £6,000 per year) for parents aged 25 or older.

⁸ Department for Education (2015), *Childcare Bill: policy statement*, DFE-00177-2015, December, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482517/Childcare_Bill_Policy_Statement_12.03.2015.pdf, page 4.

In August 2016, an evaluation team of Frontier Economics, NatCen Social Research and researchers from the University of East London were appointed to undertake an evaluation of the early implementation which was also to include an element for the early innovators programme. In March 2017, this evaluation was extended to include the early rollout. An evaluation report on the early implementer and early innovator elements was published in July 2017⁹ and this report presents the findings for the early rollout element.

The evaluation of the early rollout aimed to build on the findings from the initial evaluation report and provide further evidence on:

- What challenged and what facilitated the delivery of 30 hours free childcare?
- How did childcare providers respond? Were sufficient places delivered?
- How did parents respond? What were their experiences of using the extended free hours?

In order to answer these questions, a range of quantitative and qualitative evidence was collected using:

- Data collected from each of the four LAs on registered childcare providers, parent applications for the extended hours and headcount data on the use of places.
- In-depth case studies in each of the four LAs undertaking early rollout involving interviews with LA staff, childcare providers and parents.
- A large-scale survey with all registered providers in the four LAs.

The learning from the early rollout added to that from early implementation in several important ways:

- Early rollout involved complete implementation in all four LAs and intended to fully test sufficiency of delivery and take-up by parents. Early implementation involved only partial implementation in seven of the eight LAs which meant that the sufficiency of delivery and take-up by parents could not be fully tested in these areas. Although there was complete implementation in one LA during early implementation, a single LA is unlikely to be nationally representative, particularly as it was specifically selected for reasons which could help facilitate implementation.

⁹ Paull, G. and La Valle, I. with Speight, S., Jones, H. and White, C., (2017), *Evaluation of Early Implementation of 30 Hours Free Childcare*, Department for Education Research Report DFE-RR708, July <https://www.gov.uk/government/publications/30-hours-free-childcare-early-implementation-evaluation>

- Early rollout began in April at the start of the school summer term when spare capacity in provision is at its lowest point across the year. This was a stronger test of sufficiency of delivery to meet demand than early implementation which began at the most favourable time of year at the start of the school year (September 2016) when spare capacity in provision is at its maximum point.
- The four LAs undertaking early rollout were selected to reflect different delivery challenges and local contexts in which to test the policy. In contrast, the eight LAs in early implementation were selected on a number of criteria including a track record of ability to deliver innovative policies.
- The funding rates paid from DfE to the four LAs during the early rollout were the same as those that will be paid from September during the national rollout. The funding rates from DfE to LAs (and from LAs to providers for the extended hours) were typically different during early implementation from those that will be paid in the national rollout. Hence, conditions during early rollout were more akin to those that will prevail during the national rollout in terms of the funding rates.
- The LAs were given some development funding for early rollout, but the amounts were smaller than the early innovator funding which implicitly supported early implementation and there were very limited opportunities for the early rollout LAs to use the development funding. Hence, conditions during early rollout were more akin to those that will prevail during the national rollout when there will be no development funding.

For these reasons, early rollout provided a stronger test than early implementation of sufficiency of delivery and take-up by parents and provided lessons for conditions closer to those of the national rollout.

However, it is important to note that there were still important limitations on how far lessons can be drawn from early rollout for the national rollout:

- Early rollout operated on a very short timeframe, particularly in the limited preparation time after LAs had been informed that they would be part of the early rollout.
- The timing of early rollout during the summer term meant that some parents would only be applying for one term of extended hours which may have affected the take-up of the extended hours.
- The evaluation evidence on sufficiency, take-up and impacts was collected in the first two months after the policy began. Major policies like this one typically take much more time to fully embed and this was very early for substantial impacts to have materialised.

- Relatedly, the evaluation of early rollout did not include a survey of parents, partly because the timeline was too short to obtain samples of parents using the extended hours from LAs and partly because parental responses in the initial weeks after taking up the extended hours is unlikely to have provided useful measures of perceived impact.

In spite of these caveats, early rollout and this evaluation have provided some important and useful insights for the national rollout, particularly in terms of re-confirming some of the findings from early implementation.

The remainder of this report is structured in the following way. Chapter 2 provides a description of the evaluation methodology and data collection. Chapter 3 reviews the objectives of the 30 hours free childcare and how the policy was implemented during early rollout. In line with the evaluation report on early implementation, the following chapters then present the evidence from early rollout based around a series of questions:

- Were providers willing to offer the extended hours? (chapter 4)
- Were providers able to offer sufficient hours and were there any adverse impacts on other provision? (chapter 5)
- Did providers work in partnerships? (chapter 6)
- How flexible and free were the extended hours? (chapter 7)
- What was the financial impact for providers? (chapter 8)
- How did parents use the extended hours? (chapter 9)
- What challenged and what supported implementation? (chapter 10)

The final chapter concludes by summarising how the learning from early rollout has built on or reinforced the lessons from early implementation and the indications for the likely success of the ongoing national rollout.

2. Evaluation methodology

This chapter describes the evaluation methodology. The first section presents an overview of the evaluation, while the second section describes the collection of the evidence (with further details provided in Annex A). The third section clarifies and defines some specific terminology used in the report, while the final section describes the approach to the identification of early rollout LAs.

2.1 Overview of the evaluation

The evaluation of the early rollout aimed to build on the findings from early implementation and provide further evidence to answer the questions:

- What challenged and what facilitated the delivery of 30 hours free childcare?
- How did childcare providers respond? Were sufficient places delivered?
- How did parents respond? What were their experiences of using the extended free hours?

In order to answer these questions, a range of quantitative and qualitative evidence was collected using:

- Data collected from each of the four LAs on registered childcare providers, parent applications for the extended hours and headcount data on the use of places.
- In-depth case studies with each of the four LAs undertaking early rollout.
- A large-scale survey with all registered providers in the four LAs.

The evaluation of early rollout was undertaken within a very short timeframe in order to provide findings at the beginning of the national rollout which would provide both insight on the impacts of the national rollout and early warning of any potential problems. However, this meant that the evidence was collected very shortly after implementation began which made the detection of any major impacts on families and children unlikely.

2.2 Collection of evidence

The **LA data** was collected between April and July 2017 through direct requests to each LA on the information they held on registered providers in their area; on the number of universal hours and extended hours that children were receiving at each provider in the summer term 2017; and on parent applications for the extended hours. There was some

variation across the four LAs in the way that this information was provided and the key points to note are¹⁰:

- LA J did not have any information on parent applications for the extended hours because it was trialling the national childcare service.
- LA K did not distinguish between private, voluntary and independent providers.
- LA M could only provide limited information on provision in schools.
- None of the LAs could provide any background information on the families and children using free entitlement hours or applying for the extended hours.¹¹

Full details on the data received from each LA and how it was converted in to reasonably comparable data are presented in Annex A.

The **case studies** gathered in-depth data to explore how the programme worked from the perspectives of LA staff who implemented the programme, local providers and parents (figure 2). The design of each case study area was tailored to the local delivery model and the data collection was flexible, interactive and adapted to specific circumstances.

Figure 2: Overview of the case study data collection



¹⁰ As explained in section 2.4 below, the four LAs involved in early rollout have been assigned a single letter rather than being specifically named in this report

¹¹ This meant that it was not possible to undertake any analysis of the characteristics of families using the extended hours as had been undertaken in the early implementation evaluation using Early Years and School Census data.

Between May and June 2017, qualitative face-to-face and telephone interviews and focus groups were carried out with:

- 24 LA early years staff and other LA staff who supported the programme's implementation.
- 43 settings of different types and sizes located in different parts of the LAs. The sample included 37 providers that delivered the extended hours in summer term 2017 and 6 that did not deliver the offer. The sample comprised 15 day nurseries, 14 playgroups, 8 childminders, 5 nursery classes (2 in maintained schools and 3 in independent schools) and 1 out-of-school club.
- A total of 40 parents evenly spread across the four LAs who had taken up the extended hours including 30 parents who took part in in-depth telephone interviews and 10 parents who took part in two focus groups. Nine of the respondents were from single parent families.

The case studies aimed to collect data on:

- Different approaches for delivering the extended hours offer.
- Challenges in relation to capacity building and take-up and different approaches for dealing with them.
- Facilitators and barriers to successful implementation in areas facing different delivery risks, that is, high eligibility for the extended hours, rurality, high PVI (private, voluntary and independent) provision and high deprivation levels.
- What works well and less well from the perspective of the LA, different provider types and parents.
- How the programme is believed to affect (or fail to affect) the nature of the local childcare market and support the delivery of more flexible provision in response to the needs of working families.

Only two nursery classes in maintained schools were included in the case studies, reflecting their limited involvement in the early rollout. While there is insufficient evidence from these cases studies to comment specifically on schools' views and experiences of delivering the extended hours, reference is made to the relevant findings from the early implementation evaluation where appropriate.

It should be noted throughout that the prevalence of views across respondents in the case studies is not reported which is in line with best practice in qualitative data analysis. Specifically, the findings from the case studies are reported without any measure of quantity for a number of reasons. First, respondents for this element of the evaluation were not randomly selected to provide statistical estimates but were purposefully

selected to ensure sufficient data to explore key topics and sub-groups of interest. Second, the size of the case study samples were not driven by the need to achieve statistical precision, but by the fact that in qualitative research a relatively small number of respondents is sufficient to reach “saturation point”, when analysis of additional cases does not provide any new information. Finally, the information produced by the case studies is very rich because the data collection methods used were flexible, adapted to the context and responsive to individual cases, but this richness means that answers are not standardised and therefore cannot be aggregated to be counted in a meaningful way.

The evaluation **survey of all registered childcare providers** was undertaken in all four LAs. Contact details for all registered providers were requested and received from the four LAs with the exception of providers in maintained schools for LA M and the survey did not include this type of provider in this LA.¹² The survey used a mixed mode approach with potential participants initially invited to complete the survey online and subsequently followed up with an option to complete by telephone. The survey was undertaken in May and June 2017. The average (median) time to complete the survey was 10 minutes. The survey covered the following areas:

- Background information about the provider.
- Provider’s engagement with the policy.
- Provider’s approach to delivering the extended hours for those delivering the extended hours.
- Impacts of the policy on providers for those delivering the extended hours.

The response rate to the survey was high (76 percent of all registered providers), ranging from 66 percent to 79 percent across the LAs. The number of completed surveys was 1,212 and the number completed in each LA varied from 108 to 466 according to the size of the LAs and number of registered providers within the LA. 32 percent of questionnaires were completed online and 68 percent were completed by telephone.

In a few tables in the report, statistics are reported for subgroups with less than 50 observations. These are indicated in italics to warn that the findings should be treated with caution due to the small subsample size.

¹² The contact details for providers delivering free entitlement places provided by the LA did not include provider type and it was not possible to observe that provision in maintained schools had been omitted. The omission came to light only when the headcount data was subsequently received from the LA by which time it was too late to add the omitted providers to the evaluation survey.

2.3 Report terminology

Table 3 describes the definition of the different provider types used across the different evidence sources. The provider type categories in the LA data and the providers' survey are broadly aligned and are based on provider ownership and organisation. However, the reporting in the case studies uses slightly different categories reflecting how parents and providers described their setting based on the nature of the service. These categories included day nurseries (defined as open for the whole working day and only closed for a few weeks in the summer, if at all); playgroups and pre-schools (typically open for a short day and only during term time); childminders or school-based provision. Although both day nurseries and playgroups can be run privately, by voluntary organisations or by the LA, the fact that most day nurseries are private and playgroups and pre-schools tend to be voluntary run provides some correspondence across the groups as shown in table 3.

Table 3: Provider types in the different evidence sources

LA data	Survey of providers	Case studies
Private includes private, limited company and registered independent school as reported in the Early Years Census	Private includes private nursery or pre-school and independent nursery or pre-school	Day nurseries include day nurseries and independent schools
Voluntary includes voluntary, charity, social enterprise and committee as reported in the Early Years Census	Voluntary includes voluntary nursery or pre-school	Playgroups include playgroups or pre-schools
Childminder includes childminder type and individual as reported in the Early Years Census	Childminder includes childminder	Childminders includes childminders
Maintained includes nursery classes in schools and nursery schools as reported in the School Census and LA day nursery, LA or maintained as reported in the Early Years Census	Maintained includes nursery class in a maintained primary school, maintained nursery school and other LA-run setting	Schools includes nursery schools or nursery classes attached to a school

Some other points should be noted on the terminology used in this report:

- Free entitlement hours taken over and above the 15 hours taken as the universal Free Early Education Entitlement are referred to as “extended free entitlement hours” or simply “extended hours” (as well as “30 hours”). This is to recognise that parents may be using less than 30 hours in total under 30 hours free childcare.

- The term “childcare” is applied to all hours taken as the universal 15 hours Free Early Education Entitlement and the 30 hours free childcare and to any additional paid hours of similar provision. However, it is acknowledged that these hours may be better described as “early education” when their primary purpose is to improve child development or school readiness.
- The term “delivering extended hours” is applied to providers who have at least one child in receipt of the extended hours at that setting. Providers who are simply willing to deliver the extended hours (and could be said to be offering the extended hours) are not included in the definition of providers actually delivering.
- The term “free entitlement providers” is applied to those providers who have at least one child in receipt of free entitlement hours either as the universal free entitlement or as part of the 30 hours free childcare.

2.4 Identification of LAs

The four LAs involved in early rollout have been assigned a single letter rather than being specifically named in this report. While it is acknowledged that each LA can be identified with sufficient additional knowledge of the LAs involved in the early rollout, this identification is not possible purely from the information contained within this report and it was considered beneficial to retain the anonymity of the areas to this degree.

3. Early rollout of 30 hours free childcare

This chapter describes the national policy and local approaches for the early rollout of 30 hours free childcare. The first section reviews the policy objectives. The second section describes the early rollout policy at the national level, while the third and fourth sections consider the local approaches in each LA and the local management arrangements.

3.1 Policy objectives

The primary objective of 30 hours free childcare is to support parents to work or to work longer hours through a reduction in childcare costs for working parents and by driving greater flexibility in childcare provision and improving accessibility for some types of families¹³. As stated in the Childcare Bill policy statement¹⁴:

“Additional free childcare will help families by reducing the cost of childcare and will support parents into work or to work more hours, should they wish to do so.”
(page 4)

Early rollout¹⁵ was undertaken in four LAs from April 2017 to build on the work of early implementation which tested delivery benefits and challenges for LAs and providers in eight LAs from September 2016. The four LAs participating in early rollout were purposefully selected to further test delivery in four specific conditions: high eligibility for the extended hours, rurality, high PVI (private, voluntary and independent) provision and high deprivation levels. All four LAs were expected to deliver 30 hours free childcare to all eligible children in their area ahead of the national rollout to test delivery in conditions as close as possible to those that prevailed when the policy was rolled out nationally in September 2017. More specifically, the purposes of early rollout were to:

- Further test and review the practical delivery challenges for LAs and providers.
- Test and examine the practical ways in which LAs and providers can work collaboratively to support and meet the childcare needs of working parents, including testing innovative flexible delivery models.

¹³ For a full exploration of the policy objectives and potential risks of 30 hours free childcare, see the evaluation report for the early implementation (Paull, G. and La Valle, I. with Speight, S., Jones, H. and White, C., (2017), *Evaluation of Early Implementation of 30 Hours Free Childcare*, Department for Education Research Report DFE-RR708, July <https://www.gov.uk/government/publications/30-hours-free-childcare-early-implementation-evaluation>)

¹⁴ Department for Education (2015), *Childcare Bill: policy statement*, DFE-00177-2015, December, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482517/Childcare_Bill_Policy_Statement_12.03.2015.pdf

¹⁵ This section is drawn from Department for Education (2017), *3 and 4 Year Old Extended Entitlement Early Rollout: Guidance: Departmental advice for local authorities delivering the 3 and 4 year old extended entitlement from April 2017*, April

- Test the application and eligibility checking system (including the experience of one LA participating in the extended trial of the childcare service).
- Provide learning for all LAs in preparation for the national rollout in September 2017.

3.2 National level policy for early rollout

Policy at the national level for early rollout included a mixture of specific eligibility criteria and conditions for the extended hours; compliance with ongoing statutory guidance for the provision of free entitlement hours; and a steer to consider some specific elements of DfE's early education and childcare statutory guidance for LAs which will come into force in September 2017¹⁶.

The specific conditions for the extended hours included:

- A work requirement for eligibility that both parents were working¹⁷ (or the sole parent working in a long parent family) and each parent either earns, or expects to earn over the next three months¹⁸, on average a weekly minimum equivalent to 16 hours at the national minimum wage or national living wage¹⁹ and less than £100,000 a year.
- Parents had to reside in and access childcare within the stated LA area (unless accessing a childcare place within the LA prior to 26th January 2017).
- Parents could take up the extended hours across a maximum of two sites per day.
- DfE funding for all free entitlement hours was at the LAs' new Early Years National Funding Formula (EYNFF) rate with the EYNFF conditions that will apply from September 2017 including a requirement that LAs pass on 93 percent of their total funding to providers.

Compliance with the ongoing statutory guidance included that delivery can only be by providers with the required Ofsted registration and that provision for children with SEND should comply with existing legislation.

The steer to consider specific elements of the new statutory guidance for LAs included:

¹⁶ This is drawn from Department for Education (2017), *ibid*.

¹⁷ There are exceptions where one parent is working and the other has a job but is temporarily away on leave or due to sickness; has specific caring responsibilities; or is disabled or incapacitated.

¹⁸ Eligibility based on the expectation of average earnings over the next three months is intended to accommodate parents with fluctuating incomes and those who are about to start work or increase their hours.

¹⁹ This currently equates to earnings of £115.20 a week for a parent over the age of 25.

- Encouragement for providers to offer flexible provision including consulting with parents on the demand for flexibility; encouraging partnerships between providers; encouraging providers to offer flexible packages of free hours; and ensuring that providers and parents are aware that free places can be delivered over 52 weeks and at weekends.²⁰
- Ensuring that providers were aware that they can make charges for meals, snacks, consumables and services such as trips and yoga, but that these charges must be voluntary and completely transparent to parents.
- Not intervening where parents choose to purchase additional hours or services providing that it does not affect the parent's ability to take up a free place.
- Referring to the inclusion section covering provision for children with SEND.

In addition, the early rollout guidance encouraged LAs to:

- Review payment processes to ensure prompt and regular payments to providers for the extended free entitlement.

The Grant Funding Agreements for early rollout with each LA reaffirmed that funding from DfE would mirror the rates and conditions in the EYNFF and also included uniform conditions for all four LAs to:

- Map demand and monitor take-up of the extended hours places.
- Monitor provider sign up as a proportion of all registered providers.
- Deliver places to all eligible parents via providers who meet the quality requirements in the statutory guidance.
- Assist in the gathering and sharing of learning from early rollout.

In addition, each GFA provided an estimate of the number of children that would be eligible for the extended hours within the LA.

Finally, each LA was given some funding (amounts ranged from £25,000 to £55,000) "to cover the additional administrative burden of delivering the entitlement early, as well as participating in the evaluation process and contributing to events to share learning on behalf of the Department for Education".

²⁰ The new statutory guidance will allow the previously prohibited delivery of free entitlement hours between 6am and 7am and between 6pm and 7pm and remove the minimum session length of 2.5 hours, although it appears that this was not permitted during early rollout as the LAs were required to continue to follow the current guidance unless specifically indicated otherwise.

Overall, policy for early rollout at the national level primarily consisted of setting the child eligibility criteria and providing funding for the extended hours. Statutory conditions for delivery were essentially unchanged from the ongoing free entitlement, although the non-statutory guidance for early rollout encouraged LAs to consider the amendments covering flexibility, charging and provision for children with SEND that will become statutory in September 2017.

3.3 Local approaches to early rollout

The reasons that LAs took part in early rollout ranged across the same spectrum as reported by LAs for participating in early implementation. These included:

- A decision to be involved largely driven by the fact that local parents would benefit.
- A match between the objectives of 30 hours free childcare and local strategic objectives to reduce inequality by creating more options for parents enabling them to increase their work and improving local economic well-being.
- A match more specifically between the objectives of early implementation and local objectives (including to test innovative ways to support providers to reduce costs; to generate models of flexible provision to match parental working patterns; to increase market capacity to ensure sufficient delivery; to test how parental take-up and employment could be maximised; to test technical aspects of the delivery systems; and to promote mixed delivery models).
- To give the LA a head start on the national rollout in September.

Table 4 presents the early rollout selection criteria for each LA together with a brief summary of the local context and childcare provision (compiled from evidence from the case studies). In three of the LAs, the early rollout selection criteria are clearly evident in the LA's characteristics. There is a mix across the LAs in terms of rurality, strength of the local labour market and level of affluence/deprivation. One LA is also notably ethnically diverse. In terms of childcare provision, two of the LAs are PVI dominated, one more mixed, while one has the distinctive feature that the free entitlement is almost entirely delivered by group settings with almost none delivered by childminders. LA M also has the distinctive feature of currently delivering an additional 10 free hours to 80 percent of three and four year old children (the most disadvantaged) taking the free entitlement in nursery classes in schools.

Table 4: Local context of LAs involved in early rollout

LA	Selection criteria	Local context	Childcare provision
J	High eligibility	<ul style="list-style-type: none"> • Rural • Average employment but low wage • Some areas of high deprivation 	<ul style="list-style-type: none"> • Little maintained provision, PVI dominant with mainly voluntary providers in rural areas • Free entitlement places delivered by day nurseries, preschools and childminders and a small number of nursery classes.
K	High proportion of PVI providers	<ul style="list-style-type: none"> • Stable labour market • Areas of high affluence 	<ul style="list-style-type: none"> • PVI dominant, limited maintained providers • Free entitlement delivered by day nurseries, pre-schools and childminders
L	Rurality	<ul style="list-style-type: none"> • Geographically large • Predominantly rural • Seasonal work in labour market • Pockets of deprivation 	<ul style="list-style-type: none"> • Large number of PVI providers • Free entitlement delivered by a mix of provider types
M	High deprivation	<ul style="list-style-type: none"> • Urban • Ethnically diverse • High unemployment • High child poverty 	<ul style="list-style-type: none"> • Mixture of providers • Free entitlement delivered almost entirely by group settings (not childminders) • Free 25 hours provision for some children in nursery classes in schools and in nursery schools

Sources: Evaluation document review and interviews with LA staff in case studies

Table 5 presents two elements of the policy at the national level (the number of eligible children estimated by DfE and the funding rate paid by DfE to each LA during early rollout which will be the same in the national rollout from September) and two elements of the local policy (the funding rate paid by each LA to providers and the timing of payments to providers). The estimated number of eligible children was broadly similar in LAs K and L, slightly lower in LA J and considerably lower in LA M. The national funding rates were identical for three of the LAs at £4.30, but LA M was paid a considerably higher rate of £8.51.

Table 5: Local policy during early rollout

LA	DfE estimated number of places	National funding rate from DfE	Local funding rate to providers	Timing of payment to providers
J	3,025	£4.30	Average rate of £4.08, minimum of £4 (Basic rate of £3.89 plus supplements for deprivation, proximity and a small number of free entitlement places)	Half at start of term and balances at half term / term end
K	4,993	£4.30	Base rate of £3.97 plus supplements for deprivation, EYPP and SEND	100% up front
L	4,504	£4.30	Average base rate of £4.64 plus supplements (Base rates: Pre-schools: £3.90, Day care: £3.92, school nursery classes: £4.16, childminders: £5.56, nursery schools: £5.67)	Monthly payments
M	1,018	£8.51	PVI and childminders: £5.50 plus 50p disadvantage supplement + EYPP Schools: approximately £7	Half at term start and balance at half term

Sources: Evaluation document review and interviews with LA staff in case studies

Notes: The funding rate paid to schools in LA M was reported by the Early Years team who could only give an approximate number

According to information collected in the case studies, the funding rates paid by LAs to providers varied by provider type in three LAs and in accordance with the payment of supplements in all four LAs. This makes it difficult to directly compare the rates across the LAs, but, broadly speaking, the three LAs with the lower rate from DfE appear to pay their providers between £4 and £5, while LA M has a notably higher rate. Another important difference was that LA L will pay a lower local base rate of £3.90 to all providers except nursery schools from September (even though the rate from DfE will be unchanged). This LA paid higher rates during the early rollout to encourage childminders to participate, particularly in rural areas where there was a concern about sufficiency. The final column of table 5 shows three different approaches to the timing of payments to providers during early rollout. However, LA K is only paying 100 percent up front during the early rollout and will revert to paying 70 percent in advance from September as previously done.

One final important feature is that LA J was testing the national online eligibility checking system (childcare service), while the other three LAs used their own local method for

checking parental eligibility as used by all LAs in early implementation. The test of the national system in LA J included an additional step which will not be used in the system once it is rolled out nationally. This additional step was that parents had to initially submit evidence of their residency within the LA and wait to have that confirmed by email before they could submit a full application for eligibility.

3.4 Local programme management arrangements

As in early implementation, the local teams responsible for early rollout typically included the early years lead with strategic responsibility for the programme development and delivery, as well as an early rollout project manager and the early years funding staff.

LA L, which became an early innovator in late 2016, had arrangements for overseeing and managing the programme's implementation similar to those of the early implementers. The early rollout team worked closely with senior LA managers from key functions (such as schools, Human Resources and children's services) who were involved in the programme's planning and a steering group was set up to oversee the programme's implementation. While the other three areas also had mechanisms for reporting back to senior management, early rollout teams operated more independently as there was no time to set up a steering group or have extensive discussions with senior managers. As an early rollout manager explained:

"...we had to step up a gear and really focus minds ...we didn't have time to have lots of meetings and talk about it...we had to get on and do it very, very quickly."

In addition, a lack of senior management involvement in some LAs was also due to a preoccupation with statutory areas such as SEND and children's social care, supporting the finding from early implementation that DfE encouragement of senior level support at the LA level can be important in helping promote the extended hours.

In LA M, the early rollout was introduced in a slower and less effective way for several reasons. First, early rollout was undertaken in the midst of a major re-organisation which was reported to have resulted in considerable cuts in the early years team. Second, due to a lack of resources, the promotion of the offer was limited to parents with children in day nurseries and playgroups who were already taking up the universal free entitlement offer. Finally, the LA had a separate schools team which joined the rollout at a later stage and resulted in a small number of children in nursery classes and nursery schools taking up the extended hours offer.

4. Were providers willing to deliver the extended hours?

This chapter explores the evidence from early rollout which can inform on the likelihood that providers will be willing to offer the extended hours in the national rollout. The first section presents the numbers of providers involved in the delivery of the extended hours during early rollout, while the following section describe the characteristics of these providers. The third section describes the responses of providers to the policy (both those delivering and not delivering the extended hours), while the following section explores the support required from LAs for delivery. The final section summarises the findings and offers some recommendations on approaches to facilitate provider participation in the national rollout.

4.1 Delivery during early rollout

At the start of the summer term in April 2017, a total of just under 10,000 children were receiving the extended hours across the four early rollout areas (table 6). This was 72 percent of the total number estimated to be eligible by DfE, but this proportion was higher in two LAs (78 percent and 86 percent in LAs K and L respectively) than in the other two (54 percent and 37 percent in LAs J and M respectively). There was a similar pattern across LAs in the proportion of all three and four year olds using free entitlement hours who received extended hours, with just under one third receiving the extended hours across all four areas. This proportion was just 7 percent for LA M, reflecting both a lower proportion of three and four year olds estimated to be eligible for the extended hours as well as the lower take-up among the estimated eligible number. This lower take-up is very likely to have been related to the slower and less effective implementation of the policy in this LA described in section 3.4 above.

Across all four areas, 83 percent of providers delivering the free entitlement to three and four year olds and 62 percent of all registered providers delivered free entitlement hours to children receiving the extended hours (table 7).²¹ The proportions of free entitlement providers were highest in LAs K and L (91 percent and 88 percent respectively) and the proportions of registered providers highest in LAs K and J (78 percent and 72 percent respectively). Both proportions were substantially lower in LA M, again, most likely due to a smaller proportion of children estimated to be eligible for the extended hours and the slower and less effective implementation of the policy in this LA.

²¹ It should be noted that this includes providers who might be delivering only the initial 15 to children. This differs from the measure used in early implementation derived from census data which only included providers delivering the additional 15 hours, but this difference is not large as it is driven only by children using multiple providers.

Table 6: Numbers of children using extended hours

	J	K	L	M	All LAs
DfE estimate of number of eligible children	3,025	4,993	4,504	1,018	13,540
Number of children receiving extended hours	1,636	3,887	3,885	375	9,783
Take up as percentage of DfE estimate	54%	78%	86%	37%	72%
Take up as a percentage of all 3/4 year olds using free entitlement hours	26%	34%	41%	7%	30%

Source: Ad-hoc data collection from early rollout LAs, May - July 2017

Table 7: Numbers of providers delivering to children receiving extended hours

	J	K	L	M	All LAs
Number of providers delivering extended hours places	272	545	505	57	1,379
As a percentage of providers delivering free entitlement places	83%	91%	88%	35%	83%
As a percentage of all registered providers	72%	78%	56%	22%	62%

Source: Ad-hoc data collection from early rollout LAs, May - July 2017

Note: Extended hours places can include providers delivering the initial 15 hours to children receiving the extended hours at another provider. See Annex A for the reason that this measure was used.

On average, each provider delivering an extended hours place had eight children receiving the extended hours, constituting an average of 55 percent of the three and four year olds who were receiving any free entitlement hours from them (table 8). However, this number varied from 1 to 62 across providers and some providers delivered the extended hours to all of their three and four year olds with free entitlement places (cases where the proportion was 100 percent).²² The average number of children and proportions of three and four year olds receiving extended hours per provider was broadly similar across the LAs, although LA M had no providers delivering very large numbers (the highest was 24 rather than around 60 as in the other LAs).

²² The corresponding numbers in early implementation were very slightly lower, with an average of six children receiving extended hours per provider (ranging from 1 to 60), constituting an average 44 percent of all three and four year olds receiving the free entitlement at each provider. However, the measures are not quite identical across the two evaluations (see previous footnote).

Table 8: Numbers of children receiving extended hours per provider

	J	K	L	M	All LAs
Number of extended places					
Mean	7	8	9	7	8
Minimum	1	1	1	1	1
Maximum	58	61	62	24	62
As a proportion of all funded places for 3/4 year olds within each provider					
Mean	47%	56%	59%	47%	55%
Minimum	2%	1%	1%	4%	1%
Maximum	100%	100%	100%	100%	100%
Number of providers	272	545	505	57	1379

Source: Ad-hoc data collection from early rollout LAs, May - July 2017

Notes: For LA M, the proportion of all funded 3 and 4 year old places within providers excludes six maintained nursery schools where information on the number of universal funded children per provider was unknown.

Overall, delivery of the extended hours was high in LAs K and L, both in terms of proportions of children receiving extended hours and in terms of proportions of providers delivering extended hours. The proportions were slightly lower in LA J, which may have been related to the use of the childcare service (explored further below), and much lower in LA M, which may have been related to the lower proportion of three and four year olds estimated to be eligible for the extended hours and the slower and less effective implementation in this LA. Nevertheless, in three of the LAs, large and substantial proportions of providers were willing and able to deliver the extended hours and, on average, to deliver them to a significant proportion of their free entitlement children.

4.2 Profile of providers delivering extended hours

Most extended hours places were delivered by private, voluntary and independent (PVI) providers (76 percent), while 9 percent were delivered by childminders and 15 percent were delivered by maintained providers including nursery classes in maintained schools, nursery schools and other LA-run settings.²³ Because the mean number of extended

²³ These proportions were very similar to those in early implementation where 73 percent of places were delivered by PVI providers, 7 percent by childminders and 16 percent by maintained providers.

places for each provider was lower for childminders than other types of providers, childminders were more important as a proportion of the number of providers delivering the extended hours places than as a proportion of the places and constituted 35 percent of providers delivering the extended hours while PVI providers constituted 52 percent and maintained providers constituted 13 percent.

The types of providers delivering the extended hours varied across the four LAs (table 9). PVI providers and childminders were the predominant providers in LAs J and K, reflecting the PVI dominated provision in those areas and the predominance of these types of providers in the ongoing delivery of the universal free entitlement. Similarly, the greater proportion of places delivered by maintained providers in LAs L and M reflects the local mix of provision and ongoing delivery of the free entitlement, while the lower proportion of childminders delivering the extended hours in LA M also reflects the small proportion of these providers who deliver any free entitlement hours.

Table 9: Distribution of extended hours places across provider types

	J	K	L	M	All LAs
Private	45%	83%	53%	42%	76%
Voluntary	33%		15%	33%	
Childminder	11%	10%	8%	4%	9%
Maintained	11%	7%	24%	21%	15%
Total	100%	100%	100%	100%	100%
Number of places	1,944	4,569	4,643	377	11,533

Source: Ad-hoc data collection from early rollout LAs, May - July 2017

Notes: Private providers include nursery classes in independent schools. Maintained providers include school nursery classes, nursery schools and other LA-run settings. The data from LA K did not distinguish private and voluntary providers. Further details on provider types are presented in section 2.3. The sample size of 11,533 places is higher than the 9,783 children receiving extended hours because children may have multiple extended hours places when the entitlement is split between two or more providers.

More direct measures of whether the mix of providers delivering the extended hours reflects local provision patterns more broadly are presented in tables 10 and 11 which show the proportions of each type of free entitlement providers and the proportions of each type of all registered providers that are delivering the extended hours respectively.

In LA J, just over 80 percent of free entitlement providers delivered the extended hours places, while around 90 percent did so in LAs K and L (table 10). Although private and voluntary providers were more likely to deliver extended hours places than childminders and maintained providers in LAs K and L and maintained providers were slightly more

likely than other types LA J, there was relatively little difference in the propensity to deliver across provider types in these LAs. In contrast, in LA M, only 35 percent of free entitlement providers delivered the extended hours, with around only half of private and voluntary free entitlement providers and only 9 percent of maintained free entitlement providers doing so (the latter most likely due to the later involvement in the early rollout by the separate schools team in this LA). The 80 percent proportion for childminders in this LA should not be given any great weight given the very small number of childminders involved in the delivery of the free entitlement in this LA.

Table 10: Proportions of free entitlement providers delivering to children receiving extended hours

	J	K	L	M	All LAs
Private	86%	95%	97%	50%	89%
Voluntary	85%		91%	55%	
Childminder	78%	88%	85%	80%	85%
Maintained	94%	78%	82%	9%	64%
All types	83%	91%	88%	35%	83%
Number of providers	326	598	572	162	1,658

Source: Ad-hoc data collection from early rollout LAs, May - July 2017

Table 11: Proportions of registered providers delivering to children receiving extended hours

	J	K	L	M	All LAs
Private	81%	94%	59%	48%	78%
Voluntary	84%		89%	53%	
Childminder	57%	64%	41%	11%	48%
Maintained	91%	72%	68%	9%	57%
All types	72%	78%	56%	22%	62%
Number of providers	376	698	906	258	2,238

Source: Ad-hoc data collection from early rollout LAs, May - July 2017

Around three quarters of all registered providers delivered the extended hours in LAs J and K, a little over one half in LA L and just under a quarter in LA M (table 11). Three of the LAs (J, K and M) had slightly lower proportions of registered providers delivering the extended hours than the proportions of free entitlement providers for all provider types except childminders. The lower proportions for childminders reflect that childminders are less likely to deliver the universal free entitlement than other types of providers (and especially so in LA M). Interestingly, in LA L, larger proportions of private and maintained providers as well as of childminders do not deliver any free entitlement hours, leading to lower proportions of registered providers who deliver the extended hours. This may reflect the large number of very small settings in this predominantly rural area.

This suggests two possible modifications to the learning from early implementation. First, in early implementation, maintained providers were substantially less likely to offer the extended hours than other types of providers across the eight LAs but this was not the case in three of the LAs in early rollout. This may have been due to the predominant PVI provision in these areas which meant that the smaller group of maintained providers were better engaged with the free entitlement offer or it may have been due to the different data sources which meant that the measure of delivering extended hours in early rollout included providers who may only be delivering the initial 15 hours to a child receiving the extended hours. Second, observing the delivery rates among all registered providers highlighted that childminders are less likely to deliver the extended hours because they are less likely to deliver any free entitlement hours. Nevertheless, the overarching conclusion is the same as that from early implementation: most providers (83 percent of free entitlement providers and 62 percent of all registered providers) were willing and able to deliver the extended hours and the patterns of delivery across provider types reflected the local mix of provision.

The evaluation survey of providers offered some additional information on the providers which were delivering extended hours. Across all providers delivering extended hours, over half had children under the age of two while only one in ten only had children aged three or over (table 12). Unsurprisingly, almost two thirds of maintained settings did not have a child under the age of three (and very few under the age of two), while private and childminder settings were very likely to have the full age range of children. Most voluntary providers had a youngest child aged two. Correspondingly, LA L with a higher proportion of maintained settings and lower proportion of voluntary settings delivering the extended hours had a higher proportion with a youngest child aged three and lower proportion with a youngest child aged two (table 37 in Annex B).

Some 28 percent of providers delivering the extended hours were small (had 10 registered places or fewer), while only 13 percent were large (had over 60 registered places) (table 13). However, almost all childminders were in the very smallest category and almost two thirds of voluntary and maintained providers had 35 or fewer places, while a quarter of private providers had over 60 places. Across LAs, LA L had a slightly higher proportion of providers with 35 places or less reflecting the local predominance of

small providers and LA K had a slightly higher proportion of providers with over 60 places reflecting a slightly higher proportion of delivery of extended hours by PVI providers (table 38 in Annex B).²⁴

Table 12: Child age profile of providers delivering extended hours

	Private	Voluntary	Childminder	Maintained	All types
Youngest child aged 3 or over	2%	4%	4%	61%	9%
Youngest child aged 2	35%	82%	10%	30%	34%
Youngest child aged under 2	62%	14%	86%	9%	56%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	369	129	253	80	847

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 13: Size of providers delivering extended hours

	Private	Voluntary	Childminder	Maintained	All types
10 places or fewer	1%	1%	88%	8%	28%
11 to 35 places	40%	65%	12%	63%	38%
36 to 60 places	35%	23%	0%	24%	22%
61 to 90 places	14%	7%	0%	3%	7%
More than 90 places	10%	4%	0%	4%	5%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	368	129	253	80	846

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: The number of places is the number of registered places at the setting.

²⁴ The patterns in the youngest age and number of places across providers were very similar in the early implementation to those for early rollout.

4.3 Providers' reactions to the policy

In the evaluation survey of all registered providers, providers were asked about their awareness of the 30 hours free childcare and of early rollout in their area. Almost all providers (98 percent) were aware of both, with very small numbers aware only of the 30 hours free childcare policy or unaware of both. Awareness was lower in LA M (6 percent were only aware of the 30 hours free childcare policy and 3 percent were unaware of both) and, across all LAs, very slightly lower among childminders (2 percent were only aware of the 30 hours free childcare policy and 1 percent were unaware of both). Overall, awareness of 30 hours free childcare across all registered providers was almost universal.

Table 14: Providers currently delivering and plans to deliver extended hours

	Private	Voluntary	Childminder	Maintained	All types
Currently delivering	83%	76%	61%	59%	71%
Offering but not currently delivering any places	3%	6%	13%	1%	6%
Not currently offering but planning to offer in the future	7%	6%	12%	18%	10%
Not currently offering and not planning to offer in the future	8%	12%	14%	21%	12%
Not aware of the policy	<1%	0%	1%	0%	<1%
Total	100%	100%	100%	100%	100%
Number of providers	446	169	417	135	1,193

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. Offering but not currently delivering means providers are offering the extended hours but do not have any children using them.

Most registered providers (71 percent) delivered the extended hours and a further 6 percent reported that they were offering the extended hours but did not currently have any children taking up the extended hours (table 14). A further one in ten were planning to offer the extended hours in the future, while only 12 percent of registered providers reported that they were not currently offering the extended hours and had no plans to do so in the future. Private and voluntary providers were more likely to be delivering the extended hours, while childminders were more likely to be offering but not delivering

(possibly because they were less likely to have an eligible child in their care). Maintained providers were least likely to be currently delivering or offering the extended hours, with 18 percent planning to do so in the future (possibly waiting for the new school year in September) but 21 percent not planning to offer in the future.

The responses from providers were broadly similar across three of the LAs, but a much lower proportion reported that they were currently delivering the extended hours in LA M (in line with the data from LAs reported above) (table 15). However, much higher proportions in this LA reported that they were offering the extended hours (if not actually delivering) or were planning to do so in the future and the proportion not currently offering or planning to do so was only slightly higher than for the other LAs. This supports the suggestion that the slower and less effective implementation in this LA was the reason that fewer providers were delivering extended hours places rather than any unwillingness on the part of providers to do so.

Table 15: Providers currently delivering and plans to deliver extended hours by LA

	J	K	L	M	All types
Currently delivering	72%	80%	73%	31%	71%
Offering but not currently delivering any places	7%	5%	3%	23%	6%
Not currently offering but planning to offer in the future	11%	8%	8%	23%	10%
Not currently offering and not planning to offer in the future	10%	8%	15%	19%	12%
Not aware of the policy	1%	0%	0%	3%	<1%
Total	100%	100%	100%	100%	100%
Number of providers	301	329	460	103	1,193

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

Table 16: Reasons providers are delivering extended hours

Percentage of providers reporting (multiple) reasons	Private	Voluntary	Childminder	Maintained	All types
Parents requested to use extended hours	59%	67%	72%	48%	63%
Wanted to support the extended hours offer	67%	59%	51%	68%	61%
Invitation / encouraged by LA	54%	65%	38%	55%	51%
Concerned parents would use another provider offering extended hours	50%	48%	39%	28%	44%
A good business opportunity	36%	40%	32%	21%	34%
Information / communications from central government	21%	31%	14%	16%	20%
Information / communications from professional organisations	14%	19%	10%	11%	13%
To help or support parents or children	6%	8%	5%	5%	6%
Felt obliged to take part	<1%	1%	1%	0%	1%
To provide continuity of care to eligible children	0%	0%	1%	0%	<1%
Other specific answer	9%	10%	9%	9%	9%
Number of providers delivering the extended hours	368	129	253	80	846

Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Providers could indicate multiple reasons. Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

Most **providers delivering the extended hours** were broadly positive about the policy. Many cited positive reasons for offering the hours, including 61 percent who wanted to support the extended free hours offer and 34 percent who saw it as a good business opportunity (table 16). Other reasons for participating showed the importance of the role

of LAs (51 percent cited an invitation or encouragement from the LA as a reason) and of parental demand for the extended hours (63 percent cited parental requests as a reason). A final commonly cited reason indicated some competitive pressures as well: 44 percent of providers were concerned that parents would use an alternative provider offering the extended hours if they did not offer them. Information or communications from central Government and professional organisations played a smaller role in shaping providers' decisions, with only 20 percent and 13 percent of providers respectively reporting that these had been a reason for offering the extended hours. These responses were very similar to those given during early implementation, with the exception that a higher proportion of providers (75 percent) had reported that an invitation or encouragement from the LA had been a reason for offering the extended hours.²⁵

The pattern of reasons for delivering extended hours was broadly similar across provider types with two exceptions. First, maintained settings were less likely than other types to report that a parental request or a concern that parents would use an alternative provider or that they saw it as a good business opportunity were reasons for offering the extended hours, suggesting that delivery is less parent and business driven for these providers. Second, childminders were less likely to report than an invitation or encouragement from the LA was a reason for offering the extended hours, possibly driven by a lower level of engagement with the LA for this type of provider. There was little variation in the pattern of reasons for offering the extended hours across the four LAs (table 39 in Annex B).

Of those **providers offering the extended hours but not currently delivering** them to any children, 16 percent were private providers, 13 percent were voluntary providers, 69 percent were childminders and 3 percent were maintained providers.²⁶ Some 73 percent reported that one reason that they were not currently delivering the extended hours was that they had not received any parental requests to do so, which may reflect that a large proportion of these providers were childminders who may not have had an eligible child in their care. A further 17 percent reported that they were waiting for a child to take up a place and another 27 percent reported a variety of other specific reasons.

Of those **providers not currently offering the extended hours but planning to do so** in the future, 26 percent were private providers, 9 percent were voluntary providers, 44 percent were childminders and 21 percent were maintained providers.²⁷ The majority (77 percent) reported that they plan to begin delivery in September 2017, while 16 percent

²⁵ In early implementation, 70 percent of providers delivering extended hours wanted to support the extended hours offer; 43 percent saw it as a good business opportunity; 68 percent reported a parental request as a reason for delivery; 75 percent said that an invitation or encouragement from the LA had been important; and 44 percent were concerned that parents would choose an alternative provider if they did not offer the 30 free hours.

²⁶ The survey responses for this group are not disaggregated by provider type or LA because there were only 77 providers offering but not delivering the extended hours in the survey.

²⁷ Again, the survey responses for this group are not disaggregated by provider type or LA because there were only 120 providers not currently offering but planning to do so in the future in the survey.

reported that they plan to begin in January 2018. Only 8 percent reported that they planned to begin delivery before September (6 percent later in the summer term and 2 percent during the summer holidays).

Table 17: Reasons not currently offering but planning to offer the extended hours in the future

	All types
Do not currently look after eligible 3 and 4 year old children	19%
No requests from parents	25%
Waiting until September when spare places will become available	22%
Needed more time to prepare	23%
Need more time to prepare:	
- to prepare the administrative process	9%
- to adjust staffing and child places	5%
- to adjust opening hours	5%
- to be able to start providing lunch	3%
- to adjust the setting's financial model	10%
- to recruit additional staff	8%
- to increase space or move to bigger premises	1%
- other specific answer	1%
Waiting to see how extended hours affect other providers	10%
Level of funding is too low	3%
Other specific answer	18%
Number of providers not currently but planning to offer extended hours	110

Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Providers could indicate multiple reasons.

Providers' reasons for not yet offering the extended hours fell into three categories (table 17). First, a lack of demand: 19 percent of providers not offering but planning to do so in the future reported that they did not look after eligible children while 25 percent reported that they had not had any requests from parents (only 3 percent gave both of these reasons). Second, they needed more time: 22 percent reported that they were waiting until September when spaces would become available, while 23 percent reported that they needed more time to prepare. For those that needed more time to prepare, the most commonly cited reasons were to adjust the setting's financial model, to prepare the administrative process and to recruit more staff, while smaller numbers needed more

time to make other adjustments to provision. The third reason for not yet offering involved an element of waiting to see how the policy developed, including waiting to see how other providers were affected by delivery and whether the funding level would change. However, it should be noted that the number of providers reporting some issues were very small: for example, just 3 providers in the survey with 1,212 respondents reported that one of the reasons that they were not yet delivering was because they needed time to prepare to be able to start providing lunch.

Of those **providers who were not currently offering the extended hours and not planning to do so** in the future, 24 percent were private providers, 14 percent were voluntary providers, 41 percent were childminders and 21 percent were maintained providers.²⁸ Just over a third (34 percent) had turned down parental requests for the extended hours. Around half (49 percent) had been asked by the LA whether they wanted to offer the extended hours and around half (51 percent) had been offered support by the LA to offer the extended hours.²⁹

These providers were asked for the (potentially multiple) reasons that they were not offering or planning to offer the extended hours. Almost half gave as one reason that the level of funding was too low (table 18). Smaller proportions reported other reasons related to the policy including that they do not open 30 hours a week; that there was too much administration or bureaucracy involved, that the conditions were difficult to comply with; or that they do not agree with the policy. In addition, all but one provider of the 9 percent who reported the reason that they could not afford to offer or that it was not financially viable to offer the extended hours also reported that the reason for not offering was that the funding rate was too low. Others reported some type of resource constraint in offering the extended hours including difficulty in obtaining venue space or recruiting more staff or had concerns that offering the extended hours would reduce places for other children. Finally, some providers simply did not think that there would be the demand from parents or did not look after children aged three or four. Again, it should be noted that those reporting these reasons were very small numbers in terms of those responding to the survey: for example, only 66 providers of the 1,212 providers responding to the survey reported that one reason that they had no plans to offer the extended hours in the future was because the level of funding was too low.

²⁸ Again, the survey responses for this group not disaggregated by provider type or LA because there were only 144 providers not currently offering the extended hours and not planning to do so in the future in the survey.

²⁹ Not all those that had been asked whether they wanted to offer the extended hours reported that they had been offered support and not all those offered support reported that they had been asked to offer the extended hours. A third (33 percent) of all providers not currently offering the extended hours and not planning to do so in the future had both been asked to offer the extended hours and offered support to deliver them.

Table 18: Reasons not currently offering the extended hours and not planning to offer in the future

	All types
Level of funding too low	48%
Too much administration or bureaucracy involved	19%
Do not open 30 hours a week	17%
Do not think there is or will be any demand from parents	15%
Conditions difficult to apply with	15%
Difficult to expand space or move to larger premises	15%
Do not agree with the policy	13%
Do not currently or plan to look after any children aged three or four	11%
Cannot afford to / not financially viable	9%
Would reduce places for other children	9%
Difficult to recruit more staff	6%
Number of providers not currently offering and not planning to offer extended hours	137

Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Providers could indicate multiple reasons.

Table 19: Circumstances in which would consider offering the extended hours

	All types
Funding related:	
- increase in the level of funding	23%
- funding matched fees hourly rate	5%
- funding to increase annually	1%
- if they could charge top-up fees or for extras	6%
- if were paid in advance	2%
Resource related:	
- if had sufficient staffing	4%
- if had more space or were able to move premises	7%
If had sufficient demand	12%
Other specific answer	12%
Number of providers not currently and not planning to offer extended hours	137

Source: Early Rollout Evaluation Survey of Providers, 2017

These providers were also asked whether there were any circumstances in which they would consider offering the extended hours and 23 percent responded that there were such circumstances, while 40 percent thought there might be and 37 percent said there were not. Most of the circumstances in which they would consider offering were funding related (table 19) with 23 percent citing an increase in the level of funding. In line with the reasons for not planning to offer the extended hours in the future, much smaller proportions suggested circumstances with greater availability of staffing or venue resources and only a small proportion suggested there would need to be greater demand for the extended hours.

The case studies explored in more depth both providers' motivations and reservations about delivering extended hours.³⁰ This evidence shows that, in deciding how to respond to the policy, providers gave some consideration to what the extended hours meant for families and children. There was a great deal of enthusiasm among providers for what was seen as a long overdue initiative to support working families who face large childcare bills. As the providers quoted below explained when discussing their decision to offer the extended hours:

"...We like to keep our parents happy and we know how difficult everything is, so if we can help out at any time, we will."

"...It's a massive help to parents with their childcare."

"I feel sorry for the parents because childcare is so expensive... I don't know why the other settings don't offer it, because I think it's good for the parents and it's good for the children..."

There were some dissenting voices who thought that the policy should be targeted at disadvantaged families and were asking why some of their single parents on the minimum wage were not eligible for the offer, while parents earning £100K a year were entitled to the extended hours. However, these concerns alone did not appear to be a factor in determining a provider's decision not to offer the extended hours.

Providers also typically believed that it would potentially benefit children's development to be in a learning environment for longer than 15 hours a week, as it would provide a good preparation for school. While some questioned the benefits for children of a longer day and raised concerns about the possible negative effects on behaviour, again these concerns did not seem to determine decisions around the delivery of the extended hours.

The factors that more strongly shaped providers' behaviour and intentions were related to views and expectations of how the offer would affect their setting. It was the question of

³⁰ It should be noted throughout that the prevalence of views across respondents in the case studies is not reported which is in line with best practice in qualitative data analysis (see section 2.2).

“what does the extended hours offer mean for your setting” that largely shaped how providers responded. As in early implementation, providers’ views and intentions in the early rollout ranged along a spectrum from being very positive to being very negative about engaging with the offer depending on how it was expected to affect their setting.

The enthusiasts: At one end of the spectrum were providers who believed that the offer was a very positive development for their setting. At the very least it would help to support demand at times of economic uncertainty and it was hoped that it could help to fill empty places and even support expansion. Positive views were underpinned by the belief that the extended hours were financially viable because the level of funding was sufficient. As this provider explained:

“Well, we knew we could be better off financially. We knew that we had capacity, and we knew it would help parents at the setting.”

There were providers who were enthusiastic even if they considered the funding to be insufficient, as they could see a way of delivering the offer that fitted their business model, for example, through optional charges for extras and additional paid hours. These providers did not need any convincing to take part in the programme and they resented the fact that their enthusiasm and positive experiences were not reflected in the publicity the offer had attracted.

The undecided: Somewhere in the middle of the spectrum were providers who were uncertain about the potential effects of the extended hours on their setting. These providers were delivering the offer or likely to do so if there was going to be demand for it: despite the uncertainty they decided it would probably be too risky not to offer it because parents may go elsewhere. Some providers wrongly assumed that they did not have a choice and if they wanted to continue to remain involved in delivering the free entitlement they had to offer the extended hours as well as the universal 15 hours. As this day nursery manager explained when asked about the decision to deliver the extended hours:

“I didn’t actually have a choice to accept it or nor...I’m not quite sure. I’m not quite sure if you are given the choice...it didn’t feel like it.”

Providers in the “undecided group” believed that the funding rate was too low but had not yet fully assessed the financial implications for their business, particularly as they had to sign up for the programme when the funding rate had not yet been announced so they felt it was *“a bit of a blind decision”*. At the time of the fieldwork, providers were still considering if and how they could make the offer work for them, particularly in LA L where funding rates for some type of settings will be lower from September 2017. The group also included settings that were not sure how the offer would work for them because they provided sessional care and needed to consider what kind of extended offer they could provide with and without any adjustments to their service. They needed to consider if the costs of any adjustments (such as higher rent or more staff) could be

covered, as some sessional providers were experiencing or expecting a low level of demand reflecting low eligibility levels among their families. This particularly applied to sessional providers in LA M who were catering mainly for disadvantaged families.

Providers in this group needed some help in considering what the offer meant for their setting (including possible consequences of not offering the extended hours) and may decide to limit the number of extended hours or even stop delivering them once they have fully assessed the financial impact. As this childminder from LA L, where the funding will be lower from September, explained:

"I feel a bit like somebody else is telling me how to run my own business... I chose to childmind ...because I enjoy it but also because it fits with my family and it affords me an income whilst I can be a mummy, but come September at £3.90 an hour is barely affording me an income. It's barely covering my contribution towards our mortgage. It's a significant drop from £5.56 [the early rollout funding rate], I feel without a lot of notice. I don't really know what I'm going to do from September"

The critics: At the other end of the spectrum were providers who were adamant that it would not be financially viable for them to deliver the extended hours. These included private schools and day nurseries that offered a service involving high costs, for example, because they had small class sizes or provided specialist lessons. These features were seen as integral to their delivery model and could not be artificially separated out so parents could opt out of paying, as required by DfE guidance. The group also included day nurseries and childminders who did not think they were providing a particularly high-cost service, yet believed that the gap between LA funding and the fees they charged parents was too large and offering the extended hours would represent a serious risk for their business.

While some settings providing a very specialist service and located in very affluent areas may continue to opt out of the offer, early years staff and parents reported that some settings that did not initially intend to deliver the offer changed their mind when some of their families became eligible and asked for the extended hours. As a respondent from one LA explained:

"...we know that there are some providers who did say no initially who are now doing it because parents have gone to them and said I want my 30 hours and if you don't give it me I'm going to leave... So I think parents have driven the demand in quite a lot of cases."

Finally, there was a fourth group that did not fit in the spectrum as they were **outsiders**, that is, out-of-school clubs. It was hoped that the delivery of extended hours ahead of the national rollout would provide the opportunity to test their engagement in offering wraparound and holiday provision for three and four year olds. In both phases early implementation and early rollout, there seems to have been limited promotion of the

extended hours to out-of-school clubs, but this limited experience suggests that the approach needs to be tailored to settings unfamiliar with early years provision.

There was low engagement of maintained schools in the early rollout which meant that this group could not be separately analysed with data from the case studies. However, the early implementation evaluation found that schools fitted in the typology described above. Some were found in the ‘enthusiastic’ group as the offer gave them an opportunity to provide a more “modern service” to families, which could help to reverse a trend of declining numbers and boost enrolments to the nursery class, with a positive knock-on effect on the reception intake. Some schools were “undecided”: while they supported the policy in principle, they were working at or near capacity and offering the extended hours would mean reducing the number of places available to children living in the area. There were also “critics” among schools that did not see it as their role to provide “childcare” for working parents, but these were typically schools that were full or oversubscribed.

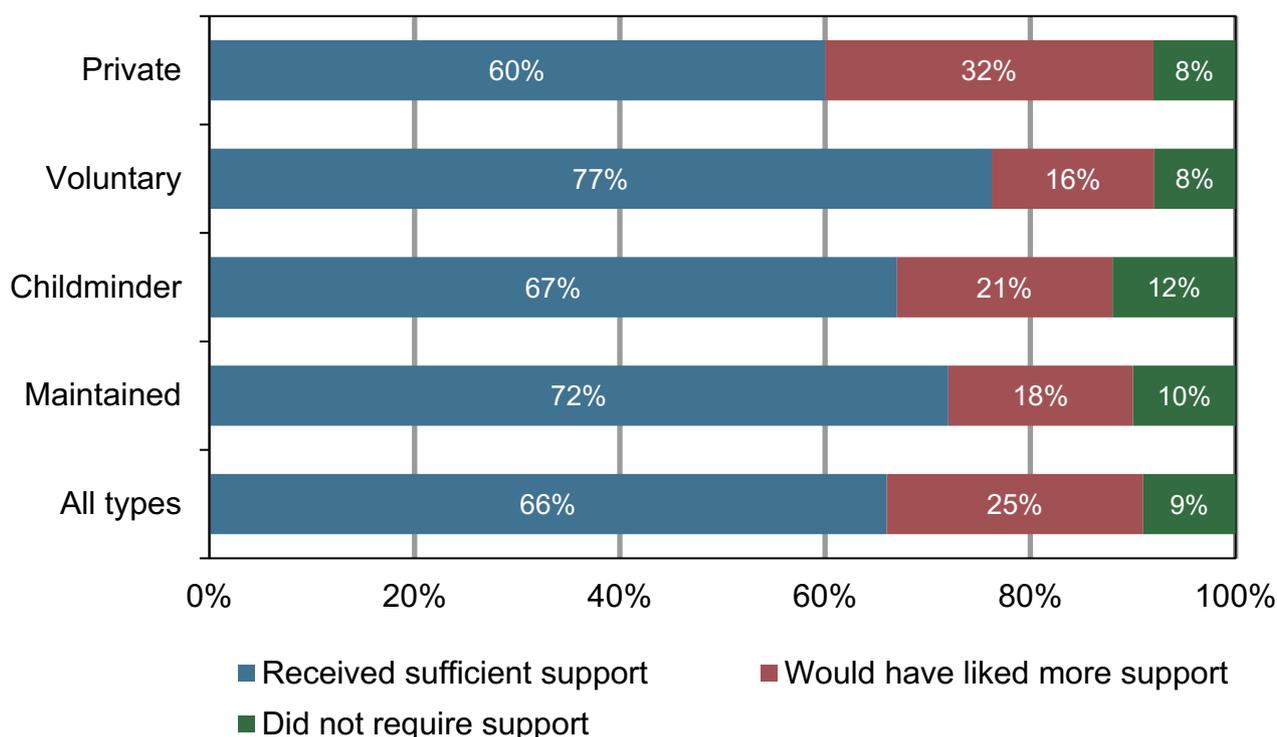
4.4 Supporting providers’ engagement

Two thirds of providers delivering the extended hours (66 percent) felt that they received sufficient support from their LA to deliver the extended hours, while a quarter (25 percent) felt that they would have liked more support and almost a tenth (9 percent) felt that they did not require any support (figure 3).³¹ These proportions were similar across provider types, although a higher proportion of private providers reported that they would have liked more support. The proportion indicating that they would have liked more support was also slightly higher in LA K than in other LAs (table 40 in Annex B).

Further support that providers would have liked mainly focused on better information: almost half of those who would have liked more support would have liked more provider events or information sessions, while, interestingly, almost half suggested better information for parents and substantial proportions indicated that better or earlier information about policy implementation would have been useful (table 20). More support was also suggested for helping providers with business sustainability and with checking parents’ eligibility codes (suggested by 29 percent and 28 percent of providers who would have liked more support). Less than one in ten of the providers who would have liked more support suggested that support in creating partnerships, more or better training or more funding was required. Although the number of providers answering this question was very small in each LA, the patterns in the type of support required were broadly similar across LAs (table 41 in Annex B).

³¹ These proportions were very similar in early implementation: 71 percent received sufficient support, 19 percent would have liked more support and 10 percent did not require support.

Figure 3: LA support for delivery of extended hours



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 364, 128, 250, 79 and 837 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours.

Table 20: Further support that providers would have liked from LA

	All types
More provider events / information sessions	46%
Better information for parents	45%
More support for business sustainability	29%
More hands-on support with checking parents' eligibility codes	28%
Better information about policy implementation	14%
More support in creating partnerships	9%
Information provided earlier / more time for implementation	6%
More or better training	6%
More funding	3%
Other specific answer	13%
Number of providers reporting would have liked more support	233

Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Providers could indicate multiple suggestions.

The case studies found that effective providers' engagement in the offer requires a combination of:

- An efficient LA early years infrastructure.
- Local activities specifically focusing on the extended hours to launch the offer.
- Tailored advice and guidance about the extended hours for settings.
- Reassurance that the offer will involve a "smooth journey".

These are discussed in turn in the rest of this section.

4.4.1 The local early years infrastructure

The existing LA infrastructure could play a key role in supporting providers' engagement. The kind of features that particularly supported providers' engagement included experienced early years advisers with close links with local providers; a comprehensive programme of training and support for providers; and providers networks and newsletters. The experience of both early implementation and early rollout shows that no opportunity should be missed to communicate key messages about the offer as providers' readiness to engage and listen varied. While some providers were ready from the first day, it took longer for others (including some of the "undecided" and the "critics") to be in a "listening mood". For example, some wanted to see how parents reacted before they decided to offer the extended hours.

The business support that LAs provided (including an online tool in LA K) was also important to help providers decide if they could deliver the offer. Not all providers needed business support, for example well-established profitable businesses and those that were part of a nursery chain. However, for some providers, business support from the LA was key to enable them to review their business model. For example, by helping them to consider the business implications of the change in the balance of income from parental fees to free entitlement funding; of introducing charges; or of any costs associated with accommodating the extended hours. Business support also enabled providers to understand their operational costs and their breakeven point, and this understanding was critical to overcoming their concerns about the offer not being financially viable.

4.4.2 Local 30 hours events

A series of local events to launch the offer was an important early stage in the implementation process both in early implementation and early rollout, although time constraints and staff shortages had limited the number and nature of these events in some of the early rollout areas. The 30 hours local events were seen as important because:

- LAs could provide comprehensive explanations of the features of the offer and different ways in which the extended hours can be delivered. It was felt by both LA staff and some providers that there has been a great deal of misinformation about the extended hours and there was “a lot of myth-busting to be done”. For example, some providers were said to still be in the “15 hours mindset” and had not considered the possibility of the stretched offer. It was reported that some playgroups and pre-schools had wrongly assumed that the extended hours were not for them because they were not able to provide the full 30 hours:

“There was definitely a feeling at the beginning that it was 15 or 30 and you couldn’t do anything in between.”

- The events gave providers the chance to ask some “difficult questions”. LA staff were fully prepared for some rather uncomfortable discussions particularly around funding. They stressed the importance of addressing providers’ concerns and having frank discussions about charges and limitations in the DfE guidance and allowing settings to make up for what they saw as the shortfall between LA funding and parental fees.
- The events provided the opportunity for settings to exchange ideas on different options for delivering the offer and to tentatively explore the possibility of jointly delivering the extended hours. Providers particularly appreciated sharing views and experiences with their colleagues and following these events some arranged visits to settings that were more advanced with their planning. When there was time to include workshops (as this was not possible in all early rollout areas), providers valued the chance to start formulating some initial plans for delivering the offer, as this provider explained:

“I came away with lots of ideas I wouldn’t have thought of.”

Providers appreciated when these events had been organised with their specific needs in mind, for example, when they were run in different parts of the LA to give everybody a chance to attend. Some childminders noted that events were run on a Saturday or in the evening to facilitate their attendance. Conversely, providers could be demotivated if their needs were not addressed. For example, the manager of an out-of-school club who attended a 30 hours event found it:

“...confusing and bewildering, the conversation was dominated by early years settings who were up in arms about the LA funding... although the newsletter said we could offer the 30 hours, there was no specific information for out of school clubs. Because we were not registered to deliver funded hours, they couldn’t even tell me what the funding rate would be... I came away with the impression that the 30 hours were not for us and I almost gave up.”

4.4.3 Tailored advice and guidance

The experience of both early implementation and early rollout showed that some providers will require one-to-one advice and support tailored to their specific needs and expected challenges in delivering the offer. This support may consist of a telephone conversation to clarify some details about the delivery of the extended hours or a visit for a more comprehensive discussion of the benefits and risks of different options and to develop a plan to accommodate the offer.

The advice from LAs was to set aside considerable resources for these one-to-one conversations as many providers will need them. As an early rollout manager explained:

“Having that person to speak to is really helpful ...because we can send these messages out, but try as much as you like ...make it as clear and simple... people get confused and they get the wrong end of the stick and they misinterpret things and they read things, so having that person to speak to has been really important.”

It was important for providers to be aware that tailored support and guidance was available and to have the name of someone they could contact. For example, one LA included in the event feedback form a space for providers to indicate if they wanted to be called by someone from the early years team to discuss the offer. It was also considered important for the early years team to be proactive, for example, one LA was planning to call or visit all providers who were not offering the extended hours to explore possible barriers and ensure they had made an informed choice.

Discussions with LA staff and providers showed that the main areas where support and advice were needed included:

- Estimating the likely demand for extended hours places
- Staff issues including changing staff contracts, recruiting new staff and staff ratios
- Lunchtime arrangements
- Supporting children with additional needs
- Limitations they can place on the use of the free entitlement hours in compliance with DfE guidance
- How they can charge for extras in compliance with DfE guidance
- How to work out how to stretch the free entitlement hours
- Sharing free entitlement hours with other settings
- Working with the Early Years Foundation Stage when delivering very short sessions (for example, a breakfast club)

Providers who had not delivered funded provision in the past needed help with the basics including what is included in the provider agreement, the agreement parents need to sign, how to log on the LA system and make a claim.

Providers appreciated these conversations and felt that they had been able to make an informed decision. Some said that without the LA's help to understand how the extended hours are different from the universal offer, they may have ended up organising the offer like the 15 hours. Others reported that without the LA's help they may have given up because of (perceived) barriers to delivering the offer.

4.4.4 A smooth journey

Evidence from the early implementation evaluation indicated the critical importance of technical aspects of the programme's delivery in persuading providers to engage and remain engaged with the offer and this was confirmed by the early rollout. There were two key processes that determined how smooth the journey was for providers: the process for parents to apply for eligibility for the extended hours and providers to check parents' eligibility codes and the process for providers to claim and receive payment for the free entitlement hours.

In three of the early rollout LAs (and in all early implementation LAs), local systems were developed for parents to apply for eligibility for the extended hours and for providers to check parents' eligibility codes. These systems generally worked well although there were a few difficulties. However, in LA J, parents applying for eligibility through the trial of the national childcare service³² created greater problems and the effects on providers were noticeable:

- First, it created a considerable amount of work for providers, as parents tended to contact providers when they had difficulties with their application. A large day nursery received over 500 emails from parents as well as numerous phone calls and parents visiting the nursery in person with queries about the application process. As the manager of this pre-school explained:

“We’ve have had quite intelligent parents come in to ask for help because they couldn’t manage...my admin manager has had to take time out of her working day to input the information for parents in order for them to register, because they were absolutely unable to do it.”

- Second, some parents did not manage to get the code that proved their eligibility for some considerable time, in some cases a few weeks after the term started. This created a great deal of uncertainty for providers (as well as parents). Some

³² The childcare service used in the early rollout was slightly different from the system that will be used in the national rollout as described in section 3.3.

parents were only planning to use additional childcare hours if they were eligible for the extended hours which meant that some providers had to reserve a 30 hour place as well as a 15 hour place for parents until their eligibility was confirmed. Other settings agreed to provide the funded hours before parents had received the eligibility code, but then had to recoup money from parents as some turned out to be ineligible.

In addition, LA J had to set up a local system to enable providers to check the authenticity of the eligibility code provided by parents (as all LAs will need to do in the national rollout). This worked well but considerable resources were invested to develop and test the checking system, as the LA was aware of the importance of getting this right to minimise the work for providers, particularly those with a large number of eligible families.

In all four early rollout LAs, the LA processes for providers to claim and receive payment for the free entitlement hours had to be revised to accommodate claims for the extended hours. Some providers noted a “massive increase in their admin” and the questions typically raised by providers at local 30 hours briefings and one-to-one conversations with early years staff showed that they needed to be reassured about a number of issues in relation to these systems:

- There were concerns about over-claims when parents used more than one setting. LA staff said that providers’ agreements make it clear that it is the setting’s responsibility to ask parents to sign a declaration stating how many funded hours they intend to use at different settings and to then liaise with these settings on the use of hours. Providers’ understanding of their responsibility for checking with parents and other settings seemed better in areas where it was not uncommon for the free universal entitlement to be used in multiple settings, suggesting that providers will adjust to the system for checking this as the use of funded hours across multiple providers becomes more common.
- Providers were typically not clear how they would know if a child was no longer eligible for the extended hours and concerned that parents may be using these hours while they are no longer eligible. LA staff said the process for this was very straightforward, for example, providers will be told in late October 2017 (following an eligibility audit) which parents will no longer be eligible from January 2018, thus giving providers (and parents) time to make alternative arrangements. Providers may be reassured on this once they have experienced the eligibility confirmation process.
- One new concern that had not featured strongly in early implementation and arose only in LA J in early rollout was the issue of what providers should do if parents do not have an eligibility code when they want to start taking the extended hours. This clearly reflected the difficulties with delays in confirming parents’ eligibility in the national childcare service in this LA described above.

As was highlighted in the early implementation evaluation, ineffective payment systems that resulted in delays in payments and a lack of clarity of what providers were being paid for raised considerable concerns among providers. LAs in the early rollout were acutely aware of this and, for this reason, one LA paid for all the extended hours at the start of the term. However, the claim and payment systems had to be adapted for the offer rather quickly which resulted in ad hoc systems that did not work very well. As this early rollout manager explained when asked what providers may say about the LA payment system:

“Generally speaking if you’d asked them in the autumn term or spring term they’d say, ...it’s fine... This term they might say yes, it’s chaos!”

4.5 Summary and recommendations

In summary, the evidence from the early rollout reinforced many of the findings from early implementation:

- A high proportion of providers (83 percent of free entitlement providers and 62 percent of all registered providers) were willing and able to deliver the extended hours and the patterns of delivery across provider types reflected the local mix of provision. The proportion of providers delivering the extended hours was substantially lower in one LA, but this is likely to have been due to a smaller proportion of children being eligible and the slower and less effective implementation of the policy in this LA.
- Awareness of the 30 hours free childcare was almost universal among all registered providers. Most of those not delivering the extended hours during early rollout were offering the additional hours (6 percent of all registered providers) or planned to offer them (10 percent of all registered providers). Only 12 percent of all registered providers reported that they did not plan to offer the extended hours.
- As in early implementation, providers delivering the extended hours were doing so for positive reasons around supporting the policy and the business opportunity that it offered, but were also responding to parental requests for the extended hours and LA encouragement to deliver them.
- Those not yet offering the extended hours but planning to do so were primarily waiting due to a lack of immediate demand, but some were waiting for spaces to become available in September or needed time to prepare their processes or adjust provision, while a small proportion were waiting to see how the policy developed.
- Around one third of providers who were not currently offering and not planning to offer the extended hours had turned down a parental request for the hours. Almost half of providers who were not currently offering and not planning to offer the extended hours reported that one reason was that the funding level was too low,

while smaller proportions reported reasons related to other specific issues with the policy; resource constraints (such as a shortage of staff or venue space); or lack of demand.

- As in early implementation, the key factor that shaped providers' decisions to deliver the extended hours in the early rollout was the anticipated impacts that the offer will have on their business. However, it may take some time for providers to fully consider the financial implications and reach longer term decisions around continuing to deliver the extended hours and the number of places to offer.
- As in early implementation, most providers delivering the extended hours in the early rollout (66 percent) reported that they had received sufficient support from the LA. However, one quarter would have liked more support, primarily in the form of more, better and earlier information about the policy for both providers and parents. A substantial proportion also suggested that more business support and assistance checking parents' eligibility codes would have been helpful.
- Key factors supporting the engagement of providers were an efficient LA early years infrastructure; local events to launch the offer; tailored advice and guidance for settings; and minimising the risk of any "admin nightmare" by ensuring a "smooth journey" for checking parents' eligibility codes and receiving payment.

This evidence supports the recommendations for the national rollout from early implementation with one important amendment to recommendation (C) that the design of **national** as well as local processes need to support the participation of providers³³:

(A) Providers of all types are likely to be willing to offer the extended hours, but there is a need to recognise that different types may face different challenges in delivery and the kind of support offered will need to reflect this variation.

(B) An important issue in recruiting providers to deliver the extended hours will be to address the uncertainty about the financial implications by providing business support at the local level.

(C) The design of local and national processes needs to support the participation of providers by being efficient and reliable.

³³ And some minor rewording of recommendation (B) which in early implementation was "An important issue in recruiting providers to deliver the extended hours will be to address the uncertainty about the financial implications which business support at the local level can help achieve".

5. Were providers able to deliver sufficient hours?

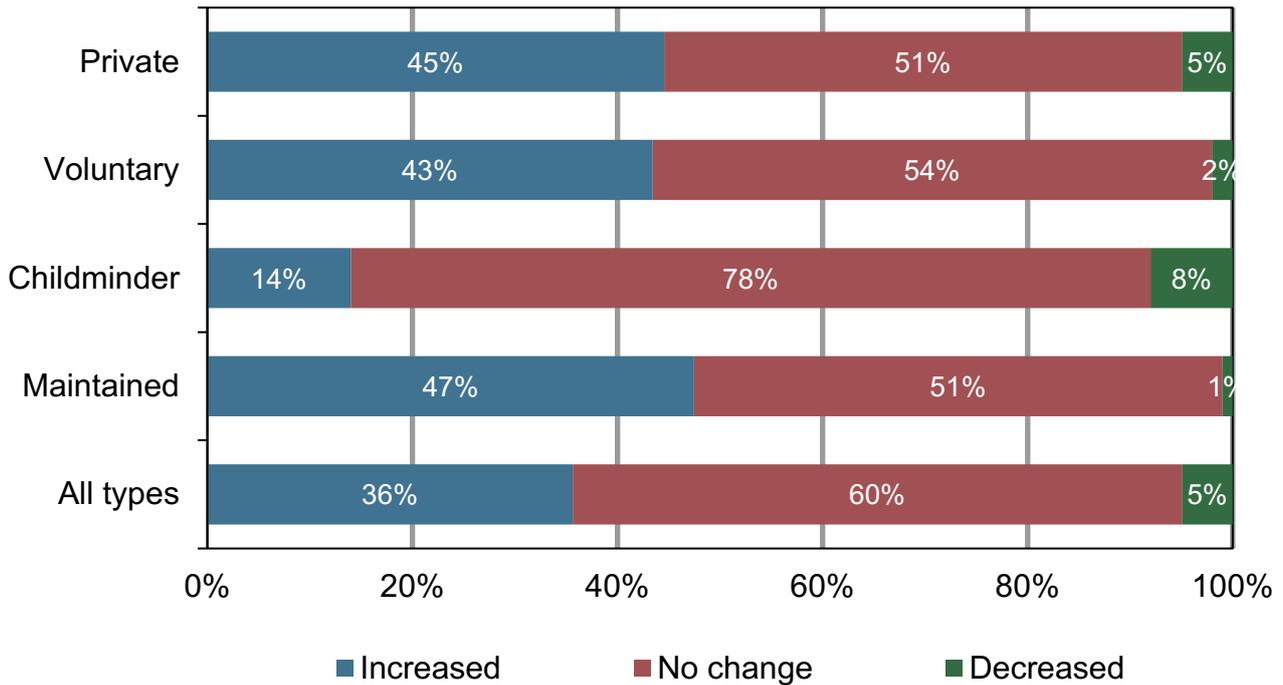
This chapter explores the evidence from early rollout which can inform on the likelihood that sufficient extended hours places will be offered to meet demand in the national rollout. The first section considers whether and how demand for the extended hours was met during early rollout and what has been learnt about potential sufficiency and the need for capacity expansion in the national rollout. The second section reviews the evidence on whether other types of provision will be affected by the extended hours. The final section offers recommendations on how to support the delivery of sufficient places in the national rollout.

5.1 Sufficiency of delivery and potential for expansion

There were no indications of insufficiency in the delivery of the extended hours to meet demand during the early rollout. Although the numbers of extended hours places delivered was lower than the estimated number of eligible children in two LAs, this may have been related to the use of the childcare service in LA J (see section 9.2) and to specific local conditions adversely affecting implementation in LA M (see section 3.4). In addition, it is possible that the estimated number of eligible children may have overstated the eligible number in these areas. More broadly, the case studies did not find any evidence from LA early years staff, providers or parents that eligible parents were unable to take up the extended hours. However, it should be borne in mind that demand during early rollout may have been tempered because some children would only have been eligible for one term rather than the minimum of three once the policy is fully rolled out.

There was evidence that provision expanded during early rollout because of the extended hours and that there is capacity to offer more places. Over a third (36 percent) of providers delivering the extended hours reported that occupancy rose because of the extended hours (figure 4), that is, they used spare capacity to deliver the extended hours. A smaller proportion of childminders reported an increase in occupancy (14 percent) than other types of providers (although this could reflect that occupancy is a more challenging concept for childminders to consider than for other provider types), but nearly half of all other types reported an increase in occupancy. Interestingly, slightly lower proportions of providers reported an increase in occupancy in LAs J and M (table 42 in Annex B). These were the LAs with smaller proportions of the estimated number of eligible children taking up the hours which is consistent with less need to find more additional hours in these LAs. Overall, the proportion reporting a rise in occupancy was higher than the 29 percent of providers delivering the extended hours in early implementation who reported that occupancy had risen which is consistent with a lower need for additional hours when extended hours were rationed in seven LAs in early implementation.

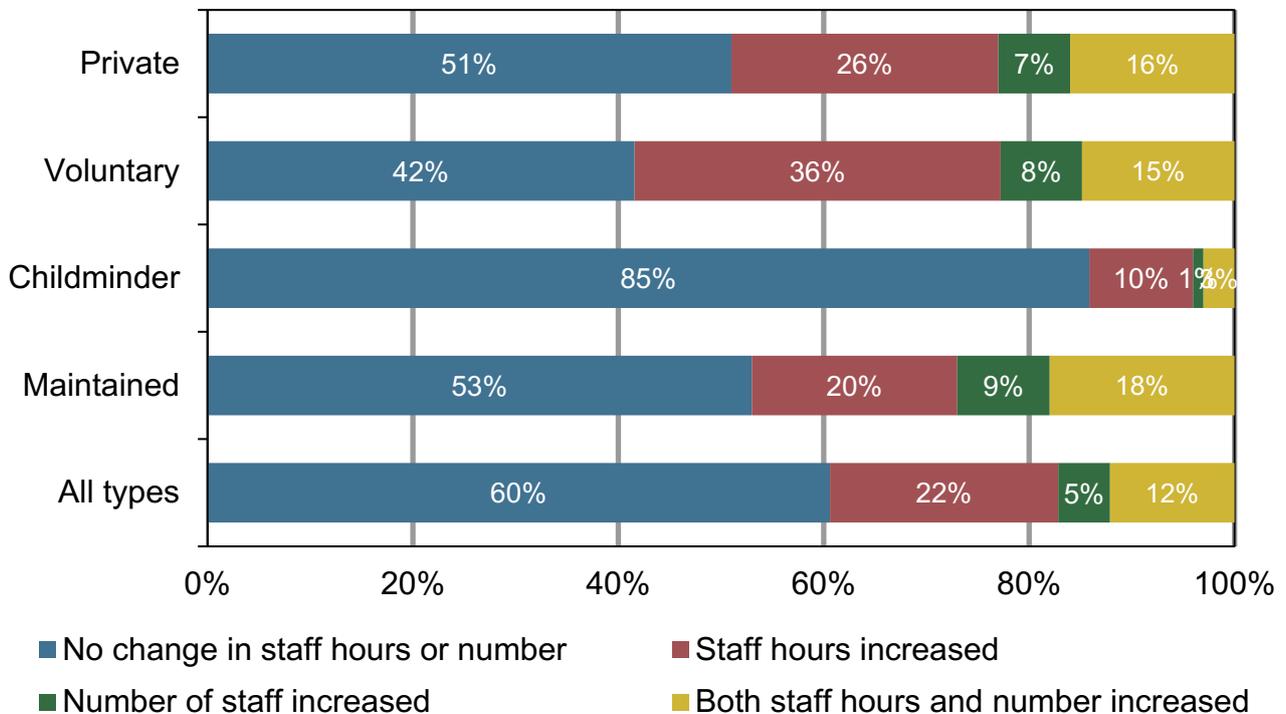
Figure 4: Changes in occupancy due to the extended hours



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 357, 127, 247, 78 and 825 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours.

Figure 5: Increase in the use of staff to deliver the extended hours



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 367, 129, 244, 79 and 835 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours.

Some 40 percent of providers reported that they had increased staff hours or increased the number of staff to deliver the extended hours, including 22 percent who had just raised hours, 5 percent who had just taken on more staff and 12 percent who had done both (figure 5). As with increases in occupancy, the proportions making these changes were slightly higher than in early implementation³⁴. The proportion increasing staff numbers or hours was greatest among voluntary providers and, unsurprisingly, notably lower among childminders who tend not to use additional staff and not to have fixed, specific working hours. However, the proportion making any changes was similar across the four LAs (table 43 in Annex B). To some degree, this increase in the use of staff represents a rise in capacity in response to the extended hours, although it is achieved using a flexible resource which does not require a substantial degree of financial investment.³⁵

Table 21: Reason did not increase number of staff

	Private	Voluntary	Childminder	Maintained	All types
Did not need more staff	87%	90%	33%	95%	67%
Could not afford more staff	13%	16%	11%	14%	13%
Could not recruit suitable staff	7%	4%	1%	2%	4%
Extended hours of existing staff	1%	1%	<1%	0%	1%
Other specific answer	3%	2%	2%	3%	2%
Not applicable	<1%	0%	60%	0%	23%
Total	100%	100%	100%	100%	100%
Number of providers not increasing staff number	294	110	289	59	764

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

The survey also explored whether providers who had not increased the number of staff were constrained in their ability to do so. Only 4 percent of these providers reported that

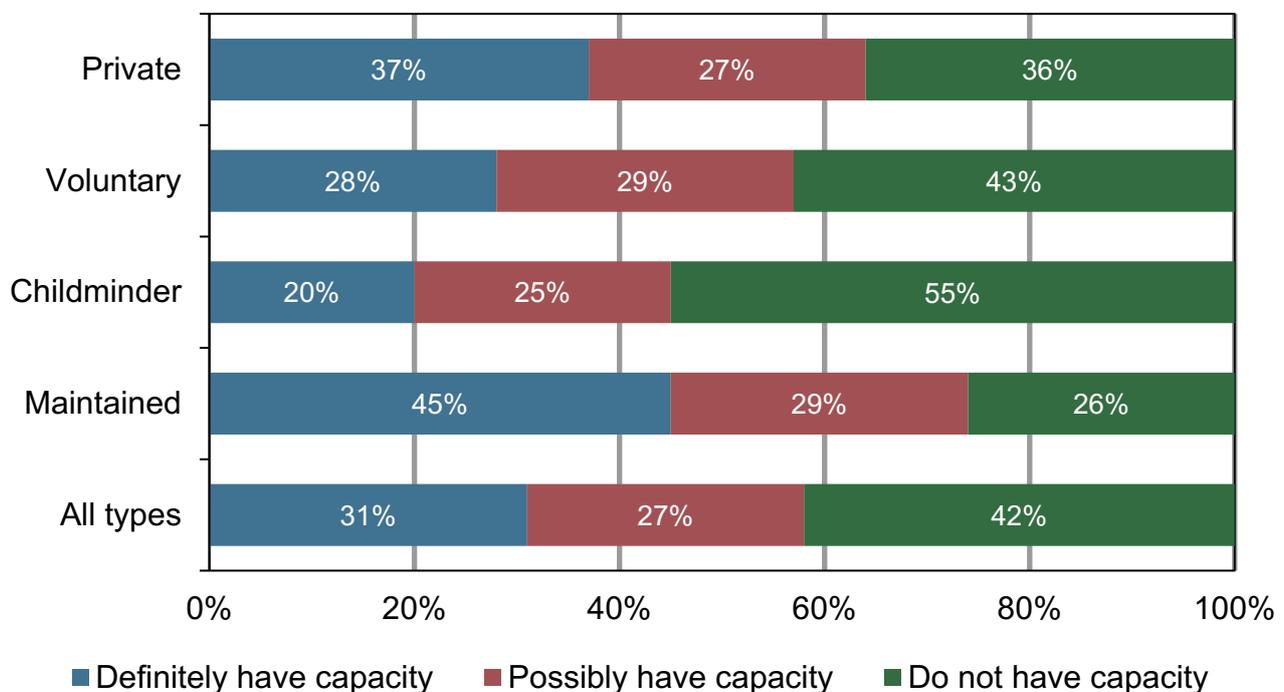
³⁴ In early implementation, 34 percent of providers reported that they had increased staff hours or increased the number of staff to deliver the extended hours, including 14 percent who had just raised hours, 8 percent who had just taken on more staff and 13 percent who had done both.

³⁵ Hiring staff or increasing staff hours has some fixed costs in terms of administration and (possibly) longer term contracts with additional staff, but does not carry the same costs as acquiring or committing to rental contracts for additional venue space or undertaking other physical capital investment.

they had not increased the number of staff because they were unable to recruit them, although 13 percent reported the reason being that they could not afford more staff (table 21). These proportions were very similar to those reported in early implementation and did not vary substantially across provider type or LA (table 44 in Annex B).

The evaluation survey found that most providers delivering extended hours definitely or possibly had more capacity to offer more extended hours places (58 percent), but that 42 percent did not have the capacity to do so (figure 6). This was very similar to early implementation where 63 percent of providers definitely or possibly had capacity to offer more places. The proportion of providers reporting that they did not have capacity to offer more places was higher among childminders and voluntary providers than private and maintained providers. However, the proportion was similar across three LAs and slightly lower in LA M (table 45 in Annex B), but the number of providers delivering the extended hours in LA M was too small to draw strong conclusions from this.

Figure 6: Capacity to offer more places



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 368, 126, 251, 80 and 841 for private, voluntary, childminder, maintained and all types of providers delivering extended hours.

Reflecting the quantitative evidence, the case studies found that LA early years staff across the early rollout areas were not aware of sufficiency problems in meeting demand generated by the offer, particularly as they believed that the extended hours were mainly taken up by families who were already using additional paid provision, although the offer had enabled some families to increase their hours. Similarly, interviews with providers did not suggest major gaps in meeting demand and some providers welcomed the additional

demand as it enabled them to increase their occupancy. As the manager of a day nursery explained:

“We used to struggle to fill the afternoon sessions but thanks to the 30 hours we are now pretty much full in the afternoon which is brilliant...it’s really working for us and the parents and we are really happy.”

There was, however, some limited evidence of difficulties in meeting the needs of some families. For example, some providers said that not all parents were able to have as many hours as they wanted or at their preferred times. When settings experienced difficulties in accommodating parents’ needs, they tried to ensure that all families got at least some of the additional hours they wanted. Interviews with parents confirmed that providers tried their best to accommodate their needs within the constraints they faced.

Difficulties in meeting demand seemed to be mainly due to two factors. First, the summer term is the busiest time of the year and there was limited spare capacity. Second, there was little time to plan how to respond to an increase in demand after the early rollout was announced and eligible parents were confirmed just before or even after the start of the summer term. Some providers believed they will be better able to respond to an increase in demand in September 2017, when places will be freed up as children leave to go to school and they will have more time to plan how to respond.

The case studies also explored challenges providers faced or anticipated in offering the extended hours. As in early implementation, there were variations across provider types.

Day nurseries did not typically have to change their offer but some were recruiting new staff or planning to expand to meet the increase in demand, with capital funding from the LA in some cases. While some felt confident that they would be able to offer sufficient extended hours, others thought their capacity to offer these hours may be hindered by staff recruitment difficulties and funding issues (the latter is discussed further in chapter 8).

Where feasible, **playgroups** extended their opening times (or were considering doing so) to make their service more attractive to working parents eligible for the offer. Some were also planning to expand their capacity as they expected an increase in demand. As with day nurseries, there were concerns about recruitment difficulties if they needed to employ new staff. Furthermore, the number of extended hours some playgroups could offer was constrained if they were using shared venues which limited their operational hours. Low demand for the extended hours also presented a dilemma for playgroups in disadvantaged areas (mainly in LA M) where many families were not expected to be eligible. If accommodating the extended hours required some adjustments (for example, introducing or expanding lunchtime cover) it was difficult for these settings to decide if there would be sufficient demand to cover the costs of these adjustments.

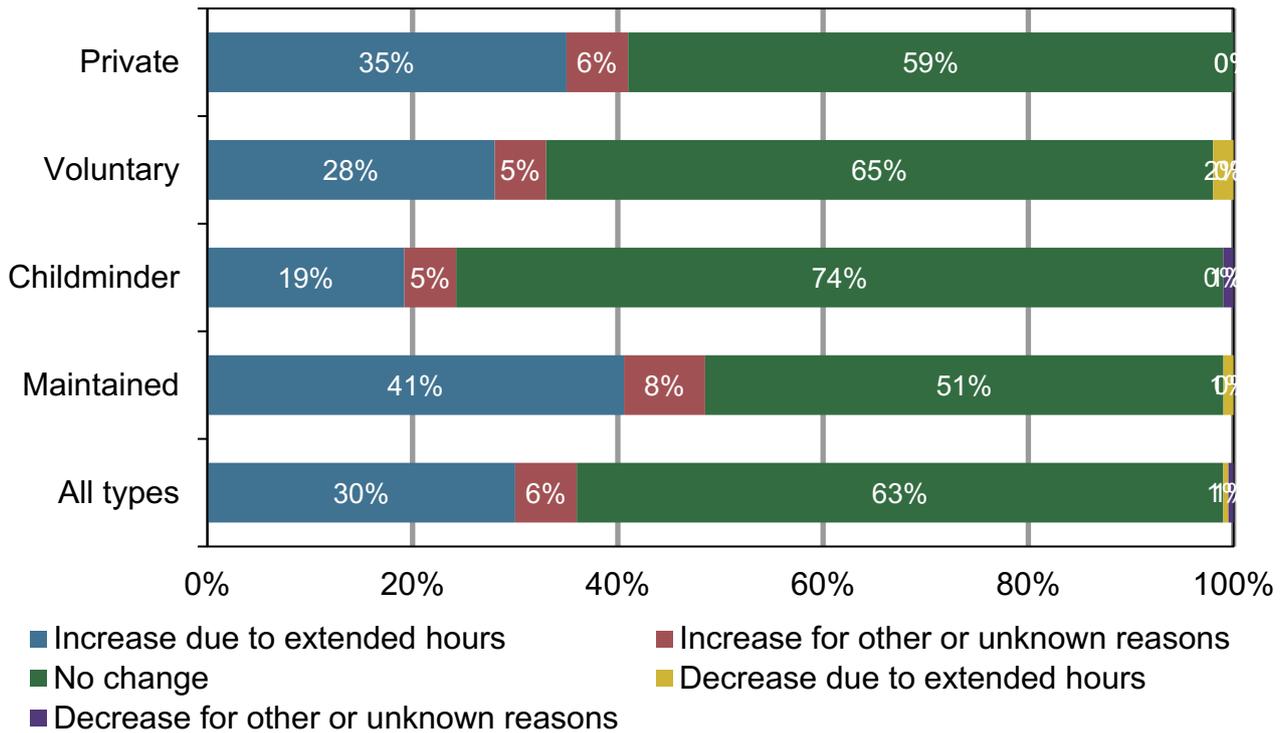
As with day nurseries, **childminders** did not have to change their offer in terms of opening times. However, some were concerned that making the offer financially viable would require them to change their service in detrimental ways. For example, childminders who provided regular outings as an integral part of their service included the cost of these outings in their fee, which was higher than the LA funding rate. Offering these outings as optional extras may mean that they would have to stop them if some parents do not want to pay. A similar argument was made for the provision of healthy food, which was again covered by an inclusive parental fee but could no longer be part of the service if parents opted for a packed lunch. These and other issues related to funding (discussed in chapter 8) were perceived as barriers which could limit some childminders' involvement with the offer, particularly, but not exclusively in LA L, where the early rollout funding rate for childminders of £5.56 per hour will drop to £3.90 per hour from September 2017. Some childminders were also concerned that parents may just ask them to drop off and pick up children from other providers, with the bulk of the extended hours taken up in group settings. Others had experienced or were expecting low demand from parents. One area had a particularly low level of engagement of childminders with free entitlement provision and the LA early years team had no current capacity to support them to be more involved. Other areas had invested considerable time and efforts in engaging childminders and stressed the important role they could play in supporting the offer, particularly in rural areas. These LAs were hopeful that with time the offer will lead to an increase in childminders' involvement in free entitlement provision, but it was still early to assess how many parents will decide to use at least some of the extended hours in these settings.

5.2 Impacts on other types of provision

One concern around the 30 hours free childcare policy is that providers may reduce delivery of other types of provision in order to deliver the extended hours. A specific worry has been that the extended hours could crowd out places for the two year old free entitlement, but they could also affect the provision of the universal 15 hours free entitlement (for children not taking the extended hours) and additional paid hours or provision for children of other ages.

Providers were asked directly in the evaluation survey whether they had changed their delivery of other free entitlement hours due to their delivery of the extended hours. 30 percent reported that the number of free entitlement three and four year olds had increased in their setting due to the extended hours, while 1 percent had reduced the number due to the extended hours (figure 7). In response to a similar question for the free entitlement for two year olds, 4 percent of providers with free entitlement two year olds reported that the number of free entitlement two year olds had increased due to the delivery of the extended hours, while 2 percent reported the number had decreased (figure 8). More providers (9 percent) reported that there had been changes in the number of free entitlement two year olds for reasons not related to the extended hours.

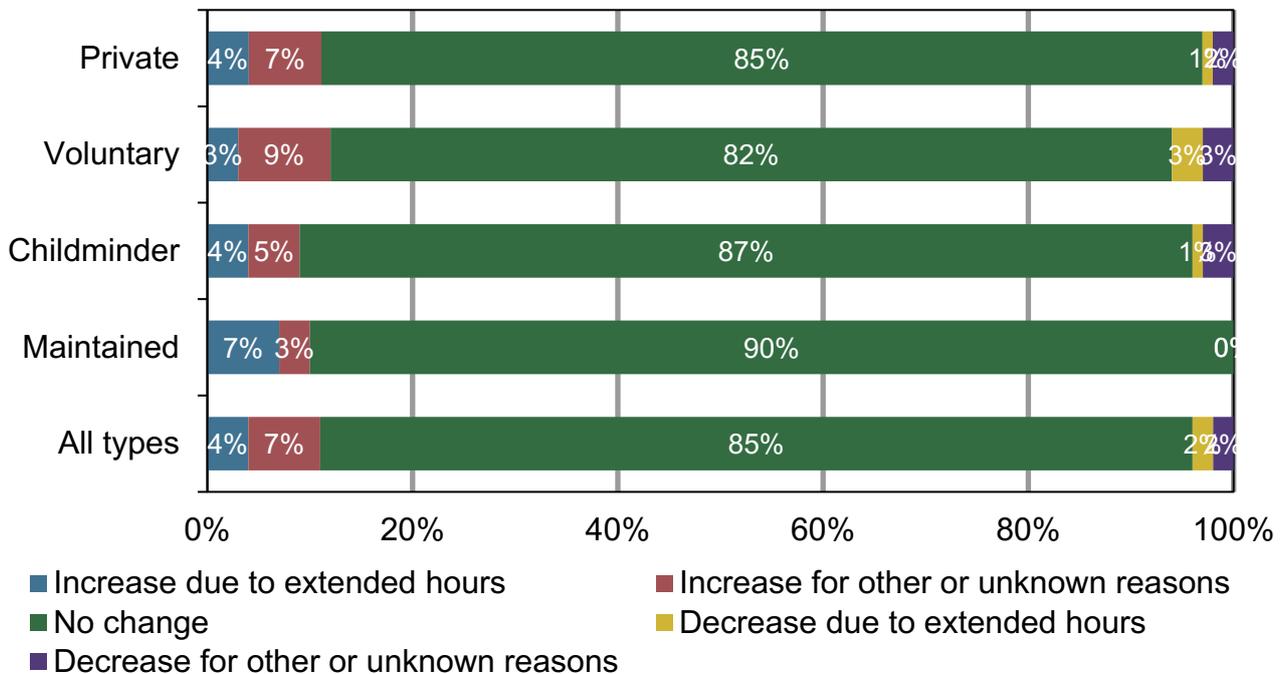
Figure 7: Impact on number of free entitlement three / four year olds



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 368, 127, 253, 79 and 843 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours.

Figure 8: Impact on number of free entitlement two year olds



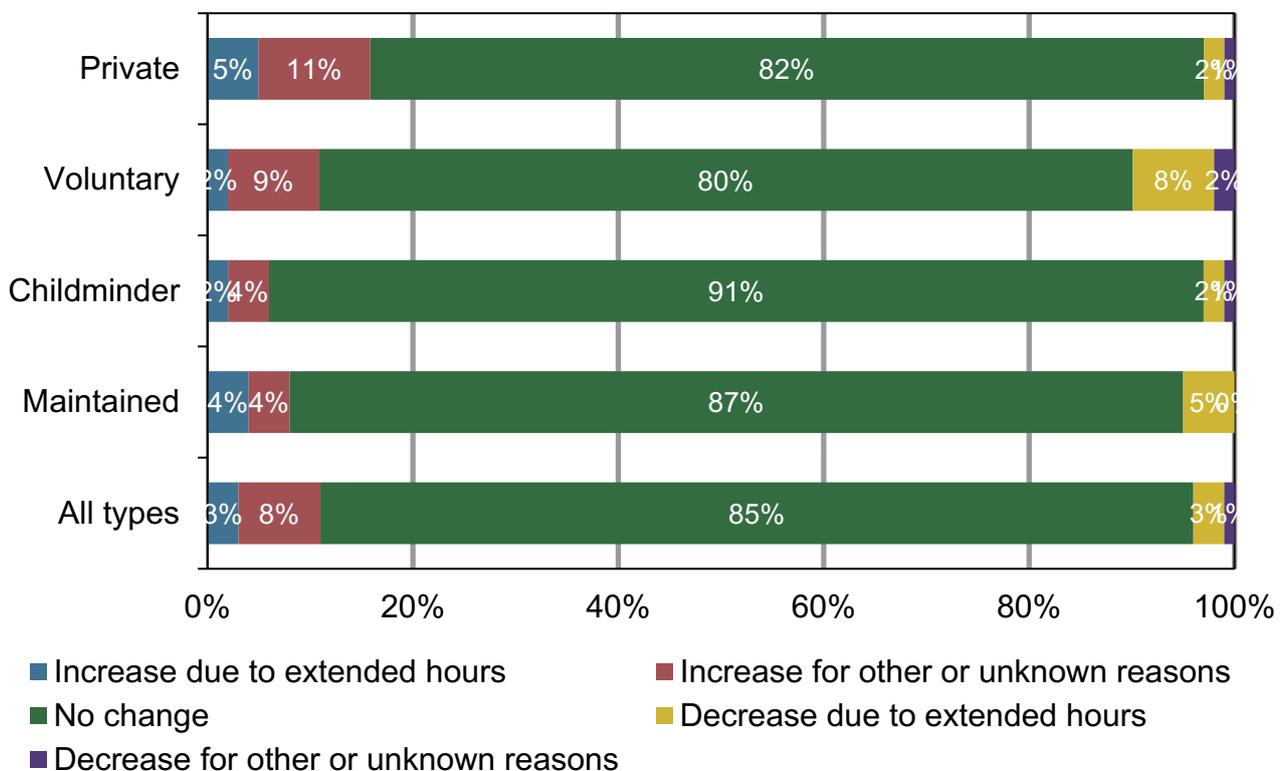
Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Sample sizes are 317, 101, 75, 29 and 530 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours and with free entitlement two year olds.

These patterns are very similar across all types of providers, although childminders were somewhat less likely to report that they had increased the number of free entitlement places for three and four year olds due to the extended hours. These patterns were also similar across the LAs (tables 46 and 47 in Annex B). All of these patterns were very similar to those observed during early implementation.

Smaller and identical proportions of providers reported that they had increased (3 percent) or decreased (3 percent) the number of children with only paid hours because of the delivery of extended hours (figure 9). These proportions were similar across provider types and LAs, noting that the higher proportion (13 percent) reporting an increase in LA M should be treated with caution as it was based on a small number of providers delivering the extended hours in that LA (table 48 in Annex B). On the other hand, 15 percent of providers charging fees reported that they had increased fees for at least one age group due to the delivery of the extended hours, while only 2 percent reported that they had decreased fees for at least one age group (figure 10). There was a greater tendency for private providers to have increased fees (21 percent had done so) than other types of providers, but the pattern of changes was similar across LAs (table 49 in Annex B). Again, these patterns were broadly similar to those observed for early implementation, although the proportion reporting that they had increased fees due to the extended hours was slightly lower at 9 percent in early implementation.

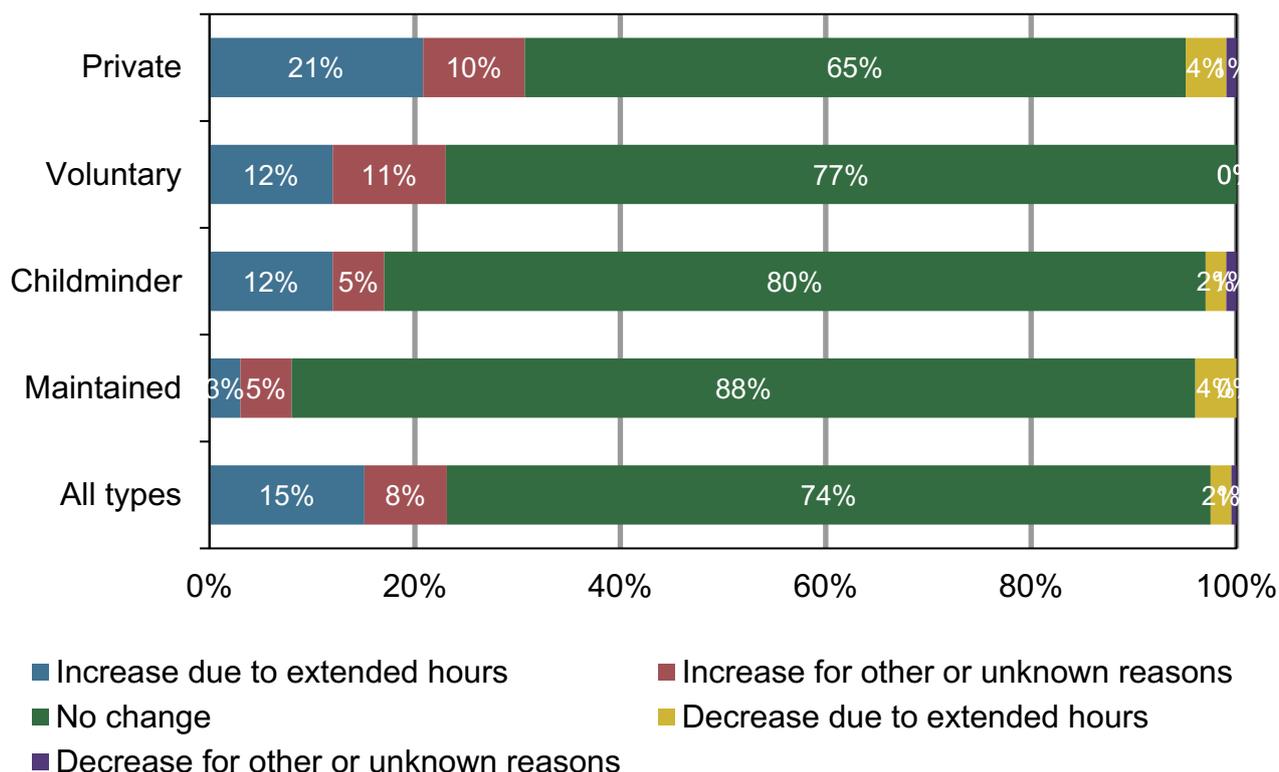
Figure 9: Impact on number of children with only paid hours



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 368, 128, 250, 78 and 840 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours with children with only paid hours.

Figure 10: Impact on fees for paid hours



Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Sample sizes are 361, 128, 244, 74 and 823 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours with paid hours. A fee increase means that fees rose for at least one age group from three and four year olds, two year olds and under two year olds, and did not decrease for any age group. A fee decrease means that fees decreased for at least one age group and did not increase for any age group. There were also two settings which reported a mixture of increases and decreases across the age groups.

The case studies did not find any broad evidence so far that the provision of the free entitlement for two year olds and the universal entitlement for three and four year olds had been affected by the extended hours. However, early years staff in all LAs were monitoring changes in the local market so that they could promptly intervene at any early signs that the extended hours are creating sufficiency difficulties for the 15 hours offer. In LA M, where take-up of the two year old offer was one of the lowest in the country, the possible impact on the two year old offer was a particular concern. In this LA the overwhelming majority of free entitlement places for two year olds were delivered by playgroups and the decisions of this relatively small group of settings (around 20) could have a considerable impact on the supply for these places.

Typically providers who were offering the free entitlement for two year olds did not expect provision for this group to be affected in future. This was partly because some settings were sufficiently large to accommodate an increase in places and partly because two year olds were sometimes in a separate room and therefore not affected by changes in provision for older children. In addition, some providers reported that the free entitlement

for two year olds was more lucrative than the extended hours and others were committed to maintaining a balance between different age groups. However, other providers regarded the extended hours as financially more attractive than two year olds places. As the manager of this playgroup explained:

“The two year old funding rate is a lot lower than the three year old funding rate in terms of staffing. For example, for the two year olds we can have four children for every adult, with the three year olds we can have eight. We actually get more money for the three year olds...”

Although there was no evidence of a broad impact on other provision, the case studies identified one case where the extended hours will impact on other funded provision. There is currently a locally funded policy in LA M which provides an additional 10 hours of free early education to around 80 percent of the most disadvantaged three and four year olds in nursery classes in primary schools and in nursery schools. The LA has decided to phase out this policy with the introduction of 30 hours free childcare and these additional 10 free hours will no longer be available from September 2019. This means that some disadvantaged children with parents who are not working will no longer receive additional free hours.

5.3 Summary and recommendations

In summary, the findings on sufficiency in delivery and adverse effects on other types of provision are broadly similar to those from early implementation:

- As in early implementation, the quantitative evidence from early rollout did not indicate any insufficiency in the delivery of the extended hours to meet demand and there were signs that provision had expanded because of the extended hours and that there is capacity to offer more places. However, the case study evidence indicated that some parents were not able to use the number of extended hours they wanted or use them when they wanted them. These difficulties were partly related to a lack of time to plan to increase provision and partly due to the more limited spare capacity in the summer term of the school year.
- As in early implementation, there were no indications of any substantial adverse effects on other free entitlement and paid provision, although LAs were closely monitoring any early signs of adverse effects on free entitlement provision. However, early rollout also highlighted a case in one LA illustrating potential adverse effects on other types of free provision where an existing local programme offering additional free hours to more disadvantaged three and four year olds will be phased out because of the extended hours and disadvantaged children with parents who are not working will no longer receive free additional hours.

- As in early implementation, the evidence suggested that expansion in provision could be limited by staff recruitment difficulties or limited venue space (particularly for playgroups using shared venues). In addition, early rollout showed that low demand for extended hours could be a barrier to expansion, particularly for playgroups in disadvantaged areas and for childminders in areas with traditionally low parental demand for childminding provision and childminder engagement with the free entitlement is low.

This evidence supports the recommendations for the national rollout from early implementation with some modification to recommendation (D)³⁶:

(D) Compared with early implementation, the early rollout tested sufficiency in conditions more akin to those in the national rollout, but it is still recommended that a national level review of sufficiency in the delivery of extended hours places and impacts on other types of provision would be helpful in April 2018 when demand will be peaking for the summer term and the policy has had more time to establish itself across all LAs.

(E) In case a substantial expansion in capacity is required to meet the demand for the extended hours, consideration could be given to the sharing of any learning on facilitating utilisation of existing building space (currently being explored by some early innovators); provision of capital funding for small and large expansion projects; and continued support for increasing the supply of good practitioners through the Early Years Workforce Strategy presented in March 2017.

³⁶ The recommendation from early implementation had been worded: “Given the limited test of sufficiency during early implementation, a national level review of sufficiency in the delivery of extended hours places and impacts on other types of provision would be helpful in April 2018 when demand will be peaking for the summer term.”

6. Did providers work in partnerships?

This chapter explores the evidence from early rollout which can inform on the likely development of partnership working in the national rollout. The first section presents evidence on the development of partnerships during early rollout, while the second highlights the findings on good shared care practice. The final section offers some recommendations on partnership working and shared care in the national rollout.

6.1 The development of partnerships during early rollout

During early rollout, 11 percent of providers delivering the extended hours reported that they had formed new partnerships in order to deliver the extended hours (table 22). This proportion was lower than the 20 percent of providers who reported forming new partnerships to deliver the extended hours in early implementation. The proportion was similar across provider types, although new partnerships were very slightly more likely to be formed with childminders than other provider types.

Table 22: New partnerships to deliver extended hours

	Private	Voluntary	Childminder	Maintained	All types
Proportion forming new partnerships	10%	13%	12%	9%	11%
Most prevalent types of new partnerships					
With private	2%	2%	3%	3%	2%
With school nursery class	2%	1%	5%	0%	2%
With childminder	4%	5%	4%	3%	4%
With primary school	1%	5%	1%	0%	1%
Number of providers delivering extended hours	369	129	257	80	851

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: The proportions in the most prevalent types can sum to more than the first row because a setting may have formed more than one new partnership. Private does not include independent school settings in this table. A very small number of new partnerships were formed with other types of providers including voluntary, independent schools, nursery schools, out-of-school clubs, and LA-run settings.

The case studies found that shared care arrangements were promoted in the early rollout as an option for delivering the extended hours, with joint delivery seen as particularly important in rural areas. Childminders, and to a lesser extent out-of-school clubs, were seen as potentially playing an important role in delivering the extended hours in collaboration with pre-schools and day nurseries. Local 30 hours briefings in all areas covered partnership working and one area, with support from Childcare Works, promoted

different partnership arrangements through 24 partnership sessions. This experience had raised awareness of the key role that shared care arrangements played in meeting local families' needs. As the early rollout manager explained:

“As a local authority, we pay providers for funded places, but how that works in a community base together - with childminders, with schools, with day nurseries, with the pick-ups and drop-offs and the expanded provision - we didn't realise how much of that was happening for individual families.”

However, shared care arrangements in the early rollout were typically parent led and preceded the extended hours, possibly partly because there had been little time for providers to set up any new collaborative arrangements. Furthermore, unlike in the early implementation, shared care in the early rollout did not seem to be supported by broader approaches to partnership working such as providers signposting families to other settings when they could not meet a family's needs or providers working together to consider their responses to changes in local demand and how their business plans may (negatively) affect other local providers. Again, this may have been due to the limited time available for the early rollout, but none of the LAs had any plans at the time of the evaluation fieldwork to develop broader partnership working approaches along the lines of some of the approaches found in the early implementation.

6.2 Shared care practice

As in early implementation, good practice in shared care arrangements varied in the early rollout. Some providers showed a good awareness of key processes and practices to ensure continuity of care, such as regular verbal information exchanges or “learning journey books”. Some providers were aware of the importance of exchanging information on a child's progress and planned activities to ensure that inputs from different settings were complementary. Providers understood that collaboration between settings was particularly important when a child had additional needs or specific difficulties. However, understanding of good practice in shared care was not universal and some providers believed it was entirely or mainly up to parents to decide if and what information should be shared between settings and to facilitate the exchange of information.

The case studies also identified barriers that could undermine partnership working, which again reflected the findings from the early implementers:

- Some childminders felt that staff in group settings did not treat them as “equal” and this was particularly evident when their efforts to share information about children in shared care were largely ignored. As an early rollout manager explained:

“We still have a pecking order, with the best will in the world, perceptions of who does education and who does care, that we are trying really hard to even out...”

- Similarly, a holiday club manager reported that her written requests to pre-schools to find out about a child’s progress, needs and “next steps” when families book a place typically only received responses from around half of settings even when chased.
- Good shared care practice requires time. Providers, who were already struggling to find the time to share information, wondered how they could cope if the extended hours meant they were going to be busier and had more children using more than one provider.
- Some settings were not allowing parents to split their free entitlement hours with other providers.
- There was concern among some providers about ensuring that parents did not “over-claim” free entitlement hours when they were used more than one provider.

6.3 Summary and recommendations

In summary, the evidence from the early rollout supported the findings from early implementation that:

- Partnership working can support providers to deliver the extended hours and is encouraged by the greater need for shared care with the introduction of the extended free entitlement hours.
- There is a potential role for LAs to support the development of partnerships in order to support the delivery of the extended hours, especially those involving childminders and out-of-school clubs.

This evidence supports the recommendations for the national rollout from early implementation with some modification in wording³⁷:

(F) LAs need to actively support the development of new and effective partnerships.

(K) To help support the use of multiple providers, national or local training and workshops for providers could promote good shared care practice for children using multiple providers. Consideration could also be given to the provision of information and example cases for parents on how to manage a good package of care when using multiple providers.

³⁷ The wording of recommendation (F) for early implementation was “LAs should consider how best to identify the specific challenges to partnership working in their area and how they support the development of new and effective partnerships”. The modification strengthens the wording for LAs to play an active role in the development of partnerships.

7. How flexible and free were the extended hours?

This chapter explores the evidence from early rollout which can inform on how well extended hours places will meet the childcare needs of working parents in the national rollout. The first section considers opening times (including holiday provision) and the adjustments needed by some providers to offer the extended hours during early rollout, while the second section examines the flexibility offered to parents in when they can use the extended hours. The third section presents evidence on additional charges and whether parents were expected to make any payments to access the extended hours. The penultimate section considers how providers' need to achieve a financially sustainable model was closely related to the extent to which the extended hours were "flexible and free". The final section offers some recommendations around supporting the flexibility of the extended hours offer and the role of additional charges in the national rollout.

7.1 Opening times

Providers' opening times are important both for contributing to the sufficiency of delivery of the extended hours (by determining whether 30 hours can be taken at a single setting) and for allowing parents to use hours at times which can help facilitate work.

Because the evaluation survey of providers covered all registered providers in the four early rollout areas, it was possible to compare opening hours for those delivering the extended hours with those not delivering them. As in early implementation, the dominant pattern for daily opening times among providers delivering the extended hours was an "extended day", defined as opening before 9am and / or after 3pm, which was offered by 82 percent of providers (table 23).³⁸ Another 12 percent offered a "short day", defined as being only open between 9am and 3pm. Unsurprisingly, the extended day was more common among private providers and childminders and less prevalent among maintained and voluntary providers.

Providers not delivering the extended hours were less likely to be open for an extended day (70 percent) and more likely to be open only mornings (10 percent) or for wraparound care only (8 percent). The differences in these proportions between those delivering the extended hours and those not were greatest for voluntary and maintained providers (less than half of those not delivering the extended hours were open for an extended day), while opening hours for childminders were broadly similar for providers delivering and not delivering the extended hours.

³⁸ The case study work indicated that it was not unusual for providers to open only 5 to 10 minutes before 9am or to remain open only until 3.30pm, indicating that the "extended day" definition used in the survey should not be interpreted as always meaning a substantially longer day.

Table 23: Opening times during the day

	Private	Voluntary	Childminder	Maintained	All types
Providers delivering extended hours					
Morning only	1%	4%	<1%	1%	1%
Afternoon only	0%	0%	0%	0%	0%
Short day	14%	26%	0%	19%	12%
Extended day	81%	68%	91%	76%	82%
Wraparound only	4%	2%	8%	4%	5%
Other	<1%	0%	<1%	0%	<1%
Total	100%	100%	100%	100%	100%
Number of providers	369	129	253	80	847
Providers not delivering extended hours					
Morning only	10%	18%	1%	33%	10%
Afternoon only	0%	0%	1%	0%	1%
Short day	12%	40%	1%	15%	10%
Extended day	68%	38%	87%	49%	70%
Wraparound only	8%	3%	9%	2%	8%
Other	3%	3%	1%	2%	2%
Total	100%	100%	100%	100%	100%
Number of providers	77	40	164	55	346

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Morning only means only open before 12pm; afternoon only means only open after 12pm; short day means only open between 9am and 3pm; extended day means open 9am to 3pm and before 9am and/or after 3pm; wrap around means only open before 9am and / or after 3pm and other means a different pattern of opening hours. Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. Italics indicate statistics based on samples of less than 50.

Similar, but stronger, distinctions between providers delivering and not delivering the extended hours were observed in the proportions open continuously through the day (table 24). Almost all (95 percent) of providers delivering the extended hours were open continuously through the day, while only three quarters (77 percent) of those not

delivering the extended hours were. The differences were larger for voluntary and maintained providers with around half of those not delivering the extended hours not open continuously throughout the day compared to less than 10 percent of those delivering the extended hours. Even for private providers, almost a quarter of those not delivering the extended hours are not open continuously compared to just 5 percent for those delivering the extended hours.

Table 24: Continuous opening through the day

	Private	Voluntary	Childminder	Maintained	All types
Providers delivering extended hours					
Continuous opening	95%	91%	98%	94%	95%
Not continuous opening	5%	9%	2%	6%	5%
Total	100%	100%	100%	100%	100%
Number of providers	368	129	252	80	845
Providers not delivering extended hours					
Continuous opening	76%	55%	94%	48%	77%
Not continuous opening	24%	45%	6%	52%	23%
Total	100%	100%	100%	100%	100%
Number of providers	76	40	162	54	342

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Italics indicate statistics based on samples of less than 50.

It is important to note that a substantial proportion of providers not delivering the extended hours were open for the extended day or continuously throughout the day, supporting the earlier evidence that insufficient opening hours is not a primary reason that providers are not delivering the extended hours. Nevertheless, almost half of voluntary and maintained providers and around one quarter of private providers not delivering the extended hours are not continuously open throughout the day and substantial proportions were only open in the mornings, indicating that these providers would only become involved in the delivery of the extended hours if they changed their opening hours or shared care with another provider.

Interestingly, the distinctions between providers delivering and not delivering the extended hours are not so large for term time and holiday opening (table 25), possibly

because the policy is primarily presented as an offer of free hours for 38 weeks each year (even though spreading the offer across the year is permitted). Only 61 percent of providers delivering the extended hours were open both in term time and in school holidays. Most notably, only 19 percent of voluntary providers and 10 percent of maintained providers delivering the extended hours were open throughout the year.³⁹ Indeed, only 64 percent of private providers delivering the extended hours were open year round. The proportion of providers not delivering the extended hours who are open throughout the year is lower across all provider types (and 54 percent of all types). However, the important finding is that the low proportion of non-childminder providers delivering the extended hours who are open throughout the year may limit the ability of many providers to offer the extended hours spread throughout the year.

Table 25: Term time and holiday opening

	Private	Voluntary	Childminder	Maintained	All types
Providers delivering extended hours					
Term time only	35%	81%	6%	90%	39%
School holidays only	<1%	0%	<1%	0%	<1%
Both	64%	19%	94%	10%	61%
Total	100%	100%	100%	100%	100%
Number of providers	369	129	253	80	847
Providers not delivering extended hours					
Term time only	53%	98%	11%	91%	45%
School holidays only	1%	0%	1%	2%	1%
Both	45%	3%	88%	7%	54%
Total	100%	100%	100%	100%	100%
Number of providers	77	40	163	55	345

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. Italics indicate statistics based on samples of less than 50.

³⁹ There was a similar pattern in early implementation, although the proportions opening in both term time and school holidays were slightly higher at 73 percent, 26 percent, 95 percent, 20 percent and 66 percent for private, voluntary, childminder, maintained and all types of providers.

One reason that providers delivering the extended hours tend to have longer opening hours than those not delivering them could be that those with longer opening were more likely to offer the extended hours. A second reason could be that those delivering the extended hours responded to the policy by extending their opening times. The evaluation survey of providers directly asked providers delivering the extended hours whether they had extended their opening times. Around one in ten providers (12 percent) had made at least one change and the most prevalent changes involved opening earlier or opening later in the day (table 26). Changes were also slightly more likely among voluntary providers and less likely among childminders, which is not surprising given that longer opening tends to be less common among voluntary providers and more common among childminders. Very few providers of all types (just 2 percent) had begun to open in the school holidays, while almost none had started to care for children on the weekend.⁴⁰

Table 26: Extensions to opening times

	Private	Voluntary	Childminder	Maintained	All
Proportion extending opening hours	14%	24%	5%	9%	12%
Proportions starting to open:					
- earlier in the day	8%	14%	6%	5%	8%
- over lunch	6%	5%	1%	2%	4%
- later in the day	8%	14%	5%	7%	8%
- at the weekend	0%	1%	1%	0%	<1%
- more weekdays	3%	7%	2%	2%	3%
- during holidays	3%	2%	2%	1%	2%
Number of providers delivering extended hours	369	129	253	80	847

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

As in early implementation, the early rollout case studies found that day nurseries and childminders did not typically think they had to modify their opening times to offer the extended hours as these were already reported to be in line with working parents' needs. The interviews with parents in the case studies confirmed providers' accounts that day

⁴⁰ These findings were very similar in early implementation, with 11 percent of all providers delivering the extended hours having extended their opening hours in some way, although the proportion was highest among maintained providers and lowest among private providers.

nurseries' and childminders' opening times were in line with their needs. The offer had encouraged greater flexibility among some playgroups (as it had in early implementation), typically building on previous moves to make the service more responsive to working parents' needs. There was evidence that some of these settings were gradually moving towards a full-time service model through a series of small steps such as switching from offering one to two sessions a day, increasing opening hours, providing wraparound and holiday provision. For some playgroups, restrictions on venue use meant that a very big step (moving to a more expensive venue) was required to further increase flexibility. While decisions with substantial cost implications had not been ruled out, providers were rather cautious at this stage, postponing this kind of decision until they could get a better indication of how parental demand may change.

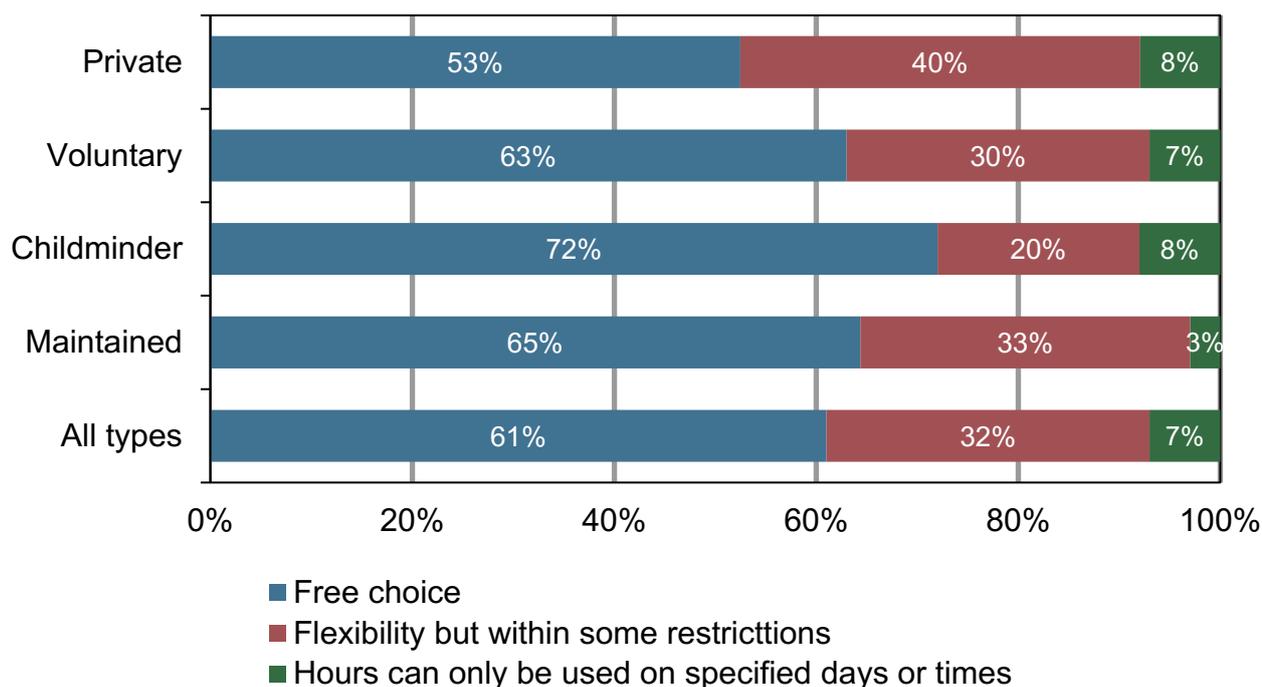
7.2 Flexibility for parents

Providers delivering the extended hours were asked about the flexibility with which parents could use the hours in the evaluation survey. It should be noted that this measure may be a challenging concept for providers as the degree of flexibility will depend upon individual parents' demands. Indeed, provider responses will reflect a general level of flexibility across parents using their setting which does not preclude that some parents' perception of flexibility may be quite different from the provider's. In addition, it should be borne in mind that during early rollout, some parents will be replacing ongoing use of paid hours with the free extended hours and the flexibility offered for the paid hours may have been greater than will be offered when the hours are initially offered as free ones.

Similar to the survey responses in early implementation, some 61 percent of providers delivering the extended hours reported that parents had free choice when they used the extended hours, with 32 percent reporting that parents had flexibility within some restrictions and only 7 percent reported that the extended hours had to be taken on days or at times specified by the provider (figure 11).⁴¹ A very slightly higher proportion of maintained providers reported they offered a free choice or flexibility with some restrictions. The most common type of restriction was that the extended hours could only be taken during specific time periods of the day (reported by one in five private and maintained providers), although providers also reported restrictions in terms of only allowing the hours to be taken over a specific number of weeks in the year or over a certain number of days in the week and a few reported that parents could only take the hours when they had space (table 27).

⁴¹ The precise proportions in early implementation were 51 percent, 39 percent and 10 percent.

Figure 11: Parental choice in using extended hours



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 369, 129, 252, 80 and 846 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours.

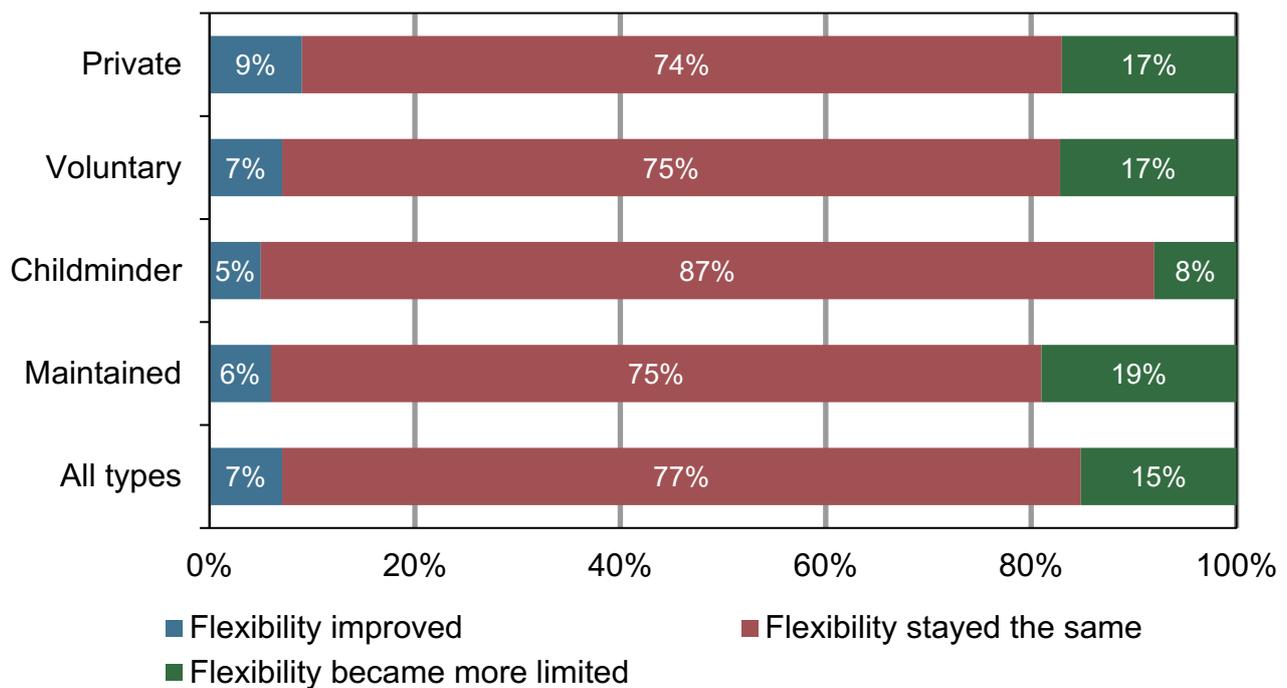
Table 27: Restrictions on parental choice in using the extended hours

	Private	Voluntary	Childminder	Maintained	All
Can only be taken over a specific number of weeks in the year	10%	6%	6%	5%	7%
Can only be taken over a certain number of days in the week	8%	3%	6%	9%	7%
Can only be taken during specific time periods in the day	21%	11%	4%	21%	14%
Depends upon when have spaces	3%	5%	3%	3%	3%
Other specific restriction	5%	5%	2%	1%	4%
Number of providers delivering extended hours	369	129	253	80	847

Source: Early Rollout Evaluation Survey of Providers, 2017

Very similar to the findings from early implementation, most providers (77 percent) who had some children using only the universal 15 hours free entitlement reported that the extended hours had not affected the flexibility of the universal 15 hours, although 15 percent reported that the offer had become more limited because of the extended hours while 7 percent reported that it had become more flexible (figure 12). A slightly lower proportion of childminders than other provider types reported that flexibility had improved.

Figure 12: Provider report of change in flexibility for universal 15 hours entitlement



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 367, 126, 174, 79 and 762 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours with three and four year olds using only the universal 15 hours free entitlement.

Parents in the case studies reported a range of limitations on how they could use the free entitlement hours. Some of these limitations preceded the extended hours and applied to paid hours, as well as the free entitlement. These included the need to book for provision parents did not need, as typically settings require a booking for a whole day or half a day even if parents do not need all hours in the day/half day. Parents’ whose working hours varied (for example, because they worked shifts or had zero hours contracts) found it frustrating that childcare arrangements could not be changed at short notice in line with their work patterns. In addition, while the offer had encouraged some settings to become more flexible, an increase in demand had led to a decrease in flexibility among other settings as they could prioritise requests that would enable them to maximise their occupancy and could turn down requests for very part-time places (such as wraparound provision).

Parents also reported limitations on the use of provision which were specific to the free entitlement. They believed that some of these limitations had been introduced specifically for the extended hours, while others were not new and had applied to the universal entitlement as well. The findings from parents reflected the accounts from providers about the limitations on the use of the free entitlement that they applied or planned to apply. For example:

- Some settings only offered the free entitlement if parents took the full 30 hours at the setting.
- In some settings, the extended hours had to be taken over a specified number of days (for example, over three days).
- Free entitlement hours were offered in five-hour sessions either in the morning or the afternoon and any hours outside the session selected for the extended hours had to be paid for.
- A setting that was open for a ten-hour day capped the free entitlement hours to nine a day, because parents do not consistently use ten hours as they may drop off children later or pick them up early.
- Some settings only offered the free entitlement hours during term time, while others only provided the “stretched” offer.
- Free entitlement hours could not be used for specific sessions which attracted a “premium rate”, such as very early opening sessions or at the weekend.
- Free entitlement hours were offered at less popular times when there was plenty of spare capacity, such as afternoon sessions or Fridays.
- An independent school only offered extended hours to parents who signed up for the whole 37-hour week.

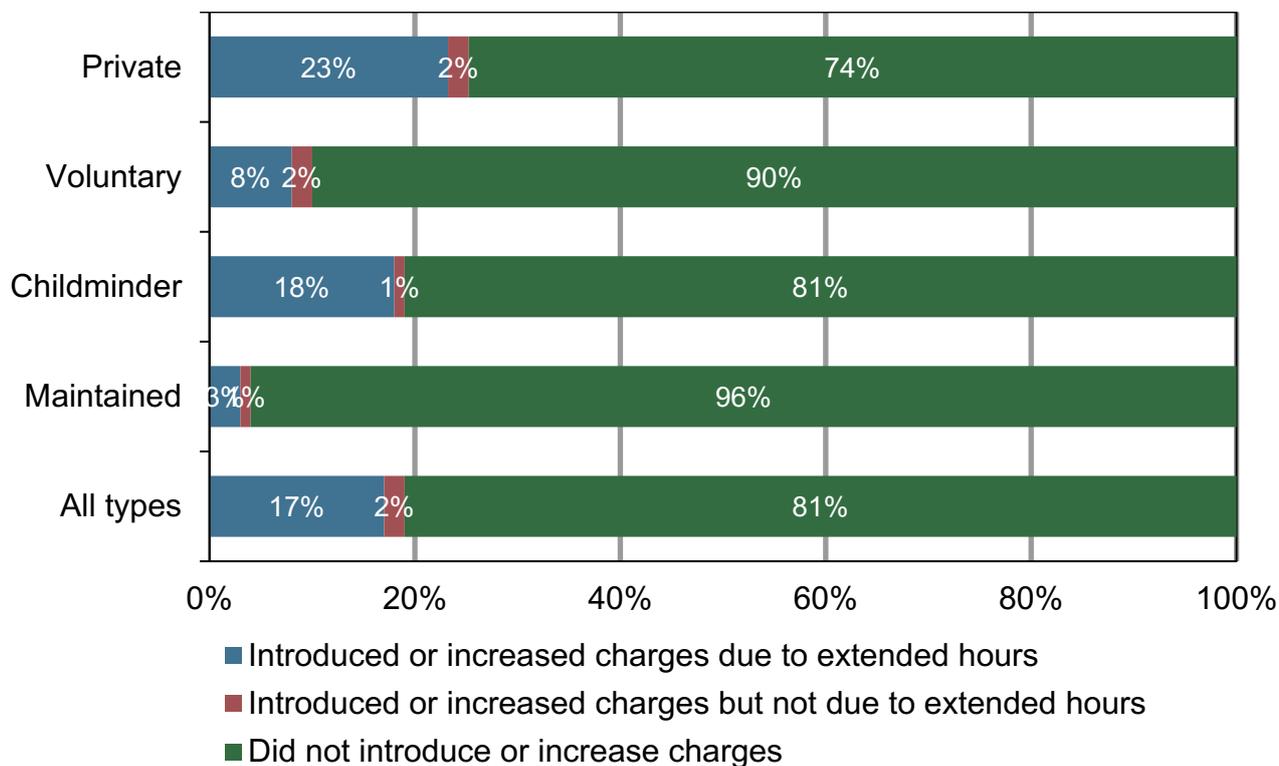
As will be discussed below (in section 7.4), some of these limitations were considered necessary to adapt the extended hours offer to the setting’s business model and to ensure the setting could offer the extended hours in a financially sustainable way. However, it was not always the case that limitations were introduced, or were being considered, for financial reasons. For example, the independent school mentioned above asked parents to sign up for the full day as it would be disruptive for children if some were allowed to arrive and leave at different times. In addition, the manager of a day nursery explained that:

“We don’t have capacity to let all parents increase their hours to make use of the full 30 hours so there will be restrictions from September.”

7.3 Additional fees and charges

In the evaluation survey, 17 percent of providers delivering the extended hours reported that they had introduced or increased charges because of delivery of the extended hours (figure 13). This was most prevalent among private providers (23 percent) and least prevalent among maintained providers (3 percent).⁴²

Figure 13: Increases in charges



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 366, 129, 252, 80 and 842 for private, voluntary, childminder, maintained and all types of providers delivering extended hours.

The most common type of charge introduced or increased was for meals (12 percent of all providers delivering the extended hours), but charges were also introduced or increased for extras such as consumables, music lessons or outings (8 percent) and for registration or other administration (4 percent). The patterns across these types of charges were similar across different types of providers (table 28).

⁴² The proportions were very similar in early implementation: 29 percent, 3 percent, 13 percent, 10 percent and 14 percent for private, voluntary, childminder, maintained and all types of providers.

Table 28: Type of charges introduced or increased

	Private	Voluntary	Childminder	Maintained	All
For meals	18%	5%	12%	3%	12%
For extras such as consumables, music lessons or outings	8%	3%	12%	1%	8%
For registration or other administration	5%	2%	6%	0%	4%
Number of providers delivering extended hours	369	129	253	80	847

Source: Early Rollout Evaluation Survey of Providers, 2017

In the case studies, some parents reported that charges for extras had increased or had been introduced for the first time and parents were not always aware that these charges were optional. In addition, the interviews with parents found that when use of free entitlement hours was restricted to specified times as outlined above, some parents were unable to use all their free entitlement hours and had to pay for provision outside these specified times. Some parents also noted that fees for paid hours were now more expensive. This meant that while some parents were accessing the extended hours completely free, others were required to make payments and did not always understand why they were still paying and what they were paying for.

Parents' views about the payments associated with the extended hours varied and depended largely on how much they paid and their understanding of what they were being charged for. Some parents considered the extended hours a big discount on their childcare bill and a "huge help". These were typically parents who were paying considerably less than in the past and did not seem to be worried about the charges even when they were not clear what they were for. As these parents explained:

"I haven't really questioned what the breakdown is as I was paying more before"

"...we weren't potentially expecting an additional charge, but ... it's still cheaper than it was before."

"I'm not sure how the discount works but I was delighted and I trusted the nursery to do the calculations."

There were also some parents who were paying considerably more than they had expected when they first heard about the extended hours and were not happy about it. For example, a mother who was previously receiving the two year olds offer and was not paying anything for these 15 hours, increased her weekly hours to 20 (stretched over the

school holidays) when the child became eligible for the extended hours. She was now paying £48 a month if she was using eight days in the calendar month and £98 a month if she was using nine days in the calendar month. As she explained:

“So really for an extra five hours difference from what I was doing before I’m actually having to pay quite a lot more... It’s not really fair...what I don’t really understand why it isn’t free... I found it misleading that it’s sort of advertised as being free but it’s not, because I still have to pay.”

Another parent reported that:

“I do find that really annoying [paying for extras]... cos they’re saying they’re not being paid enough but, to be quite honest, that’s not my problem...I know it’s still a saving, but it’s not quite what it says on the tin as you’re having to pay £80 a month extra.”

Other parents were not saving as much as they hoped, but they understood why as the setting had discussed the reasons for this with them. As these parents explained:

“... it’s their business and their livelihood...if they’re getting ...£2 an hour less from the government than what they’re charging, they’re going to lose out and it’s a decent nursery. You don’t want it to close...”

“...they are losing out so I understand why a lot of childminders and nurseries ...are saying “we don’t know how we’re going to sustain it”, so I completely understand ... if they want to hike the prices up a little bit...”

Parents appreciated settings being open about why and how they had to charge. For example, a parent explained that with the extended hours the nursery introduced a “snack charge” of £50 a month. Parents initially complained about this, but understood and accepted this change when the nursery explained that they had to charge a “top up” to stay in business. This parent thought this was fair but also expressed the view that the government should call the policy “subsidised” hours rather than “free” hours.

Other parents were unhappy about paying and the fact that the setting had not made it clear why and how they were being charged for the extended hours. As these parents explained:

“..our nursery is quite secretive as to how they’ve calculated the money...and would not tell me in advance how much I’d be saving.”

“I think the nursery must be making more money out of this, and not passing on the benefit to us.”

“...for me there is a bit of transparency issue because we don’t know what the nursery’s getting paid by the Department of Education.”

7.4 Achieving a financially sustainable model

As indicated above, restrictions on when parents could use the extended hours and parental payments associated with the extended hours (either in the form of paying for additional hours or as charges for additional extras) were seen as part of a broader approach for some settings to make delivering the extended hours financially sustainable. This section explores the relationships between achieving a financially sustainable model and the extent to which the extended hours were “flexible and free”, while the broader impact of delivering the extended hours on providers’ costs and profits is explored in the next chapter.

The evidence from the case studies showed that different types of providers made the offer work financially in different ways and that the support needed from the LA varied by setting type.

For some **day nurseries**, the extended hours meant that a considerably higher proportion of their income came from free entitlement provision and a correspondingly lower proportion from parent fees. If the funding was lower than the parent fees it replaced, this could mean that they had to negotiate with the LA to find a sustainable way to make the switch. Compared with early implementation, day nurseries in the early rollout had made progress in identifying ways to make the offer financially viable with help from the LA and professional associations and by looking at the funding models developed by some day nurseries in the early implementation. These approaches included:

- Providers limited the number of completely free entitlement places.
- Providers ensured that parents still paid for some hours as well as receiving the free entitlement hours. Some providers also introduced differential fee rates for those receiving free entitlement hours and those not.
- Because providers can only claim for free entitlement hours that parents actually use, some limited the booking of free entitlement hours to when parents would definitely use them. For example, if parents booked a 10 hour day but were unlikely to always use the full 10 hours every day due to variations in the drop off and pick up times, providers would only permit them to use nine free entitlement hours and the tenth hour would be paid for by parents.

Playgroups were already typically relying largely on LA free entitlement provision and the main issue for financial sustainability was whether the funding was sufficient to cover the additional costs associated with longer and more flexible provision. LA support to find a sustainable business model was particularly important for voluntary playgroups that had limited business expertise and resources. If they needed to raise more money from parents to be financially viable, they also needed support on how to introduce charges for extras or paid hours as they typically had limited experience of making such charges.

For **childminders**, the key adjustment was (greater) involvement with free entitlement provision. For some, this was a welcome switch to a more stable income source, but others were concerned about a potential loss in income, particularly in LA L where the funding rate for childminders will drop considerably in September 2017. Compared to day nurseries, childminders seemed less aware of the options to make the offer financially viable and less confident that the options would comply with DfE guidance. Childminders also seemed keen to maintain an inclusive rate as charging separately for outings, lunches and other extras raised the logistical difficulties discussed above. Like playgroups, childminders needed support from the LA to understand the financial implications of delivering the extended hours and finding a sustainable way of delivering the offer.

In early implementation, several issues were identified around the guidance on the flexibility of the extended hours offer and additional charges and other associated payments. LAs reported that they were finding it challenging to interpret some of the guidance and needed greater support from DfE to provide definitive answers when they were challenged by providers or parents on the interpretation. They also needed greater clarity on what to do if providers breached the conditions. The evidence from early rollout suggests that DfE has played a stronger role in helping LAs to guide providers to develop business models which both support their financial sustainability and are within the guidelines for the free entitlement provision.

7.5 Summary and recommendations

In summary, the evidence from the early rollout broadly supported the findings from early implementation that:

- Most providers delivering the extended hours did not need to extend their opening hours as they were already offering full-day provision, but 12 percent had increased their opening hours in response to the extended hours. However, only 19 percent of voluntary providers and 10 percent of maintained providers (and 64 percent of private providers) delivering the extended hours were open throughout the year. This may limit the ability of many providers to offer to spread the extended hours throughout the year.
- Most providers not delivering the extended hours were open for an extended day or continuously throughout the day, showing that insufficient opening hours is not a primary reason that providers are not delivering the extended hours. Nevertheless, almost half of voluntary and maintained providers and around one quarter of private providers not delivering the extended hours are not continuously open throughout the day and substantial proportions were only open in the mornings, indicating that these providers would only become involved in the delivery of the extended hours if they changed their opening hours or shared care with another provider.

- Most providers reported that they offered parents a free choice or at least some choice in when they took the extended hours. However, there were several ways in which some providers limited parental choice mainly to ensure that the offer did not undermine the setting's financial viability.
- Around 17 percent of providers had introduced or increased additional charges for parents because of the extended hours. More broadly, some parents reported payments associated with the extended hours and parents were not always clear what the charges were for. Some parents were paying nothing or substantially less than they had previously and regarded the offer as a huge financial help. Other parents had expected the extended hours to result in a larger saving on their childcare bill and some were paying more than they had before because they had increased the hours of childcare. Some parents understood that settings had to charge for additional costs to remain financially viable, but others resented the additional charges.
- The degree to which the extended hours were “flexible and free” was closely related to how providers were achieving a financially sustainable business model to deliver the extended hours. Compared with early implementation, evidence from the early rollout showed that some providers had a better understanding and more confidence about developing what they considered financially viable models for delivering the extended hours in different ways, with support and advice from LA early years staff. Day nurseries appear to have particularly benefited from the financial models developed during the early implementation. The early rollout evidence from providers and LAs suggested that DfE was playing a stronger role than had been observed in early implementation in helping LAs to guide providers to develop business models which both support their financial sustainability and are within the guidelines for the free entitlement provision.

The evidence from the early rollout suggests the following recommendation for the national rollout (which replaces that from early implementation⁴³):

(G) DfE should continue to fully engage with LAs to support providers to develop financially sustainable models of delivery for the extended hours which ensure consistency of interpretation and application of the guidelines on flexibility, additional charges and parental payments for additional hours.

⁴³ The recommendation from the early implementation was: (G) Improvements in the guidance for the extended hours could be considered including greater clarity on parental rights over some aspects of flexibility; creating a balance between allowing some additional charges while ensuring they do not deter take-up of the extended hours; greater clarity for LAs on what they could do if providers breach the conditions; and greater support from DfE to provide prompt and definitive answers when LAs are challenged by providers or parents on how the guidance is being implemented.

8. What was the financial impact for providers?

This chapter explores the evidence from early rollout which can inform on the possible financial impact on providers of delivering the extended hours in the national rollout. The first section presents evidence on the impact of delivering the extended hours on providers' costs and profits, while the second analyses the relationships between the impacts on costs and on profits. The final section offers some recommendations for considerations in setting funding rates following the national rollout.⁴⁴

8.1 Financial impacts during early rollout

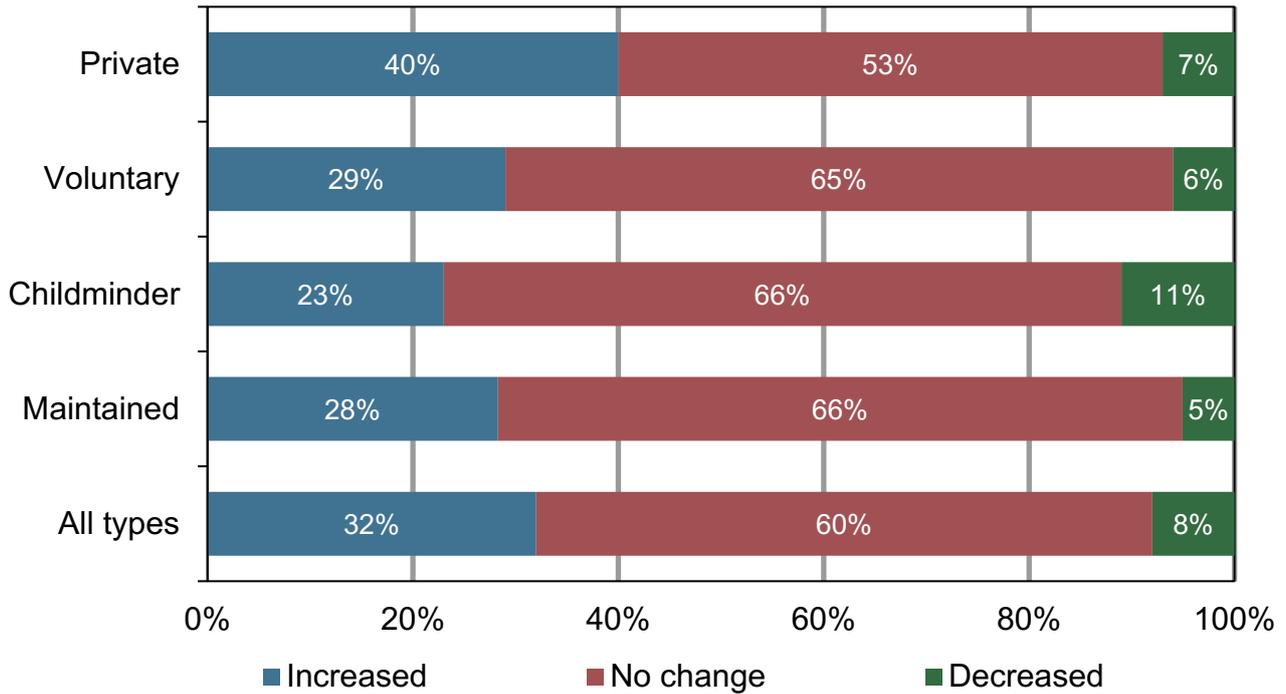
One potential impact of the 30 hours free childcare is that it may reduce the hourly delivery cost per child⁴⁵ by increasing occupancy rates for providers. On the other hand, extending opening hours or offering greater flexibility to parents in when they can use hours may raise the delivery cost, while expanding provision could raise or lower delivery costs. The change in the balance of income from parental fees to government funding could also impact on providers' profits independent of any effect on delivery costs.

Providers' responses to the evaluation survey question asking about the impact on delivering extended hours on hourly delivery costs per child during early rollout were almost identical to those for early implementation. Just 8 percent of providers reported that the delivery cost had decreased because of the extended hours, while 60 percent reported there had been no change and around one third (32 percent) reported that costs had increased as a result of delivering the extended hours (figure 14). Almost half of private providers reported that the extended hours had an impact on their delivery cost, with 40 percent reporting that costs had increased as a result of the extended hours but 7 percent reporting that costs had decreased. Smaller proportions (around one third) of other types of providers reported an impact, but childminders were most likely to report that costs had declined relative to the proportion reporting a rise. However, there were no great distinctions in the pattern of changes across LAs (table 50 in Annex B).

⁴⁴ A description of the funding rates for the free entitlement hours from DfE to LAs and then from LAs to providers is summarised in table 5 in section 3.3.

⁴⁵ Throughout, cost refers to the cost for each child per hour, sometimes termed the "unit cost".

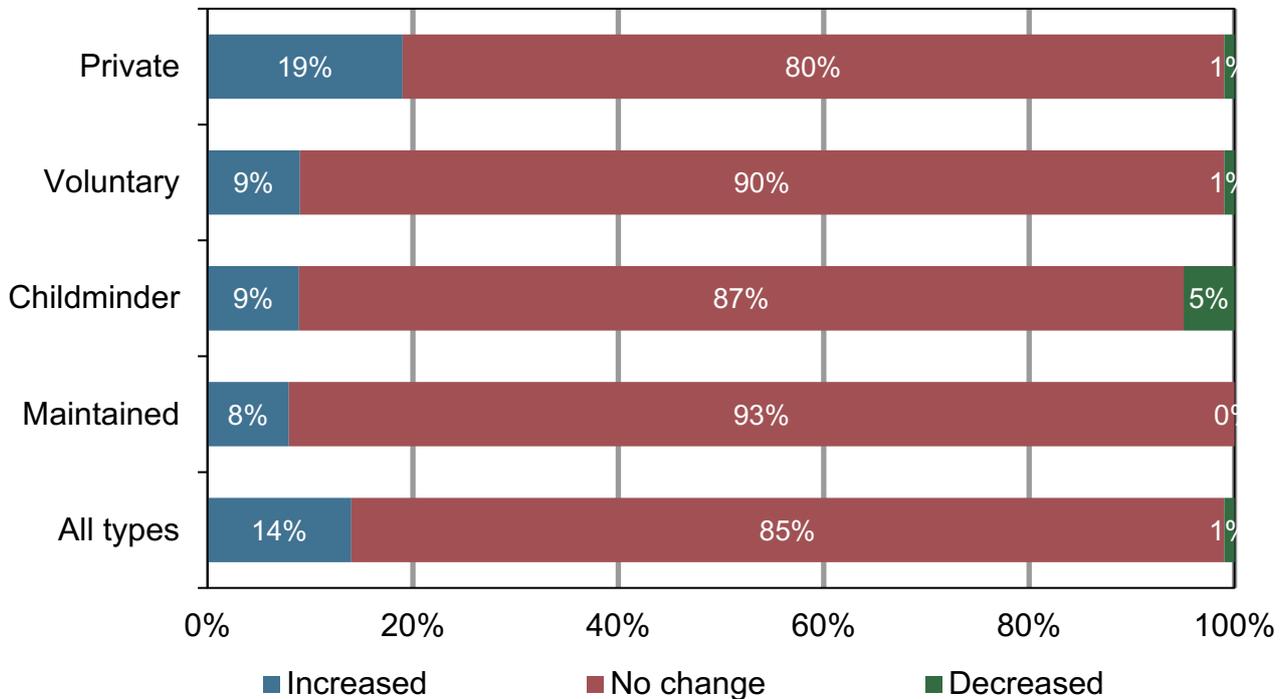
Figure 14: Changes in delivery cost due to the extended hours



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 347, 121, 245, 74 and 801 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours. Delivery cost is hourly cost per child.

Figure 15: Changes in hourly staff pay due to the extended hours

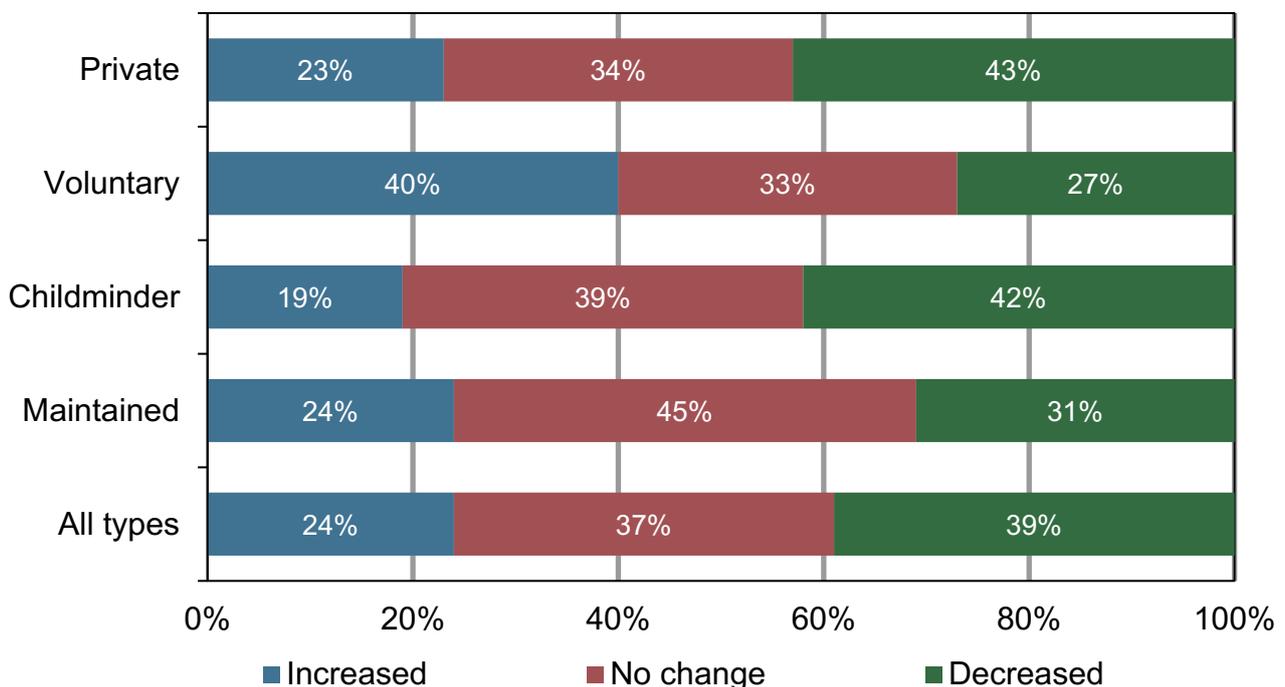


Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Sample sizes are 365, 127, 104, 80 and 692 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours and employing paid staff.

A key cost element in childcare provision is the cost of staff and one driver of rising costs with delivery of the extended hours could be the need to hire more expensive staff (that is, those with higher hourly costs) due to the use of agency staff or simply the need to attract additional workers. Only 14 percent of providers reported that hourly staff pay had risen due to delivery of the extended hours (figure 15)⁴⁶, indicating that increasing hourly staff costs was not the main driver behind rising costs for most providers. A slightly higher proportion of private providers than other types of providers reported that hourly staff pay had increased, in line with the slightly higher proportion reporting an increase in the delivery cost overall. The proportions reporting changes in hourly staff pay did not vary across LAs (table 51 in Annex B).

Figure 16: Changes in profits due to the extended hours



Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Sample sizes are 302, 97, 241, 58 and 712 for private, voluntary, childminder, maintained and all types of providers delivering the extended hours and measuring profits. Maintained providers may have interpreted the question as asking about “surplus” rather than profit strictly defined.

The impact of delivering the extended hours on providers’ profits reflects a combination of the effect of a switch in income from parental fees to funding payments as well as the effect on delivery costs presented above. Around one quarter (24 percent) of providers reported an increase in profits due to delivering the extended hours, while 39 percent reported that profits had decreased (figure 16)⁴⁷. A larger proportion of providers reported

⁴⁶ In early implementation, this proportion was 12 percent.

⁴⁷ In early implementation, 22 percent of providers delivering extended hours reported an increase in profits, 38 percent reported no change and 40 percent reported a decrease in profits.

an impact on profits than reported an impact on costs (63 percent compared to 40 percent), but the proportions indicate that a substantial part of the impact on profit could have been driven by the effects of costs rather than the change in the balance of the income sources. Voluntary providers were more likely than other types of providers to report a positive impact on profits: indeed, a higher proportion of voluntary providers reported a positive impact than a negative one. The proportions reporting positive and negative impacts were also not dissimilar for maintained providers, although these providers may have interpreted the question as asking about “surplus” rather than profit strictly defined. On the other hand, private providers and childminder were slightly more likely than other provider types to report a negative impact on profits. Across the LAs, providers were least likely to report any impact on profits in LA M and more likely to report a negative impact in LA L (table 52 in Annex B), but the sample sizes in each LA are small so no strong conclusions should be drawn from this.

8.2 Relationships between impacts on costs and profits

This section explores the relationships in the impacts of delivering the extended hours between two drivers of delivery costs (occupancy and hourly staff pay) and between the delivery cost and profit. The patterns were broadly similar across different types of providers and across LAs and the findings are therefore presented only for the entire sample of providers delivering the extended hours.

Table 29: Changes in occupancy and delivery cost due to the extended hours

	Cost decreased	No change in cost	Cost increased	All
Occupancy increased	2%	17%	15%	34%
No change in occupancy	4%	41%	16%	61%
Occupancy decreased	2%	1%	1%	5%
All	8%	60%	32%	100%
Number of providers delivering extended hours = 785				

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Delivery cost is hourly cost per child.

Providers who experienced an increase in occupancy rates because of delivering the extended hours would be expected to have been more likely to have experienced a decline in the delivery cost. Of the 34 percent of providers who experienced an increase in occupancy, only 2 percent also reported a decrease in cost while 17 percent reported no change in cost and 15 percent reported an increase in cost (table 29). In addition, a substantial proportion of those reporting no change in occupancy (61 percent) reported that cost increased (16 percent). This highlights two points. First, an increase in

occupancy as a result of delivering the extended hours was rarely sufficient to mean that overall delivery costs fell. Second, delivery costs changed for around one third of providers delivering the extended hours for reasons other than those to do with occupancy⁴⁸.

Consistent with this survey evidence, the case studies found that being able to use spare capacity and / or increase occupancy was not seen as a key determinant of financial viability for providers. While the extended hours were more attractive to providers with spare capacity, this did not appear to be a “deal breaker” in influencing views about the financial viability of the offer. Providers who thought the funding was adequate, saw the potential for increasing occupancy as an additional benefit but not essential to make the offer financially viable. Providers who considered the funding to be insufficient did not think an increase in occupancy would make up for the shortfall between what it cost to deliver a free entitlement place and the funding rate. Even in cases where the increase in occupancy had made up for the shortfall during early rollout, this was not seen as making the offer financially sustainable in the longer term because settings were not expecting to be permanently operating at low occupancy and would have filled the spare places in some other way.

Table 30: Changes in hourly staff pay and delivery cost due to the extended hours

	Cost decreased	No change in cost	Cost increased	All
Hourly staff pay decreased	0%	<1%	1%	1%
No change in hourly staff pay	6%	53%	25%	85%
Hourly staff pay increased	1%	5%	8%	14%
All	7%	59%	34%	100%
Number of providers delivering extended hours and reporting on hourly staff pay = 654				

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. Delivery cost is hourly cost per child.

Providers experiencing an increase in the hourly staff pay as a consequence of delivering the extended hours would be expected to be more likely to have experienced an increase in the delivery costs. Of the 14 percent of providers who experienced an increase in the hourly staff pay, most (8 percent) also reported an increase in the delivery cost, although a substantial (5 percent) did not report any change in cost (table 30). In addition, a

⁴⁸ This includes the 4 percent with no impact on occupancy and a cost decrease; the 16 percent with no impact on occupancy and a cost increase; the 15 percent for whom occupancy increased but costs increased; and the 2 percent for whom occupancy decreased but costs fell.

substantial proportion of those reporting no change in the hourly staff cost (85 percent) reported that cost increased (25 percent). This highlights two further points. First, in contrast to the effects of occupancy changes, an increase in hourly staff cost did tend to be related to a rise in the delivery cost overall. Second, in line with the effects of occupancy changes, delivery costs changed for around one third of providers for whom there had not been a change in hourly staff pay⁴⁹.

Table 31: Changes in delivery cost and profits due to the extended hours

	Profits decreased	No change in profits	Profits increased	All
Cost increased	20%	5%	6%	32%
No change in cost	11%	31%	18%	60%
Cost decreased	7%	1%	<1%	9%
All	24%	37%	39%	100%
Number of providers delivering extended hours and reporting on profits = 691				

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. Delivery cost is hourly cost per child.

Table 31 presents the relationships between the reported impacts of delivering the extended hours on delivery costs and the impacts on profits. If the impact on delivery cost was the sole driver of the impact on profit, providers who experienced an increase in the delivery cost would be more likely to experience a decline in profits and providers who experienced a decrease in delivery cost would be more likely to experience a rise in profits. This relationship is highlighted in the diagonal in bold in the table. Just under one third of providers reported no impacts on cost or profits and another 20 percent reported an increase in cost combined with a decrease in profits as would be expected if impacts on profits were driven only by impacts on costs. However, the 24 percent of providers who experienced an increase in profits without any decline in costs and the 18 percent who experienced a decrease in profits without any increase in costs shows that profits for a high proportion of providers were directly affected by the switch in the balance of the income source from parental fees to government funding with delivery of the extended hours. The balance in these proportions is suggestive that the change in the income source favoured providers' profits on average, but the difference is not large and the effect of the change in income source effects independent of the impact on cost cannot

⁴⁹ This includes the 6 percent with no impact on hourly staff pay and a cost decrease; the 25 percent with no impact on hourly staff pay and a cost increase; the 1 percent for whom hourly staff pay decreased but costs increased; and the 1 percent for whom hourly staff pay increased but costs fell.

be observed for the 20 percent of providers who experienced an increase in cost and a decline in profits.

As in early implementation, the case studies found that providers' views on the financial impact during early rollout depended more on the business model operated by individual settings than on external factors such as the funding rate or the local childcare market. Indeed, providers operating in the same market receiving identical funding rates expressed varying views about the level of funding.

This evidence shows that the financial impact on providers of delivering the extended hours is influenced by two sets of factors:

- a) The extent of the change in the balance in income sources from parental fees to free entitlement funding, combined with the relative level of free entitlement funding rates to parental fees. The relative level of funding to fees will depend upon the level of affluence and parental demand in the local area and the actual or perceived "quality" of the provision for which parents are willing to pay more. The survey evidence suggested that the change in income source increased and reduced profits for roughly equal proportions of providers delivering the extended hours.
- b) The impact on delivery cost which may be driven by changes in occupancy, changes in hourly staff costs or costs of adjusting provision to deliver the extended hours. The survey findings show that delivery costs were not reduced to any substantial degree by increases in occupancy, but were increased by other factors including rises in hourly staff pay and adjustments to provision needed to deliver the extended hours.

Overall, the combination of these factors means that providers reported mixed financial impacts from delivering the extended hours, although the tendency was towards higher costs and lower profits. Indeed, some providers were apparently willing to deliver the extended hours during early rollout in spite of adverse effects on their profits, either because this was an informed choice to allow profits to decline in order to deliver the extended hours (noting that lower profits does not necessarily imply loss of financial sustainability) or because they did not fully foresee the financial implications which, as explored above, could impact on their decision to continue to offer the extended hours.

However, some caution is required in applying the findings on the financial impacts on providers to the national rollout for several other reasons which were identified in the case studies. First, funding rates for some provider types in LA L will be lower in September, although they will be the same in the other three LAs. Second, the speed of the early rollout meant that some providers may not have had sufficient time to fully consider the financial implications of delivering the extended hours. Third, some providers are waiting until September to make decisions about fees, additional charges and the number of additional places to deliver. More specifically, they are waiting to see

what they learn from their own experience during early rollout; to see how other providers react to the policy; and to see how LAs and DfE implement the policy in the national rollout.

8.4 Summary and recommendations

In summary, the evidence from the early rollout supported the findings from early implementation that:

- As in early implementation, delivery of the extended hours had mixed financial impacts on providers, although the tendency was towards higher delivery costs and lower profits.
- As in early implementation, the overall financial impact on providers depended upon a combination of the impact of the change in the balance of the income source from parental fees to free entitlement funding and any impact of delivery of the extended hours on delivery cost. However, the early rollout evidence suggested two new insights on the financial impacts. First, that the change in income source increased and reduced profits for roughly equal proportions of providers delivering the extended hours. Second, that delivery costs were not reduced to any substantial degree by increases in occupancy, but were increased by other factors including rises in hourly staff pay and adjustments to provision needed to deliver the extended hours.

However, it should be noted that the financial impacts may not have been fully captured because some providers may not have had enough time to fully understand the financial implications of delivering the extended hours and others were waiting until September to adjust their provision and financial model.

This evidence supports the recommendation for the national rollout from early implementation:

(H) In future reviews of funding rates in the Early Years National Funding Formula (EYNFF), there is a need to be explicit about the level of service that the funding rates are expected to support in terms of quality and flexibility. In addition, these reviews need to consider the drivers of ongoing changes in delivery costs.

9. How did parents use the extended hours?

This chapter explores the evidence from early rollout on parents' experience of applying for and using the extended hours. The first section considers application numbers; the number of extended hours used by children; and the prevalence of shared care for extended hours places. The following sections present evidence from the case studies on promoting the extended hours to families; supporting parents to take-up and benefit from the offer; and, parents' experiences of using the extended hours and perceived benefits. The final section summarises the findings and offers some recommendations for the national rollout.

9.1 Use of the extended hours

Information on parental applications for the extended hours and use of the extended hours was collected on an ad-hoc basis from the four LAs. As described in chapter 2 (and further detailed in Annex A), the nature of this information was not consistent across the LAs and it contained some serious caveats, but some useful features of the applications and use of hours across the four LAs could be derived.

The information provided on parent applications for the extended hours varied across the LAs:

- In LA J, 90 percent of eligible applicants using free entitlement hours used more than 15 hours and 10 percent used 15 hours or less (but there was no information on ineligible applicants and applicants not using free entitlement hours).
- In LA K, 83 percent of applicants used more than 15 hours, 11 percent used 15 hours or less and 6 percent used no hours (but there was no information on whether the applicant had been deemed eligible).
- In LA L, 88 percent of applicants used more than 15 hours and 1 percent were not eligible (but there was no information on the free entitlement hours for the remaining applicants as these parents did not give consent to be included in the evaluation data).
- In LA M, 93 percent of applicants used more than 15 hours, 3 percent used 15 hours or less, 2 percent used no hours and 3 percent were not eligible.

Overall, this shows that only small proportions of applicants were deemed ineligible (1 percent and 3 percent of applicants in two of the LAs using local eligibility checking processes) and that a high proportion of applicants took up the extended hours (83 percent, 88 percent and 93 percent in three LAs).

Although the number of children receiving extended hours was considerably below the numbers estimated to be eligible in LAs J and M, around 90 percent of eligible applicants

used extended hours in both of these LAs⁵⁰ and there was no evidence in the case studies of eligible parents being unable to take up the hours. This suggests that the lower than expected numbers of children using the extended hours in these LAs was not due to low take-up once children had been deemed eligible, but was more likely due either to the lower level of awareness of the offer among potentially eligible parents or to some element of the application process.

The information provided on the use of the extended hours also varied across the LAs. In particular, the data from LAs J and K did not distinguish between free entitlement hours received under the universal 15 hours entitlement and the extended hours, but provided a combined total number of hours for children receiving extended hours. For these two LAs, the number of universal hours was assumed to be exactly 15 for all children and the number of extended hours was derived as those over and above 15. The data from LAs L and M provided the number of universal hours and the number of extended hours for each child, although the number of universal hours was reported to be 15 for all children using the extended hours in LA M.⁵¹

Measured in this way, children using the extended hours received an average of 11.7 extended hours per week and an average number of total free entitlement hours of 26.5 each week across the four LAs (table 32). The average total number was 25.2 in early implementation, although the data was collected in a different way. The mean total number of hours is distinctly higher in LA M and lower in LA J.

Table 32: Weekly free entitlement hours for children using extended hours

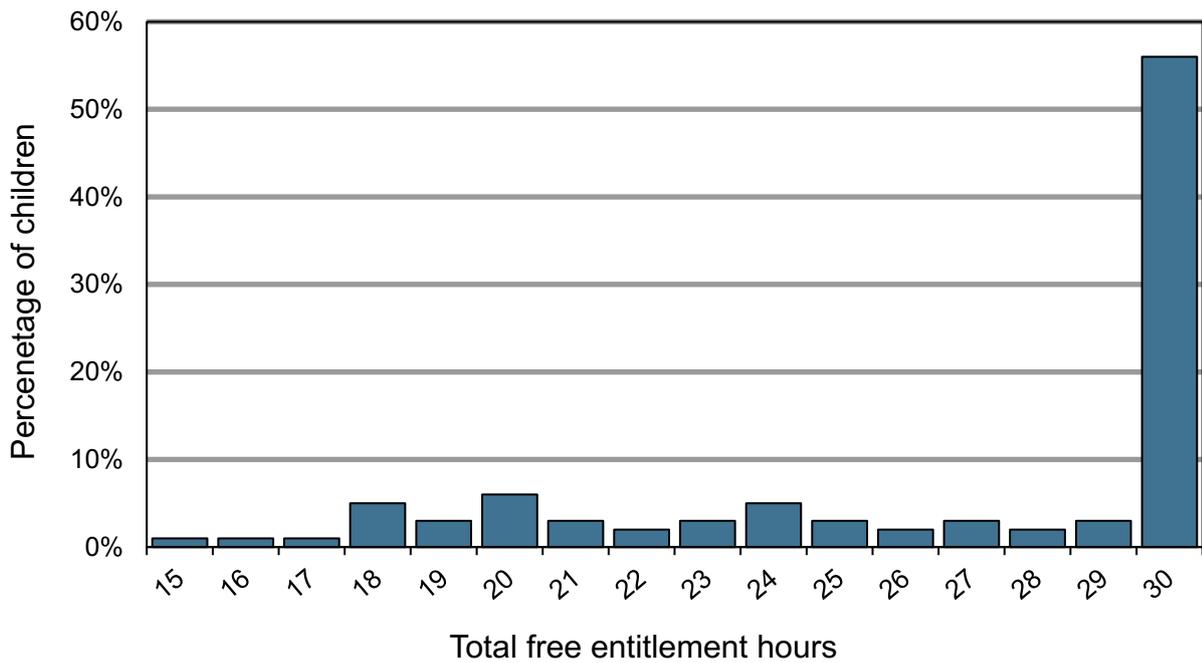
	J	K	L	M	All LAs
Universal entitlement hours	15	15	14.4	15	14.8
Extended hours	9.8	11.5	12.6	14.8	11.7
Total free entitlement hours	24.8	26.5	27	29.8	26.5
Number of children	1,636	3,887	3,885	375	9,783

Source: Ad-hoc data collection from early rollout LAs, May - July 2017

⁵⁰ The 90 percent in LA J is of those who are eligible for the extended hours and using any free entitlement hours, but it is likely that almost all applicants were using some free entitlement hours given the almost universal take-up among three and four year olds.

⁵¹ In addition, two LAs (K and L) reported only termly hours which were converted to weekly term-time only equivalents and may have overstated the number of weekly hours relative to the other two LAs which simply reported weekly hours (presumably with lower weekly numbers for those spreading over the school holidays). However, this difference would only have been important to the extent that children were spreading the hours into the school holidays.

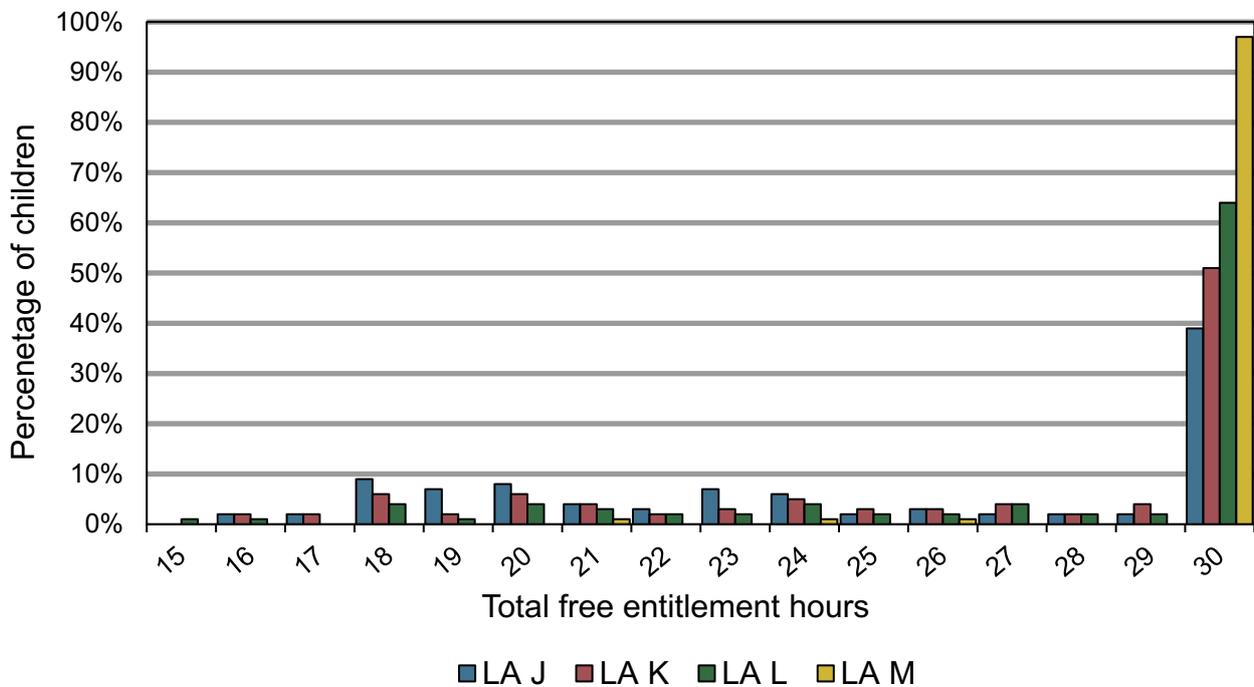
Figure 17: Distribution of total free entitlement hours for children using extended hours



Source: Ad-hoc data collection from early rollout LAs, May - July 2017

Note: Sample size is 9,783 children.

Figure 18: Distribution of total free entitlement hours for children using extended hours by LA



Source: Ad-hoc data collections from early rollout LAs, May - July 2017

Note: Sample sizes are 1,636, 3,887, 3,885 and 375 children in LAs J, K, L and M respectively

Just over half of the children using the extended hours (56 percent) received a total of exactly 30 free entitlement hours each week (figure 17), although some received as few as a total of 15 (feasible if they received less than 15 under the universal offer or were spreading them over the school holidays). This was similar to the 58 percent of children using extended hours receiving exactly 15 extended hours in early implementation. Consistent with the variation in the mean number of hours across LAs, figure 18 shows that LA M had the highest proportion of children receiving exactly 30 hours (97 percent), while the proportion was 64 percent in LA L, 51 percent in LA K and only 39 percent in LA J. The reason for this variation is not clear, but some caution should be exercised in placing too much importance on the patterns as they may be related to the different ways that the data was collected across the LAs.

Table 33: Mix of free entitlement providers for children using extended hours

	J	K	L	M	All LAs
One provider					
Private	41%	75%	49%	42%	68%
Voluntary	28%		11%	33%	
Childminder	5%	4%	4%	3%	4%
Maintained	9%	4%	17%	21%	10%
Two providers					
Neither a childminder	10%	10%	12%	0%	10%
One a childminder	8%	7%	6%	1%	7%
Three or more providers					
Any combination	1%	<1%	1%	0%	1%
Total	100%	100%	100%	100%	100%
Number of children	1,636	3,887	3,885	375	9,783

Source: Ad-hoc data collections from early rollout LAs, May - July 2017

Notes: The data from LA K did not distinguish private and voluntary providers. The use of multiple providers in LA M may not be accurately measured due to the division of local management of provision and data collection between the Early Years and schools teams. Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

One key question around the use of the extended hours is the extent to which parents will need to combine hours from different providers to make full use of the free entitlement hours. The data from the LAs on the mix of providers used for all free entitlement hours by children receiving extended hours is presented in table 33. In three

of the LAs, around 18 percent of children used multiple providers and most combinations did not involve a childminder.⁵² In LA M, the use of multiple providers may not be accurately measured due to the division of local management of provision and collection of data between the early years and schools teams, although a total of 30 free entitlement hours were recorded for 97 percent of the sample suggesting that the proportion in the table may accurately reflect very low usage of multiple providers.

9.2 Promoting the offer to parents

The case studies found that some parents had been aware for some time of the plan to introduce extended hours for working families with three and four year olds, but they typically heard about the early rollout from their setting. Three of the LAs had promoted the offer using a range of means such as Family Information Services, the LA website, social media, local newspapers and through children's centres. However, parents noted at the time of the fieldwork (during May and June 2017) that the offer did not seem to have been well publicised even though the national rollout was only a few weeks away. As this parent said:

"It's a fantastic opportunity that can change families' lives and parents need to know about it."

In promoting the offer, LA early years staff had to strike a fine balance between outlining features of the offer that provide flexibility for families and managing parents' expectations by stressing that providers can choose whether and how to offer the extended hours. As this early rollout manager explained:

"...because we don't want to put providers in a difficult position where parents are banging at their door saying I have to have this..."

The key message to parents from LA early years staff was therefore:

"...talk to your provider, rather than just apply. Speak to them and find out what they can offer."

These messages appear to have reached parents to some extent and once made aware of the offer, parents were sufficiently self-serving to apply and discuss their needs with providers, as was the case in early implementation.

Nevertheless, there was disappointment among some parents which centred around three aspects of the promotion of the offer:

⁵² In early implementation, around a quarter of children receiving the extended hours used multiple providers but this was a slightly different measure from that used here because it included the use of all formal providers (including those not providing any free entitlement hours) as reported by parents rather than only the use of free entitlement hours as used here.

- The fact that not all parents may get what they want due to lack of capacity. As this parent explained:

“Just because you are eligible, it doesn’t mean it’s guaranteed”

- The limitations on the use of the offer and additional costs discussed in chapter 7, as this parent explained:

“It would be more realistic to call it subsidised rather than free”

- Calling the policy “30 hours”, which parents objected to for very different reasons. On the one hand, parents who had chosen to use very few additional hours because they did not want their child to be at a setting all day thought that calling it 30 hours could place pressure on parents to use all of the 30 hours. This suggested the importance of making it clear that the offer is *up to* 30 hours a week and families can choose to use fewer hours. On the other hand, some parents believed that “30 hours” was misleading and could raise false expectations among working parents who typically use childcare all year round and may presume the offer is year round. As the following quotes illustrate:

“...make sure parents understand it’s not 30 hours all year round as that’s not clear unless you read the small print.”

“It’s not very clear... 30 hours that’s all you see. You don’t see it’s term time only...that doesn’t come across clearly in the messages.”

Parents had a number of suggestions for what the offer should be called to deal with the issues mentioned above, including “slightly free”, “30 free term time hours”, “free hours” (without saying 30), “working parents supplement” and “subsidised childcare” to indicate it is more than the universal free entitlement.

9.3 Supporting parents to take-up and benefit from the extended hours

In the light of their experiences, parents’ suggestions to support take-up of the offer and maximise its benefits centred around three areas: when parents are told about the offer, what information they are given; and the application process.

First, some parents said that families need to be made aware of the offer well before a child turns three, so they can plan in advance how this additional help can be used, as this may shape their employment decisions. As this parent explained:

“If I had known the 30 hours were going to be available I may have hanged on to my old job.”

Second, parents' reflections indicated that there is an appetite for better information on different aspects of the offer. The LAs' promotion material outlined the key features of the offer but parents suggested that written information alone may not be sufficient and they may need to talk to someone who can answer their questions. Some suggested that settings could hold parent evenings to explain exactly how it works, to avoid "*parents going backwards and forwards with questions to the nursery manager*" as happened during the early rollout. Other parents also thought it was important that LAs provided detailed information on how the extended hours worked in individual settings (for example, additional charges and limitations on when the offer can be taken) so that parents can "*shop around*".

Third, parents reported that an effective system that can cope with a large number of applications was key to ensuring families can access the offer. While the application process was typically regarded as straightforward in the early implementation, the national childcare service used for applications in LA J during early rollout was reported to be very complicated. It also created considerable uncertainty for parents as it sometimes took several weeks to determine eligibility and some parents received their eligibility code after the start of term. One parent's advice to other parents was to keep some money aside to pay for the additional hours in case they turned out not to be eligible. Another parent described the childcare service as their worst experience of government online.

Difficulties were also experienced in LA K where only one phone line was available for parents to apply. As this parent reported:

"...I must have called about 100 times before I was finally able to get through."

Many of the difficulties experienced with the childcare service in LA J were caused by the two tier application system which will not be used for the national rollout. However, parents were concerned that the difficulties experienced with the childcare service did not just reflect initial teething problems, as some experienced similar issues when asked to reconfirm their eligibility some weeks later. Some providers also reported difficulties among parents who thought they would be eligible from September 2017, but were not able to access the childcare service website to check.

In addition to the above issues, there were two other areas where parents needed better information to fully benefit from the extended hours. First, parents needed a better understanding of what to do if their circumstances changed and how they ensure that they do not "overspend" if they use multiple providers. In relation to the latter, there was a suggestion that parents should be able to access a free entitlement online "calculator" showing the balance of free entitlement hours still available. An online system would also benefit providers, as they were also concerned about the current system for checking use when multiple providers were used (as discussed earlier in chapter 4).

9.4 Parents' experiences of using the extended hours

Parents in the case studies had only been accessing the extended hours for a few weeks when they were interviewed and some were only eligible for one term because their child would be going to school in September 2017. Compared with early implementation, there was therefore more limited evidence on experiences and perceived effects of using the offer. Nevertheless, there was a great deal of enthusiasm and gratitude for the additional help. As in early implementation, parents reported a range of benefits in the early rollout:

- For families who had increased their childcare hours, the child was seen as having benefited from spending longer in a learning environment and socialising with other children and from greater continuity of care if the child started using a setting every day. Some parents reported that children were more tired when the hours were increased, but this was thought to be a temporary effect while children became used to a longer day and was considered a “*a good stepping stone to school*”.
- The extended hours meant less of a strain on (elderly) grandparents, as some parents did not have to rely on them so much for childcare.
- Parents reported being able to be more flexible at work because they could now afford to use more childcare. Some were planning to increase their working hours from September and others said the additional help made it worthwhile to remain in full-time work.
- The extent to which families benefited financially from the extended hours varied. For some, the offer meant an increase in childcare hours at no extra cost, but they were not financially better off because their work hours and income did not change. For other families, there was a financial gain from the reduction in childcare cost and although this was modest, it was nevertheless welcome as, for example, it meant families could afford more outings or more recreational and sport activities for children. In other cases, the additional help with childcare costs made a big difference, as illustrated by the quotes below:

“...not having to worry about paying for childcare has been great and we’ve not had to go to our parents-in-law ... say actually we’ve got a bill to pay and having to ask for hand-outs.”

“Two years ago I was nearly crying at the price of childcare. Now I’m laughing really compared with what I was paying at the beginning [before became entitled to the universal entitlement as well as extended hours].”

“We dug ourselves in such a financial hole covering the childcare... not having the stress and anxiety of worrying about money has been great...”

- There were parents who started to pay for childcare or paid more for their childcare when they became eligible for the extended hours because changes in their working arrangements required them to increase their childcare hours beyond those available with the free entitlement. This was reported to be a “*bit of a shock*”. Some thought this still worked out cheaper as they were able to work more hours, but one father who reported that his wife had gone back to work to be entitled for the offer said it was a “*huge disappointment*”, because they were paying £250 a month in childcare which meant that it was hardly financially worthwhile for his wife to work, although she enjoyed being back at work.

9.5 Summary and recommendations

In summary, the evidence from the early rollout supported the findings from early implementation that:

- Most parents used the full additional 15 hours for their child, but a substantial proportion (44 percent) used fewer hours.
- Almost one in five children (18 percent) using the extended hours received free entitlement hours from more than one provider.
- As in early implementation, once aware of the offer, parents were positive about the policy and were generally sufficiently self-serving to approach providers for a place.
- The test of the childcare service in one LA identified several difficulties with the parent application process which have highlighted the crucial importance of an effective system to support parental take-up of the offer.
- Parents suggested that better information is needed on charges for extras and limitations applied by individual providers on the use of the free entitlement as this would enable parents to “shop around”.
- As in early implementation, there was evidence of a number of positive impacts on families from using the extended hours including direct benefits to the child; less stress from reduced reliance on grandparents for childcare; increased work flexibility; and improved family finances.

This evidence supports the recommendation (I)⁵³ for the national rollout from early implementation with a slight amendment⁵⁴:

⁵³ There was no evidence in the early rollout to directly support recommendation (J) from the early implementation that: “A review of the eligibility criteria could consider allowing immediate access to the

(I) Active marketing through childcare providers and LA publicity can assist parental take-up, particularly while the policy is still relatively new and the more usual word-of-mouth dissemination is less influential. Assistance with understanding how individual providers limit the use of extended hours and make charges should have higher priority than assistance with brokerage to find a place.

It is also worth noting here that the evidence from early implementation suggested some important findings for the use of childcare and impacts on families which could not be tested in early rollout due to the short timeframe and absence of census and parent survey data:

- The work requirement for the extended hours meant that families tended to be more educated and to have higher income than the broader population of families with children of this age.
- There were indications that hours of formal childcare were higher than they would otherwise have been in the absence of the extended hours for a substantial proportion of children. Longer hours were generally seen as having positive impacts for the child by providers involved in their delivery and by parents using them.
- There were also indications that the proportion of mothers in work and the work hours of mothers and fathers were higher than they would have been in the absence of the extended hours. These effects appeared to be notably stronger for families with relatively lower incomes.

extended hours for parents who enter work and allowing eligibility to continue until the child starts school even if a parent leaves work (replacing the grace period)".

⁵⁴ In the early implementation recommendations, the second sentence of recommendation (I) read "Assistance with the application process or brokerage to find a place should be a lower priority than marketing".

10. What challenged and what supported implementation?

This penultimate chapter considers some of the wider implementation issues. The first section summarises some of the overarching challenges and facilitators in the administration of the extended hours during early rollout, while the second section suggests some broader recommendations on how the policy can be successfully supported and promoted in the national rollout.

10.1 Implementation challenges and facilitators

The early rollout LA teams identified a number of **implementation challenges** that reflected the findings from the early implementation:

- As the evidence presented above showed (section 9.2), the name of the policy created some difficulties for two reasons. First, calling it “30 hours” was seen by some providers and parents as raising false expectations as families using the offer stretched over the school holidays receive a little over 20 hours a week. Second, calling it “free” was considered misleading by some parents and providers because some families had to effectively pay something to access the extended hours. In the early implementation, it was also found that calling the policy “childcare” made some schools question their involvement as they view their role as delivering education rather than childcare.
- LAs and providers found the timescale for the programme unrealistic as they only had a couple of months to prepare after the early rollout was announced and it took weeks for key information about the offer to be made available. Furthermore, providers could not plan to increase a child’s hours until their eligibility had been confirmed and this happened just before or even after the start of the term in some cases. As a consequence, some providers did not have sufficient time to adjust their service and some LAs had to set up temporary “make-do” administrative systems which did not work well and will need to be revised for the national rollout.
- There was concern with the negative publicity and misinformation in the national media, as this LA early rollout manager explained:

“... national media messages that come out aren't clear enough and haven't been helpful in many examples, because actually they're firing it up to fail really and so it's a negative thing and it's not clear enough, which does then lead to confusion and misunderstanding...”
- Early years staff commented that planning for an increase in demand was not easy in the absence of a precise figure for the number of eligible children and little information on how parents would respond. They thought that the eligibility figures

provided by DfE and the parent surveys that had been undertaken to establish the likely level of take-up were too approximate for planning purposes.

- There was a concern that parents' ability to access the extended hours in very rural areas depended on one or two providers that may not be able or willing to offer places to all eligible parents.
- A reported difficulty was the lack of funding to cover the additional costs associated with the delivery of extended hours to children with additional needs, with some providers already indicating that it was unlikely that they would be able to offer places to these children without additional support.
- As described in section 3.4, LA M faced particular local challenges in the implementation of early rollout due to a recently downsized early years team and the separate schools team joining the early rollout at a later stage, indicating the importance of a strong local early years infrastructure in supporting the implementation of the offer.

Factors at the local and national level that **facilitated implementation** were again largely in line with early implementation findings.

- A well-resourced and experienced early years team was considered key to supporting the implementation of the extended hours. In comparison to other LAs that had experienced large cuts to their early years teams, one early rollout lead explained that they were lucky to have maintained a good level of resources and could count on the support of very experienced colleagues:

"...everything just flowed and people were able to be flexible and we have been able to implement the programme in a way that has been ...flexible, fluid and responsive."

- The support of a multi-service team including Family Information Services, communications and IT was also important. This was evident when this support was not available as the programme could lack important elements of an implementation plan, such as a detailed communication plan to advertise the offer to providers and parents.
- Prior to becoming involved with the early rollout, two LAs had already undertaken considerable preparation for the national rollout including, for example, consultations with parents and providers to establish the likely level of interest and involvement. This preparatory work was very important in enabling them to "*hit the ground running*" when they signed up for the early rollout.
- A strong and positive relationship between the LA and providers enabled early years staff to have frank but constructive discussions about the challenges of delivering the extended hours. Even when discussions became "*heated*" (for

example, about funding), providers felt that ultimately the early years team was on their side and was working very hard to make the offer feasible for settings facing different challenges.

- Support provided by DfE and HMRC officials was also important. While there were difficulties around the testing of the childcare service and the slow flow of information (particularly around the time of the election), LA staff reported that officials were quick to respond and explore possible solutions. It was also appreciated that DfE helped LAs to decide if emerging models of delivering the offer proposed by some providers were in line with the guidance.

During the time of the evaluation fieldwork for early implementation, the role of Childcare Works (the national delivery support organisation contracted by DfE) was reported to have been very limited because they had only recently been appointed. But their contribution was more noticeable in the early rollout:

- The facilitation of national and cluster meetings by Childcare Works was reported to have been very helpful.
- The Childcare Works website and newsletter meant that early years staff were confident they were kept up to date with policy developments and learning from other areas.
- The consultancy provided by Childcare Works on different aspects of delivery, such as partnership working, ratio modelling and SEND was generally viewed positively. However, one exception to this was the partnership tool which was thought to have been too complicated and unworkable in practice by those who saw the tool presented at a workshop. As a respondent explained: *'It made my head spin and I'm a business support person'*.
- Views on progress meetings with Childcare Works and their responses to queries varied. Some early years staff thought the meetings were helpful and Childcare Works quick to respond when they had queries. Others said that the review meeting discussions showed that Childcare Works did not fully appreciate the challenges faced by LAs and providers and that Childcare Works were slow to respond to questions which meant that they had to proceed on some issues without their advice.
- There was concern among some LA early years staff about the amount of information Childcare Works required, sometimes replicating DfE requests.

There was also evidence of a mixed response to the attendance of DfE officials and Childcare Works at LA events. On the one hand, their presence was appreciated by the LA because it reflected interest and concern for the particular issues in the LA. On the other hand, some events became heated, primarily because there was a perception that

the officials lacked an understanding of what was happening on the ground and providers felt they did not answer their questions, particularly on funding.

10.2 Summary and recommendations

In summary, the evidence from early rollout suggests that:

- The key reported challenges to implementation were the name of the policy; the short timescales; the negative publicity and misinformation in the national media; and the uncertainty about the accuracy of the eligibility estimates and level of parental take-up.
- The key facilitators for implementation were a well-resourced early years team; well-developed plans for the national rollout prior to early rollout; support of a multi-service team within the LA; a strong and positive relationship between the LA and providers; the support provided by DfE and HMRC officials; and support from Childcare Works (the national delivery support organisation contracted by DfE).

This evidence supports the recommendations for the national rollout from early implementation:

(L) Consideration should be given to how DfE can most effectively support LAs to implement the policy, including ensuring adequate funding for staff resources to fully implement the policy; direct DfE encouragement of senior level sponsorship within the LA; and providing timely information to LAs on the plans for the national communications strategy.

(M) For the national promotion of the policy, it would be useful to consider the need for simple, key positive messages to promote the policy to providers and parents; promotion of some of the additional benefits; robust responses to some well-publicised perceptions of problems; and how to separate out other broader childcare issues such as workforce development from the 30 hours free childcare.

11. Conclusions

This chapter summarises the key findings from early rollout. The first section considers how early rollout has added to the findings from early implementation and notes the limitations on the early rollout findings. The final section concludes on the likely success of the national rollout and highlights the priorities among the recommendations.

11.1 What has early rollout added to the learning from early implementation?

As described in the introduction, early rollout potentially improved on the findings from early implementation in several important ways:

- Early rollout involved complete implementation in all four LAs.
- Early rollout began in April at the start of the school summer term when spare capacity in provision is at its lowest point across the year.
- The four LAs undertaking early rollout were selected to reflect different delivery challenges and local contexts in which to test the policy.
- The funding rates paid from DfE to the four LAs and the development funding during early rollout created conditions more akin to those that will prevail during the national rollout.

For these reasons, early rollout provided a stronger test than early implementation of sufficiency of delivery and take-up by parents and provided lessons for conditions closer to those of the national rollout.

Early rollout confirmed several of the findings from early implementation under these more testing conditions:

- A high proportion of providers were willing and able to deliver the extended hours for broadly positive reasons around supporting the policy and the business opportunity that it offered and the patterns of delivery across provider types reflected the local mix of provision.
- The key factor in the decision to offer the extended hours was the anticipated business impacts, but it may take some time for providers to fully consider the financial implications and reach longer term decisions around continuing to deliver the extended hours and the number of places to offer.
- Partnership working can support providers to deliver the extended hours and there is a potential role for LAs to help the development of partnerships, especially those involving childminders and out-of-school clubs.

- Most providers reported that they offered parents a free choice or at least some choice in when they took the extended hours. However, there were several ways in which some providers limited parental choice mainly to ensure that the offer did not undermine the setting's financial viability.
- Around 17 percent of providers had introduced or increased additional charges for parents because of the extended hours. More broadly, some parents reported payments associated with the extended hours and parents were not always clear what the charges were for. Some parents were paying nothing or substantially less than they had previously and regarded the offer as a huge financial help. Other parents had expected the extended hours to result in a larger saving on their childcare bill and some were paying more than they had before because they had increased the hours of childcare. Some parents understood that settings had to charge for additional costs to remain financially viable, but others resented the additional charges.
- Most parents used the full additional 15 hours for their child, but a substantial proportion used fewer hours. Almost one in five children (18 percent) using the extended hours received free entitlement hours from more than one provider.
- Once aware of the offer, parents were positive about the policy and were generally sufficiently self-serving to approach providers for a place.
- There was evidence of a number of positive impacts on families from using the extended hours including direct benefits to the child; less stress from reduced reliance on grandparents for childcare; increased work flexibility; and improved family finances.
- The key reported challenges to implementation were the name of the policy; the short timescales; the negative publicity and misinformation in the national media; and the uncertainty about the accuracy of the eligibility estimates and level of parental take-up.
- The key facilitators for implementation were a well-resourced early years team; well-developed plans for the national rollout prior to early rollout; support of a multi-service team within the LA; a strong and positive relationship between the LA and providers; and the support provided by DfE and HMRC officials.

There were several areas where the early rollout built on the findings from early implementation or identified key additional findings:

- Awareness of the 30 hours free childcare was almost universal among all registered providers. Most of those not delivering the extended hours during early rollout were offering the additional hours (6 percent of all registered providers) or planned to offer them (10 percent of all registered providers). Only 12 percent of

all registered providers in the four early rollout areas reported that they did not plan to offer the extended hours.

- Those not yet offering the extended hours but planning to do so were primarily waiting due to a lack of immediate demand, but some were waiting for spaces to become available in September or needed time to prepare their processes or adjust provision, while a small proportion were waiting to see how the policy developed.
- Around one third of providers who were not currently offering and not planning to offer the extended hours had turned down a parental request for the hours. Almost half of providers who were not currently offering and not planning to offer the extended hours reported that one reason was that the funding level was too low, while smaller proportions reported reasons related to other specific issues with the policy; resource constraints (such as a shortage of staff or venue space); or lack of demand.
- As in early implementation, most providers delivering the extended hours in the early rollout (66 percent) reported that they had received sufficient support from the LA. However, one quarter would have liked more support, primarily in the form of more, better and earlier information about the policy for both providers and parents. A substantial proportion also suggested that more business support and assistance checking parents' eligibility codes would have been helpful.
- Key factors supporting the engagement of providers were an efficient LA early years infrastructure; local events to launch the offer; tailored advice and guidance for settings; and minimising the risk of any "admin nightmare" by ensuring a "smooth journey" for checking parents' eligibility codes and receiving payment.
- As in early implementation, the quantitative evidence from early rollout did not indicate any insufficiency in the delivery of the extended hours to meet demand and there were signs that provision had expanded because of the extended hours and that there is capacity to offer more places. However, the case study evidence indicated that some parents were not able to use the number of extended hours they wanted or use them when they wanted them. These difficulties were partly related to a lack of time to plan to increase provision and partly due to the more limited spare capacity in the summer term of the school year.
- As in early implementation, there were no indications of any substantial adverse effects on other free entitlement and paid provision, although LAs were closely monitoring any early signs of adverse effects on free entitlement provision. However, early rollout also highlighted a case in one LA illustrating potential adverse effects on other types of free provision where an existing local programme offering additional free hours to more disadvantaged three and four year olds will be phased out because of the extended hours and disadvantaged

children with parents who are not working will no longer receive free additional hours.

- As in early implementation, the evidence suggested that expansion in provision could be limited by staff recruitment difficulties or limited venue space (particularly for playgroups using shared venues). In addition, early rollout showed that low demand for extended hours could be a barrier to expansion, particularly for playgroups in disadvantaged areas and for childminders in areas with traditionally low parental demand for childminding provision and childminder engagement with the free entitlement is low.
- Most providers delivering the extended hours did not need to extend their opening hours as they were already offering full-day provision, but 12 percent had increased their opening hours in response to the extended hours. However, only 19 percent of voluntary providers and 10 percent of maintained providers (and 64 percent of private providers) delivering the extended hours were open throughout the year. This may limit the ability of many providers to offer to spread the extended hours throughout the year.
- Most providers not delivering the extended hours were open for an extended day or continuously throughout the day, showing that insufficient opening hours is not a primary reason that providers are not delivering the extended hours. Nevertheless, almost half of voluntary and maintained providers and around one quarter of private providers not delivering the extended hours are not continuously open throughout the day and substantial proportions were only open in the mornings, indicating that these providers would only become involved in the delivery of the extended hours if they changed their opening hours or shared care with another provider.
- The degree to which the extended hours were “flexible and free” was closely related to how providers were achieving a financially sustainable business model to deliver the extended hours. Compared with early implementation, evidence from the early rollout showed that some providers had a better understanding and more confidence about developing what they considered financially viable models for delivering the extended hours in different ways, with support and advice from LA early years staff. Day nurseries appear to have particularly benefited from the financial models developed during the early implementation. The early rollout evidence from providers and LAs suggested that DfE was playing a stronger role than had been observed in early implementation in helping LAs to guide providers to develop business models which both support their financial sustainability and are within the guidelines for the free entitlement provision.
- As in early implementation, delivery of the extended hours had mixed financial impacts on providers (although the tendency was towards higher delivery costs and lower profits) and the overall financial impact on providers depended upon a

combination of the impact of the change in the balance of the income source from parental fees to free entitlement funding and any impact of delivery of the extended hours on delivery cost. However, the early rollout evidence suggested two new insights on the financial impacts. First, that the change in income source increased and reduced profits for roughly equal proportions of providers delivering the extended hours. Second, that delivery costs were not reduced to any substantial degree by increases in occupancy, but were increased by other factors including rises in hourly staff pay and adjustments to provision needed to deliver the extended hours.

- The early rollout identified several difficulties with the parent application process which have highlighted the crucial importance of an effective system to support parental take-up of the offer.
- Parents suggested that better information is needed on charges for extras and limitations applied by individual providers on the use of the free entitlement as this would enable parents to “shop around”.
- An additional challenge to implementation identified in the early rollout was reported by early years staff in LA M as a recently downsized early years team and separate schools team who joined the early rollout at a later stage, indicating the importance of a strong local early years infrastructure in supporting the implementation of the offer.

The similarity of the findings in early rollout with those from early implementation meant that only a few, relatively minor amendments were made to the recommendations from early implementation.

As highlighted in the introduction, there are some important limitations on how far lessons can be drawn from early rollout for the national rollout:

- Early rollout operated on a very short timeframe, particularly in the limited preparation time after LAs had been informed that they would be part of the early rollout.
- The timing of early rollout during the summer term meant that some parents would only be applying for one term of extended hours which may have affected the take-up of the extended hours.
- The evaluation evidence on sufficiency, take-up and impacts was collected in the first two months after the policy began but major policies like this one typically take much more time to fully embed. Relatedly, the evaluation did not include a survey of parents and very limited evidence was collected on initial impacts on families.

In addition, the evaluation evidence identified three other limitations on the learning from the early rollout:

- Learning was limited by the fact that two of the four LAs had specific implementation issues (potential problems with the application process for parents in one LA and a slower and less effective implementation in the other) which meant that parental demand was lower than it might otherwise have been and sufficiency of delivery was not fully tested.
- Schools had limited involvement in early rollout because there was little maintained provision in two areas (LAs J and K) and schools only became involved later in early rollout in LA M. More broadly, schools were reported by LAs to have had relatively little involvement because they were waiting until September to implement any changes as they tend to require more time to plan adjustments in provision.
- Financial impacts may not have been fully captured because some providers may not have had enough time to fully understand the financial implications of delivering the extended hours and others were waiting until September to adjust their provision and financial model.

In spite of these caveats, early rollout and this evaluation of it have provided some important and useful insights for the national rollout, particularly in terms of re-confirming some of the findings from early implementation.

11.2 Will the policy be a success?

Many of the findings from early rollout reinforce those from early implementation, suggesting that the caveats on those initial findings were not so important. Hence, the evidence from early rollout provides further support for the conclusion from early implementation that there is no specific reason to believe that 30 hours free childcare will not be a success. In particular:

- A high proportion of providers were willing and able to offer extended hours places and there was no evidence that financial implications were a substantial barrier to the delivery of the extended hours.
- Parents were keen to take up the extended hours and the numbers of children receiving extended hours were close to the estimated number of eligible children in two LAs.

Two further conclusions from early implementation could not be tested during early rollout but it is useful to note these findings again here:

- Take-up of the extended hours was associated with increases in the use of formal childcare; longer work hours for mothers and fathers; and some indication of higher work retention for mothers.

- There were additional perceived benefits for families in terms of enhanced work opportunities, direct financial support and broader wellbeing.

The evidence from early rollout led to only minor modifications to the recommendations from early implementation and reinforced that the key priorities should be:

- To be mindful of the policy technical details both at the national level and at the local level. Minor points of detail around the eligibility checking and payment processes or in the statutory guidance could be critical to ensuring that the policy is implemented in the way intended and achieves its objectives.
- Sufficient support from DfE to the LAs to adequately implement the policy including funding for staffing resources; clarity and active assistance on the guidance; and promotion of the policy at senior levels within LAs.
- Positive promotion of the ultimate objectives of encouraging parents to work and supporting working families financially and in broader measures of wellbeing rather than a simple focus on the interim output of delivering more free entitlement hours.

Annex A: Additional evaluation methodology details

A.1 Preparation of the LA data

A summary of the data received from LAs is presented in table 34 and a description of the derivation of the data used in the analysis is presented in table 35. All data was only for three and four year olds and excluded children in reception classes in schools.

There were several issues in the data received from LAs which needed to be addressed⁵⁵:

- In LAs J and K, it was not possible to distinguish which provider was delivering the initial universal 15 hours and which was delivering the extended hours for children receiving extended hours and using multiple providers. The use of multiple providers was quite substantial in these LAs so in order to be consistent across all four LAs, all free entitlement places were defined as an extended place for children receiving extended hours, regardless of whether that place had been defined as the initial universal 15 hours or the extended 15 hours in LAs L and M.
- LA J could not provide any application data because the childcare service application system was used in this LA. However, the presence of an eligibility code in the free entitlement data indicated children who had been deemed eligible which could be used to identify the proportion of eligible children using free entitlement hours that had taken up the extended hours.
- In LA K, the type of provider was aggregated across private, voluntary and independent providers and jointly classified as PVI. This meant that these provider types were combined in the relevant tables.
- In LA M, children in nursery schools and nursery classes in maintained schools were not included in the initial datasets provided. These children were subsequently manually added to the child dataset and the schools manually added to the provider dataset.⁵⁶

The number of three and four year olds reported to be receiving the free entitlement in April 2017 in the data from the LAs was cross-checked with the numbers reported in the

⁵⁵ In addition, 8 duplicate observations were deleted from the application data for LA K; provider type was manually added for two providers present in free entitlement data but not present in registered provider data for LA K; 31 duplicate observations were deleted from universal entitlement children data for LA L; and additional providers and free entitlement hours were manually added for two children using a second provider outside of the LA for LA M.

⁵⁶ The included 79 extended hours places in 6 nursery schools and 3,362 using only universal funded hours in 6 nursery schools and 65 primary schools. However, the distribution of universal entitlement only places across the 71 schools and the number of only universal hours were not available.

census data from January 2017⁵⁷. The numbers reported by the four LAs for April 2017 (6,296, 11,467, 9,523 and 5,334) were slightly higher than in the census data (5,437, 9,800, 7,956 and 4,749) as would be expected as more children become eligible in the summer term.

Table 34: Data sets received from LAs

LA	Initial data sets
J	<ul style="list-style-type: none"> • Free entitlement places with child id, extended hours eligibility code, provider id, provider type, weekly free entitlement hours • Registered providers with provider id, provider type
K	<ul style="list-style-type: none"> • Extended hours applications with child id • Children receiving free entitlement with child id, termly free entitlement hours at each provider, provider id • Registered providers with provider id, provider type
L	<ul style="list-style-type: none"> • Two data sets with extended hours applications with (a) whether eligible and (b) number of extended hours used (but could not matched) • Universal free entitlement places with child id, termly hours, provider id • Extended hours places with child id, date of birth, termly hours, provider id • Registered providers with provider id, provider type
M	<ul style="list-style-type: none"> • Extended hours applications with applicant id, whether eligible • Free entitlement places not in schools with child id, applicant id, provider id, weekly universal free entitlement hours and weekly extended hours • Registered providers excluding schools with provider id, provider type • Information on early years provision in maintained schools including numbers of free entitlement and extended places; number and type of schools offering extended and universal funded places; distribution of extended places across schools; and distribution of number of weekly extended hours

Notes: The application data from LA L also contained information on whether the child had SEND, whether the parent knew whether the provider offered extended hours, when the child attended (term, school holidays or both) and whether the provider is in LA, but this information was not analysed.

⁵⁷ Provision for children under 5 years of age in England: January 2017, SFR29/2017, <https://www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2017>. Numbers include all three and four year olds receiving free entitlement hours excluding those in school reception classes (column Q minus column K from table 2LA).

Table 35: Summary of data preparation

LA	Data preparation
J	<ul style="list-style-type: none"> • Child dataset derived by combining free entitlement places across children. Children with zero entitlement hours dropped (35 cases). • Extended hours defined as those where the child is using more than 15 hours per week and has an eligibility code.
K	<ul style="list-style-type: none"> • Child dataset modified by converting termly free entitlement hours to weekly hours by dividing by 11 weeks. • Extended hours defined as those where the child is using more than 15 hours per week and has an application id. • Provider type added for each provider from registered providers data.
L	<ul style="list-style-type: none"> • Child dataset derived by combining universal free entitlement places and extended hours places across children. Children with zero entitlement hours dropped (22 cases). • Termly free entitlement hours converted to weekly hours using 12.67 weeks (except for 14 schools where 9 to 11 weeks were used). • Extended hours children defined as those reported to have been using any extended hours. • Provider type added for each provider from registered providers data. • Application dataset (a) reshaped by dividing each parental application into an application for each child.
M	<ul style="list-style-type: none"> • Provider type added to each non-school free entitlement place from registered providers data. • Child dataset for non-school places derived by combining free entitlement places across children. • Use of free entitlement hours in maintained schools added to the child dataset • Extended hours children defined as those using any extended hours. • School providers added to the registered providers dataset.
All LAs	<ul style="list-style-type: none"> • Place dataset derived from the child dataset by dividing into a place for each provider used by the child • Provider dataset derived by summing the number of children with only a universal free entitlement hours and the number with an extended hours place at each provider and adding registered providers not delivering any free entitlement places from the LA registered provider data.

A.2 Further details on the providers' survey

LAs invited childcare providers to take part in delivering the extended entitlement and gave providers the opportunity to opt out of the research. Details of those providers who did not opt out of the research were then passed on to NatCen Social Research. The sample did not include school providers in LA M because the LA omitted these when providing the contact details for the survey.

Providers then received a letter and email from NatCen with details about the survey and providing a second opportunity to opt out. During the first phase of fieldwork, providers were invited to take part in an online survey only. Following a number of reminder emails, letters and text messages, those providers who had not yet responded were invited to complete the survey over the phone.

In total, 1,212 childcare providers completed the survey from a sample of 1,700 giving an overall response rate of 76 percent. 32 percent of questionnaires were completed online and 68 percent were completed by telephone. Response rates are given in table 36.

Table 36: Provider survey response rates by LA

	J	K	L	M	Total
Number of responses					
Fully productive	306	332	466	108	1212
Refusals	34	43	57	14	148
Other unproductive	3	0	0	2	5
Not contacted	63	67	69	42	241
Ineligible	33	12	43	6	94
Total in sample	439	454	635	172	1700
Standard measures of response					
Full response rate	76%	75%	79%	66%	76%
Co-operation rate	89%	89%	89%	87%	89%
Contact rate	86%	85%	89%	76%	86%
Refusal rate	8%	10%	10%	9%	9%
Eligibility rate	91%	97%	92%	95%	94%

Annex B: Selected tables disaggregated by LA

It is important to note that that some of the sample sizes are very small in the following tables where the data is disaggregated by LA and caution should be exercised in drawing conclusions from them for individual LAs. As in the main body of the report, subgroups with less than 50 observations have been indicated in italics for this reason throughout the tables in this Annex.

The following tables 37 to 41 correspond to those presented in chapter 4.

Table 37: Child age profile of providers delivering extended hours by LA

	J	K	L	M	All LAs
Youngest child aged 3 and over	8%	6%	13%	6%	9%
Youngest child aged 2	38%	40%	27%	38%	34%
Youngest child aged under 2	54%	54%	60%	56%	56%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	216	262	337	32	847

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 38: Size of providers delivering extended hours by LA

	J	K	L	M	All LAs
10 places or fewer	33%	18%	33%	19%	28%
11-35 places	35%	39%	40%	25%	38%
36–60 places	22%	24%	18%	44%	22%
61-90 places	6%	11%	6%	3%	7%
More than 90 places	4%	8%	3%	9%	5%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	216	262	336	32	846

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 39: Reasons providers are offering extended hours by LA

Percentage of settings reporting (multiple) reasons	J	K	L	M	All LAs
Parents requested to use extended hours	70%	56%	64%	50%	63%
Wanted to support the extended hours offer	60%	64%	57%	84%	61%
Invitation / encouraged by LA	59%	53%	46%	47%	51%
Concerned parents would use another provider offering hours	38%	52%	44%	28%	44%
A good business opportunity	34%	39%	28%	47%	34%
Information / communications from central government	24%	20%	18%	19%	20%
Information / communications from professional organisations	15%	13%	13%	9%	13%
To help or support parents or children	7%	5%	6%	3%	6%
Felt obliged to take part	0%	1%	1%	0%	1%
To provide continuity of care to eligible children	<1%	<1%	<1%	0%	<1%
Other specific answer	10%	9%	9%	9%	9%
Number of providers offering extended hours	216	262	336	32	846

Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Providers could indicate multiple reasons. Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

Table 40: LA support for delivery of extended hours by LA

	J	K	L	M	All LAs
Received sufficient support	78%	52%	68%	75%	66%
Would have liked more support	15%	34%	24%	19%	25%
Did not require any support	6%	14%	8%	6%	9%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	213	258	334	32	837

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 41: Further support that providers would have liked from LA by LA

	J	K	L	M	All LAs
More provider events / information sessions	32%	48%	48%	64%	46%
Better information for parents	49%	44%	44%	43%	45%
More support for business sustainability	24%	31%	30%	21%	29%
More hands-on support with checking parents' eligibility codes	34%	32%	23%	21%	28%
Better information about policy implementation	10%	19%	9%	21%	14%
More support in creating partnerships	5%	12%	10%	0%	9%
Information provided earlier / more time for implementation	2%	8%	8%	0%	6%
More or better training	5%	4%	8%	14%	6%
More funding	5%	1%	6%	0%	3%
Other specific answer	10%	16%	11%	7%	13%
Number of providers reporting would have liked more support	41	91	87	14	233

Source: Early Rollout Evaluation Survey of Providers, 2017

Note: Providers could indicate multiple suggestions.

The following tables 42 to 49 correspond to those presented in chapter 5.

Table 42: Change in occupancy due to the extended hours by LA

	J	K	L	M	All LAs
Increased	26%	42%	38%	14%	36%
No change	70%	52%	57%	76%	60%
Decreased	4%	5%	5%	10%	5%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	209	257	330	29	825

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 43: Increases in the use of staff to deliver the extended hours by LA

	J	K	L	M	All LAs
No change in staff hours or number	66%	56%	60%	59%	60%
Staff hours increased	22%	24%	22%	13%	22%
Number of staff increased	5%	6%	4%	13%	5%
Staff hours and number of staff increased	7%	14%	14%	16%	12%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	212	259	332	32	835

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 44: Reason did not increase number of staff by LA

	J	K	L	M	All LAs
Did not need more staff	63%	79%	65%	53%	67%
Could not afford more staff	11%	15%	14%	6%	13%
Could not recruit suitable staff	3%	6%	4%	0%	4%
Extended hours of existing staff	1%	1%	<1%	0%	1%
Other specific answer	3%	2%	2%	0%	2%
Not applicable	26%	13%	24%	43%	23%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours and not increasing staff number	208	221	288	47	764

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

Table 45: Capacity to offer more places by LA

	J	K	L	M	All LAs
Definitely have capacity to offer more places	27%	35%	31%	41%	31%
Possibly have capacity to offer more places	28%	27%	25%	34%	27%
Do not have capacity to offer more places	46%	39%	44%	25%	42%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	215	260	334	32	841

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 46: Impact on number of free entitlement three / four year olds by LA

Percentage of settings	J	K	L	M	All LAs
Increase due to extended hours	23%	33%	33%	16%	30%
Increase for other or unknown reasons	6%	8%	4%	3%	6%
No change	71%	57%	61%	81%	63%
Decrease due to extended hours	<1%	1%	<1%	0%	<1%
Decrease for other unknown reasons	0%	1%	1%	0%	<1%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	216	261	335	31	843

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

Table 47: Impact on number of free entitlement two year olds by LA

Percentage of settings	J	K	L	M	All LAs
Increase due to extended hours	4%	6%	2%	10%	4%
Increase for other or unknown reasons	5%	7%	8%	0%	7%
No change	88%	84%	86%	85%	85%
Decrease due to extended hours	2%	2%	1%	5%	2%
Decrease for other unknown reasons	2%	1%	3%	0%	2%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours with two year old free entitlement children	131	189	190	20	530

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 48: Impact on number of children with only paid hours by LA

Percentage of settings	J	K	L	M	All LAs
Increase due to extended hours	2%	3%	3%	13%	3%
Increase for other or unknown reasons	5%	11%	7%	3%	8%
No change	89%	82%	85%	78%	85%
Decrease due to extended hours	4%	3%	4%	6%	3%
Decrease for other unknown reasons	<1%	<1%	1%	0%	1%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours with children with only paid hours	215	259	334	32	840

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%.

Table 49: Impact on fees for paid hours by LA

	J	K	L	M	All LAs
Increase in fees linked to extended hours	9%	17%	18%	7%	15%
Increase in fees not linked to extended hours	7%	8%	9%	10%	8%
No change in fees	81%	72%	70%	79%	74%
Decrease in fees linked to extended hours	2%	2%	2%	3%	2%
Decrease in fees not linked to extended hours	0%	1%	0%	0%	<1%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours with paid hours	211	256	327	29	823

Source: Early Rollout Evaluation Survey of Providers, 2017

Notes: A fee increase means that fees rose for at least one age group from three and four year olds, two year olds and under two year olds, and did not decrease for any age group. A fee decrease means that fees decreased for at least one age group and did not increase for any age group. There were also two settings which reported a mixture of increases and decreases across the age groups.

The following tables 50 to 52 correspond to those presented in chapter 8.

Table 50: Changes in delivery cost due to extended hours by LA

	J	K	L	M	All LAs
Increased	21%	38%	35%	26%	32%
No change	70%	55%	57%	71%	60%
Decreased	9%	7%	9%	3%	8%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	205	244	321	31	801

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 51: Changes in hourly staff pay by LA

	J	K	L	M	All LAs
Increased	10%	16%	15%	13%	14%
No change	89%	83%	83%	87%	85%
Decreased	1%	1%	2%	0%	1%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours and employing paid staff	164	232	266	30	692

Source: Early Rollout Evaluation Survey of Providers, 2017

Table 52: Changes in profits due to extended hours by LA

	J	K	L	M	All LAs
Increased	25%	28%	22%	15%	24%
No change	47%	33%	30%	62%	37%
Decreased	28%	38%	48%	23%	39%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours and measuring profits	177	227	282	26	712

Source: Early Rollout Evaluation Survey of Providers, 2017



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