

Rolling out free early education for disadvantaged two year olds: an implementation study for local authorities and providers

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This research report was commissioned before the new UK Government took office on 11 May 2010. As a result the content may not reflect current Government policy and may make reference to the Department for Children, Schools and Families (DCSF) which has now been replaced by the Department for Education (DFE).

The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Education.

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Executive summary

Background and aims of the study

The report presents the findings of a study of the 'two year olds offer', a programme that provides free early education to disadvantaged two year olds in England. The study, commissioned by the then Department for Children, Schools and Families (DCSF), was carried out by the Research Centre at the National Children's Bureau (NCB) and the National Centre for Social Research (NatCen).

Free early education for disadvantaged two year olds was first piloted in 2006. The offer aims to improve disadvantaged children's social and cognitive outcomes so that by the age of five they are as ready as their more advantaged peers to start and fully benefit from school. The programme aims to provide good quality early education combined with support for parents, for example, to improve their confidence in supporting their children's learning and to deal with other challenges in their lives, such as health problems and family difficulties.

The offer will be substantially scaled up in 2013, when every disadvantaged two year old will have a legal entitlement to part-time early education. The research has explored five key areas that are likely to shape the future implementation of the offer:

- How local authorities identify and reach the most disadvantaged families and what approaches seem to work best.
- Different approaches developed to effectively increase sustainable early education for disadvantaged two year olds.
- How authorities ensure that the needs of the children and families who take part in the programme are fully assessed, so that they can receive an appropriate package of care and support.
- Different models for improving the quality of early education.
- Flexibility of the provision and the factors which drive decisions about the way in which parents can use the offer.

Methodology

A case study approach was used to explore in depth the research questions from the perspective of local authorities, key stakeholders and childcare providers. Eight authorities with programmes of different sizes that had joined at different times were included in the study. The selected authorities included a mixture in terms of childcare markets, rural and urban areas, and levels of deprivation/affluence. Within each authority we interviewed childcare providers of different types (i.e. day nurseries, childminders, children's centres and sessional providers) and in different sectors. In-depth interviews were carried out with 44 local authority staff and other key stakeholders, 29 staff in 16 group settings, 11 childminders and four childminding co-ordinators.

Findings

Managing the offer

Approaches to managing the offer varied in terms of which local authority team led on the programme and whether management responsibility was centralised, shared or devolved. These variations reflected local circumstances and were developed in line with local needs. For example, in large rural areas it was not seen as appropriate for the management of the offer to be co-ordinated centrally by one person. While devolved and shared management arrangements could work well, once the offer is scaled up, it will be important to ensure that the model does not become disjointed. Whatever the arrangements, going forward the success of the offer will be crucially dependent on having sufficient capacity to effectively manage a considerably larger programme.

The development of the programme encouraged inter-agency working (e.g. with health services, JobCentre Plus) as local authorities needed help to identify and reach the 'right' families, and ensure families had access to a range of support, in addition to early education. However, there is scope for improving joint working with key stakeholders, including parents who, by and large, had not been involved in the development and implementation of the offer in the case study areas.

Arrangements for delivering the offer varied considerably, reflecting the balance authorities tried to strike between families' needs and circumstances and what local childcare providers were able and willing to offer. For example, some authorities that had received funding for 15 hours a week provided ten weekly hours instead, so that places could be offered to more families and could cover school holidays. The latter arrangement was more attractive to providers that operated an all year round service; avoiding long breaks was also considered to benefit children, particularly if the settling in period had proved difficult.

Views on the adequacy of the funding provided for the offer were divided and were largely influenced by local childcare rates. In some cases funding for the offer was similar or even higher than local rates, in others it was below, or considered sufficient to cover basic childcare, but not the additional resources required to support vulnerable two year olds. The fact that the offer was very part-time (i.e. 10-15 weekly hours) and usually only during term time, was also a barrier to recruiting some providers that operated all year round and typically offered longer sessions (e.g. 20 weekly hours).

Targeting the offer

The experiences reported by local authorities related partly to implementing the eligibility rules for the offer set by the previous government. These required local authorities to use local data (e.g. on areas where deprivation was highest, on families in receipt of benefits) to identify eligible families. However, this approach was not always seen as helpful in identifying families in greatest need. Use of local knowledge and professionals' expertise was seen as a much more effective outreach strategy.

In some areas the task of identifying, reaching and recruiting eligible families was seen very much as a partnership effort between various professionals and agencies within a local authority. Children's centres in particular could play a key role in identifying and reaching families for the offer. The findings suggest that a particularly effective strategy for the offer needs to involve a comprehensive list of children before they turn two (e.g.

birth data), complemented by information provided by professionals delivering a universal service (e.g. health visitors). There were challenges in relation to reaching families linked to geography, as identifying eligible families in remote rural areas could prove difficult. Children in temporary accommodation were also more difficult to engage and strategies should be explored to reach them more effectively.

Involving early years providers in the offer

The issues associated with identifying and engaging providers in the offer were influenced by the conditions of the local childcare market. In areas where childcare demand and childcare costs were high, it could prove difficult to sign up a sufficient number of providers, even for the relatively modest number of places supported by the current funding level.

Some difficulties were also evident in relation to signing up providers meeting quality requirements either established locally or by the previous administration (i.e. an Ofsted rating of good or outstanding, or a satisfactory rating but with demonstrable capacity and a plan to improve it). There was limited use of these settings in the case study areas, typically as the last resort (i.e. if nothing else was available locally) and in some cases in response to parents' preferences. However, the research findings show that when the programme is scaled up, it could prove very challenging to find a sufficient number of settings that meet quality requirements.

Local authorities did not appear to be relying solely on Ofsted ratings to assess providers' quality, as there was a widespread belief that Ofsted ratings were not always reliable. This is mainly because they are carried out infrequently (i.e. every three years), while a quality assessment has a short shelf-life, typically around a year. The reliability of Ofsted ratings was also questioned by some respondents because of inconsistencies between these and results from quality assessment schemes used locally.

Early years providers' experience of the offer

The offer appeared to have contributed to the sustainability of providers operating in very disadvantaged areas, with low demand for childcare and low fees. It seemed to have had a limited impact on providers for whom the offer was not particularly attractive for financial reasons. However, it did help to fill some of their places, and its role may increase in significance if high unemployment and financial difficulties result in a decline in demand for childcare from working parents.

There was evidence that providers were willing to be flexible in a range of ways, primarily to ensure children got the most out of their place, but in some cases they also demonstrated willingness to be flexible to meet parents' needs. However, their flexibility had limits and these were largely related to sustainability issues, and the fact that a part-time and term-time offer had to fit with services that were typically operating longer sessions and were open all year round.

The impact of the offer on quality improvement appears to have been limited. This was mainly because providers were already engaged in local support and quality improvement schemes offered (and indeed in some case made compulsory) by authorities, regardless of whether providers were engaged in this particular programme. Providers interviewed for the study were generally positive about the support provided by the local authority, although they identified some gaps around training on specific issues, frequency of support visits, information on and resources for children with disabilities and with special needs.

The offer required providers to engage with families in ways they were not used to, and this was particularly the case for providers that had very limited experience of working with vulnerable families. In some cases they were made aware of families' needs and risks and had to use this knowledge to provide adequate support for the children, work with parents to improve their ability to engage with their children's learning, and refer parents to other agencies and professionals.

Discussion and implications

Identifying and reaching the 'right' families

The findings on targeting families for the offer show a tension between being consistent in developing and applying eligibility criteria and outreach strategies, and using local 'intelligence' and professionals' knowledge of local families to ensure that the offer is provided to children who most need it. There were mixed views on criteria based on receipt of certain benefits¹, which were established by the former administration. On one hand, these criteria provided an easy way of 'standardising' the initial targeting process, on the other, they were not always seen as appropriate to identify the right families.

Authorities had also set their own additional eligibility criteria linked to local priorities and in some cases these were developed in consultation with multi-agency steering groups. Going forward, this would seem an effective way of ensuring that local priorities, as seen from the perspective of a range of family support agencies, are developed, monitored and refined when necessary. Multi-agency groups could also ensure that any flexibility allowed to minimise bureaucracy and maximise the use of local knowledge and networks did not result in 'mis-targeting' and the exclusion of certain groups (e.g. families who are not already engaged with local services).

Increasing sustainable provision

In deprived areas with low demand for childcare and low childcare costs, the offer has supported the financial viability of some providers (particularly children's centres). In these areas the current funding arrangements would appear adequate to support the planned expansion in the number of places.

However, it is likely that in childcare markets with high demand for childcare and high costs different funding arrangements would be required, as the current funding formula was not seen as financially viable to support the kind of expansion envisaged by 2013. The task of making the offer more attractive in these areas is likely to be facilitated if authorities are given more flexibility in using funding, for example, in deciding the amount of early education eligible families are entitled to. The evidence suggests that when authorities were able to use funding creatively to make the offer more financially attractive, this was done in ways that helped to sustain the quality of provision (e.g. providing staff training, specialist support, home learning resources) and its flexibility (e.g. funding for provision during holidays). However, unless central funding is adjusted to take into account higher than average childcare costs in some areas outside London², this may mean that compared with less expensive areas, in expensive

¹ According to rules established by the previous government, in order to be eligible for the offer families had to be in receipt of out of work benefits, extra working Tax Credit relating to disability or Child Tax Credit at a rate higher than the family element.

² At £6 an hour funding for the offer in London is already higher than in the rest of the country (£4.85 an hour).

childcare markets the offer could consist of fewer hours and/or weeks, and there may be fewer places and/or fewer places with high quality providers.

Engagement of childminders in the offer was limited. While in some cases this reflected parental choice, the research shows that there is room for increasing their involvement, as they could play an important role in supporting future expansion. Like group settings, childminders were affected by the financial issues mentioned above and flexibility in how authorities use funding could also make the offer more attractive to childminders. In addition, their participation in the programme could be encouraged by providing support for quality improvement, the achievement of relevant qualifications and facilitating participation in local childminding networks.

An appropriate package of care and support

There was a widespread commitment to the idea that the offer was more than just early education and it required providing a range of support to ensure that children fully benefit from the programme. However, it was also evident that childcare providers' engagement with family support varied considerably. Predictably children's centres were typically more engaged in supporting families' diverse needs. At the other end of the spectrum, there were providers with very limited experience of working with children and families with complex needs, as they had traditionally catered for more affluent families.

Going forward, the success of this aspect of the offer is very likely to depend on the availability of children's centres, which played a key role in providing and co-ordinating family support in the case study authorities. It will also be important to offer training and support to providers with limited experience of catering for vulnerable children, to ensure they will have the capacity and the confidence to increase their in-take from the offer, or indeed take part in the programme for the first time.

Some authorities made engagement with family support a condition for providing an early education place. While there was no evidence that this 'stick' was widely used, it is questionable whether this approach is in the best interests of the child.

Improving the quality of provision

Some authorities experienced difficulties in signing up sufficient providers that met quality requirements. When the programme is scaled up, it could prove very challenging to find enough settings of sufficiently high quality. A related challenge as the programme is extended will be what approach the Department for Education (DfE) and local authorities take to defining quality provision, and how this is monitored and enforced. As we have seen Ofsted ratings were not considered sufficient and authorities were relying on a range of quality assurance schemes. The latter will all vary to some extent in the criteria they focus on and there may also be variations in how far their approach to monitoring and ensuring quality is evidence based. As the offer is scaled up, the DfE may wish to consider how much variation in approaches across local authorities they feel is acceptable. Should there, for example, be a list of 'approved' quality schemes? Or should local authorities be required to follow national guidelines (such as the quality assurance principles developed by the National Quality Improvement Network) summarising what an appropriate quality scheme should cover and how this should be monitored?

Flexible provision

Based on interviews with local authority staff and childcare providers, it would appear that many parents on the programme did not have the kind of requirements more

typical of working parents (e.g. need for care early in the morning and late afternoon and in some cases at the weekend). Issues of flexibility therefore mainly centred around the need to fit a sessional and term-time offer with services that were typically operating longer sessions and all year round. As discussed above, flexibility about the use of funding for the offer could help deal with some of these issues, with, for example, funding spread over a longer period to avoid holiday interruptions.

However, what was also evident from the research findings is the amount of effort that may be required to find arrangements that suit families, are in the best interests of children and are financially viable for providers. The level of discussion and negotiation to achieve this balance between different interests should not be underestimated; in many cases this balance will not just happen or be regulated by the 'invisible hand' of the market. When the offer is scaled up, some local authorities may have to invest considerable time and resources in ensuring that the needs of different groups can be met.

1. Introduction

The report presents the findings of a study of the ‘two year olds offer’, a programme that provides free early education to disadvantaged two year olds in England. The study, commissioned by the then Department for Children, Schools and Families (DCSF), was carried out by the Research Centre at the National Children’s Bureau (NCB) and the National Centre for Social Research (NatCen) in late 2010 and early 2011.

In the first part of this chapter we provide a context for the research by tracing the ‘history’ of the two year olds offer showing how it has evolved since it was launched in 2006. We then briefly outline the state of the childcare market in England. In the last part of the chapter we present the aims of the evaluation and the methodology adopted to achieve these aims.

History of the two year olds offer

The two year olds (pilot) programme was launched in 2006 in response to growing evidence of:

- the strong influence that family background, and particularly the home learning environment, can have on children’s cognitive and social development from a very young age
- how high quality early education can counter the potential negative effects of living in circumstances that do not facilitate children’s cognitive and social development³.

The two year olds programme was seen as playing a crucial role in improving disadvantaged children’s social and cognitive outcomes (e.g. social confidence and independence, verbal skills and reasoning ability), and in ensuring that by the age of five they are as ready as their more advantaged peers to start and fully benefit from school. This was and has remained the overarching aim of the programme despite a change of administration in May 2010⁴.

There are two other important features of the offer that again have been retained across the two administrations. First, the provision of support for parents, as well as early education, to ensure that disadvantaged two year olds fully benefit from the programme. Through links with other initiatives (e.g. children’s centres), the offer aims to give parents access to the range of support they need to deal with challenging circumstances⁵, which may prevent them from providing the kind of home learning environment children need to thrive and fully develop their potential. Second, the evidence mentioned above clearly shows that only good quality early education results in improvements in cognitive and social development, and at every stage the programme has tried to ensure that the funding is given to childcare providers that can

³HM Treasury (2004) *Choice for Parents, the Best Start for Children: a Ten Year Strategy for Childcare*, The Stationary Office: London.

⁴DCSF (2009) *Free Early Learning and Childcare – The Offer for Two Year Olds, A guidance document for local authorities*, July 2009; DfE (2011) *Trialling New Approaches to Free Early Education: Guidance for Local Authorities Bidding for Funding*, February 2011.

⁵ This support could be very wide ranging and include, for example: support with home learning and parenting skills, health advice, counselling, housing and benefit advice, employment support and training.

offer good quality early education. Provided that they meet certain quality standards, all providers (i.e. day nurseries, those providing sessional care, childminders, nursery schools and classes) are eligible for this funding.

In the rest of the section we outline briefly the development of the programme, in relation to: the number of places and/or level of funding available, and the criteria for defining eligible families and childcare providers. The development of the programme is also summarised in Figure 1.1.

Early stages of the offer 2006-08: phases one and two

Before it was expanded to all local authorities, the offer was piloted in phases one and two (2006-8). In phase one, 13,500 places were delivered in 32 local authorities over a two year period. The offer consisted mainly of 7.5 weekly hours (for 38 weeks), although some authorities provided 12.5 hours, in line with the three and four year olds entitlement at the time⁶.

Initially, authorities implementing the pilot were given flexibility to define disadvantage, depending on local needs and circumstances. This led to a wide range of eligibility criteria being used. Examining this, the evaluation found that while the pilot was reasonably well targeted, there was scope for improvement to ensure that the programme reached children who were most likely to benefit⁷. In response to this evidence, in 2008, when an additional 31 authorities were given funding to provide the offer, authorities were asked to use a more targeted and data driven approach to identify disadvantaged families, with a focus on economic deprivation.

In recognition of the difficulties of engaging parents in very challenging circumstances, additional funding for outreach work and family support was provided in 2008 and the offer was increased to 15 hours a week (for 38 weeks)⁸.

In order to ensure that the programme funding was spent on good quality provision, initially providers were required to operate the Birth to Three Matters curriculum, while later they were required to implement the Early Years Foundation Stage (EYFS) 0-5, which was introduced in September 2008.

Expansion of the offer 2009: phase three

Since September 2009, all local authorities have been expected to provide free early education for disadvantaged two year olds. In 2009 funding was announced for approximately 23,000 places a year (for ten hours a week, 38 weeks a year). The level of funding awarded to each authority was based on their size and level of deprivation, and the number of allocated places could vary from a minimum of 50 to more than 800.

The eligibility criteria were tightened: only families in receipt of certain benefits were eligible for a free place, with the opportunity for authorities to have additional eligibility criteria reflecting local needs and priorities (see Appendix A for the benefit requirements and examples of additional criteria). The then DCSF guidance also specified that funding should not be used to replace provision a child is already accessing, for example, as a result of being on the Child Protection Register.

⁶ Smith R., Purdon S., Schneider V., La Valle I., Woolny I., Owen R., Bryson C., Mathers S., Sylva K., Lloyd E. (2009) *Early Education Pilot for Two Year Old Children Evaluation*, Research Report DCSF-RR134, DCSF: London.

⁷ Smith et. al. (2009) op. cit.

⁸ DCSF (2008) *Two Year Old Pilot Support Pack – a Guide for New Local Authorities*, September 2008.

Authorities were expected to use a range of data tools to identify the most disadvantaged areas where they should focus their outreach efforts. Additional funding for outreach work and a programme manager was also provided⁹.

Rules were tightened in relation to expectations about the quality of provision. The pilot evaluation showed that expected benefits in terms of children's cognitive and social development, and parent-child relationship were only found among children who attended a setting of sufficiently high quality¹⁰. Given this evidence, the then DCSF specified that providers could be funded if:

- they have a good or outstanding Ofsted rating, or
- they have a satisfactory Ofsted rating but can provide sufficient evidence that they are working towards a good rating.

Other conditions of funding included:

- for group settings, having or being committed to employing a graduate with Early Years Professional Status
- for childminders, being part of a network recognised by the local authority and preferably having or working towards a relevant level three qualification
- regularly evaluating the quality of provision and participation in local or national quality improvement schemes¹¹.

Next steps 2011-15

In October 2010, the coalition government announced, as part of the Fairness Premium, the **legal entitlement** to 15 hours of free early education for every disadvantaged two year olds from 2013 (currently only three and four year olds are legally entitled to free provision). As indicated in Figure 1.1, this will involve a considerable increase in funding and a significant scale up of the programme in terms of number of places, from the current number of 20,000 to around 130,000 from September 2013.

The Department for Education (DfE) is introducing legislation through the Education Bill that will place a statutory duty on local authorities to provide the entitlement from 2013. Clause 1 will amend Section 7 of the Childcare Act (2006), so that through regulations a statutory entitlement can be introduced to free early education for disadvantaged two year olds.

The amendments will allow for more flexible eligibility criteria to be introduced. This will enable funding to be targeted at the most disadvantaged two year olds. Secondary legislation (regulations) will define which two year olds will receive a statutory entitlement to 15 hours of free early education from 2013.

Funding for the expansion of the two year olds offer will be provided as part of the Early Intervention Grant, which is not ring fenced, so there is no obligation to spend the money on early education for disadvantaged two year olds. However, the government will set out its aspirations for use of the Grant, and DfE will monitor how much funding each authority spends on free places for two year olds. Furthermore, there is an expectation that local authorities will recognise the need to increase investment in early education for two year olds over the next two years, as they move towards a legal duty to provide free places for all disadvantaged two year olds from 2013.

⁹ DCSF (2009) op. cit.

¹⁰ Smith et. al. (2009) op. cit.

¹¹ DCSF (2009) op. cit.

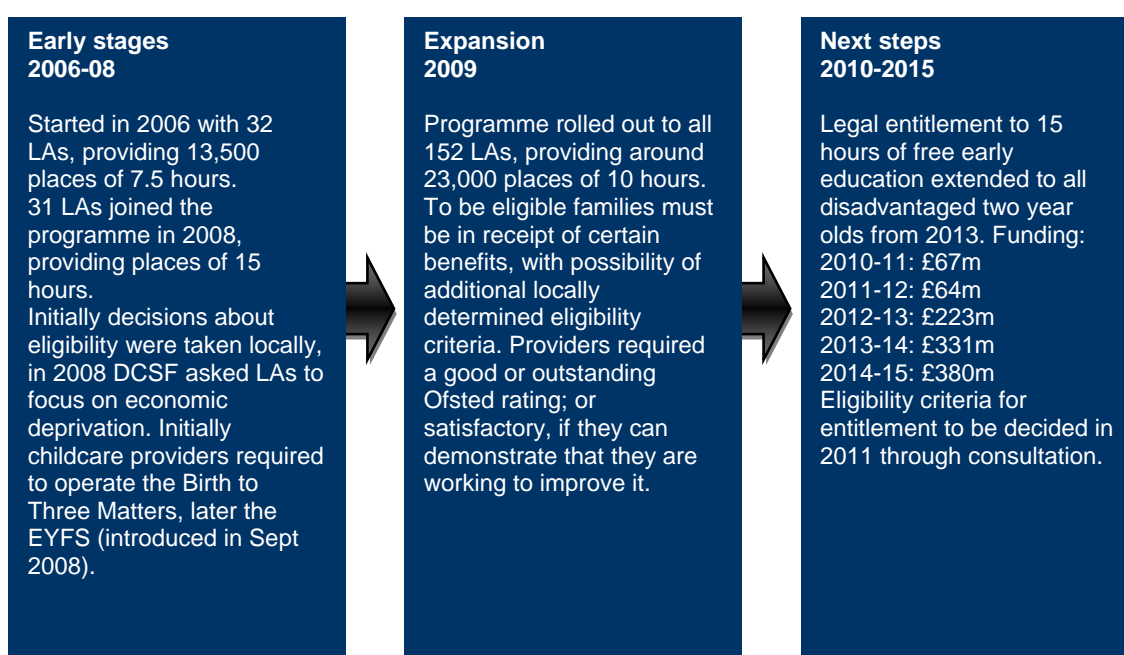
As described in the previous section, the current definition of ‘disadvantage’ is primarily based on economic deprivation, but local authorities are able to use secondary criteria to allocate places¹². DfE will consult later in 2011 on the definition for disadvantage to be used from 2013.

In 2011-12, DfE will be providing £4m additional funding for authorities to demonstrate effective and sustainable ways of:

- expanding early years education
- improving the quality of provision
- offering parents greater flexibility in how they use the free entitlement for their two, three and four year olds¹³.

Impact assessments will be integrated into these ‘trials’ and carried out by local authorities as part of their work to develop and share learning.

Figure 1.1 History of the two year olds offer



The childcare market

Four year olds have been legally entitled to free part-time early education since 1998 and this right was extended to three year olds in 2003. Take-up of this entitlement is now almost universal among four year olds (97 per cent) and very high among three year olds (87 per cent)¹⁴. While there are concerns about the small proportion of children who do not receive any early education (and who are mainly from low income families), the free entitlement for three and four year olds is generally considered to have been successful. The key factors that have led to this success are summarised below.

¹²<http://www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/b0070114/early-learning-for-disadvantaged-two-year-olds/toolkit-part-one---resources-for-local-authorities>

¹³ DfE (2011) op. cit.

¹⁴ Smith R., Poole E., Perry J., Wollny I., Reeves A. (2010) *Childcare and early years survey of parents 2009*, Research Report DfE-RR054, DfE: London.

- Three and four year olds have a legal entitlement to part-time early education. As the experience of other European (particularly Scandinavian) countries shows, this is a key defining feature of childcare systems with high levels of participation in early education.
- Part-time early education for three and four year olds is provided free at the point of delivery. Funding for the scheme is given directly to childcare providers thus avoiding many of the complications associated with subsidies paid to parents (e.g. complicated administrative arrangements which leave parents uncertain about when and how much childcare funding support they are entitled to).
- Most early education for three and four year old children is delivered by nursery schools and primary schools in their nursery and reception classes. This could largely explain the very rapid expansion, as most places were created within existing structures. In addition, it is also likely that the task of ensuring sufficient (part-time) early education has been facilitated by the fact that most new capacity has been created in settings over which local authorities have some direct control (i.e. schools)¹⁵.

When looking at participation in early education under the age of three, the picture is very different. Early education for children under the age of three is delivered mainly by private and a growing number of voluntary sector providers, including childminders. The level of provision has historically been largely dependent on parents' ability to pay fees that tend to be high, and providers (particularly private ones) have been reluctant to operate in areas where parents' income levels are low. Both childcare subsidies for working parents and the efforts some authorities have made to expand provision for young disadvantaged children (including the nationally funded two year olds offer) may have changed the picture in some areas and to some extent. However, overall the national picture shows that children under the age of three who receive early education continue to be mainly from affluent backgrounds¹⁶.

This picture will change if, as planned, the two year olds offer is significantly expanded. The two year olds programme has two of the key features that seem to have determined the success of the free entitlement for three and four year olds, that is: **a legal entitlement** to part-time early education and **provision that is free at the point of delivery**. However, unlike the free entitlement for three and four year olds, which is provided in large part by the statutory sector, the expansion in provision for the two year olds offer is expected to come primarily from the private and voluntary sector. This will require a significant change for many providers (particularly private ones) that have mainly served an affluent client group and affluent geographical areas. Furthermore, the part-time and term-time offer for three and four year olds fitted well with provision in schools which is, by and large, sessional and provided only during term time. However, the part-time and term-time offer for two year olds will have to be provided mainly by childcare providers who operate all day and all year around services. These could require a considerable adjustment and flexibility of the part of these providers.

Finally, it is worth noting some 'imperfections' of the childcare market, which affect provision for all children and have proved difficult to rectify despite some efforts to do so. First, disabled children have more difficulties in accessing provision which can meet their needs. Second, provision is not sufficiently flexible to meet parents' needs, for example, for childcare at variable times or days, and outside 'standard' opening times. Third, concerns remain that too much provision is not of sufficiently high quality. For example, the evaluation of the two year olds pilot found that, while most children attended a setting where provision was adequate, the quality was not sufficiently high

¹⁵ La Valle I. and Smith R. (2009) 'Good quality childcare for all? Progress towards universal provision', *National Institute Economic Review*, N. 207, pp. 75-82, NIESR: London.

¹⁶ La Valle and Smith (2009) op. cit.; Smith et al. (2010) op. cit.

to bring about the kind of changes in cognitive and social developments envisaged by the programme¹⁷.

The study aims and methodology

Data for the study was collected between November 2010 and February 2011, this was shortly after the introduction of the Fairness Premium. However, the experiences of local authorities and childcare providers included in the research largely relate to phase three and the guidance provided by the then DCSF at that stage. The study has therefore focused on what worked more or less effectively within the phase three framework, and how this learning can inform future decisions about the implementation of the offer. The research has explored five key areas that are likely to shape the future implementation of the offer:

- **Targeting:** we have investigated how local authorities identify and reach the 'right families' and what approaches seem to work best. In particular, we have explored the suitability of the data tools for targeting the offer, and other approaches authorities have used when data tools did not seem adequate or sufficient to identify the children who could benefit most from the offer.
- **Sustainability:** we have studied different approaches developed to effectively increase sustainable provision for disadvantaged two year olds. In particular, we have explored what has proved more or less effective from the perspective of local authorities and providers operating in different childcare markets and catering for children with different needs.
- **Integration of services:** we have explored how authorities ensure that the needs of the children who take part in the programme and their families are fully assessed, so that they can receive an appropriate 'package of care'.
- **Improving quality:** we have investigated different models for improving the quality of provision. Here we have focused on authorities' decisions to give funding to childcare settings with a satisfactory Ofsted rating and how they ensure that providers have mechanisms in place to improve the quality of their provision. We have also explored more widely the kind of quality improvement support authorities offer to different childcare providers, and how effective different approaches are from the perspective of different types of provider.
- **Flexibility:** we have explored the flexibility of the provision offered to families, and what factors drive decisions about the way in which parents can use the offer (e.g. on which days and at which times). Here we focus on facilitators and barriers to flexible provision and creative ways in which providers have met parents' needs.

A case study approach was used to gather the data for the study. This approach has allowed us to explore in depth the key research topics outlined above from multiple perspectives (local authorities, key stakeholders and childcare providers). We have therefore explored the implementation of the programme at two levels: the management of the programme by local authorities, and the delivery of the programme by early years providers.

We selected eight case studies, which included authorities with programmes of different sizes and that had joined at different times, some had been running the programme since 2006, while others started later, in either 2008 or 2009. We also selected authorities with different childcare markets, in rural and urban areas, and

¹⁷ Butt S., Goddard K., La Valle I. (2007) *Childcare nation?* Daycare Trust: London; La Valle and Smith (2009), op. cit.; Smith et. al. (2009) op. cit.; Smith et. al. (2010) op. cit.

disadvantaged and more affluent areas. Through a screening exercise, we also tried to maximise diversity in terms approaches to targeting and outreach, selecting providers and quality improvement (a profile of the sample is included in Appendix B).

In each case study, we collected relevant documentation (e.g. Childcare Sufficiency Assessment, local evaluations of the programme, programme development plans) and carried out in-depth interviews with:

- **Local authority staff and other key stakeholders** involved in the implementation of the offer. A total of 44 interviews were carried out with this group which included early years leads, project managers, family support and outreach workers, quality promotion officers, business support officers, education and health practitioners.
- **Staff in group settings.** A total of 16 settings (two per case study area) in the statutory, voluntary and private sector were included in the study. They included children's centres, day nurseries and sessional providers (see Box 1.1). In all settings we interviewed the manager and in most cases another member staff. A total of 29 staff were interviewed.
- **Childminders and childminding co-ordinators.** A total of 15 respondents provided a 'childminder perspective', these included 11 childminders with experience of delivering the two year olds offer and four childminding co-ordinators, whose role included involving childminders in the programme. Not all case study areas were (yet) delivering the programme via childminders, and in these cases the childminder co-ordinator was interviewed, except in one area where there were no plans currently to engage childminders in the programme, and therefore there was no suitable person to interview.

An outline of each case study area is included in Appendix C.

Box 1.1 Early years providers included in the study

The study included a total of:

Six children's centres
Four sessional care/playgroups
Six daycare/day nurseries

In terms of sector, the breakdown of the group settings was:

Seven private
Five voluntary
Four maintained

In terms of Ofsted rating the study included:

Two group settings rated as outstanding
Eleven rated as good
Three rated as satisfactory

Of the 11 childminders included, the Ofsted ratings were as follow:

Three outstanding
Eight good

Report outline

Chapter 2 outlines the ways in which local authorities and local childcare providers understood and interpreted the aims and objectives of the two year olds offer. It also explores different management and delivery models employed across the case study areas.

Chapter 3 presents findings on eligibility criteria local authorities used in order to provide the offer to the 'right' families, as well as how local authorities identified eligible families and what approach seemed to work best. In particular, we explored the issue of suitability of data tools for targeting families and what local authorities have done when data tools did not seem adequate or sufficient to identify the children who would benefit most from the offer.

Chapter 4 focuses on the work done by local authorities to identify and support suitable providers to deliver the offer. It describes the various criteria case study authorities used to identify suitable providers and explores different approaches developed to recruit providers for the offer. The chapter also outlines the different approaches taken to supporting quality improvement and discusses views on the appropriateness of the criteria outlined in the guidance provided by the then DCSF.

Chapter 5 explores providers' experiences of delivering the two year olds offer, focusing particularly on the profile and needs of children and families on the programme, its impact on settings and practice, links with other support services, and transitions for three year olds.

Chapter 6 draws together the main research findings to consider lessons learnt that could inform the future development and scaling up of the two year olds offer.

2. Programme aims, management and funding

This chapter begins with a discussion of the ways in which local authorities and local childcare providers understood and interpreted the aims and objectives of the two year olds offer. It then outlines the management and delivery models being employed across the case study areas, and the main reasons for variations in terms of:

- location of, and approach to, strategic and operational management
- number of hours of childcare provided and when these are available
- use of different types of providers to deliver the childcare and family support elements of the programme
- identification and recruitment of families
- allocation of families to providers
- the additional family support offered.

We identify the key partners who were involved in delivering the offer across the case study areas, and discuss the range of views on the key benefits and challenges of partnership working. Finally we describe how funding for the offer was used in the case study areas, and explore local authorities' and providers' perceptions of whether or not the funding was adequate, with particular reference to the possibility of the programme being extended to all disadvantaged two year olds.

Local interpretations of programme aims

Commitment to early education and additional family support

The main aim of the two year olds offer is to improve children's social and cognitive outcomes by providing free early education to disadvantaged two year olds. In addition, it is intended to have a positive impact on parents' well being and on child-parent relationships.

Our interviews with local authority staff suggested that case study authorities shared this commitment to offering more than simply free childcare. The two year olds offer was widely seen as supporting local authority commitments to early education and to improving outcomes for vulnerable children. It was suggested that the programme supported smooth transitions into further early education aged three, and promoted the idea of childcare settings and children's centres as providers of early education.

However, local authorities varied in the extent to which they felt the offer supported local aims and their pre-existing commitment to early years education. For example, one district service manager described how the offer was seen as:

"...a fundamental thing to our strategies for engaging and improving outcomes." (Local authority respondent)

A respondent in one area commented that although they had not provided a similar programme before the offer, it was something they would have wanted to do but on a smaller scale. There was also variation in the number of links local authorities had

made between the offer and other initiatives. In some areas, there was evidence that the programme was very well integrated with other initiatives, including pilots aimed at narrowing gaps in educational achievement, as well as those demonstrating a commitment to early years more generally. In other areas there was less clear evidence of these links.

Local authorities were all clear that the family support element of the programme was very important. For example, a parenting practitioner described how they introduced the programme to parents as involving more than just childcare:

“So, part of my talk about the two year old pilot involves: ‘And the children’s centre has these, and you could access this while little Johnny goes to nursery on Tuesdays, and you can go here’. So I try and encourage them to think about what they could do to kind of improve things for themselves as well, and I always try and carry around with me timetables for the various children’s centres so I can hand those out as well. ...I like to look at what else is on offer really for the parents to be able to take the younger children to or for themselves to do.” (Local authority respondent)

While local authorities all appeared to be committed to the principle of offering additional family support, there were differences in how this was implemented in practice, which appeared to impact on how central this element was to families’ experience of the programme. One approach was to make offering a childcare place conditional on parents engaging with, or taking up, additional family support, for example, by insisting that parents attend at least one activity offered by a children’s centre, or by making engagement with a family support worker mandatory. Where this approach was taken, families that refused to engage with the family support worker would be refused a place on the programme. However, we found no instance of a place being withdrawn after a child had started attending an early education setting because parents did not engage with additional services.

Another, less strict, approach was to encourage parents to take up additional services, but with no obligation on them to do so. Local authorities that took this latter approach reported varying degrees of parental engagement with additional support. One view was that, in relation to working parents in particular, the need for this kind of support was not always clear cut. This may suggest that additional support, while an important part of the offer in all case study areas, was not necessarily viewed as essential for every participating family.

Discussions with childcare providers concerning their motivations for becoming involved in delivering the two year olds offer suggested that they shared a commitment to supporting disadvantaged children and families through the provision of early education and additional support. Although fees were one motivation, providers also emphasised:

- helping children who would not normally have an opportunity to attend early education
- enabling parents to attend work or education
- developing better links with other agencies
- helping the community in general.

Additional aims

Some local authority respondents identified further specific aims for the two year olds offer in their areas. For example, one area had a particular focus on ensuring the programme supported **employability** among parents of disadvantaged two year olds. It was suggested that the offer supported this not only by providing free childcare (and

thus ensuring that returning to work was financially more beneficial than staying at home), but also by focusing the additional support offered to families around employment. For example, children's centres were encouraged to offer confidence building and basic skills courses, and children's centres and parents were encouraged to engage with Jobcentre Plus and local employers.

Linking with other pilots and strategies

Local authority respondents mentioned a range of other programmes and strategies they felt the two year olds offer linked with, including:

- Every Child a Talker (ECaT)¹⁸: this is a programme designed to support practitioners to work with children and their parents to support the development of young children's speaking and listening skills.
- Healthy Child Pathway pilot¹⁹: this programme aims to optimise child development and emotional well being, and to reduce inequalities, by providing practitioners, particularly health visitors, with information and tools to use with parents.
- Transitions pilot: this was a local scheme that encouraged better ways of working on the change between nursery and primary school.
- Family Intervention Projects and Early Intervention Strategies: these initiatives provide families most 'at risk' with intensive support around a wide range of issues.
- Narrowing the Gap and Improving Outcomes strategies: Narrowing the Gap is a national project, launched by the then DCSF in 2007 and aimed at improving outcomes for the most vulnerable children to reduce the gap in outcomes between this group and children as a whole.
- Child Poverty strategies: local authorities were required to develop a Child Poverty strategy following the 2010 Child Poverty Act.

Linking the offer with other programmes and ensuring it was included in as many other local strategies as possible was seen as important, both in terms of ensuring that eligible families are identified and referred to the programme, and in maximising the benefits for children and families. For example, linking the programme with ECaT helped ensure parents become partners in their child's education, while linking the programme with the Healthy Child Pathway helped build links between the programme, schools and nurseries.

Programme management

Approaches to managing the two year olds offer varied across case study local authorities in terms of:

- where management of the offer sits within local authorities
- the extent to which management responsibilities are spread across teams or concentrated in particular individuals
- how centralised or devolved management of different elements of the programme is
- the existence and input of steering groups.

¹⁸ See DCSF (2008) Every Child a Talker: guidance for early language lead practitioners, <https://www.education.gov.uk/publications/standard/publicationDetail/Page1/DCSF-00854-2008>

¹⁹ http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_107565

Within the local authority, management for the two year olds offer generally sat within the Early Years team. However, there were exceptions to this, with examples of management being split across the Early Years team and the Family Support team or sitting within an Achievement/Quality team. Staff members already being based in particular teams appeared to influence decisions around where management for the programme sat. For example, the lead for 0-3 year olds in one authority was based within the Quality team, and strategic management for the two year olds offer sat with this team. A range of different staff within these teams were identified as being involved in the strategic and operational management of the programme, including: early education entitlement officers, early years project officers, programme managers, business managers, early years leads, quality promotion officers, childcare managers and inclusion officers.

While some local authorities had one person who oversaw the whole programme (while reporting to and consulting with senior members of staff), others had established a small team or working group to manage different aspects of the offer. For example, in one local authority the offer was managed by a team of three people. The first had overall responsibility for the day-to-day management. The second was responsible for administration of the offer and allocating places to providers. The third member of staff was responsible for the development and implementation of the programme. In some areas, the project was coordinated by a dedicated project officer, funded specifically to work on the two year olds offer. In others, this role was embedded within other people's existing roles, at least after the initial set up of the programme was complete. For example, the allocation of places was part of the childcare placement officer's role, alongside allocating places for the three and four year olds programme and other work.

Different views were expressed about the benefits of these approaches. Employing an individual with responsibility for overseeing the programme was seen to have advantages in terms of providing a central point of contact, consistency and coordination of the different elements of the offer. However, having a team of staff, or working group, overseeing the offer enabled them to draw on a range of knowledge and expertise. At the same time, there was concern that team-based management could lead to a disjointed approach and 'things falling through the cracks'. Effective communication and close working relationships were important for avoiding these potential pitfalls.

A further distinction was apparent in the extent to which local authorities devolved aspects of operational management to staff involved in delivering the programme on the ground, for example, children's centre managers and family support workers. Although there was evidence of some local authorities managing all functions within a central team, others delegated specific functions to local members of staff. In these cases, identifying and recruiting families, managing referrals and allocating families to providers could be overseen by family support workers in particular, whereas data management, overall responsibility for quality monitoring, funding and adhering to government guidance were all reported as the responsibility of centrally based local authority staff in all of the case study areas.

Geography was one factor influencing this decision, for example, in one local authority it was not feasible to have a single dedicated outreach worker recruiting families due to the size of the county. Involving local professionals in managing aspects of the programme was felt to be beneficial as family support workers and children's centre managers were considered to have a good knowledge of families in their areas and strong relationships with parents, which helped when trying to promote or engage families in the offer. Close communication between these staff and the central team was essential to ensuring that the local authority was up to date on progress.

Steering groups

The guidance issued to local authorities when the offer was rolled out nationally in September 2009 suggested that a local steering group, with all key delivery partners represented, was a minimum requirement for management of the programme. However, local authorities varied in terms of whether or not they had actually established a steering group. Moreover, where steering groups were in place, their size and composition ranged from small groups with a few members, to much larger multi-agency panels with representation from many of the organisations listed below.

Participants in areas where steering groups were in place identified a range of professionals who had been involved, including:

- childcare providers
- children's centres
- Common Assessment Framework (CAF) team
- Family Information Services
- educational psychologists
- Barnardo's
- local authority Inclusion team
- JobCentre Plus staff
- school staff
- health professionals
- early years officers.

Steering groups were seen as offering benefits in terms of shared learning and improved consistency across the local authority. However, an alternative view was that steering groups were not effective for actually delivering a programme:

"I don't like committees, steering groups particularly because [slight hesitation] they might massage a lot of egos but they don't necessarily get things done."
(Local authority respondent)

It was also suggested that uncertainty about the future funding of the offer, at the time of the interviews, had created some difficulties in meaningfully engaging with steering group members.

Alternatives to establishing specific steering groups for the two year olds programme were also described. These included using existing private and voluntary sector childcare provider groups for advice and support, or consolidating existing early years advisory groups to avoid members being required to attend multiple groups. One area had established a steering group in the initial set up stage for the programme to provide information and advice, but dissolved the group once the offer was well established.

Parents were not represented on steering groups in the case study areas. This was justified in terms of the need to focus on setting criteria for eligibility and delivery of the programme. It was also reported that short lead in times for delivering the offer created difficulties for involving parents. However, it was acknowledged by staff in one local authority that it might be useful for parents to attend a steering group meeting to share their experiences as users, and there was evidence of parents feeding their views into the programme in other ways, for example, through parent fora held in local children's centres and through local evaluations.

Delivery models

While the basic delivery model for the offer was set out in the guidance issued in 2009 when the programme was extended to all local authorities (see Chapter 1 for details), there were local variations with respect to:

- the number of places being offered (largely determined centrally by the then DCSF)
- the number of hours of childcare offered per week (either 10 or 15) to participating families, and when these hours were available
- the balance between the different kinds of providers involved in delivering the childcare element of the offer
- the eligibility criteria, how families were identified, recruited and allocated to providers
- the additional support provided to families and how this was managed and delivered.

Number of places and hours offered

The numbers of places case study authorities were funded to deliver varied from less than 100 to over 300, to offer either ten or 15 hours of provision per child per week. While some case study authorities said that they had no choice over whether they offered ten or 15 hours as this was determined by which phase of the programme they were participating in, in other cases the decision about how many hours to offer as standard appeared to be influenced by several local considerations other than simply how much funding they received from central government.

The first reason that determined the number of hours offered was related to the three and four year olds entitlement. One local authority reported that at the time the two year olds offer was being introduced, the three and four years olds offer had not yet been extended to 15 hours. They therefore opted for ten hours for two year olds to avoid children dropping down to 12.5 hours when they turned three. The second reason related to reductions in the number of places allocated to authorities between the different phases of the programme. Offering fewer hours was a means of supporting more families and reducing the impact of reductions in number of places funded in later phases. A third reason for offering ten rather than 15 hours was to enable the funding to be stretched to offer a place over the school holidays (see also discussion in the 'Funding' section below). As discussed below, there was also evidence of some local authorities using alternative funding sources in order to provide extra hours for families. This was particularly noticeable in one local authority with a strong emphasis on employability, which used funding from other programmes to provide more hours to support parents taking up training or returning to work.

Providers involved in delivering childcare

The types of providers and the balance between private, voluntary and maintained settings involved in delivering the offer varied depending on the profile of the local childcare market. In some areas, children's centres themselves did not provide daycare for two year olds, although they did have private or voluntary providers based in children's centres offering sessional childcare as part of the two year olds offer. Childminders were not used in some local authorities. The barriers to using childminders are discussed in Chapter 4, but in summary these included:

- low quality and lack of required qualifications (i.e. a relevant level three qualification)
- lack of a local childminding network (belonging to a local authority recognised network is a condition of funding for the offer)
- restrictions on places for under fives childminders can offer²⁰
- lack of accreditation to provide the three and four year olds offer (some authorities made this a condition of funding to ensure continuity when a child turned three)
- parental preferences for group settings.

The profile of providers involved in the offer had, in some cases, changed over time. For example, because a local authority had very little implementation time to start delivering the programme in phase two, they had initially opted to run it through children's centres due to established structures and working relationships. Limited capacity and demand for places, however, had led to expansion to other private and voluntary sector settings providing the offer alongside children's centres.

Decisions about which providers to include also involved considerations of quality (discussed further in Chapter 4), meeting children's needs, geography and parental choice. These considerations were particularly prominent in discussions about the use of childminders. Some local authority respondents were keen to increase the involvement of childminders in the offer to fill geographical gaps where there was no appropriate daycare, and to offer a more personal, one-to-one service for some particularly vulnerable children who might benefit from this. However, another local authority view was that vulnerable children would benefit more from a group setting. Parental preferences for childminders (in part because they may be geographically closer) were cited in one case as the main reason the local authority had included childminders in the programme. However, it was also believed that parents tended to view group provision as of superior quality and offering more in the way of education, leading to some areas offering relatively few places through childminders.

Additional family support

As discussed above, offering additional support, including family support, was viewed as a key component of the two year olds offer by case study authorities. The tools used to identify what additional support children and families might benefit from ranged from informal discussions between the offer coordinator and the referrer, to more formal systems, including using the common referral form, application form, or CAF form²¹ to identify, record and track additional needs. These more formal approaches were considered useful for providing a lot of detail about a family and the child's background and needs. However, forms not completed properly, concerns among providers about stigma attached to CAF, and providers' feeling that the data collected was intrusive were all highlighted as difficulties by both local authority staff and providers (for further discussion see Chapter 3). Providers' views on the impact of the programme and the additional support offered in terms of meeting the needs of families are discussed further in Chapter 5.

²⁰ According to the welfare requirements set out in the Early Years Foundation Stage, childminders may care for a maximum of six children under eight, including a maximum of three young children (aged 0-5, with the exception of four or five year olds who are at school and only accessing childminder care before or after the school day).

²¹ The Common Assessment Framework (CAF) is a standardised approach used by practitioners to assess children's additional needs and decide how these should be met. It is supported by a range of assessment and referral (or 'request for service') forms. See <http://www.education.gov.uk/childrenandyoungpeople/strategy/integratedworking/caf> for further information about CAF.

Local authorities were offering a variety of additional support to both families and children as part of the offer, including:

- support with and resources for home learning
- parenting courses e.g. baby clinics, weaning sessions, breast feeding and behavioural courses
- health advice e.g. healthy eating and nutrition courses, support around mental health and depression and substance misuse
- educational and training courses e.g. training in becoming a classroom assistant, hair and beauty courses, maths and literacy courses or English for speakers of other languages (ESOL) courses
- employment advice
- financial advice
- housing advice and help, including support with furnishing new homes
- childminding services e.g. crèches and play sessions
- other focused support programmes, such as the Freedom Programme, which addresses domestic violence.

In some areas, additional family support was delivered primarily through local children's centres. Childminders, private and voluntary settings also provided elements of additional support, most noticeably around home learning. However, in other areas it was reported that childminders and private and voluntary settings did not have the capacity to meet families' additional needs and therefore signposted them to their local children's centres or other relevant agencies. Interviewees mentioned a wide range of professionals and organisations, in addition to children's centres and local authority Early Years staff, who were involved in providing additional support, including:

- Citizens Advice Bureau
- local authority welfare officers
- health professionals
- SENCOs
- speech and language therapists
- JobCentre Plus
- social services
- Child and Adolescent Mental Health Services (CAMHS)
- local charities.

Partnership working

In addition to childcare providers and the local authority team responsible for delivering the offer, a range of partners were involved in the two year olds offer in a variety of ways. They were involved at a strategic level (for example, as part of a steering group), in identifying and referring families to the programme, and in providing the additional support associated with the offer. In addition to those already listed, these included:

- teenage pregnancy services
- Family Intervention Projects (see description above)

- The Children in Need Team (which works with children, young people and their families where there are emotional, behavioural or mental health issues and where there is social services involvement)
- the police.

Involving a broad range of partners was seen as particularly beneficial in terms of identifying eligible families and encouraging them to take up the offer. It also helped open up a wider range of services to families on the programme. Key facilitators of effective partnership working included:

- Strong links between childcare providers, local authority staff and children's centres, since children's centres were already hubs of multi-agency working.
- Information sharing, for example, one local authority described how birth data was passed from midwives to children's centres so that they could identify families who might be eligible for the offer.
- Linking the offer with other initiatives, for example, linking the programme with the Health Child Pathway pilot had helped draw schools in as partners.

In some cases it had taken time to build up effective multi-agency working. Barriers had included an initial perception among some partners that referring families to the offer might involve a lot of extra work, though one local authority felt this perception was starting to be addressed through attending meetings with other services (e.g. with health visitors and social services). Challenges associated with ensuring that all relevant professionals who might refer families to the offer were fully briefed about and engaged with the programme were highlighted. These challenges were a particular issue in rural areas where programme staff may be less able to visit all partner agencies/teams in person.

Funding

Views on adequacy

Central government funding to local authorities to deliver the two year olds offer comprises three components outlined in Box 2.1.

Box 2.1 Funding component of the two year olds offer

- **Costs for the allocated number of childcare places**, based on hourly rates of £6 for London and £4.85 for non-London local authorities. Local authorities are funded to deliver either ten or 15 hours or provision a week for 38 weeks of the year.
- **Project funding** of £45,000 per year for each local authority.
- **Funding for outreach and family support**, based on the number of places being funded in the local authority.

Across all eight case study areas, local authorities were paying providers the full hourly rate for childcare places, as set out in Box 2.1 (i.e. either £6 or £4.85). Among both local authority respondents and early years providers involved in this study, views on

the adequacy of the funding in general, and the hourly rate in particular, were divided between those who thought it was:

- sufficient or even 'very good', because it exceeded the average hourly rate among providers in the area
- adequate to cover the basic childcare costs, but did not fully meet providers' additional costs
- insufficient, because it did not reflect local or individual provider market rates.

The views expressed by providers and by local authority respondents were broadly similar within local authorities. Where providers felt funding was problematic, local authority respondents were also aware of funding limitations from the providers' perspective.

Among those who felt the funding was adequate, it was favourably compared with the (lower) hourly rates for three and four year-olds:

"We pay £4.85 an hour isn't it for two year olds um, and um yes it's actually above um, what, what most providers hourly um charge would be for that age group in [name of area]. ... We have a lot of dispute about the hourly rate that we pay for three and four year olds but actually not a lot about the two year olds." (Childcare provider)

In areas where the average rate for childcare was relatively low, local authorities and providers were able to use any 'surplus' from the hourly rates to cover the extra costs associated with the offer. These included the time required to attend meetings and arrange support for vulnerable two year olds (for example, those identified using the CAF as having additional support needs), make calls to health visitors, write reports, fill in referral forms, cover extra staff time needed for dealing with challenging behaviour, offer participating children a place during the holidays, or to subsidise provider training.

Those who felt that the funding covered only the basic childcare costs associated with the offer identified a range of additional costs they felt were not adequately covered, including:

- **Extra staff time associated with supporting vulnerable two year olds.** Again, although some providers reported using 'surplus' from the hourly rate to support their attendance at meetings, training, etc., others felt the funding was not adequate to cover the time associated with this, particularly as children on the programme were more likely than other children to need this additional input.
- **Additional support and resources for children with disabilities or SEN.** Although other sources of funding were accessed to provide equipment or extra staffing for these children, it was suggested that there were sometimes gaps in funding while children were waiting to receive a statement, and that there was considerable competition for this extra funding.
- **Holiday cover.** In areas where providers' hourly rates were cheaper than the hourly rate provided by the offer, providers used the difference in funding to offer families a place during the holidays. It was suggested that some providers may be reluctant to offer places to two year olds who will only be funded to attend during term time – a concern reflected in comments from a setting manager:

"Because the school holidays we don't get the children, we don't get the money. So really we are losing out money wise, even though they're paying more for that term ... So that's, that is a big concern of mine

because obviously, yes, we're a business and we've got to pay wages and everything and that is our main concern really." (Childcare provider)

A related concern was that the lack of funding for two year olds to attend during the holidays means that the 'settling in' process has to be repeated each term, and this is in itself resource intensive.

The view that the hourly rate was too low, even before considerations about additional costs were taken into account, was expressed particularly strongly in a local authority that contained very affluent areas alongside the more deprived areas where the offer was focused. Here average hourly rates charged by providers exceeded the hourly rate funded by the offer. Although in some cases individual providers across other local authorities mentioned that their standard rate was higher than the rate they received from the two year old programme, they nonetheless appeared to feel the funding was adequate to cover their costs.

In the local authority that included very affluent areas, however, the gap between the programme hourly rate and providers' standard rates was felt to be more problematic by both local authority respondents and providers. Local authority staff felt it had acted as a barrier to recruiting more providers. They had tried to address this by offering an additional annual payment per child (through Sure Start funding) to providers involved in the programme, to be used to enhance support for the child (for example, purchasing equipment, funding transport or enhancing staff-child ratios).

Local authority respondents felt strongly that without this additional funding to encourage provider participation, they would not have been able to meet their target number of places. They were concerned that cuts to budgets meant they would not be able to continue with this payment, and that they may struggle to engage providers as a result. The views of providers in this area confirmed concerns that the offer hourly rate was too low. They described limiting the number of places they offered to the programme because of this:

"Our full rate for a two year old is £6 an hour, so it is a lot less, and again that's where we kind of subsidise it really, we have to. It comes out of, it increases our deficit, so that's another reason why we have to kind of limit the number of two year projects because it's just not feasible in covering our costs really." (Childcare provider out of London)

Moreover, although they did use the additional money provided by the local authority to buy additional materials for the children, their comments also suggested that in part providers used it to supplement the standard hourly rate paid by the local authority, to bring their income from participating in the offer closer to the amount they would receive if they were able to charge their full rate.

Additional funding sources for the two year olds offer

In addition to using the difference between providers standard rates and the offer hourly rate to fund additional hours during the holidays, local authorities also discussed various other sources of funding they accessed in order to enhance the offer. These included:

- Sure Start funding
- Capital Grant funding
- underspend on programme staff salary
- Inclusion Fund/Inclusion budget
- Disabled Children's Access to Childcare (DCATCH) funding

- social services funding
- Child Poverty Pilot funding.

In addition, funding could be topped up at a more local level, via children's centre funds for subsidised childcare. Local authority respondents also reported some pooling of resources (e.g. with the three and four year olds funding streams) in order to maximise the benefits from each. It was suggested that demonstrating to providers how they can utilise different funding streams to maximise their income is one way of encouraging them to take part in the programme.

Where additional sources of funding were accessed, these were used to:

- **Increase the number of places offered**, including offering places to children who were eligible on other criteria, but fell outside the local authority's target postcode areas for the programme²².
- **Offer additional childcare hours to participating children**, including:
 - hours during the period when families are still on the waiting list to join the programme
 - hours to cover the transition period between the two year olds and the three and four year olds offer
 - hours during the school holidays, and
 - additional hours to enable parents to attend training or get back to work.

In one area where the local authority had taken the decision to fund only good or outstanding settings, children's centres sometimes used their subsidised childcare budget to provide a place at a setting which was not funded by the two year olds offer (because it only had a satisfactory Ofsted rating) until a place in a higher quality setting became available.

- **Provide additional resources for children**, including, for example, using Sure Start funds to provide meals for participating two year olds, or DCATCH money to provide additional staffing, special equipment or holiday provision for children with SEN.
- **Recruit providers**, as described above, one local authority used Sure Start funds to provide one off payments to encourage providers to sign up to the programme.

Use of outreach and family support funding

The then DCSF provided annual funding to support outreach and family support associated with the two year olds offer based on the number of places funded in each local authority, as shown in Box 2.2.

Box 2.2 Funding for family and outreach support

50-150 places = £15,000 for each element (outreach and family support)
 151-250 places = £25,000 for each element
 251-400 places = £35,000 for each element
 401 or more places = £45,000 for each element.

²² Note that the guidance for phase three does not in fact require local authorities to focus on particular postcode areas.

There were variations across local authorities in both how outreach and family support funding was allocated, and in what it was used for. One way of allocating outreach funding was to incorporate it into existing work, for example, supplementing funds for outreach within children's centres. Alternatively, the funding could be used to recruit a dedicated outreach worker to work with the area's most vulnerable families and encourage and support take-up of the offer. In larger geographical areas, the former strategy was felt to be more effective than employing a central outreach officer, who might not be able to cover the area effectively. It was also noted that existing local outreach staff were already engaged with the kinds of families being targeted by the two year olds offer. Outreach funding was also used to support outreach work by providers themselves, for example, paying for transport or photocopying costs incurred by childminders undertaking outreach activities.

Outreach and family support funding was used for a wide range of purposes, including:

- **transport** - in order to assist families with reaching their providers, particularly in rural locations (as well as subsidising transport costs for childminders completing outreach work, as discussed above)
- **meals** - for children attending a two year olds place
- **training** - for providers (the type of training offered is discussed in Chapter 4)
- **staff** - family support funds could be used to supplement staff wages for time spent, for example, at network or child protection meetings; outreach funding could be used to fund an outreach worker making home visits or accompanying a parent to a group session at a children's centre
- **home learning resources** - for example, book bags or equipment for parents to use with children at home, resource packs for parents
- **equipment for settings** - including library resources, music tapes, puppets, puzzles, and dressing up clothes
- **support for parents** - for example, providing crèches so parents could attend courses
- **specific projects** - for example, matching some of the additional support/outreach money with ECaT money to develop a project on developing phonological awareness in two year olds.

Scaling up

Views on whether the current funding formula would work if the offer is scaled up to cover all disadvantaged two year olds varied along similar lines to views on the adequacy of the funding formula per se. On the one hand, in areas where childcare was relatively cheap in a given local authority, scaling up could be a welcome help in ensuring sustainability for settings. On the other hand, where the market rate for childcare was already much higher than the hourly rate paid for the programme, the current fee level is unlikely to attract providers and it may be difficult to create substantial additional capacity for places, unless the offer hourly rate is more in line with local rates.

Even where the formula was viewed as reasonable for the current number of places, some settings reported that they would have to limit the number of places they offered on the programme to remain economically viable. This was a consequence of the lack of funding to cover holiday periods, as well as the fact that the funding only covers 10-15 hours a week, which is difficult for providers who typically work on a model of 20 or more hours per week. Unless they could find another family to take the extra hours, they felt they would lose out financially by accepting more two year old programme children. There was also concern about whether the current funding formula would be adequate to fund additional training and equipment, and to meet required staff-child

ratios if many more two year old funded places were offered. Finally, uncertainty of funding around children's centres in general was cited as a potential barrier to scaling up the offer.

Challenges and facilitators

The findings discussed in this chapter suggest a range of challenges associated with management, delivery and funding of the two year olds offer. Key challenges which will require addressing as the programme is scaled up include:

- **Determining the most effective local structure for operational management of the programme.** Although the best structure may vary depending on local circumstances, as more places are allocated, it will be important to ensure there is sufficient capacity to manage these and to ensure that, if aspects of management are shared or devolved, the approach does not become disjointed.
- **Involving local stakeholders.** Although the guidance for phase three suggested that local authorities should establish steering groups for the two year olds programme, this had not always happened in practice. As the programme is scaled up, local authorities will need to identify appropriate ways of involving stakeholders, including parents, in discussions about delivery – whether through dedicated steering groups or other mechanisms, like parent fora.
- **Deciding how best to recruit eligible families.** While some local authorities have already advertised the programme, others have not done so on the basis that places have, to date, been limited. As the offer is extended, local authorities will need to consider whether increased marketing or other forms of targeting are required, or whether there are advantages to continuing to focus on word of mouth and existing referral routes – in terms of identifying those whose needs are highest, for example.
- **Coordinating additional support.** Using existing formal procedures, like the CAF, can help ensure that children's and families' needs are identified and addressed and that the programme is linking to other initiatives as appropriate. However, if such procedures are adopted more widely as the programme is rolled out, local authorities may need to offer more training on these procedures to childcare providers.
- **Funding.** While the overall hourly rates assumed by the two year old offer were not necessarily viewed as insufficient, when the offer is scaled up and more providers recruited, funding issues will need to be addressed. There appear to be particular challenges around: holiday cover; additional resources associated with supporting children with disabilities/SEN or vulnerable two year olds generally; and funding the programme in areas where providers usually charge more than the offer hourly rate. The fact that the offer may not cover a 'full' weekly place may also be a barrier to recruiting some providers.

Alongside these challenges, the chapter identifies a number of facilitators to effective management and delivery, including:

- **effective communication** and close working relationships between those involved in managing the programme
- **making use of existing groups and networks** to engage with stakeholders
- creating **strong links between providers, local authority staff and children's centres**

- **sharing information effectively**, including working with partners to share data and information about potentially eligible families
- demonstrating to providers how they can **utilise incomes from different funding streams**, to encourage them to view participation in the offer as financially worthwhile.

Summary

Both childcare providers and case study authorities appeared committed to the idea that the two year olds offer should provide more than just free early education. However, local authorities varied in their approach to encouraging take up of additional family support, with some making parental engagement a condition of having a childcare place, and others allowing parents to opt in to this element. Additional local aims for the offer included supporting local employability strategies.

Approaches to managing the two year old offer varied in terms of which local authority team led on the programme; whether management responsibilities were centralised, shared, or devolved; and the input of steering groups and parents. In some cases, decisions about operational management reflected considerations of local geography, for example, whether one person could coordinate allocation of places across a large geographical area.

Case study local authorities were funded to deliver between fewer than 100 to over 300 free early education places to two year olds. Some areas funded to deliver 15 hours had decided to deliver ten rather than 15 hours per week in order to be able to offer more places, to 'stretch' the funding to cover school holidays, or to avoid children experiencing a drop in hours when they moved to free provision for three year olds. The balance of providers delivering the programme varied between areas depending on the local market, parental preferences, and considerations about which providers were best placed to meet children's needs (in general or in relation to particular children).

A wide range of additional support was offered to participating children and families. In some cases, CAF forms or other formal procedures were used to identify and manage this support. Local authorities worked with a wide range of partners in addition to providers. Partners were involved at a strategic level, in identifying and referring families, and in providing additional support associated with the offer.

Local authority and provider views on the adequacy of the funding provided for the offer were divided. Where it exceeded local market rates, the hourly rate was sometimes viewed as either adequate or very good. In other cases, it was seen as sufficient to cover basic childcare, but not to cover the additional resources required to support vulnerable two year olds. In areas where it was below the market rate, the offer hourly rate was viewed as low regardless of these additional considerations. Local authorities described using various funding streams to 'top up' the two year olds offer, by providing additional places, hours, or resources, and using additional funds to recruit providers in areas where this was challenging.

3. Eligibility, targeting and outreach

The guidelines issued in September 2009, when the two year olds offer was rolled out to all local authorities, were fairly prescriptive about the eligibility criteria for the offer, how to target families and develop an outreach strategy for engaging families with the offer. Local authorities were required to provide the offer only to economically disadvantaged families and to target these families using data tools for identifying the most disadvantaged areas where they should focus their outreach efforts.

This chapter presents findings on eligibility criteria local authorities used in order to provide the offer to the 'right' families, as well as how local authorities identified eligible families and what approach seems to work best. We particularly explore the issue of suitability of data tools for targeting families and what local authorities did when data tools did not seem adequate or sufficient to identify the children who would benefit most from the offer.

Developing and implementing eligibility criteria

According to the guidelines issued by the then DCSF in 2009, local authorities were required to follow two sets of eligibility criteria outlined in Box 3.1.

Box 3.1 Eligibility for the two year olds offer

- **Primary or headline criteria** local authorities were required to follow, focused on:
 - families either receiving out-of-work benefits (e.g. Income Support, Jobseeker's Allowance, Pension Credit),
 - extra Working Tax Credit relating to a disability, or
 - Child Tax Credit at a rate higher than the family element.
- **Secondary or local criteria** that local authorities were free to set in order to suit local circumstances included: families with three or more children under the age of five, refugee families, ethnic minority families, teenage parents, families experiencing domestic violence and/or substance misuse, children with special needs or disability, children in temporary accommodation or children involved with social services (see Appendix A for a full list of suggested local criteria).

The guidelines also suggested that the offer was not to be used for replacing provision that a child was already accessing (e.g. if a child is already accessing provision as a result of being on the Child protection Register).

Primary criteria

Local authorities participating in this study were using both the primary criteria specified in the guidelines, as well as locally formulated criteria that suited local circumstances.

Some local authorities that first got involved when the offer was rolled out nationally in

2009, initially only used the primary 'benefits' criteria. This was seen as a simple way of providing the offer at the beginning since local authorities new to the programme did not feel they had had enough lead time to develop local criteria. Using only 'benefits' criteria quickly created problems as many families who were only assessed on these criteria were not seen as the most disadvantaged families. For example, local authority respondents indicated that:

- Many families met the Child Tax Credit at a higher level than the family element and they were not necessarily all considered to be the most economically deprived in their area (e.g. all families with children under age of one receive the Child Tax credit at a higher level than the family element).
- Some families who were accessing the disability element of the Working Tax Credits were well-off professionals.

Local authority respondents thought that these families were able to afford to pay for childcare, even though they were receiving benefits. Respondents thought that using only the benefits criteria would mean that the offer was not targeted at the most disadvantaged families:

"For example a family that's accessing the disability element of the working tax credits. As a family that...were meeting that criteria...contacted me directly because actually the family were a professional and she said I feel a bit naughty really [laughing] sending the referral in because she's a very wealthy woman but she meets criteria..." (Local authority respondent)

As the primary benefits criteria were considered to be too broad for identifying the most disadvantaged families, adding local criteria was seen as a more effective way of targeting the 'right' families and making sure that the offer really went to those families who could not afford to pay for childcare.

In contrast, some childcare providers thought that the primary benefits criteria were too strict, as there were many low paid working families who did not meet the 'benefits' criteria, but were equally disadvantaged and would also benefit from the offer (e.g. working parents with more than two children whose childcare costs were not fully covered by the childcare element of the Working Tax Credit).

Overall, benefits criteria outlined in the 2009 guidance were, on their own, not seen as an adequate measure for identifying the most economically disadvantage families since there were families who were in receipt of benefits but were well off and could afford to pay for childcare, and there were also families with low paying jobs, who did not receive any of the qualifying benefits but still could not afford childcare. Even though the purpose of the offer is to improve the educational outcomes for children and not to offer free childcare to those who cannot afford it, respondents mostly felt that the primary criteria were solely related to affordability of childcare and therefore were not the most adequate criteria for targeting the most vulnerable families.

Secondary criteria

Some local authorities used only (some of) the secondary eligibility criteria suggested in the DCSF guidelines (see Appendix A), whereas others also had some additional criteria developed locally. The following are examples of the local criteria used by local authorities interviewed, which were not explicitly mentioned in the guidelines:

- Team Around the Child (TAC) process in place as a child already had Common Assessment Framework (CAF) completed
- receiving family support

- parent returning to work or training
- families with three or more children (not necessarily all under five years old)
- child subject to Child in Need plan
- sibling not succeeded at the end of Foundation Stage
- parent/carer or sibling suffering chronic or life threatening or terminal illness
- child who had not previously accessed formal childcare.

Local authorities used local eligibility criteria in various ways:

- In some cases the list of secondary local criteria was used flexibly and a family would only need to meet one of a range of additional criteria in order to be eligible for the offer.
- The only eligibility requirement that would guarantee a place was that the child had a TAC process already in place or a CAF completed, as this indicated that the child had needs that must be addressed.
- Using a specific local criterion that all families had to meet in order to be eligible for the offer (e.g. in one local authority all parents had to be planning to return to work or training in order to receive the offer).

Prioritising families

Local authorities prioritised families in different ways which had been revised a number of times within some authorities:

- Using internal rating systems where they ranked referrals based on local criteria that were set as a priority in their area (e.g. children involved with social services, supporting families going back to training or work).
- Prioritising referrals based on the greater number of local criteria that a family met.
- Relying on decisions of outreach workers who knew about the circumstances and needs of families (who met one or more local criteria).

The number of places for the two year olds offer was limited and there were typically more eligible families referred to the offer than there were places, and local authority respondents found prioritising families very frustrating. Some respondents were frustrated that some children on the waiting list for the two year olds offer never got a place till they turned three (e.g. this was particularly evident in those areas where a priority for a place was given to 'younger' two year olds). Respondents reported that they wished they could offer a place to all eligible families rather than prioritising them and having to put some children on waiting lists.

Revising eligibility criteria

Local authorities regularly revised eligibility criteria to ensure they were reaching the right families, and to manage growing demand for places.

Local authority staff were mainly involved in revising eligibility criteria, but some local authorities also used their (multi-agency) steering group or work with outreach workers to revise the criteria. Outreach workers were also involved in revising criteria (as well as deciding how to apply them).

Even though local authority respondents were involved in assessing and revising criteria, there was some criticism of some criteria used as they were thought to exclude certain families who were considered by some to be the 'right' families for the offer. Some criticism was around criteria that 'stereotyped' families:

- Ethnic minority families: this criterion excluded some very vulnerable white families

- who may have the same level of problems as an ethnic minority family.
- Lone parents: there were some coupled parents who were in more disadvantaged situation than lone parents but were not eligible for the offer.

Other criticism was around very vulnerable groups who were not included in the local eligibility criteria, or the then DCSF guidelines. It was not clear what their 'eligibility status' was (i.e. asylum seekers and children in foster care) or specifically excluded them from the offer (those on the Child Protection register²³). In relation to the latter group views were mixed, some believed it was wrong to exclude these very vulnerable children from the offer, whereas others believed the funding for these children should come from the Safeguarding teams.

Even though there was some criticism around local criteria used, local authority staff were very flexible in applying and refining local criteria and had been assessing family needs on an individual basis in order to address some of the uncertainties around eligibility.

Proving eligibility

The guidelines were not prescriptive about the way local authorities can check that families meet the eligibility criteria. Local authorities adapted different approaches to checking these, including:

- requiring to see only children's birth certificates and using self- declaration forms to prove the family was in receipt of the required benefits
- requiring to see benefits documents, birth certificates and proof of address
- taking photocopies of all documents as a proof of eligibility and storing them centrally
- requiring to see benefit documents as well as using signed self-declaration forms.

Regardless of the approach used, local authorities were using professionals working with families (e.g. family support workers or health visitors) or group settings to ensure that families accessing the offer were meeting the eligibility criteria. In one case study, local authority staff were initially responsible for checking family eligibility, but they soon transferred this responsibility to local children's centres as families did not feel comfortable liaising with local authority staff with whom they did not have a relationship.

Even though local authorities used different approaches to proving eligibility of families accessing the offer, none of these approaches seemed to be working without problems. Professionals working with families indicated three main problems with checking eligibility:

- they do not feel comfortable asking to see proof of benefits as this alienates families
- some families lead very chaotic lives and cannot find the documents
- families lie about their benefits.

In some local authorities professionals working with families had established good links with the local JobCentre Plus services and instead of asking families to see the

²³ The guidelines do not actually say that children on the Child Protection register are not eligible for the offer. They are excluded only if they are already receiving childcare because they are on the Child Protection register.

benefits documents themselves, they decided to check this with JobCentre Plus (e.g. families gave them written permission and provided their national insurance number).

However, some professionals working with families relied on their own knowledge of the family and their circumstances (e.g. seeing them going to meetings with a JobCentre Plus advisor) or just trusted their own judgment about the needs of the family, and they did not think they needed to see any additional 'proof' of eligibility. Due to restrictive primary eligibility criteria where some disadvantaged families were excluded from the offer, in a few instances, professionals admitted that they had misled the local authority about seeing eligibility documents as they thought the family really needed help. However, in one case this led to the withdrawal of a childcare place (after the child had already started attending a setting), when the local authority discovered that the family was not eligible for the offer.

Overall, there seemed to be a different understanding of how eligibility was checked across different partners. Local authority staff reported that checking eligibility was a straightforward task and that there were no problems with obtaining self-declaration forms or forms signed by the professionals working with families, who were claiming to have seen the eligibility documents. In contrast, professionals working with families admitted not always following the local authority guidelines and not always requesting to see the benefits documents as they were eager to help the families. This suggests that local authorities should provide some clear guidelines to those who assess eligibility and make sure they specify if (and in what circumstances) professionals are allowed to use their own judgment or if there is no room for personal interpretation of family needs.

Identifying and reaching families

As discussed in Chapter 2, apart from one exception, local authorities in the case studies did not widely advertise the offer directly to parents. This is in contrast with the pilot stages when many authorities marketed the offer to parents both directly (e.g. by writing to eligible parents) and indirectly (e.g. using posters and leaflets)²⁴. In our case studies, local authorities did not advertise the offer directly to all families primarily because this would have created a demand for places that could not be met and, according to respondents, this would have brought some problems:

- There would have been many disappointed families who would not be able to access the offer because of a limited number of places.
- Some families might have demanded to know why they had not been given the offer whereas another family had, which would have raised issues about revealing the needs of families who got the offer (e.g. due to domestic violence).

Local authorities advertised the offer to professionals who were working with families likely to be eligible for the offer and some also funded outreach staff whose job was to identify and engage families with the offer. In some cases providers were involved in identifying eligible families, they also did not advertise the offer to families unless they had a free space. They sometimes signposted eligible families to other settings, but most families who were already using a provider (e.g. because an older sibling was attending a setting) typically wanted to wait for a place in that setting.

²⁴ Smith R., Purdon S., Schneider V., La Valle I., Woolny I., Owen R., Bryson C., Mathers S., Sylva K., Lloyd E. (2009) *Early Education Pilot for Two Year Old Children Evaluation*, Research Report DCSF-RR134, DCSF: London.

The one authority that advertised the offer more widely to families used publicity leaflets, direct advertising on setting's websites, and posting information through Family Information Services. This was also the only authority where more than half referrals were self-referrals from families. Respondents indicated that this type of direct marketing was useful in targeting the right families. However, there was also an awareness that there might be some families who cannot be reached through publicity leaflets or by posting information on websites, and they still had to engage with family outreach workers who have direct access to vulnerable families.

The data tools

One of the main approaches for identifying and reaching the 'right' families suggested in the 2009 guidelines provided by the then DCSF was to use data tools, such as Income Deprivation Affecting Children Index (IDACI) postcodes. The data tool was meant to be used to identify narrow geographical areas where local authorities should focus their targeting efforts. However, this was only considered as a first stage in the targeting process, and local authorities were expected to use other means of identifying eligible families within these areas.

Even though, the 2009 guidelines required local authorities to use a data-driven approach, at various stages this approach was abandoned by some authorities in our study, who developed other approaches that better suited their needs (see below). Criticism around using IDACI postcode came from authorities who were still using this tool, as well as those who were no longer using it, who argued that:

- The tool was seen as too restrictive and excluded families outside eligible postcodes, even though they were equally or even more disadvantaged and in a greater need of the offer than families within eligible postcodes (e.g. in some areas disadvantaged families, such as refugees, were in private housing in non-disadvantaged areas).
- Postcodes change year by year so families randomly lose eligibility for the offer.
- Use of the tool could result in an ineffective outreach strategy, as outreach workers did not know if any families with young children lived in some of these postcode areas.
- Using the tool could mean 'cold calling' families, an approach that some parents found offensive, as it was evident that they were being targeted because they were 'deprived'.

Some authorities who had abandoned the data driven approach and developed instead an approach based on local knowledge reported that this had resulted in an increase in the number of the 'right' families being referred to the programme, including cases where the data driven approach had generated very few referrals. Those local authorities who were still using the IDACI postcode at the time of our interviews, were in process of reviewing its use and hoping to drop this approach soon.

One local authority in the study advertised the offer more widely to parents in the whole local authority (regardless of the IDACI postcodes). However, they still used the IDACI postcode as one of the eligibility criteria for the offer so parents who were not living within the certain postcodes were not eligible for the offer.

Existing links and local 'intelligence'

The main outreach strategy adopted by local authorities was using existing professionals who had a good knowledge of areas where disadvantaged families lived and were experienced in engaging with them. Using existing professionals who worked with families was seen as a more effective outreach approach compared with using the data tool approach, or just having one local authority outreach officer whose job was to identify all eligible families for the offer. The reported advantages of using local 'intelligence' and family practitioners included:

- Professionals work with disadvantage families, especially 'hard to reach' families, on a daily basis, so they had immediate access to them.
- Professionals with their in-depth knowledge of local families' circumstances could support the local authority to reach those who are most in need.
- Professionals working with disadvantage families had better knowledge of how to engage with these families, parents felt more comfortable and were more likely to trust professionals they already knew.

Local authority respondents indicated that without engaging professionals already working with families, outreach and recruitment strategies would not be very effective. For example, in one authority outreach workers responsible for identifying eligible families were 'cold calling' families who were not engaging in any services, but fell into the 'right' postcode. These workers reported difficulties in engaging with families, particularly after initial referral to the offer, when it proved difficult to get in touch with these families again to agree on the start date for the child to attend the setting.

The task of identifying, reaching and recruiting eligible families was seen very much as a partnership effort between various professionals and agencies within a local authority, that worked well. This approach had also led to more partnership working and inter-agency collaboration in some local authorities.

Local authorities had different ways of engaging professionals working with families to identify eligible families for the offer:

- Some local authorities transferred the responsibility for outreach to children's centres who had responsibility for advertising the offer, identifying and referring families to the offer. These professionals were mostly family support workers and health visitors, but also social workers, midwives and JobCentre Plus advisors. In one case group settings were also asked to identify and recruit eligible families, as the authority had been given very limited notice of funding for the offer and thought this would be a quick way of allocating places.
- Some areas kept the outreach responsibility within the local authority team, while they advertised the offer to various professionals working with families. These professionals needed to refer eligible families to local authority teams that managed the offer. The offer had been advertised to a wide range of professionals such as children's centre managers, family support workers, health visitors, local voluntary organisations (e.g. Barnardo's), social care teams, Family Information Services, teenage pregnancy teams, midwifery services and in some cases even group settings (but not childminders).

Transferring responsibility for outreach to various professionals was also very effective in local authorities with bigger rural areas. Respondents indicated that one of the difficulties with targeting eligible families was accessing families in remote rural areas. In one case, the local authority identified a team of professionals located in different

parts of the local authority who led on targeting the families in their area, which improved their outreach efforts.

Even though engaging various professionals in reaching eligible families was seen as a more effective approach than using the data tool, there were still some concerns about the limitations of using only or mostly certain groups of professionals, more specifically:

- Group settings were typically only able to identify families with more than one child because siblings attended the setting.
- Families who did not access any support, were being left out and these may well include children who could most benefit from the offer.

Some local authorities indicated that a very effective outreach strategy would be to establish stronger links with health professionals and to use more health visitors, as they do home visits and health checks of two year olds.

Another successful outreach approach adopted by some local authorities was using birth data to identify and target eligible families. Local authority respondents reported forging good links with health and midwifery services, which gave them access to birth data. This data, which includes information on birth dates of children and their addresses, were used alongside professionals' knowledge of families to identify those with greatest needs. In some local authorities birth data was used for planning purposes as professionals were able to identify families whose children would become eligible for the offer in a year or two and they kept a record of these families (e.g. teenage parents). This could be a particularly useful approach when the number of two year old places will substantially increase in 2013.

'Hard to reach' families

Despite using a range of outreach strategies, some respondents reported that certain groups of families were still very hard to engage with the offer. These were:

- Travellers who did not want to engage in either family support services or send their children to early education settings; or if they did agree to take up the offer, the child did not attend the setting regularly (e.g. due to Traveller events) or they moved away.
- Families who were let down by other services and did not trust professionals anymore.
- Ethnic minority families who preferred to look after their children themselves as early education was not part of their culture.
- Mothers with children experiencing domestic violence as they moved around for temporary shelter.

Language could also be a barrier in reaching migrant and refugee families. Some authorities effectively dealt with this by having outreach workers who spoke the languages of migrant families or by using translators to reach these families.

Targeting disabled children and children with special needs

Local authorities participating in this study did not use any specific approaches to identify families with disabled children or children with special needs, except including these children on the list of the secondary eligibility criteria. Some local authorities reported having teams in place who worked on prioritising children with special needs, making sure they were placed in an appropriate setting and that they received additional support (e.g. one to-one support, special equipment). Local authorities also

said they made sure providers included in the offer had the appropriate knowledge and resources to provide adequate care for disabled children and children with special needs (see Chapter 4 for further discussion).

Referral routes

Most referrals came from family support workers, health visitors, children's centre staff, social workers, community nurses, group settings, professionals from housing, Primary Care Trusts and charities.

While local authorities did not advertise the offer directly to families (except in one case), word of mouth resulted in some self-referrals. There were two different self-referrals 'procedures':

- In the local authority that advertised the offer widely to families, and where more than half of referrals were from families themselves, all families were required to fill in the referral form themselves, even if they had been referred by someone else.
- In other local authorities (the small number of) self-referrals were signposted to outreach workers, who completed the referral form for the family and checked their eligibility for the offer.

Some local authorities handed over responsibility for screening referral forms to children's centres and only dealt with the selected final referral forms during the approval process. Other local authorities kept centrally the responsibility for screening all referrals and approving families for the offer. Both referral routes seemed to be working well for individual authorities.

Using the Common Assessment Framework (CAF) as a referral form

Some local authorities required that all families referred for the offer had a completed CAF form. Other authorities did not require CAF, but professionals referring a family to the offer were free to complete it, if they thought it would benefit the family. Overall, the use of CAF seemed to be increasing, as authorities that were not using CAF when the offer was first launched, were now introducing it.

Some respondents indicated that there were various issues with using CAF as a referral form for the offer. Some issues were related to general resistance to using CAF, such as health visitors being resistant because it created more work for them. Other issues seemed to be more specifically related to the use of CAF with the two year olds offer:

- Childcare providers were uncomfortable about asking families questions that were too invasive (e.g. mental health or use of drugs).
- Inconsistencies in using CAF between different professionals and outreach coordinators within the same local authority, particularly on how children were prioritised for the offer.
- Families resisted completing CAF, because there was a fear that social services might get involved.
- CAF used as a means for getting a childcare place and then it was closed as soon as a child started attending a setting, whereas the intention was to keep the CAF open to ensure that families received the range of support they needed and not just early education.

Even though there were concerns raised in how the CAF was used, generally views on using CAF were positive, as it provided detailed information about the child and family needs, which was used to engage the family with the right services and place a child in the right setting. Local authorities used various approaches in overcoming resistance to using CAF, including training on the benefits of its use for the family.

Group settings also got involved in CAF meetings, which was seen as a very useful strategy in addressing the needs of children, as providers could take back action points and implement them while providing care for a particular child. However, childminders were not involved in CAF meetings and they raised a concern about this, as they would have found it useful to be able to contribute and take in any action points.

Challenges and facilitators

Findings in this chapter identified several challenges with defining eligibility criteria and targeting eligible families:

- **Insufficient lead time** to develop a strategy for identifying and reaching the 'right' families for the offer, this could lead to the exclusion of children who could benefit most from the offer.
- **Primary benefits criteria did not always identify the most disadvantaged families** and, therefore, use of secondary criteria was necessary to ensure the 'right' families access the offer.
- **Inconsistencies in understanding how eligibility criteria should be checked**, this suggests that local authorities should provide some clear guidelines on when and how professionals are allowed to use their own judgment.
- Respondents indicated having **difficulties with targeting families in remote rural areas** and reported the need for a dedicated team of professionals to target and identify families in remote areas.
- **Children in temporary accommodation** were also more difficult to identify, since many of these children are likely to be very disadvantaged, strategies should be explored to reach them more effectively.
- **Challenges with using CAF** as some providers were uncomfortable with the information this required, but the main challenge was ensuring that CAF remained open after the child was offered a place and that children's and family's needs were addressed.

In addition to challenges, the findings indicated factors that facilitated the process of identifying and targeting the 'right' families:

- Working with **children's centres** as they already worked with local vulnerable families and they could do much more targeted and focused work in identifying and supporting the most disadvantaged families.
- Having a **clear referral system** in place for referring families to the offer.
- Use of **local knowledge and expertise** to identify and target the most disadvantaged families.
- **Using CAF** to make sure the 'right' families are targeted and offered the range of support they need.

Summary

Findings in this chapter indicate that local authorities followed the guidelines issued by the then DCSF in relation to primary eligibility criteria for the offer. As envisaged by the guidelines, secondary eligibility criteria were also used to ensure the local priorities and needs guided decisions about families who should access the offer.

Due to the limited number of places, local authorities experienced a great demand for places and there were more eligible families referred to the offer than there were available places. Some authorities had waiting lists for two year olds places and some children never got a place till they turned three.

Apart from one exception, local authorities in the case studies did not widely advertise the offer directly to parents, primarily because this would have created a demand for places that could not be met and would have left many families disappointed.

The data driven approach specified by the guidelines did not seem to work very well, particularly using IDACI postcodes to identify eligible families. This approach was quickly being abandoned. Data tools were seen as too restrictive and excluding families who were very disadvantaged and in a greater need of the offer than families identified as eligible by the data tool. Use of local knowledge and expertise was the main outreach strategy adopted by local authorities.

The task of identifying, reaching and recruiting eligible families was seen very much as a partnership effort between various professionals and agencies within a local authority, which had also led to more partnership working and inter-agency collaboration in some local authorities.

Some local authorities already developed systems for targeting families who will become eligible for the offer in the near future, as they forged strong links with health services, particularly health visitors, that gave them access to birth data. The findings suggest that a particularly effective strategy for the offer needs to involve a comprehensive list of children who are about to turn two, such as birth data, complemented by information provided by professionals delivering a universal service, such as health visitors.

In order to appropriately identify and address the needs of children and families, some local authorities used CAF as a referral to the offer. Even though there were concerns raised in how the CAF was used, generally there was a positive view on using CAF, as it provided detailed information about the child and family needs, which was used to engage the family with the right services and place a child in the right setting. The main concern was ensuring that CAF remained open after the child was offered a place so that staff could continue to monitor and address the range of needs a family had.

4. Identifying and supporting providers and monitoring programme impacts

As discussed in Chapter 1, as the two year olds offer has developed, rules in relation to the quality of early education provision offered to families were tightened. This chapter focuses on the work done by local authorities to identify and support suitable childcare providers to deliver high quality free early education for disadvantaged two year olds. In particular, it:

- Describes the various criteria case study authorities used to identify suitable providers, and discusses views on the appropriateness of the criteria outlined in the guidance provided by the then Department for Children, Schools and Families (DCSF) in 2009.
- Explores different approaches taken by local authorities to recruiting providers to the pilot, and any lessons learned from this.
- Outlines the different approaches taken to supporting quality improvement, and providers' views on the support they had received, including support with delivering for children with disabilities or Special Educational Needs (SEN).
- Discusses the ways in which case study authorities attempted to monitor the success of the programme for families and its impact on providers.

Identifying and engaging providers

Criteria local authorities apply to providers

The guidance issued by the then DCSF when the programme was rolled out nationally placed a strong emphasis on quality of provision. In particular, it was suggested that only settings rated good or outstanding by Ofsted should receive funding. Settings rated satisfactory by Ofsted could receive funding, but only where they could show evidence that they were working towards a good rating. This recommendation followed evidence from the phase one pilot evaluation showing that the expected benefits in terms of children's cognitive and social development and parent-child relationships were only evident among children who attended a setting of sufficiently high quality²⁵. As discussed in Chapter 1, other minimum expectations of participating providers included:

- A graduate with Early Years Professional Status (EYPS) leading practice in group settings – or a commitment to employing an Early Years Professional through the Graduate Leader Fund within a reasonable time period.
- Childminders to be part of a network recognised by the local authority and preferably to have a relevant level three qualification.
- All providers to regularly evaluate the quality of their provision and participate in a local Quality Improvement Scheme (QIS) or a national quality improvement process

²⁵ Smith R., Purdon S., Schneider V., La Valle I., Woolny I., Owen R., Bryson C., Mathers S., Sylva K., Lloyd E. (2009) *Early Education Pilot for Two Year Old Children Evaluation*, Research Report DCSF-RR134, DCSF: London.

that met Quality Assurance principles developed by the National Quality Improvement Network (NQIN)²⁶.

Local authority interviewees were asked about the criteria they applied in practice when identifying whether providers were suitable to deliver the offer. All but one case study local authority indicated that they did, in certain circumstances, offer two year old places through providers rated satisfactory at their most recent Ofsted assessment. Another area used some satisfactory group settings, but insisted that participating childminders were rated good or outstanding. Five main reasons were given for the decision to use providers with satisfactory Ofsted ratings.

First, it was suggested that Ofsted ratings could be **out of date**, given that they are conducted at three year intervals. For example, a local authority interviewee noted that some settings had last been assessed prior to changes in the way ratings were awarded; as a result, they did not view Ofsted ratings as an accurate way of judging quality.

Second, Ofsted ratings were also **perceived as unreliable**. In part, this related to the fact that they were only conducted at three year intervals, and thus may not be an accurate reflection of a providers' *current* performance. For example, both local authority and children's centre staff in one area reported that newly opened children's centres had been rated satisfactory by Ofsted when actually, in the local authority's opinion, they were very good. They believed this was because the Early Years Foundation Stage (EYFS) was just being rolled out at the time of the inspections, and the centre had not had chance to get up to speed with their planning (a failing that had subsequently been addressed). However, it was also observed that Ofsted ratings sometimes contradicted local authorities own (more recent) ratings of providers. Local authority interviewees described settings rated as satisfactory by Ofsted, that were highly rated on their own internal schemes (and which in some cases had subsequently received good assessments from Ofsted, or were expected to do so at their next assessment). Another local authority reported a case where a provider was rated good by Ofsted, but their own assessment scheme identified quality concerns. They had not, therefore, been funded to deliver two year old places.

Third, local authority staff discussed using satisfactory rated settings because of **challenges identifying sufficient good or outstanding settings to meet demand** for two year old places, either overall or in specific geographical areas. Interviewees in the one area that strictly applied the good/outstanding Ofsted criteria commented that this had caused problems with lack of provision in some geographic areas.

A fourth, related argument, was that limiting provision to settings rated good or outstanding by Ofsted could **limit an area's ability to meet the needs and preferences of parents and children**. In some cases satisfactory settings were used to meet parents' preferences for a specific area where there were no good/outstanding settings. In others, it was argued that parents preferred a satisfactory local setting because they were more familiar with it or found it less intimidating than the nearest good or outstanding setting. It was also suggested that while some settings might not meet the highest standards, it was still better for some vulnerable children to attend them than to be at home where, it was assumed, there would be less stimulation.

²⁶ National Quality Improvement Network (2007) *Quality Improvement Principles: A Framework for Local Authorities and National Organisations to Improve Quality Outcomes for Children and Young people*, available from: http://www.ncb.org.uk/ecu_network/nqin/nqin_home.aspx

These kinds of considerations are exemplified in the following quote from a local authority interviewee:

“Now to me, although it’s not what we would call high quality in the academic world, it’s high quality in its own way ... They’re never going to be any more than a satisfactory in an Ofsted ... but for me ... I look at the parents that come in, young girls, you know, young families who’ve got no confidence, and I see...the way they speak to the mums ... I just think, ‘Oh, I can’t not sign these people up.’” (Local authority respondent)

Finally, **cost** could on occasion be a barrier to using some settings rated good or outstanding. A local authority respondent suggested that in some cases good or outstanding providers were expensive and were not currently interested in engaging with the two year olds offer²⁷.

Where local authorities were using satisfactory settings they did, however, report working with them to ensure that they improved their Ofsted rating and were of a high enough standard according to their own internal criteria.

Other criteria local authorities applied to providers in determining their suitability to deliver the offer included:

- Being ‘green’ on local RAG ratings and following local quality review or improvement schemes. These local schemes assessed provider performance across a range of elements, including, for example, leadership, management, learning and development, inclusion, staffing, turnover, welfare and implementation of EYFS.
- Having a graduate leader in group settings. While the guidelines suggest this should be a prerequisite, in some areas this appeared to be viewed as a desirable, rather than an essential, criterion.
- As indicated in the guidelines, participating childminders were required to belong to the local childminding network. In some areas where no such network existed, childminders could not be involved in delivering the offer.
- Restricting funding for the offer to providers who would be able to continue providing free early education to children once they reached the age of three. This was cited as a barrier to using childminders for the offer in one area – while it would be unusual for a group setting not to cater for this older age group, it was more common for childminders not to be registered to look after three or four year olds.
- Being able to cater for children with SEN – though again this appeared to be a ‘desirable’, rather than a ‘necessary’, criterion for participation.
- Being prepared to work with other professionals and services to deliver the family support element of the offer.
- Being committed to attending (regular) staff training.
- Having access to outdoor facilities or (in the case of childminders) regular access to parks.
- Agreeing to service level agreements and to participate in local authority quality monitoring schemes.

²⁷ In fact, research suggests that while good quality provision is not cheap, there is no clear association between fees charged and quality of provision, as fees can reflect the nature of the local market and requirements to make a profit as much as than investment in quality (Butt S., Goddard K., La Valle I. (2007) *Childcare Nation?*, Daycare Trust: London).

- Focusing particularly on recruiting providers in the most deprived areas or in areas where there were gaps in provision.

How providers were recruited to the offer

Approaches to engaging providers with the offer varied both in terms of whether they were universal (approaching all eligible local providers) or more targeted, and in whether they focused on existing providers (who were already delivering other programmes for the local authority) or new providers. Universal approaches included writing to or meeting with all eligible group settings and childminders about the offer. Termly EYFS briefings were seen as an effective route for introducing the offer to private and voluntary providers and highlighting the impact that engaging with families in the early stages can have on closing the gap in child outcomes.

More targeted approaches included focusing project officer efforts on more affordable providers or providers in specific geographic areas, where there was known demand or that served particular target communities (for example, areas with large ethnic minority communities). In some cases, initial broad approaches did not recruit sufficient providers and the programme manager had to approach providers individually to persuade them to join. As discussed in Chapter 2, in some cases the speed with which the offer had to be implemented led local authorities, at least initially, to rely primarily on their existing providers to deliver places.

As well as programme managers/project officers, children's centres were also involved in identifying suitable childcare providers to deliver the offer, while childminder development officers and childminder network coordinators were involved in recruiting childminders. Providers generally appeared happy with the process of signing up to take part in the scheme. However, they noted that the actual allocation of places could be quite ad hoc, with local authorities ringing them up to check whether they had places available to offer to two year olds for immediate take up. Some providers also expressed anxieties about the cost implications of taking on additional staff to meet the requirements of the offer in the absence of guarantees about the number places to be funded in the medium to longer term:

"Because it was a cost implication for us, because we had no guarantees of how many children would be coming to us and when, then we had to think about our staffing and how that would effect if we took extra staff on to cover these positions ... And how that would affect us if we got no children the next term or whatever." (Childcare provider)

General barriers to provider participation in the offer

The main barriers preventing providers from participating in the offer as identified by local authority interviewees and providers themselves related to funding, quality requirements, capacity and provider perceptions of the scheme.

Chapter 2 noted that while one view was that the hourly rate for the offer was adequate or good, in areas where the average rate for childcare was higher than the £4.85 (£6 in London) payment for the offer, local authorities described difficulties recruiting providers. The fact that the funding only covered ten or 15 hours was also a barrier for some providers if their usual offer was 20 hours and they needed to find another family to take the other 5-10 hours. The funding required to meet the quality standards – in particular, the requirement to employ a graduate – was also noted as a barrier for some private and small voluntary providers. Issues around funding for additional resources were viewed by some providers as a barrier to offering places to two year olds with

disabilities or SEN (discussed in more detail below), although this did not appear to be viewed as a barrier to participating in the scheme per se.

As discussed above, difficulties in identifying good or outstanding Ofsted rated providers in some geographical areas was one reason for using some satisfactory settings to deliver the offer. A lack of good or outstanding provision in some areas could reflect whether or not there is a tradition of formal daycare to build on. A respondent in the one area that did not use any satisfactory settings noted that there were some areas where there might be play groups in a village hall, but these were not of sufficient quality to use for the two year olds offer.

Capacity was a barrier in some areas, with local authority interviewees mentioning settings that would like to deliver the offer, but could not participate because they were already over-subscribed.

Finally, provider perceptions of the scheme, of the work involved in participating (in general, or in relation to specific elements) and of parents were a barrier in some cases. Local authority interviewees suggested that some providers thought taking part in general, fulfilling service level agreements, or engaging with the Common Assessment Framework (CAF) or local authority monitoring processes would create too much additional work. There was also a perception that some settings and childminders were reluctant to work with vulnerable families, as they held a stereotyped view of them as being 'problem families' because of their social and economic vulnerabilities.

Barriers to childminder participation in the offer

Respondents identified a range of barriers to participation in the two year olds offer that were specific to childminders, including:

- **Quality in general:** it was suggested that it was very difficult to find any good or outstanding childminders particularly in the most disadvantaged areas.
- The requirement to belong to a **childminding network** and to be **qualified to level three**: one interviewee commented that childminders either had a qualification but were not in the network, or vice versa. In some areas, there was no childminding network, which automatically excluded childminders from the offer. Even in areas where a network existed, it could only support a limited number of childminders (usually 15-20).
- The requirement, in some areas, that all providers can **continue to provide** early education when the child turned three²⁸, as some childminders were not accredited to provide this.
- To be accredited to provide the three and four year olds offer, childminders needed to be rated good or outstanding by Ofsted and have a level three qualification. Some childminders were not accredited to provide the free entitlement for three and four year olds.
- **Restricted places for children under five:** childminders were much more restricted in the number of places they could offer to children under five at any one time, and may therefore only be able to offer one place at a time to the two year olds programme.
- **Competition from settings:** it was suggested in one area that children's centres were sometimes reluctant to allocate the childcare element of the offer to other providers, as they needed the funding themselves to ensure they were sustainable.

²⁸ To be accredited to provide the three and four year olds offer, childminders need to have a good or outstanding Ofsted rating and a relevant level three qualification.

- **Parental preference:** while parental preferences for childminders (in part because they may be geographically closer) was cited in one case as the main reason the local authority had included childminders in the programme, it was also suggested that parents often viewed group provision as of superior quality and offering more in the way of education. This led to some areas offering relatively few places through childminders.

Overcoming barriers to provider participation

Local authority respondents identified a number of ways in which they had attempted to overcome some of these barriers to provider participation, including:

- **Incentive payments:** as discussed in Chapter 2, one local authority had attempted to overcome funding barriers by using Sure Start funding to provide additional payments to providers to encourage them to deliver two year old places. They viewed this as having successfully engaged providers that may not have been willing to participate in the offer. This view appeared to be confirmed by comments from childminders in the same area, who indicated that this additional payment covered their rate and additional expenses.
- **Flexibility regarding provider criteria:** in some areas, local authorities recruited childminders who were not already accredited to deliver the three and four year olds offer, provided they had a good or outstanding Ofsted rating and a level three qualification (or were working towards this qualification). In these cases, childminders were getting a lot of support from their network and the local authority to ensure that quality care was being provided.
- **Better provider liaison/communication:** it was noted that provider concerns about the level of work involved in delivering the offer could sometimes be overcome with support and by pointing out that much of the service level agreement related to things they were already doing. However, beliefs about the level of work involved appeared to remain a barrier to participation for some providers.
- **Provider training:** where negative perceptions of the scheme or the families involved were associated with a lack of experience in working with vulnerable families, local authorities suggested this could be tackled through additional training around child protection and related issues.

Support for quality improvement and meeting children's diverse needs

Approaches to quality improvement and monitoring

The guidance for local authorities on delivering phase three of the offer emphasised the importance of regularly evaluating the quality of the provision funded, and of providers participating in either a local or a national quality improvement process. Much of the quality monitoring and support provided to childminders and group settings involved in the programme appeared to be offered as part a general commitment to improving the quality of early education, rather than focusing specifically on the two year olds offer. Specific schemes in use by case study authorities to improve quality in provision and, in some cases, to determine eligibility to participate in the offer included:

- Red Amber Green (RAG) local authority rating schemes for childcare providers
- Scheme for Supported Self Review
- Quality in Action scheme
- Quality Improvement Support Plan (QUISP) scheme

- National Child Minding Association Quality First scheme
- European Quality Improvement Scheme (EQUIS)
- Basic Skills Quality Mark
- Infant-Toddler Environment Rating Scale (ITERS) and Early Childhood Education Environment Rating Scale (ECERS)
- Ability to Improve.

Quality improvement support and monitoring varied both across and within case study areas, with some providers receiving more intensive support because they had either been rated satisfactory by Ofsted, or identified as in need of additional support on the local authority's own quality system. Depending on these factors, formal monitoring ranged from annual or half year reviews and audits, to more regular assessments (e.g. termly, eight weekly or more often). These assessment visits were sometimes planned to occur just prior to Ofsted inspections, to help settings identify and work on areas for improvement. Early years staff and other professionals also offered ongoing support and advice by phone, e-mail or in person with generic issues, like health and safety and planning, as well as issues specific to caring for disadvantaged two year olds, such as working with vulnerable families, creating CAFs, and attending Child Protection Plan (CPP) meetings.

Local authorities arranged training for providers, again covering both generic early years issues and issues specific to the two year olds offer, including:

- working with two year olds and with vulnerable families
- updates on the offer/related programmes
- supporting home learning
- safeguarding or child protection training (offered in one local authority after an early years advisor identified particular concerns about providers' lack of familiarity with CAF and related procedures).

Local networks provided peer support for participating childminders, while buddying systems offered similar peer support and opportunities to share good practice for managers of group settings.

While a wide range of different professionals, including family support workers, children's centre teachers, special educational needs coordinators (SENCOs), and social services were identified as having a role in supporting quality improvement. However, early years consultants/advisors and (in relation to childminders) network coordinators tended to play a particularly prominent role in quality assessments. In some instances the two year olds programme manager also monitored the quality of all settings delivering the offer.

Local authority respondents felt that the offer itself, as well as the associated support, was helping to drive up provider quality, since providers were generally keen to participate and needed to commit to improving their quality to do so. Local authorities that had participated since phase one felt this was evident in the improvements seen in settings that had joined in that stage. They gave specific examples of providers who had been rated satisfactory by Ofsted, but who had been awarded, or were expected to be awarded, good ratings at their next inspection after the local authority had supported them to increase the quality of their provision.

"If you look at [name of nursery] just down at the bottom ... That's the only one that when we came on pilot, that was satisfactory ... So they've had two year old pilot go in, we've bought resources, they're linking really well with the [name

of children's centre] *now and since then, they've gone up to good from Ofsted as well.*" (Local authority respondent)

In contrast, an interviewee from a phase three authority felt that the two year olds offer had not had much impact on provider quality overall, but this was because too few places were being offered at this stage to make a major difference. At the same time, some providers felt it had little impact on their quality as they were already delivering a high quality service when they signed up to the programme.

Local authority comments regarding their reasons for using satisfactory settings (discussed above) also suggest a possible tension between using the scheme to drive up quality and other pressures, for example, to meet demand for places, or to meet parental preferences for particular providers that may not be very high quality. That said, all local authorities did confirm that they had put in place support to help satisfactory settings used for the offer to improve their quality, whatever their rationale for recruiting them to the programme in the first place.

Supporting quality for children with disabilities or SEN

The evaluation of the phase one pilot found that families with children with disabilities or SEN were particularly likely to drop out of the programme. Parents of children with a disability or SEN were also more likely to report that they would have liked more help or support from settings²⁹.

This study did not include interviews with parents, so we are not able to say to what extent these were issues for parents of children with disability or SEN in the case study areas. However, local authority respondents and providers were both asked about the support provided to families with children with disabilities or SEN. They described a range of additional support offered to help providers work effectively with children with disabilities or SEN. Again, much of this support seemed to be offered to any providers in the area who were working with children with disabilities or SEN, rather than being targeted on the two year olds offer specifically. Support included:

- **Funding for additional resources**, including staff to provide one-to-one support, equipment, transport to appropriate settings, and therapy. Various funding streams were accessed to provide this, including the Inclusion Fund and Disabled Children Access to Childcare (DCATCH) fund (see Chapter 2). However, it was suggested by a local authority respondent that in their area there was little in the way of additional funding for SEN, which was felt to be a barrier to settings catering for disabled children. Anxiety was also expressed by local authority staff about the future availability of the Inclusion Grant in particular. On the other hand, one area reported that relatively little use had been made by settings of the Inclusion Fund, possibly because the Early Years Capital Grant had been sufficient to fund additional resources to date.
- **Training on SEN**, including general SENCO training and training on specific needs, such as: special feeding arrangements, speech and language, administering medicines and Makaton³⁰ training.
- **Advice and support on SEN issues**, provided by relevant staff within a local authority such as SENCO or Additional Learning Needs and Opportunities teams, inclusion officers, special needs support workers, family liaison officers, and speech and language consultants. Interviewees reported providing or receiving advice on

²⁹ Smith et al. (2009) op. cit.

³⁰ Makaton is a system which uses signs, symbols and speech to help people with learning and/or communication difficulties to communicate.

issues including: organising referrals/additional support for children with disabilities or SEN; producing and implementing Individual Education Plans; identifying appropriate staff training; appropriate setting up of the room; and obtaining additional resources.

Even where additional support was offered, there were differences of opinion among providers regarding whether they would feel willing or able to accept funded places for two year olds with disabilities or SEN. One view was that they could not because they would need one-to-one support and there was a perception that funding for this was either not available or difficult to obtain. Another was that they would be happy to take children with disabilities or SEN, but only as long as the local authority provided additional funding for this. A third view was that they would always try and find a way to accommodate children with disabilities or SEN, even if this was challenging in terms of staffing. Physical access issues were mentioned as a specific barrier, some providers felt they could not take children with mobility problems because of the design or layout of their premises. In one area, a local authority respondent suggested that they tended to signpost children with disabilities or SEN to children's centres, rather than other provision, because they felt children's centres were better equipped to cater for their needs.

Views on the support provided

Providers interviewed for this study were generally very positive about the support provided to them in relation to quality improvement and delivering for children and families. In terms of quality monitoring, one view was that even though complying with local authority quality standards could be time consuming, it was helpful in improving their business. However, the view that there was sometimes too much monitoring and that some of the action planning following on from quality assessments was just 'paper filling' was also expressed.

"It does ... take a long time and it involves ... looking at ways you can improve, obviously not too many ways you can improve because you'd never get through it all. But it does make you think." (Childcare provider)

"She [development officer] was making me feel more confident that what I was doing was right. ... Because when you work alone you've got nothing to balance it against." (Childcare provider)

"It does feel like a paper filling exercise actually and yeah, and you end up being set actions from it, whereas you've got more than enough to be getting on with and these are just pointless actions that you're doing to please somebody else for no apparent reason."
(Childcare provider)

Specific areas where providers identified gaps or weaknesses in the support provided to them to deliver the two year olds offer included:

- **Training:** providers said they would have found it helpful to have more training on: how to fill out CAF forms; SEN; catering for different age groups together; and providing outreach to support the delivery of the two year olds offer. In some instances, courses had been offered but providers felt refresher training was needed (especially around SEN) and that training needed to be repeated for new staff. Providers also mentioned barriers around accessing some training due to inconvenient timings or inaccessible location. While training relevant to the offer tended to be free for providers to attend, a lack of additional funding for staff cover

in group settings and to pay for the time childminders spend on training was also considered a barrier.

- **More frequent visits from support staff:** visits by early years advisors and others generally appeared to be appreciated and one view was that these ought to be more frequent. In one area, it was noted that the frequency of visits to early education settings from the children's centre teacher had recently been cut back, from weekly to less often.
- **Information and planning:** it was suggested that the quality of the provision settings are able to offer would be improved if local authorities decided which children they were placing through the two year olds offer earlier in the term. Settings would then receive information about the children and their families at an earlier point, allowing them to plan more effectively. In relation to children with disabilities or SEN, they would be able to access additional support and have resources in place before the child started.
- **Additional resources for children with disabilities or SEN:** although local authorities did provide additional resources like toys and referrals to speech and language therapists to help settings offer good support to children with disabilities or SEN, it was noted that these resources were in some cases slow to materialise. Another provider noted that in one case the additional support provided for a child with SEN had been inappropriately coordinated, resulting in more people than the child could cope with being present in the setting.

Monitoring the implementation and impact of the programme

All local authorities who participated in this study had made some attempt to monitor the impact of the two year olds offer on families and providers. However, the manner in which they did this ranged from the very informal – via verbal feedback from providers – to sophisticated electronic tracking, following children from the two year olds offer through the remainder of the EYFS. In some areas, local authorities were still in the process of developing more formal monitoring and tracking tools to monitor children's progress from 0-5. This included some local authorities who had participated in the programme since its earliest phase. While there were examples of some relatively sophisticated approaches to monitoring impact, comments from other local authority interviews suggested that local monitoring and evaluation of the programme remained a work in progress:

"We're not very good at it actually. We're getting better at it. It's another one of our own, you know, outcomes, duty targets, we'll be able to look at children from a very young age right up through to the end of FSP³¹ to see whether the children centres are making a difference." (Local authority respondent)

Approaches to monitoring included:

- Use of **electronic systems to track child progress** (including eStart³² and other more bespoke local information sharing IT systems). Electronic databases were used to record and track when participating children reached key development goals, what services they have accessed, etc. In the longer term, interviewees discussed using such data to monitor participating children's progress between three and five and ideally beyond. It was reported that this data had already

³¹ The Foundation Stage Profile (FSP) is a framework for assessing children at the end of the Early Years Foundation Stage, when most children will be in reception classes in schools but some may be in playgroups or other pre-school settings.

³² A web-based, shared database product by Capita software.

provided some evidence that the attainment gap for children participating in the two year olds offer was starting to close by the time they reached age three.

- **Child assessment forms**, filled out by providers at specific points to enable monitoring of the impact of the offer. In some cases, these assessment forms were designed specifically to monitor impact. In others, programme staff suggested they either did or could in future make use of existing assessment forms providers use to record and plan around children's development. For example, one local authority referred to the 'learning journeys' providers used to record children's needs and progress, and suggested that they may be able to use these to compare children who have and have not received a place through the two year olds offer. Local authority interviewees noted some challenges in ensuring that providers collected and returned accurate data. In one area where bespoke 'pre' and 'post' programme assessment forms had been developed, providers did not always return the forms and there were concerns that some childminders lacked the skills required to complete them accurately. In the end, this led to the decision to replace these assessments with a simpler 'provider statement', to be completed when the child finished their two year olds placement.
- **Case studies/reports** on participating children by early years officers/advisors, written as part of their routine monitoring of children receiving funded places in local childcare.
- **Parental feedback** was variously collected using questionnaires and evaluation forms, through parent fora and through focus groups. It was noted that surveys of parents tended to attract a very low response rate. family liaison workers also reported conducting more formal evaluations of parents' needs, expectations and views of the programme before and after working with them, as part of the family support element of the offer. One local authority interviewee highlighted the need to ensure that evaluation of the offer captured the impact on parents – in terms of accessing work or training, building confidence and skills – as well as on children.
- **Feedback from providers**, again, the impact of the programme on settings was variously monitored via informal consultations, evaluation forms and surveys. One area planned a provider feedback event to gather views on how to improve the programme.

Challenges and facilitators

The findings discussed in this chapter suggest a range of challenges associated with identifying and supporting providers, particularly in the context of scaling up the offer:

- **Insufficient numbers of providers meeting quality requirements.** This was particularly the case where the recommendation for good/outstanding Ofsted ratings or the requirement for a graduate lead were being strictly applied, but remained an issue where local authorities were applying their own quality criteria. When the programme is scaled up, identifying enough high quality providers appears likely to be a significant challenge. In determining what the minimum criteria should be going forward, it will remain important to balance the need to recruit more providers against findings from the pilot evaluation that only good quality settings are effective in significantly improving child outcomes³³.
- **Defining quality provision.** A related challenge as the programme is extended will be what approach DfE and local authorities take to defining quality provision, and

³³ Smith R., Purdon S., Schneider V., La Valle I., Woolny I., Owen R., Bryson C., Mathers S., Sylva K., Lloyd E. (2009) *Early Education Pilot for Two Year Old Children Evaluation*, Research Report DCSF-RR134, DCSF: London.

how this is monitored and enforced. Local authorities do not appear to be relying solely on Ofsted, but are instead drawing on a wide range of local quality assurance schemes. These will all vary to some extent in the criteria they focus on. There may also be variations in how far their approach to monitoring and ensuring quality is evidence based. As the offer is scaled up, the DfE may wish to consider how much variation in approaches across local authorities they feel is acceptable. Should there, for example, be a list of 'approved' quality schemes, or should local authorities be required to follow guidelines (such as the NQIN guidelines, mentioned above) summarising what an appropriate quality scheme should cover and how this should be monitored?

- **Uncertainty over funding as a barrier to medium to long term planning.** Uncertainty over the number of places being funded in the future appears to have created challenges for both local authorities and providers in terms of deciding how widely to advertise the programme (to families and to providers) and planning for meeting programme requirements (in terms of staffing levels, for example). It is possible that these challenges may start to be overcome now that future funding for the offer is clearer. Funding stability is likely to be key to encouraging sufficient providers to sign up to the scheme as it is scaled up.
- **Funding** is likely to be a barrier to recruiting more providers if the offer is extended, at least in areas where the local market rate exceeds that offered by the programme. Offering funding for additional support associated with providing early education for children with disabilities or SEN may be key to encouraging some providers to offer places for them.
- **Ensuring quality improvement continues to be adequately resourced.** Although case study areas generally appeared to support childcare providers within their broader early years quality improvement frameworks, if there is a need to increase the number of high quality providers as the offer is scaled up, there may be related challenges associated with ensuring this support continues to be appropriately resourced as the scale of the offer increases. This may be the case particularly in areas where, in order to meet demand and/or parental preferences, local authorities need to recruit providers that are not currently operating at a very high standard. There may also be challenges around encouraging new providers to see quality improvement as a benefit, rather than an additional burden.
- **Monitoring impact.** Case study local authorities appeared to be at different stages in terms of their ability to robustly monitor the impact of the two year olds offer on parents and children. As the programme is scaled up, putting in place clear, effective monitoring systems will become even more important.

Alongside these challenges, the chapter identifies a number of factors that may help facilitate successful recruitment and support of high quality providers to the programme, including:

- Making effective **use of existing networks** to introduce the offer to new providers.
- Encouraging providers to see **quality assessments** and the associated support as a **benefit to their business**, and highlighting that many quality procedures simply reflect their existing good practice.
- Providing additional **training relevant to the two year olds offer**, particularly around procedures new providers may be less familiar with (e.g. CAF, child protection).
- Making use of existing **early years monitoring systems in combination with tools already in use by providers** to track children's development to monitor the impact of the two year olds offer. While these existing tools may require modification to capture the required impacts, their use may lead to more complete, usable data.

Summary

Findings in this chapter suggest that although local authorities consider quality very important in selecting providers to deliver early education for disadvantaged two year olds, the recommendation that this is measured mainly using Ofsted ratings is problematic. Ofsted ratings were viewed as out of date or unreliable. In combination with a lack of providers in particular areas with good or outstanding ratings, this led some authorities to apply their own, local quality criteria instead.

Local authorities varied in whether they opened the programme to all eligible providers, or whether they adopted a more targeted approach. Short lead in times for delivering the offer appeared to have caused some challenges for local authorities in terms of recruiting new providers, while uncertainty over funding presented some difficulties for providers in terms of planning.

Local authorities offered a wide range of support to participating providers to help them improve their quality. This generally appeared to be offered as part of their broader early years quality improvement framework, while incorporating specific training, advice and support around issues relevant to the two year olds offer. Providers interviewed for this study were generally very positive about the support provided to them, although they did identify some gaps around training on specific issues, frequency of support visits, information on and resources for children with disabilities or SEN.

A range of approaches to monitoring the impact of the offer were apparent across case study authorities, from use of electronic systems to track long-term child outcomes, to more informal feedback from parents and providers.

5. Providers' experiences of the offer

In this chapter, we explore providers' experiences of delivering the two year olds offer, focusing particularly on the profile and needs of children and families on the programme, its impact on settings and practice, links with other support services, and transitions for three year olds. Perspectives of providers - group settings and childminders – are contextualised with information from other key stakeholders across the eight case study areas.

Profile and needs of children

Providers routinely stressed that children on the programme were assessed and treated as individuals, rather than as part of a specific group. Despite individual differences, however, two year olds accessing free places were generally considered to be more likely than their peers to experience difficulties in several areas. Given the child and family needs widely adopted as secondary eligibility criteria (see Chapter 3), it would be surprising if this was not the case.

According to providers, while children on the offer had greater needs, with appropriate support they could make good progress in the following areas: speech and language, behaviour, social skills and relationships. Some mentioned needing to nurture independent behaviours, regarding toilet training, dressing and mealtimes, to a greater extent among children on the programme.

In line with the emphasis on providing for those new to formal childcare, rather than replacing funding for existing placements, some of the challenges faced by providers related to children being in a structured setting away from home for the first time. Those using free places were said to take longer, and require more one-to-one support, to settle – both initially, and after breaks in provision through absence or during holidays. More generally, boundaries and rules around acceptable behaviour, routines and a structured day were also reported to be especially challenging for some children on the offer. Similarly, others mentioned the need to nurture concentration and a 'learning ethos'. One childminder described one boy, who initially had difficulties with speech, learning to share, sit at a table to eat and generally acquiring:

“Just the basic skills you need as a two year old; knowing he could ask for help if he wanted it, just everything that a two year old should go to nursery with, or should have in life. And he didn't have that when he came, but he went with it, which is my job done.” (Childcare provider)

In some settings, staff had noted an increase in child protection concerns as a result of having two year olds from the offer and were involved in more multi-agency meetings as a result.

Others mentioned being more alert to the fact that children might exhibit behaviour linked to problems at home, and, for example, 'keeping an eye out' for aggressive behaviour or fear of loud noises, which might relate to witnessing domestic violence. However, many providers stressed that only a minority of children on the offer presented with particularly disruptive or challenging behaviour. This was the case even where there had been a degree of trepidation on the part of providers:

“There’s a lot of rumour and ‘oh, these children are going to be an absolute nightmare’. And we’ve had to work quite hard to explain, well, actually it’s very unusual – it’s unlikely that you’re going to have huge problems.” (Local authority respondent)

None of those interviewed described children on the offer as presenting with unmanageable needs; instead stressing the difference they had been able to make even in difficult cases. In some instances, this had required a lot of one-to-one support; in others, staff had observed how difficult behaviour learnt from siblings at home, which presented as developmental delay, altered rapidly when children started to mix with others in the setting.

“A lot of the behaviour that we had was learnt from brothers and sisters, big learning difficulties, so.... because their siblings had, kind of made it difficult for them to communicate with them because they had no communication skills. And watching these children flourish in the social side of the... of pre-school, is wonderful.” (Childcare provider)

Many providers highlighted the noticeable differences in children’s confidence and enthusiasm during their time at the setting, as they benefited from stimulation which may have been lacking at home. They reported experiences new to the children, such as playing outside in a garden or visiting a library, using new toys or equipment, and simply interacting with other children and adults.

As indicated in Chapter 4, there was an expectation that providers would be able to cater for children with special educational needs (SEN) or a disability. Training, specialist support and additional funding were in some cases available for providers who catered for these children, this was in line with standard practice in the local authority, rather than being provided specifically for children receiving the two year olds offer. Overwhelmingly, providers stated their intention to cater for the needs of children with at least mild disabilities or health issues, and described having adapted their practice and ensured staff were trained. We certainly found evidence that children with SEN and a disability were benefiting from the offer, with additional support provided when necessary. For example, in one area, a designated ‘children’s centre plus’ was caring for several children with disabilities from the programme.

Similarly, in another children’s centre, there were, at the time of the interview, three children using the offer who had complex health needs and for whom Inclusion budgets were funding additional equipment and one-to-one support. There were also providers with limited prior experience of children with disabilities, who had children from the offer with severe or complex health needs. For example, one child had required tube feeding; staff had visited the family at home and were trained there by a nurse to use the equipment. However, as noted in Chapter 4, in cases where there was no support and/or no additional funding available for children with complex needs, some participants expressed concerns about the potential impact on other children and staff of accepting a child who required very high levels of one to-one support.

The offer intake in the context of local demographics

The extent to which children on the offer presented with greater needs and the impact this had on the setting depended in part on the context of the local catchment area. In some cases, a sizeable proportion of children in a setting were from vulnerable families, with additional places funded or subsidised from other local authority budgets. For example, one group setting routinely took social services referrals, and another had previously been funded by the local authority to provide subsidised places to children from low income families. Likewise, one childminder who had cared for children funded

by social services said that those accessing the offer were 'no different' to those she was used to.

Similarly, depending on the profile of their local community, settings were sometimes already providing for older children with English as a second language. Providers described asking parents for 'comfort words' in their first language, to help ease initial anxieties. They were also using visual aids, Maketon³⁴, additional resources, interpreters and advice via ethnic minority support staff, as well as encouraging parents to spend time in the setting.

In one area a setting provided places for three year olds from the same Traveller communities who were accessing the two year olds offer, and were already familiar with the needs of those children relative to their peers from other backgrounds, particularly in terms of language and engagement in stimulating play. From their perspective too— age differences aside - the overall profile of the children in their care was relatively unaffected. In contrast, another (private) setting within the same local authority reported that the children accessing free places were markedly different from the rest of their intake, displaying more behavioural problems, lacking social skills, and requiring a great deal of one-to-one support.

Impact of the offer on providers

Providers described the offer as impacting variously – and to differing degrees - on their settings, in terms of:

- financial sustainability
- building capacity
- the nature and level of work
- flexibility of provision.

Each of these factors is explored in detail in this section; the impact on quality of provision is covered separately in the next section. In explaining how providers were affected, two key contextual factors which mediated a range of impacts, are worth noting:

- The number and proportion of free places provided. Some settings provided a small number of places, mainly when they had vacancies, while for others the offer represented a substantial proportion of their intake. The former tended to be private (and to some extent voluntary) sector providers, and the latter children's centre settings.
- The level of funding for the offer and funding from additional budgets. In some areas, providers received lump sums in addition to the hourly rate per place. Separate funding for children with SEN or disabilities was also available in some areas and used for equipment and one-to-one support.

Financial impact

As discussed in Chapter 2, providers' views on the adequacy of the offer funding arrangements varied considerably. This variation was largely linked to differences in local childcare markets. Where demand for childcare was high and largely driven by affluent parents, the payment for the two year olds offer was typically below the market rate. In these areas the offer was generally not seen as financially attractive, or even

³⁴ Maketon involves using signs and symbols alongside words to develop vocabulary.

viable, particularly as it did not fit well with the relatively long sessions and all year round service these providers tended to offer. In the deprived areas included in the research, where there was low demand for childcare and where provision had been mainly stimulated with local authority or voluntary funding, the level of funding provided by the offer was seen as attractive. Predictably, the financial impact the offer had on providers largely depended on the conditions of the childcare market they operated in. We identified three types of perspective on the financial impact of the offer, which are discussed in turn below.

In the first group we find providers (mainly children's centres) who clearly saw the offer as having helped with their sustainability, because of lack of demand and/or because the offer funding was generous relative to the low rates they could charge local parents. This was the case, for example, for one group setting located in an area of high deprivation, which was able to 'break even' thanks to the offer. The study included two children's centres, with ten and 20 offer places respectively; for one of these centres, these places amounted to nearly half their total capacity. The programme manager where these settings were based confirmed that, for some children's centres, funding from the offer had been key to their financial viability. In cases where providers received more per child than they did from fee paying parents, they described using the 'excess' to cover training, resources, staff time in meetings relating to the offer, or travel costs incurred when collecting children – these were all seen as supporting flexibility and quality of provision.

In the second group, we find providers (both childminders and group settings) for whom the offer was broadly in line with or just below what they would be able to get from fee paying parents. In some cases the hourly fees were broadly in line with what local parents were charged, in other cases they were below, but top-up funding from the local authority was offsetting any losses due to low fees. For these providers the financial impact was 'neutral'. Even when the earnings from the offer were slightly lower than what they could get from fee paying parents, this did not appear to be a huge deterrent, in the context of finding it a rewarding experience in other ways, something that was particularly mentioned by childminders. Interestingly, in the few cases when parents topped up the offer with additional hours they paid for themselves, providers charged fees in line with the two year olds offer, even if these were lower than their normal fees.

In the third group we find providers (again both group settings and childminders) who said the low fees (compared with local rates) and the very part-time and term time nature of the offer represented a considerable disincentive. While providers in this group were engaged with the offer, they provided a very small number of places and they did not think it would be financially viable to increase these. Providers in this group fell into two sub-groups:

- Those who would only accept children from the two year olds programme if they were unable to fill vacancies in other settings.
- Those who engaged with the offer because of their commitment to supporting disadvantaged children, but who had to limit the number they were able to take in order to remain financially viable.

Impact on capacity

For some providers, overall numbers were unaffected by involvement in the offer because free places were provided only when they had vacancies (e.g. some providers in the third group mentioned above). Some were prevented from expanding, for example, by limitations of physical space, even when there was increased demand.

The uncertainty over funding for the offer, which in all phases tended to come at rather short notice (see Chapter 2), discouraged some providers from embarking in potentially costly expansion plans.

For others, taking part in the offer had led to an increase in capacity. Accordingly, in some cases, providers had taken on more staff or increased the hours of existing staff. This partly reflected the need to increase ratios to cater for greater numbers of younger children, some still in nappies, who required more one-to-one support.

One small daycare setting had extended their building in order to accommodate more children, having successfully applied for a Capital Grant. Among providers unable to adapt in this way, some had long waiting lists. In another case, the offer had relieved pressure on a children's centre respite budget (providing places for vulnerable families under pressure, as a preventative measure), enabling the setting to divert this funding towards younger children who would not otherwise have accessed a place.

Impact on level and type of work

Even where the number of (two year old) children in a setting had not substantially increased, participating in the offer could affect staff workloads, in terms of both the volume of work and nature of tasks they were faced with.

For the most part, the administration involved in accessing funding for the offer was described as straightforward by both childminders and group providers. Aside from the mixed views expressed about the use of the Comprehensive Assessment Framework (CAF) forms (discussed in Chapter 3 and later in this chapter), there were a few issues around the volume of paperwork in one area. In this case, even before confirmation of a child's place, four forms were required by the local authority (for referral, declaration of interest and CAF); the funding application form added a fifth.

Aside from the paperwork involved in funding applications, providers described having to conduct additional monitoring exercises around attendance and activities children and parents were involved in because of the offer. What was required varied considerably. In some cases, settings simply filled in a brief attendance sheet for each child on the offer. In another area, providers described having to complete monitoring forms tracking attendance and progress of children on the offer, families' involvement in children's centre activities, and support they were providing for home learning. Although there were exceptions, particularly where there were child protection concerns, for the most part these additional demands were not described as particularly onerous. They could, however, be time-consuming, on top of the standard observations and monitoring taking place across a setting.

Involvement with the offer had, in some cases, resulted in providers devoting considerable time to interagency liaison and attending meetings. For example, there could be CAF meetings, once every six weeks, if a CAF remained open, and other appointments with multi-agency teams or individual practitioners, such as educational psychologists. In addition, there could be telephone calls to health visitors, report-writing for partner agencies and, for example, speech and language referral forms. While these activities could add to the workloads of managers and their staff, they were also seen as having a positive impact. A number of providers reported that staff had become more knowledgeable about other agencies' practice and procedures, and built better relationships with colleagues in those services and other settings.

Finally there was some, limited, evidence that involvement with the offer was resisted because of the additional work it would involve. One manager mentioned having had to overcome resistance to taking part in the offer among their 'middle-class' governing

committee and also amongst setting staff, who were concerned about taking on children with very challenging behaviour. Moreover, working with very vulnerable children resulted in greater demands in terms of staff supervision, as staff had to deal with more challenging children, and dealing with issues such as domestic violence and child protection could be draining.

Overall, providers felt that involvement with the offer had resulted in additional work and in some cases it had also affected the nature of their work. However, when asked about achievements, they talked effusively about the satisfaction involved in seeing children flourish on the offer. Furthermore, as noted in earlier chapters, involvement with the offer was encouraging more joined up working with other professionals who were supporting the families on the programme.

Flexibility of provision

We found a range of ways in which the offer was provided flexibly with regard to the days and times a place was provided. Flexibility was seen as being in the best interests of the child, but there was also a willingness to be flexible to meet parents' need (e.g. relating to work, study, domestic reasons).

There was generally consensus among both group settings and childminders, that childcare spread over several mornings or afternoons was more beneficial for children than spending one or two long days in a setting (depending on whether the standard entitlement was ten or 15 hours). More specifically, providers spoke of offering choice, insofar that they could, but rather than a completely free choice, many encouraged parents to choose between mornings or afternoons. This was explained to parents with reference to a child needing to settle in, develop routines and avoid very long gaps between sessions.

However, in exceptional cases, some providers described accommodating parents' preferences for long days. Some had also been flexible with session times where parents had to drop off children in different locations; and in enabling two year olds to attend settings at the same times as their older siblings. One provider described agreeing sessions with parents to avoid clashes with either the school run or with other parents with whom they had difficult relationships. Other providers recalled renegotiating children's hours when parents' needs changed, for example, when they started a new course.

There were other considerations, relating to children's well being, that providers took into account when negotiating patterns of delivery. While potentially limiting flexibility from the point of view of parents, they were considered to be in the best interest of the child. For example, one childminder described planning children of similar age to attend at the same time, so that they could play together.

In some settings, if parents preferred to ease the child in gradually, they were able to start with a small number of hours a week and gradually build them up. When sessions were three hours long, some parents preferred to take nine rather than ten hours a week, and providers seemed willing to accommodate this. Conversely, some parents were said to pay for sessions over and above the allotted ten, and also for some sessions while on a waiting list for a free place. As discussed earlier, providers in the study who were allowing parents to buy additional hours were typically charging them relatively low fees, in some cases, well below the hourly rate for the offer, for example £6 for a three-hour session.

Some settings and childminders were providing a smaller number of weekly hours in order to provide childcare during school holidays. This arrangement was offered for a

number of reasons, including providers' and parents' convenience, but providing continuity of care and avoiding disrupting progress made by vulnerable children was also an important influence on the decision to offer this arrangement.

Several providers catered for children over lunchtimes – for example, offering two five-hour sessions a week (e.g. 9.30 am to 2.30 pm) as part of the offer. Others allowed parents to extend morning sessions to stay for lunch, to give children the benefit of the (hot) meal or to give parents a longer break. In some cases where taking lunch meant using more hours than were provided on the offer, parents paid for this at a reduced rate; in others, where it was seen as benefiting the child, lunches were funded from separate local authority budgets.

While we found many examples of providers' willing to be flexible, there were also limits to this flexibility, typically linked to financial issues, for example, the need to fit children in specific sessions where there were vacancies. Providers commented that parents generally understood the limits of their flexibility around attendance patterns, and that it was not generally an area of conflict. In some cases, local authority staff rather than providers discussed the available options with parents, so that parents would only be referred to a setting if they were happy with the hours on offer.

Influence on quality improvement

Chapter 4 described local authority requirements in relation to quality, and the support they offered providers to improve. Here, we consider changes some providers made to become involved in the offer, and also ways in which practice had developed as a result of taking part.

As set out in Chapter 1, participants were selected from settings rated by Ofsted as outstanding, good or satisfactory, the latter had to demonstrate capacity and a plan to improve their Ofsted rating. In line with the fact that most settings in the study were good or outstanding, few providers talked of changes in practice they had *had* to make to bring practice up to an acceptable level. Rather providers reported experiences they had gained through involvement with the offer, and of seeking and acting on advice and guidance from the local authority as a routine part of their work.

However, some providers described ways in which they had worked, with local authority support, to improve satisfactory ratings. For example, the manager of one children's centre was confident that they would achieve a good Ofsted rating in due course, having taken local authority advice, made changes to the environment, attended training and networked with other providers to learn from their practice, and been rated highly within the local authority's own quality assurance scheme. Similarly, the manager of a private nursery was meeting regularly with local authority early years advisors to monitor progress against an action plan for improvement. In parallel, they were planning to achieve accreditation on the local authority's own Quality Assurance scheme, and the manager described having recently undertaken training on quality assurance and preparing for Ofsted inspection. Another private provider was working to improve a satisfactory rating with training and advice from the local authority, and was being regularly assessed against RAG criteria by a qualified teacher.

There were childminders, too, who reported that their practice had improved specifically as a result of the offer. For example, it was necessary for one childminder to become accredited in order to deliver the free places. This had involved attending training in Early Years Foundation Stage (EYFS) planning and observations, which had focused on areas of particular relevance to the programme. This particular childminder

felt that, through using the guidance provided, she was delivering a better quality of childcare across the board.

As well as requiring quality improvements as a condition of funding, there was also evidence that authorities would be prepared to remove funding if there were concerns about the quality of early education that providers were failing to address. In one case where funding had indeed been withdrawn, this was described by local authority staff as having been necessary, in order to send a clear and strong message to providers about achieving and maintaining high standards.

While there was a high level of awareness that quality of early education was key to the aims of the offer, for the most part, providers reported pre-existing involvement in local quality improvement and monitoring activities, regardless of whether they were already achieving the required Ofsted ratings. While they may have improved their delivery for two year olds on the offer as a result, they were not taking part in these (usually mandatory) schemes *because* of the offer.

Typically, providers maintained that they had not substantively changed their practice through involvement in the offer. Nonetheless, they tended to say that participation had been conducive to delivering better care, whether through raised staff awareness of the needs of vulnerable children and low income families, or through raised profile in the community.

A nursery manager reported that, having had a lot of training around working with two year olds, staff awareness and understanding of the needs of this age group had been greatly increased. She and her staff described how adapting their setting had involved quite a 'culture shock', but one which had improved the quality of the care they provided, making the nursery environment less 'scary' and more inviting for two year olds.

Some providers stated that, as a staff group, they had become more skilled in communicating and developing relationships with parents. Several mentioned a new emphasis on providing holistic support to families rather than focusing solely on the child. This reinforced the importance of being able to link well with other services and partner agencies, and was reflected in some of the additional training they had undertaken.

Some, but not all, providers reported that staff had accessed additional training specifically as a result of, or stimulated by, involvement in the programme. The range of courses broadly reflected the secondary criteria used to target families (see Chapter 3), demonstrating a good alignment between local authorities' decisions regarding the key groups who should benefit from the offer and the support they arranged for providers.

Providers also felt that staff development had undoubtedly been served by participation in the offer. One, manager, for example, described how, as a result of greater involvement in CAF and child protection processes – which had initially 'frightened' staff, they had a greater understanding of partner agencies and the importance of completing the relevant paperwork. More broadly, some providers claimed to have had their own confidence boosted by involvement in the programme; through seeing the impact they could have on the development of children who had initially struggled or presented with particular challenges.

Meeting the needs of families

In this section, we consider providers' experiences of meeting the broader needs of families. We begin by reviewing whether, how, and at what stage, they became aware of what those needs were. We then outline ways in which they reported engaging with parents around the delivery of early education, support with home learning, and broader family support.

Finding out about families' needs

Guidance on the offer issued to local authorities in 2009 specified that there should be 'A strong data-sharing policy between different outreach workers who are working with families with young children, and those involved in the provision of services to those children' (p.19). Broader guidance on information sharing, published by the then DCSF in 2008³⁵, states that explicit consent should be sought from parents, ideally in writing at the outset when agreeing a package of support. Where initial agreements have not covered disclosure to particular practitioners, the guidance states that additional, and equally explicit consent should be obtained.

Across the eight case study areas, providers described receiving varied levels of information about families, both prior to children starting a placement and subsequently. Some had access to referral data; others received minimal information at the outset and were only privy to personal details that parents chose to share. Providers appeared to learn about family circumstances in three main ways:

- from written records, mainly CAF or other assessment forms
- verbally, via early years staff or other professionals, such as family or outreach workers
- directly from parents, either during structured discussions of their needs or informally, through voluntary disclosure.

Both those with access to written material from CAF or other assessment forms, and those who were briefed verbally by other professionals said they felt well prepared to cater for families on the offer. Where providers sat down together with families, particularly alongside family support workers, to plan for the child's placement, this was also described as helpful, as was ongoing access to other professionals involved with the family.

Some providers were evidently better placed than others to learn about family circumstances. Among those in a strong position was one children's centre daycare manager who sat on numerous panels assessing needs and planning delivery; had close working relationships with a range of professionals with whom families were involved; and, contributed to CAF and other relevant paperwork on a regular basis.

For the most part, across all areas, providers located within children's centres reported having access to sufficient information, particularly centres that were responsible for both outreach and providing early education. However, this was not always the case, staff within some children's centres reported a frustrating lack of information at the start of placements. They (and also childminders) had been refused access to CAF material,

³⁵ DCSF (2008) Information sharing: Guidance for practitioners and managers.
<http://www.education.gov.uk/publications/standard/publicationdetail/page1/DCSF-00808-2008>

on the grounds that the forms did not record parental consent to share data beyond the core Early Years team.

Delay in providers receiving information could be avoided, if they were routinely listed among the agencies with which parents agree data can be shared. Ultimately, however, where data was being withheld, restrictions stemmed less from concerns about legality than from professionals' judgments about what providers needed to know, and their knowledge and beliefs about parents' privacy and wishes in this respect. In line with this, some providers reported inconsistency regarding what was shared, and when. For example, one childminder had found it helpful when she had been involved in CAF meetings and had access to relevant paperwork. Conversely, in one case where she had been dependent on the child's mother for information, as she had not been told that the child had been violent towards others. From her perspective, the exclusion of childminders from these discussions reinforced a perception among parents that they were simply babysitters, rather than professional carers, in downgrading the status of their advice and expertise.

Families' privacy and the appropriate degree of data sharing was clearly an issue across local authorities. The manager of a private daycare setting within a children's centre, who generally had access to CAF data herself, stressed that parents may not want sensitive information shared with childcare staff and said that she respected their wishes. When CAF data was not available, she felt confident that their ability to build supportive relationships with parents would lead to them finding out more about families' needs:

"You kind of have to learn as you go, really, but 'cos we're really good with our parent partnership the parents will tell us who's involved with the families."
(Childcare provider)

In some cases, providers attributed problems to individual practitioners. For example, one nursery manager, who received information about most children from their case workers, had not been told that one of those in her care was subject to a Child Protection Plan. However, procedures in the local authority were said to be improving. The setting had been promised access to a shared database, which would allow them to better prepare for supporting families. In the same area, another provider, based in a children's centre, reported receiving details in advance, but allowing parents to talk in their own time rather than broaching sensitive subjects.

Data sharing between those providing childcare and parental support appeared less problematic where the two were more explicitly linked, and presented to families as a package. Predictably, this tended to be the case where providers as well as outreach staff were based in children's centres, and worked together as a matter of course, though as the examples above demonstrate, this was not always the case. In some instances, family support workers introduced parents to setting staff or childminders and styled themselves as 'go betweens' for both parties. In other cases, there was more overlap in roles; in one children's centre, not only did key workers visit family homes with outreach staff, both groups spent time with children in the setting and aimed to build relationships with parents.

Overall, most providers were being given what they saw as sufficient information in order to fulfil their role in providing childcare to children, in the context of challenges faced by their families. Evidently, there were varied concerns about the rules governing the sharing of data; the appropriateness of asking parents for personal information; and, where information was shared, about the risks of causing further distress to parents who could object to such discussions taking place. Certainly, in some areas, it

appeared that there was scope to improve data sharing and/ or communication of policy around these issues.

Engaging parents

To some extent, providers described engaging with parents as standard good practice with *any* family, irrespective of whether they were paying for childcare or benefiting from the offer. Just as children's individual needs varied, so did those of parents. Some parents were described by providers as reliable, grateful and keen to take advantage of any advice available; others were unresponsive, failed to attend regularly (if at all), or resisted engaging in either the setting or their child's learning.

Staff interviewed across the eight areas were aware that parents could be wary of services they could not afford to pay for, or which had negative personal connotations for them, following bad experiences with education or social services. They described a variety of ways in which they sought to make parents comfortable and engage them in the setting. Some of these were practical steps, taken to allay fears at the outset, including:

- holding and advertising open days, so that parents could look around with no pressure
- carrying out home visits before families came to settings, so that children and parents could meet key workers on their own 'territory' first
- encouraging parents to stay with the child when they first visited the setting
- reassuring parents about the safety of the setting
- having family support workers accompany parents to settings, for introductory visits or extended periods
- providing a 'welcome pack'
- framing involvement in the offer as a positively beneficial step for them and their child, rather than an admission of failure
- accessing interpreters to ensure parents with limited English were fully informed at the outset, able to fill in forms with assistance, and be able to ask questions.

On an ongoing basis, providers sought to ensure parents continued to engage with the setting by:

- being approachable, friendly, and available to chat
- avoiding coercion, if parents appeared reluctant to attend, staff tried to understand why, rather than simply pressing them harder to attend
- avoiding a punitive tone, for example, where parents failed to bring children to a session, turned up late or left early
- reassuring parents that they were doing a good job
- keeping parents informed about children's progress and encouraging them to take pride in this
- recognising that parents, as well as children, needed time to adapt to new routines, and reviewing, if necessary, children's hours of attendance
- inviting parents to spend time in the setting.

Some providers mentioned barriers to engaging with families, which included:

- parents' lack of motivation, commitment or ability to bring children to the setting on a regular basis

- a lack of staff capacity or weak links with separate outreach services, and therefore limited capacity to explore unexplained absences or help with barriers to attendance
- inability to offer additional support such as transport, in cases where families were having trouble making the journey to the setting.

Several providers described impressing upon parents that taking up the offer required commitment. Although they were very reluctant to 'give up' on a family, many said that there was a limit to how long they would hold a place for those who failed to turn up.

Support for home learning

All providers described supporting home learning in a variety of ways, not simply for those on the offer, but for *all* families with children in the setting, while recognising that parents accessing the offer were often less confident around their child's learning. Positive, friendly relationships and encouragement were therefore described as key here, just as they were to ensuring attendance. All providers described various ways of keeping parents up to date with what children had been doing, including written reports, photographs and scrapbooks or journals. Other practice described as successful included:

- having regular meetings with parents to discuss the child's development and how activities at home could help
- recognising that parents may have literacy issues, and offering to talk through reports in person
- inviting parents to take part in their child's early education sessions in the setting or additional (free) 'stay and play' activities
- suggesting things parents could try at home, based on what the child was enjoying in the setting
- giving ideas for cheap alternatives to expensive equipment
- providing 'Treasure baskets' or 'Toy story bags', with toys and laminated cards explaining how playing with the toy supports learning
- providing books and puppets or 'story sacks' to make reading more fun
- encouraging families to access local libraries, as well as toy libraries within settings
- giving children disposable cameras to take home and asking families to take photos of activities they did together
- having family support workers visit parents and children at home, and doing activities alongside them to build confidence
- one setting provided one session a week from the child's 15 hours within the family home for an entire term
- respecting parents' input and expertise by asking what the child enjoys at home
- seeking feedback on how much children (and parents) had enjoyed using materials borrowed from the setting and taking this into account when planning future activities.

Despite the range of ways in which providers tried to engage parents, providers said that many parents simply wished to drop off their children and go, benefiting from the respite without engaging further in the setting or in extending their child's learning as suggested by providers.

Additional family support

Providers' roles in delivering additional family support varied considerably. Some felt that they were not expected to be involved in this element of the offer, while others actively offered assistance in their own areas of expertise. In line with this, a number of

providers were generally unaware of what help, if any, parents received from family support or other services and could not comment on this aspect of the offer.

Other providers were much more involved, particularly those working within children's centres. Partly this was because they were personally involved in provision of additional services, partly it was because they were well placed to signpost in an informed way. This was recognised by some children's centre managers, who highlighted that because childcare and family support services were available in one location, they could better ensure that families were benefiting fully from the offer.

Knowledge of whether families were *engaging* with other services was one issue; similarly, few providers were in a position to know whether needs were being met. Again, children's centre staff provided exceptional examples. One children's centre manager described having recently developed a parent evaluation form, for use at review meetings. Intended to add to existing evaluation activity focused on children's progress, the form contained questions concerning what parents expected to gain and the extent to which they had benefited. The intention was to use this feedback to inform and improve the support provided for families on the offer.

In the same children's centre parents were asked to formally commit to taking up at least one form of support, alongside the childcare element. Although this could appear in tension with the guidance issued to local authorities, stating that engagement with additional support should be voluntary, it was not clear that a child's place would actually be withdrawn if the parent failed to attend a class or drop-in. Interestingly, one provider elsewhere expressed the view that it would be better if engagement with additional services was compulsory. This view was informed by her experience of parents failing to bring their child to the setting, and conviction that they needed help with motivation and routines. Conversely, there were providers who stressed that parents must not feel coerced into activities, with the implication that this could backfire and lead to parents withdrawing children from the offer.

In a few cases, staff described providing help to parents as they appeared unable or unwilling to obtain this help from elsewhere. For example, one parent with limited English had sought help with form-filling and paperwork, assistance which staff knew was not part of their remit, and felt should have been provided by social services. However, it did testify to their approachability and encouraged the parent in question to bring her child to the setting.

While most were not involved directly in providing family support, typically providers spoke of at least signposting families to a wide range of services (e.g. local children's centres, Family Information Service, Child and Adolescent Mental Health Services (CAMHS), speech and language therapists, educational psychologists, child nutritionists, domestic violence teams, health visitors and JobCentre Plus). In some cases, providers made contact with services on behalf of parents, seeking to secure additional resources, for example, from Ethnic Minority Support teams, SENCOs, or Inclusion teams.

Transition at the age of three

As indicated in Chapter 1, disadvantaged children are over-represented among the small proportion of three and four year olds who do not attend an early education setting. By engaging disadvantaged children at the age of two, the offer aims to lead to an increase in the take-up of early education among disadvantaged three and four year olds. Local authorities should therefore ensure a seamless transition at the age of

three, to ensure children on the programme continue to benefit from early education until they start school.

Seamless transition

Both providers and local authority respondents reported that children tended to have a seamless transition from the two year olds offer onto the three year olds offer. At this stage, some children stayed with the same provider, whereas others moved on to a local nursery class. If settings have a nursery class on site, children tended move into the nursery within the same site.

Even though some children initially stayed on in the same setting when they turned three, many of them moved into a nearby nursery class during the year. Parents moved children to a local school mostly because their older siblings were attending the school, but some also feared that if their child did not take up a place in the nursery class there, they would not be able to access a place in the Reception class the following year.

As childminders provided more flexible childcare, some continued to provide wrap around care after children turned three, even if they had moved on to a local nursery. In some cases, children's centres also provided wrap around care to those children who moved to a nursery class on the same site, so children continued with the same provider in addition to attending a nursery class.

Both local authority participants and providers considered that receiving early education from the age of two resulted in considerable benefits:

- Children were already settled in a setting and adapted more quickly when they moved to the three year olds offer, either with the same provider or a different one.
- Children were socialised sooner, had fewer behavioural problems and learned to trust other adults sooner than those who started when they were three, who took much longer to adapt.
- Since there was no gap in provision children started the three year olds offer when they turned three, rather than waiting for the term *after* they turned three (except when childminders were not offering the free entitlement to three and four year olds).

Support for transition into a new setting

Providers reported various ways in which they supported the transfer to another setting at the age of three or four. These included:

- sharing information about the child with the new setting (e.g. early years profile, child's book/folder of photos and progress)
- organising visits to the new setting and spending time there so the child became familiar with the new setting (this was a more common when children moved to another setting on the same site)
- organising termly formal meetings with local nursery schools and primary schools to discuss the needs of all children making the transition
- for children with special needs, organising both visits and meetings to share information about the specific needs of the child and to ensure the new setting could meet these needs.

In some cases, the transition was also supported by the family's support worker, especially when the setting did not provide transition visits.

Providers typically reported that transition systems they had in place were working well. However, they tended to be less positive about their transition system if it did not include any visits, as these were seen as important to ensure a smooth transition.

Challenges and facilitators

The findings presented in this chapter highlight a number of challenges faced by providers.

- The profile of the children receiving the offer meant **working with children and parents with a range of sometimes complex needs**. While this was not new to some providers (particularly children's centres and those that had traditionally catered for very disadvantaged communities), for others this represented a steep learning curve. Going forward, as the offer is expanded, there is likely to be a need to involve an increasing number of providers with limited experience of working with vulnerable children.
- Engaging providers for whom the **offer is not considered to be financially attractive or even viable** could prove a considerable barrier when the programme is extended. While a number of these providers were engaged, they offered a very limited number of places, and seemed unlikely to be willing or able to increase this.
- The **uncertainty over funding for the offer**, which in all phases tended to come at rather short notice, discouraged some providers from embarking on potentially costly expansion plans.

The research findings also illustrate how some of these challenges could be overcome, particularly when the programme is expanded:

- While working with vulnerable children presented considerable challenges, it also provided opportunities in the form of **staff training** (usually provided by the local authority), **staff development** and **more effective cross-agency working**. This level of support will have to increase substantially when the offer is scaled up and will require the involvement of a growing number of providers with limited experience of working with vulnerable children.
- **Flexibility in the way funding is used** could attract providers, that may otherwise be discouraged from taking part in the offer due to financial reasons. The ability to spread the offer hours throughout the year was attractive to services that were open all year round. Access to additional funding was important to cover the 'loss' some providers made due to the offer low hourly rates (compared with local rates), and to cover the costs of the additional one-to-one support some of the children needed, the cost of supporting children with SEN or a disability and the need to liaise with other agencies.
- The **announcement of the level of funding for the offer until 2015** should enable local authorities to develop **better delivery plans**. These may in turn encourage providers to expand their capacity, if funding levels are guaranteed (by the local authority) for a number of years.
- The two year olds offer, typically consisting of a small number of daily hours provided during term time, does not fit well with many of the full-time, all year round services delivered by settings. While providers have demonstrated creativity in 'making the offer fit', going forward it will be important for **local authorities to work closely with providers to find a range of flexible solutions** that can fit the needs of providers, children and their parents.

Summary

Providers stressed that children on the programme were assessed and treated as individuals, rather than as a separate group. However, children on the offer were generally reported to be more likely than their peers to experience difficulties in several areas. This largely reflected the focus of the offer on the most vulnerable children, given that the limited funding available did not allow authorities to offer places to a broader group of economically disadvantaged children.

The offer seems to have contributed to the sustainability of providers operating in very disadvantaged areas, with low demand for childcare and low fees. The offer seems to have had a limited impact on providers for whom the offer was not particularly attractive for financial reasons. However, it did help to fill some of their places, and its role may increase in significance if high unemployment and financial difficulties result in a decline in demand for childcare from working parents. Providers varied in the extent to which they were able or willing to expand in response to the offer. On the whole, the offer seemed to have had a limited effect on increased capacity, largely reflecting the relatively modest number of new places the offer provided in many of our case study areas. As discussed earlier, one area even experienced a considerable decline in the number of places compared with phase one.

We found evidence that providers were willing to be flexible in a range of ways, primarily to ensure children got the most out of their free early education, but in some cases they also demonstrated willingness to be flexible to meet parents' needs. However, their flexibility had limits and these were largely related to sustainability issues, and the fact that a part-time and term-time offer had to fit with services that were typically full-time and open all year round.

The impact of the offer on quality improvement appears to have been limited. This was mainly because providers were already engaged in local support and quality improvement schemes provided (and indeed in some case made compulsory) by authorities, regardless of whether providers were engaged in this particular programme.

The offer required providers to engage with families in different ways, and this was particularly the case for those that had very limited experience of working with vulnerable families. In some cases they were made aware of family's needs and risks (e.g. via CAF forms) and had to use this knowledge to provide adequate support for the child, work with parents to improve their ability to engage with their children's learning, and refer parents to other agencies and professionals.

Finally the transition to the free entitlement at the age of three appeared to be seamless and did not seem to present any particular challenges. Children who had received early education for a year were reported to be better prepared and able to benefit from early education at the age of three, compared with other vulnerable children who had not had this opportunity. While not all children remained in the same setting when they turned three or four, a number of mechanisms were reported for ensuring a seamless transition.

6. Conclusion

In this concluding chapter, we draw together the research findings to consider lessons that could inform the future development and scaling up of the two year olds offer. The discussion focuses on the following:

- how local authorities identify and reach the ‘right’ families
- how sustainable provision can be effectively increased
- providing holistic packages of care to meet the range of needs of children on the offer and their families
- how the offer can be used to sustain improvements in the quality of early education
- how flexible are the places provided for this programme.

In the final part of the chapter we also briefly outline a number of issues in relation to evaluating the offer in future.

Identifying and reaching the ‘right’ families

The findings on identifying and reaching families for the offer show a tension between being consistent in developing and applying eligibility criteria and outreach strategies, and using local ‘intelligence’ and professionals’ knowledge of local families to ensure that the offer is provided to children and families who most need it. There were mixed views on criteria based on receipt of certain benefits, which were established by the former Department for Children, Schools and Families (DCSF). On one hand, these criteria provided an easy way of ‘standardising’ the initial targeting process, on the other, they were not always seen as appropriate to identify the right families. As we have seen in Chapter 3, very vulnerable families could be excluded when criteria based on benefits were applied, while families low down a local authority’s priority list may be eligible according to these criteria.

Authorities could set additional local eligibility criteria, and predictably there was a more positive assessment of how these worked. Additional criteria appeared to be clearly linked to local priorities and agendas, they could vary from increasing parental employment, to supporting some of the most marginalized groups and improving access among groups who may experience considerable barriers to participation in early education. In some cases local eligibility criteria were developed in consultation with multi-agency steering groups. Going forward, this would seem an effective way of ensuring that local priorities, as seen from the perspective of the range of family support agencies, are developed, monitored and refined when necessary. Multi-agency groups could also ensure that any flexibility allowed to minimise bureaucracy and maximise the use of local knowledge and networks does not result in ‘mis-targeting’ and the exclusion of certain groups (e.g. families who are not already engaged with local services).

The use of the Income Deprivation Affecting Children Index (IDACI) postcode to identify possible eligible families did not appear to work very well and its use was rapidly declining. Using birth data seemed a more promising approach, as it provides a universal framework and therefore avoids the problem of excluding families because they do not live in the ‘right’ area. However, how effective birth data is depends largely on additional information provided by health visitors and how up-to-date this

information is. Birth data alone can only identify when children reach the eligible age for the offer, while information provided by health visitors would narrow this down to children with specific needs. The adequacy of information provided by health visitors would depend on when it is collected. Data collected in the first months after the birth could be of limited use as circumstances may change and this kind of data would not, for example, identify families where risks and challenging circumstances arise after the last contact with the health visitor.

Increasing sustainable provision

The planned expansion of the offer will require a considerable increase in the number of places for disadvantaged two year olds, and the study has considered if and under what circumstances this would be feasible. As discussed in Chapters 2 and 5, in deprived areas with low demand for childcare and low childcare costs, the offer has supported the financial viability of some providers (particularly children's centres). In these areas the current funding arrangements would appear adequate to support the required expansion in the number of places.

However, it is likely that other childcare markets (i.e. with higher demand for childcare and higher costs) would require different funding arrangements, as the current funding formula was not seen as financially viable to support the kind of expansion envisaged by DfE. While low hourly fees were only seen as an issue in one of the case study areas, where childcare costs were particularly high, there were a range of other sustainability issues that affected a number of areas. These included the need to provide additional one-to-one support to vulnerable children and those with special needs; the time required to liaise with other agencies regarding some of the children on the offer; the fact that the offer is only term time and typically for short sessions.

These were not insurmountable problems and we have seen that local authorities and childcare providers worked together to find effective solutions. However, the task of finding solutions to these challenges on a bigger scale will probably be facilitated if authorities are given more flexibility in using funding from the offer, for example, in relation to the number of places provided, the number of hours and number of weeks. From the evidence we have seen, when authorities were able to use funding creatively to make the offer more financially attractive, this was done in ways that helped to sustain the quality of provision (e.g. providing funding for staff training, specialist support, home learning resources) and its flexibility (e.g. funding for provision during holidays and for transport). So if authorities were to be given more flexibility in using funding (e.g. setting the hourly rate), this evidence would suggest that it would be done in line with key national policy priorities (e.g. improve quality and flexibility of provision). However, unless central funding was adjusted to take into account higher than average childcare costs in some areas outside London, this may mean that in expensive childcare markets fewer places (or places consisting of fewer hours and/or weeks) will be available for disadvantaged two year olds, compared with less expensive areas of the country.

Engagement of childminders in the offer was limited. While in some cases this reflected parental choice, the research findings show that there is room for improving the involvement of childminders, as they could play an important role in supporting future expansion. Like group settings, childminders were affected by the financial issues mentioned above and flexibility in how authorities use funding could also make the offer more attractive to childminders. In addition, their participation in the programme could be increased by providing support for quality improvement, the achievement of relevant qualifications and facilitating participation in local childminding networks.

Finally, in order to implement the kind of expansion anticipated by DfE, it will be important to have confirmation of the funding available for the offer well in advance to allow for proper planning in collaboration with a range of agencies, as well as childcare providers. This will mean not only central government but also local authorities announcing by mid 2011 how much funding will be available at the local level to expand the offer in the 2012-2015 period.

An appropriate package of care

There was a widespread commitment to the idea that the offer was more than just early education and it required providing (some) families with a package of care to support improvements in child outcomes. This commitment was evident in the range of initiatives and funding streams that were linked to the offer and, in some cases, expectations about the kind of information that should accompany a referral to the offer (e.g. a Comprehensive Assessment Framework, CAF, form). This aspect of the programme had also encouraged a great deal of collaborative working with a range of family practitioners playing a key role not only in engaging families with the offer, but also in supporting these families.

However, it was also evident that childcare providers' engagement with this aspect of the programme varied considerably. Predictably children's centres were typically more engaged in supporting families' diverse needs, while at the other end of the spectrum there were providers who had very limited experience of working with children and families with complex needs, as they had traditionally catered for more affluent families. Going forward, the success of this aspect of the offer will depend on the availability of children's centres, which play a key role in providing and co-ordinating family support, both for children who take up their place in the centre and those placed with a provider in the local area. It will also be important to offer training and support to providers with limited experience of catering for vulnerable children, to ensure they will have the capacity and the confidence to increase their intake from the offer, or indeed take part in the programme for the first time.

Some authorities made engagement with additional support a condition for providing an early education place. While there was no evidence that this 'stick' was widely used, it is questionable whether this approach is in the best interest of the child. While a combination of early education and family support may be what a child needs, if parents decline the latter, a child could still gain considerable benefits from attending an early education setting. Furthermore, while parents may refuse to engage with additional support when the offer is first made, they may accept this help at a later stage.

Improving the quality of provision

Two key issues have emerged in relation to quality of provision. First how the quality of a provider is defined and measured; and, second the use of providers who do not meet quality requirements.

The then DCSF used Ofsted ratings to specify which providers could be involved with the offer and under what conditions (e.g. having a demonstrable capacity and a plan to improve the quality of provision for providers with a satisfactory Ofsted rating). However, there was a widespread belief that Ofsted ratings were not very reliable. This

is mainly because they are carried out infrequently (i.e. every three years), while a quality assessment has a short-shelf life, typically around a year. The reliability of Ofsted ratings was also questioned by some respondents because of inconsistencies between these and results from local quality assessment schemes. These respondents' views are supported by national evidence, which has found that Ofsted ratings do not correlate well with standardised and widely used observation-based quality assessments, such as ITERS and ECERS (Infant-Toddler Environmental Scale and Early Childhood Environmental Scale), and with child outcomes³⁶.

The second quality issue relates to using providers that do not meet quality requirements either as established by the then DCSF or at the local level. There was limited use of these settings, typically as the last resort (i.e. if nothing else was available locally) and in some cases in response to parents' preferences. However, the research findings show that when the programme is scaled up, it could prove very challenging to find a sufficient number of settings that meet quality requirements.

Given that the phase one pilot evaluation found that only a minority of settings were providing care of sufficient quality to have a positive influence on children's social and cognitive outcome³⁷, it would seem important to regulate to some extent the quality standards of providers funded by the offer. However, it is doubtful whether Ofsted ratings represent the best way on ensuring some minimum quality standards. DfE could consider asking local authorities to follow national guidelines, such as the quality assurance principles developed by the National Quality Improvement Network. DfE could also consider using proxy measures, such as staff qualifications. In deciding whether to allow a range of quality measures to define eligibility for funding under the offer, the DfE will need to consider to what extent this may introduce a degree of variation in children's experiences, which could in turn result in differential outcomes, with some children benefiting more than others from the offer.

Flexible provision

According to local authority staff and childcare providers we spoke to, it would appear that many parents on the programme did not have the kind of requirements more typical of working parents (e.g. need for care early in the morning and late afternoon and in some cases at the weekend). Issues of flexibility therefore mainly centred around the need to fit a short sessional and term time offer with services that were typically operating longer sessions and all year round. As discussed above, flexibility about the use of funding for the offer could help deal with some of these issues, with, for example, funding used to cover holiday provision or with hours spread over a longer period to avoid holiday interruptions.

However, what was also evident from the research findings is the amount of effort that may be required to find arrangements that suit families, are in the best interests of children and are financially viable for providers. The level of discussion and negotiation to achieve this balance between different interests should not be underestimated, in many cases this balance will not just happen or be regulated by the 'invisible hand' of the market. When the offer is scaled up, some local authorities may have to invest

³⁶ Hopkin R., Stokes L. and Wilkinson D. (2010) *Quality, Outcomes and Costs in Early Years Education*, Office for National Statistics: London.

³⁷ Smith R., Purdon S., Schneider V., La Valle I., Woolny I., Owen R., Bryson C., Mathers S., Sylva K., Lloyd E. (2009) *Early Education Pilot for Two Year Old Children Evaluation*, Research Report DCSF-RR134, DCSF: London.

considerable time and resources in ensuring that the needs of different stakeholders can be met.

Future evaluation of the offer

As discussed in Chapter 4, while all case study authorities had made some attempt to monitor the impact of the offer on children, families and providers, approaches for doing this varied from very informal methods to sophisticated electronic tracking, following two year olds through the remainder of the Early Years Foundation Stage (EYFS). There was a genuine interest, both among local authorities and providers, in evaluating the impact of the offer. However, in many cases there was a lack of expertise for doing this in an effective way, which resulted in the collection of data that lacked robustness and consistency and was therefore of limited use. DfE could consider providing an evaluation framework and support for self-evaluation to enable authorities to collect robust and consistent data, which could be analysed within as well as across different areas.

Appendix A. Eligibility criteria for the offer

In this Appendix we report the instructions in relation to eligibility for the two year olds offer from the guidance issued by then Department for Children Schools and Families (DCSF) in July 2009³⁸.

The extension of the offer for two year olds focuses on economically disadvantaged families. This **must be** the foremost factor in deciding eligibility according to the guidelines.

Therefore, the then DCSF asked that the eligibility criteria that local authorities employ be:

- tightly focused on economic deprivation
- data-driven
- broadly applicable.

Funding to local authorities was allocated using a combination of population data, and the Income Deprivation Affecting Children Index (IDACI) to identify 15 per cent of the most disadvantaged two year olds in each area.

Local authorities were asked to use local data sets to help them identify where the most disadvantaged children are living, and to inform the targeted outreach which will bring families into the offer and support them to remain engaged.

All families accessing the offer MUST meet (i.e. be in receipt of) at least one of the following criteria:

- Income Support
- Income-based Jobseeker's Allowance
- Child Tax Credit at a rate higher than the family element
- extra Working Tax Credit relating to a disability
- Pension Credit.

The headline criteria are seen as the first step, and the guidelines explain that local authorities will have to take a data-driven approach, using both nationally and locally available information, to identify family groups according to further criteria which will suit local circumstances.

³⁸ DCSF (2009) *Free Early Learning and Childcare – The Offer for Two Year Olds*, A guidance document for local authorities, July 2009.

Local authorities are free to set further local criteria, which could include a combination of factors such as:

Asylum seeking/refugee families
BME families

Children from families with three or more children aged under five
Teenage parents
Lone parents
Parents with health issues or disabilities
The family has experience domestic violence
The family has experience substance misuse issues

Children with speech and language needs, including English as an additional language
Children in care
Children on the Child Protection Register
Children in temporary accommodation
Children involved with social services
Children with developmental or learning delay
Children with disabilities
Children who are experiencing emotional and behavioural problem.

The offer **must not** be used to replace provision that a child is already accessing, or would be accessing as a result of being on the Child Protection Register, for example.

Appendix B. Selection of case studies

Using the January 2010 monitoring returns provided by the then Department for Children, Schools and Families (DCSF), we short-listed 40 local authorities. We then gathered further information from the short-listed authorities through short telephone interviews carried out in March 2010 with early years leads and project managers. We also looked at authorities' Childcare Sufficiency Assessments. In the table below information on the type of authority, index of deprivation, places funded and allocated, and wave of programme was obtained from the then DCSF January 2010 monitoring returns. Information on secondary criteria used for deciding which families should be allocated the free offer, on identifying/targeting families and on selecting settings was obtained from the telephone interviews. The profile of the local childcare market was obtained from Childcare Sufficiency Assessments.

The sample composition for the case studies is outlined Table B.1, in selecting we wanted to:

- Include (some) authorities which demonstrated good practice in relation to outreach/targeting, supporting high quality provision and making provision accessible to children with a disability or special needs.
- Achieve a mix of rural and urban authorities, in deprived and more affluent areas and in different parts of the county, with some including higher than average ethnic minorities.
- Include areas with programmes of different sizes and from the three different stages of implementation, and some authorities with childminders delivering the free offer.

The case studies include authorities from the following regions:

- East Midlands
- Inner and Outer London
- North East
- Yorkshire and Humberside
- South East
- South West.

Table B.1 Profile of case studies

If 30% most deprived Type of LA Wave	No. of places funded	Secondary criteria	How identify /target families	How identify childcare providers	Childcare market
No Shire Wave 3	100-200	Referral by CAF – they prioritise children according to CAF info.	Through settings in 20% most deprived areas and children's centres.	Not yet used satisfactory settings .	As deprived area many families do not need daycare, limited choice of provision particularly in rural areas. Barriers: cost, opening hours, lack of flexibility, provision for children with special needs.
Yes Shire Wave 1	Over 300	From DCSF guidance	Places allocated to children's centres which then recruit families in collaboration with partner agencies.	Use some settings rated as satisfactory when Ofsted inspection not recent, but want to see robust action plan for improvement which is monitored using local quality scheme.	Maintained sector biggest providers of free places for 3-4 yr olds. Key driver influencing the take up of flexible free entitlement is level of deprivation.
Yes London Wave 3	100-200	From DCSF guidance	Through children's centres, health practitioners and speech and language therapists.	Use some settings rated as satisfactory but improvement in quality monitored.	Many parents use informal childcare. Cost biggest barrier to accessing childcare. Insufficient support and information relating to children with special needs was an issue, as well as poor quality of care.
Yes Unitary Wave 2	100-200	From DCSF guidance.	Through children's centres.	Only one satisfactory setting funded as there was no other provision in that specific area, asked them to work towards with quality improvement plan.	Affordability of childcare an issue for all ages and types of settings. Parents would like to have greater confidence in the choice and standard of care and in some cases would like this to be provided in a home setting.
Yes Metropolitan Wave 1	201-300	Poverty, BME and asylum seekers	Places allocated to children's centres which then recruit families in collaboration with partner agencies.	Use some settings rated as satisfactory, developing specific improvement requirements for these SEN/disability used as eligibility criterion	Most parents do not use formal childcare, use family/friends. Those accessing informal childcare are mainly from BME. Obstacles to take up of childcare related to choice of childcare, convenience, trust, cost and understanding of needs.
Yes Metropolitan Wave 2	100-200	From DCSF guidance	Through children's centres, health and social care.	Only use settings rated as good or outstanding. SEN/disability support provided to settings with children who need additional support.	Childminders main providers. Those in income band of £15-20k more likely to use informal childcare. Those with pre-school children more likely to use formal childcare on a part-time basis.

Table B.1 Profile of case studies (continued)

No London Wave 3	Less than 100	From DCSF guidance.	Through children's centres.	Targeted good and outstanding settings but would give places to satisfactory settings as Ofsted ratings out of date. Use own quality monitoring.	Most parents prefer informal childcare. Flexibility was a concern - parents would like more drop-in provision and provision that charged by the hour rather than by the session. Transport also an issue for parents without cars, using part time provision. Cost of childcare major barrier to returning to work or study.
No Shire Wave 3	100-200	From DCSF guidance	Referrals from children's centres, statutory agencies (particularly health) and voluntary agencies	Use satisfactory settings.	Disadvantaged groups more likely to use informal care. Affordability main problem as childcare costs are high in this areas. Access for children with disability and special needs also an issue.

Appendix C. The case study areas

Case study 1

Background

This local authority covers a large, diverse county with different types of childcare available ranging from full daycare provision to small sessional pre-schools. The local childcare market is dominated by private and voluntary settings. Respondents indicated that there are some very strong business chains of childcare ranging from big businesses in more urban areas to sessional care in rural areas. However, it was suggested that there were limited choices of provision in rural areas, especially for disabled children. It was reported that families in deprived areas of the authority often do not access full daycare, and sessional care is more dominant in these areas.

Respondents indicated that early education has been very much supported by the authority up to the level of the Director of Children's Services and that the level of funding and support for providers was greater in their authority than in other authorities.

Programme aims and management

The authority started delivering the two year olds offer in September 2009 (phase three). They were funded to provide a medium size programme (i.e. 100-200 places), for ten hours a week. An early years consultant has been responsible for the overall management of the offer, reporting to the head of Early Years. A project officer has been responsible for the day-to-day management of the offer. This involved coordinating support between professionals, making referrals and linking childcare providers with families.

The local authority did not have a steering group, although there was a pre-existing group of private and voluntary settings that could be used for consulting on issues relating to the offer.

Part of the offer funding was used to fund transport for those families who need it to reach the provider and to support home learning. Outreach funding was not used to fund an outreach officer because of the size of the county; instead it was used to fund the project officer who has been the liaison for the existing outreach professionals. An Inclusion Grant was available to providers to support children with additional needs. Funding for two year olds offer was not pooled or topped up by the local authority, but was supplemented at a more local level through additional funding provided by children's centres.

Eligibility criteria and outreach

Eligibility was based on the then DCSF guidance, that is families had to be in receipt of one of the designated benefits. Parents self-declared eligibility by signing a contract with the provider, the only criterion checked was the child's age against their birth certificate. When the offer started, there was a basic expression of interest form for referrals, but the local authority subsequently transferred to using CAF forms for all referrals.

Families can be referred by a childcare provider or another professional working with the family. Due to the size and rurality of the area, the local authority approached providers in disadvantaged areas who met the quality standards and the providers then led on identifying families. Initially, the majority of referrals were siblings of children already accessing provision, but subsequently referrals became much broader and other professionals working with families were referring children to the offer. At the time of the interviews the local authority was not using data driven approach in identifying families (e.g. did not use IDACI postcodes).

Identifying and supporting providers

At the time of the interviews there were 35 providers delivering the two year olds offer. All were rated as either good or outstanding by Ofsted, and had a graduate leader or someone working towards graduate status. The local authority made sure that they had a spread of providers across the geographical area and provision for children with additional needs, although it was suggested that there were problems with a lack of provision in some geographical areas because of funding and quality. The local authority would use an internal RAG rating to support providers rated as satisfactory by Ofsted, however, as mentioned, no satisfactory settings were involved in the offer.

The authority did not have any childminders delivering the offer because they did not have a childminder network and none of the childminders could provide continuity of placement once children reached the age of three.

Case study 2

Background

This is one of the 30 per cent most deprived authorities. The local childcare market is primarily dominated by the maintained sector (around two thirds of children attend a maintained setting), although in more affluent areas there is greater use of private provision. The local childcare market in very deprived areas of the authority is heavily dependent on Sure Start funding. Respondents reported a strong historical commitment to early education within the authority.

Programme aims and management

The local authority started delivering the two year olds offer in 2006 (phase one), when it was implemented in a part of the authority with particularly high levels of deprivation. In 2009, the local authority was funded to deliver a very large programme (i.e. over 300 places) for ten hours per week.

The offer was within the Achievement team to emphasise its link to quality improvement and to ensure that settings were appropriately supported to deliver provision for the offer. The offer was overseen by the head of Early Years, and by a quality promotion officer (strategic) and an early years advisor (operational) within the quality team. The early years advisor had a responsibility for most of the quality improvement and development work with providers delivering the offer. The county was divided into five areas, each with an area manager. Area managers were allocated a specific number of places and were responsible for overseeing referrals and allocations within their own area. There was no steering group.

A percentage of the funding was paid directly to providers at the beginning of each term, while at the end of the term they completed a head count of their two year olds to determine the final amount which should be paid to them. The outreach funding was split between the five cluster managers to spend as they judged appropriate.

Eligibility criteria and outreach

As the offer changed between phases, and the then DCSF were encouraging the authority to look at additional referral criteria, the authority linked the offer with CAF, which was being rolled out across the authority.

Families were generally referred by health visitors, family support workers and social workers by completing a CAF and making a referral to the area manager. Some setting managers were CAF trained and were known to refer children, although it was reported that this was not very common. Eligibility was checked by the referrer examining appropriate documentation when completing the referral form.

Identifying and supporting providers

At the time of the interviews, there were 62 providers delivering the offer, including some childminders. Settings were mostly, but not always, rated as good or outstanding by Ofsted. The authority had a scheme for a supported self-review that was used as a quality assessment tool, if providers were judged good enough on this they would be used to deliver the offer. All settings, regardless of their rating, had an early years advisor and teacher allocated to them.

All settings rated satisfactory by Ofsted (not just those settings providing the two year olds offer) were provided with intensive support from the early years advisor, working to a robust development plan and providing regular support and training. The early years advisor with responsibility for the offer also delivered and arranged training for setting staff that was specific for the two year olds offer.

Case study 3

Background

This local authority covers a heavily populated urban area. The majority of parents in the area use informal childcare. There are a number of children's centres in the area, but these do not deliver daycare. A lot of formal childcare provision is school based.

Programme aims and management

The area began delivering the offer in 2009 (phase three). They were funded to deliver a medium size programme (i.e. 100-200 places) for ten hours per week. The local authority has been very committed to getting parents back to work or training and wanted to use the offer to help facilitate this.

Two teams were involved in the delivery of the programme: the Family Support team and the Early Years and Childcare Service team. The Family Support team was involved because of two sets of criteria that were used to identify eligible families: the national criteria and enhanced criteria set out by the local authority to target the most vulnerable families.

The programme was initially managed by the head of Early Years, the procurement and project team manager and a project officer. When the project officer left the post, this work was absorbed by the childcare placement officer and the family liaison outreach worker. The latter post sat in the Family Support team and involved working with the most vulnerable families.

Eligibility criteria and outreach

Two sets of eligibility criteria were introduced reflecting the commitment to the employability agenda and to targeting the most vulnerable families. Basic criteria required parents to live within a specific area (most deprived, using the IDACI postcodes), be in receipt of designated benefits, and be planning to return to work or undertake some training. These criteria were checked by childcare providers.

In addition, the authority applied 'family support criteria' to identify the most vulnerable families. These criteria related to families' characteristics and included: families with three or more children under five; ethnic minority families; families experiencing domestic violence; families with substance misuse problems; lone and teenage parents; families with a child with disabilities, or speech and language needs. In order to be entitled for the offer, families had to meet at least two of these additional criteria.

Referrals were primarily through providers or parents self-referring. Some referrals for more vulnerable families came from health visitors, doctors or social services. Referrals for these families were dealt with by the family liaison outreach worker, who provided intensive support to families in addition to the offer.

Identifying and supporting providers

At the time of the interviews, the local authority had 21 settings and three childminders providing the offer. The offer was delivered in the private and voluntary sector in pre-schools and daycare nurseries. Only a few places were delivered through childminders who were part of an accredited local network. It was compulsory for any new provider to have a meeting with authority staff, who would outline expectations about how the programme should operate.

Five providers used for the offer were rated by Ofsted as satisfactory and were receiving additional support from the local authority to improve their rating. A local quality improvement programme was recently launched. It was reported that this will require settings to look at quality on an ongoing basis. Providers will receive a local rating and the local authority will provide support to move them towards excellence.

Case study 4

Background

The local authority is in an area of high deprivation and has high levels of informal childcare use. The authority has one of the lowest take up of the childcare element of the Tax Credit, but they had been promoting Child Tax Credit and take up was beginning to rise. Childminders are the main providers of childcare in the local authority. In addition, they have a mix of full daycare and sessional providers, as well as children's centres offering childcare. There is good early education take up in the authority as a whole, although in some areas not all families are taking up their full entitlement.

Programme aims and management

The authority has delivered the two year olds offer since 2008 (phase two) and in 2009 was funded to deliver a medium size programme (i.e. 100-200 places) of 15 hours a week.

Respondents tended to regard the two year old offer as an extension to what was already being offered in the authority, which focused on early learning as well as children's and families' well-being.

The offer was initially delivered solely through the children's centres because this was seen as the most effective way of delivering the offer with what was considered a very short timeframe. It was initially run by daycare and family support workers and coordinated by the children's centre advisor. Subsequently, a multi-agency working group (including the leads and managers from early years and childcare, inclusion and business management) was established to oversee the offer.

Funding was embedded in the overall strategy for supporting vulnerable children within the local authority.

Eligibility criteria and outreach

Eligibility was based on national guidance and the main criteria linked to economic deprivation and postcode area, focusing on the 15 per cent most deprived areas using the IDACI data. The local authority also developed secondary criteria, including ethnic minority groups, teenage parents and children with disabilities.

The local authority identified families through birth data and actively targeted vulnerable children through family support workers, rather than advertising the offer more generally, as places were limited. Family support and outreach workers were responsible for identifying families and informing them about the offer.

Identifying and supporting providers

The local authority had 29 providers delivering the offer. Around half were private or voluntary settings and the other half were children's centres. At the time of the interviews, there were no childminders delivering the offer as there was no childminding network in place.

All the settings involved were rated as good or outstanding by Ofsted. Initially one setting with a satisfactory Ofsted rating was involved with the programme, but it had a good RAG rating on the local quality assessment tool. At the last Ofsted this nursery received a good rating. Settings working towards a good rating would be provided with support from a lead teacher from a children's centre and training through early years consultants. Providers also received a lot of training around special needs and inclusion.

Case study 5

Background

This is one of the 30 per cent most deprived local authorities. Most parents use informal childcare and the majority of informal childcare users are from ethnic minority groups. Obstacles to the take up of childcare have been related to lack of choice, convenience, trust and cost. However, the local childcare market is changing as there is a growing demand for good quality childcare even in disadvantaged areas. According to respondents, the local authority is helping settings to change and improve in order to become more sustainable.

The local authority started providing the two year olds offer in 2006 (phase one). Local authority respondents indicated that the local authority has been very supportive of the

offer and has been committed to evaluate its long term impact. They have been particularly committed to learn from research in attempting to narrow the gap in education achievement in the early years. Therefore, the offer was seen as an integral part of their strategy for improving outcomes for children.

Programme aims and programme management

In 2009 the local authority was funded to deliver a large programme (i.e. between 201-300 places) for 15 hours a week during term time. However, settings were encouraged to offer flexible delivery, spreading the entitlement across 48 weeks, as the hourly rate offered was higher than the hourly rate charged by local providers. Because the demand for places greatly exceeded the number of places offered, both the local authority and individual settings were funding additional places from their own budgets (just under 100 additional places were provided from additional budgets).

The offer was run by a programme manager, who was responsible for policy and programme development for children and families and provided guidance for local allocation of two year olds places. A project advisory group had a more strategic role discussing the offer alongside other operational issues. The group included representatives from children's centres, JobCentre Plus, health and senior early years officers. Parents were not included in the advisory group, but were involved in various local fora through children's centres.

The offer was delivered through children's centres, which received funding in proportion to provision. Children's centres either provided the offer in-house or commissioned other local providers. Children's centres also provided family support in relation to the offer, which was funded by the offer outreach funding.

Eligibility, targeting and outreach

The local authority initially used the IDACI postcode for identifying families however, with the then DCSF approval, they were allowed to use the postcodes flexibly as many vulnerable families were living outside eligible postcodes (e.g. vulnerable families in temporary accommodation). In addition to using criteria based on receipt of benefits, children's centres were allowed to apply individually set secondary criteria, which varied across the local authority. Example criteria used to prioritise between families included: family characteristics (i.e. ethnic minorities, asylum-seekers, large families, teen and lone parent, health issues and disability, domestic violence, temporary housing and substance misuse) and child characteristics (i.e. speech and language needs, look-after-children, child protection status, disability, emotional and behavioural problems). In some areas, an element of conditionality was introduced, such that parents were required to commit to accessing some form of family/parenting support, in order to receive the early education place.

Children's centre staff, usually family outreach workers, were responsible for checking eligibility. The local authority required that the same referral form was used across the local authority and the referrers could also use CAF for referral if they wanted to, but this was not required.

The offer was not widely advertised to parents, in order to avoid creating demand which could not be met. Children's centre staff were responsible for identifying families. The majority of referrals came from the family support workers and health visitors. The local authority also started working in partnership with health, which allowed them access to birth data and reaching isolated families. However, any professional in contact with a family was able to refer them to the offer, and families could also self-refer.

Identifying and supporting providers

Approximately 85 per cent of the places from the two year olds offer were delivered within children's centres daycare facilities and the rest was delivered through private settings commissioned by the centres. The programme manager made all good/satisfactory providers aware of their eligibility to deliver places, and put those who expressed an interest in touch with their local children's centre. However, the childminding network manager said that despite an agreed policy to consider childminding provision for each child, this was not happening in practice.

In order to provide the two year old offer, settings had to be rated good or outstanding by Ofsted, unless the Ofsted rating was deemed out of date and the setting had achieved a more favourable rating under the Quality Improvement Support Plan (QUISP) scheme. QUISP was used to monitor all settings within the local authority, irrespective of their involvement in the two year olds offer. Training for continuous professional development was available to all providers, and the programme manager was said to actively engage with settings and partner agencies to ensure needs were met.

As places were allocated through children's centres, families were immediately engaged with additional support services within a children's centre. In some children's centres, family support workers would visit families in their homes and the provider would even deliver some of the two year olds offer in the home (one session a week for one term).

Case study 6

Background

This is one of the 30 per cent of most deprived local authorities. The local childcare market consists mostly private and voluntary settings and there are five Neighbourhood Nurseries supported by the local authority. The local authority has no maintained provision for under three year olds. Only one children's centre provides childcare on site, the others link with local settings.

The local authority started providing the offer in 2008 (phase two). In 2009 they were funded to deliver a medium size programme (i.e. 100-200 places) covering 15 hours per week. However, they had been able to fund more places with funding from the project management and outreach budgets.

Overall, the local authority was reportedly meeting 90 per cent of the demand for places, but there were concerns that the demand might change as unemployment rates were likely to rise due to government cuts. In general, the local authority was very supportive of the early years and the two year olds offer.

Programme aims and management

The local authority had planned to extend the offer, but this plan had been put on hold by the change in government. At the time of the interviews, local authority respondents were not sure if they would be able to get any funding for the programme for the following year. The local authority team was trying to ensure that the offer was part of as many local authority strategies as possible to increase the chance of getting funding in future.

A project officer provided day-to-day management of the offer and worked closely with children's centres that provided outreach. The childcare market development programme manager provided strategic management for the offer and oversaw the steering group. The steering group was a large multi-agency panel representing: JobCentre Plus, Family Information Services, educational psychologists, children's centre managers, health visitors, setting managers, qualified teacher support, Barnardo's and social services. The steering group was considered to be a well balanced and well attended. Parents were not included in the steering group.

Besides using some of the surplus funding to provide more two year olds places than initially allocated by the then DCSF, some of the surplus funding was also used to provide specific training for providers and grants for resources (e.g. library). In one area of the local authority there was no daycare provision so the local authority was providing bus tickets for families to access the offer in the adjunct area of the local authority.

Eligibility criteria and outreach

Initially the local authority started using indices of deprivation (IDACI) to identify eligible families. However, they dropped this approach as it did not work well. At the time of the interviews, the offer was open to anyone regardless of the postcode, as long as they met certain eligibility criteria.

In terms of eligibility criteria, the local authority started by using only the primary benefits criteria, but because of a great demand for places they added some local criteria, which included: number of children under five, parental substance misuse, domestic violence, child on the Child Protection Plan or the Child in Need plan, child referred to speech and language therapy. The steering group had been involved in revising the eligibility criteria.

CAF was used for referral to the offer with the referrer certifying that they had seen relevant documents proving eligibility for the offer. An independent panel made up of the programme manager, the children's centre manager, the area social worker and the health visitor, reviewed all referrals and made final decisions on families who were offered a place. All referrals were scored using an internal scoring system in order to identify those children who were a high priority.

Initially all referrals came from children's centres as they were better placed to identify the most vulnerable families. In addition to children's centre staff, health visitors, social services, Barnardo's and other professionals were now involved in referring families for the offer. The offer was not widely advertised to families, as the number of available places was limited.

Identifying and supporting providers

The local authority had a mix of private and voluntary settings delivering the offer. Most were daycare providers, four were sessional providers and they also had two registered childminders. In addition to Ofsted ratings, to be eligible for the two year olds offer, providers had to be registered to offer the free education entitlement for three and four year olds. The local authority also tried to engage those providers that had a graduate leader and who were willing to engage in training. All providers delivered services to children with special needs, as this was part of the early education entitlement code of practice.

Most providers delivering the two year olds offer had good Ofsted ratings, few had outstanding Ofsted ratings, and a few had satisfactory ratings with an action plan for

improvement. At the time of the interviews, the local authority was developing their Quality Improvement Strategy with the Early Years Improvement team.

All providers delivering the offer were linked with their local children's centre and were able to signpost families for additional services, advice and support. Children's centre social workers provided support to some settings requesting help in dealing with vulnerable children (e.g. children at risk). The local authority also supported providers by offering them training using the surplus from the offer funding. This was seen as a priority as there was a lack of training for childcare providers in the authority. The local authority team also provided feedback and support to providers who had been unsuccessful in securing funding from the offer.

Case study 7

Background

This is an affluent area with pockets of deprivation. The local childcare market consists mostly of private providers with very few voluntary settings. Most parents prefer informal childcare, but those who had good experiences of using formal childcare were most likely to view it as a favourable option. Flexibility of childcare was a concern, parents would like more drop-in provision and provision charged by the hour rather than by the session. The cost of childcare was seen as a major barrier to returning to work or education.

The local authority started providing the offer in 2009 (phase three). They were funded to deliver a small programme (i.e. less than 100 places) for ten hours a week. Funding for the offer seemed to be used flexibly. As not all families wanted the full allocation of ten weekly hours, the authority was able to fund a greater number of places than specified by the then DCSF and to fund holiday cover.

Some respondents indicated that in some areas they did not have enough good quality providers and there was a gap in those areas. The offer was delivered via private and voluntary providers, as none of the maintained settings provided early education for under three year olds.

The local authority has had a strong commitment to the early years provision and, according to respondents, the recent Ofsted inspection rated their services as performing excellently.

Programme aims and management

The two year olds offer was managed by a team of three people: the early education entitlement (EEE) officer, who was also responsible for the management of the three and four year olds offer; the early years project officer, who was responsible for the administration of the offer and for allocating places to providers; the early years business manager, who was also responsible for the three and four year olds entitlement, workforce development and sustainability. In addition, there was an early years service manager who oversaw the team and was also responsible for the strategic management of the programme.

From the start the offer was delivered in partnership with the children's centres, who had the main responsibility for recruiting families and checking their eligibility. As many children's centres were involved, the children's centre lead met once a term with the EEE officer.

There was a small steering group that included the local authority two year olds offer team, the children's centre lead and two members from the service management team that met every quarter. According to respondents the group worked really well.

Eligibility criteria and outreach

Respondents indicated that they had not used the postcode (e.g. IDACI) criteria to identify and target families. Targeting and outreach was done by children's centres as they knew best which areas were deprived and where families in need lived.

In terms of eligibility criteria, local authority used the primary benefits criteria set in the guidelines, as well as secondary local criteria (e.g., domestic violence, mental health issues, children on a Child Protection Plan, children with emotional and behavioural problems). Children and families with a greater number of needs (i.e. who met more criteria) were prioritised for the offer. Family support workers from children's centres were responsible for checking eligibility criteria.

Families were primarily referred to the offer by family support workers, health visitors, social services and midwifery services, but they could also self-refer.

Identifying and supporting providers

In addition to Ofsted ratings, the local authority used their own quality rating system in order to identify eligible providers for the offer. Settings had to follow the authority's quality guidelines to be included in the offer. In addition to settings rated as good or outstanding by Ofsted, some settings rated as satisfactory were also used. They were actively working with their qualified teacher support officer to improve their rating. The local authority also established some additional desirable criteria to identify suitable providers, including regular training, involvement in the local quality monitoring scheme, ability to cater for children with additional needs and provide inclusive education, have outdoor facilities (or provide regular access to outdoor space).

There was a balance between places allocated to full daycare providers and to sessional care providers. Childminders were not included from the beginning, but three were allocated two year old places from January 2011. In order to be eligible for the two year olds offer, childminders needed to be eligible to provide the free entitlement for three and four year olds, at the time of the interviews only 20 childminders fell in this category.

In addition to monitoring settings, the local authority team provided assistance to settings via phone, email and visits, if they had any queries or concerns about the offer or difficult and threatening parents.

Additional family support services were accessed through children's centres and families often got involved with the centres while waiting for a place in one of the settings. Families on the programme were allocated a family support worker who became the main link between the provider, the children's centre and the family, and the first point of contact if a provider needed support with a particular family.

Case study 8

Background

This is an affluent area that joined the programme in September 2009 (phase three). The local authority used to fund a similar scheme for two year olds, which had then been replaced with the two year olds offer. They had received funding to deliver a

medium size offer (100-200 places) for ten hours per week, but as some parents did not use the full allocation, they were able to offer more places.

The local childcare market (for under threes) is dominated by private and voluntary providers and costs tend to be high, as the market is mainly shaped by the needs of relatively affluent dual working families. Local provision had traditionally been sufficient to meet the needs of those who can afford to pay the rather high local childcare costs (e.g. £280 a week for a full time place for a two year old). For those who cannot afford these fee levels, there had been very little they could access apart from toddlers groups, so the two year old offer has been filling an important gap. In addition, disadvantaged groups were more likely to use informal childcare and parents of disabled children were less likely to use childcare. Some respondents talked about the authority being committed to early years, but also said they could not point to hard evidence to support this.

Programme aims and management

The offer was initially set up by an area childcare manager, and subsequently handed over to a project manager with the childcare manager retaining a more strategic role. The early years lead had also been involved in the development of the project.

They set up a small steering group for the project (as instructed by the then DCSF) which included health, the CAF team and others involved in inclusion. They also had a larger stakeholder group which was mainly involved in information sharing. There had been issues about meaningfully engaging these groups due to the uncertainty about future funding for the offer.

Childcare is expensive in this area and the £4.85 an hour available for the offer was well below local fees. The local authority had been able to offer a small top-up payment (from the Sure Start grant) to encourage providers and cover for additional costs, but this was no longer available and the local authority anticipated that without the additional payment recruiting a sufficient number providers will prove very challenging.

Eligibility criteria and outreach

Initially the authority did as instructed by the then DCSF and used IDACI data to identify relevant areas and eligible families. However, this meant that places could only be offered in two rather small areas where there was very limited provision. This approach also missed out very disadvantaged families who lived outside these two areas. After a discussion with the regional government office, it was agreed that places could be offered to families across the local authority and could be provided to families who were already using an early years setting (previously they had to be new families). As potential demand outstripped supply for places, they developed some additional criteria linked to local priorities (e.g. parental mental health, domestic abuse and child protection).

Promotion efforts only focused on referral agencies. The local authority saw no point in promoting the offer to parents as the number of places was very limited. Referrals came from a mix of professionals working with families, such as health visitors, children's centres, housing, group settings and increasingly from social care. The increase in referrals from social care was largely due to the withdrawal of social care funding for childcare when the child reaches the age of two. Parents could not self-refer directly to the offer, but they had to apply instead via a health visitor or a children's centre. The CAF form was used for referrals to the offer. There was evidence that (potential) referrals were now identified at an early stage (e.g. 12-14 months) by health visitors.

Identifying and supporting providers

Around a fifth of the local authority providers were engaged with the two year olds offer. Local authority respondents indicated that they had to work hard to engage providers and the initial briefing sessions did not prove sufficient, so they had to be more proactive and go out to recruit providers. Reflecting the composition of the local childcare market, settings delivering the offer were mainly in the private and voluntary sector. Childminders had only recently become involved. Established childminders did not seem interested in the offer, but there were some new ones who were keen to be part of a quality assurance scheme and the two year old offer.

The local authority primarily used good and outstanding providers for delivering the offer but they also had some satisfactory settings, if a parent had a preference for a setting which was satisfactory or if it was the only available setting in an area. In addition to Ofsted ratings, providers in the local authority had been ECERS (Early Childhood Education Environment Rating Scale) audited. Providers were also encouraged to join the local authority quality improvement scheme. Respondents indicated that settings delivering the offer received extra training and support. The local authority claimed to have a good overview of likely need for two year old places and could warn settings in advance about likely level of demand in the following year.

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