



Department  
for Education

# **Evaluation of the first year of the national rollout of 30 hours free childcare**

**Research report**

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# Acknowledgements

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# Executive Summary

## Introduction

The Free Early Education Entitlement 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 parents<sup>1</sup> in September 2017. 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 work more hours should they wish to do so”.<sup>2</sup>

This report presents the findings from an independent evaluation of the first year of the national rollout undertaken by Frontier Economics, researchers from the University of East London and NatCen Social Research. The evaluation had two key aims. First, to understand the implementation of the policy and to consider whether the policy is working as intended. Second, to understand the impact of the policy and to consider whether it is achieving its objectives of supporting working families and helping parents to work or work more hours should they wish to do so.

Evidence to answer the evaluation questions was primarily collected from 12 Local Authorities (LAs), selected to have a balanced mix of local childcare provision, early years policy (such as funding rates), and regional and socio-economic context. There were five strands of evidence collection (undertaken during January to May 2018):

- Qualitative interviews with 48 LA staff, 97 providers and 108 parents in the 12 LAs involving in-depth discussions on implementation of the policy and responses to identify key issues and explore potential drivers.
- Qualitative interviews with 27 LA staff and 39 providers in eight LAs that had tested the extended hours in 2016-17. This strand focused on collecting learning on some key implementation challenges.
- Analysis of 2018 Early Years Census and School Census data for the 12 LAs to provide robust numbers of providers delivering and children receiving the extended hours and some of their characteristics.

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<sup>1</sup> 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 £125.28 a week (or around £6,500 per year) for parents aged 25 or older.

<sup>2</sup> 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](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482517/Childcare_Bill_Policy_Statement_12.03.2015.pdf), page 4.

- A bespoke survey of 1,717 providers in the 12 LAs collecting data on providers' decisions to deliver the extended hours and the impacts on their provision and finances.
- A bespoke survey of 3,004 parents registered for the 30 hours free childcare in the 12 LAs collecting data on how they used the extended hours and their perceptions of impacts on childcare use, work and family wellbeing.

While this evidence collection was extensive and robust, it should be noted that it was drawn primarily from only 12 LAs and was initiated just four months after the policy rollout. It should also be noted that while statistical evidence is presented from the census and survey data, the qualitative interviews explore in greater depth a range of views and experiences in diverse circumstances and, in line with best practice, the findings do not report the prevalence of these views and experiences.

The findings are presented in five sections arranged around the implementation experiences of Local Authorities, provider responses, the effects on provision, parent responses and the effects on families.

## **Implementation experiences of Local Authorities**

The experiences of LAs of implementing the policy were explored using qualitative data from the 12 study areas (which started delivering the extended hours in September 2018), as well as early test areas that were in their second implementation year. The experiences of LA staff and their expectations for the future were explored in relation to: the resources available for the national rollout; sufficiency planning; promoting the extended offer to parents; engaging and supporting providers; and whether sufficient extended places were available and delivered in compliance with DfE statutory guidance.

### **Resources for the national rollout**

LA respondents' accounts show that the external and internal resources available to LA childcare teams for the national rollout played an important role in shaping planning and implementation decisions. External help for the national rollout was described by LA staff as a "*life saver*" and included DfE capital funding, the Delivery Support Fund and support from Childcare Works. However, it was the level of internal resources available to childcare teams that mainly shaped local implementation approaches. In some LAs, staff reported both sufficient resources (within the childcare and other teams) to adequately support the national rollout and a high level of senior engagement with and support for the policy among senior management. In other LAs childcare staff resources were reported to have reached a critically low level due to local funding reductions and there was limited help from other teams. In these areas, LA staff were concerned that going forward there will not be sufficient resources to deal with some key implementation challenges, such as supporting children with additional needs or from low income families

to take up the extended offer and engaging providers that were not yet delivering extended hours.

## **Sufficiency planning**

LA staff reported that sufficiency planning for the extended offer started several months before the national rollout with childcare teams trying to estimate the expected level of demand for places in different parts of the LA and providers' intentions and capacity to deliver them. Sufficiency planning in the first year was reported to be challenging due to lack of data on eligibility and take-up of the extended hours. However, LA staff believed that HMRC registration data and the Early Years Census and School Census data will help with planning in the future, although an element of uncertainty will remain until the policy becomes established. This expectation was supported by LA staff in early test areas, who reported that there was still considerable uncertainty about the effects of the extended hours on demand for childcare in the second implementation year.

## **Promoting the extended offer to parents and supporting take-up**

While promoting the offer to parents, LA staff reported a greater focus on engaging and supporting providers, because most eligible parents were described by LA staff as "savvy" and unlikely to miss out on any entitlement. LAs also wanted to ensure that extended places were available before parents were encouraged to ask for them. LA staff were aware that some groups of children could miss out on the extended offer due to lack of awareness or barriers to take-up, including children with additional needs, from ethnic minorities and from low income families. They also reported limited time and resources to target these groups in the first year but some were beginning to consider how to target them in the second year. For example, using the DfE Delivery Support Fund, some were planning to support the transition from the two year old entitlement to the extended offer and to target parents whose first language is not English. However, LA respondents identified some specific challenges to engaging some parents:

- The eligibility rule that only allows parents to access extended hours the term after they secure a job was believed to be a considerable barrier to take up among low income families if it meant they had to pay for additional hours for several weeks.
- The complexities of the registration process, including the need for three monthly reconfirmation, were believed to be a barrier for parents who may face difficulties in navigating the system.
- SEND budgets were already inadequate to meet demand from children who were taking the universal 15 hours and could not be stretched to cover extended hours.

## **Engaging and supporting providers**

LA staff reported that communication with providers about the extended hours had been extensive in the months prior to the national rollout. In the immediate run up to the national rollout, some LAs were able to sustain extensive provider engagement activities,

but childcare teams that had been substantially downsized due to local funding reductions said they could dedicate very limited time to supporting providers. Instead, these LAs had to focus on the administration of the offer, including the unexpected very high volume of queries about the registration process, which put additional strain on resources.

LA staff reported that support to providers primarily consisted of business advice and training, which was considered most effective when it was tailored and delivered one-to-one, but some believed this model may not be financially viable in the future. Some LAs were also working closely with settings to help with staff retention and recruitment, as this was anticipated to be a key challenge in the coming year.

Shared care was promoted by LAs as a way of delivering extended places and LAs reported that the extended offer had resulted in more providers sharing funded hours.<sup>3</sup> While the extended offer had resulted in greater use of funded hours at more than one provider, LAs believed this was primarily among parents who were already using or planned to use shared care and the extended hours did not seem to have resulted in a substantial increase in use of multiple providers.

## **Sufficiency and compliance with statutory guidance**

Overall, LA staff reported no problems in meeting demand for extended places. There had been no or rare complaints from parents who could not get an extended place and feedback from providers suggested there were no major gaps in provision. While they expected that they would need to continue to invest time and resources to ensure sufficiency, this was regarded as a good start. However, due to the lack of reliable eligibility estimates discussed earlier, LAs had little evidence to establish take-up among all eligible parents, including take-up among families who face potential barriers (such as children with additional needs, ethnic minorities and low income families).

In line with the statistical evidence presented below, all LAs believed that, so far, the extended offer had not affected the availability of other funded places and some thought this was likely to continue to be the case in future. However, in other LAs, feedback from some local providers had raised concerns that there could be adverse consequences going forward and some had already acted to prevent future sufficiency problems.

LA staff said there had been few complaints from parents about charges and limitations on using the extended hours. However, they did not know whether this meant that parents were able to access what LA staff described as the offer “*with no strings*

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<sup>3</sup> The parents survey showed that 86 percent of children using extended hours received all their funded hours from one provider while 15 percent used two providers and very few used three or more.

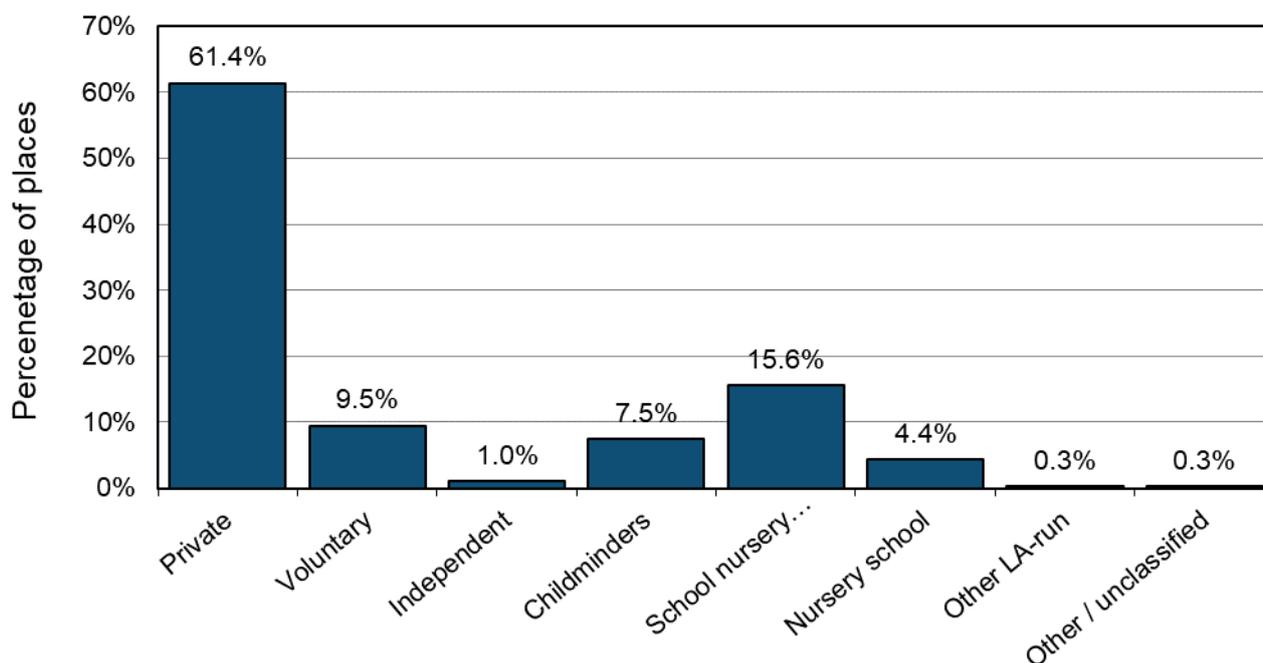
attached” or whether parents had decided not to complain or were not fully aware of their entitlement.

There was a consensus among LAs that ambiguity in the DfE statutory guidance and their belief that they can only challenge settings’ practices in response to parents’ complaints<sup>4</sup> meant that they lacked the policy tools for what they described as effective “policing” of compliance with statutory guidance. Furthermore, they believed that models for delivering extended hours involving some parental payment may become increasingly necessary if costs increase while the funding rate remains unchanged.

## Provider responses

Within the 12 LAs in the study, most extended hours places were delivered by private providers: according to the census data, 61 percent were delivered by private providers, while 16 percent were delivered by school nursery classes, 10 percent by voluntary providers and 8 percent by childminders (figure 1). The remaining places were delivered by nursery schools (4 percent), independent providers (1 percent) and other LA-run or other/unclassified types (less than 1 percent each).

**Figure 1: Distribution of extended hours places across provider type**



Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Note: Sample size is 33,832 places. Nursery schools include maintained and those with direct grant status.. See section 1.3 for a description of the provider types.

<sup>4</sup> To note, DfE guidance does not stipulate that LAs should only address issues if there is a complaint from a parent.

Within the 12 LAs in the study, just over three quarters (76 percent) of funded providers (those delivering any free entitlement places) delivered the extended hours, but this proportion varied from 67 percent to 84 percent across LAs. The proportions of funded providers delivering extended hours was higher for private providers, voluntary providers and childminders (88 percent, 77 percent and 75 percent of all those delivering any free entitlement hours delivered extended hours within each type respectively) than for school nursery classes (58 percent of all school nursery classes delivering any free entitlement hours delivered extended hours) and independent providers (34 percent of all independent providers delivering any free entitlement hours delivered extended hours).

In the providers survey, 4 percent of all providers (both those delivering the free entitlement and those not) reported that they had no plans to offer the extended hours because the level of funding was too low. In addition:

- 2 percent reported that they had no plans to offer because they did not open for 30 hours a week, 2 percent because of a lack of demand from parents and 1 percent because they were not currently looking after or planning to look after children aged three or four.
- 1 percent reported that the reason was too much administration or bureaucracy involved and 1 percent reported that the reason was that the guidance is too difficult to comply with or does not fit their business model.
- 1 percent had no plans to offer the extended hours because of resource constraints (space or staff) or were concerned that it would reduce places for other children.

Analysis of the providers survey data indicated that business consequences were the most important factors in the decision to deliver, both in terms of a positive fit with the providers' delivery model and in terms of a negative risk of losing parents. The degree of focus in purpose on delivering childcare and providing support for working parents played a much smaller role.

The findings from qualitative interviews with providers reflected the survey analysis, showing that the decision to offer the extended hours was driven by an assessment of how beneficial it would be for the setting to offer the extended hours or, in some cases, how damaging it would be not to offer as parents would go elsewhere. Opportunities and challenges were viewed differently by for-profit businesses that rely on a mix of LA funding and income from parent paid fees, and not-for-profit services that largely rely on funded provision.

Among for-profit providers (private day nurseries and childminders), a key consideration was how well the offer fitted their business model. Some were very positive as they considered the policy to be adequately funded and helped to fill places. However, others felt they had to offer the extended hours even though the funding rate was lower than

parent paid fees, because it would be financially very damaging not to do so. Only those who felt confident that parents would not go elsewhere decided not to offer extended hours. These included providers in very rural areas with no competitors nearby; popular providers operating in affluent areas; and a workplace nursery with subsidised places for employees.

Views about the funding rate among not-for-profit services (delivered by maintained schools, academies and voluntary playgroups) varied, but the funding rate was of lower importance and their decision was largely driven by expectations about parental demand. Those settings that did not offer the extended hours expected very few parents to take up the offer (because they were in areas with few eligible parents) and could not afford the financial risk of adjusting provision in the hope that demand would increase.

## Effects on provision

Evidence from the providers survey indicated that delivering the extended hours had led providers to expand their provision in two ways:

- An increase in occupancy (whereby spare capacity in the form of unoccupied places had been used to deliver more hours), reported by 33 percent of providers.
- An increase in the use of staff reported by 51 percent of providers (19 percent had increased hours for existing staff, 11 percent had increased the number of staff and 21 percent had increased both hours and the number of staff).

In addition, 38 percent of providers delivering the extended hours reported that they definitely had the capacity to offer more places, while 33 percent reported that they could possibly offer more places.

Census data on changes in funded places and hours between January 2017 and January 2018 for providers delivering and not delivering the extended hours showed no adverse effects on other provision:

- On average, each provider delivering extended hours had replaced 10 places delivering just the universal free entitlement hours with 10 places delivering the combined universal and extended offer.
- There had been a very small decline (0.2 places per provider) in the average number of funded places for two year olds among providers delivering the extended hours.
- The mean number of all funded hours among providers delivering the extended hours had increased by 120 per provider, an average increase of 12 funded hours for each extended hours place.

- In comparison, the mean numbers of funded places and funded hours had decreased among providers not delivering the extended hours for reasons most likely unrelated to the extended hours.

In the survey, 20 percent of providers offering the extended hours reported that they had extended their opening hours because of the extended hours. This proportion was higher for voluntary providers (32 percent) and maintained providers (34 percent) (table 1). Some 28 percent of maintained providers had started to open over lunch and 9 percent of voluntary providers had started to open both earlier in the day and later in the day.

**Table 1: Extensions to opening times to deliver extended hours**

	Private	Voluntary	Childminder	Maintained	All
Proportion extending opening hours	17%	32%	12%	34%	20%
Starting to open:					
- earlier in the day	8%	14%	2%	10%	8%
- over lunch	7%	14%	6%	28%	11%
- later in the day	8%	18%	4%	9%	8%
- at the weekend	0%	0%	1%	0%	<1%
- more weekdays	3%	5%	2%	1%	3%
- during holidays	2%	1%	6%	1%	2%
Starting to open both earlier and later in the day	3%	9%	1%	5%	4%
Number of providers offering extended hours	724	198	334	210	1,483

Source: Evaluation Survey of Providers, 2018

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. The all category includes providers with other or unclassified types. See section 1.3 for a description of the provider types.

Longer opening hours offer parents more choice in when they use the extended hours, but a minority of providers restricted when funded hours could be used. While almost two thirds (63 percent) of providers offering the extended hours reported in the survey that they gave parents a free choice in when they used the hours, a quarter (25 percent) had some restrictions and 12 percent only allowed the extended hours to be used on specified days or at specific times. The proportion restricting use was higher for maintained providers, with less than half (47 percent) allowing a free choice.

Further evidence from the providers survey showed that while 68 percent of providers offering the extended hours did not change their parent paid fees or additional charges

(such as for meals or special activities) because of the extended hours, 32 percent of these providers increased their parent paid fees and/or introduced or increased additional charges as part of their delivery model for the extended hours. Overall, 9 percent only increased parent paid fees, 13 percent only increased charges and 10 percent increased both.

In the qualitative interviews providers highlighted how restrictions related to their delivery models:

- The offer of maintained schools, academies and playgroups delivering a term-time and part-time service was largely limited by their opening times and they tended to have fixed timings for their sessions. However, while some allowed a choice over the number of days and sessions, others only gave the option of taking exactly 15 or 30 hours each week. Some of these settings which were open for slightly more than 30 hours a week offered an additional optional lunch hour, meaning that parents taking the extended hours had to pay or collect the children<sup>5</sup>. Others offered optional additional time at the beginning and/or the end of the day, as the LA advised them to avoid a break in funded provision or thought that many of their parents taking the extended offer may struggle to pay for the lunch break.
- Full-time year round services provided by day nurseries and childminders offered choices largely shaped by financial considerations, including: only allowing parents to book for periods which had to include some paid hours; only allowing parents to use extended hours stretched over holidays; or restricted usage of the extended hours to less popular slots.

The survey showed that delivering the extended hours had mixed financial impacts for providers:

- 62 percent of providers reported that their parent paid fee was higher than the funding rate, although this proportion was notably higher for private providers than other types (upper panel, table 2).
- More than half of providers (59 percent) reported no impact on the hourly delivery cost per child or that the hourly cost per child declined because of delivery of the extended hours, but 41 percent reported that the hourly cost per child had increased (lower panel, table 2). The main driver of cost increases was higher staff hourly pay from increasing the use of staff.
- Just under two-fifths (39 percent) of providers reported that there had been a reduction in their profit or surplus due to the extended hours, while 46 percent

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<sup>5</sup> This practice is not considered to be in the in the spirit of the DfE statutory guidance.

reported no impact and 16 percent reported that their profit or surplus had increased (figure 2). Private providers were most likely to have reported a fall in their profit (47 percent), while voluntary and maintained providers were most likely to have reported an increase in their surplus (20 percent for both types).

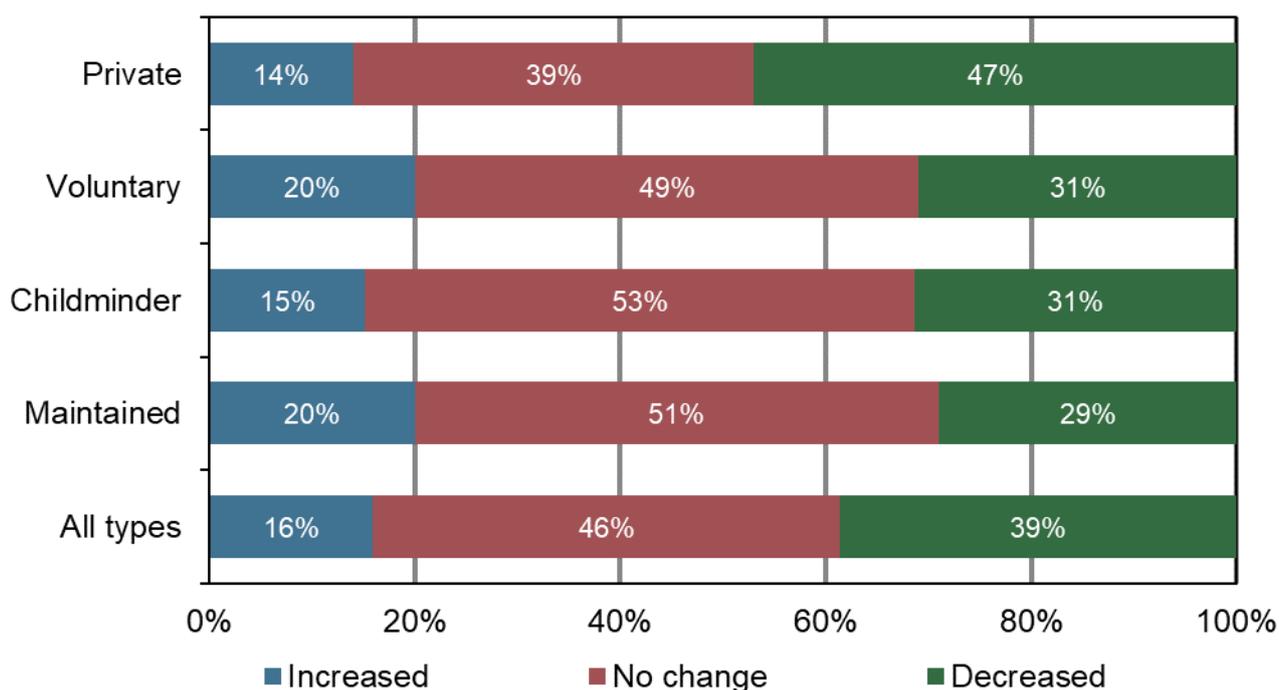
- Almost a third (32 percent) of providers reported that delivering the extended hours meant that they had crossed a threshold between being in profit or surplus; just about breaking even; and being in loss. These included positive changes for 2 percent moving into profit (from breakeven or loss) and 5 percent moving from loss to breakeven and negative changes for 17 percent moving from profit to breakeven and 8 percent moving into loss (from breakeven or profit or surplus).
- Regression analysis of the survey data indicated that the difference between the parent paid fee and the funding rate was the key driver of the impact on profit or surplus, although it suggested that changes in occupancy also played an important role.

**Table 2: Changes in hourly income and costs due to the extended hours**

	Private	Voluntary	Childminder	Maintained	All
Proportions with parent paid fees relative to funding rate:					
- parent paid fee lower	5%	18%	20%	10%	11%
- about the same	21%	22%	33%	48%	27%
- parent paid fee higher	74%	59%	47%	42%	62%
Proportions with hourly delivery cost per child:					
- increased	47%	45%	23%	40%	41%
- no change	46%	48%	67%	58%	52%
- decreased	7%	8%	10%	2%	7%
Number of providers delivering extended hours	699	190	272	178	1,356

Source: Evaluation Survey of Providers, 2018

**Figure 2: Proportions of providers with a change in profit or surplus due to the extended hours**



Source: Evaluation Survey of Providers, 2018

Note: Sample sizes are 557 for private providers, 180 for voluntary providers, 258 for childminders, 143 for maintained providers and 1,153 for all types of providers delivering the extended hours. Profit or surplus is defined to mean the difference between income and costs.

In the qualitative interviews, some providers indicated that once they have been able to assess the longer term financial impact of the extended hours and the next cohorts of children have started to use the extended offer, they may need to re-assess their delivery model and review which type of funded provision can best support their setting's financial viability.

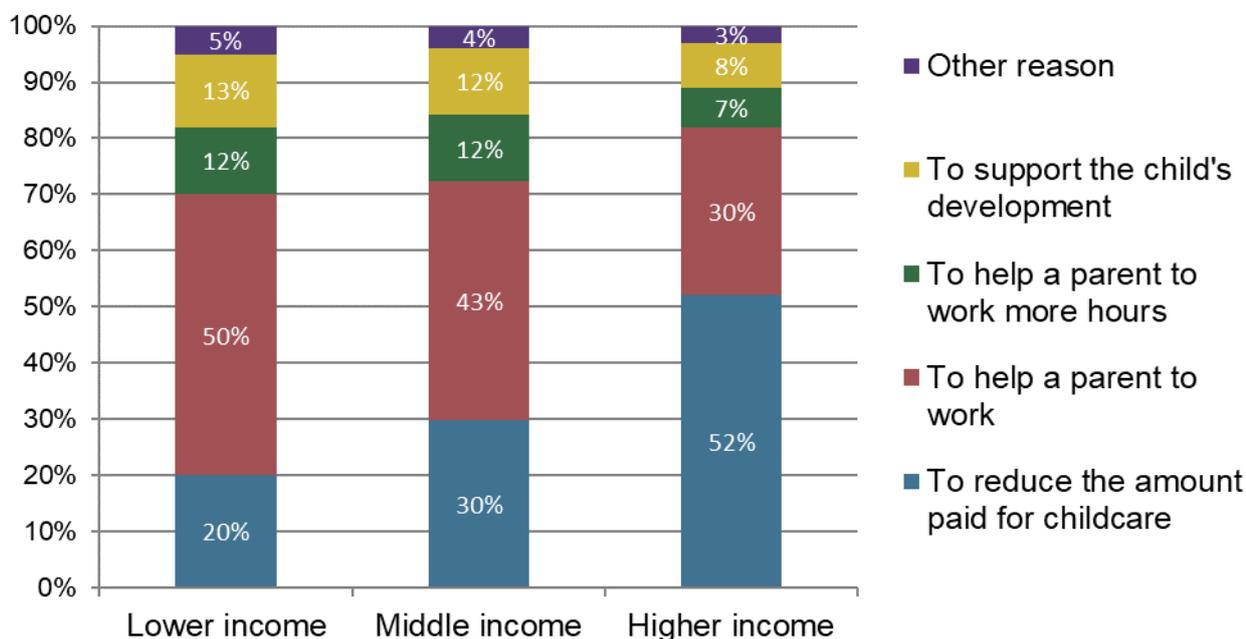
## Parent responses

According to the census data for the 12 LAs in the study, 32 percent of three and four year olds using the universal free entitlement used extended hours in January 2018. This proportion varied from 21 percent to 47 percent across the LAs reflecting differences in eligibility rates and take-up (but it was not possible to distinguish between these). The proportion was higher for children aged four, without the EYPP (Early Years Pupil Premium), without SEN (Special Educational Needs), living in rural areas and of white ethnicity. Unsurprisingly given the eligibility requirements, the survey showed that parents using the extended hours tended to be from the higher end of the income distribution and to be more highly educated. On the other hand, 16 percent had used the two year old free entitlement for disadvantaged families. In addition, 15 percent were single mothers,

17 percent were of non-white ethnicity and 5 percent had children with special needs or a longstanding or serious health condition or disability.<sup>6</sup>

Responses to the parents survey showed that the main reason that most parents used the extended hours was to support them working (52 percent reported the main reason as helping a parent to work or to work longer hours), while reducing the amount spent on childcare was the main reason for around a third (36 percent) and supporting the child’s development for 11 percent. These responses differed across income level (figure 3), with support for parent’s work and the child’s development more prevalent reasons for families in the lower income group and reducing childcare payments the most common reason for families in the higher income group.

**Figure 3: Main reason for using extended hours across income levels**



Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000, and £50,000 or more respectively. Sample sizes are 730, 854 and 1,095 for the three income groups.

The survey found that only 2 percent of all parents who were registered for the extended hours had not taken up the hours because they could not use them in the way they wanted or because they could not find a provider offering the extended hours. The qualitative interviews explored in depth the influences on decisions not to take up the

<sup>6</sup> In the census data, a child was identified as having SEN if the provider reports that they have a statement, an education, health and care (EHC) plan or SEN support. In the parents survey, a child was identified as having special needs or a longstanding or serious health condition or disability if the parent answered positively to either the question “Does this child have any serious or longstanding health conditions or disabilities?” or the question “Does this child have any special educational needs or other special needs?”.

extended hours among eligible parents who did not apply (a group not included in the survey), as well as those who successfully applied but then did not take up a place.

In the qualitative interviews, parents talked about the extended offer being (or not being) “*for them*” and mentioned an inter-play of factors which were considered. The discussion of these factors reflected what parents did and did not know about extended hours and the (perceived) barriers to access, both of which illustrated why some eligible parents did not take up the extended hours. The considerations that shaped the responses of eligible parents who were not accessing the extended offer included:

- **If and how the extended offer could meet their childcare needs.** Some parents did not take up the offer because they had no or limited need for childcare or because the extended hours could not be used for their current arrangement (such as informal care or a nanny). Some did not register because they wrongly assumed that the offer could not be used with childminders or that they had to take the full 30 hours entitlement and were not aware that they could choose to take only some of the additional hours.
- **Whether they believed they were eligible for the extended offer.** Some parents did not take up the offer because they mistakenly believed they were ineligible due to receipt of other childcare funding (Universal Credit, tax credits, childcare vouchers or Tax Free Childcare). There were also examples of parents who incorrectly believed they were not eligible because they were self-employed, working less than 16 hours a week or had a joint annual income above £100k.
- **If and how they would be able to access the extended hours.** Some parents did not take up the extended hours because they were not available at their setting. Some of these were aware of the possibility of using an additional provider to access the extended offer, but this option did not suit them. Other parents were not able to use the extended hours because their setting did not offer them at the times they needed them. Some parents reported difficulties in accessing extended hours that related to their child’s additional needs, for example, they were told that the setting did not have the resources to extend the support the child received for the universal offer.
- **Whether the pros outweighed the cons of the extended offer.** Some parents believed the benefits would be small, for example, some described the additional childcare as “*nice to have*” rather than essential or thought that the financial gain was limited because their childcare costs were mostly covered by tax credits or because they believed the setting would charge what parents described as “*top up fees*”<sup>7</sup>. A combination of small or uncertain benefits with barriers to access or

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<sup>7</sup> To note, top up fees are not allowed by the DfE Statutory guidance.

concerns about the effects on other benefits determined some parents' decision not to take-up the extended hours.

The experiences and views of parents who had and had not taken up the extended offer showed that more could be done to promote the policy and enable parents to make more informed choices. The views of parents echoed those of LA staff and providers who believed that future promotion of the offer should focus on:

- Improving understanding of eligibility rules, particularly for parents with variable income and who rely on other sources of childcare funding.
- Providing reassurance about the registration process, as some parents were put off from applying by (perceived) difficulties with the initial application and/or the reconfirmation.
- Improving understanding of how the extended hours can be accessed and used flexibly to meet different needs.
- LAs providing more information on local providers that offer extended hours and how they offer them (such as limitations and charges). LA staff believed that this would enable parents to “shop around”.

Parents who did take up the extended hours used them in different ways:

- According to the census data, 62 percent took the full universal offer and 15 extended hours while 20 percent took the full universal offer hours and less than 15 extended hours. Other combinations involved taking the extended hours with less than 15 universal hours.<sup>8</sup>
- According to the parents survey, 63 percent of children using extended hours received funded hours only during term time and 86 percent received all their funded hours from one provider (while 15 percent used two providers and very few used three or more).

Data from the parents survey also showed that some parents used additional parent paid hours with their extended hours place and paid additional charges (such as for meals or special activities) (table 3):

- Parents paid for additional hours for just over half (56 percent) of places, but this proportion was higher for places with private providers and childminders.

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<sup>8</sup> In the census data, the universal offer is recorded as the actual hours per week and the hours are recorded as less than 15 when spread over more than 38 weeks of the year. The extended hours are recorded “as if taken over the 38 week period” even when spread over more than 38 weeks of the year.

- A similar proportion of places (56 percent) had additional charges, with an average weekly payment of £24. Additional charges were less common for places with childminders and the average payment was notably higher for private providers and lower for maintained providers,
- All charges were regarded as optional by parents in one third (33 percent) of cases where charges were paid. Charges were more likely to be viewed as optional for places with voluntary or maintained providers.

**Table 3: Proportions of extended hours places with additional parent paid hours and with additional charges**

	Private	Voluntary	Childminder	Maintained	All
Proportion with additional parent paid hours	65%	37%	72%	33%	56%
Proportion with additional charges	58%	47%	35%	58%	56%
Mean weekly payment for additional charges	£28	£22	£21	£15	£24
Proportion with all charges optional	29%	57%	31%	42%	33%
Number of extended hours places	1,651	65	255	726	2,819

Source: Evaluation Survey of Parents, 2018

The mean weekly payments for additional charges were highest for families in the higher income group and lowest for those in the lower income group. In addition, families in the lower income group were more likely to report that all the additional charges were optional than those in either the middle or higher income group.

For over half of places (52 percent), parents reported that they could choose the days and times of use, while parents reported some restrictions for 27 percent of places and reported that the extended hours had to be taken on the days and at the times specified by providers for 21 percent of places. Childminders were more likely to offer the greatest flexibility (parents reported complete freedom in days and times for 64 percent of places with childminders), while maintained providers were most likely to offer the most restricted choices (parents had to take the extended hours on the days and at the times specified by the provider in 31 percent of places with maintained providers).

## Effects on families

The survey asked parents both about changes in their childcare and work choices since starting to receive the extended hours and about their perceptions of the impact of the extended hours on those choices<sup>9</sup>:

- For the change in childcare use, 13 percent of parents had started to use formal childcare for their child and 46 percent were using more hours of formal childcare. The magnitudes were similar for parents' perceived impacts on childcare use: 8 percent reported that the extended hours were the reason they were using any formal childcare for their child and 43 percent reported that they used more hours because of the extended hours.
- For the change in mothers' work, very few mothers (2 percent) reported that they had entered work, but just over a quarter (26 percent) reported that they had increased their work hours. For the perceived impact, some 15 percent of mothers reported that they thought the extended were the reason that they were working and 27 percent reported they were working more hours because of the extended hours. The difference between 2 percent having entered work and 15 percent reporting that the extended hours was the reason they were working suggests that the extended hours may have helped mothers to remain in work, particularly as there is considerable churn in the work participation of mothers with children of this age.
- The changes and impacts were smaller for fathers than mothers. For the change in fathers' work, less than 1 percent reported that they had entered work and only 7 percent reported that they had increased their work hours. For the perceived impact, 8 percent of fathers reported that they thought the extended hours were the reason they were working and 18 percent reported they were working more hours because of the extended hours.

Overall, almost one third (30 percent) of mothers reported that both childcare use and their work were greater because of the extended hours, with the most common pattern being higher hours for both (17 percent).

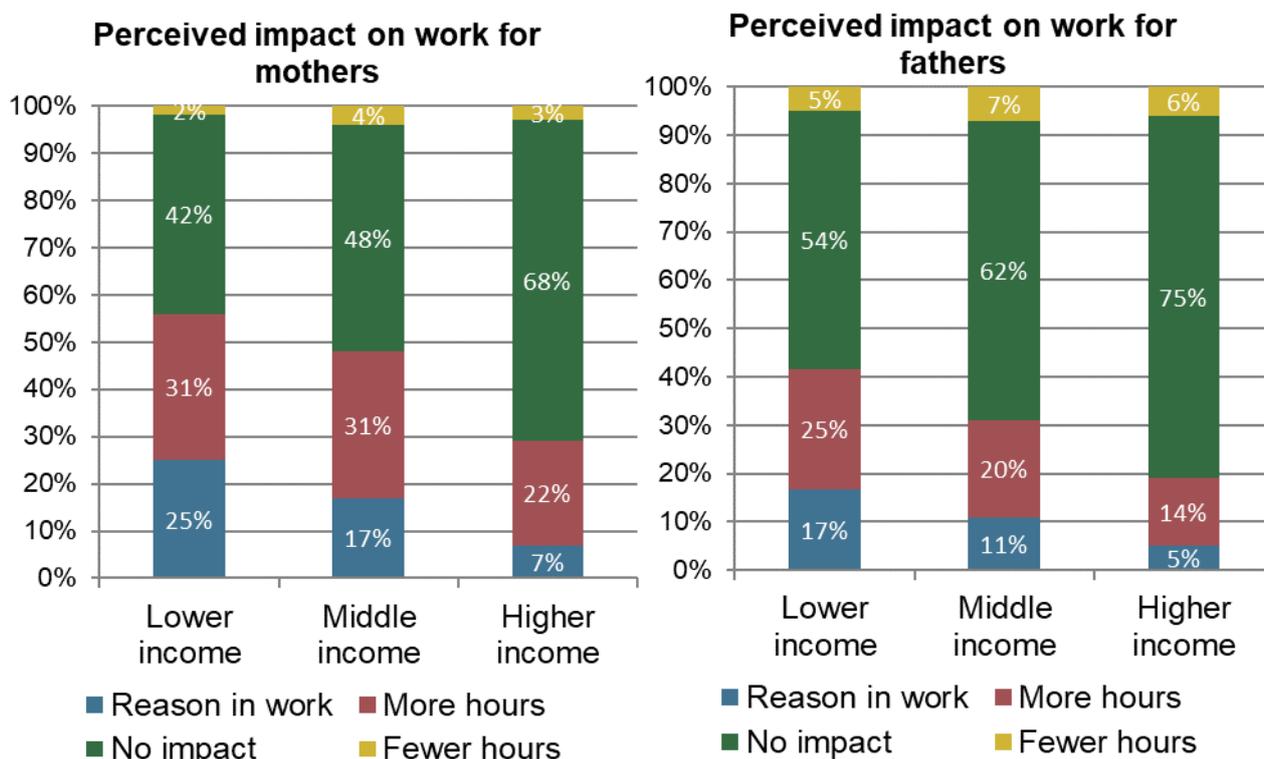
The proportion reporting impacts on childcare use and on parental work were higher for families in the lower income group than for those in the higher income group (the

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<sup>9</sup> Parents were asked both factual questions about whether their childcare use and work had changed since before they started to use the extended hours and a hypothetical question about whether and how much they would be using childcare or working if they were not using the extended hours. These need not generate the same type of response as changes could have occurred for reasons independent of becoming eligible for extended hours, particularly as childcare and work choices change as preschool children grow older. Hence, while both measures are reported, the primary focus is on parents' perceived impacts derived from the hypothetical questions.

perceived impacts on work are shown in figure 4). The proportions reporting an impact on childcare use and parental work were higher for families who had received the two year old free entitlement, indicating that the support was most effective for those who had been in the most disadvantaged group. Over half (56 percent) of mothers who had received the two year old entitlement reported an impact on their work compared to 39 percent for those who had not received the entitlement, while 46 percent of fathers who had received the entitlement reported an impact on their work compared to 24 percent for those who had not received the entitlement.

**Figure 4: Perceived impacts on parental work across income levels**



Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000, and £50,000 or more respectively. Sample sizes are 535, 623 and 748 for the three income groups for mothers and 65, 123 and 243 for the three income groups for fathers.

The proportions reporting a perceived impact also varied by other family characteristics:

- The proportion reporting an impact on childcare use was higher for families where no parent had a degree.
- The proportion reporting an impact on mothers' work was higher for single mothers, for large families (three or more children under the age of 12), for mothers without a degree, for mothers whose child had additional needs and for mothers of Asian ethnicity.

- The proportion reporting an impact on fathers' work was higher for fathers without a degree and for fathers of black or mixed or other ethnicity.

Evidence on four measures of the impact of using the extended hours on family well-being was collected in the parents survey:

- Amount saved on childcare spending: 29 percent of parents reported that they had saved more than expected, 54 percent reported that they had saved about the same amount as expected and 17 percent reported that they had saved less than expected.
- Difference to family finances: 22 percent reported that they had much more money to spend, 56 percent reported that they had slightly more money to spend and 22 percent reported that the extended hours had made no real difference.
- Impact on school readiness: 86 percent reported that they thought that their child was better prepared, 14 percent reported that there was no difference and just two cases reported that their child was less prepared.
- Difference to quality of family life: 43 percent reported that the quality of family life was much better, 36 percent reported that it was slightly better and 20 percent reported that there was no difference, while 16 cases reported that it was slightly worse and 2 cases reported that it was much worse.

For three of the measures (savings on childcare spending, school readiness and quality of life), family characteristics associated with a greater likelihood that the extended hours had improved their well-being included:

- couples
- larger families
- those without a parent with a degree level qualification
- families in the lower income groups
- families of black or Asian ethnicity

With the exception of couple families, these characteristics tend to capture less advantaged families. On the other hand, families in the higher income groups were more likely to report that they had more money to spend, potentially reflecting that they tend to spend more on childcare than lower income families and will benefit to a greater extent from free hours.

The qualitative interviews with parents highlighted how the magnitude of effects on families depended on the interplay between the savings in childcare costs, changes in

childcare use and impacts on parental employment. As families' starting points were so diverse the same policy could be experienced very differently, depending on the extent to which the offer had enabled parents to make choices that they could not have made without this additional help. In some cases, the improvement in families' finances could be life-changing, as the quotes below illustrate:

*“For us it has meant a massive saving ...we have been saving £400 a month which has meant we have been able to save for a deposit [to buy a house] and we've been able to get a mortgage.” (Parent who took up the extended hours)*

*“Money feels less of struggle now... and I can afford to buy shoes and clothes, without having to ask my mum to help out...” (Parent who took up the extended hours)*

More time and more help with childcare could also mean a better balance between work and family life. Again, the reported effects ranged from what parents described as “*nice but small*” to life-changing, as the quotes below illustrate:

*“It's nice not to have to rush through the door [at work] because now I've more time to collect him.... [and have] more time in the morning and I don't have to worry about being late for work...” (Parent who took up the extended hours)*

*“My husband can now do some day shifts because our daughter starts earlier at the nursery ... and that means he is around more in the evenings and at the weekend...” (Parent who took up the extended hours)*

More time and help with childcare could improve parental wellbeing in other ways, as this registered carer explained:

*“...with my daughter at nursery for longer my health has improved... I feel less tired, I've some time for myself and to catch-up with the jobs in the home ...and my husband is also probably happier because I'm not so tired all the time...”*

## Summary

The key findings are:

- A high proportion of providers delivering the funded entitlement were willing and able to offer the extended hours, although the policy required some adjustments to provision for some providers and the financial impacts were mixed.

- Almost all registered parents had obtained an extended hours place, with very few not taking up the extended hours because they could not use them in the way they wanted or because they could not find a provider offering the hours. However, better information about the extended offer and how to access it locally could facilitate access for the unknown number of eligible parents who have not applied.
- The offer was not completely flexible or free for all parents with substantial proportions reporting restrictions on when they could use the hours or that they had to pay charges for additional items or activities.
- High proportions of parents using the extended hours reported that they believed that the policy is supporting them to work and having positive impacts on their family finances and quality of family life. These perceived impacts were greater for families with lower levels of income among those using the extended hours.
- There were two potential concerns going forward. First, the downsizing of some local childcare teams due to local funding reductions may mean there are insufficient resources in some areas to adequately support policy implementation in the future. Second, there was an expectation that demand for extended places will increase and parents will be better informed and more able to “*shop around*” than the current cohort of parents. The uncertainty about parents’ future responses and the fact that two terms were not sufficient for providers to assess the financial impact of delivering the extended offer meant that some providers were waiting to see if delivering the extended hours will be financially viable in the long term.

# 1. Introduction

## 1.1 Evaluation objectives

The Free Early Education Entitlement 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 parents<sup>10</sup> 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”.<sup>11</sup>

In November 2017, an evaluation team of Frontier Economics, researchers from the University of East London and NatCen Social Research were appointed to undertake an evaluation of the first year of the national rollout of 30 hours free childcare. The evaluation had two key aims:

1. To understand the implementation of the policy and to consider whether the policy is working as intended. The key questions to be answered included:
  - Are providers willing and able to offer sufficient places?
  - What effect has the extended hours had on providers and their provision?
  - Can parents take up the extended hours in the way that they wish?
  - What are the implementation challenges and solutions?
  
2. To understand the impact of the policy and to consider whether it is achieving its objectives. The key questions to be answered included:
  - Are parents better able to work if they wish to do so?
  - Do working parents benefit from lower childcare costs?

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<sup>10</sup> 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 £125.28 a week (or around £6,500 per year) for parents aged 25 or older.

<sup>11</sup> 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](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482517/Childcare_Bill_Policy_Statement_12.03.2015.pdf), page 4.

Alongside this evaluation report, [evaluation guidance and a monitoring toolkit have been published](#) to support Local Authorities (LAs) to undertake their own local evaluations of the policy.<sup>12</sup>

## 1.2 Evidence collection and analysis

Evidence to answer the evaluation questions was primarily collected from 12 Local Authorities (LAs), selected to have a balanced mix of local childcare provision, early years policy (such as funding rates) and regional and socio-economic context.<sup>13</sup> There were five strands of evidence collection (undertaken during January to May 2018):

- Qualitative interviews with 48 LA staff, 97 providers and 108 eligible parents (including 60 who had not taken up the extended hours) in the 12 LAs. These interviews involved in-depth discussions on implementation of the policy and responses to identify key issues and explore potential drivers.
- Qualitative interviews with 27 LA staff and 39 providers in eight LAs that had tested the extended hours in 2016-17. This strand focused on collecting learning on some key implementation challenges including supporting shared cared to deliver the extended offer; out-of-school clubs to deliver extended hours; delivery of extended hours in rural areas; and take-up among children with additional needs and in low income families.
- Analysis of 2018 Early Years Census and School Census data for the 12 LAs to provide robust numbers of providers delivering and children receiving the extended hours and some of their characteristics.
- A bespoke survey of 1,717 providers in the 12 LAs collecting data on providers' decisions to deliver the extended hours and the impacts on their provision and finances.
- A bespoke survey of 3,004 parents registered for the 30 hours free childcare in the 12 LAs collecting data on how they used the extended hours and their perceptions of impacts on childcare use, work and family wellbeing.

The data collection was initiated just four months after the policy rollout (at the start of the second term when the policy may not have yet fully bedded in and implementation issues and the impacts on providers and families may not have fully materialised).

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<sup>12</sup> <https://www.gov.uk/government/publications/30-hours-free-childcare-local-evaluation>

<sup>13</sup> See section A.1 in Annex A for further details on the selection of LAs.

Further technical details on the data collection can be found in Annex A, but the following points should be noted about the analysis.

First, in line with best practice, the qualitative data analysis does not report the prevalence of views across respondents for the following reasons:

- 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.
- The sizes of the qualitative samples were not driven by the need to achieve statistical precision, but by the fact that a relatively small number of respondents is sufficient to reach “saturation point” in qualitative research, when analysis of additional cases does not provide any new information.
- The information produced by the qualitative research 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.

In addition, the qualitative findings are entirely based on the respondents’ accounts, which have been analysed to identify patterns and the factors underpinning the views and experiences. In line with standard practice in qualitative analysis, respondents’ quotes (in italics and quotation marks) have been included to illustrate a range of views and experiences using respondents’ own words.

Second, in presenting the findings from the census and survey data, regression models have been used to identify when differences across different types of providers and different types of families are:

- Directly due to the factor considered rather than other related characteristics (such as having a degree capturing the effects of higher household income).
- Likely to be a representation of the true relationships within the 12 LAs rather than a chance outcome from the samples.

In other instances, the techniques have been applied to help identify key associations between outcomes which can suggest which factors are potential drivers.

Third, it was not possible to undertake a conclusive quantitative analysis of the impact of the policy on providers and parents for several reasons:

- A national rollout meant that there were no area-based comparison group to estimate counterfactual outcomes.

- Findings were required within a short timeframe and any large scale data sets which may be used to measure impact nationally in a conclusive way (such as the Labour Force Survey) were not yet available.
- Other policy initiatives occurred simultaneously (introduction of Tax Free Childcare and the switch to Universal Credit) which made it difficult to identify the effect of the extended hours from simple time trends.

Instead, the effects on providers and parents are presented as changes in outcomes since prior to either delivering or taking up the extended hours or as perception of impact by the provider or parent. Both of these approaches have notable drawbacks for parents (discussed in detail in the findings), but the perception of impact is a reasonable approach for providers for two reasons. First, most providers will have experienced an otherwise very similar situation prior to the introduction of the policy. Second, providers will have recently made a conscious decision about offering the extended hours which is likely to have involved some contemplation of impacts. This approach is consistent with the recommendations in the evaluation framework for this policy previously developed for HMRC and DfE.<sup>14</sup>

Fourth, it was not possible to conduct a survey of parents who are eligible but not registered for the extended hours due to the challenges of compiling a suitable sampling frame (there is no readily available data source identifying these parents which can be used to approach them to participate in a survey). Instead, the reasons for non-uptake were investigated through qualitative interviews with a sample of parents who were not taking up the hours accessed through childcare providers and specialist recruitment (further details are in Annex A).

Finally, there are two overarching findings from the evaluation to note:

- A review of the census data and survey responses by LA indicated very little variation in the patterns across LAs and the qualitative evidence also presented an extremely consistent pattern across LAs. This was a little surprising given the selection of the 12 LAs to represent a range of factors which could affect the delivery of the policy and responses. Consequently, differences across LAs are only occasionally presented in the findings<sup>15</sup>, although the regression analysis typically included LA variables to control for the small differences across LAs.

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<sup>14</sup> See <https://www.gov.uk/government/publications/feasibility-study-into-evaluating-the-labour-and-childcare-market-impacts-of-tax-free-childcare-and-the-free-early-education-entitlement>

<sup>15</sup> This was also parsimonious in reducing the length of this report and meant that the issue of small sample sizes for some LAs in the survey data did not need to be addressed.

- The findings from this study are extremely close to those from the 12 LAs in the early tests.<sup>16</sup> Given the similarities in the design of the data collection, the comparisons have been noted for some key findings.

The high degree of consistency in the findings across a total of 24 diverse LAs suggests that the conclusions from this evaluation may be a good reflection of the policy implementation and impacts nationally.

### 1.3 Provider types

Most of the findings in this report are broken down by provider type but the categories of type varied across the data sources for three reasons. First, the census data and evaluation surveys contained and collected information on comparable categories, but LA staff, providers and parents in the qualitative work often categorised providers in other ways. Second, some of the findings from the qualitative work were best presented along alternative groupings (that is, not-for-profit and for-profit and part-time and full-time services). Third, limited sample sizes in for surveys meant that four broader categories had to be used for the survey data, while the census data could use more narrowly defined categories where sample sizes permitted.

Table 4 defines the provider categories used across the different data sources. 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 tend to be voluntary run provides some correspondence across the groups as shown in the table.

Two minor issues should also be noted in the categorisation of provider type. First, parents are not always aware of the management organisation of their provider and the reported proportions suggest there may have been some misclassification of voluntary providers as private providers. Second, it was not clear how academies were recorded in the census data as there is no specific category for them.

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<sup>16</sup> These early tests included early implementation in eight LAs from September 2016 and early rollout in a further four LAs from April 2017. The evaluation reports for these early tests can be found at <https://www.gov.uk/government/publications/30-hours-free-childcare-early-implementation-evaluation> and [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/642007/Evaluation\\_of\\_early\\_rollout\\_of\\_30-hours\\_free\\_childcare.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/642007/Evaluation_of_early_rollout_of_30-hours_free_childcare.pdf)

**Table 4: Provider types in the different data sources**

<b>Census data</b>	<b>Evaluation survey of providers and parents</b>	<b>Qualitative interviews</b>
<b>Private</b> includes private, limited company and registered independent school as reported in the Early Years Census	<b>Private</b> includes private nursery or pre-school and independent nursery or pre-school	<b>Day nurseries</b> include day nursery
<b>Voluntary</b> includes voluntary, charity, social enterprise, committee and governor run as reported in the Early Years Census	<b>Voluntary</b> includes voluntary nursery or pre-school	<b>Playgroups</b> include playgroup or pre-school
<b>Childminder</b> includes childminder type and individual as reported in the Early Years Census	<b>Childminder</b> includes childminder	<b>Childminders</b> includes childminders
<b>Maintained</b> includes nursery classes in schools and maintained and direct grant status nursery schools as reported in the School Census and LA day nursery, LA or maintained as reported in the Early Years Census	<b>Maintained</b> includes primary school nursery class or preschool, academy or free school nursery or preschool, maintained nursery school and other LA-run settings	<b>Schools</b> includes maintained nursery school, nursery class attached to a school and academies

Note: Out-of-school clubs and other were included as unclassified in the evaluation surveys.

## 1.4 Glossary of terminology

Finally, the following points on terminology should be noted:

- Free entitlement hours taken over and above the 15 hours taken under the universal Free Early Education Entitlement are referred to as “**extended 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 under the universal 15 hours Free Early Education Entitlement and the 30 hours free childcare and to any additional parent paid hours of similar provision. However, it is acknowledged that sometimes these hours are also referred to “early education”.
- 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 (that is, are “offering” the extended hours) are not included in the definition of providers actually delivering.

- The term “**funded providers**” is applied to those providers who have at least one child in receipt of free entitlement hours either under the universal free entitlement, the two year old entitlement or 30 hours free childcare.
- The term “**funded hours**” is applied to childcare hours which are paid for by the universal free entitlement, the two year old entitlement or by 30 hours free childcare.
- The term “**parent paid hours**” is applied to childcare hours which are paid for by parents.
- The term “**parent paid fees**” is applied to the hourly amounts that parents pay for childcare.
- “**Childcare Works**” is a DfE-funded consortium of Mott MacDonald, Hemptall’s and Action for Children, which supports LAs to assess sufficiency and provides a programme of tailored support to help progress 30 hours free childcare implementation plans.
- The “**Delivery Support Fund (DSF)**” was established to support LA work that directly benefits the delivery of 30 hours free childcare and created (directly or indirectly) extended hours places for the 2018 summer term.

## 1.5 Report layout

The following chapters present the evaluation findings arranged around five themes:

- Implementation experiences of Local Authorities (chapter 2)
- Provider responses (chapter 3)
- Effects on providers (chapter 4)
- Parent responses (chapter 5)
- Effects on families (chapter 6)

The final chapter summarises the key findings.

## 2. Implementation experiences of Local Authorities

This chapter explores the experiences of LAs of implementing the policy using qualitative data from the 12 study areas (which started delivering the extended hours in September 2018), as well as early test areas that were in their second implementation year. This data was collected in February to March 2018 and therefore provides early reflections on learning and progress with implementation.

The findings from interviews with LA staff show that:

- The resources available to local childcare teams for the national rollout varied and this greatly affected implementation decisions and plans (section 2.1).
- Considerable challenges in sufficiency planning were reported due to the absence of reliable local estimates of the numbers of children who would be eligible for the extended hours and the likely level of take-up (section 2.2).
- Promotion activities to parents were constrained by lack of resources and priority was given to ensuring extended places were available before parents were encouraged to ask for them. Targeting of parents who may face barriers to take-up was very limited (section 2.3).
- In the immediate run up to the national rollout, local funding reductions meant that some childcare teams had been substantially downsized and could dedicate very limited time to supporting providers to sign up for the extended hours (section 2.4).
- LA help to providers included business support, help with staff retention and recruitment and promotion of shared care to deliver extended hours (section 2.5).
- Overall, LAs reported no problems in meeting demand for extended places, but LAs did not know what the level of take-up was among eligible parents, including parents facing barriers to take-up. All LAs believed that, so far, the extended offer had not affected the availability of other funded places. Some thought this was likely to continue to be the case in future, but, in other LAs, feedback from some local providers raised concerns about the future sufficiency of other funded places (section 2.6).
- There was uncertainty about what parents were getting for their “30 free hours” and variation in the way that LAs approached compliance with the statutory guidance (section 2.7).

### 2.1 Resources for implementing the national rollout

The external and internal resources available to LA childcare teams for the national rollout played an important role in shaping planning and implementation decisions.

External help for the national rollout was described as by some LA staff as a “*life saver*”. This included DfE capital funding, the Delivery Support Fund and support from Childcare Works. The input of Childcare Works was very much appreciated. LA childcare teams found progress meetings and what they described as “*in-depth events*” extremely useful as they provided the opportunity to reflect on their approach to engaging and supporting providers and to share learning with other LAs. The consultancy provided by Childcare Works was also highly valued as it helped LAs to support local providers with key delivery issues (such as business modelling and partnership working) and supported some LA teams to deal with the repercussions on local providers from the negative national publicity about the policy. As one respondent commented when asked about Childcare Works’ input:

*“... we wouldn’t have wanted to be doing it without them.” (LA staff)*

While this external help was much appreciated, it was the level of internal resources available to childcare teams that mainly shaped local implementation approaches. A typical model for the management of the early tests had been to appoint a manager whose role focused primarily or solely on the implementation of the policy. Early test LAs also typically had additional Early Innovator funding for a range of “30 hours” activities such as marketing, administration and business support. The resource model was very different for LAs in this study that were not part of the early tests.. In these LAs, planning and implementation tasks were typically added to the remit of existing staff within the childcare team, with some support from other teams. Only one of the 12 LAs created a “30 hours” project manager post for the national rollout. Any additional costs (such as updating funding portals or developing marketing material) typically came from existing childcare team budgets (an exception being in LAs that had secured DfE funding to set up an on-line funding portal). This lack of additional resources could present a considerable challenge, as this respondent from an early test area explained:

*“The implications on staff time have been enormous, without the early innovator ... funding to increase capacity for the finance team, this would have been extremely difficult.” (LA staff)*

Staff resources were reported to have reached a critically low level in some LAs where local funding reductions had meant that childcare teams had been significantly downsized in the previous few months. These areas were moving towards what they described as a “*minimalist*” provider offer, for example, one LA had scrapped an annual “*financial health check*” to all providers and only offered financial diagnostic help to settings with serious financial difficulties which could lead to closure. Similarly, some LAs were scrapping annual visits to all providers which were believed to be important to support quality improvement (among other things) and were focusing instead on those with a “Requires Improvement” Ofsted rating. There was concern about reducing support to providers at a time of a major policy change, as these LA respondents explained:

*“...and I think settings feel a little stranded at times... they have to be more self-sufficient, which is a concern particularly for small providers, such as childminders and small group settings who don’t have the kind of corporate support that chain nurseries have.” (LA staff)*

*“I don’t think that any of our team that are left have a finger on the pulse and know what’s happening in settings sadly...”(LA staff)*

The level of resources available to childcare teams seemed to be linked to the perceived support from “*the top*”, as some LA staff described senior managers. Teams who felt that the implementation of the extended offer was challenging but manageable reported a high level of senior managers’ engagement with the policy signalling their interest in and support for the policy in a range of ways. For example, senior managers met with childcare providers to hear their concerns and experiences and placed the policy within the LA’s broader priorities relating to child poverty and social mobility. As one LA respondent explained:

*“Early Years is ...high on the agenda... [the 30 hours policy] was politically sensitive, and something to be actioned and taken seriously. I’ve spoken to other colleagues from other LAs...and you can hear that they are on their own.” (LA staff)*

On the other hand, teams that were very stretched felt childcare was not considered a priority by senior managers. For example, one of these teams said they were not able to set up a new funding portal because they did not have senior management backing to make it happen in time for the national rollout.

Delivery of the extended offer was supported by the preparation undertaken before local funding reductions led to the LA staff restructuring, when childcare teams had been reasonably resourced and included staff with a very good knowledge of the local childcare market. However, the reduction in staff resources and the loss of experienced staff meant that some teams struggled with operational responsibility once implementation was underway. In trying to prioritise scarce resources, these LAs had to make difficult choices between targeting resources to providers who most needed it or providing the kind of support that could prevent future problems.

## **2.2 Sufficiency planning**

Sufficiency planning for the extended offer started several months before the national rollout in all the LAs with childcare teams trying to estimate the expected level of demand for places in different parts of the LA and providers’ intentions and capacity to deliver them.

All LAs reported challenges in predicting how the nature of local demand in different parts of the LA would change with the introduction of the extended hours. The extended hours

eligibility and take-up estimates provided by DfE were not considered suitable for local planning. The estimates of eligibility were typically believed to be under-estimates, while average eligibility and take-up figures were not suitable for planning in what could be very diverse local areas within an authority or for establishing take-up among families who face potential barriers such as children with additional needs, ethnic minorities and low income families. Some LAs used a range of data sources to estimate local eligibility and take-up, as indicated in box 2.1, but no LAs believed they could accurately predict the size of the eligible group. LAs used the DfE or their own eligibility estimate to get a sense of the maximum number of extended places that could be required and then planned for a number which was somewhere below this estimate. However, this approximation was a concern because LA staff believed that an over-estimate could encourage over-supply, threaten the sustainability of some local providers and destabilise the local childcare market.

**Box 2.1: How LAs estimated local eligibility and take-up of the extended hours**

- One LA used the proportion of children in reception classes who were not entitled to a Free School Meal as a proxy eligibility measure.
- One LA asked settings for data on paid hours taken by three and four year olds in 2016-17, as it was believed this would provide an indication of the likely take-up of the extended hours.
- Some LAs used 2011 Census and ONS employment data to try and estimate eligibility levels and/or carried out surveys to explore whether parents expected to be eligible and likely to take-up the extended hours.

LAs had better evidence on the local childcare market's capacity to respond to an increase in demand, which was gathered through established mechanisms used for sufficiency planning (such as number of vacancies and what was described as "*soft intelligence*" from early years advisers). Some LAs had also collected evidence on providers' intentions to offer extended hours, but typically the actual level of engagement turned out to be higher than this earlier evidence had suggested. LAs advised providers to consult parents about the extended hours to obtain a sense of the level of demand and assess their capacity to respond. While providers typically gathered this evidence, it was not always sufficiently accurate to estimate parents' responses.

Going forward, HMRC registration data and the Early Years Census and School Census are the key sources that LAs intend to use for planning purposes. However, the experience of the early test areas shows that an element of uncertainty will remain as it was expected that take-up and therefore demand will increase, but it will not be possible to estimate by how much it will increase in different parts of the LA.

## 2.3 Promoting the offer to parents and supporting take-up

The range of activities to promote the extended offer to parents varied between LAs. All LAs relied on the usual channels for communicating with parents, such as social media, providers, Families Information Services, children's centres and family hubs. Some LAs also had resources for local media advertising campaigns and roadshows and to engage other agencies (such as Health Visitors) in the promotion of the offer. While the policy focuses on supporting parental work, some LA respondents believed that Jobcentre Plus staff were not actively promoting the extended offer or were giving parents incorrect information. However, in some of the early test areas where there had been more time to work with other agencies, there were examples of greater involvement and partnership working with Jobcentre Plus, with work coaches actively promoting the extended offer.

One of the early test areas had involved around 20 large employers in the promotion of the extended offer as part of their early test approach. Reflecting on this experience in the second implementation year, the involvement of employers was considered a success by the LA as it had made employers appreciate how family-friendly practices can help with staff retention and recruitment. It had also meant that employees were more confident about discussing childcare issues at work, as well as more aware of childcare entitlements. Despite these benefits, the experiences of other LAs that tried to involve employers were less positive as it could be time consuming and not reach many parents. For example, another early test area concluded that social media was more effective and was no longer targeting parents via employers.

While there was some promotion of the extended offer to parents, LAs generally decided to invest the bulk of whatever resources they had for the rollout on engaging and supporting providers. This was primarily because eligible parents were described as an "easy to reach" group for two reasons. First, the overwhelming majority had signed up to take up the universal entitlement and could therefore be reached via providers. Second, working parents were described by LA staff as "savvy" and unlikely to miss out on any entitlement. Furthermore, early planning about the offer promotion had assumed that there would be a national government-funded campaign and this influenced early decisions to focus scarce resources on ensuring that places were available. The difficulties parents experienced with the registration process also meant that, in the immediate run up to the national rollout, staff resources were largely taken-up dealing with application queries rather than promotion activities.

While LAs were aware that not all eligible parents are "savvy", there were limited time and resources in the first year to target parents who could miss out on the extended offer due to lack of awareness or barriers to take-up. Strategies to engage these groups required considerable resources, for example, to develop outreach strategies in partnership with other agencies to link the offer to local social mobility and employment strategies. An example of the latter was an LA that decided to fund access to the extended hours as soon as parents secured a job because waiting until the following

term was seen as a considerable barrier to take up among low income families. However, other LAs had not yet had the time nor the resources to consider the kind of implementation challenges that required considerable resources but affected a small numbers of families. This was in clear contrast with some early test areas, where the targeting of groups who face barriers had been central to the implementation approach in the early implementation and they had built on this work in the national rollout (see box 2.2). While being a year ahead had given these LAs the time to develop approaches for targeting specific groups, the additional Early Innovator funding that early test areas had received had also been essential to secure the resources needed for this work.

### **Box 2.2: Engaging parents who face barriers to take-up**

During the early test, one LA had allocated all extended places to low income families. This focus was still evident at the time of the national rollout as considerable work was devoted to targeting parents taking up the two year old free entitlement via children's centres' outreach workers, health visitors and the Family Nurse Partnership programme. LA staff used Early Years census data to identify and target families who had received the two year old offer and who were not taking up the extended hours to understand what support could be offered to enable them to become eligible and/or take-up the extended hours.

Another early test area with an original focus on SEND had ensured that the extended offer was embedded in their Team Around the Child approach. All professionals working with the family ensured parents were aware of the extended entitlement well in advance of becoming eligible and supported them to find a suitable place.

Another early test area, where children's centres and maintained nursery schools had been merged, greatly relied on children's centres' outreach workers to engage disadvantaged families in the extended offer, including those who were taking up the two year old offer for children with additional needs. The approach was particularly successful because once eligible children were identified, maintained nursery schools could use their considerable SEND expertise to offer an extended place or support other local providers to deliver a suitable place for children with additional needs.

Another early test area was working with five leisure centres to promote the extended offer at their swimming classes which were attended by over 800 children a week. At these classes, LA staff ran information sessions for parents with tea and coffee. As children's centres in this LA provided free swimming passes to disadvantaged families, this was seen as an effective way of reaching this group, as well as promoting the offer more widely.

Some LAs were beginning to consider how to target parents in the second year of the rollout. For example, using the DfE Delivery Support Fund, some were planning to

support the transition from the two year old entitlement to the extended offer and to target parents whose first language is not English. Others were planning outreach work and marketing campaigns as some LA staff said it was necessary to dispel myths about the “30 hours not for people like me”, for example, among those in receipt of tax credits

However, LA respondents anticipated two challenges in expanding targeted work with families. First, a lack of information on where and who these families are. Second, a lack of resources as in some LAs where childcare teams and other professionals who could help (such as in children’s centres) are too stretched to take on more work. As well as local challenges, LA respondents identified barriers which related to national policy, including:

- The eligibility rule that only allows parents to access extended hours the term after they secure a job was believed to be a considerable barrier to take up among low income families if it meant they had to pay for additional hours for several weeks. To deal with this issue, one LA was funding parents to access the extended hours as soon as they secured a job.
- The complexities of the registration process, including the need for three monthly reconfirmation, were believed to be a barrier for parents who may face difficulties in navigating the system, for example, those whose first language is not English and those with low IT skills or who do not have access to a computer or the internet.
- Local SEND budgets were already inadequate to meet demand from children who were taking the universal 15 hours and could not be stretched to cover extended hours. As will be discussed below, some providers reported that a lack of financial support was making it very difficult to meet the needs of this group (chapter 3) and some parents reported barriers to access because their children had additional needs (chapter 5).

## 2.4 Engaging providers

Communication with providers about the extended hours had started several months before the national rollout in all the LAs. Over a period of around 18 months, the offer was promoted through a series of “30 hours” consultations, roadshows, information and training events, as well as through the “normal” communication channels (such as early years newsletters, Facebook page and network meetings).

In the run up to the national rollout, some childcare teams who had been significantly downsized due to local funding reductions were only able to run a small number of “30 hours” events to update providers on the latest policy developments and to cover the more technical aspects of delivery (such as the validation process and submitting claims). On the other hand, better resourced teams ran several events providing an

extensive briefing on a range of delivery issues, in some cases supported by data on projections of take-up rates in different localities.

In addition to what were described by LAs as “30 hours events”, it was believed that effective providers’ engagement required tailored one-to-one support, as one LA respondent explained:

*“It was just that dialogue with providers... and each had an individual visit with either myself or one of the team where we talked about the 30 hours. I think that’s the thing that made the difference. It was the one-to-one visit to the headteacher or the governors or the manager of the nursery.” (LA staff)*

However, LAs’ ability to deliver one-to-one, tailored advice varied considerably. Some LAs (such as the one quoted above) had visited all or most group providers to discuss the extended offer, options for delivering it and business support. At the other end of the spectrum, under-resourced childcare teams had provided very limited one-to-one support as most of the available time was taken up with the administration of the offer and dealing with registration queries from parents and providers. As this LA respondent explained:

*“There have been points when ... [the team] have been... at breaking point... because you are absorbing the workload plus the anger, confusion and upset of parents...” (LA staff)*

There was some evidence that when deciding how to allocate very scarce resources, some adopted a “utilitarian” approach, focusing on settings, such as day nurseries and schools, that could potentially deliver many places. Other settings, such as childminders, playgroups and out-of-school clubs were also supported, particularly in some contexts such as rural areas where even a very small number of places could make a big difference. However, in prioritising visits to providers, LAs could not ignore the fact that some visits could result in a considerably higher number of places than others.

Going forward, where resources will be available from the LA or DfE Delivery Support Fund, childcare teams were planning a more targeted approach. For example, some were planning to focus on providers who were not offering the extended hours or supporting settings to deliver the extended hours to children with additional needs. Schools were going to be the focus in some areas, where they were described by some LA respondents as being a large “untapped resource” as many had decided to wait and see what happened in the first year before deciding whether to offer the extended hours. However, childcare teams that were very stretched and/or feared further local reductions were doubtful that much targeted work will be possible in future. It was also not clear how many resources could be devoted to engage childminders and out-of-school clubs, particularly where there were no existing mechanisms to support these providers, such as childminders and out-of-school clubs co-ordinators.. As discussed later (in chapter 3),

some playgroups faced considerable barriers to engaging with the extended offer, and, again, it was not clear how much support some LAs will be able to provide these settings.

## **2.5 Support to providers**

LA help to providers focused on three broad areas: business advice; staff recruitment and retention; and partnership working with other settings to deliver the extended hours.

### **2.5.1 Business support**

Using delivery models provided by Childcare Works and from the early tests, LAs promoted different ways of delivering extended hours to suit the needs of different provider types and settings serving different childcare markets. This advice could be complemented with business support to assess the financial impact of the offer on the setting. LAs reported that tailored business support was particularly appreciated by small settings and childminders, who did not have access to corporate resources. LAs also believed that business support was much needed by some sessional providers that had to make difficult financial decisions, for example, to assess whether the extended hours would generate sufficient income to cover higher venue or staff costs (these decisions are discussed in detail in chapter 3).

However, it was more difficult to engage providers in business training sessions and the take up of such training tended to be low, even when it was delivered by early years organisations such as PACEY, the PLA or the NDNA. LA respondents believed this was partly due to practical constraints, as it was more difficult for providers to fit in with a training timetable and to be away from the setting (compared to one-to-one business support which could be arranged around a provider's availability and at their setting). It was also argued that providers did not always feel comfortable discussing business issues with other settings that may be their competitors.

### **2.5.2 Support with staff recruitment and retention**

Staff recruitment and retention was a key area of focus for LAs, as feedback from providers had highlighted this as a major challenge to expansion and, in some cases, to maintain current levels of provision. This was an issue that was reported to affect all provider types, with difficulties particularly acute for experienced and more highly qualified staff.

LA respondents believed that staff shortages had not significantly affected the delivery of the extended offer so far, as settings typically opted to increase the hours of existing staff rather than recruit new staff when additional staff resources were needed. However, it was expected that future staff shortages could make it difficult for settings to meet demand. LAs were working with providers to develop sustainable workforce strategies

with an emphasis on apprenticeship schemes and an approach that was described by some LA respondents as “*growing your own staff*”.

### **2.5.3 Shared care and partnership working**

LAs encouraged providers to consider formal arrangements for sharing the delivery of the extended offer and shared care options were also highlighted in the parent promotion material. LAs reported that the extended offer had resulted in more providers sharing funded hours. While the extended offer had resulted in greater use of funded hours at more than one provider, LAs believed this was primarily among parents who were already using or planned to use shared care and the extended hours did not seem to have resulted in a substantial increase in use of multiple providers. Moreover, shared care arrangements remained largely parent-led rather than the result of providers offering the extended hours in partnership.

Where shared care was common, it typically reflected the fact that parents could not get all the provision they needed in one place. For example, in rural areas where there were few day nurseries and working families relied on a combination of arrangements (such as a playgroup combined with a childminder) or if parents wanted a child to attend a nursery class to become accustomed to the school environment but needed additional provision to cover a longer day and school holidays. The findings from parents supported the view that they had a strong preference for using a single setting when possible.

LAs reported that providers’ attitudes towards shared care varied. However, LAs believed that even providers who were committed to good shared care practice did not regard it as ideal because it created more work for the setting and because children benefit from consistency in terms of environment, pedagogical approach and carers (the providers’ perspective on shared care is explored in chapter 4). Where LAs had successfully intervened to create and support a partnership culture, considerable input was required and it could be justified because it went beyond the delivery of shared care. This is illustrated by the experience of early tests that had focused on developing models of partnership working during early implementation, in some cases building on previous experiences which were being consolidated in the national rollout (box 2.3).

### **Box 2.3: Examples of LA support for partnership working in the early test areas**

One LA invested considerable resources to support the establishment of a local partnership involving schools, playgroups and an out-of-school club. The partnership was in a rural area where use of shared care was common and some of the settings were in the same building. The trigger for establishing the partnership was a joint capital funding bid which the LA viewed as necessary to guarantee the future of settings that needed to move and as providing the opportunity to encourage shared care arrangements. The emerging partnership model included a shared parent leaflet outlining the single and joint offers of different partners; joint observations and assessments; a single admission process for settings that were co-located; a joint “Tapestry” (an online learning journal) to share information on children’s progress and plans; and pooled resources to deliver specialist interventions.

Some LAs built on the work of childcare hubs established some years ago. The hubs included schools, which provided expertise in quality improvement and supporting children with additional needs. Hubs mainly included group settings, but one LA had successfully integrated childminders with support from the childminder co-ordinator. The hubs had been supported by the LAs to develop self-managed partnership working which included joint training; sharing of good practice and resources; co-ordination of admission policies; protocols for sharing information about children; and signposting parents to other settings. Members of the hubs jointly considered how to respond to the extended hours, including offering shared care arrangements.

One LA had a long-established model of partnership working with local partnerships across the LA playing a key role in sufficiency planning, ensuring sufficiency, and supporting inclusion and quality. Local partnerships facilitated sharing of good practice; peer-to-peer support; joint training; transitions between settings and information sharing about children; and sharing specialist support and equipment for children with additional needs. It had taken two decades for the partnership model to reach this level of “maturity” and LA support was described as having been initially very intensive. The model required a considerable commitment from individual partners to attend and facilitate regular partnership meetings; ensure good channels of communication among members; develop and implement annual action plans; and appoint SENCO and QTS leads to co-ordinate and support best practice. The LA still provided support to local partnerships, including termly visits, biannual training packages, funding, and more intensive support when it was needed. While the model had supported shared care, its role was much broader.

## 2.6 Sufficiency of the extended hours and other offers

Although discussions with LAs took place before they had been able to analyse the 2018 Early Years Census and School Census data, LAs already had a good indication of their sufficiency of the extended offer and other funded places.

### 2.6.1 Sufficiency of the extended hours

Overall, LAs reported no sufficiency problems in the first two terms of the rollout. There had been no or rare complaints from parents who could not get an extended place, most eligibility codes had been validated (meaning that parents who registered for the offer took up a place) and feedback from providers suggested there were no major gaps in provision. LAs believed that sufficiency was achieved because:

- The increase in demand had been limited as many families who took up the extended hours would otherwise have used additional parent paid hours and the policy had largely resulted in a switch from paid to funded provision.
- The modest increase in demand generated by the extended hours was largely accommodated by making better use of existing capacity with limited need for new capacity.
- While the funding rate for the extended offer was not seen as financially attractive by some providers, the financial consequences of not offering it were expected to be worse. Consequently, providers' engagement was higher than had been anticipated when LAs had consulted providers about offering the extended hours several months before the national rollout.
- LA childcare teams' knowledge of their local childcare market had enabled them to identify where and how they needed to intervene to support sufficiency. For example, in rural and disadvantaged areas and areas with rapidly growing populations (as illustrated in box 2.4).

However, due to the lack of reliable eligibility estimates discussed earlier, LAs had little evidence to establish take-up among all eligible parents, including take-up among families who face potential barriers (such as children with additional needs, ethnic minorities and low income families).

#### **Box 2.4: Sufficiency in rural, disadvantaged and growing areas**

Sufficiency for all types of provision is challenging in **rural areas** as low and variable demand from a small child population and difficulties in achieving economies of scale can make it difficult for settings to be financially viable. Moreover, many providers in these areas do not benefit from deprivation supplements and EYPP in the free entitlement funding, although some LAs pay a rurality supplement. These areas are not attractive to private day nurseries and some are reliant on voluntary playgroups in financially fragile positions and a few childminders. Ensuring sufficient extended places in rural areas was more challenging as many playgroups were not delivering the extended offer and childminders had limited capacity. Where schools delivered early years provision, LA childcare teams worked closely with them to ensure sufficiency of the extended offer. For example, some schools stepped in if voluntary playgroups could not offer extended hours even if it meant accommodating early years provision within mixed age classrooms. LA resources required to support sufficiency in rural areas were disproportionate to the number of settings and children, but LAs were prepared for this as sufficiency had always been more challenging in rural areas. However, some thought that the level of support required by rural may not be sustainable in future.

All LAs had pockets of **disadvantaged areas** where it is difficult to attract private providers. These areas were primarily served by voluntary playgroups and schools, which were less likely to offer the extended hours. LA staff anticipated these challenges and closely monitored the situation. However, it proved particularly hard to predict take-up in these areas. While the extended offer was believed to have resulted in an increase in occupancy in some disadvantaged areas, demand for extended hours in other areas was below expectations and left some unfilled places. As with very rural areas, LA staff expected to have to invest considerable time to ensure sufficiency and had planned accordingly, but, again, some raised the question of how sustainable this will be in future.

In some LAs, there were areas with a **rapidly growing population** (for example due to regeneration) where demand for childcare was increasing quickly. LAs concentrated efforts in these areas, for example, by supporting existing and new providers to secure DfE capital funding or by obtaining an agreement that all new schools in these areas would offer early years provision. However, in some cases (including where there had been no or insufficient capital funding or childcare was not seen a priority by senior managers), there were concerns about meeting the demand of a growing population with the added pressure from increased demand for extended hours as the policy becomes established.

## 2.6.2 Sufficiency of the universal and two year old offers

In line with the statistical evidence that will be presented below, all LAs believed that, so far, the extended offer had not affected the availability of other funded places and some thought this was likely to continue to be the case in future. However, in other LAs, feedback from some local providers raised concerns about the future sufficiency of the universal offer and/or two year old places as extended places were potentially more attractive to deliver. As this LA respondent explained:

*“... the rate of funding for two year old places is not much higher than the three and four year old rate ... Up to now many settings have provided two year old places because they care about the children, but with rents going up, pension contributions and other costs they will have to adopt a more business-headed approach ... and some have said ‘we’re thinking of not taking two-year olds anymore’”. (LA staff)*

Some LA respondents also said that the two year old offer “... *has gone off the agenda a bit*” nationally and little attention was now given to the take-up of these places, while previously there was considerable DfE focus on the local level of take-up, particularly if this was below the national average.

Some LAs were monitoring if and how the extended offer was affecting other funded places but had no ground for concern and were reassured by the evidence that showed there had been no negative effects so far. However, other LAs were concerned and had already acted to prevent sufficiency problems. For example, some LAs were topping up the two years old funding rate to ensure this was financially attractive, but doubted this would be sustainable for long because of:

*“... the need to make more cuts and that most funding is ring fenced and there is less way to jiggle things around.” (LA staff)*

In areas where schools had a substantial role in the childcare market, they were seen as playing a key part in ensuring sufficiency of the universal entitlement. While they were encouraged by LAs to offer the extended hours, they were also expected to prioritise universal places for three and four year old children.

## 2.7 Policy delivered as intended

While there was a consensus and a degree of certainty that the first two terms of the national rollout had been a success in terms of providers’ engagement, sufficiency and parental take-up, there was uncertainty about what parents were getting for their “30 free hours”. For example, LA respondents said they did not have much of a sense how many parents were getting what they described as completely free hours “*with no strings attached*”; how “*reasonable*” any voluntary charges associated with the offer were; for which sessions parents could use extended hours; and how much parents paid for

sessions not covered by funded provision. While LAs had advised and supported providers to consider different delivery options, LAs had limited knowledge of the many and complex delivery models that were being developed by local providers.

LAs' views on their role in relation to enforcing DfE statutory guidance varied. Some LAs saw their role as "*minimalist*" as they did not have the resources nor the policy tools for what they described as more "*forceful policing*". These LAs believed their responsibility was to send a strong message to providers (and parents) about the need for the extended offer to be transparent. However, they also believed that an LA cannot investigate providers' charging arrangements and practices unless parents complain<sup>17</sup> or if irregularities are found in the LA audit (which covers a small proportion of settings each term). As this LA respondent explained about responding to parents who raised concerns about how their setting offered the extended hours:

*"This is [what local settings] offer, it may unfortunately not be what you want, but my concern is [that]... the council is meeting statutory guidance." (LA staff)*

Other LAs were prepared to have what they described as a more "*forceful*" approach to compliance. In these LAs, there was reported to be senior backing and resources for challenging non-compliance and strongly encouraging parents to contact the LA to complain about settings' practices. However, respondents in these LAs felt there was no support at the national level for this approach. Their task was made much harder by what were described by some LA staff as "*grey areas*" in the guidance (see box 2.5 for an example) and messages at the national level not to "*interfere*" in the agreement between a setting and a parent unless the latter makes a complaint<sup>18</sup>.

#### **Box 2.5: Example of reported ambiguity in DfE statutory guidance**

An example of ambiguity in DfE statutory guidance was how to respond to providers who wanted to have a break in the funded day, typically to cover the lunch break. Some LAs did not allow a break, while some regarded it as poor practice but did not think they could stop it and others believed it was acceptable if parents had the option to collect children at lunchtime instead of paying for the unfunded lunch break.

Whatever their attitude towards compliance, one underlying issue that all LAs mentioned was the extent to which providers can only be financially viable if they adapt their business models to offer the extended hours, for example, through additional charges for

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<sup>17</sup> To note, DfE guidance does not stipulate that LAs should only address issues if there is a complaint from a parent.

<sup>18</sup> See previous footnote.

extras and parent paid hours (explored in chapter 3). LAs expected the pressure to develop these delivery models to become greater because the funding rate is planned to remain unchanged, while costs will increase. Reflecting some providers' experiences reported in chapter 4, LAs believed there is little, if any, room for increased efficiency in delivery as many settings have already cut costs as far as they can. In light of this and feedback from providers and parents (reflected in the views expressed by providers and parents in chapters 4 and 6), LAs argued, as they had in the early tests, that the word "free" should be dropped from the policy.

### 3. Provider responses

This chapter explores providers' responses to the policy and their willingness to deliver the extended hours, drawing on evidence from the qualitative interviews with providers, the data from the Early Years Census and School Census and the evaluation providers survey.

The findings from this chapter show that:

- Most extended hours places were delivered by private providers, but substantial proportions were also delivered by voluntary providers, childminders, school nursery classes and nursery schools<sup>19</sup> (section 3.1).
- A high proportion of providers delivered the extended hours, although this proportion varied across LAs and by provider type. Many providers not currently delivering the extended hours had plans to do so in the future (section 3.2).
- Analysis of the survey data and the qualitative interviews with providers indicated that the decision to offer the extended hours was primarily driven by the business implications of how beneficial it would be for the setting to offer extended places or, in some cases, how damaging it would be not to offer them. Among for-profit services, the key factors were the fit with the business model and risk of losing parents, while the level of parental demand and support to adjust provision were the most important factors for not-for-profit services (section 3.3).
- The extended hours added to the growing challenges to offer provision for children with additional needs (section 3.4).

#### 3.1 Delivery of the extended hours

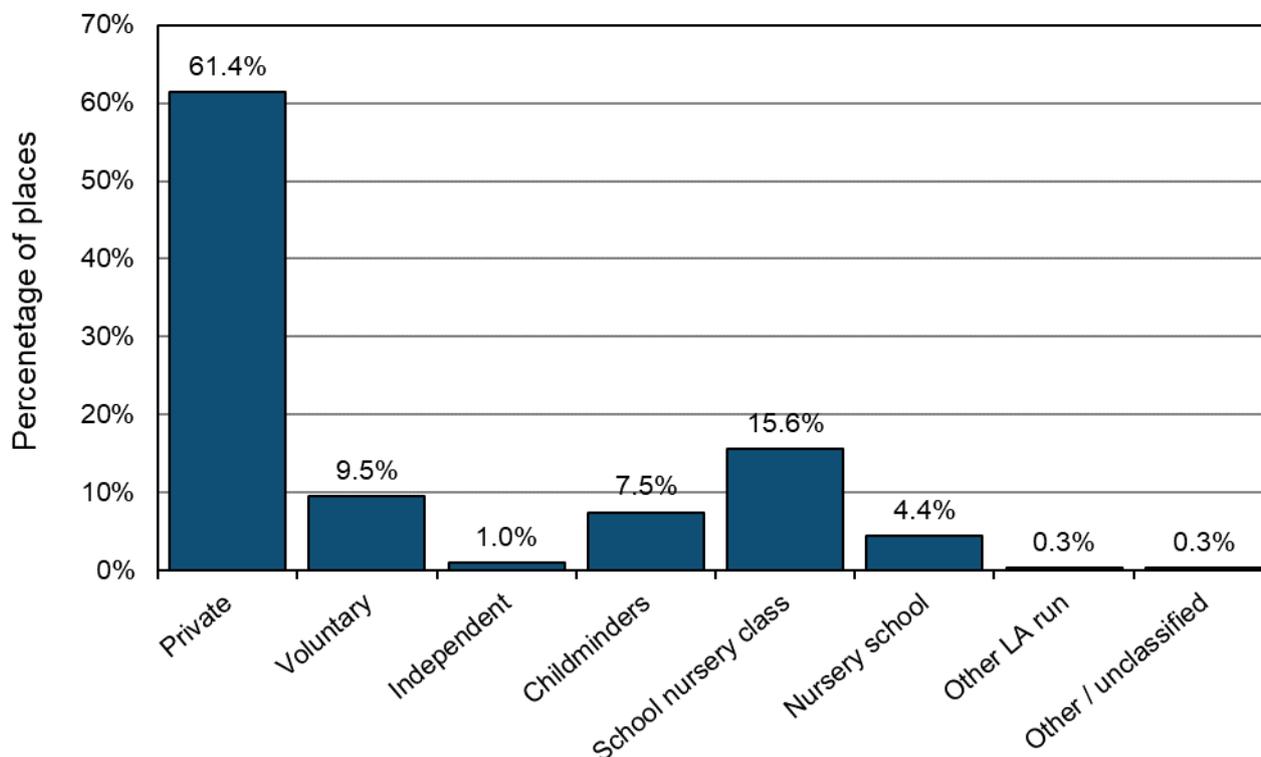
According to the census data for the 12 LAs in this study, 61 percent of extended hours places in the 12 LAs were delivered by private providers, while 16 percent were delivered by school nursery classes, 10 percent by voluntary providers and 8 percent by childminders (figure 5). The remaining places were delivered by nursery schools (4

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<sup>19</sup> Throughout, the statistics for nursery schools includes both maintained and direct grant status nursery schools while the qualitative sample contained only maintained nursery schools. See section 1.3 for an explanation of the provide types.

percent), independent providers (1 percent) and other LA-run or other/ unclassified types (less than 1 percent each).<sup>20 21</sup>

**Figure 5: Distribution of extended hours places across provider type**



Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Note: Sample size is 33,832 places. Nursery schools include maintained and those with direct grant status. See section 1.3 for a description of the provider types.

The mean number of extended hours places (for providers delivering extended hours) varied considerably across provider types (table 5). Childminders had the lowest number with an average of just two (which is unsurprising as childminders tend to look after a smaller number of children than group based settings), while the mean number ranged from 8 for voluntary providers to 24 for nursery schools. The mean percentage of funded places that are extended places is the average of the proportions for each provider in the type category rather than the simple proportion for all places in the category. Hence, it shows the importance of the extended hours within all funded provision for each provider. This proportion did not vary much among group based providers, but childminders, if

<sup>20</sup> The census data included 29 other LA-run providers and 27 other/unclassified providers (with 19 and 13 delivering extended hours respectively). In subsequent census tables and figures, these types are not presented separately due to their small number and the fact that these groups contain a variety of providers but they are included in the “all types” rows and columns.

<sup>21</sup> In early implementation, the comparable figures were 55 percent for private providers, 14 percent for voluntary providers, 2 percent for independent providers, 7 percent for childminders, 13 percent for school nursery classes, 1 percent for other LA-run providers and 3 percent for other/unclassified.

delivering the extended hours, had a very high proportion of extended hours places within their free entitlement places due to their low numbers of three and four year olds.<sup>22</sup>

**Table 5: Mean number and proportion of extended hours places per provider**

Provider type	Mean number of extended hours places per provider	Mean percentage of funded places that are extended places	Number of providers delivering extended hours
Private	13	45%	1,547
Voluntary	8	33%	396
Independent	11	36%	30
Childminder	2	87%	1,295
School nursery class	10	31%	536
Nursery school	24	31%	61
All	9	55%	3,897

Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Note: The mean percentage of funded places is the mean of the percentage for each provider in the type category rather than the simple mean of all places with that type of provider. The all types row includes 19 other LA-run providers and 13 other/unclassified providers. Nursery schools include maintained and those with direct grant status.

## 3.2 Provider engagement

According to the census data for the 12 LAs in this study, 76 percent of funded providers (those delivering any free early education entitlement) delivered the extended hours across all 12 LAs.<sup>23</sup> This proportion varied from 67 percent to 84 percent across the 12 LAs, with slightly higher proportions in rural LAs, in mainly ethnically white LAs and in those with lower IDACI rank (less deprived areas).<sup>24</sup> The proportion was also slightly

<sup>22</sup> The differences in the numbers of places per provider meant that the distribution of provider types delivering extended hours was slightly different from for the distribution of places. Among providers delivering the extended hours, 40 percent were private providers, 33 percent were childminders, 14 percent were school nursery classes and 10 percent were voluntary providers. The remainder consisted of nursery schools (2 percent), independent providers (1 percent), other LA run providers (1 percent) and other/unclassified providers (less than 1 percent).

<sup>23</sup> This proportion was 78 percent if the small number of providers (mostly childminders) only delivering the two year old entitlement were excluded.

<sup>24</sup> The proportion was 83 percent in LAs with over 50 percent of the population living in rural areas and 75 percent in other LAs. The proportion was 78 percent in LAs with over 50 percent of three and four year olds taking up the universal offer of white ethnicity and 69 percent in other LAs. The proportion was 81 percent

higher in LAs with a higher proportion of three and four year olds estimated to be eligible for the extended hours<sup>25</sup>, but there were no marked patterns with the percentage of three and four year olds taking the universal entitlement with a PVI (private, voluntary or independent) provider and the variation across LAs was not explained by the mix of provider type within LAs.<sup>26</sup>

The propensity to deliver extended hours varied considerably across provider type even among providers delivering free entitlement hours (table 6).

**Table 6: Proportion of funded providers delivering extended hours by provider type**

Provider type	Percentage of funded providers delivering extended hours	Number of funded providers
Private	88%	1,763
Voluntary	77%	512
Independent	34%	89
Childminder	75%	1,725
School nursery class	58%	926
Nursery school	100%	61
All	76%	5,132

Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Notes: The all types row includes 29 other LA-run providers and 27 other/unclassified providers. Nursery schools include maintained and those with direct grant status.

Table 6 shows that the proportion of funded providers delivering the extended hours was highest among nursery schools (100 percent of all nursery schools delivering any free entitlement hours in the 12 LAs in this study) and high proportions of private and voluntary providers and childminders delivered the extended hours (88 percent, 77 percent and 75 percent of all those delivering any free entitlement hours within each type respectively). Delivery was less prevalent among school nursery classes (58 percent of

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in LAs in the third of LAs in England with the lowest (least deprived) IDACI score, 75 percent for those in the middle third and 71 percent for those in the highest (most deprived) third.

<sup>25</sup> The proportion was 82 percent in LAs in the third of LAs in England with the highest estimated percentage of three and four year olds eligible for 30 hours free childcare, 74 percent for those in the middle third and 71 percent for those in the lowest third.

<sup>26</sup> A regression model with both LA and provider type variables showed that the differences in proportions were statistically significantly at the 95 percent confidence levels between many of the LAs and that controlling for provider type made little difference to the pattern of variation in the proportion across LAs..

all school nursery classes delivering any free entitlement hours) and lowest among independent providers (34 percent of all independent providers delivering any free entitlement hours). These differences were not explained by different mixes in provider types across LAs.<sup>27</sup>

Given that the differences in the propensity to deliver were much greater across provider type than across LA, the subsequent analysis focused primarily on differences across provider types rather than across LAs.

The providers survey permitted an examination of the propensity to deliver the extended hours across all registered providers rather than only those who were delivering free entitlement hours. The survey also collected information on the future plans from those providers not currently delivering the extended hours. As the number of providers is smaller in the survey data, the analysis considered four broader provider types rather than the six or eight types presented for the census data. Specifically, independent providers are included in the private group and school nursery class, maintained nursery schools and other LA-run are combined together in a maintained category. The other/unclassified group is only included in the combined figures for all providers.

In the survey, 81 percent of providers reported that they were delivering the extended hours (table 7).<sup>28</sup> In line with the census data, private and voluntary providers were most likely to be delivering the extended hours (92 percent and 86 percent respectively), while maintained providers were less likely to be doing so (81 percent). The lower proportion for childminders (60 percent) reflects that childminder are less likely to offer any free entitlement hours. Of the 19 percent of all types of providers not delivering the extended hours, half (50 percent) were offering or planning to offer the extended hours and almost half (47 percent) had no plans to deliver them (with very few providers unaware of the policy). Among those not delivering, childminders were more likely to have plans to deliver in the future, while voluntary providers were least likely to have such plans.

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<sup>27</sup> The regression model with both LA and provider type variables showed that the differences in proportions were statistically significantly at the 95 percent confidence levels across all provider types except between voluntary providers and childminders and that controlling for LAs made little difference to the pattern of variation in the proportion across provider types..

<sup>28</sup> Among funded providers in the survey, 87 percent were delivering the extended hours which is notably higher than the proportion in the census data (76 percent). This suggests a response bias in the provider survey towards those delivering the extended hours. This is not a major concern as the survey data is primarily used to explore responses and impacts within those delivering and within those not delivering the extended hours. However, the census data should be the preferred source of statistics on the proportions of providers delivering the extended hours, although these proportions are only for funded providers. In some respects this may be the more useful proportion as this highlights the willingness of providers to deliver the extended hours relative to other free entitlement rather than conflating this with broader issues around the willingness to offer any free entitlement hours.

**Table 7: Proportion of registered providers delivering and planning to deliver extended hours**

	Private	Voluntary	Childminder	Maintained	All types
Currently delivering	92%	86%	60%	81%	81%
Offering but not currently delivering any places	2%	2%	14%	5%	6%
Not currently offering but planning to offer in the future	1%	1%	12%	2%	4%
No plans to offer	4%	10%	14%	11%	9%
Not aware of the policy	<1%	1%	1%	<1%	1%
Total	100%	100%	100%	100%	100%
Number of providers	766	225	454	245	1,715

Source: Evaluation Survey of Providers, 2018

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%. As almost all group providers were delivering some funded provision, the proportions were almost identical when the sample was restricted to funded providers with the exception of childminders (80 percent delivering, 10 percent only offering, 5 percent planning to offer and 5 percent not planning to offer) which meant slightly different rates for all types (87 percent delivering, 4 percent only offering, 2 percent planning to offer and 6 percent with no plans to offer).

Most providers planning to deliver the extended hours in the future (those currently offering but not delivering and those planning to offer) were childminders (115 of the 163 providers). Many of these providers (of all types) were not delivering due to a lack of demand (25 percent were not looking after children aged three or four and 37 percent had not had any requests from parents) and some were waiting for a child to take up a booked extended hours place (8 percent). Only a small proportion had been unable to accommodate specific requests received or lacked spare spaces (6 percent), while the remainder (25 percent) had a mix of other reasons. Just over half of these providers (52 percent) reported that they thought parents would be able to take up the extended hours at their setting in the term starting September 2018, while 15 percent thought this would happen in the current term (Spring 2018), 5 percent in the Easter holidays, 25 percent in the term starting April 2018 and 3 percent in the summer holidays.

### 3.3 Providers' decisions to offer the extended hours

Providers generally expressed positive views about the policy aims to support working parents and reduce families' childcare costs. However, both the survey results and the qualitative interviews with providers indicated that the decision to offer the extended hours was primarily driven by the business implications involving an assessment of how beneficial it would be for the setting to offer extended places or, in some cases, how damaging it would be not to offer them.

#### 3.3.1 Survey findings on delivery decisions

Table 8 presents the survey findings on the reasons that providers had no plans to offer the extended hours, both as proportions of providers with no plans to offer and as proportions of all providers. The survey permitted providers to select multiple responses and 36 percent of providers with no plans to offer extended hours gave multiple reasons.

The table shows:

- The most common reason for having no plans to offer the extended hours was that the level of funding is too low. This was reported by 40 percent of the providers without any plans to offer, which constituted 4 percent of all providers.
- Smaller proportions of those without any plans to offer reported that they had no plans to deliver because they do not open for 30 hours a week (23 percent) or because of a lack of demand from parents (20 percent) or because they do not currently look after or plan to look after children aged three or four (15 percent) .
- Smaller proportions reported that the reason was too much administration or bureaucracy involved (14 percent) or that the guidance is too difficult to comply with or does not fit the business model (8 percent).
- Quite small proportions of providers had no plans to offer because of resource constraints (space or staff) or were concerned that it would reduce places for other children. The proportion of those without any plans to offer giving at least one of these reasons was 16 percent, constituting 1 percent of all providers.

**Table 8: Reasons providers had no plans to offer the extended hours**

	Percentage of providers with no plans to deliver	Percentage of all providers
Level of funding too low	40%	4%
Do not open 30 hours a week	23%	2%
Do not think there is or will be any demand from parents	20%	2%
Do not currently or plan to look after any children aged three or four	15%	1%
Too much administration or bureaucracy involved	14%	1%
Difficult to expand space or move to larger premises	12%	1%
Difficult to recruit more staff	8%	1%
Guidance too difficult to apply with or does not fit business model	8%	1%
Would reduce funded places for other children	7%	1%
Would reduce parent paid hours for other children	7%	1%
Other reasons	23%	2%
Number of providers	155	1,717

Source: Evaluation Survey of Providers, 2018

Note: Providers could indicate multiple reasons. Of those with no plans to offer, 64 percent gave one reason, 15 percent gave two reasons, 21 percent gave three or more reasons and 1 percent gave no reasons.

Table 9 presents the reasons that providers had no plans to offer the extended hours by provider type, but it should be noted that the subsamples for each provider type are quite small and the results should be treated with due caution. The table shows::

- The proportion reporting that the funding rate was too low was notably higher among private providers and lower for maintained providers.
- A higher proportion of voluntary providers reported that they had no plans to deliver because they do not open for 30 hours a week.
- A higher proportion of maintained providers reported that they had no plans to deliver because of a lack of demand from parents.

- Higher proportions of childminders had no plans to deliver because they did not have any three or four year olds and because of the administration or bureaucracy involved.

**Table 9: Reasons providers had no plans to offer extended hours by provider type**

Percentage of providers with no plans to offer	Private	Voluntary	Child-minder	Maintained
Level of funding too low	65%	44%	40%	18%
Do not open 30 hours a week	27%	48%	8%	26%
Do not think there is or will be any demand from parents	18%	13%	14%	41%
Do not currently or plan to look after any children aged three or four	0%	0%	30%	7%
Too much administration or bureaucracy involved	12%	4%	22%	0%
Difficult to expand space or move to larger premises	18%	17%	5%	15%
Difficult to recruit more staff	18%	0%	5%	11%
Guidance too difficult to apply with or does not fit business model	9%	0%	11%	7%
Would reduce funded places for other children	15%	9%	3%	4%
Would reduce parent paid hours for other children	9%	0%	10%	0%
Other reasons	24%	9%	22%	30%
Number of providers with no plans to offer the extended hours	34	23	63	28

Source: Evaluation Survey of Providers, 2018

Note: Providers could indicate multiple reasons. Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. Figures in italics highlight sample sizes of less than 50.

A series of seven questions in the survey asked providers about their views on the policy and how it related to their sense of purpose and business model:

- Three of these questions were “parent-related” and asked providers their views on: (i) the balance between childcare and early education in their purpose; (ii) how much the extended hours supports parents to work; and (iii) the extent to which parents will go to a different provider if they do not offer the extended hours.

- The other four were more business related and asked providers how much delivering the extended hours did or would (i) fit with their delivery model; (ii) involve high business risks; (iii) help to fill places; and (iv) pay a funding rate which covered the cost of delivery.

Regression analysis identified which of these were the key drivers in the decision to deliver the extended hours and the extent to which they explained different decisions across types of provider. A full description of this analysis and the results are presented in Annex B, but the key findings are:

- With allowance for the inter-relationships across the seven questions, provider type and LA, four of the seven questions were statistically significantly positively associated with the probability of delivering the extended hours.
- The most influential of these four were whether parents would go elsewhere if the provider did not offer the extended hours and whether delivering the extended hours fitted the provider's business model, while the question on the risks to the business model from delivery was also important. The question on childcare focus had a much weaker association with the decision to deliver.
- Even controlling for these attitudes, childminders and maintained providers were statistically significantly less likely to deliver the extended hours. However, this may have been because the attitude questions did not include one on the level of parental demand, which, as will be shown below, was found to be important for these provider types in the qualitative interviews.

This analysis indicates that business consequences were the most important factors in the decision to deliver, both in terms of a positive fit with the providers' delivery model and in terms of a negative risk of losing parents. The degree of focus in purpose on delivering childcare and providing support for working parents played a much smaller role.

### **3.3.2 The role of LA support**

In the providers survey, just over half (51 percent) of providers reported that they received sufficient support from the LA to deliver the extended hours, while 7 percent reported that they needed more support and 31 percent reported that they had received no support but needed some. The remaining 10 percent reported that they did not need any support (although 6 percent had been offered it).

Among providers who would have liked more or some support, better information for parents was the most common type of further support they would have liked (reported by 41 percent). The next three most common responses related more closely to their delivery: more support on business sustainability (36 percent), support checking parents' eligibility codes (32 percent) and more provider events and information sessions (29

percent). Some had more specific requests around supporting partnerships (21 percent) and delivering to children with additional needs (18 percent).

### 3.3.3 Qualitative evidence on key drivers

This section presents the evidence from the qualitative interviews with providers on the influences on their decision-making and how delivery challenges were overcome. Opportunities and challenges were viewed differently by for-profit businesses that rely on a mix of LA funding and income from parental fees, and not-for-profit services that largely rely on funded provision and these two groups are discussed separately. The final part of the section considers out-of-school clubs whose decisions were influenced primarily by their marginal role in the delivery of early years provision rather than their funding sources..

#### For-profit services

The policy is targeted at families who were described by some day nursery managers as their “bread and butter”, as these settings offer a full-time service primarily for working families. Whatever their reservations, these settings felt that they could not turn away parents who wanted to take the extended offer, apart from those in very specific circumstances, which will be discussed below. Some of these settings were very positive about the policy which was described by some respondents as a “*no brainer*” that “*helps parents and is good for business*” as it could help to fill places and retain older children. As the manager of a private nursery explained:

*“We were quite excited at the prospect of having more older children which would enable us to utilise our qualified teachers more.” (Provider delivering extended hours)*

Others were not so keen on signing up to deliver the extended hours because the funding rate was below what they charged parents, but felt that the decision was out of their hands as it would be financially very damaging not to offer it. As these private day nursery managers explained:

*“We’ve got other local provisions that were going to offer 30 hours... we are in direct competition with a local nursery [class] as we are on the same site... We felt that by turning the 30 hours away we were going to lose business, even though we were taking a drop in the money that was coming in, we still had to offer [extended] places...” (Provider delivering extended hours)*

*“We didn’t want to sign-up for it because it’s not economically viable but some of our parents asked to take the 30 hours and we had to offer them otherwise they may have gone elsewhere.” (Provider delivering extended hours)*

As will be discussed below, having concluded that they felt they had to offer the extended entitlement even if the funding rate was considered to be too low, these providers then considered how to fill the gap between the funding rate and their delivery cost for the extended places.

Childminders' engagement was similarly driven by an expectation that parents would go elsewhere if they could not access the extended offer. However, when the funding rate was considered too low, it was not clear how comfortable or able they were to adopt delivery models that allowed them to maintain their level of income. As this LA respondent explained:

*“...that business model [charging for extras] didn't sit comfortably with a number of childminders. What I'm not sure about is how many of them have just decided it was too painful to ask parents to pay and they're losing out and how many of them, just with all the new parents who signed up, have taken on board ...the charges...” (LA staff)*

While some childminders were positive about the extended offer as they expected to benefit from a growth in business and/or a higher funding rate than their parent paid fees, others confirmed the difficulties highlighted by LAs in finding a financially sustainable model for delivering the extended offer. As described in chapter 2, LA support for childminders to deliver the extended offer varied and depended on the level of resources for childcare teams. For example, one LA had secured the resources to provide termly one-to-one sessions to help childminders with their funding claims and was considering having a dedicated telephone line for childminders during headcount week. Existing support mechanism, such as a childminder co-ordinators were reported to play an important role in helping childminders to consider the pros and cons of different delivery models, accessing funding and supporting them to work in partnership. For example, an LA respondent reported that:

*“... we now have some childminders who have a morning coffee session where one lady will do it [the funding claims], and all the others go round and give them all their data.” (LA staff)*

### **Not-for-profit services**

The decision of maintained (primary and nursery) schools, academies and voluntary playgroups to deliver the extended offer was largely driven by parental demand, using their consultations with parents to gauge the level of interest. The decision was predictably much easier for settings that were already offering 30 hours a week (or at least more than 15 hours), as these respondents explained:

*“We didn't hesitate to get involved, we'd have been stupid not to, as the money is better [than their charges] and if you don't do it parents will go elsewhere” (Provider delivering extended hours)*

*“...bearing in mind that a 30 hours child is worth two 15 hours [children] for us it was godsend, absolutely, as we can fill more places.” (Provider delivering extended hours)*

For settings that had to adjust their offer, several factors helped to overcome barriers to the delivery of extended hours, including:

- Time and resources to gather the evidence needed to persuade the setting’s management board that it would be financially viable to adjust the service to offer extended places. This work tended to be mainly undertaken by the setting’s manager or headteacher in some cases with support from the LA. Some LA respondents had met with management boards and governing bodies and it was reported that the LA’s intervention could play an important part in swaying the decision of these bodies in favour of signing up for the extended offer.
- LA support to identify suitable delivery options. LAs advised some settings (particularly playgroups) to start with what were described as “*small steps*”, for example, by extending their morning session by an hour or so to cover lunch. Similarly, settings that thought it was not worth signing up for the extended entitlement because their offer was very part-time (such as 17 to 20 hours a week) were advised by LAs to offer it anyway and consider shared care for parents who wanted to take the full entitlement.
- Some LA childcare teams worked closely with schools that were considering closing their early years provision because of low take-up. For example, childcare teams provided estimates of how take-up (and therefore income) could increase if they offered extended places.
- DfE capital funding to move or expand premises had enabled some settings to offer the extended entitlement. Small LA grants to make minor adjustments could also be a deciding factor for settings that would have not been able to afford these costs.
- Settings that had concerns about the impact of the extended offer on other funded places decided to cap the number of extended places or only offer them when demand for universal and two year old places had been accommodated.

Views about the funding rate varied. Some settings reported that the funding was not sufficient and had to supplement income with fund-raising activities or from the school’s budget. Where the funding rate to schools was being substantially reduced because of the single funding formula, there was a concern about the long-term viability of early years provision. However, these types of settings were typically primarily relying on funded provision which meant that the extended offer did not involve a change (or a major change) in the balance of income from parent paid fees to funded provision and the funding rate therefore was not a key driver in the decision to offer the extended entitlement.

## **Out-of-school clubs**

The study included both for-profit and not-for-profit out-of-school clubs that were offering extended hours. While this distinction made a difference for other settings to how they viewed the extended offer, this was not very relevant for out-of-school clubs as their involvement in funded provision is and will continue to be very marginal because their focus is on school children. Clubs that were offering extended hours were already on the Ofsted early years register as they were taking reception children and, in some cases, three and four year old preschool children. As they were already catering for children under the age of five, they had to make few, if any, adjustments to offer the extended hours. In school-based clubs, the decision had been jointly taken with the school which had also signed up for the extended hours.

In the first year of implementation, LAs' efforts to involve out-of-school clubs had typically been very limited. Some LAs believed that it was worth investing resources to engage this group and were planning to do so, even if their contribution was likely to remain marginal. However, others were concerned that engaging this group would mean substantial for what some LA staff described as a "*very small return*", particularly in areas that did not have an existing infrastructure to support these providers (such as an out-of-school clubs co-ordinator).

### **3.3.4 Exploration of reasons not to offer**

This section uses evidence from the qualitative interviews to explore the influences on the decision of settings that decided not to offer extended places (which the survey evidence has shown were only a minority of settings). The qualitative evidence showed that these settings fell into three groups:

- Private day nurseries and private schools that, while having a high proportion of eligible parents, decided not to sign up for the extended offer because they believed that parents were unlikely to go elsewhere.
- Schools, academies and voluntary playgroups where the key influence on the decision was low eligibility and the expectation that there would be very little, if any demand, for extended places.
- Childminders and out-of-school clubs also expected low take-up but not necessarily due to low eligibility but to the fact that they did not have many three and four years olds or eligible parents had decided to take the extended offer elsewhere.

The current and potential future responses of these groups are discussed in turn below.

#### **Low risk of losing parents**

Private day nurseries and private schools that were not offering extended hours typically reported that they had many eligible parents and potential high parental interest. But they

did not sign up to deliver the extended offer because the funding did not fit their business model: the rate was below what they charged parents and funding conditions were not in line with their service offer. For example, in private schools with a curriculum that required a long day (such as 36 hours a week) parents were not allowed to opt for a shorter day as this would be disruptive. Typically, day nurseries charged parents for whole sessions or days, regardless of whether parents used all the hours. As discussed above, while other settings had similar reservations, those that decided not to deliver the extended hours were confident that most of their parents would not go elsewhere. In the case of private schools, the decision was taken because there were no other private schools nearby that were offering extended hours and their parents were unlikely to switch to a different type of setting. Day nurseries that were not offering extended hours had also concluded that parents would not go elsewhere because:

- They were in very rural areas with small populations and very limited provision due to low demand, with day nurseries providing the only full-time service nearby so that parents who needed full-time childcare had very limited options.
- They were very popular and serving affluent parents who, when consulted, mostly said they intended to remain at the setting even if they could not take the extended entitlement.
- They were a workplace nursery that gave its employees a discount and could not afford to also subsidise the extended hours funding rate.

These settings reported that their expectations had proved correct so far and that they had lost no (or very few) parents because they did not offer extended places. Unless circumstances changed (such as other private schools in the area starting to offer extended hours), it seemed unlikely that these settings would have any reason to sign up to deliver the extended hours.

### **Low eligibility**

Some schools, academies and voluntary playgroups in areas where very few parents were eligible, for example in deprived areas, decided not to offer extended hours because their parent consultations had showed that no or very few parents were likely to take up extended places. The biggest challenge was reported by those settings that were open for 15 or fewer hours each week and the costs of adjusting the service (such as increasing staff resources) were financially too risky given that it was unlikely that take-up would be sufficient to cover the additional costs. Some playgroups were also located in venues that were not available for longer hours and the cost of a move was out of the question. While schools could consider taking some (small) financial risks, some playgroups were described by setting managers as “*running on a shoestring*” and could not afford, for example, to extend hours for a term to see if that attracted eligible parents, as a small funding shortfall could seriously undermine their financial viability.

Settings that required no or minor adjustments were very open to the possibility of offering extended hours in the future and some were already considering or planning to

do so, even if it involved a small financial risk. These settings reported that parental demand will be the key driver of these decisions and these could be speeded up if there is evidence that the setting is losing children because it is not offering extended hours.

### **Low relevance**

Some childminders did not see the point in signing up to deliver the extended offer because, for the time being, they were not expecting any requests from parents as:

- They catered mainly for children under age three and/or school children.
- Eligible parents had decided to take the extended hours elsewhere and to pay for wraparound care provided by the childminder.

Some childminders mentioned barriers to delivering the extended hours related to:

- The funding rate being lower than the fee they charged parents and some said it was “*awkward*” to charge for extras as they had a strong preference for an inclusive fee.
- Being put off by what was described by some childminders as the “*funded provision bureaucracy*” and the excessive paperwork.
- Concerns that extended hours would mainly result in demand for wraparound provision which was unattractive as it would be difficult to fill the rest of the day.

However, the main reason that childminders mentioned for not offering the extended hours was a lack of demand from current parents. It seemed very likely that they would be prepared to offer extended hours if they were not able to fill places in other ways in the future.

There were no interviews with out-of-school clubs that were not delivering extended hours. However, LA staff reported very limited interest from out-of-school clubs largely due to very low parental demand. This was mainly because these settings do not attract many three and four year olds or, if they do have children of this age, parents tend to use the extended offer elsewhere and pay for the breakfast and/or after school club.

## **3.4 Provision for children with additional needs**

In the qualitative interviews, providers reported that they felt that settings had become more inclusive and better at supporting children with additional needs in recent years. However, providers believed that a combination of factors was undermining this progress including:

- An increase in children with (recognised) additional needs, particularly autistic children and children with speech and language difficulties.

- A decrease in SEND support from LAs, both in terms of funding and specialist staff (such as speech and language therapists and psychologists) to support children in settings.
- The time it takes settings to access SEND funding from the LA, particularly as LA staff are less likely to be able to help with funding applications.

There was also a concern about a decrease in funding to maintained nursery classes and nursery schools (due to the single funding formula), which have traditionally taken a high proportion of children with additional needs. While some additional funding has been provided by central government to protect schools' funding levels for a transition period, some schools reported that their funding had already been cut and this was affecting the resources available to support children with additional needs.

Providers believed that the extended offer was adding to these pressures primarily because LAs had not increased SEND funding in line with the increase in the number of funded hours these children are entitled to. In addition, some settings reported that because they were busier, they lacked staff resources to provide additional (unfunded) support to children with additional needs. As it was expressed by respondents:

*“Blimey to get a matched 30 hours for a child...that would be unheard of [the LA] are not very generous with their SEND money.” (Provider delivering extended hours)*

*“My deputy is our SENCO and she is constantly fighting somebody’s corner...to get money out of the local authority that is there for the very children that’s earmarked for, you literally have to be willing to go into the wrestling ring... if children need support around feeding and toileting and all that sort of stuff, you are then looking at the EHC [Education, Health and Care] plan to provide funding for that. To access that is impossible in our city.” (Provider delivering extended hours)*

Settings were at pains to stress that they would do everything possible to offer extended places to children with additional needs. However, some, including those with a strong reputation for good SEND practice, predicted that they may consider turning down requests from these children who want to take the extended offer as they were just about coping with providing the additional support to cover the universal 15 hours. A few settings had, very reluctantly, already turned down these requests.

*“For the first time in 20 years I found myself in the position of having to tell the parents that we could not accommodate their request [for additional hours] and it’s horrible to have to do that because we can’t get the funding for additional support.” (Provider delivering extended hours)*

*“...we feel that alongside other nursery schools in the area that we have taken well above our quota [of children with additional needs] and... we*

*believe in equality of opportunity... and we have never turned children away but we will have to if we can't guarantee their safety." (Provider delivering extended hours)*

There were a few examples that illustrated how some settings were concerned that there might be legal consequences if they are not able to support children with additional needs who want to take the extended offer.

As will be shown in chapter 5, the proportion of children with additional needs taking the extended hours was small. It is not possible to establish the extent to which this reflects low eligibility or low interest from parents, but the experiences of some providers reported in the qualitative interviews suggest that non-inclusive practices played a part as settings did not have the resources to support children with additional needs. If settings, including those with considerable SEND expertise, were struggling to deliver extended hours to a very small number of children with additional needs, any increase in interest from this group could lead to considerable tensions with parents and an increasing gap between demand and supply for extended hours for children with additional needs.

## 4. Effects on provision

This chapter explores how providers responded to delivering the extended hours and the impacts on them, drawing on evidence from the qualitative interviews with providers and data from the Early Years Census and School Census and from the providers survey.

The findings from this chapter show that:

- Provision expanded among providers delivering the extended hours through increased occupancy and higher use of staff. There was no evidence of any immediate adverse effect on other funded or paid provision (section 4.1).
- Shared care across multiple providers for the extended hours was promoted by LAs, but the effects were limited as shared care was not a popular choice for parents (section 4.2).
- Some providers extended their opening times but some placed restrictions on when parents could use extended hours (section 4.3).
- Some providers introduced or increased additional charges and/or increased fees for parent paid hours because of the extended hours (section 4.4).
- Decisions on how the extended hours were offered to parents underpinned diverse delivery models (section 4.5)
- Delivery of the extended hours did not immediately affect the quality of provision, but there were concerns that it could have future adverse consequences when combined with other developments (section 4.6).
- Providers experienced mixed financial impacts and these were primarily driven by a change in income due to differences between parent paid fees and the funding rate (section 4.7).
- Providers' reflections on the first two terms of the national rollout focused on the need for greater promotion of the policy to parents and further support for the delivery of the policy, as well as concerns around the policy administration requirements, statutory guidance and funding level (section 4.8).

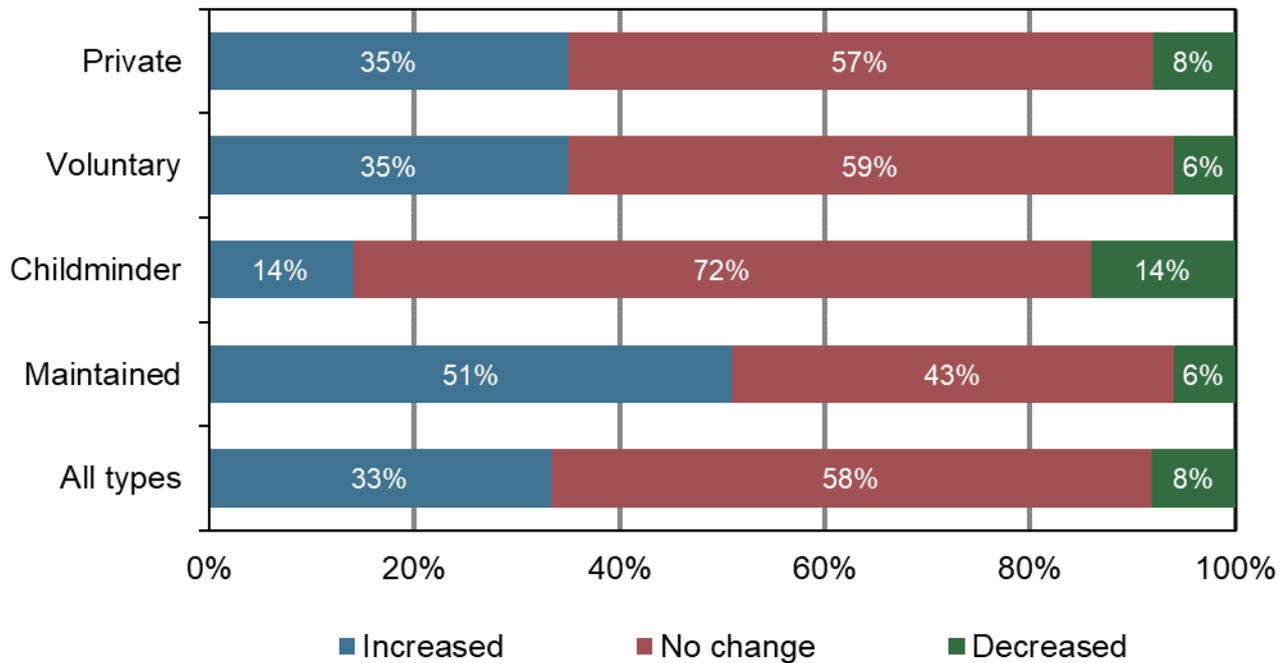
### 4.1 Numbers of places

#### 4.1.1 Expansions in provision

Data from the providers survey gave some indications that the delivery of the extended hours had occurred through an increase in provision rather than simply a switch from paid to funded provision. The first of these was that a third (33 percent) of providers

delivering extended hours reported that they had increased their occupancy rates due to the extended hours, indicating that spare capacity had been used to accommodate the additional hours.<sup>29</sup> This proportion was higher for maintained providers (51 percent) and lower for childminders (14 percent) (figure 6).

**Figure 6: Changes in occupancy due to the extended hours**



Source: Evaluation Survey of Providers, 2018

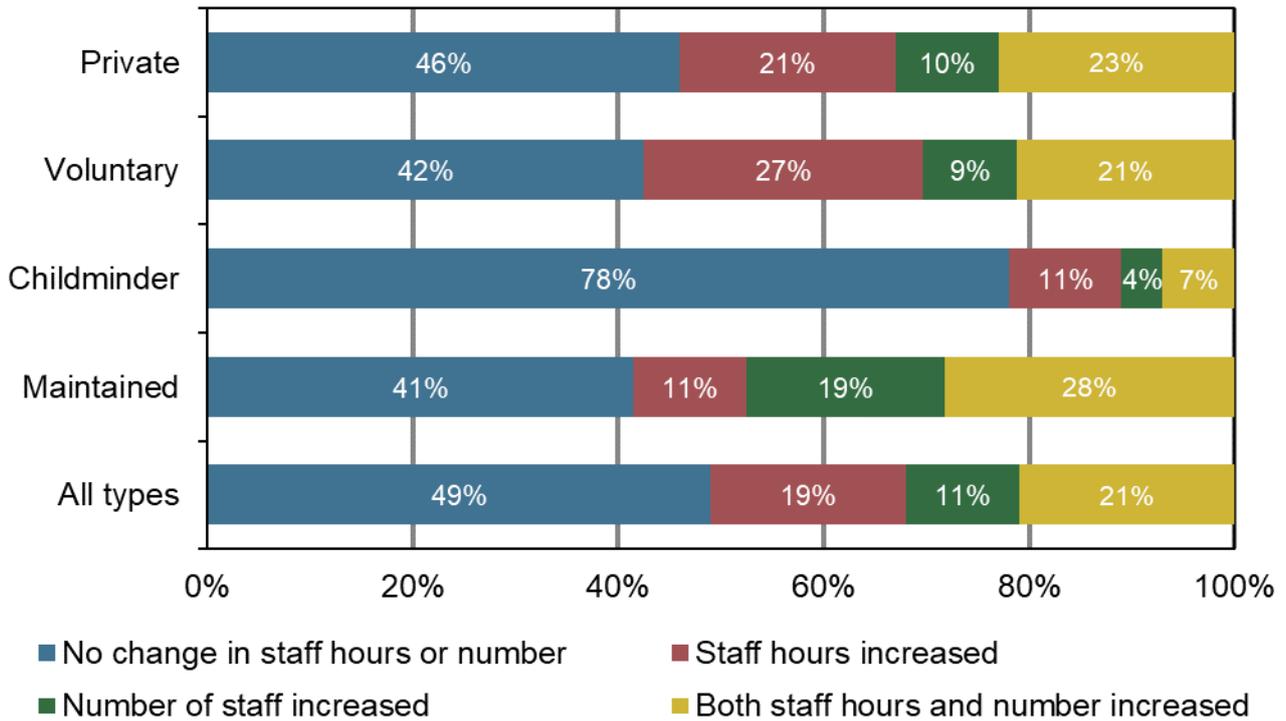
Note: Sample sizes are 670 for private providers, 187 for voluntary providers, 264 for childminders, 181 for maintained providers and 1,319 for all types of providers delivering the extended hours.

Another indication was that just over half (51 percent) of providers delivering extended hours had increased their use of staff to deliver the hours: 19 percent had increased the hours for existing staff, 11 percent increased the number of staff and 21 percent had both increased the hours and the number of staff (figure 7)<sup>30</sup>. Maintained providers were more likely than other provider types to have increased the number of staff rather than staff hours, while childminders were much less likely to have made staffing change (unsurprisingly as few use assistants). Among those not increasing their staffing, most had not done so because they did not need additional staff (72 percent) or because they were childminders who did not use staff (9 percent). In addition, 13 percent reported that they had not increased their staffing because they could not afford to do so and only 3 percent because they could not recruit suitable staff.

<sup>29</sup> In the early implementation, 29 percent of providers reported an increase in occupancy and in the early rollout, 35 percent reported an increase in occupancy.

<sup>30</sup> The proportion of providers increasing their use of staff was slightly lower in the early tests: 35 percent in the early implementation and 40 percent in the early rollout.

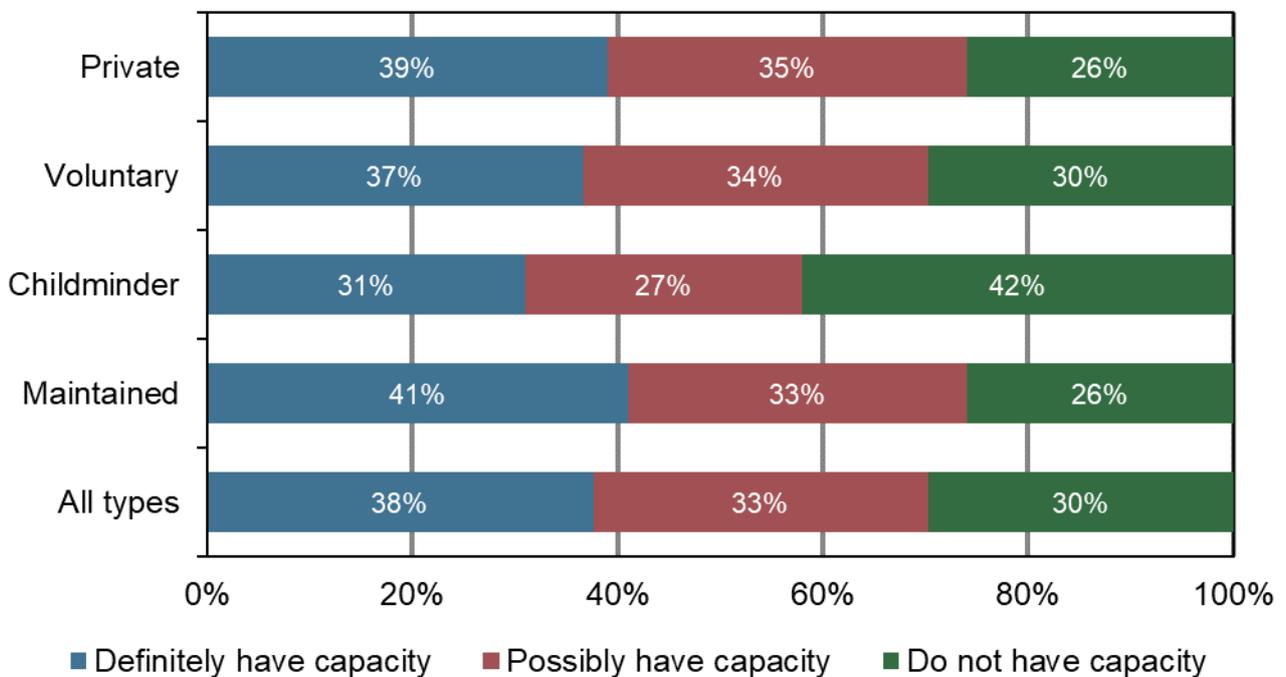
**Figure 7: Increase in the use of staff to deliver the extended hours**



Source: Evaluation Survey of Providers, 2018

Note: Sample sizes are 714 for private providers, 197 for voluntary providers, 186 for childminders, 206 for maintained providers and 1,320 for all types of providers delivering the extended hours.

**Figure 8: Capacity to offer more places**



Source: Evaluation Survey of Providers, 2018

Note: Sample sizes are 699 for private providers, 193 for voluntary providers, 267 for childminders, 195 for maintained providers and 1,371 for all types of providers delivering extended hours.

Some 38 percent of providers delivering the extended hours reported that they definitely had the capacity to offer more places, while 33 percent reported that they could possibly offer more places.<sup>31</sup> These proportions were slightly lower for childminders, but very similar across all other providers (figure 8).

#### 4.1.2 Effects on other provision

In order to help assess whether delivery of the extended hours had affected the provision of other funded hours, census data from January 2017 and January 2018 was matched by provider to compare changes in funded provision between providers who started to deliver the extended hours and those who did not. This analysis considered four broader groups of providers rather than the six presented above to ensure sufficient sample sizes in each type.<sup>32</sup>

Table 10 focuses on the proportions of providers who began to deliver or ceased to deliver funded hours between 2017 and 2018, while table 11 focuses on changes in the number of places and number of hours for providers who continued delivery between 2017 and 2018. It should be noted that universal refers to places with only the 15 hours and extended places generally include both the universal and extended hours (but a small number were only extended hours).

Table 10 shows two main differences between providers delivering the extended hours and those not delivering but neither indicate any detrimental impact on other provision:

- Childminders delivering the extended hours were much more likely to have ceased delivering any universal places than those not delivering the extended hours. However, given the small numbers of children that childminders care for, this most likely reflects that their universal places had all become extended hours ones.
- Private providers delivering the extended hours were more likely to have continued delivery of funded hours for two year olds than those not delivering. This may simply reflect the fact that the former have a greater involvement with funded provision.

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<sup>31</sup> These proportions were similar in the early tests: 30 percent and 33 percent of providers reported that they definitely and possibly had more capacity in the early implementation and 31 percent and 27 percent did so in the early rollout.

<sup>32</sup> Independent providers were included in the private group and (maintained and direct grant status) nursery schools, other LA-run and other/unclassified were included in the maintained group.

**Table 10: Changes in funded provision 2017 to 2018**

	Private	Voluntary	Childminder	Maintained	All types
Percentage of providers delivering extended hours					
New provider of funded hours	6%	2%	45%	5%	18%
Universal entitlement:					
- no delivery	0%	0%	10%	0%	2%
- stopped	0%	0%	49%	0%	11%
- started	0%	0%	6%	0%	2%
- continued delivery	99%	100%	35%	100%	85%
Two year olds:					
- no delivery	7%	8%	42%	62%	25%
- stopped	5%	9%	23%	9%	10%
- started	5%	9%	11%	5%	7%
- continued delivery	83%	74%	23%	24%	58%
Number of providers	1,577	396	1,295	616	3,897
Percentage of providers not delivering extended hours					
New provider of funded hours	11%	3%	44%	6%	21%
Universal entitlement:					
- no delivery	1%	2%	6%	0%	2%
- stopped	2%	1%	14%	0%	4%
- started	0%	1%	19%	0%	5%
- continued delivery	97%	96%	61%	99%	89%
Two year olds:					
- no delivery	35%	11%	29%	79%	48%
- stopped	6%	10%	20%	9%	11%
- started	8%	10%	14%	2%	7%
- continued delivery	51%	70%	37%	10%	34%
Number of providers	275	116	430	400	1,235

Sources: Sample of 12 LAs from Early Years Census and School Census, January 2017 & 2018

**Table 11: Changes in numbers of funded places and hours 2017 to 2018**

	Private	Voluntary	Child-minder	Maintained	All types
Providers delivering extended hours					
Mean change in number of funded places:					
- extended	13.7	8.2	2.2	11.4	10.0
- universal	- 12.8	- 7.5	- 1.2	- 13.5	- 9.6
- two year olds	- 0.6	- 0.3	- 0.2	0.5	- 0.2
Mean change in total number of funded places	0.4	0.3	0.9	- 1.5	0.1
Mean change in total funded hours	169	78	29	133	120
Number of providers	1,484	389	716	583	3,177
Providers not delivering extended hours					
Mean change in number of funded places:					
- universal	- 1.4	- 1.1	- 0.2	- 3.3	- 1.8
- two year olds	- 0.2	- 0.1	0.0	- 0.2	- 0.1
Mean change in total number of funded places	- 1.7	- 1.2	- 0.1	- 3.4	- 1.9
Mean change in total funded hours	- 25	- 19	- 1	- 52	- 29
Number of providers	245	113	240	375	974

Sources: Sample of 12 LAs from Early Years Census and School Census, January 2017 & 2018

Table 11 shows:

- On average, each provider delivering extended hours had replaced 10 places delivering just the universal free entitlement hours with 10 places delivering the combined universal and extended offer (corresponding to the -9.6 and 10.0 in the final column in the table). This indicates that delivering the extended hours did not have an impact on the availability of universal places.
- There had been a very small decline (-0.2 places per provider) in the average number of funded places for two year olds among providers delivering the extended hours. The decrease was slightly greater for private providers (-0.6

places per provider) and there had been a small increase for maintained providers (0.5 places per provider).

- The mean number of all funded hours among providers delivering the extended hours had increased by 120 per provider, an average increase of 12 funded hours for each extended hours place. Within group settings, the average increase was highest for private providers (169 hours per provider) and lowest for voluntary ones (78 hours per provider).
- In comparison, the mean numbers of funded places and funded hours had decreased among providers not delivering the extended hours for reasons most likely unrelated to the extended hours.<sup>33</sup>

Overall, this does not give any indication that delivery of the extended hours had a detrimental effect on other funded provision. Rather, it suggests that funded provision had expanded to deliver the extended hours.<sup>34</sup> This may have occurred through the extended hours replacing parent paid hours or through higher occupancy or expansion of provision, but the census data does not provide sufficient information to explore this.<sup>35</sup>

### 4.1.3 Future uncertainties

In line with the census and survey findings, providers in the qualitative interviews reported that up to now the extended hours have had a very limited (if any) effect on the profile of children as most children were already at the setting or had already booked a place before parents decided to take up the extended entitlement. Furthermore, as discussed in chapter 3, some maintained schools and playgroups were limiting the number of extended places if this was considered necessary to ensure sufficient

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<sup>33</sup> In four regression models for each provider type with controls for LAs, the differences in changes in the total number of three and four year olds receiving funded hours (the total of universal and extended places) was statistically significantly larger at the 95 percent confidence level for providers delivering the extended hours than those not delivering the extended hours (with differences of 2.4, 1.8, 1.1 and 1.1 for the four types respectively). These were almost identical to the raw differences. There were no statistically significant differences for the changes in number of two year old places in analogous models for private, voluntary and childminder providers, but the change was statistically significantly larger at the 95 percent confidence level for maintained providers delivering the extended hours than those not delivering the extended hours (with a difference of 0.7 places).

<sup>34</sup> This conclusion is corroborated by the evidence from the providers survey. A much higher proportion (25 percent) of providers delivering the extended hours reported that they had increased the number of three and four year olds receiving free entitlement hours than the proportion (4 percent) who reported that they had reduced the number because of delivery of the extended hours.

<sup>35</sup> In the providers survey, a slightly higher proportion (8 percent) of providers reported that they had reduced the number of paid places than the proportion (5 percent) who reported that they had increased the number of paid places because of delivering the extended hours, but the vast majority of providers (87 percent) had not changed the number of paid places due to the extended hours. However, this does not capture whether the number of parent paid hours changed and one possible explanation is that most extended hours replaced parent paid hours but that these places continued to be combined with some parent paid hours.

universal places for local children. The experience of providers in the early test areas, who were offering extended hours for the second year, also did not suggest much change in terms of children's profile.

It was difficult for providers to predict if and how the profile of their children may change in future. However, some providers, particularly not-for-profit settings, said that they will have to assess which type of funded provision would be more likely to support the setting's financial viability. If, for example, they concluded that it is more cost effective to offer extended places rather than the universal offer, they may need to prioritise the former when allocating places. Similarly, some were planning to review their allocation of places if it proved more cost effective to deliver extended places instead of the two year old offer, given that the latter involves higher delivery costs due to a higher staff: child ratio and the higher proportion of children who need additional support. Even if providers expected to have to make this kind of decisions in future, they did not expect these decisions to be entirely determined by financial considerations. Providers stressed that they care about equal access and that they will be as flexible as they possibly can without undermining the setting's financial sustainability.

## 4.2 Shared care

As discussed in chapter 2, LAs promoted the use of shared care as a way of delivering extended hours and there was an expectation among providers and LAs that shared funded care would become more common with the introduction of the extended hours.

Whether they were delivering just the universal offer or all the funded hours, providers typically reported in the qualitative interviews that they were making parents aware that they could take funded hours at more than one setting. However, some settings were frank about the impracticalities in this type of arrangement and others varied in the extent to which they were prepared to support parents to share funded hours:

- Some providers were evidently not keen on shared funded hours as they were not compatible with the kind of service they wanted to provide and/or their financial model. For example, some childminders were concerned that their role in the delivery of the extended offer would be reduced to doing drop offs and pickups. As this childminder explained she did not allow shared funded hours because:

*"I don't promote myself as a taxi. I promote myself as an early years educator." (Provider offering the extended hours)*

- Some independent schools said that a full-time curriculum was what they offered and were not allowing parents (whether they took funded hours or not) to take a part-time place. They did not think shared care would work as their offer was very distinct, as the head of an independent school explained:

*"...the...ethos and the whole approach to learning that makes a setting worthwhile for those children, otherwise we are just a childcare [service]"*

*...literally and [children are] not being developed in the way we would like to do.” (Provider offering the extended hours)*

- Some settings only allowed parents to take the extended hours if they took the universal offer at the setting as they wanted some security in terms of funding. While they told parents about the possibility of splitting the funding, they were aware that in practice this could be difficult, as most other local settings had the same policy.
- Other settings did not place limitations and were happy to promote shared care, but they did not see it as their role to support parents to do so, for example, by providing information about other local providers. If they did provide this information, it was “generic” (such as directing parents to the LA’s providers list) as they did not want to be seen to favour particular settings and/or did not feel they could signpost parents to specific settings because:

*“We don’t really know what goes on behind closed doors and we can’t really say this is a good one you can go there.” (Provider offering the extended hours)*

Some providers were actively promoting shared care: they signposted parents to other local settings and provided information (such as opening hours and availability) that helped parents to identify suitable options for sharing the funded hours (or even taking the funded offer elsewhere). These tended to be settings that had long-standing and successful shared care arrangements or providers that were part of established local partnerships, such as those described in chapter 2.

Providers’ accounts supported LAs’ views (discussed in chapter 2) that while sharing of funded hours had increased, the extended hours had not resulted in a substantial increase in use of multiple settings so far, as parents who were using funded hours at more than one setting would typically have used shared care anyway. This was supported by evidence from the providers survey: 63 percent of providers delivering the extended hours had at least one child taking up funded hours both at that setting and another setting, while this proportion had been 54 percent prior to providers starting to offer the extended hours<sup>36</sup>. Furthermore, shared care arrangements remained largely parents-led and partnership arrangements to deliver extended hours were the exception rather than the rule.

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<sup>36</sup> Private providers and childminders delivering the extended hours were more likely to have started shared care for funded hours than to have stopped doing so since prior to offering the extended hours: 15 percent of private providers had started while 7 percent had ceased to have any such shared care arrangement, while 29 percent of childminders had started at least one such shared care arrangement and 6 percent had ceased to have any such shared care arrangement. There was no marked difference in the proportions starting and stopping for voluntary and maintained providers.

## 4.3 Flexibility of the offer

### 4.3.1 Opening times

Data from the Early Years Census showed that providers delivering extended hours tended to have longer opening hours than providers not delivering the extended hours:

- The proportion of private providers opening for more than 50 hours a week was substantially higher for those delivering the extended hours than those that were not (66 percent compared to 24 percent). The proportion of voluntary providers opening for more than 30 hours a week was substantially higher for those delivering extended hours than those that were not (71 percent compared to 34 percent).<sup>37</sup>
- The proportion of private providers offering full day care (rather than sessional care) was also substantially high for those delivering extended hours than those that were not (83 percent compared to 49 percent), while there was also a marked difference for voluntary providers (45 percent compared to 23 percent).<sup>38 39</sup>
- The proportion of private providers opening for more than 38 weeks each year was substantially higher for those delivering the extended hours than for those that were not (75 percent compared to 32 percent) and there was also a marked difference for voluntary providers (24 percent compared to 12 percent). However, there was no notable difference in the number of annual opening weeks for childminders between those delivering and not delivering extended hours.<sup>40 41</sup>

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<sup>37</sup> One LA was excluded from these statistics because a high proportion (55 percent) of providers in the Early Years census only reported opening hours for Monday. The difference in the average number of weekly opening hours for providers delivering extended hours over those not delivering was 12.4, 8.9 and 1.0 weekly hours for private, voluntary and childminders respectively. In three regression models for each provider type with controls for LAs, the differences were statistically significant at the 95 percent confidence level (with differences of 11.5, 9.3 and 1.0 weekly hours respectively).

<sup>38</sup> In two regression models for each provider type with controls for LAs, the differences in the proportion with full day care were statistically significantly larger at the 95 percent confidence level for those delivering extended hours than those not (with differences of 25 and 28 percentage points respectively).

<sup>39</sup> Data from the providers survey also showed that the proportions open continuously through the day were (statistically significantly) higher for those delivering extended hours than those not delivering: 98 percent compared to 72 percent for private providers, 94 percent compared to 55 percent for voluntary providers, 99 percent compared to 92 percent for childminders and 97 percent compared to 41 percent for maintained providers.

<sup>40</sup> The difference in the average number of annual opening weeks for providers delivering extended hours over those not delivering was 6.5, 1.2 and - 0.1 for private, voluntary and childminders respectively. In three regression models for each provider type with controls for LAs, the differences were statistically significant at the 95 percent confidence level only for private and voluntary providers (with differences of 6.0 and 1.3 annual weeks respectively).

<sup>41</sup> Data from the providers survey also showed that the proportions open year round were higher for those delivering extended hours than those not delivering: 67 percent compared to 28 percent for private providers, 16 percent compared to 6 percent for voluntary providers, 97 percent compared to 92 percent for

These differences do not identify whether it is delivery of the extended hours that drives providers to open for longer hours or whether providers that have longer opening hours are more likely to deliver the extended hours. This was addressed in the providers survey with direct questions asking providers offering the extended hours whether and how they had extended their opening hours because of the extended hours.

**Table 12: Extensions to opening times to deliver extended hours**

	Private	Voluntary	Childminder	Maintained	All
Proportion extending opening hours	17%	32%	12%	34%	20%
Proportions starting to open:					
- earlier in the day	8%	14%	2%	10%	8%
- over lunch	7%	14%	6%	28%	11%
- later in the day	8%	18%	4%	9%	8%
- at the weekend	0%	0%	1%	0%	<1%
- more weekdays	3%	5%	2%	1%	3%
- during holidays	2%	1%	6%	1%	2%
Proportions starting to open both earlier and later in the day	3%	9%	1%	5%	4%
Number of providers offering extended hours	724	198	334	210	1,483

Source: Evaluation Survey of Providers, 2018

Notes: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. 12 percent of providers reported one way in which they had extended opening times, 5 percent reported two ways, 2 percent reported three ways and 1 percent reported four ways.

Some 20 percent of providers offering the extended hours reported that they had increased their opening hours because of the extended hours (table 12).<sup>42</sup> This proportion was higher among voluntary and maintained providers, most likely because these types of providers were more likely to have had shorter opening hours before offering the extended hours and therefore had more scope (and need) for increases. The most prevalent changes were to open earlier or later during the day (12 percent did at

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childminders. But the proportions were only 5 percent and 7 percent for maintained providers. These differences were statistically significant only for private providers and childminders.

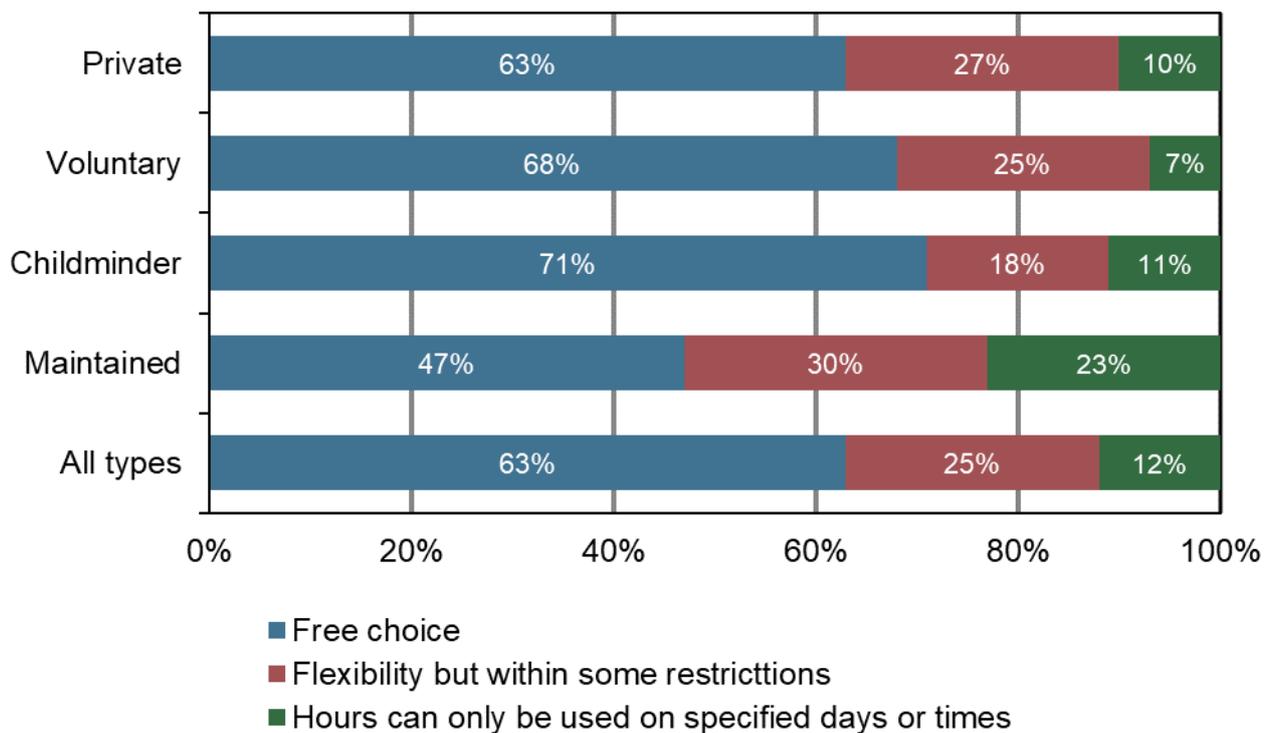
<sup>42</sup> This proportion was slightly lower in the early tests with 11 percent and 12 percent reporting an increase in opening hours due to the extended hours in the early implementation and the early rollout respectively. The main difference in the national rollout was that a higher proportion had started to open over lunch.

least one of these and 4 percent did both) or to begin opening over lunch (11 percent). Some 28 percent of maintained providers had started to open over lunch and 9 percent of voluntary providers had started to open both earlier and later in the day. Very few providers had extended the number of days or number of weeks they opened, the main exceptions being that 5 percent of voluntary providers reported opening more weekdays and 6 percent of childminders reported that they had started to open in the holidays. Overall, the extended hours had resulted in a considerable proportion of voluntary and maintained providers extending their daily opening hours. As will be shown in the qualitative findings, however, some providers could not extend their opening day and short opening hours could be a barrier to delivery for these types of providers.

### 4.3.2 Parental choice in when funded hours can be taken

Longer opening hours offer parents more choice in when they use the extended hours, but some providers restricted when parents could take the hours.

**Figure 9: Parental choice in using extended hours**



Source: Evaluation Survey of Providers, 2018

Note: Sample sizes are 724 for private providers, 198 for voluntary providers, 334 for childminders, 210 for maintained providers and 1,483 for all types of providers offering the extended hours.

While almost two thirds (63 percent) of providers offering the extended hours reported in the survey that they gave parents a free choice in when they used the hours, but a quarter (25 percent) had some restrictions and 12 percent only allowed the extended

hours to be used on specified days or at specific times (figure 9).<sup>43</sup> The proportion restricting use was higher for maintained providers, with less than half (47 percent) allowing a free choice.

The main way in which providers restricted the use of the extended hours was to only allow them to be taken during specific time periods during the day (20 percent), but some restricted which weeks over the year that the hours could be taken (10 percent) and some restricted which days of the week they could be taken (7 percent). Childminders were slightly more likely than other providers to restrict the days of the week when the extended hours could be taken rather than the specific time periods during the day (table 13).

**Table 13: Restrictions on parental choice in using the extended hours**

	Private	Voluntary	Child-minder	Maintained	All
Can only be taken over a specific number of weeks in the year	11%	6%	8%	14%	10%
Can only be taken over a certain number of days in the week	6%	5%	12%	10%	7%
Can only be taken during specific time periods in the day	21%	17%	5%	40%	20%
All extended hours must be taken at this setting	2%	1%	2%	6%	2%
Other specific restriction	5%	5%	3%	3%	4%
Number of providers delivering extended hours	724	198	334	210	1,483

Source: Evaluation Survey of Providers, 2018

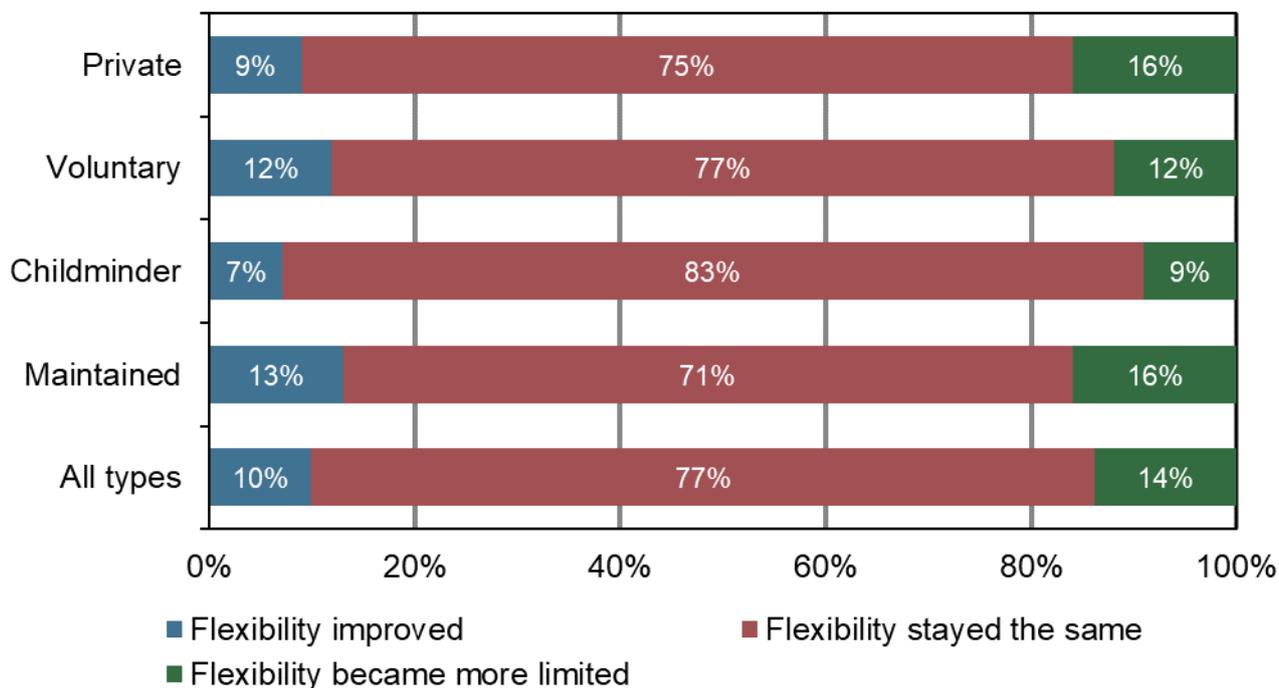
Offering the extended hours could have meant that providers restricted the flexibility for parents in their use of the universal hours. Most providers (77 percent) did not change the flexibility of the universal offer (although this does not imply that the offer was flexible previously), with almost equal proportions reported that flexibility had increased (10 percent) and that flexibility had become more limited (14 percent) (figure 10). This pattern

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<sup>43</sup> The precise question was “As long as places are available, are parents able to choose which days and times they can use the extended hours at your setting?”

was consistent across provider types, although maintained providers were slightly more likely and childminder slightly less likely to have altered the flexibility of the offer.

**Figure 10: Provider report of change in flexibility for universal 15 hours entitlement**



Source: Evaluation Survey of Providers, 2018

Note: Sample sizes are 719 for private providers, 196 for voluntary providers, 303 for childminders, 208 for maintained providers and 1,443 for all types of providers offering the extended hours with three and four year olds using only the universal 15 hours free entitlement.

#### 4.4 Additional charges and fees for parent paid hours

In the providers survey, almost three quarters (74 percent) of providers delivering the extended hours reported that they had *not* increased or introduced additional charges since starting to offer the extended hours (table 14). But 6 percent reported that they had increased charges and 17 percent reported that they had introduced new charges (and 1 percent had done both) because of the extended hours.<sup>44</sup> Private providers were slightly more likely than other provider types to have introduced or increased charges because of the extended hours (29 percent had done so).

<sup>44</sup> This proportion was slightly lower in the early tests with 14 percent and 17 percent reporting an increase or introduction of additional charges due to the extended hours in the early implementation and early rollout respectively.

**Table 14: Increases in charges**

	Private	Voluntary	Child-minder	Maintained	All
No change	69%	80%	78%	80%	74%
Increased charges for reasons not due to extended hours	1%	1%	<1%	1%	1%
Introduced new charges for reasons not due to extended hours	2%	3%	1%	2%	2%
Increased charges due to extended hours	9%	4%	4%	2%	6%
Introduced new charges due to extended hours	19%	13%	17%	14%	17%
Increased and introduced new charges due to extended hours	1%	1%	0%	1%	1%
Total	100%	100%	100%	100%	100%
Number of providers offering extended hours	721	197	333	209	1,477

Source: Evaluation Survey of Providers, 2018

Note: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. There were no cases where a provider reported increasing charges and introducing charges both for reasons not due to the extended hours. There was one case where a provider who had increased charges because of the extended hours had introduced charges for other reasons and this case is counted in the increased charges due to extended hours group.

The main type of charge that was increased or introduced was for meals, snacks or other refreshments: 5 percent of providers offering extended hours increased this type of charge and 13 percent introduced it because of the extended hours. Five other types of additional charges were asked about: for consumables such as suntan lotion; for special activities such as music or sports lessons; for outings; for registration or other administrative charges; and for something else. For each of these, only 1 percent to 2 percent increased the charge and only 2 percent to 4 percent introduced it. These patterns were similar within each provider type.

In the survey, providers delivering the extended hours were also asked whether they found it challenging to make additional charges in order to consider whether this might

make it more difficult for some types of providers to offer the extended hours.<sup>45</sup> Almost half (47 percent) of those delivering the extended hours reported that they found it challenging to charge for some items or activities, although this proportion was lower for maintained providers (27 percent). There were no substantial differences in the proportions reporting it was challenging to make charges across different types of items or activities.<sup>46</sup> The most prevalent reason that it was challenging to make charges was that parents disliked them (reported by 33 percent of providers), but other key reasons were that it was difficult to only let some children benefit from the item or activity (22 percent), it involved too much administration (18 percent) and that it was difficult to work out the cost for specific items or activities (10 percent).<sup>47</sup> These patterns were similar across different provider types.

In addition to increasing or introducing additional charges, some 19 percent of providers offering the extended hours increased the fees for parent paid hours because of the extended hours<sup>48</sup> while 9 percent reported that they had increased fees for reasons not related to the extended hours<sup>49</sup>.

Overall, 9 percent of providers offering the extended hours only increased parent paid fees, 13 percent only increased charges (by increasing current charges or introducing new ones) and 10 percent did both (figure 11). This meant that more than two thirds (68 percent) of providers offering the extended hours did not raise parent paid fees or charges because of the extended hours. The proportions increasing parent paid fees were higher for private and voluntary providers (25 percent and 22 percent respectively) and lower for childminders and maintained providers (11 percent and 8 percent respectively)<sup>50</sup>, but the latter two types were slightly more likely to have increased charges in the absence of any fee increase. Overall, a lower proportion of private providers (61 percent) had no fee or charges increase, while a higher proportion of maintained providers (78 percent) did not make any such changes.

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<sup>45</sup> It should be noted that the level of challenge may be greater among those not delivering the extended hours.

<sup>46</sup> This ranged from 19 percent for special activities such as music or sports lessons to 32 percent for meals, snacks and other refreshments (and was 21 percent for consumables such as suntan lotion, 25 percent for outings and 24 percent for registration or other administrative charges).

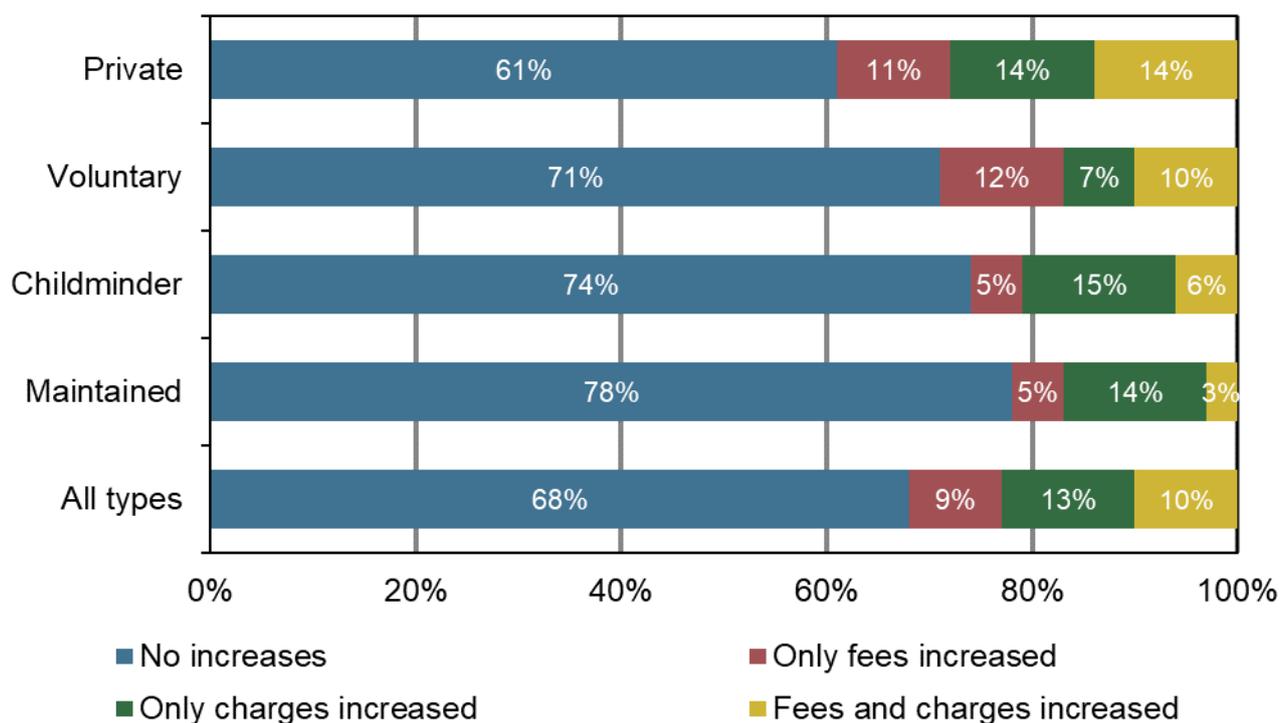
<sup>47</sup> Providers could indicate multiple types of charges and multiple reasons for challenges. Other specific reasons included that it is awkward to ask parents to pay additional charges and that parents will not pay if the item or activity is voluntary.

<sup>48</sup> This proportion was slightly lower in the early tests with 9 percent and 15 percent reporting an increase in parent paid fees due to the extended hours in the early implementation and early rollout respectively.

<sup>49</sup> The proportion reporting an increase for reasons not related to the extended hours were 11 percent of private providers, 12 percent of voluntary providers, 5 percent of childminders and 3 percent of maintained providers. Less than 1 percent reported that they had decreased parent paid fees for reasons not related to the extended hours.

<sup>50</sup> 25 percent of maintained providers reported that they do not charge fees and are included in the no fee change category.

**Figure 11: Combined increases in charges and parent paid fees due to extended hours**



Source: Evaluation Survey of Providers, 2018

Note: Sample sizes are 707 for private providers, 194 for voluntary providers, 323 for childminders, 205 for maintained providers and 1,446 for all types of providers offering the extended hours.

## 4.5 Qualitative evidence on providers' delivery models

Decisions on how the extended hours were offered to parents and how these decisions underpinned diverse delivery models were explored in more depth in the qualitative interviews with providers. Part-time and full-time services are discussed separately as the latter, which provides an extended day and year round service, had more options in terms of delivery models.

As maintained schools, academies and playgroups deliver a term-time only and part-time service, their options for delivering extended hours were somewhat limited by their opening times:

- These settings typically offered two sessions a day with fixed start and end times and each session lasting around three hours. Session times were fixed on the grounds that it would be disruptive for children and the curriculum to allow children to arrive and leave at different times, particularly given that the sessions were short.
- Some settings allowed parents to choose the number of sessions if parents did not want to take the full entitlement (at the setting). Others asked parents to choose between exactly 15 or exactly 30 hours. Some settings believed that having a child

for fewer than 15 hours was not in the child's best interest as there would not be sufficient time to allow for the kind of observation, assessment and planning required by a child-centred pedagogical approach. Options between 15 and 30 hours were difficult to manage in terms of practicalities, for example, if settings had organised children in "15 and 30 hours groups".

- Some part-time settings were open for slightly longer than 30 hours each week, for example, they were open for seven hours a day. Some of these settings provided an optional lunch break (meaning that parents had to pay or collect the children)<sup>51</sup>, while others made an optional charge for the additional time at the beginning and/or the end of the day (for example, funded provision covered 9am to 3pm and parents had to pay if they wanted to leave children till 3.45pm, which was the setting's closing time). The latter option was adopted by providers who were advised by the LA not to have a break in funded provision or who thought many of their parents may struggle to pay for the lunch break. However, this was proving difficult in some settings where not many parents were taking up the additional time and it was therefore not financially viable.

Day nurseries and childminders that are open for an extended day and all year round developed a range of delivery options with decisions on how to offer the extended hours typically shaped by financial considerations. Flexibility was allowed only if it did not compromise the financial viability of the setting. As noted above, some childminders did not feel very confident in developing delivery models that involved a parental payment and the examples below are therefore more reflective of practices adopted by day nurseries, although some of the models were also used or being considered by childminders.

- It was typical for extended hours to be offered within the limitations of the setting's business model which applied to all places, whether funded or not. For example, parents had to book for whole sessions or days and if they did not use the whole session or day, they still had to pay for any booked hours they did not use in excess of the funded hours.
- Some settings allowed parents to use a maximum number of funded hours per day (such as six) while asking parents to book for a longer day, which meant parents had to pay for some additional hours.
- Some did not allow extended hours for slots that attracted a premium rate (such as early morning), others allowed use of extended hours mainly for less popular slots (such as in the afternoon).

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<sup>51</sup> This practice is not considered to be in the in the spirit of the DfE statutory guidance,

- Some settings had a term-time extended offer on condition that parents paid for holiday provision while others only allowed a “stretched offer” over the whole year. In both cases, the restriction was to avoid having empty holiday places.
- Some settings did allow term-time funded provision without a requirement to use holiday provision. These tended to be settings that were offering a holiday club to school children and were therefore confident they could fill holiday places in other ways.

These practices could mean that in order to take the extended hours, parents had to sign up for what some settings described as a “*paid childcare package*” that made the offer financially viable by effectively requiring parents to pay for some additional hours. Some (but not all) settings set aside some completely free places, which meant that a small number of parents could access 15 or extended hours without having to pay anything.

## 4.6 Quality of provision

The qualitative interviews explored whether providers believed that the quality of the service had been affected by the extended hours.

Providers typically emphasised that while the service may have required some restructuring to accommodate the extended hours, quality had been maintained through adequate planning and expertise. For example, settings had to ensure there were a mix of activities, periods of rest and consistency of key worker for children who took extended hours. While some settings were busier because of the extended hours, their staff ratios were described by setting managers as being “*very generous*”, and even with higher occupancy, they were still well within the statutory limits.

Some providers believed that it was challenging to maintain high quality with the funding rate for the extended hours, but high quality was considered a priority and was achieved by developing funding models that allowed them to maintain quality and/or by accepting a lower profit or surplus.

Some providers believed that the quality of children’s experiences had improved from being in a setting’s for longer. As this respondent explained:

*“If anything our quality is better, you’ve got these children for six hours a day rather than three. I know the staff who are the key persons for the 30-hour children feel that they got to know the children better and that they have a better relationship with them.” (Provider offering extended hours)*

Despite these positive assessments, some providers were concerned that what they described as the “*current funding climate*” may negatively affect quality in the future:

- Some settings were considering whether they may have to employ lower qualified and less experienced staff in future because they will no longer be able to attract the calibre of staff they currently have due to a shortfall in funding.
- Some settings thought they may have to cut staff training in future as they could not afford to cover for people who went on training and/or the training fees. The fact that LAs were increasingly likely to charge for training or increase their fees did not help.
- Due to local funding reductions some providers had noticed a decrease in LA support with quality improvement, for example, this support was only offered to settings with a “Requires Improvement” Ofsted rating, while it was previously offered to all settings.

## 4.7 Provider finances

### 4.7.1 Survey evidence on financial impacts

The providers survey collected data to analyse the impact of delivery of the extended hours on providers’ finances through several mechanisms:

- Impacts on the average hourly income. This was explored in the survey with a question on whether the hourly fee that might otherwise have been paid by parents for the extended hours was lower or higher than the funding rate and through the questions about the impacts on additional charges and fees for parent paid hours. Section 4.7.2 (impacts on income) explores the differences between parent paid fees and the funding rate and how these relate to the evidence on additional charges and increases in parent paid fees.
- Impacts on the average hourly delivery cost per child. This was explored in the survey through a direct question about the impacts on the delivery cost and through the questions about changes in occupancy, use of staff, opening hours and flexibility which could be drivers of changes in costs. Section 4.7.3 (impacts on delivery cost) explores how the direct question about changes in delivery cost relates to changes in the underlying drivers.
- Impacts on total profit or surplus. This was explored in the survey with a direct question about the impact of delivering the extended hours on providers’ profit or surplus. Section 4.7.4 (impacts on profits) explores how this direct question on the overall impact on profit or surplus relates to the changes in income and changes in delivery costs..

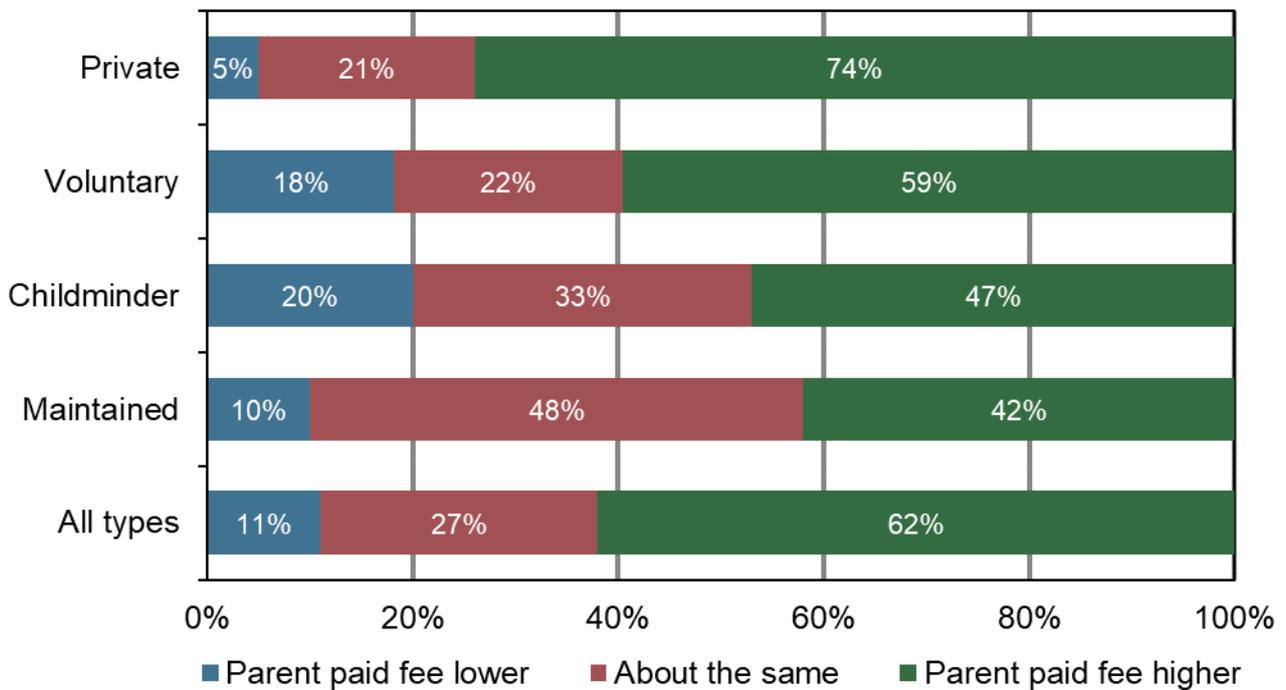
It should be noted that changes in the scale of provision ( total number of hours or places) due to the extended hours was not directly explored in the providers survey but

could have affected the total profit or surplus without any impact on hourly income or hourly delivery cost.

### 4.7.2 Impacts on income

In the survey, 11 percent of providers reported that the parent paid fee that they would otherwise have received was lower than the funding rate, while 27 percent reported it was about the same and 62 percent reported it was higher (figure 12). The proportions reporting that parent paid fee was lower were higher for voluntary providers and childminders, while the proportions reporting that parent paid fees were higher were higher for private and voluntary providers.<sup>52</sup> Maintained providers were least likely to report a difference between the average parent fee and the funding rate.

**Figure 12: Difference between average parent paid fee and funding rate**



Source: Evaluation Survey of Providers, 2018

Note: Sample sizes are 699 for private providers, 190 for voluntary providers, 272 for childminders, 178 for maintained providers and 1,356 for all types of providers delivering the extended hours.

The likelihood that providers increased or introduced additional charges or increased parent paid fees because of the extended hours was related to the difference between the parent paid fee and the funding rate: 10 percent of providers who reported a lower

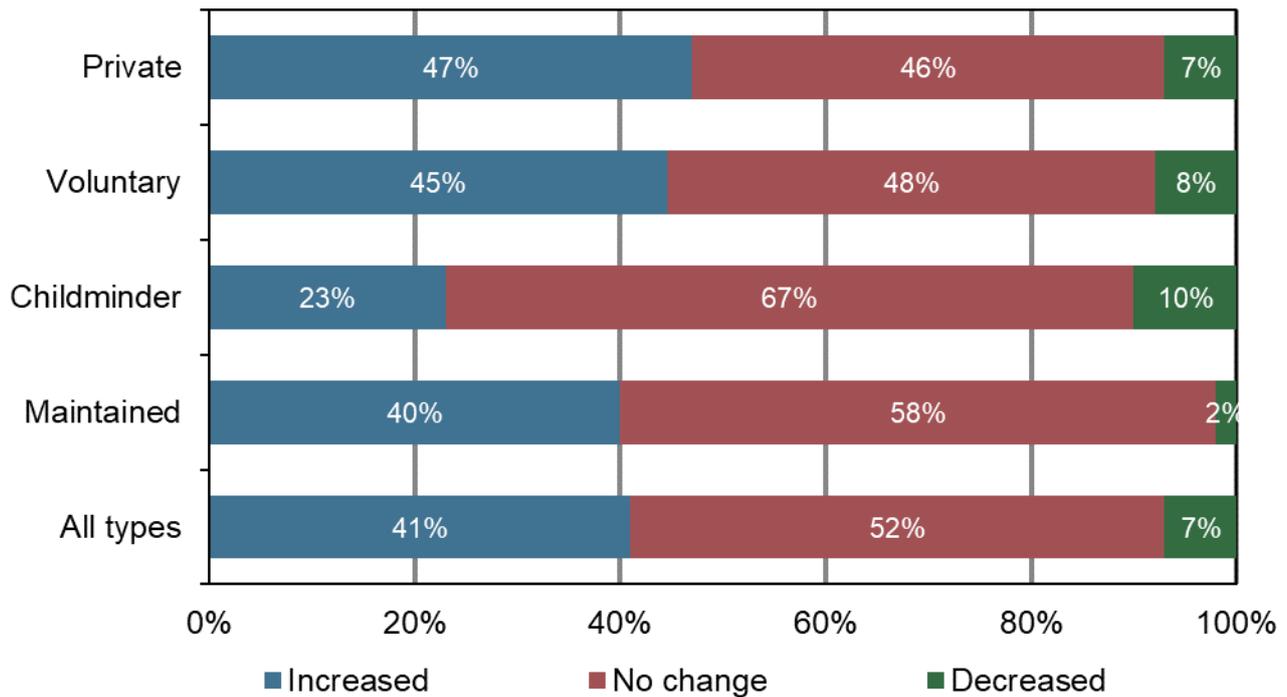
<sup>52</sup> The proportion of providers reporting that their parent paid fee was lower was statistically significantly lower for private providers over all other types and for maintained providers over voluntary providers and childminders. The proportion of providers reporting that their parent paid fee was higher was statistically significantly higher for private providers over all other types and for voluntary providers over childminders and maintained providers. There were no strong relationships for either probability with the size of provider.

parent paid fee made these increases, compared to 20 percent of those who reported that the parent paid fee and funding rate were about the same and 44 percent for those who reported that their parent paid fee was higher.<sup>53 54</sup>

### 4.7.3 Impacts on delivery cost

Figure 13 presents the proportions of providers who reported that delivery of the extended hours had increased their delivery costs, reduced the cost or had no impact.

**Figure 13: Changes in delivery cost due to the extended hours**



Source: Evaluation Survey of Providers, 2017

Note: Sample sizes are 657 for private providers, 185 for voluntary providers, 258 for childminders, 177 for maintained providers and 1,292 for all types of providers delivering the extended hours. Delivery cost is hourly cost per child.

Overall, 41 percent of providers reported that delivery of the extended hours had increased their hourly delivery cost per child, while only 7 percent reported that the delivery had reduced it.<sup>55</sup> These proportions were broadly similar for private, voluntary and maintained providers but a lower proportion of childminders (23 percent) reported

<sup>53</sup> These differences were all statistically significant.

<sup>54</sup> In analysing the relationships between different financial measures, the analysis is not disaggregated by provider type because of the small sample sizes.

<sup>55</sup> The proportions reporting an increase in costs were slightly lower in the early tests (30 percent in the early implementation and 32 percent in the early rollout) but the proportion reporting a decrease was very similar at 7 percent in early implementation and 8 percent in the early rollout.

that the extended hours had increased their delivery costs and a lower proportion of maintained providers (2 percent) reported that the extended hours had reduced their delivery costs.<sup>56</sup>

**Table 15: Reasons for increases in delivery costs**

	Private	Voluntary	Child-minder	Maintained	All
Lower occupancy	4%	3%	2%	6%	4%
Started opening over lunchtime	2%	5%	0%	13%	4%
Opening for more hours	5%	10%	1%	5%	5%
Offering more flexibility	10%	6%	3%	5%	7%
Higher staff pay due to extending staff hours or using more staff	25%	25%	5%	20%	20%
More staff for children with additional needs	13%	5%	2%	12%	9%
Higher hourly premises cost due to more use	7%	9%	3%	3%	6%
Additional administrative costs	2%	1%	2%	1%	2%
Other specific reason	17%	17%	12%	6%	14%
Number of providers delivering extended hours	657	185	258	177	1,292

Source: Evaluation Survey of Providers, 2018

Note: Providers could give multiple responses for the reasons for cost increase. Of those reporting an increase in cost, 59 percent gave one reason, 22 percent gave two reasons, 11 percent gave three reasons, 5 percent gave four reasons, 2 percent gave five reasons, 1 percent gave six reasons and less than 0.5 percent gave seven reasons.

The most prevalent reason given for an increase in delivery cost was higher staff pay due to extending staff hours or needing more staff, reported by 20 percent of all providers delivering extended hours (table 15). Relatedly, 9 percent reported a higher staff cost from the need for more staff to support children with additional needs taking the extended hours. In addition, 6 percent reported an increase in the cost because of a higher hourly

<sup>56</sup> The proportion of providers reporting that costs were higher was statistically significantly higher for childminders than each of the other types of providers and the proportion of providers reporting that costs were lower was statistically significantly lower for maintained providers than each of the other types of providers. There were no strong relationships for either probability with the size of provider.

cost for premises due to increased use. Less prevalent reasons related to changes in the nature of provision, including higher delivery costs associated with opening for longer hours and offering more flexibility to parents in when they could take the hours. Interestingly, very few providers cited additional administrative costs as a driver of increased delivery costs.

There was some variation in the reasons given for higher costs across the provider types. Unsurprisingly given that they generally do not use additional staff, very few childminders cited higher staff pay. Maintained providers were more likely to report a higher cost from starting to open over lunchtime, consistent with the higher proportion of providers of this type making this change. A higher proportion of voluntary providers reported that opening for more hours and a higher hourly premises cost had increased costs, consistent with voluntary providers tending to have shorter opening hours (and being more likely to be located in venues where expansion in opening hours may be more constrained).

Within the small number of providers reporting a decrease in the hourly delivery cost, there was no prevalent specific reason for this decrease. Similar proportions delivering extended reported that delivery costs had decreased due to higher occupancy (1.2 percent); cuts or reductions in some elements of provision to reduce costs (0.9 percent); lower staff pay due to extending staff hours or using more staff (0.9 percent); lower hourly premises cost due to increased use (0.2 percent); and general efficiency improvements (0.4 percent).<sup>57</sup>

The impacts on potential drivers of changes in cost were captured in the questions about the impacts on occupancy, staffing, opening hours and the flexibility of the universal hours offer for parents. The findings on each of these were presented above and this section focuses on the relationships between the impacts on these potential cost drivers and providers' direct reports of impacts on costs and on profit or surplus. Table 16 considers the first of these by comparing the impacts on the potential cost drivers with the overall reported impact on cost.

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<sup>57</sup> In addition, 3.9 percent reported "some other reason".

**Table 16: Potential drivers of changes in cost**

Cost driver change	Proportion of providers with reported impacts on cost			Total
	Increase	No change	Decrease	
Increase in occupancy	51%	45%	4%	100%
No change in occupancy	34%	60%	6%	100%
Decrease in occupancy	55%	26%	19%	100%
No change in staff	30%	63%	7%	100%
Increase in staff	57%	37%	6%	100%
No change in opening hours	38%	56%	7%	100%
Extended opening hours	54%	39%	7%	100%
More flexibility for universal hours	44%	51%	5%	100%
No change in flexibility	38%	55%	6%	100%
Less flexibility for universal hours	55%	35%	10%	100%
All	41%	52%	7%	100%

Source: Evaluation Survey of Providers, 2018

Table 16 shows that:

- The proportions reporting an increase in cost were higher for those with either an increase or a decrease in occupancy (51 percent and 55 percent respectively) than for those with no change in occupancy (34 percent). The proportion reporting a decrease in costs was higher for those reporting a decrease in occupancy (19 percent) than for those reporting either an increase or no change in occupancy (4 percent and 6 percent respectively).<sup>58</sup> When allowance was made for related differences in the other potential cost drivers, providers with a decrease in occupancy were more likely to report both an increase in overall cost and a decrease to overall cost.<sup>59</sup> While the association between lower occupancy and

<sup>58</sup> The proportion reporting a cost increase was statistically significantly higher for those with an occupancy increase or occupancy decrease than those with no change. The proportion reporting a cost decrease was statistically significantly higher for those with an occupancy decrease than those with an occupancy increase or no change.

<sup>59</sup> In logit models with all four potential cost drivers included, the proportion of providers reporting a cost increase was statistically significantly higher for those with a decrease in occupancy than for those with an increase and no change and the proportion reporting a decrease in cost was statistically significantly higher for those with a decrease in occupancy than for those with no change.

higher cost would be expected, the association between lower occupancy and lower cost is counterintuitive.<sup>60</sup>

- The proportion of providers who reported an increase in overall cost was higher for those who increased their use of staff.<sup>61</sup> This is consistent with an increased use of staff pushing up hourly staff pay.
- The proportion of providers who reported an increase in overall cost was higher for those who extended their opening hours.<sup>62</sup> This is consistent with an expansion in opening hours raising the hourly delivery cost (over and above the need to expand the use of staff).
- The proportion of providers who reported an increase in cost was higher for those who had reduced the flexibility of the universal offer.<sup>63</sup> This is counterintuitive as it might have been expected that less flexibility would reduce costs. A possible explanation is that providers might have sought to offset rising costs for other reasons by reducing the flexibility of the offer (an example of reverse causation where cost changes drive changes in flexibility rather than the other way round).

Overall, the evidence suggests that increases in delivery costs due to the extended hours may have been primarily driven by staff increases (consistent with the reasons directly reported by providers). However, decreases in occupancy and expansion of opening hours were also associated with an increase in delivery costs (although these affected smaller proportions of providers). On the other hand, increases in occupancy are not closely related to a decrease in cost which is surprising and may reflect other changes in factors affecting cost for providers with increased occupancy.

#### 4.7.4 Impacts on profits

Figure 14 presents the proportions of providers who reported that delivery of the extended hours had increased their profit or surplus, reduced it or had no impact.

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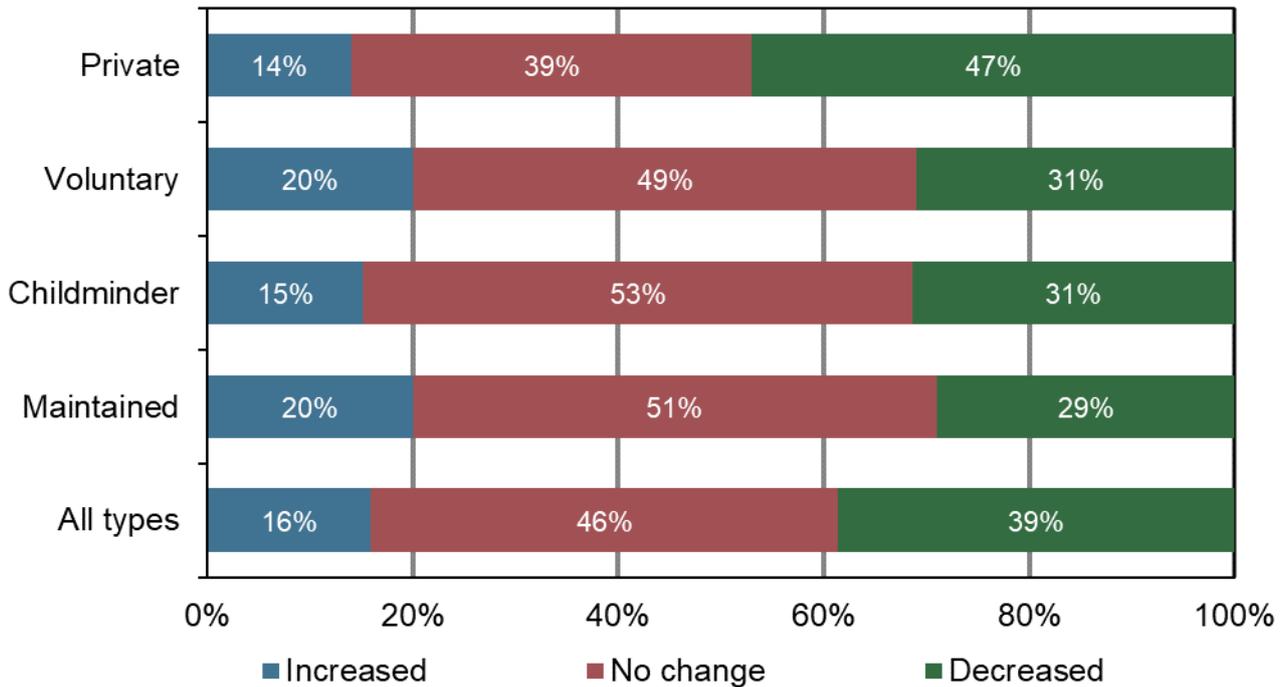
<sup>60</sup> Although the difference is statistically significant, the numbers of providers with a cost decrease was quite small (only 87) and the relationships with the cost decrease should be treated with some caution.

<sup>61</sup> The proportion of providers with a cost increase was statistically significantly higher for those with an increase in staff than those without such an increase, both in the raw difference and in a logit model with controls for all the cost drivers.

<sup>62</sup> The proportion of providers with a cost increase was statistically significantly higher for those who extended their opening hours than those who did not, both in the raw difference and in a logit model with controls for all the cost drivers.

<sup>63</sup> The proportion of providers with a cost increase was statistically significantly higher for those with reduced flexibility than for those with increased or no change in flexibility both in the raw differences and in a logit model with controls for all the cost drivers.

**Figure 14: Changes in profit or surplus due to the extended hours**



Source: Evaluation Survey of Providers, 2018

Note: Sample sizes are 557 for private providers, 180 for voluntary providers, 258 for childminders, 143 for maintained providers and 1,153 for all types of providers delivering the extended hours. Profit or surplus is defined to mean the difference between income and costs.

Just under two fifths (39 percent) of providers delivering the extended hours reported that there had been a reduction in their profit or surplus due to the extended hours, while 46 percent reported no impact and 16 percent reported that their profit or surplus had increased.<sup>64</sup> Private providers were most likely to have reported a fall in their profit or surplus, while voluntary and maintained providers and childminders were more likely to have reported an increase in their surplus.<sup>65</sup>

<sup>64</sup> The proportions reporting an increase in profit or surplus were slightly higher in the early tests (22 percent in the early implementation and 24 percent in the early rollout) but the proportion reporting a decrease was very similar at 40 percent in early implementation and 39 percent in the early rollout.

<sup>65</sup> The proportion of providers reporting that profits were higher was statistically significantly higher for voluntary providers than private providers while the proportion of providers reporting that profits were lower was statistically significantly higher for private providers than each of the other types of providers. There were no strong relationships in either probability with the size of provider.

**Table 17: Detailed change in profit or surplus due to extended hours**

<b>Change due to extended hours</b>	<b>Private</b>	<b>Voluntary</b>	<b>Child-minder</b>	<b>Maintained</b>	<b>All</b>
Increase in profit or surplus					
Larger profit or surplus	6%	6%	10%	5%	7%
Moved into profit	2%	2%	1%	2%	2%
Moved from loss to breakeven	5%	10%	3%	8%	5%
Smaller loss	1%	3%	1%	5%	2%
No change					
Currently in profit or surplus	9%	8%	29%	8%	14%
Currently breaking even	27%	36%	23%	33%	28%
Currently in loss	3%	5%	1%	10%	4%
Decrease in profit or surplus					
Smaller profit or surplus	9%	3%	12%	2%	8%
Moved from profit to breakeven	22%	18%	12%	11%	17%
Move into loss	10%	6%	5%	8%	8%
Larger loss	6%	4%	3%	8%	6%
Total	100%	100%	100%	100%	100%
Number of providers delivering extended hours	557	180	258	143	1,153

Source: Evaluation Survey of Providers, 2018

Table 17 provides further details on the changes in profit or surplus, highlighting when delivery of the extended hours had led to a change between being in profit or surplus, just about breaking even and being in loss. Almost a third (32 percent) of providers had crossed a threshold, with positive changes for 2 percent moving into profit and 5 percent moving from loss to breakeven and negative changes for 17 percent moving from profit to breakeven and 8 percent moving into loss. These proportions were similar across provider types, although voluntary providers were slightly more likely to move in a positive way across the thresholds and private providers were slightly more likely to move in a negative way across the thresholds.

**Table 18: Changes in profit or surplus by changes in income and cost**

Change in income or cost	Proportion of providers with reported impact on profit or surplus			Total
	Increase	No change	Decrease	
Parent paid fee lower than funding rate	<b>34%</b>	54%	13%	100%
Parent paid fee about the same	<b>20%</b>	62%	18%	100%
Parent paid fee higher than funding rate	<b>11%</b>	37%	<b>53%</b>	100%
No change in charges or parent paid fees	<b>19%</b>	53%	<b>28%</b>	100%
Increase in charges or parent paid fees	<b>10%</b>	31%	<b>59%</b>	100%
Decrease in hourly cost per child	13%	29%	58%	100%
No change in hourly cost per child	<b>19%</b>	61%	<b>20%</b>	100%
Increase in hourly cost per child	<b>14%</b>	32%	55%	100%
Increase in occupancy	<b>33%</b>	38%	<b>29%</b>	100%
No change in occupancy	7%	55%	<b>39%</b>	100%
Decrease in occupancy	12%	15%	<b>74%</b>	100%
No change in staff	<b>12%</b>	50%	38%	100%
Increase in staff	<b>20%</b>	39%	41%	100%
No change in opening hours	<b>14%</b>	45%	<b>41%</b>	100%
Extended opening hours	<b>21%</b>	48%	<b>31%</b>	100%
More flexibility for universal hours	20%	48%	31%	100%
No change in flexibility	15%	48%	37%	100%
Less flexibility for universal hours	15%	32%	<b>52%</b>	100%
All	16%	46%	39%	100%

Source: Evaluation Survey of Providers, 2018

Notes: The bold figures indicate statistically significant differences. For the three category variables, all figures in bold indicates that all three pairwise comparisons are statistically significant; two figures in bold indicates that they are statistically significantly different from each other but not with the third category; and a single figure in bold indicates that the category is statistically significantly different from the other two but that there is no statistically significant difference between the two categories not in bold. The differences in the no change column were not tested as they are the residual of the increase and decrease columns.

Table 18 explores how the changes in profit or surplus relate to the income drivers (difference between the parent paid fee and the funding rate and increases in additional charges or parent paid fees) and to changes in costs (direct provider reports and the potential cost drivers). The table shows the following statistically significant differences:

- Unsurprisingly, an increase in profit or surplus was most likely for providers with parent fees lower than the funding rate and least likely for providers with parent paid fees higher than the funding rate. Those with parent paid fees higher than the funding rate were more likely to have experienced a decrease in profit or surplus than those with parent paid fees about the same as the funding rate and those with parent paid fees lower than the funding rate.
- An *increase* in profit or surplus was *less* likely for providers who had increased their additional charges or parent paid fees, while a *decrease* in profit or surplus was *more* likely for these providers. Given that an increase in additional charges or parent paid fees would be expected to have a positive impact on the profit or surplus, this association suggests another case of reverse causality whereby a decline in the profit or surplus may have led some provider to increase their additional charges or parent paid fees.
- Providers who reported no change in their hourly cost were more likely to report an increase in their profit or surplus than those with an increase, but those with an increase or decrease in hourly cost were considerably more likely than those with no change to experience a decrease in their profit or surplus. This suggests that changes in delivery costs are not a key driver of the overall financial impact but that those whose costs have been increased or decreased by delivering the extended hours tend to have a more negative overall financial impact than those for whom delivering the extended hours had no impact on the hourly delivery cost.
- An increase in profit or surplus was more likely for providers with an increase in occupancy (than those with a decrease or no change) while a decrease in profit or surplus was most likely for those with a decrease in occupancy and least likely for those with an increase in occupancy. This is consistent with changes in occupancy having the expected impact on delivery costs and profit or surplus.
- An increase in profit or surplus was more likely for providers who increased their use of staff over those who did not. This most likely reflects an increase in the scale of provision (more hours or places) for profitable providers rather than a reduction in the hourly cost of staff when more staff are used (given the evidence on reductions in cost presented above).
- An increase in profit or surplus was more likely and a decrease in profit or surplus less likely for providers who extended their opening hours over those who did not. Again, this most likely reflects an increase in the scale of provision (more hours or places) for profitable providers rather than a reduction in the hourly cost when opening times are expanded.
- A decrease in profit or surplus was more likely for providers who reduced the flexibility of the universal hours. Given that a reduction in flexibility might be expected to reduce costs and increase profit or surplus, this association suggests

another case of reverse causality whereby a decline in profit or surplus has led to the reduction in flexibility.

Regression analysis was used to explore the size of the difference in the probability of an increase or decrease in the profit or surplus associated with each factor controlling for any related effects of the other factors. Two models were considered: the first used the reported impact on costs while the second used the measures of the potential drivers of changes in costs<sup>66</sup>.

The results for the model using the reported impact on cost showed the following statistically significant findings:

- Parent paid fees lower than the funding rate were associated with a higher probability of an increase in profit or surplus of 9 percentage points.
- Parent paid fees higher than the funding rate were associated with a lower probability of an increase in profit or surplus of 9 percentage points and a higher probability of a decrease in profit or surplus of 24 percentage points.
- Neither a reported increase nor decrease in cost had any statistically significant associations with the probability of an increase in the profit or surplus.
- Both reported increases and decreases in cost were associated with a higher probability of a decrease in the profit or surplus (of 20 and 27 percentage points respectively).

This suggests that the level of parent paid fees that providers charge relative to the funding rate is important both for increasing or reducing the profit or surplus in the expected direction: those with higher parent paid fees relative to the funding rate were more likely to have experienced deterioration in their overall financial position and those with lower parent paid fees relative to the funding rate were more likely to have experienced an improvement. But changes in costs appear to be important only for a decrease in profit or surplus. The association between a decrease in delivery cost and lower profit or surplus is unexpected but could possibly reflect reverse causation whereby a drop in the profit or surplus may have led to cuts which reduce delivery costs.

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<sup>66</sup> Four logit models were estimated: two versions for the probability of an increase in profit or surplus and two versions for the probability of a decrease in profit or surplus. The first version (model 1) contained four dummy variables for an increase in hourly cost, a decrease in hourly cost, parent paid fee lower than the funding rate and a parent paid fee that is higher than the funding rate. Other specifications of this model were tested (including a single multinomial model for the three change in profit or surplus outcomes and with additional control variables for provider type and LA) which generated similar conclusions or did not converge to a solution due to issues of multicollinearity. The second version (model 2) replaced the direct question on cost impact with the measures of changes in cost drivers and also added a variable for the change in charges and fees. Hence, model 1 considered the importance of providers' broad perceptions of impacts while model 2 considered the cost and income drivers in more detail.

The results from the model using the measures of potential drivers of changes in costs showed the following statistically significant findings:

- Parent paid fees lower than the funding rate were associated with a higher probability of an increase in profit or surplus of 10 percentage points (in line with the first model).
- Parent paid fees higher than the funding rate were associated with a lower probability of an increase in profit or surplus of 5 percentage points and a higher probability of a decrease in profit or surplus of 25 percentage points (in line with the first model).
- An increase in additional charges or parent paid fees was associated with a lower probability of an increase in profit or surplus (of 6 percentage points) and a higher probability of a decrease in profit or surplus (of 19 percentage points). As before, this may reflect a reverse causality with lower profits or surplus driving a change in additional charges or parent paid fees.
- Both an increase and a decrease in occupancy were associated with a higher probability of an increase in profit or surplus (of 23 percentage points and 11 percentage points respectively). An increase in occupancy was associated with a lower probability of a decrease in profit or surplus (of 10 percentage points) and a decrease in occupancy was associated with a higher probability (of 23 percentage points).
- An increase in the use of staff was associated with a higher probability of a decrease in profit or surplus (of 7 percentage points). This may reflect that, controlling for other related factors, using more staff raises the cost and reduces the profit or surplus.

Overall, this confirms that changes in staffing costs are an important factor in explaining impacts on cost, although the size of the follow-on effect on the profit or surplus is, on average, not as large as the effect of whether parent paid fees are higher or lower than the funding rate. The sizes of the effects of changes in occupancy are largest of all and suggest that changes in occupancy are an important driver of the impacts on providers' overall financial position. The strong associations between lower occupancy on the one hand and both lower cost and higher profit or surplus on the other are surprising and may reflect other changes in factors affecting cost for providers with increased occupancy.

#### **4.7.5 Qualitative evidence on financial impacts**

Reflecting the survey evidence, the qualitative interviews with providers indicated that their views on if and how the setting's financial position had changed because of the extended hours depended on a combination of factors:

- If and to what extent the balance of income from LA funding and parent paid fees had changed and resulted in changes in their total income. For example, for some settings the extended hours meant a considerable increase in the proportion of LA income and this had a negative impact on their finances if the funding rate was less than parent paid fees. On the other hand, the impact was very limited if the proportion of extended places delivered was very small or the setting (such as schools) was largely reliant on funded income anyway.
- Whether they incurred additional costs to deliver the extended offer (such as higher staff or venue costs) and there was sufficient demand to cover these costs. Some part-time settings (such as playgroups and maintained schools) were struggling to cover these additional costs as demand for extended hours had been lower than expected and they had unfilled places. This was more likely in areas where the equilibrium between supply and demand tended to be fragile and could easily be undermined by small changes on either side of the equation (for example, in rural areas where a small decline in the birth rate could lead to a decrease in demand, or the closure of one setting could lead to a large gap in provision).
- Whether the extended hours had resulted in an increase in occupancy and therefore better staff utilisation. This had a positive impact, but some providers said this could not compensate for the effects of what they considered to be an inadequate funding rate.

As described above, some settings sought to adjust their delivery models to deal with (or prevent) negative financial effects by capping the number of extended places; restricting flexibility and offering packages with paid hours; and increasing additional charges. Some schools and academies used subsidies from the school's or academy's budget and fund raising activities, while some playgroups were using their reserves as well as fundraising activities.

Where the financial impact on the setting had been positive, providers talked about having more money for staff training, equipment and higher wages and also a reduced risk of staff redundancies. Conversely, when the impact had been negative, settings reduced (or planned to reduce) costs by cutting training, employing lower qualified staff (such as apprentices), reducing places for children who needed additional support and reducing educational resources and/or buying cheaper ones.

However, providers typically reported that it was too early to make a conclusive assessment of the financial impact of the extended offer and that they would need to deliver for a year or two before deciding if and how their delivery model may change.

## 4.8 Providers reflections and learning for future provision

The qualitative interviews explored providers' reflections on the first two terms of the national rollout. These reflections focused on the promotion of the offer to parents and providers; features of the policy which were seen as posing challenges; and support for delivering extended hours in future.

Reflections on the promotion of the extended offer included:

- Providers believed that more work is needed nationally and locally to promote the policy to parents, particularly to those who may have greater difficulties in navigating the system (because English is not their first language or they are not very IT literate) and to those who think they are not eligible (such as registered carers and families who are getting other help with childcare costs).
- Some childminders also believed that more should be done to promote childminders as equal partners in the delivery of funded provision.
- Some providers argued that professional associations should take a more balanced position on the extended offer. While providers thought they are right to raise the concerns of their members about funding, they also thought that these organisations should be more supportive of those who want to offer extended hours and, for example, a provider said these associations should: *“help to allay fears about delivering the 30 hours”*.

Reflections on features of the policy that pose challenges included:

- Some providers argued that the level of resources required to administer the extended hours was unsustainable and made them question if they could afford to continue to offer the extended hours. Much of this work was taken up with supporting parents with the registration process because it was very complicated and some parents needed considerable support as they were described by some providers as being *“stuck in the system”*.
- The need for three monthly reconfirmation was questioned by some providers as it created considerable work and uncertainty around future income. Some settings reported having unfunded places and parents losing their entitlement because the reconfirmation failed or parents had not realised they had to reconfirm their eligibility. Some questioned whether the savings for the government from the small proportion of parents who become ineligible is worth the work, stress, and financial loss for providers and parents, and the loss to children from having to reduce their hours when they were settled in their extended place.
- Some believed that the funding rate is not sustainable nor equitable (for example, when a neighbouring LA had a considerably higher rate). Some providers felt that if a fair funding rate cannot be provided, the word “free” should be dropped from

the policy name to avoid confusion, false expectations and awkward discussions with parents about charges associated with the extended offer.

- Some providers felt that LA discretion in the interpretation of the DfE statutory guidance means that some practices are allowed in some LAs but not in others and argued for tighter guidance to have more consistent enforcement throughout the country.

Reflections on future support for the delivery of the extended offer included:

- Some providers said they still needed considerable help and support customised to their needs (such as drop-in sessions). However, there were concerns about some LAs' capacity to provide adequate help, as there have been several cutbacks and some settings said it was increasingly hard to get advice and support from the LA.
- Providers suggested that SEND support provided locally and nationally should be reviewed because the current system does not ensure that all providers can meet the needs of children with additional needs.

## 5. Parent responses

This chapter explores the parents' responses to the policy, drawing on evidence from the qualitative interviews with parents (both those using and those not using the extended hours), the Early Years Census and School Census and the evaluation parents survey.

The findings from this chapter show that:

- The proportions of three and four year old children using the extended hours varied across LAs and different types of families (section 5.1).
- Almost all parents registered for the extended hours had taken up a place. But some eligible parents did not take up the offer because they were not aware of it; it did not fit with their childcare needs; there were misconceptions about eligibility; there were barriers to access; or because benefits were perceived to be very small. Parents had mixed experiences finding a provider for the extended hours and suggested there was a need for more information to enable them to make more informed choices (section 5.2).
- Parents used the extended hours in different ways in terms of the number of hours per week, spreading the offer across the year, using shared care across multiple providers, and paying additional charges and for additional hours (section 5.3).

### 5.1 Use of the extended hours

#### 5.1.1 Proportions of children using the extended hours

According to the census data for the 12 LAs in this study, 32 percent of three and four year olds using the universal free entitlement in the 12 LAs used extended hours in January 2018. This proportion varied from 21 percent to 47 percent across the 12 LAs. As the number and proportion of parents who were eligible for the extended hours in each LA was unknown, it was not possible to distinguish the proportion of parents that did not use the extended hours because they were not eligible and the proportion that were eligible but did not take up the extended hours. Relatedly, it was also not possible to identify how much of the variation in the proportion using the extended hours across LAs and different types of families was due to differences in eligibility and differences in take-up.

Table 19 presents the differences in the proportion using the extended hours across the demographic characteristics measured in the census data.

**Table 19: Proportion of children using extended hours by demographic characteristics**

<b>Characteristic</b>	<b>Percentage of 3/4 year olds using any funded hours taking up the extended hours</b>	<b>Number of three and four year old children using funded hours</b>
Age 3	32%	76,171
Age 4	32%	28,319
Male	32%	53,407
Female	32%	51,083
No EYPP	35%	92,354
EYPP	5%	12,136
No SEN	32%	99,422
SEN	20%	5,068
Live in urban area	31%	92,129
Live in rural area	37%	9,086
Ethnicity:		
White ethnicity	35%	73,699
Black ethnicity	25%	4,167
Asian ethnicity	14%	12,192
Mixed / other	23%	8,865
All	32%	104,490

Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Notes: The proportions using extended hours reflect variation in eligibility rates and in the propensity to apply for and access an extended hours place. EYPP is in receipt of the Early Years Pupil Premium. SEN is defined as having an Education, Health and Care (EHC) plan or SEN statement or receiving SEN support. Rural is defined as having a home postcode in a “village” or “hamlet and isolated dwelling” as defined by the urban / rural indicator for England and Wales (URINDEW), while urban includes postcodes defined as “urban” or “town and fringe”.

Regression analysis was used to identify whether the proportions of children using the extended hours varied by demographic characteristics controlling for other related characteristics and LA effects. The key statistically significant findings were:

- The proportion using the extended hours was notably lower for those in receipt of EYPP (5 percent compared to 35 percent for those not in receipt of EYPP). Controlling for other factors, the strongest association with the use of the extended hours was with receipt of EYPP. This is not surprising given that receipt of EYPP means that it is less likely that the work requirement for the extended hours was met.

- The proportion using the extended hours was somewhat lower for children with SEN and for those of non-white ethnicity, although controlling for other factors reduced the size of these differences. The association between lower use and SEN or non-white ethnicity could reflect differences in eligibility (families in these categories may be more likely to have at least one parent not working) as well as lower take-up among eligible families.
- The proportion using the extended hours was higher for children living in rural areas than using living in urban areas (37 percent compared to 31 percent), but this changed once controls for other demographic characteristics and LAs were included and those living in rural areas were slightly less likely to use the extended hours.
- The raw proportions using the extended hours did not vary across age, but controlling for other factors indicated that children aged four were slightly more likely than those aged three to use the extended hours. This may be due to lower rates of maternal work among three year olds.
- The proportion using the extended hours did not vary by gender.

### 5.1.2 Profile of families using the extended hours

Almost three quarters (73 percent) of the children using extended hours in the 12 LAs were aged three, roughly half were male and half were female and most were not in receipt of EYPP or had SEN (table 20). In addition, almost nine out of ten (89 percent) lived in urban areas and a similar proportion (84 percent) were of white ethnicity.<sup>67</sup> This profile largely reflects the characteristics of three and four year old children in the 12 LAs rather than the differences in the proportions using the extended hours examined in the previous section.<sup>68</sup>

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<sup>67</sup> The profile of parents using extended hours in the evaluation survey was almost identical in these characteristics: 27 percent had a child aged four, 3 percent had a child with SEN and 83 percent were of white ethnicity, 5 percent of black ethnicity, 8 percent Asian and 4 percent of other or mixed ethnicity.

<sup>68</sup> In line with the differences in proportions using the extended hours in table 19, the main differences with the profiles for all three and four year children using the free entitlement was for EYPP (11 percent) and ethnicity (75 percent white, 4 percent black, 12 percent Asian and 9 percent mixed or other), while there were smaller differences for children with SEN (5 percent) and living in rural areas (9 percent) and no difference for age and gender.

**Table 20: Profile of children using extended hours**

<b>Characteristic</b>	<b>Percentage of children using extended hours</b>
Age 3	73%
Age 4	27%
Male	51%
Female	49%
No EYPP	98%
EYPP	2%
No SEN	97%
SEN	3%
Live in urban area	89%
Live in rural area	11%
White ethnicity	84%
Black ethnicity	3%
Asian ethnicity	6%
Mixed / other ethnicity	7%

Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Notes: Sample size is 33,215 children except for the ethnicity profile where the sample is 30,992 children. LAs F and H had unusually high proportions (30 percent and 12 percent) of children with no ethnicity reported, while the proportion missing ethnicity in the whole sample was 5 percent. EYPP is the Early Years Pupil Premium. SEN is defined as having an Education, Health and Care (EHC) plan or SEN statement or receiving SEN support. Rural is defined as having a home postcode in a “village” or “hamlet and isolated dwelling” as defined by the urban / rural indicator for England and Wales (URINDEW), while urban includes postcodes defined as “urban” or “town and fringe”.

**Table 21: Profile of families using extended hours**

<b>Characteristic</b>	<b>Proportion of families using extended hours</b>
Family work patterns:	
- Father full-time, mother part-time	44%
- Father full-time, mother full-time	33%
- Father part-time, mother full-time	2%
- Father part-time, mother part-time	3%
- Single parent full-time	9%
- Single parent part-time	6%
- Other patterns	2%
Household gross annual income:	
- Less than £20,000	13%
- £20,000 or more and less than £40,000	30%
- £40,000 or more and less than £60,000	28%
- £60,000 or more and less than £80,000	17%
- £80,000 or more	12%
Highest parent qualification:	
- Degree or higher degree or equivalent	59%
- Higher educational qualification below degree	9%
- A levels of Highers	17%
- GCSE grades A-C or equivalent	9%
- GCSE grades D-E or equivalent	2%
- Other qualifications	3%
- No formal qualifications	1%
Did not receive two year old free entitlement	84%
Received two year old free entitlement	16%
Less than three children under age 12	87%
Three or more children under age 12	13%
Child has no additional needs	95%
Child has additional needs	5%
Number of families	2,716

Source: Evaluation Survey of Parents, 2018

Notes: Additional needs are defined as a serious or longstanding health condition or disability or SEN or other special needs

The parents survey provided additional information on the family characteristics of children using the extended hours (table 21)<sup>69</sup>:

- Most (85 percent) were couple families and almost a half (44 percent) had a full-time working father and a part-time working mother while a third (33 percent) had two parents working full-time. Single parents using the extended hours were slightly more likely to be working full-time than part-time (60 percent of single parents using the extended hours were working full-time).<sup>70</sup>
- In terms of gross annual household income, just under half of families (43 percent) had less than £40,000 and just over one in ten (12 percent) had £80,000 or more. Most families (59 percent) had at least one parent with a degree. The earnings eligibility requirement for the policy means that the income profile and highest qualification levels of parents are higher than would be found among non-eligible parents or across all parents of three and four year olds.<sup>71</sup>
- Some 16 percent of families had received the free two year old entitlement for their child receiving the extended hours, indicating that a notable proportion of families benefiting from the policy had been among the more disadvantaged families when their child was younger. In addition, 13 percent of the families using the extended hours were defined here as “large” families (with three or more children under the age of 12) and 5 percent reported some additional needs for their child using the extended hours (either a serious or longstanding health condition or SEN or other special needs).<sup>72</sup>

## 5.2 Parents’ decisions on using the extended hours

### 5.2.1 Survey evidence

There were two main types of reasons that parents gave in the survey for using the extended hours: to support parental work (40 percent reported the main reason as helping a parent to work while 10 percent reported the main reason as helping a parent

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<sup>69</sup> The profile of families in the early implementation survey had almost identical proportions for family work, highest qualification and receipt of the two year old entitlement.

<sup>70</sup> The other family work pattern contained 42 same sex couples (26 were male and both working full-time, 12 were female and both working full-time and 4 were female with one working full-time and one working part-time).

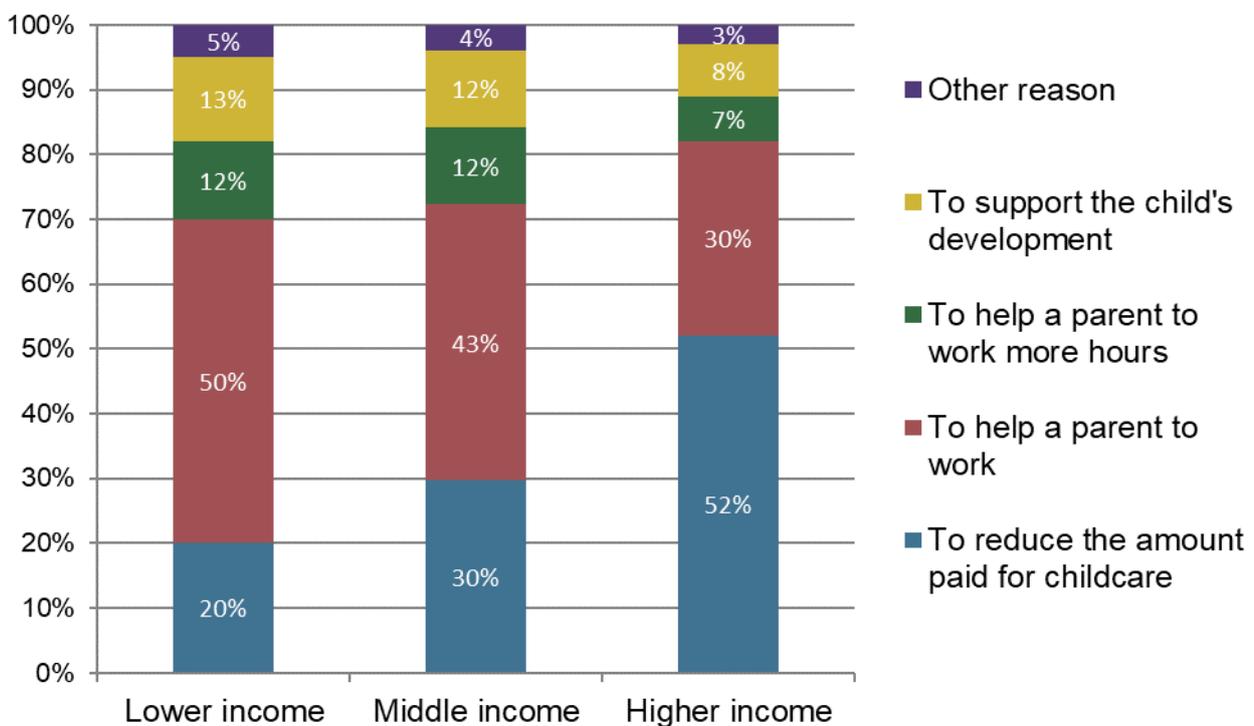
<sup>71</sup> No conclusions can be drawn from the survey data about how the characteristics of parents taking-up extended hours compare to the characteristics of parents eligible for the policy.

<sup>72</sup> In the census data, a child is identified as having SEN if the provider reports that they have a statement, and education, health and care plan or SEN support. In the parents survey, a child is identified as having special needs or a longstanding or serious health condition or disability if the parent answered positively to either the question “Does this child have any serious or longstanding health conditions or disabilities?” or the question “Does this child have any special educational needs or other special needs?”.

to work longer hours) and to reduce the amount paid for childcare (reported by 36 percent). In addition, 11 percent reported that the main reason was to support the child's development and 4 percent gave other reasons including to reduce the pressure on informal childcare and to provide respite for parents.

These responses differed across income level (figure 15).<sup>73</sup> The main reason was more likely to be to support parental work for families in the lower income group (50 percent reported the main reason as being to help a parent to work) while the main reason was most likely to be to reduce childcare costs for the families in the higher income group (reported by 52 percent of these families). Supporting their child's development was slightly more likely to be the main reason among the lower income group than the higher income group (13 percent reported this in the lower income group compared to 8 percent in the higher income group).

**Figure 15: Main reason for using extended hours across income levels**



Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000, and £50,000 or more respectively. Sample sizes are 730, 854 and 1,095 for the three income groups.

<sup>73</sup> It should be noted that the lower income group is within those families using the extended hours and does not reflect a lower income group within the entire population of families.

The parents survey showed that take-up among registered families was high: 91 percent were currently using the extended hours, while 4 percent were waiting or planning to use a place and only 5 percent had no plans to use the extended hours.

Of the 5 percent who had no plans to use the extended hours, around half (44 percent) had no plans to use the extended hours due to family circumstances, including no longer being eligible because their work circumstances had changed (22 percent); their child was in reception class (6 percent); they did not need to use the extended hours (12 percent); and they preferred to spend time with the child (4 percent). Around half (45 percent) had no plans to use the extended hours for policy-related reasons including:

- Extended hours not offered by current provider and did not want to change providers (18 percent)
- Could not take up with preferred provider (10 percent)
- Could not find extended hours with days or times needed (3 percent)
- Could not pay additional charges (10 percent)
- Could not find a provider offering the extended hours (3 percent)
- Did not know about the extended offer (6 percent) (possibly because registered parents could include those who had applied for the Tax Free Childcare)

Overall, of all parents registered for the extended hours, only 2 percent were not taking up the hours because they could not use them with their preferred provider or in the way they needed (including without additional charges) or because they could not find a provider offering the hours.

Responses to the parent survey showed that 77 percent of extended hours places were with providers that the child had been using prior to taking up the extended hours, although this was lower for maintained providers (52 percent) (table 22). Almost all places (94 percent) were reported to be with the parent's first choice provider and for almost half (47 percent), parents reported that the offer of extended hours had greatly affected the choice of provider (although the child had already been using the provider prior to taking up the extended hours in many of these places).

**Table 22: Influence of extended hours offer on provider choice**

Proportion of places	Private	Voluntary	Child-minder	Maintained	All
Provider used before taking up extended hours:					
- Used before	87%	78%	86%	52%	77%
- Not used before	13%	22%	14%	48%	23%
Provider choice:					
- Not first choice	5%	3%	12%	5%	6%
- First choice	95%	97%	88%	95%	94%
Influence of extended hours on choice:					
- a great deal	43%	52%	42%	57%	47%
- somewhat	15%	16%	11%	10%	13%
- a little	7%	6%	11%	7%	7%
- not at all	35%	27%	36%	26%	33%
Number of extended hours places	1,651	65	255	726	2,819

Source: Evaluation Survey of Parents, 2018

### 5.2.2 Why parents were not taking up the extended hours

The quantitative evidence explored the experiences of parents who applied for extended hours and who were not able to access the extended hours for policy related reasons. The qualitative interviews explored in depth the influences on decisions not to take up the extended hours among eligible parents who did not apply (a group not included in the survey), as well as those who successfully applied but then did not take up a place. The sample also included parents who first heard about the extended offer when they were asked to take part in the research<sup>74</sup>.

Among those who were aware of the policy, responses were influenced by an inter-play of factors that were considered to decide if the extended offer was “*for them*”. These considerations were underpinned by what parents did and did not know about the

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<sup>74</sup> For more information about parents’ awareness of the policy see: Huskinson, T. and Lohoar-Self, O. (2018) Childcare and early years survey of parents 2017, follow-up survey. Research report. Department for Education: London.

extended hours and both real and perceived barriers to access. There were four factors that influenced the decision-making process:

- If and how the extended offer could meet their childcare needs.
- Whether they believed they were eligible for the extended offer.
- If and how they would be able to access the extended hours.
- Whether the pros outweighed the cons of the extended offer.

### **Childcare needs**

Predictably, a key consideration for parents was how the extended offer would fit with their childcare arrangements or whether the offer could provide the opportunity to change these arrangements, for example to use more (formal) childcare. Some parents decided that they did not need more (formal) childcare. In some cases, this decision was taken after parents had initially registered because they wanted to keep their options open or because their circumstances changed. Other parents were not taking extended hours because they were using a provider who was not Ofsted registered (such as a nanny or a friend) and did not want to change their arrangements. However, some parents wrongly assumed that the extended hours could not be used for their arrangements and came to this conclusion partly or mainly because of information provided by the setting. For example, some parents had been told by their childminder that they could not take the extended offer with them and they assumed it was because it could not be used for childminders. Some parents believed that the extended offer was only for families who used full-time provision. One parent came to this conclusion because their nursery class only gave the option of taking 15 or 30 hours, while another was told by their day nursery that they could only take the extended hours if they signed up for a full-time place (and paid for the additional hours).

### **Eligibility**

Misconceptions about eligibility seemed common. While some parents quickly identified the information they needed to establish that they were eligible, others did not apply because they wrongly assumed they were not entitled to the extended hours. For example, some parents incorrectly believed that the extended offer was:

- For low income families, like the two year old offer.
- Only for those not using other childcare funding, such as tax credits or childcare vouchers.
- For parents who worked full-time.
- Not suitable for parents with variable income, such as those who are self-employed or on zero-hour contracts.

- For parents with a combined income below £100k.

Some parents who were misinformed about eligibility rules seemed to have a very limited understanding of the policy. For example, they said they “*heard some general mutterings*” but did not look into it because they assumed they were not eligible. Some parents who were uncertain checked with their setting, but typically providers did not feel they could advise parents on eligibility and referred them to Childcare Choices. Some of these parents said they had contacted HRMC and they were told they were not be eligible or the advice they were given was so confusing that they decided to give up.

### **Accessing extended hours**

Accessing the extended hours required parents to successfully apply and find a setting that offered an extended place that met their needs. Some parents who had not taken up the extended offer experienced considerable problems with access or expected difficulties with these processes, as the examples below illustrate.

The sample included parents who tried for two terms to apply, but then gave up because they said that: “*the system is designed to put people off*”, as one parent put it. There were parents who believed they had successfully applied and only realised that something had gone wrong when they got their childcare bill and realised it had not changed. There were also parents who successfully registered and claimed extended hours for one term but then experienced problems with the reconfirmation process and lost their entitlement. This group included those who had not realised they had to reconfirm their code and those for whom the reconfirmation process failed.

Some parents also reported barriers in accessing an extended place, particularly, but not exclusively, if they already had (booked) a place. In these cases parents were reluctant to move if the setting did not offer extended hours because moving would be too disruptive for the child or it was not seen as possible to find another place so late in day.

Some parents said they successfully registered only to discover that their setting was not offering extended hours, while others did not apply because they had been told that they could not take the offer at their setting. As these parents explained:

*“They [setting] couldn’t afford to use the 30 hours system because they don’t get enough profit from it. It would cost them more than what the staff requirement is to actually run it...we understand that and accept that... as her preschool has a lot of things that impressed us.” (Parent who did not take up the extended hours)*

*“I was really excited about it, I knew I was eligible but the nurseries [in the area] are not allowing you to use it. It’s extremely frustrating to know you are finally eligible for something but you can’t use it.” (Parent who did not take up the extended hours)*

Some settings were offering a limited number of extended places and some parents could not get an extended place because of this cap on places. As a parent explained:

*“...we were told there was a glitch in the system.... and the deadline had passed so we missed out on the 30 hours for the first term...we managed to register for the spring term and we got a code but the nursery refused to honour the code as they said we were too late and all the 30 hours places they offered had been filled....” (Parent who did not take up the extended hours)*

Some full-time settings that did not offer or limited the number of extended places still offered the universal entitlement. However, parents reported that it was not possible for them to take the “second 15 hours” elsewhere as parents were not allowed to reduce or stop using paid hours to split the funded provision with another setting.

Some settings mentioned to parents the possibility of taking some of the extended hours elsewhere. These settings were typically only open for 15 hours, such as schools and playgroups. However, this was not a popular option with parents and even those who considered it found it was not possible as transport between settings was not provided.

Some parents, who did not need extended hours to cover their working hours would have nevertheless liked their child to be in a setting for a few more hours, but decided not to take up the extended offer when they realised that they would have to pay what they described as a “*top up fee*”<sup>75</sup>.

The difficulties some parents faced were related to a child’s additional need. For example, a mother had successfully applied for the extended entitlement, but the nursery staff clearly signalled to her that extended hours were not suitable for her child because of his speech delay and the child was therefore taking just the universal offer. The mother was disappointed, particularly as the setting did not seem willing to try a few more additional hours instead of the full extended entitlement. The mother of a child with an Educational, Care and Health plan was told that her daughter could not extend her hours because the plan only provided extra support for 15 hours. Another parent said she had struggled to find a setting that was prepared to take her autistic child and the only one she could find did not offer extended hours.

### **Weighing up the pros and cons of the extended offer**

Finally, in deciding whether the offer was for them, some parents concluded that the benefits would be limited and the hurdles they would have to overcome would, as some parents put it, “*not be worth the hassle*”. Unlike parents in the previous cases for whom a

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<sup>75</sup> To note, top up fees are not allowed under the DfE Statutory guidance.

single barrier could prove decisive, it was usually a combination of factors that shaped the response of these parents.

Some parents believed the benefits would be very limited, for example, if they did not need additional childcare, and the extended hours was described as “*nice to have*” but not essential. Others believed the financial gain would be small, for example, if they needed limited additional childcare; if their childcare costs were mostly covered by tax credits; or, because of what they described as the “*top up fees*”<sup>76</sup> charged by the setting. The assessment of the financial benefits was not always well informed and this calculation was particularly complicated if parents were receiving other childcare funding, such as childcare vouchers or tax credits.

A combination of small or uncertain benefits of the extended offer with barriers to access or concerns about the effects on other benefits determined some parents’ decision not to take-up the extended hours. As this parent explained:

*“I was worried it may be one of those things when you have to pay it back, like when you are on benefits and they send you a letter that they’ve overpaid you and you owe all these hundreds of pounds back...”*  
(Parent who did not take up the extended hours)

### **5.2.3 Parents’ experiences of taking up an extended place**

The qualitative interviews with parents showed that the experiences of some parents who secured an extended place were positive as they had no difficulties in applying for and accessing extended hours. However, the experiences of other parents who had secured an extended place echoed the difficulties reported by parents who did not take up extended hours and relate to both the registration process and finding a setting that offered what parents needed.

While some parents described the registration as straightforward, others found that the initial application and/or reconfirmation caused a great deal of stress and some only succeeded because of the considerable support provided by their setting. LA respondents also believed that while most parents were able to apply without too many problems, as one LA respondent put it the few “*who got struck, got really stuck in the system*” and it took a long time for them to eventually register and/or reconfirm their code (and some failed, as illustrated in the previous section).

Once they had successfully registered, parents’ experiences of accessing an extended place varied. Some were very happy and thought their setting had been very flexible and done what they could to meet their needs:

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<sup>76</sup> See previous footnote.

*“They have been very flexible with start and finish times [they asked] ‘what do you need, what is best for you? Let’s work out how we can make it work for you’.” (Parent who took up the extended hours)*

*“If I need occasional extra hours on non-working days, then she [nursery manager] can book these in and they are covered by the 30 hours...that is quite helpful.” (Parent who took up the extended hours)*

*“...the unused [funded] hours are saved up for any days when the childminder keeps her [child] for longer, for example, if they go for a trip out or when I need an extra hour to go to the doctor or something...”  
(Parent who took up the extended hours)*

Other parents were frustrated by the limitations and charges associated with an extended place, reflected in the different delivery models outlined in chapter 4.

*“I’ve to use the 30 hours over three days and that’s the only downside because I thought I could get 30 free hours, I thought I could spread it... six hours, five days a week, but the nursery has got their own timings.”  
(Parent who took up the extended hours)*

*“They would offer all or nothing ... because she [child] is taking the place and they need the full funding... it’s forced my hand to put her in full-time because there isn’t the option to just do the days I work.” (Parent who took up the extended hours)*

*“We’ve fitted our hours around the nursery hours and not the other way around.” (Parent who took up the extended hours)*

Some parents believed it was misleading to call the extended hours “free” as in their experience they were not. As this parent explained:

*“The main problem for us has been to find a nursery that accepts the 30 hours without supplementary costs... we had made a plan around that [30 free hours] but then realised we had to pay...” (Parent who took up the extended hours)*

Some parents said they had been consulted by their setting and understood why the setting had to make certain choices. For example, a parent said it would be helpful if her playgroup could open during holidays for her to use some of her extended hours, but the setting had considered holiday provision and found there were not enough interested parents. Similarly, some thought limitations and charges were necessary because the

funding for the extended hours was low and settings had to charge what some parents described as a “top up”<sup>77</sup> and make sure all spaces were filled. As one parent reported:

*“The nursery has said that the 30 hours don’t help them financially and they could not survive if they offered only free hours.” (Parent who took up the extended hours)*

Other parents were unhappy about the lack of transparency about how extended places were offered and suspicious of some practices, as the quotes below illustrate:

*“The way the bill is presented is not very transparent, there is no breakdown ...just the charges...I don’t mind paying extra but I want to know what I’m paying for...”(Parent who took up the extended hours)*

*“Some nurseries don’t want you to know that you can use any spare [funded] hours during holidays...because they claim for the full hours and then pocket the unused hours because parents don’t know there are spare hours...” (Parent who took up the extended hours)*

More typically, parents were not sure how the extended hours worked but they trusted their provider to sort it out and were grateful for the reduction in their childcare bill or the opportunity to use more hours.

*“I’m not 100% sure how the nursery applies the [funded] hours and how the nursery has worked out what I’ve to pay... but I trust that they are doing it correctly.” (Parent who took up the extended hours)*

*“...they [settings] have done their best and showed me the forms ...but everything it’s quite difficult to understand... they have been brilliant and they [settings] talk with each other to make sure they are claiming the right amount... I wouldn’t have been able to do that myself.” (Parent who took up the extended hours)*

Finally, it should be noted that parents’ choices were somewhat constrained by the fact that the policy had just been introduced. Some parents reported that in the summer when they applied for the offer, there was a great deal of confusion about if and how settings were going to offer extended places and some parents were already in a setting or had already booked a place when they decided to register.

There was a belief among LA respondents that experiences will be different from what some described as the “new cohort of parents”. In choosing their provider, they will be better able to take into account how extended hours are offered by a setting and will have more time and information to, as some LA respondents put it, “shop around”, compared

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<sup>77</sup> To note, top up fees are not allowed in the DfE statutory guidance.

with the current cohort of parents, many of whom had chosen a provider before they became eligible for the extended offer.

#### 5.2.4 What parents know, do not know and should know

The qualitative findings show that what parents did and did not know about the extended offer played a key role in shaping their responses and indicates that more could be done to promote the policy.

Some parents had missed out on the offer because they did not know about it even though they were using and paying for additional childcare and said they would have applied if they had known about it. Feedback from parents who had taken up the offer also suggests that it should be advertised more widely because they would not have known about it if they had not been told by their setting. A typical parental view was that it is *“a great scheme and more parents need to know about it”*.

The survey found that the most registered parents had found out about the extended offer from a childcare provider, school or children’s centre (63 percent). But parents in the qualitative interviews suggested that the extended entitlement should not be primarily advertised through providers because some providers are not keen to promote it because they do not offer it or offer limited places. Parents also warned about being too reliant on the internet and social media to promote the offer as some parents are not very confident with IT and have no or poor internet access (particularly in rural areas). The survey findings confirmed that among registered parents, relatively small proportions had heard about the policy through the internet (including the government website) (24 percent) and social media (12 percent).

Parents argued that the offer should be promoted in a range of ways and via other agencies such as health visitors or GPs. This would have the added advantage of raising parents’ awareness of the policy when children are very young, so they can plan accordingly. The survey responses suggest that there is scope for making better use of different means for advertising the extended hours, as small proportions of registered parents found out about the offer from local posters, adverts or newspapers (12 percent), from a Local Authority letter or the Family Information Service (10 percent), from an employer (2 percent) or from Jobcentre Plus or a Benefits Office (0.5 percent).

In terms of what parents need to know to make an informed choice, the qualitative evidence indicates there is a need for:

- A better understanding of eligibility rules, particularly for parents with variable income or those who rely on other childcare funding. Echoing parents’ views, some LA respondents also said they needed to *“dispel some myths”* about the extended hours, for example, as being for low income families or full-time working parents.

- Reassurance about the registration process, as some parents were put off from applying by perceived difficulties with the initial application and/or the reconfirmation. Some parents argued that reconfirmation should be simplified and less frequent, or, ideally, scrapped altogether, given that the extended entitlement is for a relatively short period.
- A better understanding of how the extended hours can be accessed and used flexibly to meet different needs. LA respondents argued that this can be very tricky because there is a need to manage parents' expectations and convey the message that flexibility depends on providers' willingness to be flexible. Parents' experiences confirmed the difficulties in achieving this balance. For example, some had expected to be able to "stretch" their funded hours over the year or split it between two settings and were very disappointed when they were not allowed to do so.
- More information on local providers that offer extended hours and how they offer them (including limitations and charges) to enable parents to "*shop around*".

## 5.3 Parents' experience of extended hours places

This section explores how parents used the extended hours, drawing on the data from the Early Years Census and School Census and from the parents survey.

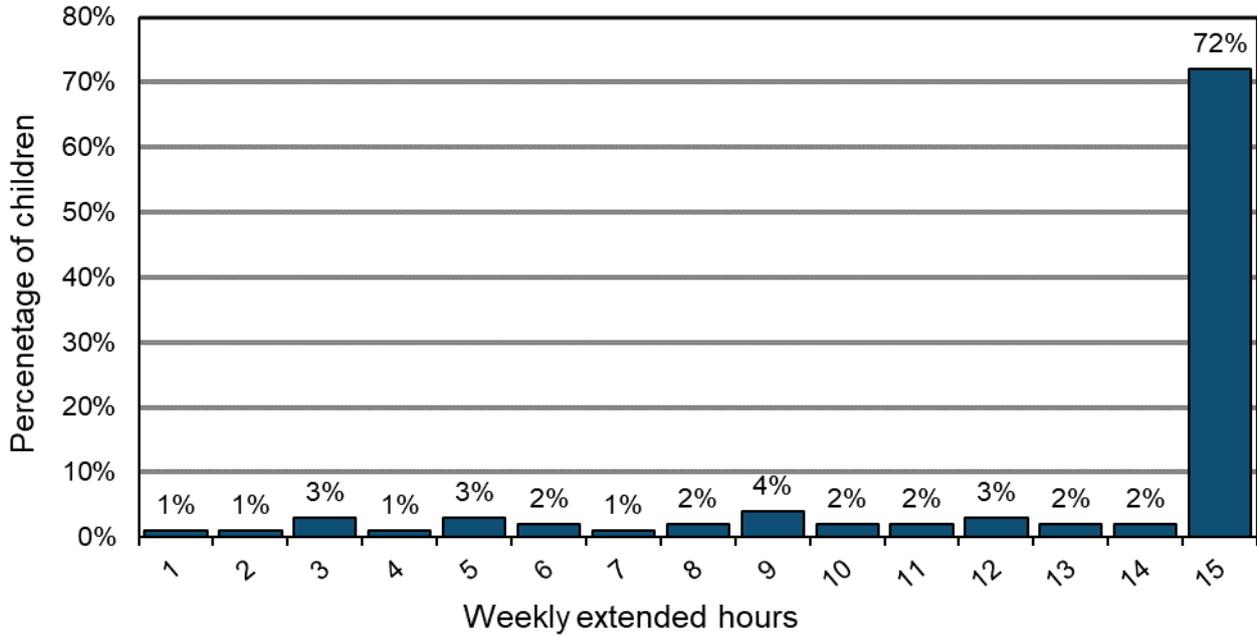
### 5.3.1 Number of hours

According to the census data, almost three quarters (72 percent) of children using the extended hours used exactly 15 extended hours with the weekly hours for the remaining children spread fairly evenly between 1 and 14 hours (figure 16). A smaller proportion (62 percent) was recorded as taking a total of 30 funded hours (figure 17). The remaining children were fairly evenly spread between 15 and 29 hours, although the slightly higher proportions at 26 and 27 hours could include children taking 15 extended hours and 15 universal hours spread across the year.<sup>78</sup>

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<sup>78</sup> In the parents survey, 59 percent of parents using the extended hours reported that their child took 30 funded hours per week during term including both the universal and extended hours.

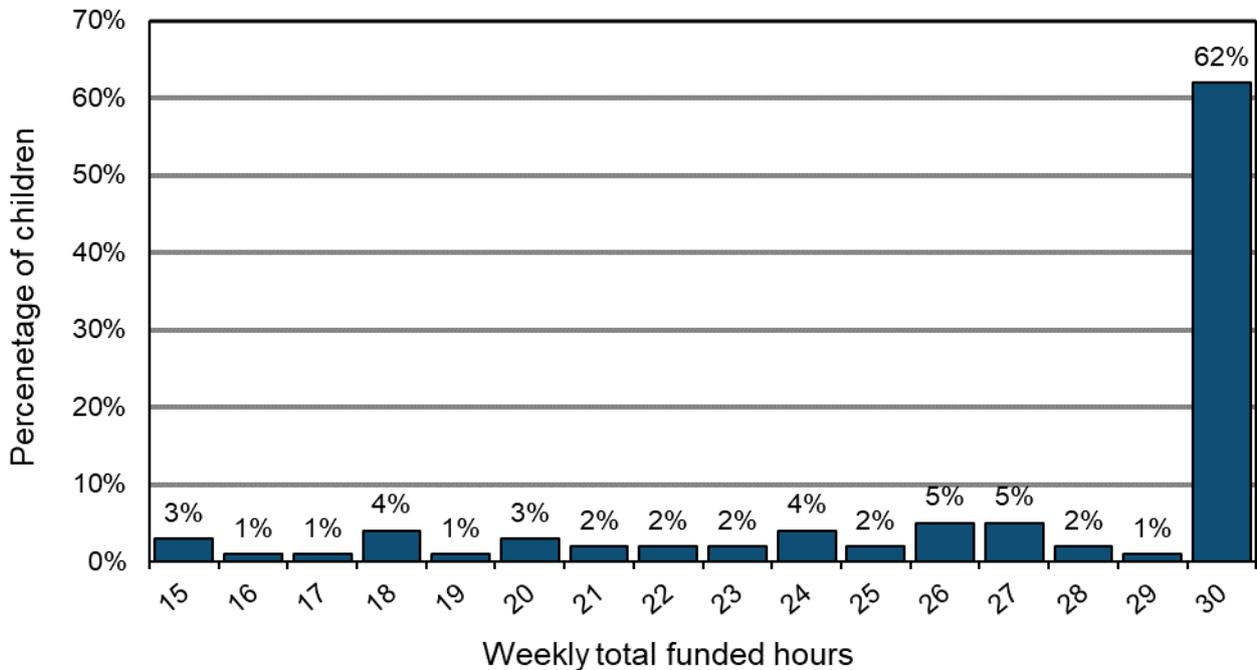
**Figure 16: Distribution of weekly extended hours**



Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Note: Sample size is 33,215 children. A very small number of children had total weekly extended hours in excess of 15. Extended hours in the early years and school census are reported “as if taken over the 38 week period” even when spread across more than 38 weeks of the year. Hence, actual hours taken per week may be lower if the extended hours are being spread across the year.

**Figure 17: Distribution of total funded hours for children using extended hours**



Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Note: Sample size is 33,215 children. A very small number of children had total weekly funded hours less than 15 or in excess of 30. See notes to the previous figure on the measurement of the extended hours. The universal offer is recorded as actual hours per week and may be lower than 15 when spread across more than 38 weeks of the year.

Table 23 presents the combinations of universal and extended hours used by children, divided at 11 (the weekly amount if the full offer is spread evenly across the whole year) and at 15 (the weekly amount if the full offer is taken over 38 weeks). The table shows:

- 62 percent took the full 15 universal hours and 15 extended hours
- 20 percent took the full 15 universal hours and less than 15 extended hours
- 7 percent took between 11 and 15 universal hours and the full extended hours (which indicates they were taking the full universal offer spread across the year and the full extended hours entitlement)
- 5 percent took between 11 and 15 hours for the universal offer and less than 15 for the extended offer (which indicates they were taking the full universal offer spread across the year and less than the full extended hours entitlement).

The 6 percent of children who had less than 11 universal hours recorded may have been children who were not matched across different providers in the census data, either due to an inconsistencies in recording the child’s details or because the child was taking universal hours partly or entirely with a provider in a different LA (see Annex A for further details).

**Table 23: Numbers of universal and extended hours**

Number of weekly universal hours	Number of weekly extended hours			
	Less than 11	11 or more and less than 15	Exactly 15	Total
Less than 11	1%	1%	3%	6%
11 or more and less than 15	2%	3%	7%	11%
Exactly 15	15%	5%	62%	82%
All	19%	9%	72%	100%

Sources: Sample of 12 LAs from Early Years Census and School Census, January 2018

Note: Sample size is 33,215 children. Extended hours in the early years and school census are reported “as if taken over the 38 week period” even when spread across school holiday periods. Hence, actual hours taken per week may be lower if the extended hours are being spread. The universal offer is recorded as actual hours per week and may be lower than 15 when spread across more than 38 weeks of the year.

On average, children using the extended hours took 27 funded hours per week. This average varied from 23.6 to 28.9 across the 12 LAs. Table 24 presents the differences in the mean number of funded hours across the demographic characteristics in the census data. Most of these differences were statistically significant even allowing for other demographic characterises, LAs and provider type: average hours were higher for

children aged four over those aged three; for those in receipt of the EYPP over those not in receipt; for those living in urban areas over those living in rural areas; and for those of non-white ethnicity over those of white ethnicity.<sup>79</sup>

**Table 24: Average weekly funded hours for children using extended hours by demographic characteristics**

Characteristic	Average weekly funded hours	Number of children using extended hours
Age 3	26.9	24,090
Age 4	27.3	9,125
Male	27.0	16,952
Female	27.0	16,263
No EYPP	27.0	32,673
EYPP	28.2	542
No SEN	27.0	32,185
SEN	27.5	1,030
Live in urban area	27.1	28,595
Live in rural area	25.7	3,377
Ethnicity:		
White ethnicity	26.6	26,153
Black ethnicity	28.9	1,038
Asian ethnicity	28.9	1,723
Mixed / other	27.9	2,078
All	27.0	33,215

Sources: Early Years Census and School Census, January 2018

Table 25 presents the differences in mean weekly funded hours across different types of providers, almost all of which were statistically significant in both the raw differences and in regression models with controls for demographics and LAs. Children who used a single maintained provider for their funded hours had the highest mean number of hours (28.5 hours), while those using a mix of providers including a childminder, a single private

<sup>79</sup> Using data from the parents' survey, regression models without and with controls for other demographic characteristics showed that larger families (those with three or more children under the age of 12) used more funded hours during term than smaller families (26.8 hours compared to 26.0 hours) and that families of black and Asian ethnicity used more hours than those of white ethnicity (28.6 and 27.2 hours compared to 25.8 hours for those of white ethnicity) but there were no statistically significant differences by any other demographic characteristics including household income.

provider or a mix not including a childminder had the next highest (28.1, 27.1 and 26.2 hours respectively). The lowest numbers of hours were used by children using only a voluntary provider or a childminder (24.6 and 22.9 hours respectively). In some cases, these reflect the degree of spreading across the year which reduces the average number reported (as described in the following section, children using maintained providers were least likely to be spreading hours across the year and children with childminders were most likely to be spreading hours across the year). However, the variation may also reflect differences in the total number of funded hours (for example, the higher numbers for the mixes of providers and for private providers).

**Table 25: Average weekly funded hours for children using extended hours by provider type**

Provider type	Average weekly funded hours	Number of children using extended hours
Private	27.1	19,930
Voluntary	24.6	2,721
Childminder	22.9	1,701
Maintained	28.5	6,810
Mix without childminder	26.2	1,016
Mix with childminder	28.1	963
All	27.0	33,215

Sources: Early Years Census and School Census, January 2018

Note: All differences are statistically significant at the 95 percent confidence level in regressions with controls for demographic characteristics and LA except for childminders and unclassified in both models and for maintained and mix with childminder in the model with controls for demographics.

### 5.3.2 Term time and year round use

The parents survey provided further details on when and how children using extended hours took up their funded (both universal and extended) hours. On average, 63 percent of children using the extended hours used funded hours only during term time and 37 percent used funded hours during both term-time and the school holidays. The proportion using funded hours year round was statistically significantly higher for:

- Couple parents than single parents (38 percent compared to 32 percent). But regression analysis showed that single parents were *more* likely to use funded hours year round than couple parents once allowance was made for other related demographic characteristics.
- Small families than large families (39 percent compared to 21 percent).

- Families where at least one parent had a qualification at degree level than families where no parent had a qualification at degree level (40 percent compared to 32 percent). But regression analysis showed that the differences by parental qualification were explained by related differences in other demographic characteristics (including household income).
- For families in the higher income group than the middle or lower income group (47 percent compared to 32 percent and 27 percent).
- For those whose child did not receive the two year old free entitlement than those whose child did receive it (39 percent compared to 27 percent).

The proportions using funded hours year round also varied across the mix of providers used for funded hours during term time: these were highest for children using only private providers (51 percent) and childminders (46 percent); next highest for those using multiple providers without a childminder (25 percent) and including a childminder (35 percent); and lowest for those using only a voluntary provider (9 percent) or only a maintained provider (8 percent).

### **5.3.3 Use of multiple providers and additional care**

According to the survey data, most families (86 percent) used a single provider for their funded hours, while 15 percent used two providers and less than 1 percent used three or more providers (table 26). Over half (57 percent) of all families used only a single private provider, while 22 percent used a single maintained provider, with small proportions using only a voluntary provider or only a childminder. Around half of those using a mix of providers included a childminder in that mix while around half did not.<sup>80</sup>

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<sup>80</sup> These proportions were slightly different in the census data: 94 percent used one provider (60 percent private, 8 percent voluntary, 5 percent childminder, 21 percent maintained and less than 1 percent unclassified), while 6 percent used two providers (3 percent without a childminder and 3 percent with a childminder) and less than 1 percent used three or more providers. The lower proportion using multiple providers in the census data may have been due to a failure to match children across providers either because of inconsistencies in their recorded details or because they were using a provider in a different LA. The lower proportion using a single voluntary provider in the parents survey may have been because some parents were not aware that their provider was of voluntary status.

**Table 26: Mix of types of funded providers for children using extended hours**

Number of funded providers	Percentage of children using extended hours	Mix of provider type	Percentage of children using extended hours
One	86%	Private	57%
		Voluntary	2%
		Childminder	4%
		Maintained	22%
		Other / unclassified	1%
Two	15%	Mix without childminder	8%
		Mix with childminder	7%
Three plus	< 1%	Various combinations	< 1%
Total	100%		100%
Number of children	2,661		2,661

Source: Evaluation Survey of Parents, 2018

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

In addition to using a provider delivering funded hours, 7 percent of children using extended hours also received some parent paid hours from an “unfunded” provider (that is, a provider not providing any funded hours for that child although it is possible that the provider may have delivered funded hours to other children). Almost half (45 percent) received some informal childcare (from relatives, family friend or neighbours) on a regular basis during term time (and 3 percent received care both from “unfunded” formal providers and informal sources).

Including care from all formal providers (both from those delivering funded hours and from “unfunded” providers), 20 percent of children using the extended hours received care from more than one formal provider during term-time and 8 percent received care from more than one provider in the same day (table 27). Among children only using one provider for funded hours, the use of another formal provider was slightly higher when the funded provider was a childminder or maintained provider (13 percent and 10 percent respectively) than when it was a private or voluntary provider (5 percent and 6 percent respectively). Almost all children received formal care between three and five days each week, although the proportion receiving care five days each week was considerably higher for those taking all their funded hours with a single maintained provider (73

percent) and lowest for those taking all their funded hours with a single private provider (33 percent). Very few children (less than 1 percent) used formal care on the weekend.<sup>81</sup>

**Table 27: Total formal (funded and unfunded) childcare during term for children using extended hours**

Proportion of children	One funded provider				Mix of funded providers		All
	Private	Voluntary	Child-minder	Maintained	Without child-minder	With child-minder	
Use multiple providers	5%	6%	13%	10%	100%	100%	20%
Multiple providers on same day	1%	4%	4%	6%	22%	59%	8%
Number of days:							
1	< 1%	3%	0%	< 1%	0%	2%	< 1%
2	7%	0%	5%	< 1%	4%	2%	5%
3	36%	20%	29%	11%	22%	18%	28%
4	24%	33%	23%	15%	27%	27%	23%
5	33%	40%	42%	73%	48%	50%	44%
6	< 1%	3%	0%	0%	0%	1%	< 1%
7	< 1%	3%	0%	< 1%	0%	1%	< 1%
Attend on weekend	< 1%	5%	0%	< 1%	0%	1%	< 1%
Number of children	1,504	48	100	598	206	176	2,661

Source: Evaluation Survey of Parents, 2018

Note: Proportions greater than 0 percent and less than 0.5 percent are indicated by <1%. Figures in italics highlight sample sizes of less than 50.

The most prevalent reason given for using more than one formal provider was that the arrangements fitted with work needs (reported by 42 percent of those using multiple providers). However, 30 percent reported that the reason was that there was no single

<sup>81</sup> This proportion was slightly higher for those using a single voluntary provider for their funded hours (5 percent), but this is based on a sample of only 48 and should be treated with caution.

provider option that would give them the hours they needed. In addition, 25 percent reported that it was better for a child to have a mix of providers, while 18 percent felt that they needed to use multiple providers to prepare their child for school. Only 7 percent reported that the cost was lower if they used more than one provider.<sup>82</sup>

### 5.3.4 Additional charges and parent paid hours

Parents paid for additional hours in over half of places (56 percent), although this proportion was considerably higher for private providers and childminders than for voluntary and maintained providers (table 28). In most cases of payment for additional hours (74 percent), parents thought they were paying the same level of fees as parents not using extended hours, while similar proportions thought they were paying more and were paying less (13 percent for both). This evidence suggests that parents using extended hours are not paying higher amounts for parent paid hours as a way to cross-subsidise the additional free hours. However, it should be noted that this is based only on parent perceptions and the even distribution in responses across more and less could indicate that parents do not really know the answer.

**Table 28: Parent paid hours with extended hours places**

Proportion of places	Private	Voluntary	Child-minder	Maintained	All
Use of parent paid hours:					
- do not use paid hours	35%	63%	28%	67%	44%
- use paid hours	65%	37%	72%	33%	56%
Compared to those not using extended hours:					
- parent paid fees higher	14%	18%	8%	9%	13%
- parent paid fees no different	71%	68%	84%	80%	74%
- parent paid fees lower	14%	14%	8%	11%	13%
Number of extended hours places	1,651	65	255	726	2,819

Source: Evaluation Survey of Parents, 2018

Over half of places (56 percent) had additional charges, with a mean weekly payment of £24 (table 29). The proportion with additional charges was lower for places with childminders and voluntary providers, while the mean weekly payment was lowest for maintained provider (£15) and highest for private providers (£28). The additional charges

<sup>82</sup> Parents could report multiple reasons for using more than one provider.

were reported to all be optional in the case of one third (33 percent) of places, while none were reported to be optional for just under half (49 percent) of places. Charges were most likely to all be optional for places with voluntary providers, while private providers had the highest proportion of places where none of the charges were considered to be optional. Most charges were for meals, snacks and other refreshments (88 percent of places with charges), while charges for special activities such as music or gym lessons or for outings were less prevalent (both 18 percent of places with charges) as were charges for other consumables such as suntan lotion (7 percent of places with charges), for registration or other administrative charges (7 percent of places with charges) or for something else (13 percent of places with charges).

**Table 29: Additional charges with extended hours places**

Proportion of places	Private	Voluntary	Child-minder	Maintained	All
Additional charges:					
- do not pay charges	42%	53%	65%	42%	44%
- do pay charges	58%	47%	35%	58%	56%
Mean weekly payment for additional charges	£28	£22	£21	£15	£24
Whether charges are optional:					
- all optional	29%	57%	31%	42%	33%
- some optional	18%	17%	26%	18%	18%
- none optional	53%	27%	43%	40%	49%
Number of extended hours places	1,651	65	255	726	2,819

Source: Evaluation Survey of Parents, 2018

There was little difference in the proportion of places with additional charges across families with different levels of household income (table 30). However, the mean amounts paid were highest for families in the higher income group and lowest for those in the lower income group. These differences were statistically significant even allowing for use of different types of providers across the three income groups. In addition, families in the lower income group were more likely to report that all the additional charges were optional than those in either the middle or higher income group.

**Table 30: Additional charges with extended hours places by household income**

Proportion of places	Household income		
	Lower	Middle	Higher
Additional charges:			
- do not pay charges	44%	45%	42%
- do pay charges	56%	42%	58%
Mean weekly payment for additional charges	£19	£22	£28
Whether charges are optional:			
- all optional	39%	31%	30%
- some optional	15%	19%	21%
- none optional	47%	50%	49%
Number of extended hours places	760	917	1,151

Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000, and £50,000 or more respectively. There were no statistically significant differences in the proportions paying additional charges. The difference in amount paid was statistically significantly higher for each higher income group, even with controls for provider type. Lower income household were statistically significantly more likely to report all charges are optional than both the middle income and higher income groups, even with controls for provider type.

### 5.3.5 Flexibility in when hours could be taken

Finally, parents were asked about the flexibility of their extended hours place in terms of the freedom they had in choosing when they could take the hours (table 31). For over half of places (52 percent), parents reported that they could choose the days and times of use, while parents reported some restrictions for 27 percent of places. For 21 percent of places, parents reported that the hours had to be taken on the days and at the times specified by the provider. Childminders were most likely to offer the greatest flexibility, while maintained providers were most likely to offer the most restricted choices.

**Table 31: Flexibility in the when extended hours can be used**

<b>Proportion of places</b>	<b>Private</b>	<b>Voluntary</b>	<b>Child-minder</b>	<b>Maintained</b>	<b>All</b>
Can choose days and times when use extended hours	53%	43%	64%	44%	52%
Choice within some restrictions	28%	43%	23%	25%	27%
Must be taken on the days and at times specified by provider	18%	14%	13%	31%	21%
Total	100%	100%	100%	100%	100%
Number of extended hours places	1,644	65	254	720	2,764

Source: Evaluation Survey of Parents, 2018

## 6. Effects on families

This chapter explores the effects on families who used the extended hours, drawing on evidence from the evaluation parents survey and from the qualitative interviews with parents.

The findings from this chapter show that:

- A high proportions of parents reported that they were using more childcare because of the extended hours, particularly among those in the lower income group (section 6.1).
- There was evidence of self-reported impacts on parents' work choices, particularly on work retention and longer work hours for mothers, which were stronger for families in the lower income group and who had received the free two year old offer (section 6.2).
- Many parents reported that they had saved more than they had expected on childcare spending and that using the extended hours had positive impacts on their family finances, the child's school readiness and the overall quality of family life. The proportions reporting positive effects on childcare spending, school readiness and quality of life were higher for lower income families, while the proportion reporting an effect on family finances was higher for higher income families (section 6.3).
- The overall effects on parents depended on the interplay between the savings in childcare costs, changes in childcare use and impacts on parental employment (section 6.4).

### 6.1 Childcare use

The parents survey was used in two ways to consider the potential impact of the extended hours on the use of formal childcare:

- a) Parents were asked whether they used any formal childcare for their child before they started to use the extended hours and, if they did, whether they used more, the same or fewer hours (referred to as "change in formal childcare use").
- b) Parents were asked a hypothetical question of whether, if they were not receiving the extended free hours, they thought they would be using the same hours, more hours, fewer hours or not using any formal childcare for their child (referred to as "perception of impact on formal childcare use").

Both measures may capture the impact of the extended hours to some extent, but they also have notable caveats. The first measure of change may capture changes over time

that would have occurred even without the policy, particularly if a child would have become eligible for the universal offer or if the mother had decided to return to work or increase working hours as the child grew older. The second measure using the hypothetical scenario may lead parents to overstate the importance of the policy to their current choice or they may simply consider what they did when they did not have the extended hours (defaulting to the same response as for the change question). Both responses are presented because they each provide some guide to the potential size of the impact, but the analysis focuses on parents' perception of impact because this is less likely to reflect other influences changing behaviour over time.

Table 32 presents the responses to both questions, with the options presented in a similar order and format to facilitate comparisons. Responding to the change in use question, 13 percent of parents reported that they had started to use formal childcare for their child and 46 percent reported that they were using more hours of formal childcare since they had started to use the extended hours. The hypothetical question generated very similar magnitudes of responses: 8 percent reported that the extended hours were the reason they were using any formal childcare for their child<sup>83</sup> and 43 percent reported that they used more hours because of the extended hours.<sup>84 85</sup>

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<sup>83</sup> Given the almost complete take-up of the universal 15 hours, it seems unlikely that 8 percent of parents would not be using any formal childcare, but this could reflect that some parents did not view the early education entitlement as childcare.

<sup>84</sup> For 68 percent of parents, the response to the hypothetical question was the same as that for the actual change. The largest differences were a perceived impact of no change and actual change of more hours (10 percent); a perceived impact of more hours and an actual change of no change (6 percent); and a perceived impact of more hours and an actual change of starting to use formal childcare (5 percent). Although the high degree of consistency does not provide direct evidence that either measure is recording impact, it is consistent with both measures capturing an indication of impact.

<sup>85</sup> The responses in the early implementation were very similar: 8 percent reported that they had started to use childcare and 49 percent reported that they were using more hours, while 5 percent reported that the extended hours were the reason they were using childcare and 45 percent reported that they were using more hours because of the extended hours.

**Table 32: Changes and perceived impacts on childcare use**

<b>Change since started receiving extended hours</b>		<b>Perception of impact</b>	
Started to use formal childcare	13%	Reason to use formal childcare	8%
Use more hours	46%	Use more hours	43%
No change	39%	No impact	46%
Use fewer hours	3%	Use fewer hours	3%
Number of children	2,712	Number of children	2,629

Source: Evaluation Survey of Parents, 2018

Table 44 in Annex C presents the differences in the perceived impact on childcare use across different types of families, measured as the proportion of parents reporting that they were using formal childcare or were using more hours because of the extended hours. It also presents the findings from regression analysis identifying statistically significant differences across different types of families, with and without controls for all demographic characteristics and LAs.

The proportion who reported a positive impact on their childcare use was statistically significantly higher for families:

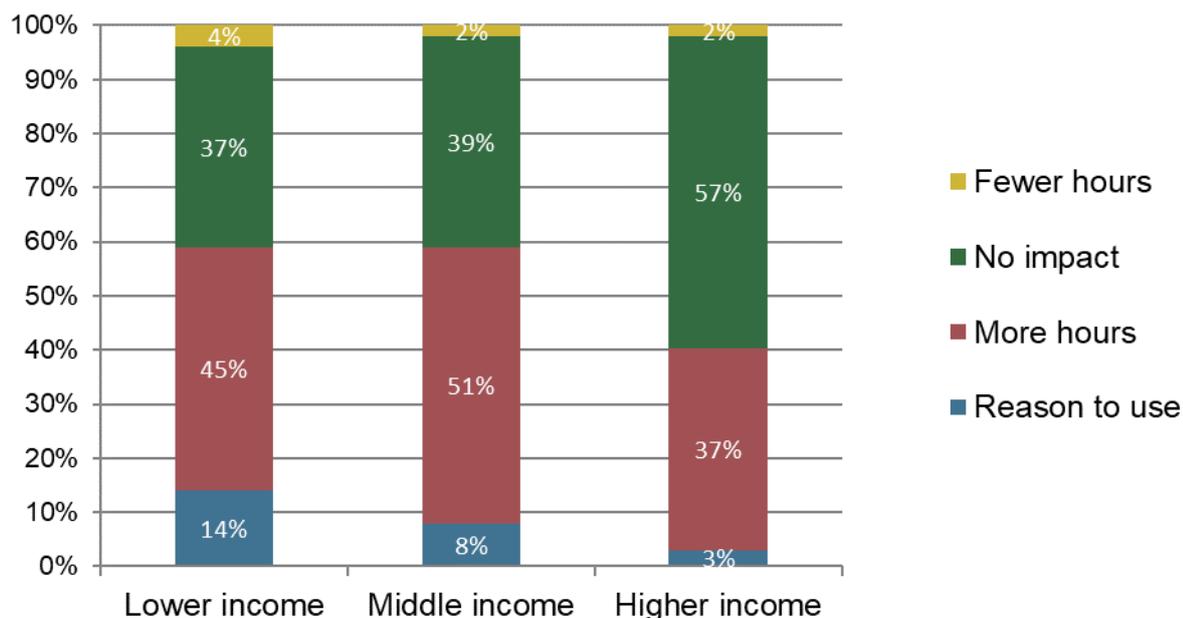
- Without a parent with a degree than those with a parent with a degree (57 percent compared to 47 percent).
- In the lower and middle income groups than those in the higher income group (59 percent in both groups compared to 40 percent).
- Who had used the two year old free entitlement for their child than those who had not (58 percent compared to 50 percent).

However, controlling for related factors using regression analysis showed only two statistically significant differences:

- Single parents were considerably less likely than couple families likely to report that there had been a positive impacts on their childcare use
- Families in the lower and middle income groups were considerably more likely than those in the higher group to report that there had been an impact on their childcare use

The magnitudes of the differences in perceived impact across the income groups are illustrated in figure 18.

**Figure 18: Perceived impacts on childcare use across income levels**



Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000, and £50,000 or more respectively. Sample sizes are 658, 801 and 1,046 for the three income groups.

## 6.2 Parental employment

As with the use of childcare, the potential impact of the extended hours on parental employment was considered in two ways using the parents survey:

- Parents were asked whether they were working before they started to use the extended hours and, if they were, whether they now worked for more, the same or fewer hours (referred to as “change in work”).
- Parents were asked a hypothetical question of whether, if they were not receiving the extended free hours, they thought they would be working the same hours, more hours, fewer hours or not working at all (referred to as “perception of impact on work”).

Again, both measures may capture the impact of the extended hours to some extent, but they have some caveats. The first measure of change may capture changes over time that would occur even without the policy, particularly if the mother would have decided to return to work or increase working hours as the child grew older. The second measure of the hypothetical scenario may lead parents to overstate the importance of the policy to their current choice or they may simply consider what they did when they did not have the extended hours (defaulting to the same response as for the change question). Both types of response are presented because they each provide some guide to the potential

size of the impact, but the analysis focuses on parents' perception of impact because this is less likely to reflect other influences changing behaviour over time.

### 6.2.1 Mothers' work

Compared to the time prior to taking up the extended hours, very few mothers (2 percent) reported that they had entered work, but just over a quarter (26 percent) reported that they had increased their work hours (table 33). On the other hand, 5 percent had reduced their work hours, possibly because they had less need of income to pay for childcare. Turning to the perceived impact, some 15 percent of mothers reported that they thought they would not be working in the absence of the extended hours and 27 percent reported they would be working fewer hours.<sup>86 87</sup> The difference between 2 percent having entered work and 15 percent reporting that they would not otherwise be working suggests that the extended hours may have helped mothers to remain in work, particularly as there is considerable churn in the work participation of mothers with children of this age.<sup>88</sup>

**Table 33: Impacts on mothers work**

<b>Change since started receiving extended hours</b>		<b>Perception of impact</b>	
Entered work	2%	Reason in work	15%
Work more hours	26%	Work more hours	27%
No change	67%	No impact	55%
Work fewer hours	5%	Work fewer hours	3%
Number of mothers	2,610	Number of mothers	2,003

Source: Evaluation Survey of Parents, 2018

Table 45 in Annex C presents the differences in the perceived impact on mothers' work across different types of families, measured as the proportion of mothers reporting that because of the extended hours they were working or working more hours. It also

<sup>86</sup> For 68 percent of mothers, the response to the hypothetical question was the same as for the response to the question about the change. The largest differences were a perceived impact of an increase in hours when there had been no change (10 percent) and a perceived impact of being in work rather than not working when there had been an increase in hours (5 percent) or no change in hours (7 percent).

<sup>87</sup> The responses in the early implementation were very similar: 2 percent reported that they had started to work and 23 percent reported that they were working more hours, while 11 percent reported that the extended hours were the reason they were working and 24 percent reported that they were working more hours because of the extended hours.

<sup>88</sup> For example, see Paull, G., (2006), "The Impact of Children on Women's Paid Work", *Fiscal Studies*, vol. 27, no. 4, December, 473–512.

presents the findings from regression analysis identifying statistically significant differences across different types of families, with and without controls for all demographic characteristics and LAs.

The proportion who reported a positive impact on their work was statistically significantly higher for:

- Single mothers than mothers in couples (47 percent compared to 41 percent).
- Mothers with large families (three or more children under the age of twelve) than mothers with smaller families (51 percent compared to 41 percent).
- Mothers in families where no parent has a degree than those with a parent with a degree (48 percent compared to 38 percent).
- Mothers in the lower income groups than those in the higher income group (56 percent in the lower income group compared to 48 percent in the middle group and 29 percent in the higher group).
- Mothers who had used the two year old free entitlement for their child than those who had not (56 percent compared to 39 percent).
- Mothers whose child had additional needs than those with children without additional needs (57 percent compared to 42 percent).
- Mothers of Asian ethnicity than those in all other ethnic groups (59 percent compared to 40 percent for those of white ethnicity, 47 percent for those of black ethnicity and 42 percent for those of mixed or other ethnicity).

These characteristics were associated with statistically significant differences even controlling for related factors using regression analysis with the following exceptions:

- The differences for parents with a degree and for those with a child with additional needs were not statistically significant with these controls.
- Single mothers changed from being more likely than mothers in couples to have reported an impact on work to being less likely once allowance was made for other related characteristics.

### **6.2.2 Fathers' work**

Compared to the time prior to taking up the extended hours, the proportions changing work participation or hours were much smaller for fathers than mothers: less than 1 percent reported that they had entered work and only 7 percent reported that they had increased their work hours (table 34). The hypothetical question on the perception of impact of the extended hours was only asked of respondents and the number of male

respondents answering this question was only 449.<sup>89</sup> However, 8 percent reported that they thought that the extended hours meant that they were working rather than not working, 18 percent that they were working more hours, 68 percent that they were working the same hours and 6 percent that they were working fewer hours.<sup>90 91</sup> Although the sample is small, this suggests that the extended hours meant that fathers, like mothers, were less likely to have stopped working because of the extended hours. The 6 percent answering that they worked fewer hours may have done so because of less need to pay for childcare or because they may have been working fewer hours as a female partner worked more hours.<sup>92</sup>

**Table 34: Impacts on fathers work**

<b>Change since started receiving extended hours</b>		<b>Perception of impact</b>	
Entered work	<1%	Reason in work	8%
Work more hours	7%	Work more hours	18%
No change	91%	No impact	68%
Work fewer hours	1%	Work fewer hours	6%
Number of fathers	2,293	Number of fathers	449

Source: Evaluation Survey of Parents, 2018

Table 46 in Annex C presents the differences in the perceived impact on fathers' work across different types of families, measured as the proportion of fathers reporting that because of the extended hours they were working or working more hours. It also presents the findings from regression analysis identifying statistically significant differences across different types of families, with and without controls for all demographic characteristics and LAs.

<sup>89</sup> While it was reasonable to ask respondents the factual question about the change in their partner's work behaviour, robust answers would not have been obtained from a respondent answering a hypothetical question about their partner's behaviour.

<sup>90</sup> Similar to that for mothers, 74 percent of fathers gave the same response to the hypothetical question as for the change, but the largest differences were perceived impacts of an increase or decrease in hours or reason for working when there had been no change (10 percent, 5 percent and 5 percent respectively).

<sup>91</sup> The responses in the early implementation were very similar: less than 1 percent reported that they had started to work and 9 percent reported that they were working more hours, while 5 percent reported that the extended hours were the reason they were working and 16 percent reported that they were working more hours because of the extended hours.

<sup>92</sup> Another explanation for fathers reducing hours could be that they earned around £100k and they had reduced their earnings to be eligible. However, only one case in the 27 fathers who reported they would otherwise work longer hours had household income close to £100k.

The proportion who reported a positive impact on their work was statistically significantly higher for:

- Fathers in families where no parent has a degree than those with a parent with a degree (39 percent compared to 19 percent).
- Fathers in the lower income groups than those in the higher income group (42 percent in the lower income group compared to 31 percent in the middle group and 19 percent in the higher group).
- Fathers who had used the two year old free entitlement for their child than those who had not (46 percent compared to 24 percent).
- Fathers of black and mixed or other ethnicity than those of white ethnicity (50 percent and 60 percent compared to 24 percent).

These characteristics were associated with statistically significant differences even controlling for related factors using regression analysis with the exception of the differences across income groups.

### 6.2.3 Connections with effects on childcare

Tables 35 and 36 present the combinations of perceived impacts on childcare use and on mothers' and fathers' work.<sup>93</sup>

Table 35 shows that for mothers:

- Almost one third (30 percent<sup>94</sup>) reported that both childcare use and their work were greater because of the extended hours, with the most common pattern being higher hours for both (17 percent).
- Some 12 percent reported no impact on their childcare use, but a positive impact on their work (4 percent reported that the extended hours were the reason they were working and 8 percent reported working more hours due to the extended hours). This group may have increased their work to become eligible for the extended hours without any need to change their childcare.

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<sup>93</sup> Analogous cross-tabulations of changes in childcare use and parental employment since prior to taking up the extended hours produced broadly similar pictures with the exception that 25 percent of mothers had no change in their work while using more hours of childcare (instead of the 17 percent in table 35) and 41 percent of fathers had no change in their work while using more hours of childcare, 11 percent of fathers had no change in their work while starting to use childcare and only 4 percent worked more hours while using more childcare (instead of the 25 percent, 3 percent and 12 percent in table 36).

<sup>94</sup> This is the sum of the four top left corner cells in table 35 of 3 percent, 8 percent, 2 percent and 17 percent.

- On the other hand, 19 percent of mothers reported that they were using more childcare because of the extended hours (2 percent using any childcare and 17 percent using more hours) but reported no impact on their work.
- Just over one third of mothers (34 percent) reported no impact on childcare use or their work.

Interestingly, these combinations were very similar for mothers in couple and single mothers.

**Table 35: Combinations of perceived impacts on childcare and mothers' work**

Percentage of mothers with children using extended hours	Perceived impact on use of formal childcare			
	Reason to use	Use more hours	No change	Use fewer hours
Perceived impact on work				
Reason in work	3%	8%	4%	1%
Work more hours	2%	17%	8%	<1%
No change	2%	17%	34%	1%
Work fewer hours	<1%	1%	2%	<1%

Source: Evaluation Survey of Parents, 2018

Notes: Sample size is 1,965 mothers

For fathers, table 36 shows that:

- 18 percent<sup>95</sup> reported that both childcare use and their work were greater because of the extended hours, with the most common pattern also being higher hours for both (12 percent).
- Only 6 percent reported no impact on their childcare use, but a positive impact on their work (2 percent reported that the extended hours were the reason they were working and 4 percent reported working more hours due to the extended hours).
- On the other hand, 28 percent of fathers reported that they were using more childcare because of the extended hours (3 percent using any childcare and 25 percent using more hours) but reported no impact on their work
- 39 percent reported no impact on childcare use or their work.

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<sup>95</sup> This is the sum of the four top left corner cells in table 36 of 2 percent, 3 percent, 1 percent and 12 percent.

**Table 36: Combinations of perceived impacts on childcare and fathers' work**

Percentage of fathers with children using extended hours	Perceived impact on use of formal childcare			
	Reason to use	Use more hours	No change	Use fewer hours
Perceived impact on work				
Reason in work	2%	3%	2%	1%
Work more hours	1%	12%	4%	1%
No change	3%	25%	39%	1%
Work fewer hours	0%	2%	4%	0%

Source: Evaluation Survey of Parents, 2018

Notes: Sample size is 432 fathers

It was not possible to examine the combinations of perceived impacts on mothers and fathers work because the hypothetical question was only asked of the respondent.<sup>96</sup>

#### 6.2.4 Reasons for no impact on work

The parents survey also provided information on the reasons why parents did *not* start working or increase their work hours when they began using the extended hours. Beyond those already working full-time, the main constraining factors for mothers was other childcare commitments; that they could not increase hours with their current employer; and that the increase in income was not sufficient to make it worthwhile to increase work. For fathers, the main constraint was also that they could not increase their hours with their current employer and also (but to a much lesser degree than mothers) other childcare commitments.

More specifically, for those who did not increase their work the reasons given were:

- They were already working full-time (38 percent of mothers and 82 percent of fathers).
- They could not increase their hours with their current employer (17 percent of mothers and 14 percent of fathers).

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<sup>96</sup> Cross-tabulations between mothers and fathers change in work for those in couples did not indicate any substitution in work hours between mothers and fathers due to the extended hours: most had no change for both (62 percent), while increases and decreases in work for mothers were mostly associated with no work change for fathers (27 percent and 5 percent respectively) and increases and decreases in work for fathers were mostly associated with no work change for mothers (4 percent and 1 percent respectively). In the remaining 2 percent of cases, both parents increased their work hours.

- They could not find another job with more hours (1 percent of mothers and 1 percent of fathers).
- They did not need additional income (5 percent of mothers and 1 percent of fathers).
- They would not make sufficient additional money to make it worthwhile (12 percent of mothers and 1 percent of fathers).
- They had other childcare commitments (22 percent of mothers and 7 percent of fathers).
- They wanted more free time (6 percent of mothers and 2 percent of fathers).
- Some other reason (16 percent of mothers and 7 percent of fathers) including wanting more time with the children, having a health condition which prevented working longer hours, being on maternity or paternity leave, having benefit payments that would be adversely affected by working more hours; and more work hours would not be compatible with childcare times.

Given the constraint of not being able to increase work hours with the current employer, it is noteworthy that 22 percent of mothers who increased their work hours changed their job (while 24 percent of those who reduced their hours changed job and 6 percent of those who did not change their hours changed their job). Among fathers who increased their work hours, 27 percent changed their job (while 10 percent of those who reduced their hours changed their job and 5 percent of those who did not change hours changed their job). Hence, job change was a common but not prevalent means for parents to increase their work hours.

### **6.2.5 How well childcare meets work needs**

Parents using the extended hours were also asked how well the formal childcare they were using supported their paid work needs: 73 percent of families reported “very well”, while 23 percent report “to some extent” and 3 percent reported “not very well”. The proportion reporting that their formal childcare supported work needs “very well” was higher for<sup>97</sup>:

- Families without a parent with a degree-level qualification (76 percent compared to 72 percent for families with a parent with a degree).

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<sup>97</sup> Regression analysis showed that these differences were statistically significant and not explained by related demographic characteristics or differences across LAs.

- Families in the middle income group (77 percent compared to 70 percent for those in the lower income group).

Among the 640 families who reported that their formal childcare arrangements supported their paid work needs “to some extent” and “not very well”, the main improvements needed were:

- Providers to open longer days (34 percent)
- Providers to open at weekends (13 percent)
- Providers to open in the holidays or more weeks each year (30 percent)
- Better provider location (4 percent)
- More flexibility to change childcare hours (40 percent)

While it should be considered that relatively small proportions of parents using the extended hours reported the need for these improvements (less than 10 percent of parents using the extended hours reported each suggestion), there could be a greater need for such improvements among parents who are not currently using the extended hours.

## 6.3 Child and family wellbeing

### 6.3.1 Effects on different measures of wellbeing

The survey collected data on four measures of the impacts on child and family wellbeing:

- Amount saved on childcare spending relative to expectations: 29 percent of parents reported that they had saved more than expected, 54 percent reported that they had saved about the same amount as expected and 17 percent reported that they had saved less than expected.
- Difference to family finances: 22 percent reported that they had much more money to spend, 56 percent reported that they had slightly more money to spend and 22 percent reported that the extended hours had made no real difference.<sup>98</sup>
- Impact on school readiness: 86 percent reported that their child was better prepared, 14 percent reported that there was no difference and just two cases

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<sup>98</sup> In the early implementation, 26 percent reported that they had much more money to spend while 58 percent reported that they had slightly more money to spend.

reported that their child was less prepared.<sup>99</sup> These two cases were included in the no difference category in the subsequent analysis.<sup>100</sup>

- Difference to quality of family life: 43 percent reported that the quality of family life was much better, 36 percent reported that it was slightly better and 20 percent reported that there was no difference, while 16 cases reported that it was slightly worse and 2 cases reported that it was much worse. These 18 cases were included in the no difference category in the subsequent analysis.

A priori, it might be expected that the amount saved on childcare spending (even only relative to expectations) would be related to the impact on family finances, while the impacts on family finances and school readiness would be related to the overall impact on quality of family life. The quality of life might also have improved independently of the other three measures through other mechanisms such as a less stressful work-life balance and better work opportunities.

There was a close association between these measures in the degree of positivity in the response. The strongest associations were between the quality of life and each of the other three measures (showing that all three fed into the overall quality of life). The weakest associations were between the financially related measures (lower spending on childcare and more money to spend) on the one hand and school readiness on the other, while the association between the two financially related measures fell in the middle in terms of strength.<sup>101</sup> Many of the patterns of the relationships with other factors are similar across all four measures because of these close associations.

### 6.3.2 Connections with effects on childcare and work

Tables 37 and 38 explore whether the perceived impacts on child and family wellbeing vary by whether parents reported a positive impact on childcare use or parental work.

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<sup>99</sup> In the early implementation, 87 percent of families reported that the extended hours had improved school readiness.

<sup>100</sup> In addition to the broad question about whether using the extended hours improved school readiness, parents were also asked whether the extended hours had improved school readiness in seven specific ways and whether they had made the child less prepared for school in seven specific ways, the intention being to identify whether children benefited in some respects but not in others. For the ways that school readiness could be improved, 90 percent reported at least one way in which the extended hours had made the child better prepared for school and 84 percent agreed with multiple ways and 36 percent with all seven options. The proportions who agreed ranged from 51 percent to 84 percent across the seven options. Only 6 percent reported any way in which the extended hours had made the child less prepared for school and the responses were evenly distributed across the options. Hence, there was little variation in the responses across the different ways that the extended hours affected school readiness and little indication that parents could distinguish specific benefits or drawbacks.

<sup>101</sup> The correlation coefficients were 0.3025 for school readiness and quality of life, 0.2976 for having more money and quality of life, 0.2625 for lower childcare spending and quality of life, 0.2479 for lower childcare spending and more money to spend, 0.1977 for lower childcare spending and school readiness and 0.0072 (and the only one not statistically significant) for more money to spend and school readiness.

**Table 37: Impacts on family wellbeing by perceived impacts on childcare use**

	Perceived impact on childcare use	
	No change (or used less)	Used more childcare
Amount saved on childcare spending:		
- more than expected	26%	32%
- about the same as expected	54%	53%
- less than expected	19%	15%
Difference to family finances:		
- much more money to spend	25%	20%
- slightly more money to spend	59%	54%
- no real difference	17%	26%
Impact on school readiness:		
- better prepared	75%	96%
- no difference	25%	4%
Difference to quality of family life:		
- much better	35%	50%
- slightly better	37%	35%
- no difference	28%	15%
Number of families using extended hours	1,284	1,345

Source: Evaluation Survey of Parents, 2018

The key findings from these two tables are:

- For three of the measures (lower spending on childcare, school readiness and difference to quality of life), the impacts are greater for those reporting an increase in childcare use or parental work, although the differences are not large.
- As the impact on school readiness might be expected to operate through greater use of childcare, it is surprising that the proportions reporting an impact are not considerably larger for families with a perceived impact on childcare use over those who do not perceive any impact on their childcare use. Indeed, the high proportion reporting an impact without a change in childcare use is particularly unexpected. One explanation could be that the extended hours enabled some families to use a different provider (or to use more hours with a preferred provider) that they believed meant that their child was better prepared for school.
- The proportion who reported a more positive impact on family finances was slightly higher for families who reported no impact on their childcare use over

those who reported an impact. This is consistent with these families making greater savings in their childcare spending paying if they did not extend their use of childcare and replaced paid hours with the funded ones.

**Table 38: Impacts on family wellbeing by perceived impacts on work**

	Perceived impact on mothers' work		Perceived impact on fathers' work	
	No change (or worked less)	Worked more	No change (or worked less)	Worked more
Amount saved on childcare spending:				
- more than expected	27%	38%	16%	28%
- about the same as expected	55%	49%	63%	56%
- less than expected	18%	13%	21%	16%
Difference to family finances:				
- much more money to spend	21%	24%	24%	22%
- slightly more money to spend	55%	56%	58%	57%
- no real difference	24%	20%	18%	21%
Impact on school readiness:				
- better prepared	79%	94%	81%	96%
- no difference	21%	6%	19%	4%
Difference to quality of family life:				
- much better	34%	55%	36%	55%
- slightly better	37%	34%	42%	29%
- no difference	29%	12%	22%	16%
Number of families using extended hours	1,149	845	324	113

Source: Evaluation Survey of Parents, 2018

### 6.3.3 Effects for different types of families

Four tables in Annex C (tables 47 to 50) present the differences in the perceived impacts on family and child wellbeing across different types of families. The statistically significant findings are:

- In terms of the raw differences, single parents were more likely than couple parents to report they had saved more than expected, but more likely to report that they did not have more money to spend. With controls for related demographic

characteristics and LA, single parents were less likely than couple parents to report positive outcomes for the money saved on childcare, improved school readiness or better quality of life.

- Large families (defined as those with three or more children under the age of 12) were more likely than smaller families to report that the extended hours had made the quality of life much better. Given the lack of any statistically significant difference in the other three measures, this suggests that the main benefit may have operated through making childcare arrangements less stressful.
- Families with at least one parent with a qualification at degree level were less likely than those without a degree level qualification to report that they had saved more on childcare spending than expected, that school readiness had improved or that the quality of life was much better. Although they were more likely to report that they had much or slightly more money to spend in the raw differences, this was explained by other related factors (including household income level).
- Families in higher income groups were more likely than those in lower income groups to report that they had much or slightly more money to spend. This is unsurprisingly given that higher income families tend to spend more on childcare and will benefit to a greater extent from free hours. On the other hand, families in higher income groups were less likely to report that they had saved more money on childcare spending than expected, that school readiness had improved or that the quality of life was much or slightly better.
- Families who had received the two year old free entitlement were more likely than those who had not to report that they had saved more on childcare spending than expected and that school readiness had improved, but were less likely to report that they had much or slightly more money to spend. However, all of these differences were explained by other related factors (including household income level).
- There were no differences between families with a child with additional needs and families whose child did not have additional needs.
- Asian families were more likely than families of other ethnicity to report that they had saved more on childcare spending than expected, that school readiness had improved and that the quality of life was much or slightly better.
- Families of black ethnicity were less likely than families of other ethnicity to report that they had much more money to spend, but were more likely to report that school readiness had improved.

In general, families who were more likely to report that the extended hours had reduced childcare spending or improved school readiness or quality of life were couples, larger

families, those without a parent with a degree level qualification, in the lower income groups and families of black or Asian ethnicity. With the exception of couple families, these characteristics tend to capture less advantaged groups. On the other hand, more advantaged families in the higher income groups were those most likely to benefit in terms of having more money to spend.

### **6.3.4 Effects by type of provider**

Table 39 presents the difference in the impacts on family and child wellbeing across the types of funded providers used by children receiving the extended hours. Regressions analysis identified the following statistically significant differences (both in raw differences and with controls for demographic characteristics and LA):

- Parent using only a maintained provider were more likely than those using only a private provider or a mix of providers to report that the amount saved on childcare spending was more than or about the same as expected.
- Parents using only a voluntary provider were more likely than those only using a private provider to report that they had much more money to spend.
- Parents using a mix of provider types were less likely than those using all other types except only a private provider to report that they had much more money to spend.
- Parents using only a maintained provider were less likely than those using only a private provider or a childminder to report that they had much more or slightly more money to spend.
- Parents using only a maintained provider were more likely than those using all other types to report improved school readiness.
- Parents using only a maintained provider were more likely than those using only a private provider or a mix of providers to report a much better quality of life.

Overall, parents using maintained providers were more likely to report positive impacts in terms of reduced spending on childcare, improved school readiness and better quality of life. On the other hand, parents using other types of providers were more likely to report that they had much or slightly more money to spend as a result of using the extended hours.

**Table 39: Impacts on family wellbeing by type of funded providers**

	Type of funded providers				
	Private	Voluntary	Child-minder	Maintained	Mix
Amount saved on childcare spending:					
- more than expected	27%	39%	29%	36%	27%
- about the same as expected	53%	50%	58%	57%	58%
- less than expected	21%	11%	13%	7%	15%
Difference to family finances:					
- much more money to spend	22%	36%	26%	24%	19%
- slightly more money to spend	58%	36%	60%	50%	59%
- no real difference	20%	28%	14%	26%	22%
Impact on school readiness:					
- better prepared	83%	90%	77%	96%	85%
- no difference	17%	10%	23%	4%	15%
Difference to quality of family life:					
- much better	39%	44%	42%	53%	42%
- slightly better	39%	31%	32%	30%	37%
- no difference	22%	25%	26%	17%	21%
Number of families using extended hours	1,504	48	100	598	382

Source: Evaluation Survey of Parents, 2018

## 6.4 Qualitative evidence on the effects on families

The qualitative evidence showed that the effects on parents depended on the inter-play of the following factors:

- Whether the extended hours had resulted in **savings in childcare costs**. Some parents reported considerable savings if they were using a substantial amount of paid childcare, but savings were much more modest if parents had used limited paid provision before taking up the extended offer. If parents were not using any paid childcare before they took up the extended offer, they typically did not think they were making a saving. Even if parents were previously using paid childcare, it could be hard to work out what saving they were making because of the extended hours, if for example, if they had changed the amount of childcare they were using. Moreover some parents could not separately identify the savings made

from the universal offer and those from the extended hours. This was partly because of the lack of transparency in charging arrangements, but also because they could not work out the effects on other childcare funding, such as tax credits and childcare vouchers.

- Whether parents had made any **changes to their childcare arrangements**. Some parents increased their hours and/or changed provider because of the extended hours. However, as the survey evidence showed, many families did not change their childcare arrangements. The qualitative findings also indicated that some arrangements would have changed anyway. For example, some parents had always intended to start using full-time childcare when the child turned three and became entitled to the universal offer. Others had already planned to send their child to a nursery class in addition to or instead of a day nursery or a childminder, so that the child would get used to the school environment.
- Whether parents' **employment circumstances** had changed because of the extended hours and whether this resulted in a change in family income. Some parents seemed confident that they could say whether employment changes would have or would have not happened without the extended hours. However, some said that changes also depended on what opportunities were available.

As families' starting points were so diverse, the same policy could be experienced very differently and the effects depended on the extent to which the offer had enabled parents to make choices that they could not have made without this additional help.

Much of the discussion about the self-reported effects focused, predictably, on changes in disposable income because of savings in childcare costs and/or increased earnings from employment. Some parents reported a modest but still welcome increase in disposable income that, for example, meant they could afford more family outings or recreational and sport activities for children. Some reported a more substantial increase which meant, for example, that parents could afford a family holiday. Some parents thought the financial benefits were modest because of charges associated with accessing the extended hours:

*“Undoubtedly we are in much better financial position, but all these add on costs... you are not getting the full free experience...” (Parent who took up the extended hours)*

In other cases, the improvement in families' finances were reported to be life-changing, as the quotes below illustrate:

*“For us it has meant a massive saving ...we have been saving £400 a month which has meant we have been able to save for a deposit [to buy a house] and we've been able to get a mortgage.” (Parent who took up the extended hours)*

*“Money feels less of a struggle now... and I can afford to buy shoes and clothes, without having to ask my mum to help out...” (Parent who took up the extended hours)*

*“We save about £50 a week but with more childcare I can work full-time and .... [that] has made a difference to our income to the point that we’ve been able to pay off more of our mortgage...” (Parent who took up the extended hours)*

*“...it has been life changing...as I’ve gone out to work and we have been able to move to a lovely small cottage ... which is much more suitable for my [disabled] son.” (Parent who took up the extended hours)*

The other major effects of the extended hours for some parents were associated with having more time which enabled them to consider a range of work options . For example, more time enabled some parents to enter work or work longer hours, to undertake voluntary work or to improve their career prospects, as this mother explained:

*“I think by doing four days now instead of three ...my company looks at my work development and progression in a way that they wouldn’t if I was only doing three days ...” (Parent who took up the extended hours)*

However, some parents’ experiences suggest that lack of flexibility in accessing extended hours could undermine parents’ employment plans:

*“I was hoping that with the 30 hours, I could have worked four days... but the nursery only allows us to use the hours over three days....so I haven’t been able to do that...” (Parent who took up the extended hours)*

More time and more help with childcare could also mean a better balance between work and family life. Again, the reported effects ranged from “nice but small” to life-changing, as the quotes below illustrate:

*“It’s nice not to have to rush through the door [at work] because I now I’ve more time to collect him.... [and have] more time in the morning and I don’t have to worry about being late for work...” (Parent who took up the extended hours)*

*“My husband can now do some day shifts because our daughter starts earlier at the nursery ... and that means he is around more in the evenings and at the weekend...” (Parent who took up the extended hours)*

*“... I can now work during the day and ...[I] feel awake, while before I used to do night shifts, have a short nap and then collect my daughter...” (Parent who took up the extended hours)*

More time and help with childcare could improve parental wellbeing in other ways, as this registered carer explained:

*“...with my daughter at nursery for longer my health has improved... I feel less tired, I’ve some time for myself and to catch-up with the jobs in the home ...and my husband is also probably happier because I’m not so tired all the time...” (Parent who took up the extended hours)*

Parents reported benefits for grandparents as the extended offer meant they were not asked to do so much childcare, which was particularly beneficial if they had health problems or were becoming frail.

The interviews with parents also explored the effects on children if the extended hours had resulted in more childcare being used. While not all parents could say whether changes in their children were due to more childcare, they were typically positive about the effects of an extended place with benefits including:

- Opportunities for the child to socialise rather than as some parents said being “*stuck at home*”.
- Development opportunities and better preparation for school.
- Support with specific needs, including specialist support for children with additional needs.

These benefits were illustrated by the following quotes:

*“It has been the absolute making of her... her confidence has soared. She is a different little girl ...I don’t know many four years old that can do their five times table....”(Parent who took up the extended hours)*

*“It’s brought him on loads being in the nursery all day...”(Parent who took up the extended hours)*

*“Her development has come on...a lot of it is down to the fact that she has a nice structure where she goes to the nursery three days a week and she is spending all day doing activities, learning and spending time with her friends and going out and exploring.” (Parent who took up the extended hours)*

*“We are a bilingual family and... before she was behind in speech and English but now she’s brilliant ...she ...developed much more once she started 30 hours....” (Parent who took up the extended hours)*

*“Because he’s in nursery four days instead of three... he has longer with the speech and language therapist and I’ve seen a real improvement ...and he is now very sociable and enjoys spending time with his friends.” (Parent who took up the extended hours)*

## 7. Summary

This evaluation has analysed a broad range of evidence to address the key questions on implementation and impact of 30 hours free childcare. This evidence has been collected using in-depth qualitative interviews with LA staff at the frontline of implementation, with providers both delivering and not delivering the extended hours and with a range of eligible parents who have both taken up and not taken up the extended hours. This has been complemented with analysis of Early Years Census and School Census data on providers delivering and children receiving any free entitlement hours and with the collection of bespoke survey data from all types of providers and from parents registered for 30 hours free childcare. It should be noted that this evidence was primarily drawn from a sample of 12 LAs and was collected soon after the national rollout began which could mean that the policy may not have yet fully bedded in.

The key findings are:

- A high proportion (76 percent) of providers delivering the funded entitlement were willing and able to offer the extended hours.
- For some providers, the policy required some adjustments to their provision such as increasing opening hours or raising additional charges or parent paid fees. The financial impacts for providers were mixed: 39 percent reported that delivery of the extended hours had reduced their profit or financial surplus while 61 percent reported no impact or an increase in profit or surplus.
- Almost all registered parents (91 percent) had obtained an extended hours place, with very few (around 2 percent) not taking up the extended hours because they could not use them in the way they wanted or because they could not find a provider offering the hours.
- The qualitative interviews with eligible parents who did not apply for the extended hours indicated that better information about the extended offer and how to access it locally could facilitate access, reflecting similar messages from parents who had applied and from providers who believed that there should be stronger promotion of the policy.
- The survey evidence indicated that the offer was not completely flexible or free for all parents with substantial proportions reporting that there were some restrictions on when they could use the hours (48 percent) or that they had to pay charges for additional items or activities (56 percent).
- High proportions of parents using the extended hours reported that they believed that the policy is supporting them to work and having positive impacts on their family finances and quality of family life. Just over half (51 percent) reported that the policy meant they were using more childcare, while 42 percent of mothers and

26 percent of fathers felt that it was allowing them either to work or to work longer hours, with indications that supporting mothers to remain in work was particularly important. These perceived impacts were greater for families with lower levels of income among those using the extended hours.

Finally, two potential concerns going forward should be noted:

- The qualitative interviews showed that some LA childcare teams had been significantly downsized due to local funding reductions and were considerably scaling down the support offered to providers. Teams that had been downsized were concerned that they may not have sufficient resources to adequately support policy implementation in the future. Particular concerns included providing support for the delivery of extended hours to children with additional needs; for providers who are not currently offering extended hours; and for engaging parents who face barriers to take-up.
- The qualitative interviews with LA staff and providers indicated that there was an expectation that demand for extended places will increase. They also believed that future parents will be better informed and more demanding as the policy becomes more established with the next cohort of parents better placed to “*shop around*” than the current one (many of whom already had a childcare place when they applied for the extended hours). The uncertainty about parents’ future responses and the fact that two terms were not sufficient for providers to assess the financial impact of delivering the extended offer meant that some providers were waiting to see if delivering the extended hours will be financially viable in the long term.

## Annex A: Data details

This annex presents additional information about the collection and analysis of the data.

### A.1 LA selection

The number of LAs (12) was driven by two key factors. First, this number was considered to be sufficient to ensure a good mix of local characteristics across the LAs to allow analysis of findings in a wide range of local conditions. Second, the experience of the evaluation of the early tests indicated that this number would be sufficient to reach “saturation point” in identifying new issues or approaches across LAs. In other words, it was considered unlikely that a higher number of LAs would bring any significant new insights or evidence.

The 12 LAs were selected to provide a range of different relevant characteristics which reflected the distributions across all LAs in England. The final sample of 12 had the following characteristics:

- There were two LAs in each of the London, North West and South East regions and one LA in each of the remaining six regions.
- The proportion of LAs in majority rural areas (those with more than half of the areas defined as rural) was similar to the national proportion (17 percent compared to 13 percent).
- The proportion of LAs with a majority non-white population was similar to the national proportion (17 percent compared to 14 percent).
- There was an even split of LAs in the lowest, middle and highest thirds of all LAs in England for the IDACI score.
- There was an even split of LAs in the lowest, middle and highest thirds of all LAs in England for the percentage of three and four year olds taking the their free entitlement in PVI provision (reflecting the mix of local childcare provision).
- There was an even split of LAs in the lowest, middle and highest thirds of all LAs in England for the percentage of three and four year olds who were estimated to be eligible for the extended hours (reflecting the likely level of demand).
- There was an even split of LAs in the lowest, middle and highest thirds of all LAs in England for the EYNFF (Early Years National Funding Formula).

## A.2 Qualitative element

The qualitative element of the evaluation gathered in-depth data to explore how the rollout worked from the perspectives of LA staff, providers and parents in the 12 case study areas. The fieldwork included:

1. Interviews with 48 LA staff (3 to 5 in each LA) involved in different aspects of the policy implementation during February to March 2018:
  - Respondents included Early Years strategic leads and "30 hours" managers; Early Years funding and business support staff; sufficiency officers; Early Years advisors and Family Information officers
2. Interviews with 97 providers (8 to 9 in each LA) in March to May 2018:
  - Providers were purposively selected to explore delivery in a range of circumstances in terms of type (nursery classes, maintained nursery schools, academies, playgroups, day nurseries, childminders, independent schools, out-of-school clubs); number of extended places and how they were offered (term only or all year around, short and extended day); and area characteristics (urban and rural, affluent and disadvantaged).
  - Included 61 providers who offered extended hours and 36 who did not offer them.
  - Around two third of providers had been suggested by the LA and the remaining third were selected from those who had taken part in the survey of providers.
3. Interviews with 108 eligible parents (8 to 9 in each LA) in April to June 2018:
  - Parents were purposively selected to cover a range of experiences in terms of single and couple families, children with additional needs, range of ethnic backgrounds, qualification levels and area characteristics (urban and rural).
  - Included 48 parents who taken up the extended hours, 30 who had registered but had not taken up the extended entitlement and 30 eligible parents who had not registered.
  - Registered parents were selected from those who had taken part in the survey of parents, while those who were not registered were recruited by a specialist agency.

The qualitative research in the 12 case studies aimed to collect data on:

- Challenges in relation to capacity building and take-up, and different approaches for dealing with them.
- Facilitators and barriers to successful implementation in different contexts.

- What works well and less well from the perspective of the LA, different provider types and parents in different circumstances.
- Views on the impacts of the extended offer on the local childcare market and childcare options available to parents, on settings and on families.

The qualitative element of the evaluation also included revisits to eight early test areas. Five of these areas had partial implementation during the early test, meaning that extended places were available only for some children who met the eligibility criteria, while places were available for all eligible children in three areas. The fieldwork included:

- Interviews with 27 LA staff involved with the implementation of the early test and the national rollout between February and April 2018.
- Interviews with 39 providers who were offering the extended hours for the second year (including maintained nursery schools and classes, day nurseries, playgroups, childminders and out-of-school clubs) between February and April 2018.

The aim of the early test revisits was to explore LAs' experiences in the second year of implementation with a particular focus on approaches for dealing with some implementation challenges, including:

- How LAs can support shared care and partnership working to deliver the extended offer.
- Engaging out-of-school clubs in the delivery of the extended hours.
- Supporting the delivery of extended hours in rural areas.
- Supporting take-up among children with additional needs and from low income families.

### **A.3 Census data**

The census data analysis used information for the 12 LAs from the Early Years Census and School Census data collections in January 2017 and January 2018. The census data collection contains information from all settings within the LA delivering any free entitlement hours on:

- The number of free entitlement hours received under the universal 15 hours offer for three and four year olds and under the two year old offer; the number of hours received under 30 hours free childcare for three and four year olds; and the total number of hours at the setting (funded and unfunded) for each child receiving any free entitlement hours.

- Background information on each child receiving any free entitlement hours including age, gender, ethnicity, special educational needs (SEN), whether claiming for the Early Years Pupil Premium (EYPP), and home postcode (from which rurality of residence could be derived).
- Information on type of provider and, for settings in the early years census, information on opening hours and weeks and partnerships with other settings.

Children were matched across providers using LA, first name, day of birth and home postcode. Surname was not used because inconsistent spelling or shortening of double-barrelled names meant that many children who would otherwise be matched were not matched when surname was included. Testing the matching on first names indicated few cases of close inconsistencies and matching on first name was required to separately match twins.

The census data was found to have a smaller proportion of children using multiple funded providers than in the parents survey which may have been due to children who were not matched across different providers in the census data because of inconsistencies in the recording the child's details or because the child was taking universal hours partly or entirely with a provider in a different LA.

## A.4 Providers survey

The provider survey was undertaken in all 12 LAs between February and April 2018.

The survey used a sampling frame of registered providers provided by LA staff in each area. A stratified random probability sample within each LA was used, with the primary stratification being broad provider type (private, voluntary, childminder, and maintained) and the smallest two groups (voluntary and maintained) over-sampled relative to other providers to increase their sample size. The final sample contained 1,717 providers with an overall response rate of 47 percent. This response rate was 53 percent for private providers, 61 percent for voluntary providers, 39 percent for childminders and 39 percent for maintained providers and had a range of 18 percent to 62 percent across LAs.

A mixed mode approach was used for the survey with an initial online phase followed by a phase when online and telephone modes of data collection run concurrently. 36.7 percent of the surveys were completed online and 63.3 percent were completed by telephone.

The survey collected information in the following areas:

- Provider background (type, age range of children, number of Ofsted registered places, opening hours, whether offer sessional or full day care, number of three and four year old children, funded two year old provision).

- Awareness and delivery of the extended hours (awareness of the policy, whether offering (or planning to offer) extended hours, reasons for not offering, reasons for delivering, support from LA).
- Attitudes to the policy (suite of seven questions).
- Characteristics of the offer (shared care, flexibility, capacity to offer more places, number of children receiving extended hours).
- Changes and perceived impacts of the extended hours on provision (number of funded places and paid only places, opening times, additional charges and parent paid fees).
- Perceived impacts of the extended hours on the business model (number of paid staff, hours of paid staff, hourly pay rates, occupancy rates, hourly cost of delivering childcare, profits).

Weights for the survey were initially developed for the headline statistics to compensate for the oversampling of some types of providers in the sampling strategy and for any uneven response rate by provider types. However, these weights were not used because they were found to have little impact on the headline statistics while having unexpected impacts on the statistics within provider type. These unexpected impacts were found to be due to inconsistencies in the provider type reported in the in the sampling frame and those reported by providers in the survey.

## **A.5 Parents survey**

The parents survey was undertaken in all 12 LAs between February and April 2018.

The survey used a sampling frame of parents who have registered for the extended hours through the Childcare Service. The final sample contained 3,004 parents with a response rate of 47 percent which ranged from 41 percent to 59 percent across LAs.

A mixed mode approach was used for the survey with an initial online phase followed by a phase when online and telephone modes of data collection run concurrently. 50.5 percent of surveys were completed online and 49.5 percent were completed by telephone.

The survey collected information in the following areas:

- Childcare use (type(s) of provider, number and timing of formal hours, use of free entitlement hours, use of parent paid hours, additional charges (what for and whether optional), flexibility in the use of hours, holiday childcare use, use of informal childcare).

- Changes and perceived impacts of the extended hours on childcare use and parental employment.
- Perceived impacts of the extended hours on family and child well-being (family finances, child development).
- Family demographics (couples and single parents, number of children, highest qualification, household income, ethnicity, additional needs)

No weights were used for the parents survey because the sampling frame did not provide any data on which weights could be constructed.

## Annex B: Provider attitudes and the decision to deliver

A series of seven questions in the survey asked all providers about their views on the policy and how it related to their sense of purpose and business model. These questions were worded to fit with the providers' position (delivering, planning to deliver or no plans to deliver) but to also be comparable across the three situations. Comparisons of the responses are presented in tables 40 and 41.

Table 40 presents the responses to three questions which could be considered as "parent-related", although the last on whether parents might go elsewhere if the extended hours are not offered is also clearly business-related. The responses were broadly similar between those currently delivering the extended hours and those planning to with the exception that those planning were more likely to think that the extended hours have no effect on where parents go. Although there is no clear contrast for the childcare focus in purpose, providers with no plans to offer were far more likely to have attitudes less conducive to delivery in terms of their views on whether the extended hours make a difference to helping parents meet work needs or on which provider parents choose.

**Table 40: Providers' parent-related attitudes related to delivery decisions**

	Currently delivering	Will deliver in future	No plans to offer
Childcare focus in purpose:			
(1) Primarily early education	19%	13%	30%
(2) Main focus on early education	23%	19%	11%
(3) Dual purpose	44%	48%	30%
(4) Main focus on childcare	14%	20%	28%
Extended hours help parents meet work needs:			
(1) Little or no difference	12%	14%	40%
(2) Somewhat helps	34%	36%	43%
(3) Definitely helps	55%	50%	17%
Parents will go elsewhere if extended hours not offered:			
(1) No effect on where parents go	16%	44%	63%
(2) Parents might go elsewhere	53%	36%	24%
(3) Parents definitely go elsewhere	31%	20%	14%
Number of providers	1,388	318	155

Source: Evaluation Survey of Providers, 2018

Note: A higher category indicates a response more favourable to the delivery of extended hours.

**Table 41: Providers' business-related attitudes related to delivery decisions**

	<b>Currently delivering</b>	<b>Will deliver in future</b>	<b>No plans to offer</b>
Extended hours fit business model:			
(1) Very poor fit	4%	12%	37%
(2) Not a good fit	11%	22%	41%
(3) Fit quite well	52%	48%	21%
(4) Fit very well	32%	18%	1%
Risks to business model from changes to deliver extended hours:			
(1) High risk changes	5%	5%	35%
(2) Medium risk changes	14%	16%	20%
(3) Low risk changes	21%	17%	10%
(4) No changes needed	61%	62%	34%
Extended hours helpful to filling places:			
(1) Very unhelpful	2%	2%	9%
(2) Unhelpful	6%	12%	16%
(3) Neither helpful or unhelpful	39%	37%	52%
(4) Somewhat helpful	31%	28%	15%
(5) Very helpful	22%	20%	8%
Extended hours funding covers costs of delivery:			
(1) Funding does not cover costs	59%	48%	79%
(2) Funding just about matches costs	35%	44%	17%
(3) Funding more than covers costs	6%	8%	4%
Number of providers	1,388	318	155

Source: Evaluation Survey of Providers, 2018

Note: A higher category indicates a response more favourable to the delivery of extended hours.

Table 41 focuses on the questions which are business-related. Again, the responses were broadly similar between those currently delivering the extended hours and those planning to with one exception: those actually delivering were more likely to report that the extended hours fitted quite well or very well with their business model than those only planning to deliver in future. In contrast, providers with no plans to offer were far more likely to have attitudes less conducive to delivery including being more likely to see the extended hours as a poor fit with their business model and requiring high risk changes to the model; being less likely to believe that extended hours are helpful to filling places; and more likely to report that the funding will not cover delivery costs.

Two summary scores were created from these questions (with a higher score indicating responses more conducive to delivery): a parent-related score (pscore) derived from the first three questions with a range of 3 to 10 and a business-related score (bscore) similarly defined for the four business-related questions with a range of 4 to 16. Table 42 presents these scores by provider type and whether the provider is currently delivering, plans to deliver or has no plans to deliver. Interestingly, the pscore was higher for private providers and childminders, potentially reflecting greater sensitivity to parent childcare needs, while the bscore was slightly higher for maintained providers indicating a slightly better fit with (or less concern about) the business model. However, the most marked differences were across the delivery decision within provider type, indicating that the decision to deliver is influenced by factors independent of provider type.

**Table 42: Attitude scores by delivery and provider type**

	Private	Voluntary	Childminder	Maintained	All types
Parent-related score (pscore)					
Currently delivering	7.2	6.6	7.6	6.5	7.1
Will deliver in the future	6.5	6.0	7.1	6.0	6.9
No plans to offer	5.1	4.7	6.9	5.3	5.8
All	7.1	6.4	7.4	6.3	7.0
Business-related score (bscore)					
Currently delivering	11.3	11.8	11.9	12.2	11.6
Will deliver in the future	11.2	10.0	11.2	11.5	11.2
No plans to offer	7.8	7.4	9.2	8.7	8.4
All	11.1	11.3	11.4	11.9	11.3

Source: Evaluation Survey of Providers, 2018

In order to identify the key drivers in the decision to deliver the extended hours (and to consider whether provider type plays an independent role), four types of regression models were estimated for the probability of delivering. The first type consisted of seven regressions for each attitude question.<sup>102</sup> The second was a single regression with all seven questions included to control for the correlations between the questions. The third added provide type to the single regression to allow for an independent provider type

<sup>102</sup> The response categories could have been included as dummy variables but as the categories are ranked, it was more parsimonious to enter each as a single linear variable with the coefficient showing the average change for one step up in category.

effect while the fourth added LA to the single regression to remove any LA specific effects. The results from these four models are presented in table 43.<sup>103</sup>

**Table 43: Associations between current delivery and providers' attitudes and type**

Probability currently delivering extended hours	Marginal difference (in percentage points)			
	Raw difference	Model 1	Model 2	Model 3
Childcare focus	- 2.2 *	- 1.3	1.6 *	1.7 *
Helps parents meet work needs	9.3 *	1.6	2.1 *	2.1
Parents will go elsewhere	14.7 *	10.2 *	8.9 *	8.9 *
Fits business model	13.1 *	11.7 *	9.4 *	9.7 *
Risks to business model	6.3 *	3.2 *	5.2 *	5.1 *
Helps fill places	5.6 *	- 0.7	- 2.2 *	- 2.3 *
Funding covers costs	1.8	- 7.2 *	- 3.2 *	- 2.8 *
Provider type:				
- private	excluded	excluded	omitted	omitted
- voluntary			- 1.2	- 1.3
- childminder			- 23.7 *	- 23.6 *
- maintained			- 8.8 *	- 7.6 *
- other / unclassified			- 8.3	- 8.5
Dummy variables for 12 LAs	excluded	excluded	excluded	included

Source: Evaluation Survey of Providers, 2018

Note: \* indicates a statistically significant marginal difference at the 95 percent confidence level. Model 1 contains all seven attitude measures. Model 2 adds provider type and model 3 adds dummy variables for the 12 LAs. The marginal difference for the attitude measures is the average for one category higher (responses more favourable to delivery). The marginal differences were statistically significantly different between all pairwise comparisons of the seven attitude measures except for between “childcare focus” and “help parents meet work needs”; between “parents will go elsewhere” and “fits business model”; and between “helps fill places” and “funding covers costs”. However, these comparisons in the size of marginal effect for a one category change should be treated with caution because the number of categories varies across the measures from three to five and because they are ordinal (rank) rather than cardinal (amount) categories. The marginal differences between types were only statistically significantly different between childminders and the other three types.

<sup>103</sup> Four analogous models for the probability of delivering or planning to deliver the extended hours generated a very similar pattern of results.

The results in table 43 show that:

- Five of the seven questions were statistically significantly positively associated with the probability of delivering the extended hours.
- One question (the balance in purpose between early education and childcare) had a surprising negative relationship with the likelihood of delivering the extended hours, suggesting that those focused more on early education were more likely to deliver them. However, including provider type in the analysis reversed the relationship to a positive one, suggesting that the raw negative relationship could be explained by a correlation between a focus on early education and maintained provider type.
- In the most complete model, the most influential factors were the question on whether parents will go elsewhere if the provider does not offer the extended hours and whether delivering the extended hours fits the provider's business model, while the question on the risks to business model from delivery were also important. In line with the qualitative findings, this suggests that views on the business consequences may be more important factors in the decision to deliver than a focus on childcare and supporting parents to work.
- The addition of controls for LAs in the final model made little difference to the relationships indicating that there are no patterns in the attitudes across LAs which could drive the findings.
- Childminders were statistically significantly less likely to deliver the extended hours than all other types of providers and maintained providers were statistically significantly less likely to deliver the extended hours than private providers even for reasons beyond the differences in these attitudes. However, this may have been because the attitude questions did not include a question about the level of demand which was found to be important for these provider types in the qualitative interviews.

## Annex C: Regression results for effects on families

A description of the analysis and summary of the findings for the following table is presented in section 6.1.

**Table 44: Perceived impacts on childcare use by demographic characteristics**

Characteristic	Percentage with positive perceived impact on childcare use	Marginal difference from base category (in % points)		
		Raw difference	Controls for demographics	Controls for demographics and LA
Couple parents	52%	base	base	base
Single parent	50%	- 2.1	- 14.9 *	- 14.8 *
Not large family	51%	base	base	base
Large family	53%	2.4	0.9	0.6
No degree level	57%	base	base	base
Degree level	47%	- 9.9*	- 2.2	- 2.3
Lower income	59%	base	base	base
Middle income	59%	- 0.0	- 4.3	- 4.7
Higher income	40%	- 18.5 *	- 22.7 *	- 22.1 *
No 2YO entitlement	50%	base	base	base
2YO entitlement	58%	8.7 *	5.6	5.7
No additional needs	51%	base	base	base
Additional needs	55%	3.9	- 1.7	- 1.2
White ethnicity	52%	base	base	base
Black ethnicity	54%	3.3	4.3	6.0
Asian ethnicity	51%	- 0.6	0.6	3.0
Mixed / other	39%	- 12.4 *	- 7.7	- 6.9
Number of children	2,628	2,618	2,430	2,430

Source: Evaluation Survey of Parents, 2018

Notes: \* indicates differences with the base that are statistically significant at the 95 percent confidence level. Differences were statistically significantly between the middle income and higher income groups in all three models and between the black ethnic group and mixed / other ethnic group in the raw differences. The patterns were the same in analogous models for the proportion reporting that the extended hours were the reason for using childcare except that the differences between the lower and middle income group were larger and statistically significant and there were no statistically significant differences by ethnicity.

A description of the analysis and summary of the findings for the following table is presented in section 6.2.1.

**Table 45: Perceived impacts on mothers' work use by demographic characteristics**

Characteristic	Percentage of mothers with perceived positive impact	Marginal difference from base category (in % points)		
		Raw difference	Controls for demographics	Controls for demographics and LA
Couple parents	41%	base	base	base
Single parent	47%	5.8 *	- 11.5 *	- 11.6 *
Not large family	41%	base	base	base
Large family	51%	10.2 *	8.5 *	8.3 *
No degree level	48%	base	base	base
Degree level	38%	- 10.4 *	- 1.6	- 1.9
Lower income	56%	base	base	base
Middle income	48%	- 7.9 *	- 9.6 *	- 9.9 *
Higher income	29%	- 27.1 *	- 28.0 *	- 28.3 *
No 2YO entitlement	39%	base	base	base
2YO entitlement	56%	15.7 *	8.9 *	8.8 *
No additional needs	42%	base	base	base
Additional needs	57%	15.2 *	10.0	10.3
White ethnicity	40%	base	base	base
Black ethnicity	47%	6.9	4.2	4.7
Asian ethnicity	59%	18.4 *	20.1 *	20.2 *
Mixed / other	42%	2.1	2.6	2.3
Number of mothers with children using extended hours	2,003	2,003	1,868	1,868

Source: Evaluation Survey of Parents, 2018

Notes: \* indicates differences with the base that are statistically significant at the 95 percent confidence level. The proportions were statistically significantly different between the middle and higher income groups in all three models and between Asian ethnicity on the one hand and black and mixed / other ethnicity on the other in all three models except between black ethnicity and Asian ethnicity in the raw differences. The patterns of differences were similar in analogous models for reason for being in work except that the proportion for large families was not statistically significantly different from that for non-large families and the proportion for Asian ethnicity was not statistically significantly different from those for black and mixed / other ethnicity.

A description of the analysis and summary of the findings for the following table is presented in section 6.2.2.

**Table 46: Perceived impacts on fathers' work use by demographic characteristics**

Characteristic	Percentage of mothers with perceived positive impact	Marginal difference from base category (in % points)		
		Raw difference	Controls for demographics	Controls for demographics and LA
Couple parents	25%	base	base	base
Single parent	44%	16.5	- 0.5	- 0.4
Not large family	26%	base	base	base
Large family	27%	1.0	- 4.2	- 2.2
No degree level	39%	base	base	base
Degree level	19%	- 18.3 *	- 14.0 *	- 15.5 *
Lower income	42%	base	base	base
Middle income	31%	- 10.7	- 3.2	- 5.0
Higher income	19%	- 22.6 *	- 10.6	- 10.3
No 2YO entitlement	24%	base	base	base
2YO entitlement	46%	18.9 *	13.5 *	13.3*
No additional needs	26%	base	base	base
Additional needs	33%	7.1	- 2.9	- 2.1
White ethnicity	24%	base	base	base
Black ethnicity	50%	26.4 *	22.0	27.7 *
Asian ethnicity	28%	4.7	10.0	15.1
Mixed / other	60%	36.4 *	38.7 *	38.8 *
Number of fathers with children using extended hours	449	449	402	402

Source: Evaluation Survey of Parents, 2018

Notes: \* indicates differences with the base that are statistically significant at the 95 percent confidence level. The patterns of differences were similar in analogous models for reason for being in work but the only statistically significant differences were between those with and without a degree and the higher and lower income groups in the raw differences.

A description of the analysis and summary of the findings for the following four tables is presented in section 6.3.3.

**Table 47: Impacts on childcare spending by demographic characteristics**

	Amount saved on childcare spending relative to expectations			Statistically significant differences	
	More	The same	Less	Raw differences	With demographic and LA controls
Couple parents Single parent	27% 40%	56% 44%	17% 17%	Single more likely to saved more	Single more likely to saved less
Not large family Large family	28% 32%	54% 54%	17% 13%	None	None
No degree level Degree level	35% 25%	53% 55%	12% 20%	Degree less likely to saved more and more likely to saved less	
Lower income Middle income Higher income	37% 30% 23%	51% 55% 56%	12% 15% 21%	Each higher income level less likely to saved more and more likely to saved less	
No 2YO entitlement 2YO entitlement	28% 35%	54% 50%	18% 14%	2YO entitlement more likely to saved more	None
No additional needs Additional needs	29% 32%	54% 56%	17% 12%	None	None
White ethnicity Black ethnicity Asian ethnicity Mixed / other	28% 32% 37% 34%	56% 44% 41% 47%	16% 24% 22% 19%	Asian families more likely to saved more and less likely to saved less	Asian families more likely to saved more

Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000 and £50,000 or more respectively. A large family is one with three or more children under the age of twelve.

**Table 48: Impacts on family finances by demographic characteristics**

	How much more money to spend			Statistically significant differences	
	Much more	Slightly more	No more	Raw differences	With demographic and LA controls
Couple parents Single parent	23% 20%	57% 49%	20% 30%	Single more likely to have no more	None
Not large family Large family	23% 19%	56% 59%	21% 23%	None	None
No degree level Degree level	20% 24%	54% 57%	26% 19%	Degree more likely to have much more and less likely to have no more	None
Lower income Middle income Higher income	18% 23% 25%	52% 56% 59%	31% 22% 16%	Lower income less likely to have much more and each higher income level less likely to have no more	
No 2YO entitlement 2YO entitlement	23% 18%	56% 54%	20% 28%	2YO entitlement less likely to have much more and more likely to have no more	None
No additional needs Additional needs	22% 22%	56% 50%	21% 28%	None	None
White ethnicity Black ethnicity Asian ethnicity Mixed / other	23% 14% 22% 22%	56% 56% 60% 59%	22% 30% 18% 20%	Black families less likely to have much more and more likely to have no more	Black families less likely to have much more

Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000 and £50,000 or more respectively. A large family is one with three or more children under the age of twelve.

**Table 49: Impacts on school readiness by demographic characteristics**

	Impact on school readiness		Statistically significant differences	
	Better	No difference	Raw differences	With demographic and LA controls
Couple parents Single parent	86% 87%	14% 13%	None	Single less likely to have better
Not large family Large family	86% 88%	14% 13%	None	None
No degree level Degree level	91% 83%	9% 17%	Degree less likely to have better	
Lower income Middle income Higher income	92% 90% 79%	8% 10% 21%	Each higher income level less likely to have better	
No 2YO entitlement 2YO entitlement	85% 90%	15% 10%	2YO entitlement more likely to have better	None
No additional needs Additional needs	86% 87%	14% 13%	None	None
White ethnicity Black ethnicity Asian ethnicity Mixed / other	85% 93% 90% 82%	15% 7% 10% 18%	Black and Asian families more likely to have better	

Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000 and £50,000 or more respectively. A large family is one with three or more children under the age of twelve.

**Table 50: Impacts on quality of life by demographic characteristics**

	Difference to quality of life			Statistically significant differences	
	Much better	Slightly better	No difference	Raw differences	With demographic and LA controls
Couple parents Single parent	43% 43%	36% 34%	21% 23%	None	Single more likely no difference
Not large family Large family	42% 49%	37% 33%	21% 18%	Large more likely much better	
No degree level Degree level	47% 40%	32% 39%	21% 21%	Degree less likely much better	
Lower income Middle income Higher income	49% 46% 37%	33% 33% 41%	18% 21% 22%	Each higher income level less likely much better	
No 2YO entitlement 2YO entitlement	43% 45%	36% 35%	21% 20%	None	None
No additional needs Additional needs	43% 50%	36% 30%	21% 20%	None	None
White ethnicity Black ethnicity Asian ethnicity Mixed / other	42% 40% 55% 43%	36% 38% 32% 36%	22% 21% 13% 21%	Asian families more likely much better and less likely no difference	

Source: Evaluation Survey of Parents, 2018

Notes: Lower, middle and higher income are defined as annual gross household income below £30,000, £30,000 or more and below £50,000 and £50,000 or more respectively. A large family is one with three or more children under the age of twelve.



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