Process evaluation of the two-year-olds in schools demonstration project

Research Report

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Overview

This report draws together the full findings of the process and cost evaluation of the two-year-olds in schools demonstration project. This was undertaken by the Research Centre of the National Children's Bureau (NCB), in partnership with the NCB Early Childhood Unit (ECU) and Frontier Economics (FE) from October 2013 until September 2014.

This final report provides data from the final phase of the evaluation, alongside discussion of the lessons learnt from the evaluation overall and recommendations for sustaining and developing provision in schools for two-year-olds in the future. It is the third in a suite of documents, the first being a report detailing the baseline survey findings[1] published in April 2014 and the second, a report of the eight case study schools which is published alongside this final report.

Background to the Demonstration Project

Since September 2010, every three- and four-year-old has been entitled to 15 hours per week of funded free early education over 38 weeks of the year. This entitlement was subsequently extended to provide an entitlement to funded free early education to disadvantaged two year-olds, with the aim of supporting their learning and development. The entitlement was phased in, with around 20 percent of two-year-olds (130,000 children) being eligible in September 2013, for example being offered a place if their family met the income and benefits criteria used for free school meals, and around 40 percent of two-year-olds being eligible in September 2014. The criteria for entitlement to funded places are set out in Annex 2.

Places for funded two-year-olds have been provided across the country in maintained and private, voluntary and independent early years settings, including nursery schools, children's centres, nurseries, pre-schools and playgroups. The report *More Affordable Childcare* (DfE 2013) notes that in order to deliver sufficient high-quality funded places for two-year-olds, schools would need to be a key provider, with better use made of school premises and facilities and of teachers skilled in offering high-quality early education. The report notes:

> "*Schools are central to their local community, trusted by parents. The government would like to see primary school sites open for more hours in the day, from 8-6 if possible, and for more weeks in the year, offering a blend of education, childcare and extra-curricular activities. But this should not be driven by a centrally prescribed approach…To be effective, head teachers need to make decisions that are right for their school, children and parents.*"

In 2013, only a small number of schools were known to be offering provision for two-year-olds and there was an urgent need to share and learn from their experiences in order to support other schools who might also offer provision for this age group. Areas of particular interest included arrangements for day-to-day provision, management, staffing and practice, and also, the costs of setting up and delivering early learning and care in schools for this age group.

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[1] To access the full baseline report please see https://www.gov.uk/government/publications/ two year-old-Demonstration-project-in-schools-baseline-survey

Schools in the demonstration project

In order to build a strong evidence base and develop good practice materials, in 2013, the Department for Education (DfE) introduced a demonstration project with a group of selected schools. Fifty schools were recruited, drawn from a variety of urban and rural settings across England and reflecting areas of the country where higher numbers of places for two year-olds were needed to enable all those who were eligible to access a funded place.

To take part in the project, all schools were expected to have an Ofsted rating of 'good' or 'outstanding'. Each volunteer school received a one off grant payment of £10,000 in return for their active participation in the project evaluation, providing peer support and sharing experiences.

In the end, 49 schools provided data for the evaluation; all were state maintained but varied in type (for example, local authority maintained primary and nursery schools or academies) and whether they had previous experience of offering places for two-year-olds prior to joining the project.

Evaluation scope and methodology

The evaluation explored the different approaches that these 49 schools took to developing and delivering their provision, and investigated how these models of delivery worked in practice in order to understand 'what works well' in delivering provision for two-year-olds. Key areas of investigation included: identifying the facilitators and barriers to providing high-quality provision and also sustainable models of provision; providing evidence on the costs of setting up and delivering provision for two-year-olds in schools and identifying implications for the financial sustainability of this provision. As an investigation of processes and costs, the evaluation did not investigate the quality of provision nor was it able to assess the impact of the provision on children's outcomes.

Key findings of the evaluation

By the end of the evaluation period, nearly all of the schools involved in the demonstration project reported that they were offering places for two-year-olds (at the time of the final survey, three had yet to start, with one planning to do so in June 2014 and two awaiting Ofsted registration). For many of these schools, this was the first time they had offered places for two-year-olds, and whilst various challenges had been encountered, most were reporting success in this endeavour and that demand for the places (in particular, for funded places) was high.

Feedback from focus groups with parents from the eight case study schools was also positive, and early perceptions from school staff suggested that they saw a number of potential benefits of offering places for two-year-olds, not only for the children, but also for parents and the school itself. These perceived benefits included, amongst others: the opportunities presented for building relationships with parents; social opportunities for the children and the potential for early identification of children's needs.

In terms of the make-up of the places on offer to two-year-olds, some schools (18 out of 34) offering funded places for two-year-olds only, and others offering both funded and fee paying places, with the majority, offering between eight and 36 places.

The allocation of the actual hours of provision varied (for example, term time only or spread over the year/50 weeks), as did the offer of additional care or support options, for example, additional sessions which are paid for by parents and holiday provision. Likewise, a number of different staffing arrangements were identified and there was variation in the frequency of contact with a qualified teacher and/or Early Years Professional.

Influences on the development of provision

Schools' awareness and understanding of local needs, the strategic aims of both the school and the local authority and the support and advice offered by the local authority, were identified as significant influences on the development and delivery in schools of provision for two-year-olds.

Other influences included the availability of space within the school and the amount of funding available at the time of set up. Space was a key consideration for any plans either to increase and/or develop the provision in the future. School staff also highlighted the importance of schools working in partnership with other local providers of early years provision for two-year-olds to share learning, practice and staff expertise.

Not surprisingly, given these local influences, the evaluation found that there was no 'blueprint' model for providing places for two-year-olds in schools – moreover, that to work, it is important that there is a 'fit' with the provision of the school overall.

Providing high quality provision

Data gathered in the evaluation indicated that all of the schools recognised the need to provide appropriate environments that felt homely, nurturing and stimulating for two-year-olds. This needed to include both indoor and outdoor space, with the provision offering a flexible array of play-based and individualised learning opportunities, led by both children and adults.

Schools highlighted the need for the staff working with two-year-olds to have specific knowledge and skills – for example, an understanding of the needs of two-year-olds and of child development more generally and knowledge of the Early Years Foundation Stage (EYFS). Many had needed to recruit new staff, or undertake staff development and training in order to achieve this. Furthermore, schools reported the need for Continuing Professional Development (CPD) on a variety of topics relevant to two-year-olds and suggested that this is an essential part of ensuring high quality provision.

Recruiting the 'right' staff was one of the key challenges identified by some of the demonstration schools. For some, this reflected their financial position, whilst for others, their concerns were more about difficulties with recruiting staff with the required knowledge and skills. This included knowing where to go to find appropriate staff. In the interviews with the case study schools, it was noted that such problems with recruitment have the potential to delay development and delivery of places for two-year-olds in schools and also, could adversely affect the quality of the provision. On a positive note, however, by the time of the final evaluation survey, all of the schools who responded (34 schools) did perceive themselves as effective in providing qualified and experienced staff.

Other challenges identified by the schools in the demonstration project included: the longer-than-expected timeframe for planning and setting up provision; the greater time required for engaging

with parents and the demands posed by working in partnership with parents. There were also a number of different issues around the funding basis of provision for two-year-olds. In some of the schools, it was also noted that the needs presented by some two-year-olds required one-to-one staffing, (i.e. well over the usual staff to two year-old ratios of 1:4 or 1:3 operated by the schools) which obviously had significant staffing and financial implications.

Adaptations and ways of working to offer provision for two year-olds

Many of the schools taking part in the demonstration project undertook some quite major adaptations to the school premises and to their ways of working. The baseline survey, showed a number of the schools had undertaken 'a lot of work' to adapt washing/toilet facilities, adapt indoor and outdoor space and adapt the kitchen facilities. Also at baseline, while 13 out of 47 schools described the process of developing the facilities for two-year-olds as 'easy', 29 of the 47 schools reported that the process as 'not easy'.

Schools also reported that working with the parents of two-year-olds had taken considerably more time than originally expected, not least in the early awareness-raising phases and in undertaking home visits. Many of the schools involved in the demonstration project recognised these as a very important element of effective working with parents but highly demanding on staff time and for this reason, visits had not proved possible to undertake in all schools. However, the findings also revealed that the schools employed a variety of strategies to engage parents and that the most commonly used technique (reported by 34 schools) was holding informal conversations with parents about their child's progress, either during or after school. This was also perceived by schools to be the most effective strategy for engaging with parents.

Financial considerations

The funding required for delivering provision for two-year-olds in schools was a major area of investigation in the evaluation. Questions on this were included in the baseline survey, the case study interviews and a finance survey that schools completed between June-August 2014 (i.e. at the end of the academic year and towards the end of the evaluation time period). This questionnaire covered set-up and delivery costs and included staffing, physical adaptations and funding sources. The final survey also gathered information about schools' perceptions on future sustainability and possible expansion/development of provision for two-year-olds.

On average, the data gathered suggests that set-up costs and funding were broadly in balance. However, this masks considerable variation across the schools in the demonstration project and it must be noted that there was a low response rate to the finance survey (51% non-responders/up to 24 schools provided data). Many schools found it difficult to provide sufficiently detailed information about the direct and indirect costs of provision and there were indications of under-reporting, all of which make it difficult to present a truly representative picture of the costs of provision in schools for two-year-olds.

In the baseline survey, it was apparent that some of the schools found the financial aspects of delivering provision for two-year-olds challenging. It was reported that some had drawn on existing financial resources/school reserves and/or local authority grants during the set-up phase. There were also variations across the country in terms of the additional money paid by local authorities to schools (for example, some schools reported receiving enhanced hourly rates to reflect the higher levels of need posed by some two-year-olds), variations in hourly rates paid to

schools for funded places, and different payment mechanisms which are likely to reflect a combination of local priorities and approaches to the differing needs of individual schools, fiscal constraints and cost pressures.

Schools identified three main categories of direct costs involved in their provision for two-year-olds: (i) staff-related costs (including recruitment and training); (ii) venue-related costs (including adaptations and renovations, the purchase of equipment, toys and furniture) and (iii) costs for insurance, marketing and engagement work with parents.

In the summer 2014 finance survey, schools reported they were spending the most time on curriculum planning, staff training and marketing to parents. One of the issues also noted in the data gathered was that the 15 hours of provision covered under the entitlement funding for a place failed to take account of the significant planning and engagement work that school staff may need to undertake with families in order for their child to take up a place.

Sustainability considerations

The baseline data, suggested that half of the schools expected to break even and some were expecting to have a budget shortfall (which some planned to cover through their general school budget, whilst others were planning to use revenue from fee-paying places). At the time of the final survey, this mixed picture continued with one third of the respondents expecting financial sustainability to stay about the same, six expecting sustainability to improve and five for it to become more challenging to secure funds or meet rising staff costs.

Most of the respondents reported strong local demand for places, which offered the potential to expand the provision. However, it is also important to note that a number of schools perceived there was limited or no parental demand for fee-paying places in some areas of the country.

Among those respondents expecting financial sustainability to improve, reasons included no longer incurring one-off set up costs and also cost savings from working with an academy. A number of schools, concerned about the financial sustainability of the provision, cited expected rises in staff costs/salaries. No longer receiving start-up funding from the DfE or local authority and finding their current revenue insufficient to cover costs, were also noted by some school respondents. Uncertainty about future funding schemes was a clear concern.

Finally, in terms of improving provision for two-year-olds in the future and financial implications, respondents to the finance survey highlighted a wish for additional staff, including specialist support to provide greater flexibility and higher staff ratios. Overall, schools reported that they would welcome information and assistance with the financial planning required for the provision, including greater clarity from local authorities about the types of funding available and the relevant application procedures.

Main Findings

The findings of the evaluation indicate that schools can make an important contribution to offering early education opportunities for two-year-olds and to work in partnership with parents and with other early years providers in order to meet the developmental, social and emotional needs of these children. However, a range of enablers and barriers to the development of provision were

identified which need to be considered if this aspect of schools provision is to be of high quality and sustainable. The following draw on this analysis of the evaluation findings.

For schools

- It is important that schools are aware of and consider **local demand when developing schools-based provision for two-year-olds.**

- **Schools should consider working collaboratively with other local providers of provision for two-year-olds in their area,** to learn from their experiences and expertise and potentially, to share resources and training opportunities. There is no 'blueprint' model and what is key is that the provision fits well within the local area and also, the ethos and strategic aims of the school overall.

- Schools need to **allow a generous amount of time to plan their provision** for two year-olds, including thinking about what size/number of places is possible and the physical adaptations that may be required (both indoors and outdoors) in order to create an appropriate environment that is both nurturing, safe and stimulating.

- Schools need to develop **a robust business model that balances capacity with flexible delivery** and ensures that whatever is provided is high quality, individualised to the needs of the two-year-olds and draws on accepted evidence for meeting the needs of this age group.

- Staffing processes (including the recruitment of new staff, training and CPD) must ensure that staff are equipped with **the right knowledge and skills** to work with this age group – **including knowledge of child development and the Early Years Foundation Stage**.

- Skills (and time/capacity) to **engage with and work in partnership with parents**, are also vital and schools need to learn from others working in the sector on effective strategies for engaging and supporting parents.

- Planning the provision **must take into account the required staff to child ratios** but also when necessary, go beyond the minimum statutory requirements and provide individualised one-to-one support for two-year-olds with additional needs. Ensuring that **children's transition into the setting is as well supported as possible** (as this may be the child's first experience out of the home), is a key consideration.

- Schools should **develop their finance recording systems** so that they can plan and easily monitor the funds required for offering places to two-year-olds. It is also suggested that schools allow for some contingency funds to cover any unexpected costs, also that their business planning is both realistic and conservative - on the basis that a number of schools in the demonstration project expressed surprise at both the initial investment needed, but also, the time required in the setting up of provision.

For local authorities

- Findings from the evaluation suggest that schools would **welcome more advice and support about business and financial planning** and the development of appropriate business models to underpin provision in schools for two-year-olds.

- A number of schools faced challenges in recruiting staff with relevant qualifications and may have **benefitted from additional support and advice** in this area. Quality staffing is the foundation of good-quality provision and therefore investing resources, including but not restricted to financial support, is vital to ensure that schools feel confident in their ability to build an appropriate staff base to deliver their provision.

- Local authorities should review communications to ensure **transparency with providers about available funding streams** and the relevant procedures for applying. Local authorities should also ensure that procedures are accessible and fair to different types of providers.

- The determination of hourly rates, enhanced or top-up rates where it is identified that a two-year-old has additional needs, needs clarification since the evaluation identified variations across local authorities, both in terms of processes for agreeing additional payments but also, the levels paid to schools. Local authorities should continue to pass on as much of the statutory funding as possible to providers in line with DfE recommendations.

- Schools valued training programmes offered by local authorities to prepare staff for working with two-year-olds. However, availability/accessibility was limited in some areas and it is suggested that local authorities should assess and regularly monitor local training needs and facilitate provision.

For the Department for Education (DfE)

- Schools in the demonstration project gained valuable learning from the events convened by DfE and the sharing of resources via online dissemination routes. DfE plans to develop 'school champions' from the cohort of schools involved in the demonstration project, to continue the sharing of experiences and expertise across the sector, to promote policy and support other schools to develop their own provision for two-year-olds **may benefit from DfE convening similar events.**

- The funding available to develop provision in schools for two-year-olds was a clear concern in the data gathered from a number of schools in the demonstration project. It is therefore recommended that **Department continues to explore ways to develop a sustainable funding infrastructure** for providers wishing to build capacity in this area of provision, including working with local authorities to develop clear guidelines on this matter.

1   Introduction

The National Children's Bureau[2] (NCB) in partnership with Frontier Economics[3] (FE) were commissioned by the Department for Education (DfE) to carry out a process and cost evaluation of fifty schools who had volunteered to join a DfE demonstration project to explore provision in schools for two-year-olds and this report draws together the findings of the evaluation. The evaluation commenced in October 2013 and ran until September 2014. This final report provides data from the final phase of the evaluation, alongside discussion of the lessons learnt from the evaluation overall and recommendations for sustaining and developing provision in schools for two-year-olds in the future.

The report is the third in a suite of documents, the first being a report about the baseline survey published in April 2014 and the second, a report of the eight case study schools which is published alongside this final report. The remainder of this chapter presents the background to the demonstration project, explains the evaluation methodology, notes some points about interpreting the data gathered and sets out the report structure.

1.1   Background

In 2010, the Coalition Government announced a £7 billion 'fairness premium' as part of its approach to fairness and social mobility, part of which supported an entitlement of 15 hours per week of free pre-school education for disadvantaged two-year-olds.

The entitlement, referred to as 'early learning for two-year-olds', aims to support disadvantaged children's cognitive, social and behavioural development and reduce any differences in attainment at school starting age. Places for disadvantaged two-year-olds have been provided across the country in maintained and private, voluntary and independent early years settings, including nursery schools, children's centres, nurseries, pre-schools and playgroups.

The entitlement was expanded in September 2014 from the 20 per cent most disadvantaged two-year-olds eligible for a place in 2013 to the 40 per cent most disadvantaged two-year-olds. This raises new challenges for local authorities in terms of increasing and maintaining local capacity to ensure sufficient quality places, which may be particularly difficult in areas where high demand and costs for childcare make it less attractive for providers to offer funded places.

The demonstration project evaluation

In 2013, only a small number of schools were known to be offering provision and there was acknowledgement by the Department for Education (DfE) amongst others, that there was important learning to be gathered and shared around the system to help schools prepare their settings and their staff.

In order to build a strong evidence base of good practice and lessons learnt from those offering provision for two-year-olds, and to help all schools who might offer provision for this age group, in summer 2013, the DfE introduced a demonstration project with a group of volunteer schools that

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[2] For more information about NCB please see http://www.ncb.org.uk

[3] For more information about Frontier Economics please see http://www.frontier-economics.com

would run from the start of the academic year in September 2013. A £10,000 grant was paid to schools to help with the cost of participating in the project and offering peer support to other schools; up to £2,500 of this grant could also be used for capital purposes.

All participating schools were expected to have an Ofsted rating of 'good' or 'outstanding' and it was expected that they would:

- Take some two-year-olds who were eligible for the entitlement during the 2013/2014 academic year

- Offer some activities/lessons where the two-year-olds would have the opportunity to interact with three-year-olds

- Provide direct contact with a qualified teacher and/or Early Years Professional

- Demonstrate approaches to helping parents manage their working patterns (for example by providing extended day-care or out-of-term provision) and helping children to make the transition to schools

- Attend the workshops set up by the DfE and cooperate with the external evaluators to support the national evaluation and gathering of good practice

- Offer mentoring and sharing of good practice with other schools

- Carry out their own evaluations within their schools.

During this time, the different approaches used by the schools and their experiences of setting up and delivering provision, would be tested and independently evaluated by NCB and Frontier Economics. Opportunities for the staff in the participating schools to network and share experiences and 'problem-solve' some of the challenges encountered in set up or delivery, would also be provided via the workshops. These were convened in London and facilitated jointly by DfE staff responsible for commissioning and supporting the demonstration project alongside the NCB and Frontier Economics team.

In addition to exploring the different delivery approaches utilised by schools, the NCB and Frontier Economics evaluation sought to identify the facilitators and barriers to providing high-quality provision and a sustainable model of provision. It also considered the costs of setting up and delivering provision for two-year-olds in schools and the implications for the financial sustainability of such provision.

As an investigation of processes and costs, the evaluation did not include investigating either the quality of provision or the impact of the provision on children's outcomes.

Fifty schools volunteered to join the demonstration project before and during the autumn term of 2013. One school left the project very early on in the evaluation; the remaining 49 schools continued and participated in the evaluation activities up until its conclusion in September 2014.

This report

This report draws together key findings from the following data collection sources:

- Baseline Survey of all schools administered in January 2014
- Case studies of eight schools carried out from March to June 2014

- Final Survey of all schools administered in June 2014
- Finance survey of all schools administered in June 2014

Readers of this final report may have read the baseline report[4] which was published in April 2014 and/or the case studies report which is published alongside this final report. It is important to bear in mind when interpreting findings that these reports provide a '*snap-shot*' of how schools were progressing in the delivery of their provision at that time. This final report presents the key findings from the ten month evaluation period as a whole, presenting a fuller picture of '*what works*' for schools in the set-up, planning, roll-out and delivery stages of a high quality provision.

Findings are intended to inform policy development regarding future provision of early learning for two year-olds within schools, and to act as a learning tool to support settings that may be considering implementing provision for disadvantaged two-years-olds within their own setting.

1.2   Methodology

The evaluation utilised both qualitative and quantitative methods. This section provides a brief summary of: (i) the participating schools and (ii) the evaluation methodology, with a note for interpretation. Appendix 1 provides further details about the evaluation methodology.

1.2.1 Brief summary of participating schools

The forty-nine participating schools were all state maintained schools; they varied in type, region and area as well as in their experience of providing for two-year-olds prior to joining the demonstration project.

Just over a third (37%) of settings were community schools, followed by local authority nursery schools (24%) and academies (20%). The highest numbers of schools were in London (29%), followed by the North West (22%), North East (12%), Yorkshire and the Humber (12%) and the West Midlands (10%). The majority (86%) were located in urban (less sparse) areas and just over half of the schools (60%) had not previously delivered provision to two-year-olds before.

Details of the 49 participating schools are provided in Appendix 2 and a summary of the eight case study schools is provided in Appendix 3.

1.2.2 Overview of evaluation activities

Evaluation activities[5]:

- **Two self-completion surveys of all schools.** An online survey was administered to schools at two points in time: a baseline survey between January and February 2014 and a final survey between June and July 2014. Surveys aimed to gain a '*snap-shot*' of schools' experiences at that time.

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[4] To access the full baseline report please see https://www.gov.uk/government/publications/ two year-old-demonstration-project-in-schools-baseline-survey

[5] In addition to these evaluation activities a number of standalone learning and dissemination activities were carried out throughout the evaluation which are not referred to in this report as they were designed to support schools in their delivery. An overview of the learning and dissemination programme can be found in Annex 1.

The baseline survey aimed to gather early feedback on schools' approaches to the planning and set up of provision for two-year-olds, emerging delivery models, and costs of provision. It also explored which aspects schools found challenging and identified areas in which schools would like further information and support. The final survey built on this and included questions regarding any changes to provision, staff development needs and engagement work with parents.

- **A finance survey of all schools.** Schools completed a finance survey between June and August 2014. The survey aimed to collect detailed information on set-up and delivery costs, staff resources involved in set up and delivery, sources of funding, and take-up of places per term.

- **Qualitative interviews in eight case study schools.** Interviews were carried out with eight case study schools between April and May 2014. Interviews aimed to gain a detailed view of each school's experience of developing and delivering provision as well as parents' experiences. Interviews were carried out with key staff; those who led the provision (N = 9), lead early years practitioner/s (N = 10), the business manager or finance officer (N = 7), local authority representative or school governor (N = 8). Discussion groups were also held with parents of two-year-olds in funded places attending the provision (N = 34).

Interpretation of findings

Full details of the methodology, including data collection and analysis methods, sample sizes and survey response rates, can be found in Appendix 1. However, it is helpful to bear in mind a number of issues in the interpretation of the findings, as outlined below.

As mentioned, this was not an impact evaluation and so, it is unable to report on the quality of provision or on schools' effectiveness in improving outcomes for disadvantaged two-year-olds. However, instances of good practice have been identified, along with early indications of perceived positive impact among schools and parents – for example, in terms of building ways of working in partnership with parents and the opportunities for early identification of the needs of some two-year-olds. The evaluation also did not compare provision in schools for two-year-olds with other types of early years provision and thus, does not provide any assessment of the relative benefits or otherwise of school-based provision compared to other early years settings. However, if comparisons were reported, the evaluation has attempted to capture and summarise the views and experiences of the participating schools.

Findings on the financial aspects of delivery were mainly based on the finance survey of all schools as well as a small number of questions in the baseline and final surveys and in the case study interviews with business managers/finance officers and those who led the provision. It is important to note that the level of survey non-response was particularly high in the finance survey (51% non-response/up to 24 schools responded), as outlined in Appendix 1, however, the consistency of findings between the different strands of data collection (including case study depth interviews with finance officers/business managers) and different audiences mean that we can be fairly confident that the overall findings are accurate.

As further discussed in Section 6.2, it is also important to bear in mind that a number of schools reported having difficulties completing the finance survey as they did not always have access to information about relevant expenditures where these were covered by the general school budget

or a central agency (e.g. voluntary organisations). In some cases, respondents indicated relevant but unknown costs in the survey itself, while others mentioned caveats by email or during telephone conversations. As such, these estimates are likely to be somewhat lower than the actual costs incurred by schools.

Data from the three surveys have been presented in tables or charts throughout this report. Where percentages do not sum to 100 per cent this is due to rounding, the existence of a proportion of 'not stated' answers, or because respondents were able to choose multiple items.

The baseline and final surveys were designed to track schools' progress from set-up to delivery and thus aspects of the provision captured in the final survey may not have been explored in the baseline survey and vice versa.

Qualitative findings from the case study research are useful for illustrating and understanding in depth schools' experiences of developing and delivering provision for two year-olds as well as parents' experience. However, it needs to be borne in mind that findings from the case studies are not necessarily generalisable to all participating schools in the same way that the survey findings are.

1.3   Report outline

Chapter 2 outlines how the design, planning and roll-out stages of the provision were led and managed: it explores influences on the schools' approaches to development and delivery and the types of development work that schools undertook in preparation for their provision. The Chapter also discusses how schools ensured sufficient staff capacity to deliver a quality offer, and the strategies utilised for creating awareness of the offer among parents.

Chapter 3 presents an overview of the delivery models implemented by schools: including staffing models, the number of places on offer, and whether or not schools integrated two-year-olds with older children. The offer of additional care / support options is also discussed.

Chapter 4 explores how delivery models worked in practice: including take-up rates of the offer, and staff experiences of the provision. The strengths and barriers to the effective development and delivery of good-quality provision perceived by schools are also presented.

Chapter 5 presents parents' views and experiences of the provision: including why they had chosen to attend the provision and the benefits that they felt attending the provision had had on their child to date. Possible areas of improvement are also discussed.

Chapter 6 investigates the costs of setting-up and delivering provision: explores the financial aspects of setting-up and delivering provision for two-year-olds, drawing on evidence collected throughout the ten month evaluation period.

Chapter 7 draws together the research findings and presents learning from the Demonstration project: The implications for practice, along with the next steps of the free early learning for two-year-olds programme are discussed.

2 Set-up, design and roll-out of the provision

This Chapter summarises how the design, planning and roll-out stages of the provision were led and managed. The majority of this Chapter draws together findings from the baseline survey report and the case studies report.[6]

2.1 Summary of the Chapter

- Assessing and understanding local needs were the biggest influences on schools' decision-making during the set-up stages of delivery.

- The amount of available space in schools and their current financial standing were also important elements in the development of provision which was a '*natural fit*'.

- All schools offered provision based on the school site, including the small number of schools which were working in partnership with other providers.

- To reflect the needs of two year-olds it was important to staff to create comfortable, safe and stimulating environments. The majority of schools made some structural change to their setting to achieve this. Some schools faced challenges during this process which, on occasion, led to delays in delivery.

- Most schools carried out some planning and development work to the school's curriculum to meet the needs of funded two-year-olds (including schools with previous experience of providing for two year-olds).

- Schools felt confident in their abilities to meet the needs of two year-olds. Some schools were accessing training, including from their local authority, to further improve/increase their skills and knowledge.

- Most schools recruited new staff and also adapted the roles of existing staff to build their capacity and prepare for delivery. Some faced challenges in recruiting staff with relevant qualifications.

- Schools used several techniques to raise awareness about the offer for two year-olds, including showcasing the offer on the school website and targeting parents with older siblings in the setting. Some schools relied on word of mouth about their offer and/or on targeted letters from the local authority to eligible parents.

- At the baseline stage the main challenges identified were (i) developing facilities and an appropriate environment, (ii) recruitment of qualified and skilled staff, (iii) planning for the longer-term financial sustainability of the provision and (iv) Ofsted registration.

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[6] Readers are signposted to the relevant previously published report(s) for more detail where appropriate.

2.2 Set-up and planning stages of the provision

2.2.1 Influences on approaches to delivery

At baseline, the biggest influences on schools' decision-making during the set-up stages of developing their provision were sources of information and advice which helped them to assess and understand local needs. The strategic aims of the school (noted by 42 schools out of 47); the strategic aims of the local authority (26 schools out of 47) and the availability of support and advice from the local authority (24 schools out of 47) were other significant influences.

Information gathered from consultations with (i) parents (24 out of 47 schools) and (ii) consultations with staff (12 out of 47 schools), local population and profile data (22 out of 47 schools) and local needs assessments (21 out of 47 schools) was also mentioned.

Interviews with key staff at schools who participated as case studies found that sharing learning and practice with other local settings providing the offer was also influential in these early planning stages (especially for those schools with no prior experience of working with two year-olds).

2.2.2 Who led the delivery of the provision and where was it based?

As detailed in Section 1.2.1, the forty-nine schools participating in the demonstration project varied in type, region and areas as well as in their experience of offering provision for two-year-olds. Table 2.1 provides an overview of how schools were delivering their provision and where the provision was located.

Table 2.1 Delivery arrangements of schools in the demonstration project

Delivery arrangements		Location of the provision	
The school delivering the provision directly	34 schools	On the main school site in the school building	30 schools
In partnership with a private sector partner	4 schools	In a separate building on the school site	17 schools
In partnership with a children's centre	4 schools		
In partnership with a nursery	2 schools		
In partnership with a volunteer provider	1 school		
Base	45 schools[7]	Base	47 schools

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[7] Where the base is less than 47 for the baseline survey this is because some respondents did not complete the question.

Four of the eight case study schools (Schools B, E, G and H) delivered provision directly, while two provided through a nursery attached to the school (Schools C and D). Schools A and F worked with in partnership with an onsite Private, Voluntary or Independent (PVI) provider or a Children's Centre. In these two schools, those who led the provision discussed partnership working as a positive experience overall as it allowed them to maximise access to space and share staff expertise.

2.2.3 Influences on the number of places on offer to two year-olds

The number of places on offer to two-year-olds was largely determined by an assessment of the available space within the setting. Space was also reported as a key consideration for case study schools when considering whether to increase the number of places on offer. This is discussed in detail in Chapter 4. Funding available at the time of set-up, another influence on place numbers, is discussed in Chapter 6.

2.2.4 Addressing legal requirements

Schools are required to adhere to specific legal requirements for providing to two-year-olds including, but not limited to, ensuring that robust health and safety, safeguarding and child protection, and first aid procedures were in place and being implemented and monitored.

At baseline, 35 out of 46 responding schools reported making some form of change to comply with legal requirements. The process of making changes was explored further, but not the nature of the changes.

Thirty-two out of 45 responding schools found the process of addressing legal requirements ''*OK,'* with a further ten schools reporting the process to be *'easy'*. The remaining three schools reported the process as '*not easy'*. This indicates that some schools may have benefitted from added support in this area during this set-up stage.

In the final survey, six months on from the baseline, schools were asked to rate how confident they felt in understanding safeguarding and child protection procedures, health and safety, first aid and legal frameworks. A total of 30 out of the 34 responding schools stated feeling confident in this area, with no further training required. The remaining four wanted more training, support and/or resources for staff in this area. Positively, all of these schools also reported currently accessing training to continue to increase their skills and confidence in this area.

2.2.4 Applying for Ofsted registration

The 28 schools within the evaluation sample who had not delivered to two-year-olds previously were required to apply for Ofsted for a separate early years registration. There were mixed experiences in terms of how schools found the process of applying for Ofsted registration – out of 46 responding schools, eight reported the process as '*easy',* 14 said it was '*OK'*, 14 that it was '*not easy'* and three that it was a matter '*still requiring attention'*.

Experiences of registration were explored in more detail with the four case study schools who had not worked with two-year-olds before. Again a mixed picture was found; some case study schools found the registration process difficult, reporting that it had been time consuming resulting in delays to the start of their delivery. (The potential financial implications of these

delays are discussed in Chapter 5). Other case study schools found the process useful in helping them to think through plans for their provision and it did not cause any delays.

The findings indicate that some schools may have benefitted from additional support to navigate the registration process. Going forwards, Government plans to remove the need for schools to register their provision for two-year-olds separately with Ofsted (which, subject to the will of parliament, will take effect by September 2015) may help to address some of these difficulties.

2.3 Development work to prepare for taking two-year-olds into the setting

2.3.1 Changes to the physical environment of the setting

At baseline, 40 out of 47 schools reported carrying out some development work to the physical environment of their setting to accommodate or prepare for taking two year-olds. Structural changes included:

- Adapting the washing/toilet facilities (out of 45 schools, 18 schools reported this entailed a '*lot*' of adaptations and 13 schools a '*little*')

- Adapting the indoor space (e.g. adding toys and chairs; out of 47 schools, 15 schools a reported a '*lot*' of adaptations and 21 schools a '*little*')

- Adapting the outdoor environment (e.g. adding a security gate or new play area; out of 46 schools, 15 schools reported a '*lot*', 19 schools reported a '*little*')

- Adapting the kitchen facilities (out of 45 schools, eight schools reported a '*lot*', and a further eight schools reported a '*little*').

While 13 out of 47 schools found the process of developing facilities '*easy*' or '*OK*' (29 out of 47 schools), just over one in ten reported that the process was '*not easy*'. Staff members interviewed at case study schools provided some insight as to *why* some schools may found the process more difficult than others. For example, one case study school faced challenges in setting-up the right physical structure and as a result faced delays in starting their delivery. These experiences highlight another area where some schools may have benefitted from added support.

2.3.2 Ethos and pedagogy of provision

As part of developing their offer, schools had to consider the ethos and pedagogy which would underpin their delivery to two-year-olds. At baseline almost all reporting schools carried out a '*little*' (21 out of 45 schools) or a '*lot*' (16 out of 45 schools) of development work to their school's pedagogy in preparation for taking two-year-olds. The remaining schools reported no additional development work. [8]

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[8] A more in-depth discussion of the exact type of day-to-day activities offered by schools is presented in the case study report.

At the time of the final survey, schools were asked to rate how confident they felt in adapting their provision to suit the development needs of two-year-olds. Positively, 30 of the 34 schools stated feeling confident in this area and that they did not require further training.

Of the remaining four schools who reported wanting more training, support and/or resources for staff in this area, two reported currently accessing training to improve their knowledge and skill, with another booked to attend a related training. The remaining one school reported no plans to access training at the time of the survey.

2.3.3 Integrating two-year-olds with older children

The demonstration project provided an opportunity for DfE to gather information from participating schools on the extent to which schools integrated two-year-olds with older children, what influenced this and whether schools perceived any benefits or risks to children's outcomes in doing so. Findings are not intended to present best practice but allow for an early understanding of some of the key issues and considerations important when integrating two-year-olds with different age groups.

At the time of the baseline survey, the majority of schools who responded (41 of 47 schools) indicated they were integrating or planning to integrate two-year-olds with older children to a varying extent, including some of the time (19 schools) or all of the time (15 schools) that two-year-olds were within the setting each day. Three schools reported integrating two- and three-year-olds on certain days only and four schools that they did this during the term before the child's third birthday. A lack of appropriate space available to support integration of two and three year-olds was noted by a further three schools and one school reported they had not yet developed a plan for integration.[9]

The reasoning behind why and how schools had decided to integrate two-year-olds with older children was explored further with case study schools. Those who led the provision in these schools discussed the importance of two-year-olds feeling part of the whole school and that they were not seen as 'separate'. For many, integration with older children was viewed as a route to achieving this wider sense of belonging.

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[9] Two schools did not respond to this question.

Physical space available

Outside space was used by all case study schools for two-year-olds to integrate with older children. In addition, 'free-flow' time was scheduled during each session to allow two-year-olds to interact and play with older children inside, facilitated by a common space large enough to accommodate this.

Across the eight case study schools, three schools (B, C and E) integrated, or planned to integrate two-year-olds who attended the provision **all of the time**. Those who led the provision in Schools B and C reported that fully integrating children was a fundamental aspect of their wider provision and ethos. They felt integration created a 'family atmosphere' and allowed children to learn from one another. The early years lead in School C perceived:

> *"The older children straightaway helped the younger ones. The younger ones, their development has come along a lot quicker."* (Early years lead, School C).

Both schools B and C had a number of years experience providing for two-year-olds and were enabled by having the appropriate space to do so. At the time of evaluation fieldwork, school E was in the process of planning the integration of two-year-olds all of the time, including developing an appropriate space, staffing and safety considerations.

Schools D, F and G integrated two-year-olds **some of the time** they attended the provision. While it was considered beneficial for two-year-olds to spend time with older children, those who led the provision in School F were mindful of ensuring that eight two-year-olds felt comfortable around a larger amount of older children. They commented:

> *"We knew that to take them into school, eight two year-olds being part of 120, was quite a sticky wicket…We converted a very small room into a home for the eight two year olds, so that they had a nest, or a retreat to go to should they feel overwhelmed by going in with the three and four year olds."*   (Head of Children's Centre, School F)

Interviewees in School D reflected it was important for two-year-olds to have their own time and space to be together separate from other age groups but recognised the perceived benefits of integration some of the day. Those who led the provision in School G noted it was important to consider the individual needs of children when considering integration. While regular 'free flow' sessions were scheduled, this was the result of 'constant review' of the child's needs:

> *"[Integration is] based on the needs of those children, and if we feel that it's appropriate for those children to mix with the three-year-olds, or appropriate for those three-year-olds to mix with the two year-olds that's what we'll do. So it's just a constant review really of where the children are at and what's best for them."* (Assistant head teacher, School G)

Schools A and H were unable to integrate two-year-olds with older children on a regular basis. As discussed in Section 2.2.2, School A delivered their provision for two-year-olds in partnership with an onsite PVI setting. As the school and PVI setting were located on different floors of the main school building, for the most part, the two-year-olds interacted with three-year-olds when beginning to transition to the nursery school. As in School G, this was flexible and designed to meet the individual needs of the child and whole family. One interviewee explained:

"We look at the needs of the family, the needs of our children and families and then we can meet them wherever their stage of development is, rather than their age." (PVI manager, School A)

School H was similarly restricted in doing so. The three-year-old nursery was in a different part of the school building and only had one point of intake each September. Places for the nursery were oversubscribed and, as such, if a two-year-old turned three during the year they were unable to transition to the three-year-old nursery until the following September.

Overall, findings from the evaluation suggest that further evidence is needed around the practice of integrating two-year-olds with older children and the potential impact on children's outcomes. Therefore it is suggested that schools continue to assess the needs of the individual children and monitor outcomes closely.

2.3.4 Establishing the right environment to support the learning and development of two-year-olds

Providing appropriate environments for two-year-olds, both indoors and outdoors, was explored with schools in the final survey. Positively, all responding schools rated themselves as effective at providing both nurturing indoor and outdoor environments. However, the research did highlight that a *slightly* higher number of schools perceived themselves as more effective at providing an appropriate space indoors as opposed to that of the outdoors:

- In terms of providing a nurturing indoor space, 29 of the 34 responding schools felt '*extremely*' effective, with the remaining five schools stating that they felt '*somewhat*' effective.

- In regards to providing a nurturing outside space, 23 of the 34 responding schools felt '*extremely*' effective; with the remaining ten stating that they felt '*somewhat*' effective.

Case study schools were able to provide more insight about developing their environment for two- year-olds. It was revealed that they all strived to ensure a comfortable, safe and stimulating learning environment which met the needs of two-year-olds and felt that their indoor space was achieving this. Most schools also reported plans to improve their outdoor spaces going forwards.

More details about the specific use of both the indoor and outdoor spaces can be found in the case studies report.

2.4   Ensuring staff capacity to deliver early years provision

Research indicates that delivery of quality early years provision relies upon well-qualified staff.[10] This section discusses the processes schools engaged in to ensure they had the staff capacity to deliver the provision.

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[10] See 'REPEY' study under 'related studies' at http://www.ioe.ac.uk/research/153.html

2.4.1 Staffing high-quality provision

Case study schools placed staffing at the heart of ensuring that they were delivering a quality offer. Schools felt that staff working with two year-olds should possess at least the following skills and understanding, alongside their wider training, qualifications and skills:

- An understanding of two-year-olds, and about child development more generally

- Knowledge of the Early Years Foundation Stage[11] (EYFS)

- An understanding of other support services to sign-post families to, if required

- The ability to work with parents effectively

- The ability to provide warmth and care for two-year-olds.

2.4.2 Development work required to build staff capacity

The baseline survey revealed that most schools had to undertake some development work in order to build their capacity and prepare their staff for: (i) working with two-year-olds if they had not previously done so; (ii) working with disadvantaged two-year-olds if they had not previously done so; (iii) supporting an increased number of two-year-olds if they were already providing places. Development work included the recruitment of new staff and also adapting the roles of existing staff. Ninety-two per cent of the schools (43 of the 47 schools) responding to the baseline survey also reported that an early years professional/teacher was currently or planned to be working on a day-to-day basis with the two-year-olds.

2.4.3 Challenges with recruitment

Having a well-qualified and appropriately trained staff is the foundation of good-quality provision and therefore investing resources, including but not restricted to financial support, is essential to ensure that schools can build an appropriate staff base to deliver sustainable provision in the future. Positively, whilst not comparable to the responses given at the baseline stage, at the time of the final survey, all responding schools did perceive themselves to be '*extremely'* effective at providing qualified and experienced staff, with most (27 of the 34 schools) defining themselves as '*extremely'* effective, and the remaining 7 defining themselves as *'somewhat'* effective.

However, it was evident through the case study interviews that schools can face a number of challenges in developing their staff capacity. For example, some case study schools reported challenges with recruiting the '*right'* staff as a result of their financial position; others noted difficulties finding staff available who were of the right quality and with the requisite experience for working with two-year-olds. The nature of these issues and the resulting solutions are discussed in greater detail in the case study report, however, one important conclusion from the evaluation overall is that problems with recruitment have the potential to delay planning and delivery, with the added possibility that the quality of the provision on offer may be affected.

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[11] https://www.gov.uk/government/policies/improving-the-quality-and-range-of-education-and-childcare-from-birth-to-5-years/supporting-pages/early-years-foundation-stage

Briefly, the most common challenges faced by case study schools included:

- **Knowing where to go to recruit appropriate staff.** One case study reported having trouble finding the 'right' staff as they had been recruiting via a non-specialist recruitment agency. Going forwards, they intended to work with specialist early years agencies to increase the likelihood that suitable staff could be found within an appropriate time scale.

- **Attracting appropriate staff to undertake a temporary contract.** One school was delivering to two-year-olds for the first time and so they were unable to offer a permanent contract in the first instance. This school reported they had found it difficult to recruit staff members who were ready to work on a temporary contract.

- **Funding the recruitment of staff.** Two case study schools identified a staffing need within their provision and found it difficult to fund their recruitment. For example, School B reported identifying early on in the project that they needed to employ a teaching assistant with an NVQ Level three but were only able to fund staff at Level 2. The Head Teacher reported a tension between offering high quality provision and being restrained by financial considerations, and commented:

    > *"...if we are a high quality centre then we need to put our money where our mouth is and say, we're high quality, we only ever employ level three staff."* (Head Teacher, School B)

- **Minimising possible disruption to the children caused by staff absences:** One case study school reported difficulties when staff were off sick or taking extended leave. They were able to cover staff absences by '*borrowing*' staff from the nursery. Adult to child ratios in this school were generous and allowed the nursery to provide cover while still maintaining statutory ratios, thus incurring no extra costs to the school and minimising any potential disruption to the children. Understandably, this type of solution would not be practical for all settings where an additional pool of staff is not available to help cover, but it does highlight that settings should put contingency plans in place to cover staff absences, and ideally, also develop strategies to reduce staff absences to minimise disruptions in consistency for the children.

2.4.4 Staffing ratios

Forty-two out of 45 responding schools at baseline reported staffing their provision with a ratio of 1:4 (as required by the statutory framework for the EYFS), and the remaining three schools reported delivering with a ratio of 1:3.

2.4.5 Providing learning and development for staff about the needs of two year-olds

Continuing Professional Development (CPD) was considered an essential part of ensuring high-quality provision. The case study schools reported attending several different types of training in preparation for providing funded places for two-year-olds, including: how to engage and work with parents; child development and in particular, the needs and emotional well-being of two-year-olds; how to monitor the progress of children attending the provision; how to create the

environment required for this age group and training on the Early Years Foundation Stage (EYFS) progress check at age two.

2.5   Raising awareness of the places on offer to families

This section discusses how schools communicated the availability of places to families. It is important to note that schools did not distinguish between 'stages' of contact with parents in the same way that has been set-out in this report. Those who led the provision in the eight case study schools were keen to stress their relationship with parents was an ongoing process which began from this first point of contact with families and continued as they worked in partnership with parents to support their child's learning and development. They did not always view the techniques they used to raise awareness of the offer as traditional 'recruitment strategies', but more as engagement tools for creating a meaningful relationship with these parents going forwards.

The 'early learning for two-year-olds' entitlemetn will have been a new offer for parents when it was launched in September 2013. As almost all schools provided some funded places, schools invested time and resources into raising awareness about the funded places for two-year-olds they were offering.

2.5.1 When did schools begin the process of raising awareness of places on offer?

For a number of schools, engaging with parents to raise awareness of places available began far in advance of delivery or take up of places. At baseline, 29 out of 47 schools reported they began doing so at least three months in advance of delivery. The remaining schools (15) reported doing so one to two months in advance of delivery.[12]

This shorter timescale may be relative to the number of places on offer in the provision (where fewer places means fewer parents to engage with), the extent to which families were already known to the school and the school timetable.

For example, in case study School F where eight places were offered, those who led the provision approached families who attended the onsite children's centre during the summer months to start in September. Interviewees reflected that as the number of places on offer are increased going forward, they will likely begin the process earlier to target families with older children attending the school and within the wider community. In School H, where 32 places were offered, the process of informing families of places available began up to four months before the single intake of two-year-olds in September. Those who led the provision indicated this was to allow for contact with parents of older children within the school during term time.

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[12] Two schools did not complete this question and one was unable to recall when they began engaging parents. The data gathered did not indicate any differences between schools now to offering provision for two-year-olds and those with more experience.

2.5.2 What strategies did schools use to raise awareness about places on offer?

Schools appeared to have worked hard to engage and inform families of places available and used a wide range of methods to do so. At baseline, the most commonly used strategies to raise awareness were (i) sending letters home to parents (40 of 47 schools) and (ii) using the school website (34 of 47 schools). Sending letters home to parents was considered by a number of schools (22) to be the most effective method of informing families of places available, as was drawing upon wider connections within the local community (noted by 14 schools).

Many schools considered raising awareness of places available to have been *'easy'* or *'ok'* (39 schools), though nine schools reported they would like further advice on doing so. This indicates that some schools may have benefitted from additional support to establish these important relationships with parents. Please see the baseline survey report for further details.

Case study schools shared some examples of the techniques that they employed to raise awareness about places on offer. For example,

- A number of the case study schools reported drawing upon their existing relationships with parents who already had older children in the school. Interviews with parents revealed that having their children in the same school convenient for them, also that they already felt that the setting was high quality and were therefore happy to take-up a place.

- Support from the local authority to raise awareness amongst parents was noted by all case study schools, often in the form of targeted letters outlining the entitlement and highlighting the local settings where parents could apply. Some interviewees reported parents contacting them as a result (as opposed to schools having to recruit them).

- Two case study schools reported that awareness about their offer was spreading by word of mouth in the local community and because demand for places was high they were also able to fill their places relatively quickly.

The case study schools also provided information about how parents had responded to these strategies. For example, one reported that staff had been working with parents to break down concerns or misconceptions about two-year-olds in schools – for example, a few parents were reported to be concerned that their child was too small to attend; to address this, members of staff were working in partnership with parents to highlight the potential benefits of attending.

All case study schools offered interested parents and children the opportunity to attend a taster day to see and learn more about the provision, and to meet the staff and other children. The case study schools reported that these were very popular and felt that they were effective at easing any concerns that parents had.

3 Delivery models

This Chapter outlines the type of delivery models implemented and the rationale underpinning these, including staffing models, the groupings of children, flexibility of the offer, additional care /support options and the curriculum and pedagogy.

3.1 Summary of the Chapter

- Thirty-three out of 34 responding schools reported that the level of the highest qualification held by staffing working in their provision was level three or above. Twenty of these schools were delivering with staff who had between a level six and eight qualification (level six is equivalent to degree level).

- Eighteen out of 34 schools reported that they offered funded places for two-year-olds **only** and 16 schools offered **both** funded and fee paying places.

- Sixteen schools reported that funded places for two-year-olds made up 100 percent of their provision and a further seven schools reported that funded provision for two-year-olds made up between 50-99 percent of their early years provision.

- The majority of schools were not offering additional hours or care for to two-year-olds in funded places. It appeared that schools were focused on establishing their standard offer of provision and may look to offer additions to the 15 free hours at a later date.

- Those schools who were offering additional care / support to children to children in funded places reported mixed feedback in terms of the proportion of parents who were taking up the offer, demonstrating the need for schools to understand local demand.

- There was some variation in the frequency of contact with qualified teacher and/or Early Years Professional among schools, with some stating that the children in their provision would have contact with qualified teacher and/or Early Years Professional all of the time and some stating some of the time.

- Schools reported that the most effective engagement strategies for working with parents were holding informal conversations during/after the school day to share knowledge about their child's progress, facilitating parents working with other professionals and conducting a one-off visits to the home.

- The majority of schools provided information and support to help parents promote the child's learning and development within the home environment.

3.2 Staffing models

3.2.1 Number of staff within the provision

At baseline, 30 out of 42 responding schools most commonly schools reported that their provision had between two and four staff. This was followed by five schools who had five staff. The remaining eight schools reported having between six and ten staff.

3.2.2 Which staff members were working with two-year-olds and when?

Respondents to the baseline survey indicated that a range of staff members worked with the two-year-olds on a day-to-day basis. Out of 47 responding schools, staffing was reported as follows:

- Qualified teacher and/or Early Years Professional (43 schools)

- Teaching assistant (29 schools)

- Nursery assistant (24 schools)

- Higher teaching assistant (19 schools)

- SEN teaching assistant (nine schools)

- Head Teacher (three schools).

25 schools indicated that two-year-olds had, or would have, direct contact with a qualified teacher and/or Early Years Professional all of the time and 15 schools reported this would be during some sessions only.[13]

Two of the case study schools (Schools B and H), provided a more detailed overview of how their staffing operated and where in both, the Head Teacher and Director of Early Years/Assistant Head Teacher were closely involved with the provision for two-year-olds. In School B, the Head Teacher worked to 'drive through' a period of change for the provision (moving from mostly fee-paying places to mostly funded places). School H was staffed through a mixture of an Early Years Practitioner, level 6 manager and level one, two and three staff. Without a qualified teacher and/or Early Years Professional working in the provision, the Director of Early Years/Assistant Head Teacher assumed much of the responsibility to lead on the tracking and monitoring of children's progress.

3.2.3 Level of qualifications

Thirty-three out of 34 responding schools reported that the level of the highest qualification held by staff working in their provision was level three or above. Twenty of these schools were delivering with staff who had a level six to eight qualification (level six is equivalent to degree level).

One school did report that the level of the highest qualification held by staff in their provision for two year-olds was a level two qualification. However, the statutory framework for the EYFS sets out that, for two year-olds, at least one member of staff must hold a full and relevant level three qualification. Analysis of the survey responses from this school suggests that this particular response was a reporting error (especially given the 'good' or 'outstanding' Ofsted rating of the school). Also the analysis was unable to distinguish between which staff were leading the provision and if for example, in this particular school, the practitioner in question was nominally 'in charge' of the two-year-olds but was working within a larger room where there are members of

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[13] The remaining schools, that had not begun delivery at the time of the baseline survey, did not know and were still planning. One school did not respond to this question.

staff holding higher qualifications then this arrangement would not breach statutory guidelines. Notwithstanding this, it is important to note that recent reviews of evidence[14] recommend that all staff working with two-year-olds should hold a level three qualification.

3.3 Make-up of places on offer to two-year-olds

3.3.1 Type and number of places for two-year-olds

Data from the final survey indicate that 18 out of 34 schools were offering funded two-year-olds places **only** and 16 out of 34 schools were offering **both** funded and fee paying places for two-year-olds.

Twenty-one out of 34 schools (at the time of the final survey) were offering between eight and 24 registered places for two-year-olds. The remaining 13 schools were offering more than 25 places (between 25 and 80 places). The mean number of registered places on offer for two-year-olds was 24.

Schools were asked to indicate what proportion of the total number of children in the provision were funded two-year-olds.

- Sixteen out of the 34 schools reported that funded places for two-year-olds made-up 100 per cent of the places available in their early years provision

- Seven schools reported that funded two-year-olds made up between 50 and 99 per cent of their early years provision

- Seven schools reported that funded two-year-olds made up between ten and 49 per cent of their early years provision

- The remaining four schools reported that less than nine per cent of their early years provision was made-up of funded two-year-olds.

3.3.2 Allocation of the hours on offer to two-year-olds

Families eligible for a funded two-year-old place are entitled to 570 hours of free early education per year. The research considered the flexibility of the offer that schools made to parents in offering this free education and this included asking whether provision was available during the term-time only, (i.e. over 38 weeks each year) and/or was available during school holiday periods. It also explored whether parents were offered any 'choice' in determining which sessions/hours during the week their child could attend. Data from the final survey revealed that:

- The majority of schools (30/34) were offering 15 hours a week in term-times only (38 weeks)

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[14] Sutton Trust report Sound Foundations: A Review of the Research Evidence on Quality of Early Childhood Education and Care for Children under Three.

- Two out of 34 schools were offering a fixed allocation over 50 weeks of 12 hours a week instead of 15 hours per week

- One school was offering either 15 hours per week over term time or 12 hours per week spread over 50 weeks per year

- One school offered five sets of two hour sessions a week.

In terms of the degree of flexibility for parents in the allocation of hours during the week, the final survey found that:

- Twenty-three out of the 34 responding schools were offering either mornings or afternoons only

- Nine schools gave families the option to choose a mixture of hours.

3.4 Additional care options on offer to two-year-olds

Some schools were also offering additional hours or care options for parents (of both funded two year-olds and two-year-olds in fee-paying places). The most common options on offer for two-year-olds in funded places were:

- Additional educational sessions which were paid for by parents (for example adding extra mornings or afternoons above their free entitlement per week)

- Additional care to fit around sessions. These included sessions held before or after school (such as breakfast clubs or after the traditional school day ends around 3.30pm)

- Places during school holidays (as most schools were offering places during term-time only)

- Paying for *extra* meals[15] such as at lunchtimes - which for most children receiving the free entitlement would be either after their morning session or before their afternoon session.

3.4.1 How many schools were offering additional options to two-year-olds in funded places?

At the time of the final survey, 21 out of 34 schools did not offer any type of additional care options to funded two-year-olds.

The remaining 13 schools were offering some type of additional care option. Of these schools, the majority offered parents the chance to pay for more sessions on top of their free entitlement (11/12) and to pay for extra meals (10/13).

Just over half of these schools were also offering funded two-year-olds the opportunity to pay for a place during school holidays (7/13).

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[15] This does not refer to any snacks or food provided by the setting during the actual sessions – which are paid for and provided to the children by the school.

However, it is noted that the research did not capture *how* these schools managed their wider delivery over the school holidays and therefore the research cannot conclude whether the school offers any of its children places during the holiday periods or whether this was restricted to just funded two-year-olds.

3.4.2 Take up the additional care/support options on offer

Take-up of these additional options was quite also varied, with no obvious patterns emerging in regards to which types of additions were more popular than others with parents (see table 3.1).

With regard to the take-up rate of these additional care /support options among parents paying for places, this was also found to be mixed. Schools reported that '*some*' (5/12), '*half*' (3/12) or '*most*' (3/12) parents were taking up at least one of the additional offers. One school reported that none of their fee-paying parents were taking up the additional / care support offer.

The level of variation in take-up indicates that schools must consider the needs of local families and the level of demand compared to their own costs of delivery when deciding what to offer.

Table 3.1 Take-up of additional care/support options on offer to funded two-year-olds

Type of additional care /support option	Percentage of funded two-year-olds taking up additional care /support options					
	Between 1% and 5%	Between 6% and 10%	Between 11% and 15%	Between 15% and 20%	More than 21%	Total who were offering
More sessions which are paid for by parents	7 schools	1 school	1 school	2 schools	1 school	12/13
Paying for *extra* meals	3 schools	-	1 school	2 schools	4 schools	10/13
Additional care around sessions	4 schools	1 school	1 school	1 school	2 schools	9/13
Places during school holidays	2 schools	1 school	1 school	1 school	2 schools	7/13

Source: Follow-up survey of demonstration project schools, July 2014.

3.5 Engagement with parents

Research has shown the importance of what parents do to support their young children's learning and development at home[16]. The evaluation explored schools' strategies and experiences for engaging with the parents of two-year-olds in their provision in detail with the eight case study schools. A full discussion of how case study schools engaged and worked with parents can be found in the case study report, which also includes examples of what schools found to be effective. Table 3.2 outlines the type of strategies used by reporting schools to engage with parents. The perceived effectiveness of the strategies utilised is also reported.

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[16] For more information see the EPPSE study at http://www.ioe.ac.uk/research/153.html

Table 3.2 School strategies for engaging with parents of two-year-olds

Type of strategies utilised for engaging with parents	Number of schools who utilised the strategy	Rating of effectiveness given by schools to the technique used		
		'Extremely or Somewhat' effective	*'Average' effective*	*'Not very or not at all'* effective
Informal conversations to share knowledge about their child's progress	34 schools	34 schools		
Facilitating parents working with other professionals	30 schools	33 schools	1 school	
Providing individual written feedback on their child's progress	29 schools	32 schools	1 school	1 school
Formal conversations to share knowledge about their child's progress	27 schools	33 schools	2 schools	
Hosting events to involve parents in their child's learning and development	26 schools	33 schools	2 schools	
One-off visits to the home when their child first starts attending	17 schools	16 schools	1 school	
Group newsletters to inform parents of their child's progress	16 schools	14 schools	1 school	1 school
Regular visits to the home	None of the schools	n/a	n/a	n/a

As Table 3.2 shows, holding informal conversations during/after the school day to share knowledge about their child's progress was the most commonly used technique reported by all 34 schools and this technique was also perceived as the most effective strategy. Facilitating parents working with other professionals was the second most commonly used technique (reported by 30/34 schools) and was also rated as the second most effective strategy.

Helping parents to support their children in the home

Table 3.3 outlines the range of strategies used by the schools to help parents support their children at home. The perceived effectiveness of these strategies is also given. As the table shows, the majority of respondents (32/34) provided information to parents to support the child's learning and development at home. This technique was also rated as the most effective strategy for helping parents overall.

Just over half of schools (19/34) supported parents to access training. It is not known whether the training was for personal development or training around supporting their child. However there were mixed reviews regarding the effectiveness of this technique in helping parents to support their children in the home - perceptions of effectiveness ranged from '*extremely*' effective (13/34), '*somewhat*' effective (5/34) and as '*average*' by four schools. Many schools will have been establishing new ways of working with parents and therefore effectiveness is difficult to measure at this time.

Table 3.3 School strategies to help parents to support their children at home

Strategy	Number of schools who utilised the strategy	Rating by given by schools		
		'*Extremely*' or '*Somewhat*' effective	'*Average*' effective	'*Not very*' or '*not at all*' effective
Providing advice to parents to support their child's learning and development	32 schools	33 schools	1 school	
Supporting access to training and employment	22 schools	18 schools	4 schools	
Lending resources to parents for home use (e.g. toys)	19 schools	34 schools		
One-off visits to the home to support parents in supporting their child's learning and development	10 schools	10 schools		
Regular visits to the home to support parents in supporting their child's learning and development	1 school	1 school		

The value of home visits

The value of home visits as a strategy for engaging with and supporting parents was highlighted through the data gathered from the case study schools. The majority of the case study schools carried out home visits with families in advance of children attending the provision. Those who led the provision reported these visits helped build a relationship of trust between staff and parents, share knowledge and allowed children to become familiar with staff members, which aided their transition from home to the setting. Schools continued to build these relationships through organising events within the setting for parents to attend with their children. Those who led the provision reported this allowed for parents to have informal discussions with practitioners about how best to support their child's learning and development at home. One of the case study schools also suggested that in order to ensure a high turnout, it was important to consider the interests of parents when planning these sessions.

4 Schools' reflections on the learning for two-year-old provision in practice

This Chapter presents take-up rates for two-year-olds, plans for the expansion of the offer, schools' reflections on providing for children in funded places, and the perceived enablers and barriers experienced by the schools in providing high-quality provision.

4.1 Summary of the Chapter

- Take-up of the places for two-year-olds was high. 23 out of the 34 schools who completed the final survey reported that their provision for two-year-olds was full.

- Models of delivery, the provision and the numbers of places on offer remained largely consistent over the school year indicating that most schools were working to establish their way of working rather than focusing on growing their offer or increasing capacity.

- Findings from the final survey noted that 21 out of 34 schools had plans to increase the number of places for two-year-olds in the future.

- In terms of the criteria on which two-year-olds were deemed eligible for a place, 84 percent of those offered a place met the economic criteria and 11 percent were identified as having special educational needs and disabilities (SEND). Less than 1 percent met the criteria of being a looked after child.

- Almost all schools reported feeling confident in working inclusively with two-year-olds with special educational needs and disabilities (SEND), and understanding the importance of inclusion and diversity within early years settings.

- Schools reported facing some additional challenges when working with two-year-olds in receipt of funded places and committed time, care and attention to working with these children and their parents.

- The majority of schools rated themselves as effective at delivering provision for two-year-olds, including work to support the learning and emotional needs of two year-olds, their language and development needs.

- School staff reported many potential benefits of the provision, not only for the children, but also for their parents and the school itself. These included building relationships and partnership working with parents, social benefits for the children and the potential to identify children's needs at an early stage.

4.2 Take-up of the 'early learning for two-year-olds' entitlement

Delivery remained largely consistent over the school year with two-thirds of reporting schools indicating that the way they offered their provision, and the number of places on offer, had not changed between January and June 2014. As mentioned, many schools were delivering provision for two-year-olds for the first time; therefore it is unsurprising that provision largely stayed consistent with schools focusing on establishing their approach, rather than trying to grow their offer.

The remaining one-third of respondents did grow their provision slightly; six schools increased the number of places on offer by between one and ten places and six schools grew by more than ten places from January to June 2014.

As mentioned, take-up of the places for two-year-olds places was high with 23 out of 34 schools stating that most of their places offered to two-year-olds were full in June 2014. The remaining 11 schools reported having some vacant places, with seven schools having eight or fewer places left to be filled, and the remaining five schools having higher numbers of places left to fill (ranging from ten to 25).

Other responses to survey questions suggest that most schools thought that the demand for early years places in their local area was high – although there was a perception that this related mainly to funded places (discussed further in the following section). Therefore schools who reported high numbers of vacant places may benefit from additional support to assess whether the number of places on offer is suitable for their setting.

4.3 Plans to expand the offer

At the time of the final survey, 21 out of 34 schools reported plans to increase the number of places for funded two-year-olds. The remaining 13 schools reported no intention to make changes to their provision. Plans for expansion/changes were explored in more detail with the case study schools (Please see Section 3.3.1 of the case study report).[17] These schools reported seeing several potential benefits in expanding their offer, including being able to support both more children and also their parents. For example, one case study interviewee commented:

> "*When we get the new build, going to look at involving adult learning, so doing, doing things online, so budgeting and those sorts of things" (*Early Years Practitioner, Case study school*)*

Case study schools were aware of the considerations related to expansion, including increasing their strategies for raising awareness of the offer and potentially increasing their staff capacity to manage more children. Six of the eight schools had secured funding since September 2013 for a new building or classroom which was allowing them to increase their available space and in turn

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[17] https://www.gov.uk/government/publications?keywords=&publication_filter_option=research-and-analysis&departments%5B%5D=department-for-education

expand their offer. For all of these schools, the availability of space was the key factor in their decision making. For example, one Head Teacher commented:

> "We would be happy to expand, if we had the space that the only limiting factor at the moment from my perspective is the space." (Head teacher, School C)

Interviews with local authority representatives during case study visits also revealed that quality of the setting was an important aspect of the decision making process for local authorities in regards to whether they would fund plans for expansion.

Expanding the provision from offering funded places only to include fee-paying places

Figure 4.1 illustrates that at the time of the final survey the demand for places for funded two-year-olds was perceived to be greater than the demand for fee-paying places by just over half of schools (19/34).

Perhaps as a result of this perception, only four of the 18 schools who were delivering places to funded two-year-olds only reported plans to expand their offer to accept fee-paying places over the next academic year. One case study school was considering expansion in the following few years based on assessment of local needs; they commented:

> "One of the things we're looking at is how we put in place the mechanisms for charging parents. So what systems do we need to have in place in order to do that. And we're also looking at what the market will take" (Head Teacher, case study school)

Figure 4.1   Perceived demand for early years places for two-year-olds

Perceived demand for two-year-olds places in the local catchment area

5%
11%
11%
16%
57%

- ■ High demand for funded places; low/moderate demand for fee-paying places
- ■ High demand for both funded and fee-paying places
- ■ High demand for fee-paying places; low/moderate demand for funded places
- ☐ Low/moderate demand for both funded and fee-paying places
- ☐ Other
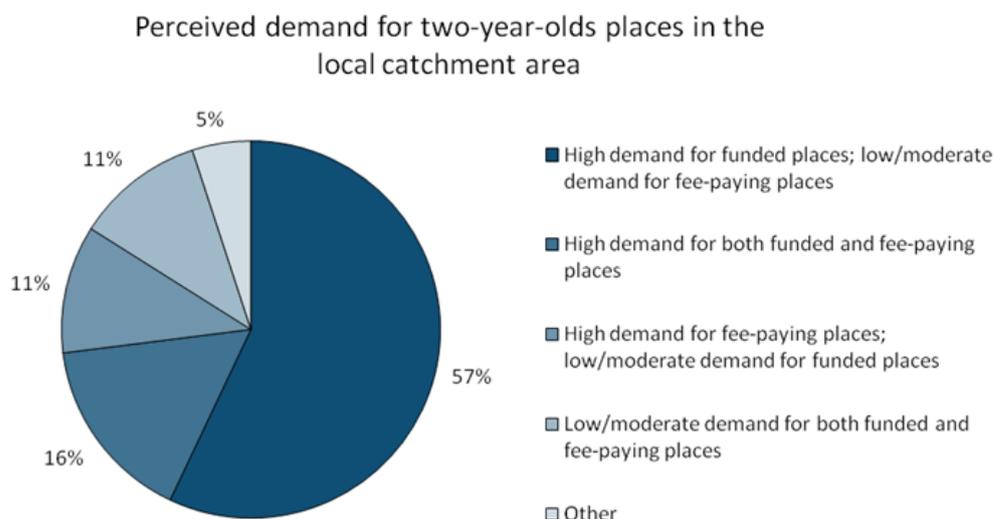
Source: Follow-up survey of demonstration project schools, July 2014.

4.4   Working with children in funded places

4.4.1 Criteria for accessing funded early education places for two-year-olds

Schools were asked to report on the nature of the criteria which made the two-year-olds eligible to attend their provision. Understanding the proportion of children falling under each eligibility criteria might help schools to anticipate and plan for the provision that would be needed. At the time of the final survey, based on national eligibility criteria, the proportions were:

- Economic criteria[18]: 84 per cent
- Looked after children: <one per cent
- Children with Special Education Needs and Disabilities (SEND): 11 per cent.

As can be seen from these figures the most common eligibility criteria for two-year-olds accessing a place was the families' economic circumstances. There were significantly fewer children with SEND needs, higher needs and looked after children attending funded places within the surveyed schools, which reflects the expected make-up of the school population. The data gathered also indicated that children recognised by local authorities to have higher needs (e.g. from refugee families) made up 3 percent of those taking up a funded place.

It is important to note that there was substantial variation in the cohorts of children across schools. For example, three schools reported that children with SEND needs accounted for roughly 40-50 per cent of their funded places, while in three other schools ten to 35 per cent of funded places consisted of looked-after children.

In terms of school's reflections on the cohort of children accessing the funding, one case study school reported that staff were "*slightly nervous*" about working with disadvantaged two-year-olds as although they had worked with two-year-olds before, they hadn't worked with children who might have higher needs. This particular school also had a higher rate of children with SEND needs so staff were aware of how to manage the needs of each child adequately. This variation across schools and across cohorts of children supports the need for tailored development and delivery approaches.

In the final survey, 20 out of 34 schools reporting feeling confident in working in ways that were inclusive of two-year-olds with SEND needs, and in understanding the importance of inclusion and diversity within early years settings. The remaining respondents may benefit from additional support in these areas to develop their knowledge and skills as only one of these schools had booked training to increase their skills in this area, while the remaining had no plans to attend or book training at the time of the final survey.

4.4.2 Experiences of working with funded two-year-olds

Many of the schools within the evaluation were delivering to two-year-olds for the first time, and additionally, some were delivering to two-year-olds eligible for a funded place for the first time. In

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[18] Please see Annex 2 for further detail

the final survey, schools were asked to report whether they had faced any additional or new challenges/experiences as a result of offering provision to this new client group.

Twenty-five out of 34 schools reported that supporting the learning, development and emotional needs of funded two-year-olds took '*extra time, care and attention*'. Nineteen out of 34 also reported that their staff had required extra time to work more closely with the parents of children in funded places. Half of respondents (17/34 at the time of the final survey) also required additional funding from the local authority to provide support for some two-year-olds with additional needs in receipt of funded places. It is unclear whether additional funding was allocated towards staffing or to other costs.

Supporting funded two-year-olds was investigated further with the case study schools, all of whom reported that they offered parents of all two-year-olds the opportunity to attend a 'taster day' at the setting with their child. This introductory session aimed to allow parents and children the opportunity to meet the staff at the setting and the other children, and see the environment. These taster days were reported to be very popular.

A number of case study schools reported that two-year-olds in receipt of funded places often required further taster sessions to help familiarise them with the setting or more intensive support from staff. While staff were more than happy to accommodate these needs, they were aware of the wider implications for staff time and staffing ratios. These case study schools reported feeling "unprepared" for the amount of extra time (relative to their workload) that supporting children in receipt of funded places required.

One case study school reported spending more time working with individual parents of two-year-olds in funded places by conducting additional visits to the home (in addition to a one-off home visit at the start of the provision). Again, although staff were willing and prepared to make these additional support visits they were aware of the implications for staff time. The Nursery Manager at this school commented:

> *"You had to sort of work with the parent more on an individual basis, I would say than the previous [working] parents"*

Another case study school reported spending additional time with the parents of two-year-olds in funded places to overcome certain barriers to attendance. For example, the Early Years Practitioner reported working more closely with parents of two-year-olds in funded places to ensure that they consistently bought their child into the provision.

It is also noted that many of the experiences reported by case study schools about working with funded two-year-olds may be relevant to *all* children and are not inherently unique to funded two-year-olds and their parents.

4.5   Schools' perceptions of their effectiveness at providing provision for two-year-olds

At the time of the final survey, the majority of respondents felt that they were extremely or somewhat effective at delivering all aspects of the provision, with no schools rating themselves as ineffective. Overall, the schools in the demonstration project reported themselves as effectively

meeting the learning, emotional and developmental needs of the two-year-olds they were offering places to.

In the final survey, schools were asked to rate their effectiveness in addressing a variety of issues connected to their delivery for two-year-olds. These data are summarised in Table 4.1.

Schools were also asked about the benefits of the provision to themselves and to the parents of the two-year-olds accessing an early education place. Their responses indicate that supporting the learning and development of the child was seen as the main benefit of the provision for both schools and for parents.

Providing an extra revenue stream for the school was rated as the lowest benefit for schools. Supporting parents with employability and training was rated the lowest perceived benefit for parents, indicating that schools may be concentrating on establishing relationships with parents first and supporting them to help the child in the home rather than other aspects such as training and employability. The second table, Table 4.2, summarises these survey findings.

Table 4.1 Schools' ratings of different aspects of their provision for two-year-olds

Aspect of delivery	*'Extremely'* effective	*'Somewhat'* effective	*'Average'* effectiveness
Providing suitably qualified and experienced staff	27 schools	6 schools	1 school
Providing warmth and opportunities for attachment for two-year-olds to develop emotionally	27 schools	7 schools	
Supporting the emotional needs of two-year-olds	27 schools	7 schools	
Supporting the learning and development needs of two-year-olds	29 schools	5 schools	
Supporting language development	29 schools	5 schools	
Providing a range of play opportunities for two year-olds development and well-being	30 schools	4 schools	
Providing a nurturing indoor environment	29 schools	5 schools	
Supporting personal care needs	29 schools	5 schools	
Working in partnership with parents to support the care and development of two-year-olds	23 schools	9 schools	2 schools
Working effectively with health and social care professionals, when required	25 schools	8 schools	1 school
Making accurate observations to inform understanding of each individual child	25 schools	8 schools	
Providing an appropriate outdoor environment	23 schools	7 schools	4 schools
Carrying out the Early Years Foundations Stage progress check at age two	23 schools	10 schools	1 school
Supporting the development needs of disadvantaged two-year-olds	28 schools	6 schools	

Source: Final survey to all schools, July 2014

Table 4.2 Benefits to schools and benefits to parents

Perceived benefits to schools		Perceived benefits to parents	
Longer term benefits for supporting children's learning and development prior to starting school	34 schools	Learning and development benefits for the child	32 schools
Building relationships with parents (30 schools)	30 schools	Social benefits for the child	26 schools
Early identification of needs in children	29 schools	Helping parents build links with the school	25 schools
Attracting families and children to the school	14 schools	Helping the parents to support the child at home	24 schools
Providing opportunities for staff development	5 schools	Providing a convenient service for parents for example if they had other children in the school	22 schools
To provide an extra revenue stream for the school	3 schools	Addressing a perceived lack of provision in the area	18 schools
		Supporting parents with employability and training	16 schools

Source: Final survey of all schools July 2014

4.6 Perceived strengths in provision and barriers to delivering quality provision

At the end of the ten month evaluation period, schools were asked to reflect on what they felt were their main strengths in providing provision for two-year-olds and also what they perceived to be the main barriers to their delivery of quality provision.

Based on the responses of 34 schools who selected their answers from a list of multiple choice options, the main strengths were perceived as:

- Supporting the learning and development needs of two-year-olds (20 schools)

- Providing a qualified and experienced staff team to deliver and manage the offer (18 schools)

- Integrating two-year-olds with three and/or four year-olds[19] (11 schools).

This was supported by case study schools who reported feeling confident that they were well-placed to provide for two-year-olds, and that they had the '*right*' staff team working in their provision.

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[19] Please refer to Section 2.3.3 regarding integration.

The main barriers were related to financial aspects of delivering provision, and this was supported by evidence in the case studies. The main barriers identified by the 34 schools included:

- Limited certainty about levels of funding over the next few years (24 schools)

- Securing capital funding (16 schools)

- Limited budget for staff development and training (15 schools).

Throughout the evaluation, schools reported that they wanted support and advice on sources of funding and sustainability.

5 Perceptions of the provision for two-year-olds amongst parents

5.1 Summary of the Chapter

Discussion groups and interviews were carried out with 34 parents from the eight case study schools. Groups ranged from between one and eight parents in each school and explored their reasons for taking up a place, their overall experience and whether they perceived any benefits to their child attending. A full and detailed discussion of parents' and children's experiences of provision can be found in Section 3.6 of the case study report.[20]

In summary:

- Parents thought that their child would both enjoy and benefit attending an early years setting. Ease of location, the availability of a funded place and perception of quality were the most important factors for parents when choosing the case study school.

- Parents interviewed were overwhelmingly positive about the provision their child attended and the availability of funded places.

- Children were perceived by their parents to enjoy attending the provision.

- For a small number of parents, attending the provision helped identify and support additional needs in their children.

- Parents enjoyed working with staff at the school to support their child's learning and development at home.

- A small number of parents discussed being able to gain employment as a result of their child attending provision as a funded place.

5.2 Parents' experiences of the provision

Why did parents take up a place for their child?

A prominent theme in the discussion groups and interviews was that parents thought that their child would both enjoy and benefit attending an early years setting. On parent, whose son attended provision in School F, discussed applying for a place as a result of attending a regular 'stay and play' session at the onsite children's centre. The parent *"recognised that he wanted more"* and set about applying for a funded place.

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[20] https://www.gov.uk/government/publications?keywords=&publication_filter_option=research-and-analysis&departments%5B%5D=department-for-education

From the data gathered, it emerged that the ease of location, the availability of a funded place and perception of quality were the most important factors for parents when choosing the case study school. Parents with older children attending the school discussed how drop-off and pick-up times had become easier since all their children attended in the same location. Parents of children who were eligible for a funded place also discussed how word of mouth regarding the quality of the school was a key reason why they chose the school over other local settings.

Parents' overall experience

Information gathered from the interviews with parents indicated that they were overwhelmingly positive about the provision their child attended and the availability of funded places. Reasons included:

- Children were perceived by their parents to enjoy attending the provision. Parents recounted their children's enthusiasm for attending, the availability of outside space to play, being able to socialise with children of a similar age and the resources available. One parent noted:

    "My daughter skips into class, skips, and then she's like this on the door, 'are you open yet? Are you open?' And she runs in." (Parent, School G)

- Some parents reported improvement in their child's speech and social development as a result of attending the provision and credited this to the close support and time given by staff members. In School H, where children had key workers, one parent noted:

    "It's because they've got their own key workers as well haven't you…even now, if she's [key worker] there, he sticks to her straight away." (Parent, School H)

- For a small number of parents, attending the provision helped identify and support additional needs in their children. One such commented:

    "…when [son] first started I didn't know anything about his [ADHD] or nothing like that. I just knew that there was something up with him and I was waiting a while to find out. So they helped a lot with that." (Parent, School A)

It was apparent that these parents had enjoyed working with the school staff to support their child's learning and development in the setting and at home. Across the schools, many parents agreed staff were helpful, easy to speak to and provided helpful advice on what to do at home to help support their child. In School F, parents attended a session with their child each week in the first term to consider how best to support their child at home. All schools that delivered a high number of funded places carried out home visits, which parents found to be very helpful.

A small number of parents discussed being able to gain employment since their child began attending provision, facilitated by the ease of location for taking their other children to school. One parent, whose child attended School A, commented:

    "...because he had the chance of coming here it meant for Mondays that I could go back to work and then, at the time, his dad wasn't working but then when he came here as well it meant his dad could go back to work as well, so it was easier for the both to work so, which did really help even though it was only afternoons." (Parent, School A).

6 Financial considerations of setting-up and delivering provision for two-year-olds

This Chapter presents the findings for the finance-related elements of the evaluation, [21] including: evidence on the costs of setting up and delivery of provision and how this was funded; the implications for sustainability and schools' risk management are also discussed.

6.1 Summary of the Chapter

- Many schools found it challenging to provide sufficiently detailed information on the direct and indirect costs of delivering provision for two-year-olds, (often because figures were subsumed within the overall school budget) making it difficult to provide a truly representative picture of costs.

- However, on average, set-up costs and funding were found to be broadly in balance, though it is important to note that this masks considerable variation among schools in the demonstration project and also their local circumstances.

- Areas of high costs reported by the schools included building renovations and adaptations, the purchase of equipment, staffing and staff training. On average, schools spent £655 worth of staff time per week on delivery of the provision.

- Schools often drew on existing financial resources during the set-up phase with some applying for grants to offset costs. Financial investment from DfE appears to have helped local authorities develop local capacity, although it is important to note that trajectory funding will no longer be available to local authorities from 2015-16.

- Providers[22] would welcome shared resources to assist with planning various aspects of provision, including financial and business planning as well as legal requirements.

- Most of the funding for two-year-old places appears to have been passed on to schools by local authorities in line with DfE recommendations. A significant number of schools received rates supplemented by their local authority over and above the central funding paid to them by DfE.

- Schools identified the main challenges to ensuring the future financial sustainability of the offer as (i) rising staff costs and (ii) uncertainty about future funding streams.

- The main factors supporting future sustainability were (i) strong local demand for places; (ii) commitment from school leaders and local authorities; (iii) careful management of costs associated with staffing.

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[21] Evidence is drawn together from: the finance survey (up to 24 responses); the baseline survey (up to 49 responses), the case study interviews with finance officers (from seven schools) and the final survey (up to 37 responses).

[22] Although the evaluation looked at schools specifically, any central resources made available to schools would also need to be available to other settings eligible to provide for two year-olds.

6.2 Costs of set-up and how they have been funded

Schools provided information on both the direct financial expenditure related to setting up provision for two-year-olds and any indirect costs. Indirect costs include, for example, staff time spent preparing for the new provision, as well as staff spending time identifying new sources of funding. At baseline, schools were asked to rate various cost areas (as low, moderate or high) at the time of setting up their provision and the findings to this question are presented in Table 6.1

Table 6.1: School ratings of set-up areas of main expenditure

Item	Low	Moderate	High
Equipment	No schools	12 schools	23 schools
Building renovations	No schools	6 schools	22 schools
Staffing and training	No schools	24 schools	4 schools

These findings are broadly supported by evidence from the case studies (see Sections 3.2.2, 3.2.5 and 3.3.7). Six schools cited furniture, equipment, toys and indoor/outdoor play resources as a main expenditure. Several schools highlighted staff training, and three discussed plans for future building projects. The most staff-intensive areas during the set-up period are shown in Table 6.2

Table 6.2: Staff-related areas of spending during set-up

Item	Low	Moderate	High
Staff training	No schools	27 schools	5 schools
Curriculum planning	No schools	24 schools	9 schools
Staff recruitment	No schools	20 schools	5 schools

These were reported at baseline and supported by case study discussions (Sections 3.2.2, 3.2.5 and 3.3.7).

In the finance survey, 21 schools provided information on the direct financial expenditure related to setting up provision for two-year-olds and 15 on the indirect cost of staff time spent preparing for the new provision. Table 6.3 presents the average direct and indirect costs (with the range of reported values in parentheses). These were:

- **Staff-related costs,** including curriculum development, staff training, staff recruitment and travel

- **Venue-related costs,** including capital expenditures on renovations or new builds, as well as equipment, toys and books to create a nurturing environment for two year-olds

- **Other costs,** including insurance, Ofsted registration, and marketing /outreach to parents.

It is important to note that a number of schools reported having difficulties completing the finance survey as they did not always have access to information about relevant expenditures where these were covered by the general school budget or a central agency (e.g. voluntary organisations). In some cases, respondents indicated relevant but unknown costs in the survey itself, while others explained caveats by email or during telephone conversations. As such, **these estimates are likely to be somewhat lower than the actual costs incurred by schools**.

Table 6.3: Median direct and indirect costs of setting up provision for two-year-olds

Setup costs	Median direct financial costs	Median indirect staff costs	Median overall setup costs
Staff-related	£895	£570	£1,577
	(0 *-£15,250)	(0 - £2,074)	(0 - £15,769)
Venue-related	£9.252	-	£9.252
	(0 - £70,840)		(0 - £70,840)
Other	£185	£234	£251
	(0 - £16,654)	(0 - £1,461)	(0 - £17,435)
TOTAL	**£15,300**	**£1,212**	**£15,979**
	(£520 - £88,644)	(£362 - £2,855)	(£1,044 - £91,499)
Number of schools reporting	*19-21*	*15*	*20-21*

Source: Finance survey of all project schools, June 2014. (* - no figures/costs reported)

Schools responding to the finance survey reported spending the most time on curriculum planning, staff training and marketing to parents. While the baseline survey and case studies highlight staff recruitment as requiring substantial staff input, schools responding to the finance survey only reported spending a half-day, on average, recruiting staff during the set-up period.

Schools reported fairly limited direct financial costs and indirect staff costs related to the process of registering with Ofsted. However, as mentioned earlier in Chapter 2, a small number of schools had to delay the start of their provision due to delays in the registration process, or in signing up with their local authority. Such delays could then lead to a corresponding delay in related revenue streams and creates uncertainty around timing that can make it more difficult for schools to engage with parents effectively and recruit any additional staff. For example, case study school E had to wait for a separate Ofsted inspection to confirm their provision for two-year-olds as "*good*" or "*outstanding*" before the local authority allowed it take funded two-year-olds, even though the previous nursery provider had been rated "*good*" and the school itself was rated "*outstanding.*"

Funding streams to support the setting-up of schools' provision

At the time of the evaluation, there were a number of sources of funding available to schools wishing to develop provision for two-year-olds, for example capital funding and trajectory funding, both available from local authorities. In addition, schools participating in the demonstration project received a one-off grant of £10,000 from DfE, which they could use to support a variety of activities including, for example, their active involvement in the evaluation, providing peer support

to other schools and providing some direct contact with a qualified teacher or Early Years Professional.

In practice, the evaluation found that schools used the demonstration project grant in different ways, depending on their stage of development, needs and existing resources and it is important to note that many of the schools who had not worked with two-year-olds before reported that the demonstration project grant funding was their only source of financing available when they were setting up provision. However, others also received grants from their local authority to prepare for the new provision, and others also accessed capital funding for building expansions or renovations.

Table 6.4 presents the average amount of set-up funding reported by all schools. Other funding sources included grants from schools, local authorities, and community organisations including local colleges.

Table 6.4: Funding streams for setting up provision for two-year-olds

Funding streams	Average set-up funding
Demonstration project Grant (DfE)	£7,727
	(£10,000)
Local authority grant/trajectory funding	£1,579
	(0 - £22,116)
Other funding	£1,244
	(0 - £10,000)
Capital funding	£5,716
	(0 - £30,000)
Total	**£16,634**
	(0-£40,000)
Number of schools reporting	*21-22*

Source: Finance survey of all demonstration project schools, June 2014

How effectively have finances been secured for setting-up provision?

On balance, set-up funding broadly covered the costs incurred by schools, with a median direct financial balance of approximately £3,500 (and £2,200 after accounting for indirect staff costs).

However, these figures mask considerable variation between schools in reported costs. Some of this variation/range in the costs reported by schools may reflect incomplete information. For example, some finance officers may have been able to provide detailed information on set-up costs, but did not have immediate access to information about the various funding streams coming into the general school budget. [23]

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[23] It is noted that schools varied in the quality and detail of their reporting to the surveys – some provided complete cost information but incomplete funding information; others vice versa. Some had both, and some had neither.

Eight of 21 reporting schools (38%) experienced funding shortfalls ranging from £500 to nearly £80,000,[24] with a median shortfall of roughly £20,000. Of these, half started their provision before the demonstration project. There was not sufficient data on the set-up costs for schools that were already delivering to two-year-olds before the demonstration project to compare costs with schools which were new to providing provision for two-year-olds.

Thirteen of 21 schools (62%) reported funding that more than covered their set-up costs, with a median surplus of £7,600-£8,000. All of these schools received the demonstration project grant during the set-up period prior to starting their two year-old provision. Only three schools would have still had sufficient funding to cover set-up costs without the £10,000 demonstration project grant from DfE. Given that local authorities will also no longer receive trajectory funding from DfE to build local capacity from 2015-16, schools looking to introduce or expand provision for two-year-olds may find it more challenging to secure funds towards set-up costs in the future.

Case study discussions indicated that schools used the grant from the demonstration project toward set-up and/or delivery costs, depending on their particular needs and the stage at which they received the funding. Schools drew on existing resources during the set-up phase, particularly those that began delivering provision before the start of the demonstration project. This is supported by the finance survey, particularly for things like insurance and indirect staff costs.

Capital funding and other resources

At baseline, 19 of 45 schools had accessed capital funding to develop their physical space, and another 14 had plans to do so. Evidence from the case study schools indicates that some used capital funding to make their existing space suitable for two-year-olds, while others used it to increase capacity (see Sections 3.2.5, 3.3.3 and 3.3.7). Most of these schools obtained capital funding from their local authority although, as mentioned in Chapter 2, case studies highlighted differences across local authorities both in terms of the amount of capital funding available and communication about what funding was available. In the finance survey, nine of 21 schools reported receiving capital funding from their local authority [25] and on average, these schools received just over £22,000, though the amount received ranged from £3,200 to £30,000.

Schools also drew on other resources from their local authorities including accessing training courses for staff as well as drawing upon the expertise of local PVI providers, local authority advisors, health visitors, speech and language therapists and support from apprentices. On average, schools reported drawing on 24 person-hours of external expertise (not including training sessions).

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[24] Please see comment above

[25] Note: one school reported a £100,000 capital build prior to the start of the Demonstration project, but did not provide sufficient information on costs to include in the analysis. Reported averages for funding are sensitive to the inclusion or exclusion of this outlier.

6.3 Costs for delivery and how have they been funded

Evidence from the baseline survey, case studies and finance survey reinforced that staff costs account for a substantial proportion of the ongoing costs of delivery. However, evidence from the finance survey shows that schools also incur significant direct costs related to venue and overheads. These cost estimates are broadly in line with previous estimates[26] [27] although they are likely understate actual delivery costs. In previous work for the DfE, the cost of childcare and early education services provided in Children's Centres was estimated at £3 per user-hour in direct costs, and £5 per user-hour after accounting for the share of running costs.[28]

Delivery costs

Table 6.5 summarises overall delivery costs per week and per user-hour, along with estimated costs for delivery staff, direct financial costs and other indirect staff costs.

Table 6.5 Overall delivery costs – per week and per user-hour

	Delivery costs per week		Delivery costs per user-hour		Number of schools reporting
	Average	**Median**	**Average**	**Median**	
Indirect costs of delivery staff	£962	£824	£3.00	£2.80	20
Other indirect staff costs	£171	£90	£1.00	£0.70	7
Direct delivery costs	£242	£132	£1.50	£0.85	13
TOTAL	**£680** (£205 - £1,655)	**£530**	**£5.05** (£3.00 - £9.50)	**£4.40**	12

Source: Finance survey of all demonstration project schools, June 2014.

The delivery staff costs reported above reflects direct contact time during sessions only, and does not include staff time for preparation and administration. The cost per user-hours is based sessions running at full capacity, while average attendance rates were somewhat below capacity for some schools. Moreover, very few schools responding to the finance survey reported contributions for rent or share of venue and overhead costs. The information requirements for imputing rental values and estimating share of overhead costs were considered overly burdensome on schools for the purposes of this evaluation. As such, **direct delivery costs are likely to be somewhat understated**.

The following sub-sections discuss the main components of delivery costs in turn.

Estimated costs of delivery staff

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[26] http://www.familyandchildcaretrust.org/childcare-costs-survey

[27] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/219645/DFE-_20RR256.pdf

[28] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/219645/DFE-_20RR256.pdf

The finance survey asked schools for the amount of input from different types of delivery staff, along with information on approximate salary or salary grade in order to impute the indirect cost of staffing the provision for two-year-olds. However, some of the reported figures for staff input (first column), seem implausibly low to sufficiently staff provision, indicating that some responding finance officers have underreported the amount of staff time required. The average proportion of delivery staff time in 'contact' with two-year-olds also seems high, suggesting that time for preparation and administrative tasks in particular has been underreported in the finance survey.

Finance officers also provided information on the number of children attending in each term, average number of hours attended and the number of weeks per term, which was used to calculate the total number of user-hours delivered in the 2013/14 school year. The number of corresponding contact hours was then approximated, using the requirement that providers have at least one qualified staff person for every four children. These imputed figures for staff days per week are summarised in the second column of the table above and were used to estimate the value of staff time. As these figures represent contact time during sessions only, and do not include time for preparation or administrative tasks, they still somewhat underestimate the amount of delivery staff input, though to a much lesser degree than the reported figures.

Table 6.6 Staff delivery in provision for two-year-olds

| | Average person-days per week | | Average proportion contact time |
	Reported staff time	Calculated from user-hours	
Teaching staff	0.5 *(0 – 2.3)*	2.1 *(0 – 10)*	77%
Education support staff	1.2 *(0 – 5.1)*	5.3 *(0 – 17)*	82%
Other school staff	< 0.1 *(0 – 0.4)*	0.2 *(0 – 0.8)*	30%
All delivery staff	**1.8** *(0.4 – 5.5)*	**7.5** *(3 – 18)*	**83%**
Number of schools reporting		*20*	*9-19*

Source: Finance survey of all demonstration project schools, June 2014.

Table 6.7 presents the imputed value of staff time delivering provision for two-year-olds; drawing from the staff input figures summarised above and estimated gross salary.[29] Where possible, we have used actual salary figures reported by schools. In other cases, where schools have provided information on salary grade, we estimated the salary using the median of the relevant band (adjusted for London high-cost area rates where applicable). Where schools did not provide any information on approximate salary grade, we imputed salaries using the average of the reported and estimated salary rates.

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[29] Gross salary figures do not include employer contributions for National Insurance or superannuation, and so the actual staff costs incurred by schools are somewhat higher.

Table 6.7 Imputed value of staff delivery of provision for two-year-olds

	Value of staff delivery per week		Value of staff delivery per user-hour	
	Average	**Median**	**Average**	**Median**
Teaching staff	£240 (0 - £1,365)	£130	£1.20 (0 - £4.00)	£0.95
Education support staff	£435 (0 - £1,410)	£300	£1.75 (0 - £4.40)	£1.70
Other school staff	£20 (0 - £75)	0	£0.15 (0 - £0.70)	0
All delivery staff	**£655** (£210 - £1,485)	**£440**	**£3.00** (£2.25 - £4.50)	**£2.80**
Number of schools reporting		*19-20*		*19-20*

Source: Finance Survey of all demonstration project schools, June 2014 and Frontier Economics calculations.

On average, **schools used approximately £655 worth of staff time per week to deliver their provision for two-year-olds, (for groups of between 8-36 children) equivalent to £3.00 per user-hour**. As mentioned above, these reflect contact time during sessions only and do not include employer contributions for National Insurance or superannuation, and thus somewhat underestimate delivery staff costs.

Other direct and indirect costs which emerged during the delivery stages

At baseline, schools reported the main ongoing financial costs during the roll-out stages of the provision as:

- Equipment, toys and books (77%)

- Staff training (66%)

- Rent and other ongoing site-related costs (52%).

Aside from staff delivery of sessions (91%) discussed in Section 5.2.1 above, the most staff-intensive areas during the delivery stages were staff training (75%); staff recruitment (70%); and curriculum planning (63%). Evidence from the case study schools reinforced that staff costs account for most of the ongoing costs of delivery.

Table 6.8 presents direct and indirect delivery costs per week and per user-hour (with the range of reported estimates in parentheses), these were:

- **Staff-related costs** included curriculum development, staff supervision, staff training, staff insurance and staff recruitment

- **Venue-related costs** included rent, cleaning and maintenance, as well as equipment, toys and books to create a nurturing environment for two year-olds

- **Other costs** included share of overhead costs, insurance, food and marketing and outreach to parents.

As mentioned earlier, it is important to note that responding finance officers did not always have access to information about relevant expenditures where these were covered by the school or central governing body (e.g. voluntary organisations). As such, these estimates are likely to be somewhat lower than the actual costs incurred by schools. This is also likely to account for some of the wide variations noted below.

Table 6.8 Other direct and indirect delivery costs – per week and per user-hour

Other delivery costs	Median cost per week		Median cost per user-hour	
	Direct financial costs	Indirect staff costs (e.g. planning and preparation work)	Direct financial costs	Indirect staff costs
Other staff-related costs	£14 *(0-£122)*	£90 *(0 - £461)*	£0.05 *(0 - £0.50)*	£0.72 *(0 - £3.87)*
Venue-related costs	£86 *(0 - £410)*	-	£0.40 *(0 – £2.88)*	-
Other costs	£50 *(0 - £323)*	-	£0.20 *(0 - £2.18)*	-
TOTAL COSTS	**£132** *(0 - £751)*	**£90** *(0 - £461)*	**£0.85** *(0 - £5.21)*	**£0.70** *(0 - £3.87)*
Number of schools reporting	*13-15*	*7*	*13-15*	*7*

Source: Finance survey of all demonstration project schools, June 2014.

Funding streams to support on-going delivery

Some schools attracted funding from a number of sources, while others relied solely on the statutory funding from their local authority to finance their provision of early learning to two-year-olds. Evidence from the baseline survey and case studies indicates that schools drew on existing resources during the delivery phase, and this is supported by the finance survey.

Table 6.9 presents a summary of the reported funding streams for delivery, per week and per user hour.

Table 6.9 Funding streams for delivery – per week and per user-hour

Revenue streams	Revenue per week		Revenue per user-hour	
	Average	Median	Average	Median
Statutory funding for 'free' places	£1,190 *(220 - £3,560)*	£893	£5.09 *(£3.54 - £7.58)*	£4.90
Fee revenue for 'paid' places	£66 (0 - £351)	0	£0.50 (0 - £2.93)	0
Other revenue	£99 (0 - £451)	0	£0.40 (0 - £3.25)	0
High-needs top-up funding	£4 (0 - £38)	0	£0.03 (0 - £0.32)	0
TOTAL	**£1,387** (£480 - £3,816)	**£1,202**	**£5.96** (£3.30 - £9.76)	**£5.46**
Number of schools reporting				*18-19*

Source: Finance survey of demonstration project schools, June 2014.

At baseline, the average hourly rate provided by local authorities for funded two-year-olds among reporting schools was £5.10 with a median of £4.89 (with 37 schools reporting). Among schools responding to the finance survey, the average hourly rate received from local authorities was £5.09 with a median of £4.90 (with 19 schools reporting). This average corresponds to the national average paid by DfE to local authorities to fund the 'free' two-year-old places. However, these figures again mask the considerable variation among rates received by schools.

Overall, fees for places paid for by families generated approximately £66 per week, or £0.50 per user-hour. Seven out of 18 schools reported fee income, with hourly rates ranging from £3.33 to £6.00. Among schools with fee income, fees contributed roughly £170 per week on average, or £1.30 per user-hour.

The 'other' category includes demonstration project funding for some schools,[30] as well as other grants and a small amount of funds raised through donations, contributing £99 per week on average, or £0.40 per user-hour. Among the eight schools reporting, these other funding sources contributed approximately £230 per week, or £0.95 per user-hour.

Nine out of the 19 schools reporting delivery provided funded places to children with special educational needs (SEN) or higher needs. Just three of these schools reported top-up funding for children with higher needs, receiving just under £950 per year on average (this was not limited to schools with fee-paying places). Two schools were funded on an annual basis per child with higher needs, while the third received a top-up to the hourly rate received for all funded places.[31] Six schools reported providing places to children with SEN or higher needs, but did not report any higher needs top-up funding in the finance survey. This may reflect that these children's needs were covered adequately by the schools' block 'additional support funding' for children with SEN;

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[30] This includes project funding for schools that began delivering sessions to two year-olds prior to the start of the Demonstration project. It does not include any estimated 'surpluses' from the set-up period reported in the previous section.

[31] Please note the sample size is too small to draw conclusions about any one model being more sustainable than another.

schools received higher needs top-up funding for some of these children but did not report it; or that schools had not received top-up funding for eligible children.

How effectively have finances been secured for delivering provision?

On balance, a number of schools reported enough funding to cover their reported costs and secured funding to finance on-going delivery. However, complete information on costs, staff input and funding sources was only available for five schools,[32] and 11 focusing on direct financial costs and staff delivery costs only.

It may be the case that the schools which were able to provide full information are different than those who were not, and that the reported summary figures may underestimate actual costs that does not reflect the broader experience among project schools. However, two schools out of 11 reported that they did not have sufficient funding to cover direct financial costs and staff delivery costs, with one school estimated to have a shortfall of nearly £1 per user-hour. Both schools had relatively high venue-related costs among reporting schools, while five of the remaining nine schools did not report any indirect staff costs.

The **hourly rates paid to schools for funded places** reveal different approaches among local authorities; these are likely to reflect a combination of local priorities, fiscal constraints and cost pressures.

Figure 6.1 shows the amount of statutory funding local authorities reportedly paid to schools, relative to the amount received by local authorities from DfE.

Figure 6.1 Amount of statutory funding local authorities passed on to schools
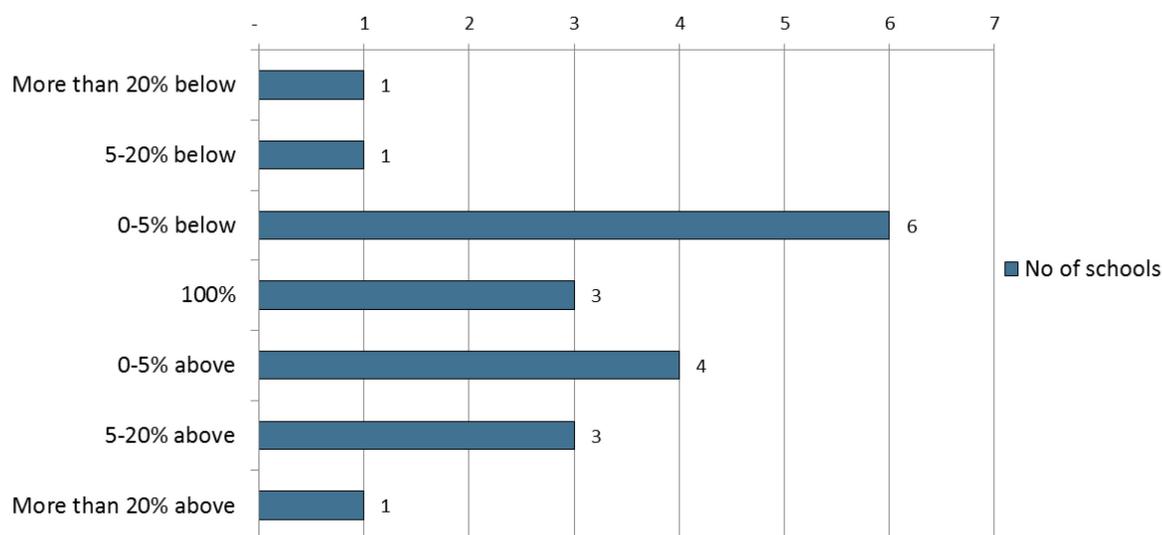
Source: Finance survey, June 2014 and DSG 2014-15 Revenue Allocations - Funding Early Learning for two-year-olds from Lower Income Households

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[32] Relatively few schools provided information on costs, funding and take-up to calculate the net amount left over after costs per user-hour.

Most of the statutory funding for two-year-old places appeared to have been passed on to schools by local authorities in line with DfE recommendations, with a significant proportion of schools receiving rates supplemented by their local authority. However, one school did report receiving an hourly rate substantially lower than that paid to their local authority, which may indicate that some schools are struggling to cover costs.

Data from the case study schools also revealed different approaches to payment mechanisms among local authorities, with some paying providers in arrears based on sessions attended, and others paying upfront based on places filled. One case study school had not received any payment for sessions delivered from its local authority as of July 2014, with the school owed over £6,000.[33] While such problems are usually resolved, they do undoubtedly causes difficulties for affected providers.

As mentioned in Section 4.3, in the final survey, 16 of 34 schools reported accessing additional funding to allow for greater one-on-one interaction between staff and children. Schools accessed this extra funding in various ways. For example, at least one case study school negotiated a higher hourly rate with their local authority and other schools received top-up funding from their local authorities for children with higher needs, or supplementary grant funding. As noted in Section 6.2.1, a number of schools used demonstration project grant to supplement statutory funding from local authorities. This funding will not continue in the future.

External resources

Some schools also reported drawing on external resources, including speech and language therapists, health visitors, early years professionals and educational psychologists. On average, these schools used approximately 1.5 person-hours per week.

6.4 Implications for financial sustainability

This section discusses:

- Expectations for financial sustainability and potential economies of scale

- Financial planning and access to capital funding

- Flexibility of the offer

- What schools found useful in supporting sustainability.

Expectations for financial sustainability and potential economies of scale

At baseline, 24 of 47 project schools reported that they expected to break even every year, while 14 expected to become sustainable within a few years.

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[33] For the purposes of comparing costs to funding streams, we have used the hourly rate that the school expects to receive from the LA, rather than the zero funding they had received at the time of reporting.

Twenty five schools expected funding for the 2013/14 financial year would be sufficient to cover staff costs. Of the 16 schools anticipating a shortfall, 11 planned to cover it through their general school budget while two planned to use revenue from fee-paying places. The expected shortfalls for the 2013/14 financial year ranged from £1,300-£39,000, with an average of £13,700 (and median of £10,000). Ten schools anticipated a shortfall, but were not yet sure of the size.

It is possible that some schools may have intended to possibly compensate for this shortfall via their provision for three- and four-year-olds; this was not, however, within the scope of the evaluation data gathering.

Financial planning and access to capital funding

On average, schools responding to the finance survey reported **spending just over six months planning and setting up their provision**. While a few schools started providing sessions within two to four months, **a couple of schools spent nearly 11 months to prepare their provision.**[34]

At baseline in January 2014, **ten out of 25 schools reported incurring unexpected costs while setting up their provision**, and **19 of 25 experienced substantial delays**. Examples of causes of delays from the case studies included delays caused by external factors such as the process of applying for Ofsted registration (see Section 3.2.4) and applying for planning permission for building renovation work.

Case study schools highlighted the **importance of developing realistic and conservative business plans in planning new provision**, while some schools reported being surprised in retrospect at the time that the initial investment required. Financial planning for the set-up of provision was considered time consuming and a challenge by a number of schools. For example, the person who led the provision at School H reported spending a good deal of time writing bids to the local authority to cover set-up costs.

A perceived lack of clarity surrounding funding from the local authority was considered a challenge to planning the financial set-up of provision in School E and G. Interviewees in School E reported the local authority were "slow to respond" regarding the eligibility criteria for funded places, which contributed to a delay in launching the provision, while those in School G found it difficult to clarify what capital funding was available and how to apply for it. This indicates that providers would benefit from greater clarity from local authorities about different types of funding available and the relevant procedures for applying.

Allocation of hours on offer for two-year-olds

As discussed in Chapter 3, some schools experienced trade-offs between offering flexibility to parents and maintaining capacity.

Fixed staff ratios mean that vacant spaces were quite costly, but it could be very difficult for providers to find families with complementary needs (as some days were more popular with parents than others, leaving gaps).

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[34] Differences in length of setup phase do not appear to be related to capital funding.

Schools reported that it was not straight forward for them to start offering fee-paying places, as they would need to develop internal systems for invoicing parents and processing payments. They would also need to be willing to discontinue access for any children whose parents do not pay, which some felt was contrary to their aims of working with disadvantaged children. Offering a mix of funded and fee-paying places could also complicate the determination of fees, which may be less transparent and potentially confusing for parents.

As there is limited or no demand for fee-paying places in some areas (as perceived by schools), some schools did not consider there to be sufficient benefits from introducing fee-paying places to supplement their funded offer.

Useful strategies for managing risks

Case study schools identified a number of strategies they found useful in helping to manage risks:

- Make a realistic and conservative business plan

- Proactively manage absences and engage with parents regarding plans for three-year-old provision

- Streamline 'back-office' functions where possible (e.g. financial software to manage invoicing)

- Contain costs where possible (e.g. exploring partnerships or alternative staffing arrangements).

6.4.1 Schools expectations for financial sustainability in the future

At the time of the final survey in July 2014, schools reported mixed views on the financial sustainability of their provision. As shown in Figure 6.2, one third of respondents expected financial sustainability to remain about the same, while six schools expected financial sustainability to improve and five schools expected it to become more challenging.

Ten schools '*don't know*' what will happen to financial sustainability, and two schools were uncertain as to whether they will still be providing for two-year-olds in five years.

Figure 6.2 Expectations for future financial sustainability
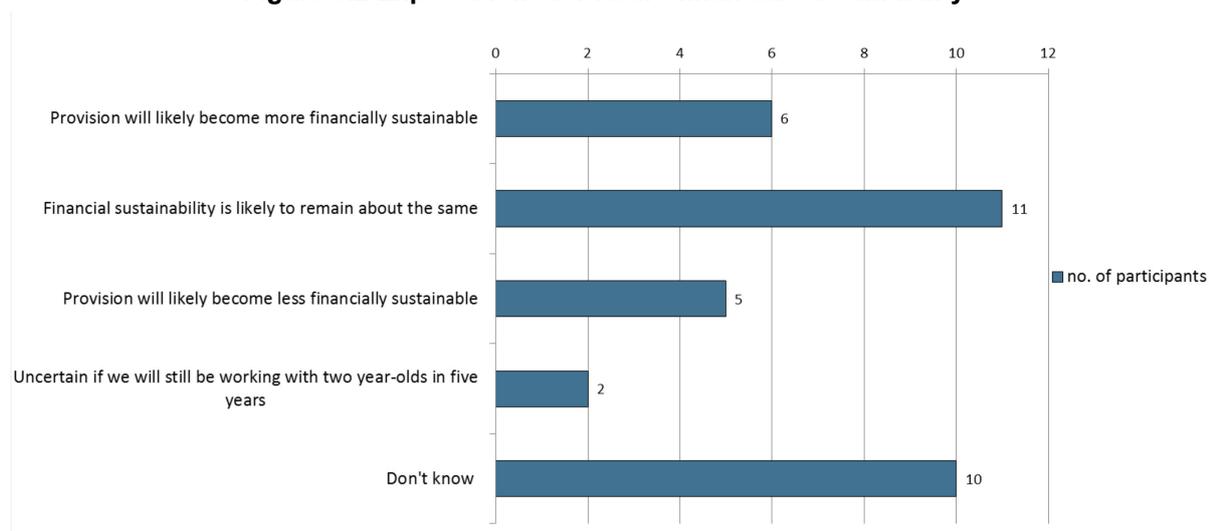
Source: Final survey of demonstration project schools, July 2014.

Among respondents expecting financial sustainability to improve, reasons included:

- No longer incurring one-off set-up costs

- Strong local demand which will allow the school to expand places

- Securing additional funding from local authority for children with high needs

- Cost savings from working with an Academy.

Among schools expecting financial sustainability to relative to current circumstances, reasons included:

- No longer receiving a demonstration project grant from DfE/grants from the local authority

- Current revenue insufficient to cover costs

- Expectations for rising salaries and other expenses.

Schools expecting sustainability to remain about the same expected their number of places and staffing arrangements to be consistent for at least the next few years, and that maintaining full capacity should allow them to break-even. Table 6.10 presents schools' expectations about different areas of expenditure over the next five years.

Table 6.10 Expectations for costs

For each of the following areas of expenditure, do you expect costs to increase, remain about the same, or decrease over the next five years?				
	'Increase'	*'Remain about the same'*	*'Decrease'*	*'Don't know'*
Salaries of staff delivering provision for two-year-olds	15 schools	17 schools	1 school	1 school
Salaries of staff developing the curriculum	22 schools	11 schools	None	1 school
Supervision of staff delivering provision	13 schools	20 schools	None	1 school
Staff training	12 schools	21 schools	None	1 school
Renovations to site	12 schools	10 schools	5 schools	7 schools
Equipment, toys and books	12 schools	20 schools	2 schools	None
Refreshments/meals	11 schools	19 schools	2 schools	2 schools
Staff-related insurance	10 schools	20 schools	None	4 schools
Parent outreach/advertising/ marketing costs	10 schools	22 schools	2 schools	None
Other venue-related costs	9 schools	21 schools	1 school	3 schools
Staff recruitment	6 schools	21 schools	4 schools	3 schools
Rent	3 schools	19 schools	2 schools	10 schools

Source: Final survey of demonstration project schools, July 2014. Base 34 schools

While many costs are expected to remain 'about the same' going forward, **schools flagged a number of key costs they expect to increase in coming years, many related to staff costs**. Roughly one-third of schools also expect to spend more on site renovations; equipment, toys and books; and other venue-related costs. A relatively small percentage expect some costs to decline, primarily in areas related to establishing provision such as renovations, staff recruitment and equipment, toys and books.

Case study schools cited high and rising staff costs as an important risk to future financial sustainability. Expectations for rising staff costs reflected more realistic allocation of staff included in staff ratios, the need to hire additional staff to supplement ratios, or to increase salaries to retain high-quality staff. For example, School B had initially included the manager as one of the staff included in calculating their staff ratio, but recruited an additional staff member to work directly with the children so the manager would have more time for working with parents and other duties. They also planned to apply to their local authority for additional funding for extra

support beyond the 1:4 ratio. School D, an academy, moved key staff from hourly to salaried contracts to keep control of costs and cash flow.

As discussed earlier and shown in Figure 6.3, most schools reported **strong local demand for places, which should support the financial sustainability of provision over the next few years**.

Figure 6.3 Schools' expectations for local demand for places for two-year-olds
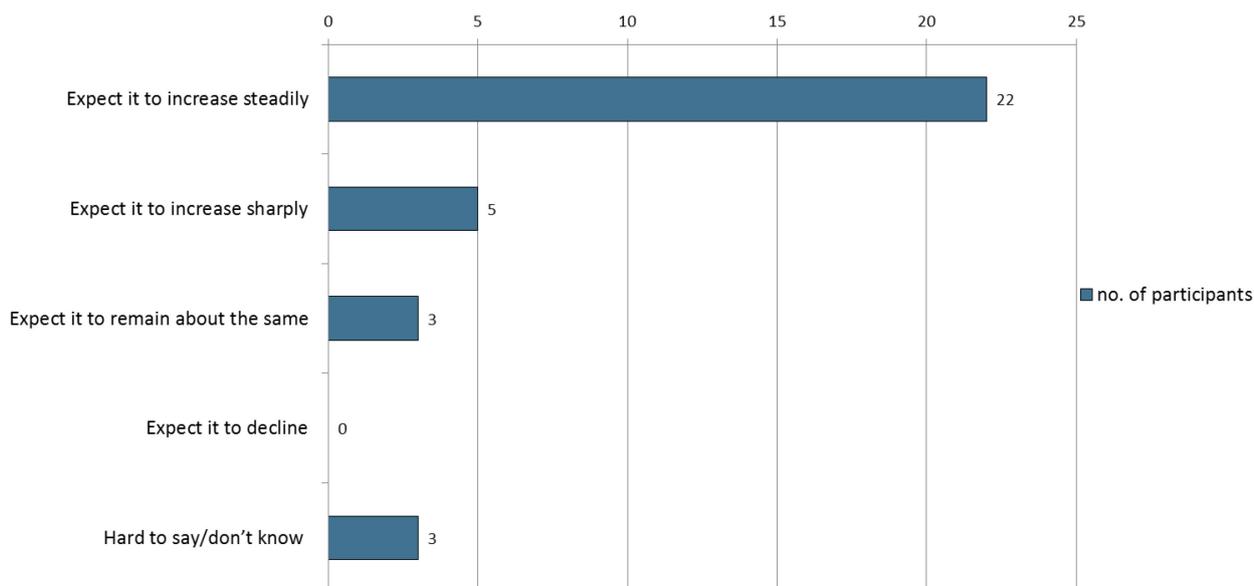
Source: Final Survey of demonstration project schools, July 2014.

Finally, schools were asked about the 'one thing' that would most improve the quality of their provision for two-year-olds. One-third of the responses related to the size or quality of the outdoor space or indoor facilities, with a further two schools citing a need for capital investment specifically. Some of these were to improve the quality of existing provision, while others were to increase capacity to take on more children.

Another third of the responses related to staff. Five schools highlighted their need for additional staff, including specialist support, to allow for increased interaction with children and for earlier identification of needs. Another five schools focused on training and developing their existing staff to improve provision. Two schools wanted to bring in additional staff specifically so they could offer additional care around sessions and increase the number of hours children could attend.

Just under 20 per cent of the responses indicated that their provision would most benefit from adequate funding to sustainably support high-quality provision. Two responses related to the policy environment, with one school reporting that greater flexibility in staff ratios would improve their provision. These schools may have benefitted from added support to address their concerns.

Another school highlighted the importance of consistency in citing the disruptiveness of recent changes. This was particularly relevant to schools' views about sustainability of offer going forward, rather than the current offer.

Figure 6.4 Schools' views on what would most improve their provision
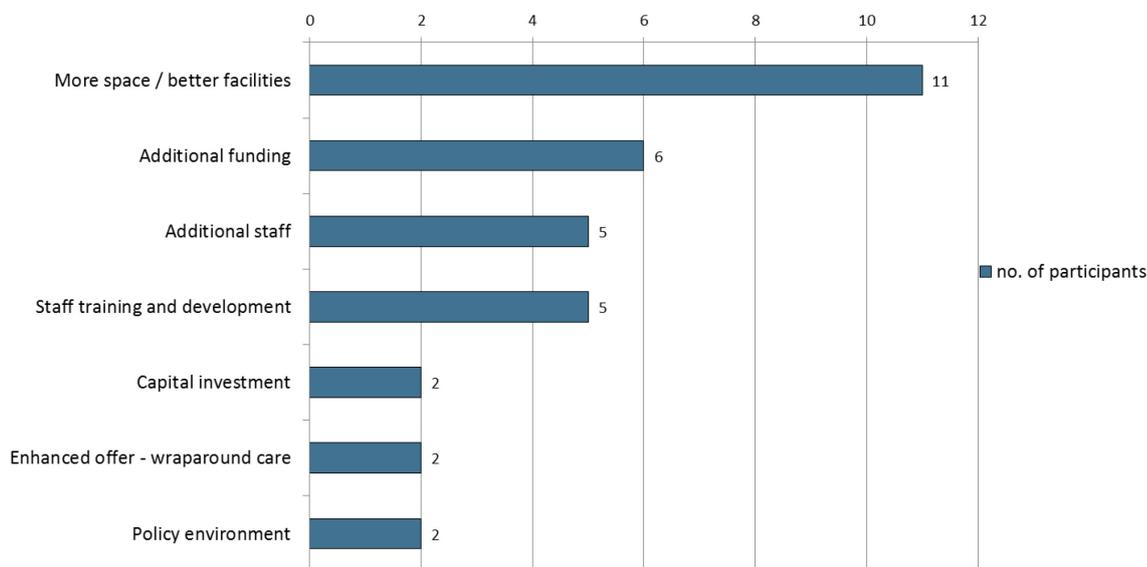
Managing the financial aspects of delivery in the future

As mentioned in Chapters 2 and 3, and running throughout this Chapter, it is apparent that some schools have found the financial aspect of delivering provision for two-year-olds a challenge to date. For example, in the baseline survey, the majority reported that identifying/allocating sufficient funds for their current provision had been '*OK*' (27 out of 47), just over a third (16 out of 47) had found it '*not easy*'. Similarly, 17 out of 46 schools reported that planning for the longer-term financial sustainability of their provision had been '*not easy*', and this was seen as an on-going issue for a further 16 schools that still required attention. Two schools had found this 'easy', with 11 reporting it as '*OK*'.

Also at baseline, 41 out of 45 schools reported that they would welcome support and advice on sources of funding and/or planning for sustainability, including 21 schools wanting support for both areas.[35] However, fewer than one in ten felt they had learning or expertise in these areas to share with other schools, indicating a potential need for centrally developed resources in these areas.

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[35] 10 schools welcomed support/advice on sources of funding only, and a separate 10 for sustainability only. Just four schools reported not needing support or advice for either area.

7 Learning from the demonstration project

In this concluding chapter, we discuss the findings from the previous chapters to present learning from the forty-nine schools who were funded as part of the demonstration project to develop and deliver 'early learning for two-year-olds'. Findings are intended to influence future policy development to support the wider roll-out of the provision and to provide useful learning to other schools or settings intending to offer provision for two-year-olds in funded places going forwards.

7.1 The evaluation findings

By the end of the evaluation period, the majority of the 49 schools involved in the demonstration project reported that they were offering places for two-year-olds, many for the first time, and whilst a number of challenges had been encountered, most were reporting success in this endeavour and that demand for the places (in particular, for funded places) was high.

Schools reported feeling confident in their abilities to meet the needs of two-year-olds in funded places, and a handful of schools were accessing training to improve/increase their skills and knowledge in this area. Most schools were delivering provision directly (i.e. not with a partner) and all provision was based on the school site. Those schools who were working in partnership did so mainly because the partner was based on the school site.

Feedback from focus groups with parents from the eight case study schools, was also positive, and early perceptions from school staff suggested that they saw a number of potential benefits of offering places for two-year-olds, not only for the children, but also for parents and the school itself. These perceived benefits included, amongst others: the opportunities presented for building relationships with parents; social opportunities for the children and the potential for early identification of children's needs.

In terms of the make-up of the places on offer to two-year-olds, the demonstration project schools included schools offering funded places for two-year-olds only, and schools offering both funded and fee paying places, with the majority offering between eight and 36 places. The allocation of the actual hours of provision varied (for example, term time only or spread over the year/50 weeks), as did the offer of additional care or support options, for example, additional sessions which are paid for by parents and holiday provision. Likewise, a number of different staffing arrangements were identified and there was variation in the frequency of contact with an Early Years Professional or qualified teacher.

Influences on the development of provision

It was apparent from the data gathered that the following were significant influences on how schools developed and delivered the provision for two-year-olds: awareness and understanding of local needs (reported in the evaluation to be the biggest influence on schools' decision-making during the set-up stages); the strategic aims of both the school and also the local authority and the support and advice offered by the local authority.

The availability of space within the school was a crucial determinant on the number of places to be offered for two-year-olds, as well as the amount of funding available at the time of developing the provision. Space was also a key consideration for any plans to increase and/or develop the provision for two-year-olds in the future. Not surprisingly, given these local influences, the

evaluation found that there is no 'blueprint' model for providing places for two-year-olds in schools – moreover, for that to work, it is important that there is a 'fit' with the provision of the school overall.

Data gathered from school staff highlighted the importance of schools working in partnership with other local providers of early years provision for two-year-olds to share learning, practice and staff expertise. This applied to all schools in the demonstration project, including those delivering provision for two-year-olds independently and also those delivering in partnership with, for example, a nursery or a Children's Centre.

Providing high quality provision

In terms of developing what schools believed to be high quality provision for two-year-olds, the evaluation found that all of the schools recognised the need to provide appropriate environments that felt homely, nurturing and stimulating with both indoor and outdoor space. Within this, the provision needed to offer a flexible array of play-based and individualised learning opportunities as well as some more structured activities.

Schools also recognised the need for the staff working with two-year-olds to have specific knowledge and skills – for example, an understanding of the needs of two-year-olds and of child development more generally and knowledge of the Early Years Foundation Stage (EYFS). As a result, many of the schools had needed to recruit new staff, or undertake staff development and training in order to achieve this. Furthermore, schools reported the need for Continuing Professional Development (CPD) on a variety of topics relevant to two-year-olds and suggested that this is an essential part of ensuring high quality provision.

Recruiting the 'right' staff was one of the challenges identified by some of the demonstration schools and for some, this reflected their financial position whilst for others, their concerns were more about difficulties with recruiting staff with the required knowledge and skills, including knowing where to go to find appropriate staff. In the interviews with the case study schools, it was noted that such problems with recruitment have the potential to delay development and delivery of places for two-year-olds in schools and also, could adversely affect the quality of the provision. On a positive note, however, by the time of the final evaluation survey, all of the schools who responded (34 schools) did perceive themselves as effective in providing qualified and experienced staff.

Other challenges identified by the schools in the demonstration project included: planning and setting up provision taking longer than expected; the greater time required for engaging with parents and the demands posed by working in partnership with parents. There were also a number of different issues around the funding basis of provision for two-year-olds. In some of the schools, it was also noted that the needs presented by some two-year-olds required one-to-one staffing, (i.e. well over the usual staff to two-year-old ratios of 1:4 or 1:3 operated by the schools) which obviously had significant staffing and financial implications.

Adaptations and ways of working to offer provision for two-year-olds

In terms of the time for planning and setting up provision for two-year-olds, as noted earlier, for many of the schools taking part in the demonstration project, this was a new area of provision

and thus it was to be expected that some quite major adaptations to the school premises and to their ways of working, might be required.

In the data gathered in the evaluation baseline survey, this expectation was borne out, with a number of the schools reporting that they had undertaken 'a lot of work' to adapt washing/toilet facilities, adapt indoor and outdoor space and adapt the kitchen facilities. Also at baseline, while 13 out of 47 schools found the process of developing the facilities for two-year-olds as 'easy', 29 of the 47 schools reported that the process as 'not easy'.

Working with the parents of two-year-olds was also identified in the evaluation as something that had taken considerably more time than originally expected, not least in the early awareness-raising phases and in undertaking home visits - which were recognised (across the schools involved in the demonstration project) as a very important element of effective working with parents, although obviously highly demanding on staff time.

However, the findings also revealed that the schools were employing a variety of strategies, and provide suggestions as to what are the most effective – for example, the most commonly used technique (reported by 34 schools) was the holding of informal conversations with parents about their child's progress, either during or after the school day. This was also perceived by schools to be the most effective strategy for engaging with parents.

Other strategies included:

- The provision of written feedback and progress reports about their two- year-old

- Facilitating contact with professionals such as speech and language therapists (if specific needs identified)

- Hosting events for parents

- The introduction of group newsletters.

With regard to offering support to parents for their child when at home, some of the schools reported lending toys and other resources for use at home and also doing one-off visits to help parents support their child's learning and development.

Financial considerations

The funding required to deliver provision for two-year-olds in schools was a major area of investigation in the evaluation, with questions on this included in the baseline survey, the case study interviews and a finance survey that schools in the demonstration project completed between June-August 2014 (i.e. the end of the academic year and the evaluation time period). The costs covered set-up and delivery costs and included staffing, physical adaptations, funding sources and also gathered some information as to schools' perceptions about future sustainability and possible expansion/development of provision for two-year-olds.

On average, the data gathered through the survey questions about the financial basis of provision for two-year-olds suggests that set-up costs and funding were broadly in balance, however, this masks considerable variation across the schools in the demonstration project. It must also be noted that there was a low response rate to the finance survey (51% response rate/up to 24

schools), that many schools found it challenging to provide sufficiently detailed information about the direct and indirect costs of provision and that there were indications of under-reporting, all of which make it difficult to present a truly representative picture of the costs of provision in schools for two-year-olds.

In the baseline survey, it was apparent that some of the schools found the financial aspects of delivering provision for two-year-olds challenging. It was reported that some had drawn on existing financial resources/school reserves and/or local authority grants during the set-up phase and also that there were variations across the country in terms of the money paid by local authorities to schools (for example, some schools reported receiving enhanced hourly rates or top-up funding to reflect the higher levels of needs posed by some two-year-olds).

The variations in hourly rates paid to schools for funded places, and also the payment mechanisms (e.g. in arrears based on sessions attended or upfront and based on places filled) suggest that there are different approaches among local authorities and these are likely to reflect a combination of local priorities, local authority perceptions as to the differing needs of individual schools, fiscal constraints and cost pressures. Other sources of funding identified included grants from local community organisations as well as capital funding from the local authority for building adaptations and renovations.

Schools identified three main categories of direct costs for the provision for two-year-olds:

- Staff-related costs - including recruitment and training

- Venue-related costs - including adaptations and renovations, the purchase of toys, equipment and furniture, in order to create a nurturing environment for two year-olds

- Other costs, which included insurance, Ofsted registration and marketing/awareness raising and engagement activities with parents.

In the summer 2014 finance survey, it was reported that schools were spending the most time on curriculum planning, staff training and marketing to parents.

One of the issues also noted in the data gathered was that the 15 hours of provision covered under the entitlement funding for a two-year-old fails to take account of the significant planning and engagement work that school staff may need to undertake with families in order for their child to take up a place.

Sustainability considerations

Analysis of the financial information gathered in the survey, whilst indicating that costs and funding were broadly in balance overall, does suggest this masks variations across the schools and this was evident when asking schools about how sustainable they felt their provision to be. For example, from the data gathered at baseline, it appears that whilst about half of the schools expected to break even, some were expecting to have a budget shortfall (which some planned to cover through their general school budget whilst others were planning to use revenue from fee-paying places).

At the time of the final survey, this mixed picture continued with one third of the respondents expecting financial sustainability to stay about the same, six expecting sustainability to improve and five for it to become more challenging.

In terms of future sustainability, a key finding of the evaluation was that in the finance survey, most of the respondents reported strong local demand for places, which offers the potential to expand places. However, it is also important to note that there is limited or no demand for paying places in some areas of the country (as perceived by schools), which suggests that income generation via this route is unlikely to be a solution for those schools in areas of socio-economic deprivation expecting a budget shortfall.

Among those respondents expecting financial sustainability to improve, reasons included:

- No longer incurring one-off set up costs

- Cost savings from working with an Academy.

Among schools concerned about the financial sustainability of the provision, or suggesting that this might worsen, a prominent reason was expected rises in staff costs/salaries. No longer receiving demonstration project grant from the DfE or grant funding from a local authority and finding their current revenue insufficient to cover costs, were other noted concerns. Uncertainty about future funding schemes was a clear worry.

Finally, in terms of improving provision for two-year-olds in the future and the financial implications of this, respondents to the finance survey highlighted a wish for additional staff, including specialist support to provide greater flexibility and higher staff ratios.

Overall, the schools also reported that they would welcome information and assistance with the financial planning required for the provision, including greater clarity from local authorities about the types of funding available and the relevant application procedures.

7.2   Barriers and enablers to providing provision to two year-olds in funded places

Table 7.1 summarises the enablers and barriers to providing provision for two-year-olds in schools identified in the evaluation.

Table 7.1 Barriers and enablers to the development of provision in schools

	Enablers	Barriers
Delivery level	• Suitably qualified and experienced staff, who are also motivated and passionate • Curriculum designed to support the learning and development of two year-olds • Strategies in place to engage parents, and involve them in their child's development at school and in the home • Good knowledge of the local area and the families who live there • Good links with other schools/providers to share knowledge and best practice	• Limited staff capacity • Problems with recruitment including availability of suitably qualified staff in local area • Limited space to accommodate two-year-olds • Limited awareness of sources of funding
Setting level	• Appropriate indoor and outdoor environments to suit the needs of two year-olds • Being able to cover any unexpected costs	• Limited access to funding (capital and trajectory) and other sources of funding/financial reserves • Planning for longer term financial stability given uncertainty of funding streams and rising costs, especially staff costs
Local area level	• Demand for places in the local area • Support from the local authority – from helping to recruit or providing guidance on policy development • Good links with other schools/providers to share knowledge and best practice • Good knowledge of the local area and the type of families who live there	• Lack of demand for additional care/ support sessions (i.e. no opportunities for income generation) • Limited support from the local authority – from helping to recruit or provide guidance on policy development

7.3 Main Findings

Overall, the findings of the evaluation indicate that schools can make an important contribution to offering funded early education opportunities for two-year-olds and within this, to work in partnership with parents and with other early years providers in order to meet the developmental, social and emotional needs of these children. However, the evaluation has also identified a range of both enablers and barriers to the development of provision which need to be considered if this aspect of schools provision is to be of high quality and sustainable in the longer-term. The following draw on this analysis of the evaluation findings.

For schools

- It is important that schools are aware of and consider **local demand when developing schools-based provision for two-year-olds.**

- **Schools should consider working collaboratively with other local providers of provision for two-year-olds in their area,** to learn from their experiences and expertise and potentially, to share resources and training opportunities. There is no 'blueprint' model and what is key is that the provision fits well within the local area and also, the ethos and strategic aims of the school overall.

- Schools need to **allow a generous amount of time to plan their provision** for two-year-olds, including thinking about what size/number of places is possible and the physical adaptations that may be required (both indoors and outdoors) in order to create an appropriate environment that is both nurturing, safe and stimulating.

- Schools need to develop **a robust business model that balances capacity with flexible delivery** and ensures that whatever is provided is high quality, individualised to the needs of the two-year-olds and draws on accepted evidence for meeting the needs of this age group.

- Staffing processes (including the recruitment of new staff, training and CPD) must ensure that staff are equipped with **the right knowledge and skills** to work with this age group – **including knowledge of child development and the Early Years Foundation Stage**.

- Skills (and time/capacity) to **engage with and work in partnership with parents**, are also vital and schools need to learn from others working in the sector on effective strategies for engaging and supporting parents.

- Planning the provision **must take into account the required staff to child ratios** but also when necessary, go beyond the minimum statutory requirements and provide individualised one-to-one support for two year-olds with additional needs. Ensuring that **children's transition into the setting is as well supported as possible** (as this may be the child's first experience out of the home), is a key consideration.

- Schools should **develop their finance recording systems** so that they can plan and easily monitor the funds required for offering places to two year-olds. It is also suggested that schools allow for some contingency funds to cover any unexpected costs, also that their business planning is both realistic and conservative - on the basis that a number of schools in the demonstration project expressed surprise at both the initial investment needed, but also, the time required in the setting up of provision.

For local authorities

- Findings from the evaluation suggest that schools would **welcome more advice and support about business and financial planning** and the development of appropriate business models to underpin provision in schools for two-year-olds.

- A number of schools faced challenges in recruiting staff with relevant qualifications and may have **benefitted from additional support and advice** in this area. Quality staffing is the foundation of good-quality provision and therefore investing resources, including but not restricted to financial support, is vital to ensure that schools feel confident in their ability to build an appropriate staff base to deliver their provision.

- Local authorities should review communications to ensure **transparency with providers about available funding streams** and the relevant procedures for applying. Local authorities should also ensure that procedures are accessible and fair to different types of providers.

- The determination of hourly rates, enhanced or top-up rates where it is identified that a two year-old has additional needs, needs clarification since the evaluation identified variations across local authorities, both in terms of processes for agreeing additional payments but also, the levels paid to schools. Local authorities should continue to pass on as much of the statutory funding as possible to providers in line with DfE recommendations.

- Schools valued training programmes offered by local authorities to prepare staff for working with two year-olds. However, availability/accessibility was limited in some areas and it is suggested that local authorities should assess and regularly monitor local training needs and facilitate provision.

For the Department for Education (DfE)

- Schools in the demonstration project gained valuable learning from the events convened by DfE and the sharing of resources via online dissemination routes. DfE plans to develop 'school champions' from the cohort of schools involved in the demonstration project, to continue the sharing of experiences and expertise across the sector, to promote policy and support other schools to develop their own provision for two year-olds **may benefit from DfE convening similar events.**

- The funding available to develop provision in schools for two-year-olds was a clear concern in the data gathered from a number of schools in the demonstration project. It is therefore recommended that **Department continues to explore ways to develop a sustainable funding infrastructure** for providers wishing to build capacity in this area of provision, including working with local authorities to develop clear guidelines on this matter.

Annex 1: Additional Evaluation Activities

1.1 Programme of dissemination and learning

Although not reported within this report, the findings gathered from the dissemination and learning elements of the study were used to inform the production of topic guides and the content of the surveys. Activities included:

- **Practice support for all schools**: a key strand of the evaluation is to also provide practice support, in particular from the Early Childhood Unit (ECU)[36] within NCB. ECU developed and shared a self-evaluation tool with schools, based on research evidence supporting good practice within early years settings, to support schools in developing their provision for two year-olds; also a short networking contact guide to direct schools to useful resources and to promote the sharing of learning across all the schools involved in the project.

- **Two learning workshops for all schools**: the evaluation commenced with a DfE supported day-long workshop in November 2013 that offered all participating schools the opportunity to network and share experiences and learning. A follow-up workshop was held in June 2014 where NCB led a discussion with schools to gain their views on emerging findings from the evaluation.

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[36] www.ncb.org.uk/areas-of-activity/early-childhood

Annex 2: List of eligibility criteria

two year-olds are eligible for a place if their family receive one of the following:

- Income Support

- income-based Jobseeker's Allowance (JSA)

- income-related Employment and Support Allowance (ESA)

- support through part 6 of the Immigration and Asylum Act

- the guaranteed element of State Pension Credit

- Child Tax Credit and/or Working Tax Credit and have an annual income not over £16,190

- the Working Tax Credit 4-week run on (the payment received when no longer qualifying for Working Tax Credit)

Children are also entitled to a place if:

- they are looked after by a local council

- they have a current statement of special education needs (SEN) or an education health and care plan

- they get Disability Living Allowance (DLA)

- they have left care under a special guardianship order, child arrangements order or adoption order

If a child is eligible, they can start claiming their entitlement after they turn two years old. The date they can claim depends on their date of birth.

Table Annex 1 Age of child and eligibility for a two-year-old place

Child's birthday	When the parents can claim their place
1 January to 31 March	the beginning of term on or after 1 April
1 April to 31 August	the beginning of term on or after 1 September
1 September to 31 December	the beginning of term on or after 1 January

Appendix 1: Methodology supplementary information

This section provides additional detail on the evaluation methodology. It should be read alongside Section 1.2 Methodology.

Data collection

- Three self-completion surveys of all schools (baseline, final and finance surveys) were administered throughout the duration of the Demonstration project. In detail:

  - The baseline and final surveys were delivered online. Those who led the provision in each school were sent a link to the online survey via email by the Research Centre and received up to three email reminders to complete them. Schools were also encouraged to complete the surveys by the Department for Education during regular project communications.

  - The finance survey was administered through a spreadsheet where schools were asked to enter information about relevant expenditures. Those who led the provision were sent the survey spreadsheet and a document with guidelines via email and asked that it be completed by a business manager or finance officer. Schools received up to two reminders to complete the survey. Due to a low response rate mid-way through data collection, schools were telephoned to discuss any difficulties in completing the survey and, in a number of cases, a researcher carried out the survey over the telephone.

- Qualitative research was carried out with eight case study schools including:

  - Face-to-face depth interviews with those who led the provision, lead early years practitioner/s and the business manager or finance officer during a one-day visit to the school.

  - Group discussions with parents of two year-olds in funded places attending the provision, also held during the one-day visit to the school.

  - Telephone interviews with local authority representatives/school governors after the visit to the school.

- All interviews were arranged by the Research Centre. Those who led the provision in each case study school informed parents of the discussion groups and organised parents to be available for interview at a pre-arranged time in the school. Parents participating in the research were provided with £20 high street voucher as a token of appreciation for their participation.

Understanding the quantitative sample

Surveys (baseline, final and financial survey) were distributed among all schools who participated in the duration of the Demonstration project (49).[37]

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[37] One school did not continue with the Demonstration project in January 2014. They had not yet began delivering provision for two year-olds but did complete the baseline survey.

Achieved sample sizes and response rates

Table Appendix 1 below outlines the survey sample sizes and response rates for the three surveys.

Table Appendix 1: Survey response rates

Survey	Issued N	Achieved N	Response rate %
Baseline survey	50	47	94
Final survey	49	37	76
Finance survey	49	24	49

As shown in the table above, strong response rates were achieved within the baseline and final surveys, meaning that in most cases, findings can be treated with confidence as being broadly representative of the population of schools who participated in the duration of the Demonstration project. There was some attrition between the baseline and Final Survey and, as such, the representation may be reduced. However the profile of the schools who did reply (school type, geographical location and whether they had provided before) were similar to the overall profile, increasing confidence in the sample.

Over half of schools did not complete the finance survey (51% non-response). As discussed in Section 1.2 and 6.2, it is important to note that a number of schools reported having difficulties completing the Finance survey as they did not always have access to information about relevant expenditures where these were covered by the general school budget or a central agency (e.g. voluntary organisations). In some cases, respondents indicated relevant but unknown costs in the survey itself, while others explained caveats by email or during telephone conversations. As such, these estimates are likely to be somewhat lower than the actual costs incurred by schools.

Understanding the qualitative sample

Reflecting the aims of the qualitative research, the sample was purposefully selected rather than designed to be representative. It was designed to ensure coverage of different delivery models and area features important for understanding the nature of delivery of provision and diversity of experiences. It aimed to understand the range of ways of ways in which provision for two year-olds was designed and delivered, as well as consider what schools considered to have worked well.

Sampling criteria included the following and was drawn from information schools provided upon application to the Demonstration project and feedback from the baseline survey:

- **Geographical location and whether within an urban or rural setting.** The sample aimed to achieve good regional spread. Out of the 49 schools who participated in the

duration of the Demonstration project, 43 were based within an urban area, as classified by the Office for National Statistics[38]. Reflecting this, the sample aimed to include a majority of schools based within an urban setting and include at least one within a rural setting.

- **School type.** The sample aimed to achieve a good spread of different school types taking part overall, including; Local Authority Nurseries, Community Schools, Academy Schools, Voluntary Controlled/Aided Schools and Foundation Schools.

- **Whether the school had delivered provision previously and when they began delivery.** Reflecting that 60 per cent of schools had not provided for two year-olds before the Demonstration project (September 2013) while 40 per cent had, the sample aimed for a half and half split to capture the range of experiences. Of the schools who had not delivered provision prior to September 2013, the sample to include those who had began delivering provision between September and December 2013 (and therefore established by the time of fieldwork in April and May 2014) and those who began delivery after January 2014 (to capture early experiences).

- **Arrangements for delivery.** The sample aimed to achieve a good mixture of those delivering independently and those delivering in partnership with another onsite provider.

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[38] Office for National Statistics http://www.ons.gov.uk/ons/guide-method/geography/products/area-classifications/index.html

Appendix 2: Schools participating in the demonstration project

Benchill Primary School

Bensham Grove Community Nursery School

Broadclyst Community Primary School

Brookside Infant School

Canklow Woods Primary School

Carr Manor Primary School

Chesterfield School

Crowmoor Primary School and Nursery

Dulwich Wood Nursery School and Children's Centre

Durand Academy

Eden Park Primary School

Goodway Nursery School

Gooseacre Primary Academy

Handale Primary School

Hathersage St Michaels C of E (VA) Primary School

Latymer All Saints Church of England Primary School

Lever Edge Primary Academy

Lillian de Lissa Nursery School

Lord Street Community Nursery School and Preschool

Medlock Primary School

Moorgate Primary School

Nell Gwynn Nursery School

Netherfield Primary School

Newall Green Primary School

Norfolk Community Primary School

Oakwood Primary Academy

Oasis Academy Hadley

Old Church Nursery School and Children's Centre

Parbold Douglas C of E Academy

Plumberow Primary Academy

Richard Newman Primary School

Robsack Wood Community Primary School and Nursery

Shortbrook Primary School

Sir Edmund Hillary Primary School

St George's Cathedral Catholic Primary School

St John Vanney RC Primary School

St Bede Primary Academy

St Mary's (Cof E) Primary School

Stoneyholme Nursery School

Susan Issacs Nursery School

The Eldon Federation (Eldon Early Years)

The Grove Nursery School, Children and Family Centre

The Orchards Nursery School

Tilery Primary School

Trimdon Grange Infant and Nursery School

Trinity Church of England Primary School

Vittoria Primary School

West View Primary School

Whitchurch CE Infant and Nursery School

Appendix 3: Summary of case study schools

A brief overview of the eight case study schools, including the type of setting, geographical area, and the number of places offered, is provided below.

Table Appendix 2: Summary of case study schools[39]

Identifier	School type	When began providing	How many places for two-year-olds offered (in May 2014)	Percentage of school pupils eligible for free school meals at any time during the past six years (%)	Percentage of school pupils with English not as a first language (%)
School A	Local Authority Nursery	2004	24 (22 funded)	Not available	Not available
School B	Local Authority Nursery	2012	34 (30 funded)	Not available	Not available
School C	Academy School	2006	15 (8 funded)	44.9	12
School D	Academy School	September 2013	16 (all fee-paying)	9	0*
School E	Community School	February 2014	16 (all funded)	59.2	53.9
School F	Community School	September 2013	8 (all funded)	52.3	77.3
School G	Foundation School	September 2013	16 (all funded)	77.5	6.2
School H	Voluntary Controlled School	April 2013	32 (all funded)	43.5	27.1

Source: statistics on (i) percentage of school pupils eligible for free schools meals and (ii) percentage of school pupils with English not as a first language are taken from the 2014 School and College Performance

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[39] Tables available on the Department for Education website http://www.education.gov.uk/schools/performance/index.html. Please note that data was not available for two Local Authority Nurseries. *In School D, there were less than six pupils with English not as a first language which has been expressed as 0%.

Appendix 4: Schools' partnership arrangements

Table Appendix 3 Partnership arrangements in two case study schools

	School A	School F
Outline of partnership working	Partnership between a nursery school and an onsite birth-to-three-year-old PVI provider. Those who led the provision considered the Demonstration project an opportunity to work more effectively together, design a holistic approach for two year-olds, and improve their experience of transitioning to the nursery school. • The nursery school head teacher and manager of the PVI setting worked closely to design the provision. • Two year-olds attended the PVI setting and began to transition to the nursery school in the term before their third birthday.	Partnership between a community school (with no prior experience of providing for two year-olds) and an onsite Children's Centre with a good deal of experience of working with two year-olds. The school considered taking two year-olds as the number of three-year-olds had fallen. The Children's Centre considered this an opportunity to address a lack of places locally for funded two year-olds. • Provision was designed and implemented primarily by the Children's Centre manager with input from the school nursery manager. • Two year-olds attended the nursery four days a week and attended the Children's Centre with their parents/carers for one day during their first term. • Staff from the Children's Centre, qualified to work with two year-olds, worked with them within the school.
Experience of partnership	• Initially, those who led the provision found partnership working challenging and held differing views on the ethos, pedagogy and environment for two year-olds. • This developed into an effective partnership and relationship. Leads took the time to attended training together regarding the needs of two year-olds and worked to develop a 'shared vision' for the provision. • They designed a shared plan for the provision and linked it to the nursery school improvement plan.	• Successful partnership working was facilitated by the Children's Centre manager sitting on the school's Senior Leadership Team which enabled discussion, buy-in and understanding between the school and Children's Centre. • The Children's Centre manager and the manager of school nursery arranged weekly meetings to discuss children, staff and their partnership working.

Appendix 5: About the authors

National Children's Bureau

The National Children's Bureau (NCB) is a leading research and development charity that has been working to improve the lives of children and young people and reducing the impact of inequalities for 50 years.

The NCB Research Centre sits at the heart of the organisation to ensure its practice and policy initiatives are empirically-validated and evidence-based. The NCB Research Centre combines high standards in research methods with expertise in involving children and young people in research and extensive experience of evaluating children and young people's services across early years, social services, education and health. The Centre offer capacity and skills to carry out research with and for children and young people across different ages, access requirements and backgrounds, including vulnerable groups, backed by proximity to an unrivalled range of NCB policy and practice experts.

For details of NCB research programme, publications, our impact, and more, please visit: www.ncb.org.uk/research. For any other queries or to join the mailing list, please contact research@ncb.org.uk or call 020 7843 6073.

The **NCB Early Childhood Unit (ECU)** works to sustain and improve services for young children through direct work with children's services and settings, and through its national networks. ECU has designed and delivered training to support early years settings providing funded places for two year-olds - *Quality provision for two year-olds: a partnership approach* - and used underpinning knowledge from the course to support the NCB Research Centre in the evaluation of the Demonstration project. For details of ECU work please visit www.ncb.org.uk/areas-of-activity/early-childhood. For enquiries email ecuadmin@ncb.org.uk or telephone 0207 843 6444.

Frontier Economics

Frontier Economics is an economics consultancy that understands the intricacies and interrelationships between markets, organisations and government policies. It is the largest independent microeconomics consultancy in Europe and its Public Policy Practice is at the forefront of advising British government departments on a range of new policies. Frontier specialise in providing robust but implementable analysis in new and evolving areas of policy.

Currently Frontier are carrying out the value for money analysis of the Evaluation of Children's Centres in England (ECCE) and the Study of Early Education and Development (SEED). We have recently completed a cost benefit analysis of support to children with disabilities and a process evaluation of payment-by-results in Children's Centres. We are also working with the Design Council to advise on the evaluation of early interventions for children under five years.

For more information about Frontier's policy work, please visit www.frontier-economics.com. Alternatively, please contact us at policy@frontier-economics.com or 020 7031 7000.

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