

Extended Flexible Entitlement for Three- and Four Year Olds

Pathfinder Evaluation

Charlotte Clarke, Michael Frearson, Kate Hills and
Claire Celia
SQW Consulting

Dr Christine Stephen
University of Stirling



Research Report No
DCSF-RR080

*Extended Flexible Entitlement
for Three- and Four Year Olds
Pathfinder Evaluation*

*Charlotte Clarke, Michael Frearson, Kate Hills and Claire Celia
SQW Consulting*

Dr Christine Stephen, University of Stirling

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

© SQW Consulting 2009

ISBN 978 1 84775 363 2

Contents

Executive Summary 1

1: Introduction and policy context..... 11

2: Research objectives and methodology 18

3: Local authority approaches to implementing the new entitlement..... 26

4: Deliverability of the extended and flexible entitlement 46

5: Demand for extended and flexible early years provision..... 59

6: Impacts of the free early years entitlement on children and parents 65

7: Evidence on the quality of the extended and flexible provision 70

8: Conclusions..... 74

Tables and Figures

Table 2-1: Research objectives and research questions 18

Table 2-2: How the evaluation addressed the key research objectives..... 20

Table 2-3: Pathfinder local authorities 21

Table 3-1: Local authority approaches in rolling out the new entitlement – (based on local authority consultations in May 2008) 27

Figure 3-1: Extended provision and/or flexible provision 32

Table 3-2: Pathfinder local authority definitions of flexibility 34

Table 3-3: Local authority pathfinder funding models 36

Table 3-4: Local authority implementation challenges 43

Figure 4-1: Sector-specific challenges and solutions for implementation..... 48

Table 4-1: Provider challenges in implementing the extended flexible entitlement 53

Acknowledgements

This research project was commissioned by the Department for Children Schools and Families (DCSF). The authors would like to thank all of the parents, early years providers and pathfinder local authorities involved in the research as well as TNS Social and Lisa McCrindle, Tom Walters and Kerry Fox (SQW Consulting) for their support on this project. We would also like to thank members of DCSF's steering group for the comments and guidance provided.

Executive Summary

Introduction

In April 2007, the Department for Children Schools and Families (DCSF) commissioned SQW Consulting, in partnership with TNS Social and the University of Stirling, to undertake an evaluation of the extended flexible entitlement pathfinder for three and four-year olds. This summary presents the main evaluation findings.

The extended flexible entitlement pathfinder was introduced as part of the Government's commitment to increasing the length and flexibility of the free early years entitlement for three- and four-year olds from 12.5 to 15 hours per week over 38 weeks by September 2010. The purpose of the pathfinder was twofold: to maximise developmental benefits for children, by providing extended access to free early years provision; and to reduce childcare-related barriers to employment faced by parents, by offering more flexible delivery of free childcare provision across the private, voluntary and independent (PVI) and maintained sectors.

Twenty local authorities were selected by the Department to become pathfinders for the extended flexible entitlement and they began implementation in April 2007. A second wave of 14 pathfinder local authorities began delivery in September 2008, and the remaining local authorities will commence delivery to their 25% most disadvantaged three and four-year old children from September 2009. The final step will be national roll-out of the new entitlement to all children aged three and four across all local authorities from September 2010.

Aims and Objectives of the evaluation

In summary, the purpose of the evaluation was to assess the following:

- **Demand for the extended flexible entitlement** - how local authorities assessed the demand for the new entitlement, the extent to which parents have taken it up, patterns of take-up and overall demand for flexible delivery and provision between 4pm and 6pm.
- **Deliverability of the extended flexible entitlement** - how local authorities and providers implemented the new entitlement, the challenges they faced and how they overcame these. The impact of the new entitlement on providers.
- **The impact of the free early years entitlement on parents** - parents' perceptions of the impact of the free entitlement on their children, and on their own ability to access employment and training opportunities.
- **The impact on quality of early years provision as a result of the extended flexible entitlement.**

Methodology

The fieldwork was carried out between April 2007 and August 2008 and comprised the following elements:

- Two waves of consultations with pathfinder local authorities (at the start of the pathfinder programme, and a year after implementation had begun). The purpose of this was to develop an understanding of how the pathfinder local authorities have implemented the new entitlement.

- Two waves of implementation case studies with early years providers (the first wave consisted of face-to-face interviews with 46 providers, followed-up by a mix of telephone and face-to-face interviews with 35 of the same providers in the second wave¹). The purpose of this was to understand how providers are implementing the extended flexible entitlement.
- A self-completion postal survey distributed to all providers delivering the new entitlement in order to understand how they are implementing the extended flexible entitlement and its impact upon them (1,022 providers responded, a 40% response rate).
- A literature review to identify lessons about quality and experiences in early years education linked to attendance patterns.
- Two waves of observational visits using the Early Years Childhood Environment Rating Scale (Revised Version, ECERS-R)² to assess the quality of provision in a small number of settings delivering the extended flexible entitlement (covering 19 settings in wave one, and 10 settings in wave two).
- Two waves of a parental self-completion postal survey distributed to parents using a sample of providers delivering the new entitlement. The purpose of this survey was to understand parents' usage of the extended flexible entitlement (1,200 responses in wave one, 1,600 responses in wave two).³
- Two waves of in-depth telephone interviews with parents using the new entitlement in order to gather additional qualitative evidence on the impact of the free entitlement on their ability to access employment and / or training opportunities, as well as their views on the benefits of the early years entitlement on their children (50 parents were interviewed in each wave, randomly selected from postal survey respondents).

A summary of the overall findings of the evaluation is presented below under the following headings:

- Local authority approaches to implementing the new entitlement.
- Deliverability of the extended and flexible entitlement.
- Demand for extended and flexible early-years provision.
- Impact of the extended flexible provision on parents and children.
- Evidence on the quality of extended and flexible provision.

¹ The reasons for not being able to re-contact all 46 providers in the second wave of interviews included one provider having closed down, changes of staff within provider settings, and difficulties in contacting settings without a landline telephone number, or classroom-based staff without direct telephone access.

² Harms T., Clifford R. M. and D. Cryer (2005), *Early Childhood Environment Rating Scale (Revised Version)*, New York: Teachers College Press).

³ The overall response rate for the second wave of the survey was within the range 21%-29%. Providers were asked to distribute the survey and then post back a confirmation slip to confirm how many were distributed. However, not all did so and therefore are unable to confirm the exact sample size or response rate for the survey.

Local authority approaches to implementation

As of May 2008, 14 of the 19 pathfinder local authorities we consulted had engaged at least 70% of their early years providers in delivering the extended flexible entitlement.

For some local authorities the starting point was a presumption of full implementation across all providers, whilst in others implementation has been more targeted (e.g. by geography and/or on the basis that providers opt-in to delivering the new entitlement when ready).

These pathfinder local authorities did not attempt full implementation from the start of the pilot for a variety of reasons:

- Wanting to test the new way of working with a small number of providers in the first instance in order to understand what works before involving others.
- Operational issues related to being able to promote the new entitlement to a large volume of providers, and offering them one-to-one support to ensure full implementation over a short timeframe.
- A desire for providers to start delivering the new entitlement willingly, rather than local authorities compelling them to do so.

The pathfinder local authorities understood that the new extended flexible entitlement comprised two distinct elements:

- Extended provision only - allowing parents to access up to 15 hours of free early years provision.
- Extended and flexible provision - allowing parents to access up to 15 hours of provision and giving them flexibility in how they use these hours.

Guidance was provided by the Department on how the new entitlement should be defined, with provision to be delivered over a minimum of three days, in blocks lasting a minimum of two hours and a maximum of 10 hours in a single day. In turn, local authorities found it useful to develop guidelines on the minimum and maximum amount of entitlement that could be used in a single day, as well as specifying the minimum number of days over which the entitlement could be used. In some instances this was done partly to re-assure providers that they were not being asked to deliver very small blocks of provision which might be less financially viable. Furthermore, this guidance has also been useful in managing parents' expectations on the degree of flexibility available.

A twenty percent uplift in early years funding was provided by the Department to the 20 local authorities in the first year of the pathfinder. The purpose of this was to provide additional resources to facilitate providers in delivering extended and flexible provision. Three models were adopted by different local authorities for the distribution of this funding:

- Funding passed on to providers in the form of enhanced hourly funding rates for some for all of the 15 hours, sometimes based on the degree of flexibility being offered.
- Funding passed on in the form of enhanced hourly rates, coupled with a funding pot to support providers with one-off costs (e.g. new equipment or refurbishment) that might otherwise prevent them from delivering extended and / or flexible provision.

- Funding used only to provide grants for one-off costs to facilitate extended and flexible delivery (i.e. no enhanced hourly rates).

There was very limited evidence to suggest that local authority success in encouraging providers to deliver the new entitlement flexibly could be directly attributed to uplift funding in the form of enhanced hourly rates. Some local authorities involved all providers without offering enhanced hourly rates. A number were also left with surplus uplift funding because of difficulties advertising and distributing the funding within a short time frame, as well as fewer providers than expected requested this funding. In other areas the withdrawal of uplift funding in the second year has disappointed providers. Our evidence indicated that while many providers benefited from uplift funding in the form of enhanced hourly rates or one-off grants, it was not required by some and for others its subsequent withdrawal could act as a disincentive. However, it seems likely that in many cases additional funding via enhanced hourly rates or one-off grants has secured 'good will' amongst providers to participate in the pathfinder.

It was universally difficult for local authorities and providers to estimate the additional costs involved in delivering extended and flexible provision, primarily because there was no 'one size fits all' approach to implementation and also because the costs varied between individual providers. Most of the identified additional costs relate to delivering the extended element, for example, staffing and additional equipment to support delivery over longer sessions. There is no doubt that some providers benefited by accessing one-off funding to enhance their setting for example, by purchasing improved outdoor play facilities. However, these enhancements are likely to have benefited all children irrespective of their attendance patterns. Assessing individual providers' additional requirements to deliver the new entitlement is likely to remain an important aspect of local authority co-ordination during the national roll-out.

Deliverability of the extended and flexible entitlement

All local authorities either hosted provider workshops or events arranged specifically to introduce the new entitlement, or used existing fora and groups to engage local providers. In some instances group meetings were held with a cross-section of provider types, whilst in other cases sector-specific events were delivered. The latter approach was deemed important by local authorities without one predominant provider type. Group-based engagement activities were usually supplemented by one-to-one support and advice for individual providers.

Reactions from providers to the new entitlement were reported by local authorities to have been mixed when it was first introduced. In many respects this reflected the local context and provider market. Whilst there were some differences in provider responses across different local authorities, where issues were related to specific provider types there was more commonality. The sector-specific challenges and examples of solutions for overcoming these are described in the table below. Further detail on local authority and provider implementation challenges and solutions can be found in the main report. However, we conclude that the implementation challenges highlighted prior to implementation have largely been overcome and participating providers are generally positive about delivering the new entitlement.

Sector-specific challenges and solutions for implementation

Maintained sector providers - frequently raised issues relating to quality, curriculum and staffing. A concern amongst some schools was that they are being expected to provide 'childcare' which they do not see as their role, and that flexibility is about meeting the needs of the parent when their role is to meet the needs of the child. In some instances this sector is less used to planning early years provision over a full day and has been used to sessional planning. Teachers' contractual hours have also been an issue for delivering longer sessions.

Sector-specific briefings were one way in which some pathfinders sought to engage with the maintained sector. This provided an opportunity to discuss and seek solutions to the specific challenges faced by this sector in implementing the new entitlement. Where maintained sector providers have been involved in successful early implementation, it has also been useful for them to act as advocates for the new entitlement and to promote it within their sector, perhaps through attendance at related events, one-to-one discussions with other providers, and through the production of case study material.

Voluntary and community sector providers - have generally been enthusiastic about delivering the new entitlement but have often faced practical challenges in being able to do so. These include the availability of premises to deliver longer and / or more flexible sessions, and the need to change their registration from sessional to full day care providers if they are to deliver more hours.

Local authorities have frequently provided advice and guidance to providers in relation to changing Ofsted registrations, where this has been required. One way that local authorities have also supported providers in overcoming some of the practical challenges to implementation, such as premises availability, has been to facilitate partnerships between settings in order to deliver the free entitlement, such as the partnership brokered in Newham between maintained settings and a private provider to deliver the full 15 hours (described in more detail later in this section). Although this arrangement involved a private / maintained sector partnership it would be possible to replicate such a model within the voluntary and community sector, or across sectors.

Private sector providers - were more likely to raise concerns about fees paid to private and independent providers through the Dedicated Schools Grants. Many local authorities had private providers that were already unhappy about the rates for existing 12.5 hours free provision, and they did not want to deliver any additional hours at these rates. Several local authorities reported private providers which refuse to participate or had opted out of delivering the early years entitlement completely.

Some pathfinders have imposed a three hour minimum on the number of hours that a parent can use the entitlement in one day to ensure that providers are only being asked to deliver financially viable blocks of entitlement. In some instances providers have also set their own minimum number of hours of entitlement that a parent must use in a single day.

Source: SQW Consulting interviews, May 2008

More than half of the providers responding to our survey (57%) allowed parents to use their entitlement over a minimum of three days, and one-third (31%) required them to use it over five days. The fact that only one-third (31%) imposed a restriction of usage over five days, suggests that the majority of providers offered some degree of flexibility. Indeed we know that some providers were starting by offering an extension to the entitlement in the first instance, with the goal of delivering this more flexibly in the future. This reflects the fact that some providers (typically sessional) have had to make more changes to the way they deliver than full day care providers, in order to offer flexibility.

Forty percent of all providers reported that they offered provision between 4pm and 6pm. However, not all providers allowed parents to use their free entitlement during this period. Several expressed the view that provision during these hours constituted 'childcare' and not 'early years education', and as a consequence it was not eligible for inclusion within the free

entitlement. This is despite the fact that the Early Years Foundation Stage has removed the distinction between 'education' and 'care' for this age group.

Providers have faced a number of challenges in being able to deliver the new entitlement. Key challenges reported by providers responding to our survey included staff rotas (48%), new billing arrangements for parents⁴ (34%) and curriculum planning. However, these are largely practical challenges that with planning and / or local authority support have been overcome to ensure providers are able to deliver the extended entitlement. However, the extent to which flexibility is also offered did vary across providers, ranging from those offering limited flexibility to those able to offer parents a wide choice of different patterns of take-up. There are some unmovable challenges, such as availability of space (because premises are shared), which prevented some providers from offering greater flexibility.

The largest proportion of providers (42%) responding to our survey indicated that delivering the new entitlement had not had an impact on their organisation's finances. Furthermore, almost a quarter (24%) stated their finances were healthier since they started delivery. A minority (8%) indicated that their finances were less healthy, and our consultations with providers suggest that this related to ongoing issues related to the level of funding available for early years provision, rather than being something specifically related to the new entitlement.

Demand for extended and flexible provision

There was little evidence that the pathfinder local authorities planned the implementation of the new entitlement based on any assessment of parental demand. In April 2007, few had completed their childcare sufficiency assessments, and the onus appears to have been on providers themselves to identify demand for extended and flexible provision.

Almost half (45%) of our provider survey respondents indicated they had consulted parents when planning for the extended flexible entitlement. Providers in the voluntary and community sector were most likely to have consulted with parents (54%) and maintained settings the least likely (36%). The most common subjects covered during consultations included length of sessions, opening hours, affordability and the numbers of days the setting is open during the week. The most usual actions taken as a result of consultation feedback were to offer longer morning or afternoon sessions (67% and 43% of all surveyed providers, respectively).

Parental awareness of the early years entitlement was very high, with 90% of parents that responded to the survey stating they were aware of the 15 hours of free entitlement. In addition, 85% of parental respondents stated they were using their full 15 hours of entitlement. This suggests that local authorities and providers were largely successful in promoting the new entitlement. However, the parental survey results suggest a need for additional marketing and awareness raising in the most deprived communities.

The findings from our 2008 provider self-completion survey suggest that over one-third (37%) of providers experienced increased demand from parents as a result of participation in the extended entitlement pathfinder. The survey results also point to the popularity of take-up of provision over five days⁵ (58% of users) and three days (23% of users). This compares with

⁴ A number of providers are now offering parents the opportunity to purchase additional entitlement (in excess of the 15 free hours) for the first time which has meant that billing arrangements have been introduced, and that bills vary between parents depending on how much additional provision they purchase. Furthermore, providers have had to adjust billing arrangements for existing parents that were already purchasing hours in addition to the free entitlement to reflect the fact that they are now entitled to an extra 2.5 free hours per week.

⁵ The group using provision over five days includes children in full day care for five days of the week as well as those that might be attending sessional provision over five days.

16% of respondents to the 2007 Childcare and Early Years survey using provision over three days⁶. This might point to a shift to increased take-up over three days in pathfinder authorities.⁷

The parental survey (as well as other strands of the evaluation) suggest that take-up of provision was highest in the morning between 9am and 12pm, and this appears to reflect parental demand. For example parents preferred morning provision because it fits with school drop off times and / or coincides with starting work, and some had an instinctive feeling that their child benefited from attending provision earlier in the day because they are more alert. Providers also reported that the morning was the time they were most likely to experience demand for places outstripping availability.

The majority of parents (64%) responding to our survey indicated that they were happy with the flexibility their provider offered and that they could choose the hours they needed. This points to overall satisfaction amongst parents, but a continuing demand for more flexibility from some providers. Parents using maintained providers were the least likely to agree that their provider offered them the flexibility to choose the hours they needed (49%), compared with three-quarters (76%) of those using private and independent providers.

Our survey of parents also suggested that there is also some outstanding demand for additional provision at particular times of the year or day, most notably during school holidays (13%) of respondents, and between 7am and 9am (11% of respondents).

It was also clear from the survey and interviews with parents that 'flexibility' is not a primary determining factor when choosing an early years and care provider, and that parents sought to choose the most appropriate provision for their child, even if they could not always access the flexibility they would like.

Impact of the extended flexible entitlement

Parents were overwhelmingly positive about the impact on their child resulting from the time they spend in early years education and care. The most commonly cited benefits were improved social skills (96% of survey respondents) and communication skills (91%). Whilst parents were generally positive about impacts on behaviour this was less pronounced (72%). However, lone parents were significantly more likely to report behavioural benefits than two-parent families.

Any negative impacts relating to time in early years education and care were most likely to be linked to behaviour, for example children picking up "naughty" words or bad habits from other children. However, this was usually viewed as part and parcel of mixing with other children as part of the early years and care experience.

Parents also pointed to a range of additional benefits to children resulting from early years education and care, such as access to a wide range of activities and increased cultural awareness. Whilst we cannot attribute these positive impacts directly to the extended flexible entitlement, it is clear that parents view access to early years education and care as being extremely beneficial to their child.

⁶ 'Childcare and Early Years Survey 2007: Parents' Use Views and Experiences' DCSF Research Report DCSF-RR025 (Natcen 2007)

⁷ However, differences in methodology of the two surveys means that a direct comparison is not possible.

Parents also reported benefits to themselves from the availability of the free early years entitlement. Just under half (48%) of parents responding to our survey indicated that access to free early years provision meant they were able to work, and / or it became worthwhile for them to work. It was clear from our parental survey and interviews with parents that the early years entitlement enabled them to access employment or training options, and improve the financial well-being of families with parents in work and / or training. It seems likely that the additional 2.5 hours of free entitlement has enhanced these impacts, however, it is not possible to ascertain how much of the overall benefit is related to this additional entitlement or the flexible element of it.

Quality

The literature review revealed very little direct evidence that children's educational and care experiences and interactions with adults and children in early years provision varies across the course of the day, or with different attendance patterns. In general, setting-level considerations of quality have been the focus of studies, rather than individuals or within-programme fluctuations.

We conclude from our case study visits and observations in a small number of settings that accommodating children for extended and flexible hours is manageable and has little or no impact on children's experiences during the 'traditional sessions'. Nevertheless opportunities remain to enhance and develop the experiences of individuals to ensure that good quality provision is offered in an appropriate way across all opening hours and over individual attendance patterns.

Several amendments, such as improving facilities for children to relax in cosy and comfortable areas when they need it during the course of the day, could be made with relative ease and at modest expenses in most cases. Below we suggest the factors that settings should take into account in ensuring they offer good quality provision for all children (irrespective of their attendance patterns):

- Comfortable and cosy spaces for relaxation when children choose.
- Space and permission to spend time in privacy or secluded from the main group and the bustle of the playroom.
- Accessible outdoor space with a variety of surfaces and resources that facilitate a wide range of gross motor activities and allow for use of the outdoor space in inclement weather.
- Arrangements for meals and snacks that take account of the pattern of the individual's day and offer healthy options in a warm, calm and sociable environment with adults and other children.
- Schedules that ensure that all children have access to the full range of curricular areas and pedagogical interactions and maximise the choices available during, before and after sessional provision.
- Arrangements for practitioners to have conversations with children and their parents when they arrive and leave while those already present or remaining in the playroom continue with their activities with appropriate adult attention.

- Scheduling 'free-play', small and large group time to give all children experience of these different learning opportunities but avoiding those who have non-standard patterns having disproportionate experiences of any of these forms.
- Managing meal times, snacks and rest periods flexibly to complement individual schedules.
- Making plans (drawing on professional practice) to support all aspects of development across the whole time a child spends in the setting, not just for 'session hours'.

Recommendations

Assessing the suitability of settings to deliver extended and flexible early years education and care

It could prove useful to supply local authorities with a tool or 'checklist' to support them in assessing providers' suitability for delivering the new entitlement. The suggested list of factors presented above, to be taken into account when offering good quality provision to children irrespective of their attendance, could be a starting point for this. Assessing the quality of provision during non-standard hours is likely to be a matter of increasing importance as the new entitlement is rolled out. Therefore it would be useful to develop a reliable and validated tool which can be used by external evaluators and practitioners involved in self-evaluation and practice assessment.

Funding to stimulate extended and flexible provision

We recommend that the availability of additional funding to stimulate implementation continues as the pathfinder is rolled out nationally. This could be linked to any assessment of provider suitability for delivering the extended flexible entitlement with funding made available to address any weaknesses identified (for example, the creation of all-weather outdoor play space). Local authorities are best placed to judge the way in which flexibility can be stimulated locally, and this should be considered as part of their development work on the single formula funding which should be in place by 2010.

Understanding the impact of extended and flexible provision on children

Remaining implementation challenges for local authorities concern a need to understand better the impact on children of extended and flexible provision, and the management of transitions when children are using more than one provider. The Department may wish to consider undertaking further research to strengthen the evidence base on outcomes for children resulting from flexible patterns of attendance, and attendance across more than one provider.

Clarifying terminology

At the time of our fieldwork there appeared to be some confusion in relation to the terminology around the new entitlement. The Early Years Foundation Stage (EYFS) has removed the distinction between 'education' and 'care', and is statutory in all early years settings. However, our implementation case studies in particular suggest that many providers still distinguish childcare and early years education as meaning quite different things. This issue was most prominent when discussing delivery of the entitlement between 4pm and 6pm, with some providers (particularly those in the maintained sector) not allowing parents to use the entitlement during this period because they regard this as 'childcare' and not 'early years education'. We recommend the Department reinforces the role of the EYFS in

removing the distinction between education and care, and issues guidance confirming the eligibility of early years learning and care to be funded through the free entitlement.

Promoting the new entitlement to parents

Our survey findings indicated that awareness of the free entitlement was significantly higher amongst parents living in the 25% least deprived areas of the country, compared with those in the 25% most deprived areas. We would therefore recommend that particular attention is paid to promoting and targeting the free early years entitlement within the most deprived communities in order to raise awareness levels.

1: Introduction and policy context

This report presents the findings from the evaluation of the extended flexible entitlement for three- and four-year olds, which has been conducted by SQW Consulting (SQW), TNS Social (TNS) and the University of Stirling on behalf of the Department for Children, Schools and Families (DCSF). The evaluation was commissioned by the Department in April 2007. This evaluation report draws together the findings of fieldwork conducted between April 2007 and August 2008.

This chapter describes the policy context for the evaluation. Chapter 2 outlines our methodological approach to the research, Chapters 3 to 7 summarise our key evaluation findings, and Chapter 8 presents our conclusions. We provide the detailed findings of the individual elements of our fieldwork in the separately bound annexes.

Policy developments

The newly elected Labour Government launched the National Childcare Strategy in 1998 in order to address the shortage of affordable childcare places and the absence of information relating to them. The Strategy proposed to deliver accessible, affordable and quality childcare for children aged 0-14 in every neighbourhood, and set a target to deliver 900,000 new childcare places by 2004.

The introduction of the strategy signified a renewed focus on the importance of delivering sufficient quality provision for young children to enable them to develop and achieve whilst also allowing their parents to participate in training, education and / or employment. This was the first of a series of Green Papers, Acts of Parliament and strategies which have legislated for and directed the continuing growth and development of affordable quality childcare provision and access to early education for young children. They also aim to support parents seeking to balance work and family commitments through the Working Tax Credit, parental leave and the right to request flexible working arrangements. Essentially, there are two main drivers behind the focus on early years provision:

- The need to prepare children for entry to school and to enable them to achieve and prosper.
- The need to support parents and families in making the transition from low-paid work or worklessness to better-paid employment and to achieve a better work-life balance.

The 2003 Every Child Matters (ECM) Green Paper sets out five outcomes which all local authority children's services should deliver, based on consultation with children and young people: being healthy; staying safe; enjoying and achieving; making a positive contribution; and economic wellbeing. The Children Act 2004 provided the legal underpinning for *Every child matters: change for children* (DfES, December 2004), the programme which aimed to transform children's services.

Choice for parents, the best start for children: a ten year strategy for childcare (DfES, December 2004) presents the Government's vision for choice, flexibility, availability, quality and affordability. The five ECM outcomes now form the basis of all service provision in England involving children and young people. The strategy makes the case for the Government's support of childcare. It identified the following issues as being pertinent:

- The benefits of childcare are not fully captured by the market.
- There remain failures of information.

- There continue to be problems with availability, and
- That affordable, quality childcare provision has a role in tackling poverty and worklessness.

Since April 2004, all three- and four-year olds have been entitled to a free, part-time early education place. The *Code of practice on the provision of free nursery education places for three- and four-year olds* (DfES, February 2006) constitutes the statutory guidance on the delivery of the free early learning and development entitlement. This sets out the introduction of the extension of free provision from 33 to 38 weeks and details the desire to further extend the entitlement by September 2010 to 15 hours a week for 38 weeks per year in all settings, with the added commitment to enable more flexible take-up of the entitlement.⁸

The Early Years Foundation Stage (EYFS)⁹, published in March 2007 and operational from September 2008, encompasses the education, care and development of all 0 to five year olds in England. It is a statutory framework for all early years practitioners, encouraging them to focus on the child's cognitive and non-cognitive development through play-based learning. The main concept underpinning the foundation stage is the personalisation of individual learning, recognising that each child is unique and needs to learn at their own pace and in their own way. It is not a curriculum; rather it is a set of goals which practitioners must adhere to in order to help all children achieve the goals through the personalisation of learning. The EYFS removes the legal distinction between education and care and is statutory in all early years settings including all full day care, preschools, playgroups, childminders and maintained and independent schools.

The DCSF published *The children's plan: building brighter futures* in December 2007¹⁰. The Plan sets out the overarching ten-year strategy to improve the lives of children, young people and their families nationally, within which are nested a range of DCSF strategies. It builds on, and brings together within a single vision, a decade of policy developments in the following areas:

- *Improving the health of families and encouraging healthy lifestyles.*
- *Protecting children and young people from harm and providing safe environments for play and risk taking.*
- *Supporting disadvantaged children and young people who are underachieving and removing the disparity in schools and educational quality.*
- *Developing a world class children's workforce and improving teaching standards, improving and joining up children and young people service.*
- *Ensuring young people are participating and achieving their potential until 18 or beyond and helping school leavers to acquire the skills needed to succeed in a high skills economy.*
- *Celebrating and valuing the achievements of young people and offering positive activities and experiences.*

⁸ The *Code of practice* will remain in force until September 2010, when it will be replaced by new statutory guidance reflecting the provisions of the Childcare Bill. The new guidance will be out for consultation during 2009.

⁹ Statutory Framework for Early Years Foundation Stage: setting the standards for learning, development and care for children from birth to five (DCSF, 2008)

¹⁰ The Children's Plan: building brighter futures (DCSF, December 2007)

The Plan contains specific targets and strategies that will affect early years education and childcare provision over the next ten years. Despite the creation of a universal early years and childcare system, the quality of children's services in this area remains variable and a challenge to the principles of excellence and equity which underpin the Plan.¹¹ In order to improve standards, £117 million will be allocated to the professional development of the early years workforce. The Plan also announced that £100 million will be allocated to expanding the extended flexible entitlement to up to 15 hours of free early years education and care which is currently available to three- and four-year olds, to cover two-year olds over the next three years.

The Department has announced that from 2010-11, local authorities will be required to use a single local formula for funding early years provision in the maintained and private, voluntary and independent (PVI) sectors. Local authorities will be asked to introduce the formula from April 2010. This change in early years funding aims to improve the distribution of resources at the local level, facilitate greater flexibility of provision so that parents have a greater choice on how they use their free entitlement, preserve diversity and choice in the market, and incentivise improvements in the quality of provision.

Recent evidence of the benefits of early education

There is a substantial body of evidence which points to the positive effects of high quality preschool education provision on children's intellectual, social and behavioural development up to the end of Key Stage 1 in primary school. The Effective Provision of Preschool Education (EPPE 3-11) project 1997-2008 is contributing to this evidence base by extensively investigating the effects of preschool education and care on children's development for children aged 3-11 years old through longitudinal studies of almost 3,000 children. The study presents a number of important findings by the end of Year 5 (children aged 10)¹² which support the case for provision of *good quality* free early years education:

- There is evidence of a continuing positive effect of attending higher quality or more effective preschool settings on children's subsequent outcomes in mathematics or reading at the end of Year 5, once the influence of background has been taken into account.
- Those children that attended low quality preschool no longer showed cognitive benefits by Year 5 and their results were not significantly different from children that had not attended preschool.
- Settings that have staff with higher qualifications, especially those with a good proportion of trained teachers on the staff, demonstrate higher quality and their children make more progress and better social / behavioural gains.
- Children attending high quality preschool provision showed reduced anti-social and worried behaviour by the time they started school.
- Disadvantaged children, and boys in particular, can benefit significantly from good quality preschool experiences.

The findings of the EPPE study, notably those relating to the short-term impacts and the quality of provision, are reinforced by studies from around the world. The EPPE study to date has demonstrated that high quality early years provision is important, and the benefits to children remain evident at the age of 10.

¹¹ *Excellence and fairness: achieving world class public services* (Cabinet Office, July 2008).

¹² Effective preschool and primary education 3-11 (EPPE 3-11), Research Report, RR828, DCSF

The current offer

Existing provision

The minimum free entitlement for three- and four-year olds of 12.5 hours per week has been available for 38 weeks in all settings (an extension from 33 weeks) since April 2006. This current free entitlement may be delivered by a range of providers, including schools, nursery schools and classes, private and voluntary sector providers, independent schools and accredited childminders who are part of a quality-assured network.

Local authorities should ensure that parents of all eligible three-year olds are able to access the minimum free entitlement for up to two years before they reach compulsory school age (defined as the beginning of the term following a child's fifth birthday). Parents can access as little or as much of the entitlement as they choose and may take up their free entitlement with more than one provider.

The extended flexible entitlement pathfinder

The Government is committed to increasing the length and flexibility of the free entitlement for three- and four-year olds to 15 hours per week over 38 weeks by 2010. It is anticipated that the provision of 15 hours of flexible entitlement should maximise the benefits of the free entitlement for families by providing greater access to early learning and development, as well as reducing childcare-related barriers that parents might face in achieving sustainable employment.

The extended flexible entitlement pilot is the subject of this evaluation. The new entitlement has been implemented in 20 pathfinder local authorities piloting the delivery of 15 hours of flexible provision. The 20 pathfinder local authorities began delivery in April 2007. They have been:

- Delivering 15 hours of free and more flexible early learning and care for three- and four-year olds.
- Delivering this free provision across the hours of either 8am to 4pm or 8am to 6pm.
- Working with the DCSF and national stakeholders to refine the definition of 'flexibility'.
- Informing the development of the national roll-out of the flexible free entitlement by acting as beacons of good practice for other local authorities.

The Department finalised plans to roll out the extended flexible entitlement in early 2008. Three distinct phases to the roll out are planned:

- A second wave of 14 pathfinders delivering to all eligible three- and four-year olds from September 2008.
- All non-pathfinder local authorities will be funded to deliver 15 hours flexible provision to their 25% most disadvantaged children from September 2009.
- The complete roll out of the extended flexible entitlement with all three- and four year-olds eligible for 15 hours free childcare per week to be delivered flexibly in response to parental demand from September 2010.

The extension is funded through three funding streams. The first is the Dedicated Schools Grant (DSG) which will continue to fund the current 12.5 hours entitlement. The second is the Standards Fund with £590 million allocated over 2008-11 to fund the additional 2.5 hours and to incentivise flexibility. The final funding stream consists of £640 million in capital funding which is being made available to all local authorities over 2008-11 to boost the capacity of the PVI sector to deliver flexibility.

Related programmes

The policy and delivery framework for early years provision has undergone considerable change in the last decade. In light of this, a number of other pilots and programmes have been developed which may influence or impact upon the implementation of the extended flexible entitlement for three- and four-year olds, particularly as many local authorities are involved piloting a number of related programmes. The most significant related programmes are the extended offer of Free Early Years Education and Childcare for Two Year Olds, the Transformation Fund and Graduate Leader Fund.

The free early years education and childcare for two-year olds pathfinder

This pilot project, which offered free access to early education for 12,000 disadvantaged two year olds, was announced by the then Chancellor of the Exchequer as part of the 2004 Spending Review. The pilot began delivery in April 2006. Two waves of pilots were appointed, with a total of 32 local authorities participating from April 2007. Most participating local authorities delivered a free entitlement of 7.5 hours, whilst five piloted 12.5 hours.

The original pilot was targeted at the following groups: families not currently accessing provision; those less likely to access the free entitlement at age three; and children from low income or other disadvantaged groups, as defined by local circumstances. Some participating authorities targeted specific disadvantaged groups, such as looked after children, children living in hostels, and children with special educational needs (SEN). Where this approach was taken, children were most often referred to the project by professionals who work with these groups. Other authorities targeted specific geographical areas of disadvantage. The National Centre for Social Research (NatCen) and Oxford University were commissioned to undertake the evaluation of this pilot and are due to report in June 2009.

In the *Children's Plan* the Government announced a £100 million investment over the next three years to extend the offer to 15 hours of free early education to 20,000 two year olds in the most disadvantaged communities. Along with the existing 32 local authorities, a further 31 are due to begin delivery before 2010. This investment aims to increase access to early years education for two-year olds by making it more affordable for families in disadvantaged communities, and to ensure their children have the best possible start in life. It is anticipated that this offer will go some way towards preventing gaps opening up between disadvantaged children and their peers when they enter school at Key Stage 1.

The extended pilot shifted the focus slightly from the original scheme, with a greater importance attached to two-year olds in families affected by economic deprivation. Core eligibility criteria is set at a local level, and is primarily focused on those families in receipt of benefits such as Income Support, or Child Tax Credit (higher than the family element). The pilot provides opportunities for the whole family to benefit, with increased support for home learning, along with sign-posting to training, for example through children's centres.

The Transformation Fund

The main aim of the Transformation Fund was to pioneer a range of different approaches to improving the quality of childcare, by enhancing the skill levels of the childcare workforce while ensuring childcare remains affordable for parents, especially those on lower incomes. A key driver in realising the Government's vision for creating a world-class children's workforce, the Transformation Fund had six strategic priorities:

- Training early years staff to achieve Early Years Professional Status.
- Recruitment incentives for settings with newly employed staff with relevant qualifications.
- A quality premium for settings that already employ or recruit at least one employee with relevant graduate level qualifications.
- The Home Grown Graduate Incentive in settings that do not have a graduate but which do want to help an established person progress through the Early Years Foundation Degree to National Qualifications Framework (NQF) Level 5 and onto Early Years Professional Status.
- Training to NQF Level 3-5.
- Training to work with children with disabilities and those with SEN.

There were also two additional pilot programmes that formed part of the Transformation Fund.

- The Recruitment Incentive Pilot investigated the relationship between different levels of recruitment incentive on the quantity and quality of graduate recruitment to lead Early Years Professional work in full day care settings. Sixteen local authorities were included in the pilot, with half being offered an incentive of £5,000 and the remainder an incentive of £7,000¹³.
- The Sessional Provider Pilot investigated the impact of the Transformation Fund in incentivising sessional providers to work with each other, in order to improve quality and enable sessional providers to deliver the new offer for three- and four-year olds. Twenty local authorities tested this pilot in the same areas as the extended flexible entitlement pathfinders.

Graduate Leader Fund

In 2008 the Transformation Fund was replaced by the Graduate Leader Fund. The new fund continues to focus on the same core aims of the Transformation Fund described above. However, because it is easier to administer local authorities can concentrate on the core aim of increasing graduate leadership in the PVI sector. The aim is to ensure that all full day care settings can have a graduate leader by 2015, with two in settings for children in the 30% most deprived areas.

¹³ Different local authorities were offered different levels of incentive to test the extent to which this influenced levels of take-up

Unlike the Transformation Fund, the Graduate Leader Fund is a much simpler grant and easier for local authorities to administer. Local authorities need to set incentives, eligibility conditions and rules for prioritising the Fund themselves. This enables local authorities to reflect on the particular characteristics of the early years sector in their area and to decide the best approach to increasing graduate leadership, whilst at the same time keeping in mind the need for value for money and sustainability.

2: Research objectives and methodology

This chapter summarises the approach that has been taken to the evaluation of the extended flexible entitlement for three and four-year olds. It sets out the research objectives before detailing the different components of the methodology.

Research objectives

In line with the specification issued by the Department for this research, the evaluation sought to address four key research objectives and linked research questions. These are outlined in Table 2-1.

Table 2-1: Research objectives and research questions

Demand	Deliverability	Impact	Quality of flexible provision
How have parents used the extended offer and flexibility?	What have LAs done to plan for the delivery of the extended offer and what models of flexibility were developed and how were these rolled out?	What do parents perceive the impact of the extended offer to be, particularly in terms of impact on their children, their own ability to return to work, education and training and daily routines?	What is the impact of flexibility on the quality of provision children are offered?
Did flexibility lead to an increase in take-up?	Are there any regional or other differences between LA approaches?	Are there improvements that LAs / providers could make to the delivery of the offer?	Are there significant issues relating to the quality of provision offered between 4pm and 6pm?
How did local authorities (LAs) inform parents about the extended offer/flexibility?	How have local authorities worked with providers to ensure the delivery of the extended offer, and how have LAs brokered collaboration between providers?		Do the activities that children engage in during the 4pm-6pm slot vary from activities undertaken during the morning?
Are parents aware of this offer?	What has been the impact on provider collaboration of enabling pathfinder LAs to use the Transformation Fund to support sessional providers working together?		
Is there demand for provision between 4pm and 6pm?	What is the effectiveness of different outreach strategies adopted by LAs / providers to encourage groups to participate in the extended offer of free entitlement?		
How did LAs identify parental demand for flexibility?	How have providers changed their practices in order to deliver the extended offer?		

Demand	Deliverability	Impact	Quality of flexible provision
Was there significant demand for free provision after 4pm?	What different issues did different types of provider face in extending the offer? How have they overcome these barriers?		
	How much does it cost to deliver the entitlement flexibly? What types of cost are incurred when delivering the flexible offer?		
	What changes have LAs made to their local funding arrangements in order to fund more flexible provision and different patterns of take-up		
	Are there significant staffing issues faced in delivering the 4pm-6pm slot?		

Source: Department for Children, Schools and Families

The evaluation commenced in April 2007 and fieldwork was completed in August 2008.

Methodology

The key elements of the methodology adopted during the lifetime of this evaluation were as follows:

- Consultations with local authorities.
- Case studies of implementation.
- A provider self-completion survey.
- Observational visits.
- Secondary/monitoring data analysis.
- A parental self-completion survey.
- In-depth telephone consultations with parents.
- A literature review to identify lessons about quality and experiences in early years education related to attendance patterns.

Table 2-2 (below) provides an overview of how key research activities inform the overall research objectives.

Table 2-2: How the evaluation addressed the key research objectives

	Demand	Deliverability	Effect on parents	Quality of the flexible provision
1. Local authority consultations	✓	✓		✓
2. Case studies of implementation	✓	✓	✓	✓
3. Provider self-completion survey	✓	✓	✓	
4. Observational visits		✓		✓
5. Analysis of secondary data	✓			
6. Parental self-completion survey	✓		✓	✓
7. In-depth telephone consultations with parents	✓	✓	✓	✓
8. Literature review				✓

Source: SQW Consulting

Case study selection

It was agreed that fieldwork would be undertaken in all 20 pathfinder authorities, with the exception of the implementation case studies and observational visits which focused on providers in 10 of these. The selection of authorities for implementation case studies was based on ensuring coverage of local authorities exhibiting a range of different characteristics, including urban/rural location, regional location, small / large size, different sectors (maintained and PVI), and a different levels of deprivation. The 20 pathfinder local authorities included in the evaluation are detailed in Table 2-3 below. We undertook implementation case study and observational visits with providers in the first 10 pathfinder authorities listed on the table.

Table 2-3: Pathfinder local authorities

Case study authorities	8am - 4pm Pathfinder	8am - 6pm Pathfinder
Peterborough	✓	
Hertfordshire	✓	
Haringey	✓	
Rochdale	✓	
Somerset	✓	
York		✓
Derbyshire		✓
Newham		✓
Sunderland		✓
Worcestershire		✓
Non case study authorities	8am - 4pm Pathfinder	8am - 6pm Pathfinder
Blackburn	✓	
Leeds	✓	
Telford and Wrekin	✓	
Gloucestershire	✓	
Greenwich	✓	
Blackpool		✓
Leicestershire		✓
Hampshire		✓
Slough		✓
Sheffield		✓

Source: SQW Consulting

Below we describe in more detail the different strands of the methodology.

Consultations with local authorities - Year 1 and Year 2

During the scoping stage of the research, the expressions of interest and project plans submitted by the 20 pathfinder authorities to the Department were reviewed. The purpose of this was to develop an understanding of how the pathfinder authorities planned to implement the new entitlement post-April 2007. In addition, all local authorities were contacted to introduce the evaluation and to collate any additional key documentation that would inform the research.

In the first year of the evaluation we focused on in-depth face-to-face consultations with the 10 local authorities where we were also undertaking implementation case study and observational visits, in order to gather contextual information. In the final year of the evaluation we gave all 20 pathfinder local authorities the opportunity to be consulted on their experiences of implementing the extended flexible entitlement. Nineteen local authority consultations were eventually completed.¹⁴ For further detail on this research strand please refer to **Annex A**.

Case studies of implementation - Year 1 and Year 2

In year one we undertook 46 case studies of implementation, in the form of visits to early years providers in 10 local authority areas¹⁵, in order to understand how the new entitlement was being implemented. The providers that were included as case studies were agreed in partnership with the relevant pathfinder local authority. The sample was constructed to include coverage of different provider types (e.g. sessional, full day care, PVI and maintained).

We initially visited providers during June and July 2007 and usually met with the manager of the setting. We used a standard questionnaire when consulting with providers but also gave consultees the opportunity to expand their feedback to elaborate on issues that were important to them.

In the second year of the evaluation we attempted to re-contact all the providers we visited in year one to identify progress in delivering the extended flexible entitlement and to get further feedback on the impact of the entitlement one year on. This time providers were contacted by telephone¹⁶ and fieldwork was conducted between June and August 2008. We were able to re-contact 35 of the original providers we visited during the first year.¹⁷ For further detail on this research strand please refer to **Annex B**.

Provider self-completion survey - Year 2

At the end of the first year of fieldwork we agreed an amendment to the methodology with the Department. It was agreed that in year two we should conduct a postal survey of all providers delivering the extended flexible entitlement across all 20 pathfinder local authorities. The purpose was to collate data on a large scale that could be analysed to understand the experiences of different types of provider. We achieved an overall response rate of 40% (1,022 providers). For further detail on this research strand please refer to **Annex C**.

¹⁴ Greenwich did not complete a consultation interview.

¹⁵ Hertfordshire, Haringey, Peterborough, Rochdale, Somerset, York, Derbyshire, Newham, Sunderland and Worcestershire.

¹⁶ With the exception of those providers that were also included in our observational visits. In these cases we conducted face-to-face interviews.

¹⁷ The reasons for not being able to re-contact all 46 providers included one setting having closed down, changes of staff and difficulties in contacting community based settings with no fixed telephone line, or classroom based staff without direct telephone access.

Observational visits - Year 1 and Year 2

In year one we conducted observational activity in 19 different settings implementing the new entitlement (all of which we visited as implementation case studies), using the Early Childhood Environment Rating Scale (Revised Version, ECERS-R)¹⁸. The purpose of the observational visits was to make a small scale assessment of the quality of provision in settings that were delivering the extended flexible entitlement. The fieldwork was completed in June and July 2007.

In year two it was agreed that the observations should have a greater focus on gathering illustrative evidence about the ways in which attendance for extended and flexible hours is accommodated within existing practice. As a result, we reduced the number of observational visits to ten settings¹⁹. Again we used the ECERS-R scale but also supplemented this by gathering additional data on a range of factors, including: staff wages, staff turnover, qualifications levels and type of premises etc. This fieldwork was undertaken during June and July 2008. For further detail on this research strand please refer to **Annex D**.

Secondary data analysis - Year 1 and Year 2

In order to provide appropriate contextual information for the evaluation, a number of key secondary data sources have been consulted. These include the *Childcare and Early Years Survey 2007*, DCSF (Natsen 2007) and the *Children and Early Years Providers Survey*, DCSF (BMRB 2007). Where useful to do so we make comparisons between the findings of these data sources and our findings.

We had planned to undertake analysis of monitoring data collected from the pathfinder local authorities by Department. The purpose of this would have been to understand patterns and levels of take-up by parents, as well as different approaches taken to implementing the entitlement. The first wave of monitoring data was collected by the Department in September 2007 (and related to the period April - July 2007). However, because of changes to the format of the data collected and delays in its collection, we were unable to conduct any longitudinal analysis of this information for inclusion in this report.²⁰

Parental survey and telephone consultations with parents - Year 1 and year 2

The parental self-completion survey covered parents using a sample of providers in all 20 pathfinder local authorities. In light of early feedback from local authorities, it was agreed that the first parental survey would be delayed until the end of September 2007 (instead of June 2007) as more providers would be implementing the entitlement by then and more parents would be aware of their new entitlement. TNS Social led the implementation of the parental survey, with first year fieldwork taking place between October and November 2007, with the survey being distributed to parents via providers. The survey was then repeated in year two and was in the field between May and July 2008. We had 1,600²¹ parental responses in the second wave of the survey.

¹⁸ Harms T., Clifford R.M. 7 Cryer D. (2005) *Early Childhood Environment Rating Scale*, (Revised Version, New York: Teachers College Press).

¹⁹ We conducted observations in eight settings working in isolation and two settings that were working in partnership on the same site.

²⁰ We have not included details of the first wave of monitoring data in this report as this no longer accurately reflects the current position on implementation in the pathfinder local authorities.

²¹ The overall response rate was between 21% and 29%. We are unable to provide a precise figure because whilst all providers were asked to post back a reply slip confirming how many questionnaires they distributed to parents, not all did so. Therefore, we do not know the exact sample size for the survey or the response rate.

At the inception stage of the research, it was agreed that additional qualitative research, in the form of 50 semi-structured in-depth telephone interviews with parents taking up the new entitlement, would be undertaken. These interviews were with parents that had responded to the self-completion survey, and the interviews explored in more depth the awareness and impact of the new entitlement. Survey respondents were randomly selected for inclusion in the qualitative interviews but we sought to ensure the sample was representative of the whole respondent population. The first round of fieldwork was undertaken in December 2007 and the second wave of telephone consultations was conducted in July 2008. For further detail on this research strand please refer to **Annexes E and F**.

Literature review

A literature review was conducted by Dr Christine Stephen at the University of Stirling. The purpose of this was to explore the following:

- Any evidence available to suggest that children's experiences in preschool provision varies across the day or with attendance patterns.
- The features of preschool provision which are associated with any variation in the quality of children's experience, depending on time of day or attendance patterns.
- What can be learned from the research literature to ensure that children's experiences in extended preschool provision are satisfactory, regardless of time of day or the conditions of attendance.

For further detail on this research strand please refer to **Annex G**.

Presenting our findings

The Department's four research objectives for the evaluation placed considerably greater emphasis on the *deliverability* of the flexible extended entitlement and the nature of parental *demand*, than on the *impact* of the entitlement on parents and children or the *quality* of provision offered within it. The detailed findings from the different components of the methodology which addressed these objectives are presented in detail in the **separately available annexes** to this report. These are as follows:

- Annex A: Local authority consultation findings.
- Annex B: Implementation case study findings.
- Annex C: Provider self-completion survey findings.
- Annex D: Observational visit findings.
- Annex E: Parental self-completion survey findings.
- Annex F: Parental telephone interview findings.
- Annex G: Literature review.

This summary report provides a synopsis of the findings of the individual research strands reported on in the accompanying annexes. In the following chapters we present and synthesise the main findings in order to address the research questions set for each of the research objectives. Our findings are presented within the following chapters:

- Chapter 3 - Local authority approaches to implementing the new entitlement.
- Chapter 4 - Deliverability of the extended and flexible entitlement.
- Chapter 5 - Demand for extended and flexible early years provision.
- Chapter 6 - Impact of the free early years entitlement on children and parents.
- Chapter 7 - Evidence on the quality of extended and flexible provision.

Please note that we include a range of quantitative findings in our analysis, particularly in relation to the parental survey. Where the differences between quoted figures for this survey are statistically significant²² we clearly state this. In all other cases it should be assumed that differences in quoted figures are not statistically significant.

²² Significant at the 95% confidence level

3: Local authority approaches to implementing the new entitlement

Before considering the findings in relation to each of the four study objectives (assessing deliverability, demand, impact, quality), it is instructive first to review the range of different approaches taken by the pathfinder local authorities to implementing the extended flexible entitlement. These are considered in this chapter under the following themes:

- Planning the implementation of the extended flexible entitlement.
- Definitions of 'flexibility'.
- Delivery between 8am and 4pm versus 8am and 6pm.
- Funding arrangements.
- Challenges faced by local authorities.

How did local authorities plan the implementation of the extended flexible entitlement?

Table 3-1 provides an overview of the approaches that pathfinder local authorities have taken to implementing the new early years entitlement. It also highlights the extent to which the new entitlement is now being delivered universally across each local authority. It should be noted that 'coverage' refers to the proportion of settings that are now delivering 15 hours of provision, not the proportion of settings that are delivering these hours flexibly. It is not possible to accurately estimate the number of settings that are delivering flexibly as local authorities have not used a common definition, nor have all used the core definition suggested by DCSF²³. However, nearly three-quarters (73%) of the providers that responded to our self-completion survey stated that they allowed parents to use more than three hours of their free entitlement in a single day. Furthermore, over half (57%) stated that they would allow parents to use their full 15 hours of free entitlement over a minimum of three days in a typical week. These figures suggest that the majority of providers are offering at least some degree of flexibility.

In the table we have also included the number of part-time equivalent places filled by three- and four-year olds in each pathfinder local authority, to provide a sense of the scale of the challenge in implementing the extended flexible entitlement across the whole local authority.

²³ 15 hours over a minimum of three days; minimum of two hours in any one day, a maximum of 10 hours in one day, and a maximum of 13 hours over two days.

3: Local authority approaches to implementing the entitlement

Table 3-1: Local authority approaches in rolling out the new entitlement - (based on local authority consultations in May 2008)

Local authority	Part-time equivalent number of free early education places filled by three- and four-year olds ²⁴	Approach to implementing the new entitlement	Current provider coverage across the local authority (extended entitlement) ²⁵
Blackburn with Darwen	3,775	The new entitlement was rolled out on a borough-wide basis from the start of the pathfinder, with providers choosing to opt in to delivering the extended flexible entitlement.	100% of PVI settings, 100% of children's centres, and 43% of the maintained sector delivering the new entitlement.
Blackpool	2,735	The new entitlement was rolled out across the local authority from April 2007 onwards, as and when providers felt ready to start delivering.	100% of PVI sector and the majority of the maintained sector were delivering the new entitlement.
Derbyshire	14,460	The original plan was to implement the new entitlement across the whole local authority at the same time. They largely did this, but more recently have taken the decision not to promote it any further as their childcare sufficiency assessment found there were 75,000 unused childcare hours per term across the county. The approach of the local authority now is to ensure that 100% of children access their entitlement, not that 100% of providers offer it.	84% of all providers were delivering the extended entitlement and there were no plans to increase this number in the short term.
Gloucestershire	10,950	The new entitlement was implemented across the whole local authority at the same time.	96% of providers (including childminders) were offering the new entitlement.
Hampshire	24,450	A phased approach was taken to implementation, with 100 of 663 PVI providers starting delivery in phase one (07/08 academic year), 350 more PVI provider starting in phase two (08/09) and the remainder plus maintained settings starting delivery in phase 3 (09/10).	Approximately 17% of all settings were delivering the new entitlement and this was planned to increase to 65% of settings by the end of the 08/09 academic year.

²⁴ *Provision for Children under Five Years of Age in England* (DCSF, May 2007); figures based on January 2007.

²⁵ Please note that this figure relates to the proportion of providers now delivering the extended entitlement. Various models of flexibility have been identified and there is no common definition amongst local authorities; as such it is not possible to accurately identify the proportion of providers delivering 'flexibly'.

3: Local authority approaches to implementing the entitlement

Local authority	Part-time equivalent number of free early education places filled by three- and four-year olds ²⁴	Approach to implementing the new entitlement	Current provider coverage across the local authority (extended entitlement) ²⁵
Haringey	5,870	The new entitlement was implemented across the whole authority using a phased approach which meant that providers started to deliver from April 2007 onwards.	Approximately 35% of all providers were delivering the new entitlement. Take-up has been highest amongst voluntary settings, and private settings that need to fill places. Eight schools are now also participating. The local authority will continue to encourage providers to deliver the new entitlement (It should be noted that two providers in Haringey have recently dropped out of delivering any early years entitlement completely.)
Hertfordshire	24,000	The new entitlement was initially implemented in seven geographical clusters across the local authority, linked to phase 1 or 2 children's centre/Extended Schools communities, with providers commencing delivery from April or September 2007. By May 2008 the local authority was in the process of inviting all providers to start delivering the new entitlement on a voluntary basis.	Approximately 50 maintained settings and 60 PVI settings were delivering the new entitlement by May 2008. Overall this represents a relatively small proportion of settings delivering in the county. However, ongoing promotional work and roadshows were underway to boost these numbers and bring new providers on-board, and the pathfinder has expanded beyond the initial clusters.
Leeds	15,185	The new entitlement was implemented across the local authority from the start, and providers were invited to opt into the pilot.	92% of the PVI sector and 73% of the maintained sector had started to deliver the new entitlement.
Leicestershire	11,725	10 providers (spread over 6-7 districts) were initially allowed to start delivering the new entitlement in April 2007. A further 80 settings from across the county expressed an interest in delivering from September 2007, although not all started at that point.	75% of settings were delivering the new entitlement. Most of the remaining 25% comprise a high number of sessional providers with accommodation and staffing issues. A few private nurseries (including a corporate chain) decided they do not wish to deliver the new entitlement.
Newham	7,735	The new entitlement was initially implemented across the whole borough but did not include all providers; rather it was 'tested' in a representative sample of settings willing to take part in a pilot.	Approximately 10% of all providers were delivering the new entitlement. The remaining providers will be brought onboard by 2010.

3: Local authority approaches to implementing the entitlement

Local authority	Part-time equivalent number of free early education places filled by three- and four-year olds ²⁴	Approach to implementing the new entitlement	Current provider coverage across the local authority (extended entitlement) ²⁵
Peterborough	4,005	The new entitlement was implemented across the whole local authority in one go, but this happened in phases with providers commencing delivery between April 2007 and January 2008.	98% of providers were delivering the new entitlement. Those not delivering had issues with availability of premises which prevented them delivering additional hours.
Rochdale	4,775	The new entitlement was implemented across the whole local authority at the same time (April 2007). The local authority has strongly encouraged all providers to deliver the new entitlement.	All but one setting was delivering the new entitlement.
Sheffield	10,695	The new entitlement was initially implemented in two service districts within the local authority. Between them the two districts had approximately 55 providers which represented a good cross section of provider types. Providers in one district started delivery from April 2007, and providers in the second from September 2007. Providers in a number of the remaining districts started delivering in April 2008, and the final tranche are expected to start delivery from September 2008.	56% of all settings were delivering the new entitlement. With the exception of a very small number, the remainder of providers are expected to start deliver from September 2008.
Slough	3,185	The approach taken was to invite all providers to take part in delivering the new entitlement. (<50 early years providers operating in Slough).	Almost 100% of providers were delivering the new entitlement with the exception of a couple of nursery school classes and one private nursery chain.
Somerset	9,670	The new entitlement was implemented across the whole county with providers starting delivery between April and September 2007.	92% of providers were delivering the new entitlement. A number of voluntary sector settings have struggled to join the pathfinder because of issues of premises availability and therefore 92% coverage is likely to be the maximum in the short-to-medium term.
Sunderland	5,635	The new entitlement was implemented across the whole local authority but a phased approach was adopted with providers starting delivery between April and September 2007.	100% of providers (120) were delivering the new entitlement (over 70% of providers in Sunderland are in the maintained sector).

3: Local authority approaches to implementing the entitlement

Local authority	Part-time equivalent number of free early education places filled by three- and four-year olds ²⁴	Approach to implementing the new entitlement	Current provider coverage across the local authority (extended entitlement) ²⁵
Telford and Wrekin	3,710	A phased but local-authority-wide approach was taken to implementing the new entitlement with some providers commencing delivery of the new entitlement from September 2007, the majority starting from January 2008 and the remainder starting delivery in April 2008.	100% of PVI sector and 70% of maintained providers were delivering the new entitlement (with around three schools who were reluctant to deliver the new entitlement).
Worcestershire	10,925	The new entitlement was implemented across the local authority, with a phased approach meaning providers started to deliver the new entitlement from April 2007 onwards.	Up to 95% of the PVI sector and 50% of the maintained sector were delivering the new entitlement (the maintained sector is relatively small in Worcestershire).
York	3,370	The new entitlement was implemented across the whole local authority with a phased approach. PVI settings were able to start delivering from April 2007, but the maintained sector started delivery from September 2007.	87% of the PVI sector and 50% of the maintained sector were delivering the new entitlement. The expectation is that the remainder of maintained settings will start delivering before the end of 2008.

Source: SQW local authority consultations conducted in May 2008.

A variety of approaches have been adopted by local authorities to implementing the extended flexible entitlement. The different approaches adopted do not appear to have been directly influenced by the size of the local authority or the make up of the local provider market. For example, Derbyshire and Gloucestershire which are very large authorities went for full implementation across all providers from very early on. In contrast, Newham (a relatively small London borough) took a phased approach to implementation. Therefore, the evidence suggests that even the largest county authorities are able to implement fully across the local authority in a short time frame if desired and if resources in terms of officer time are available to support this.

For some local authorities the starting point has been a presumption of full implementation across all providers, whilst in others it has been more targeted (e.g. by geography and / or on the basis that providers opt-in to delivering the new entitlement when they are ready). There are a wide variety of reasons why local authorities did not attempt full implementation of the new entitlement across all providers from the start of the pilot. These include:

- Wanting to 'test' the new way of working with a small number of providers in the first instance to understand 'what works'.
- Concerns about full implementation stimulating greater demand from parents for more hours than can be accommodated, and the cost implications (e.g. some parents are not using the full 12.5 hours but if the hours went up to 15 then they may take their full entitlement and this would mean the local authority would have to pay for more than just a 2.5 hour increase in hours for each child).
- Operational issues of being able to promote the new entitlement to a large volume of providers and also offer them one-to-one support to ensure full implementation over a short timeframe.
- A desire for providers to start delivering the new entitlement willingly (e.g. a local authority may have gone for local authority-wide geographical coverage but asked providers to opt-in, rather than compelling them to extend their offer).

As of May 2008, 14 of the 19 pathfinder local authorities we consulted had in excess of 70% of their providers participating in delivery of the extended flexible entitlement. Perhaps unsurprisingly, provider participation was particularly high in those local authorities that adopted full implementation of the new entitlement from an early point in the pathfinder. Of the remaining local authorities with coverage of less than 70% of providers, three (Hampshire, Newham and Sheffield) had a plan in place to increase coverage incrementally over the next two years, and the remaining two local authorities (Haringey and Hertfordshire) planned to implement the new entitlement on a voluntary basis and hoped to encourage more providers to start delivering over the next two years.

Where local authorities had not secured full implementation there were a number of reasons for this:

- A phased approach to implementation was taken (as described above) and it was never planned that all providers would be delivering by May 2008.
- One pathfinder expressed a concern about encouraging providers to offer additional childcare hours when there is already a surplus of childcare hours available within their local authority.²⁶

²⁶ It was unclear whether the excess childcare hours were in specific parts of the local authority, and if these had been mapped against geographical demand and/or demand for particular types of provision.

- There are remaining providers that have not been able to overcome barriers to implementation, e.g. they operate from shared premises and are unable to access the space for long periods in order to offer extended provision.
- Providers have chosen not to participate in the pathfinder because of ongoing concerns about funding rates paid for delivering the early years entitlement.

How was flexibility defined?

The findings from our local authority consultations suggest that the new provision has been understood by the pathfinder local authorities as having two distinct elements:

- Extended provision only - allowing parents to access up to 15 hours of free early years provision.
- Extended and flexible provision - allowing parents to access up to 15 hours provision and giving them flexibility in how they use these hours.

The distinction between 'extended provision only', and 'extended and flexible provision' is important in understanding how the new entitlement has been interpreted and has been implemented in practice. In most cases it appears that a mixture of the two models has been implemented by local authorities as outlined in figure 3-1.

Figure 3-1: Extended provision and/or flexible provision

Extended provision only

A significant proportion of pre-pathfinder maintained and voluntary sector sessional provision was modelled on 5 x 2.5 hour sessions per week. Pathfinder providers in this group simply extended these sessions without adding any flexibility. In other words, they are extending their provision to 15 hours modelled on 5 x 3 hour sessions per week. However, local authorities reported that some are doing this as a first step towards introducing more flexible provision in the long term.

Extended and flexible provision

Providers in this group not only extend their free provision to 15 hours per week, but also allowed parents to take up this provision with greater flexibility than in the 'extended provision only' model. The degree of flexibility offered to parents varies between different providers. At one extreme providers invite parents to request more flexible provision but otherwise deliver the 'extended provision only' model. At the other end of the spectrum were full day care providers who have not usually had to alter their hours of operation as a result of the new entitlement. However, many sessional providers across the PVI and the maintained sectors reported to have sought to deliver some degree of flexibility in the hours that parents can use, such as including breakfast and lunch clubs to extend the traditional 2.5 hours, or to bridge the gap between morning and afternoon sessions, thus enabling children to use more than one session in a day.

Source: SQW local authority consultations, May 2008

3: Local authority approaches to implementing the entitlement

The definitions of flexibility that have been adopted by the pathfinder local authorities are detailed in table 3-2. As can be seen, these largely mirror the definition that was suggested by the Department²⁷, however there are a small number of exceptions. All local authorities complied with suggested delivery of the entitlement over three days, although York stated they would consider a two day model in exceptional circumstances. There is some variation in the minimum number of hours that parents use provision in a single day. The Department's guidelines suggest standalone blocks of no less than two hours. Hampshire and Peterborough have allowed one hour of entitlement to be used on a single day but the expectation is that this is topped up with paid provision to lengthen the block of time used (e.g. a parent might take six hours on two days, two hours on a third day, and then use one hour plus some additional provision purchased from the provider on the fourth day). In other instances local authorities have set the minimum standalone block of time that can be used at more than two hours. Usually this has been done in recognition that some providers will find it difficult and potentially unviable to offer such short sessions unless a parent is topping these up with paid hours on the same day.

The widest variation between the Department's suggested definition and the local authorities' definitions of flexibility relates to the maximum number of hours that can be used in a single day. The Department suggests a maximum of ten hours in one day, but eight of the 19 local authorities that we consulted had set the limit lower than this, at between six and nine hours as a maximum. This was usually based on a view within the local authority that 10 hours of early years provision in a day was detrimental to children, although it was not entirely clear where they had evidenced this or how they have decided on the optimum upper limit on hours to be used in a single day.

²⁷ Parents are entitled to access 15 hours of free early learning and care each week across a minimum of 3 days; parents will be able to access an entitlement over no less than 38 weeks (where the period is longer, parents will receive the offer for a number of hours proportionate to the length of the offer); parents are entitled to access the full entitlement across a maximum of two providers, except where the local authority deems there exceptional circumstances.

3: Local authority approaches to implementing the entitlement

Table 3-2: Pathfinder local authority definitions of flexibility

Local authority	Min. no. of days over which full 15 hours free entitlement can be used	Min. no. of hours of free entitlement that can be used in one day	Max. no. of hours of free entitlement that can be used in one day
Blackburn with Darwen	3 days	2 hours	6 hours
Blackpool	3 days	3 hours	9 hours Maximum of 14 hours over 2 days
Derbyshire	3 days	2.5 hours	6 hours
Gloucestershire	3 days	2.5 hours	6 hours
Hampshire	3 days	1 hour	10 hours
Haringey	3 days	2.5 hours	7 hours in one day (parents can use 14 hours over 2 days as long as they take up a full session i.e. longer than one hour on the third day - this additional time would be chargeable at the provider's standard rate).
Hertfordshire	3 days	2.5 hours	10 hours
Leeds	3 days	2.5 hours	6 hours
Leicestershire	3 days	2 hours	10 hours in one day Maximum of 13 hours over 2 days
Newham	3 days	2 hours	10 hours
Peterborough	3 days	1 hour (but only allowed this amount if also combining with additional 'paid' provision).	10 hours
Rochdale	3 days	2 hours	6 hours If parents want to use provision over 2 days they can have a maximum of 13 hours in total.
Sheffield	3 days	2 hours	10 hours in one day Maximum of 13 hours over 2 days
Slough	3 days	2.5 hours	10 hours
Somerset	3 days	2.5 hours	6 hours
Sunderland	3 days	2 hours	10 hours Maximum of 12 hours over 2 days

3: Local authority approaches to implementing the entitlement

Local authority	Min. no. of days over which full 15 hours free entitlement can be used	Min. no. of hours of free entitlement that can be used in one day	Max. no. of hours of free entitlement that can be used in one day
Telford and Wrekin	3 days	2 hours	10 hours
Worcestershire	3 days	2 hours	10 hours
York	3 days (2 days in special cases)	2 hours	10 hours

Source: SQW Consulting local authority consultations, May 2008

Delivery between 8am and 4pm versus 8am and 6pm

The Department divided the participating pathfinder local authorities into two groups: those with free entitlement being delivered between 8am and 4pm, and those delivering between 8am and 6pm. There appears to be no difference in the way that local authorities have implemented the new entitlement in relation to which of these groups they fell into. Indeed, many provides in the 8am-6pm pathfinder local authorities were unable to deliver as early as 8am or as late as 6pm. Conversely, there were providers within the 8am-4pm pathfinder local authorities that were able to offer provision beyond 4pm; this was especially true of the private day care providers. Therefore in practice the distinction between the two groups broke down.

How did local authorities fund the new entitlement?

Table 3-3 details the different funding models used by local authorities in the first and second years of the pathfinder. All local authorities were given a 20% uplift in funding by the Department for the first year of the pilot, to use in promoting the new entitlement and supporting providers in delivering flexible provision. It should be noted that many had not finalised their year two funding rates as they were still awaiting confirmation of funding allocations from the Department when consulted in May 2008.

In terms of hourly funding rates, only one local authority (Rochdale) offered differentiated funding rates (based on sector) during the first year. The flexibility uplift funding was used by other local authorities in a number of ways:

- Enhanced hourly rates for all or some of the 15 hours.
- Underwriting of places to support the development of new services and to test their feasibility (e.g. breakfast and lunch clubs).
- Purchase of equipment or enhancements to premises to allow for flexible and extended delivery.

Local authorities were able to make their own decisions on how uplift funding should be used to stimulate the local provider market to deliver extended flexible provision. A number of approaches emerged:

- All uplift funding passed on to providers as enhanced hourly rates.
- Some uplift funding used for enhanced hourly rates, coupled with a funding pot for one-off costs that would facilitate extended flexible delivery.
- Uplift funding only being used for grants for one-off costs that would facilitate extended flexible delivery (no enhanced hourly rates).

3: Local authority approaches to implementing the entitlement

Table 3-3: Local authority pathfinder funding models

Local authority	Year 1 hourly funding rates	Year 2 hourly funding rates	Additional information
Blackburn with Darwen	£3.19 per hour	£3.26 per hour	The 20% uplift funding was passported directly to providers that were able to demonstrate they could offer the entitlement flexibly. A maximum payment of £2,000 per term per provider was made.
Blackpool	£3.28 per hour Additional £3-£8 top-up for providers depending on level of flexibility	£3.38	Uplift funding was used to pay enhanced hourly rates in year 1 from £3 per hour for those providing sessional only care, up to £8 per hour for settings offering total flexibility all year round. Grants were also made available to settings to help them make alterations or purchase equipment that would facilitate the delivery of longer and / or more flexible hours. Funding was also used to provide ICT services to providers that allow them to manage the delivery of the new entitlement more easily, e.g. making funding claims to the local authority.
Derbyshire	£3.48	£3.55*	They provided additional funding to remove barriers to implementation and to improve quality, e.g. purchase of new outdoor equipment. There was a limit of £10,000 per provider, and they distributed all of their year 1 uplift funding via this route.
Gloucestershire	£3.18 for first 12.5 hours £4.01 for the additional 2.5 hours	£3.25 for first 12.5 hours £4.01 for additional 2.5 hours*	A Daycare Expansion Fund has also been offered to voluntary sector providers that want to expand to offer full day care. This has funded one-off costs that they might incur in the move to full day care provision, e.g. additional equipment.
Hampshire	£3.40	£3.50*	Providers are paid an extra 60p per hour if they deliver flexibly.
Haringey	£3.25 for first 12.5 hours £4.53 for additional 2.5 hours	£3.44 for first 12.5 hours £4.53 for additional 2.5 hours	Part of uplift funding from DCSF has been used to support providers in delivering more flexibly, e.g. purchase of equipment to set up a breakfast area. A member of the local authority team met with individual settings to discuss their requirements in order to facilitate flexible delivery.

3: Local authority approaches to implementing the entitlement

Local authority	Year 1 hourly funding rates	Year 2 hourly funding rates	Additional information
Hertfordshire	£3.32	£3.40	<p>In year 1, a £500 capital grant was made available for settings delivering the new entitlement flexibly, to support any costs involved in doing so. Additional uplift funding of between 10% and 30% per hour was payable to providers depending on their level of flexibility.</p> <p>Enhanced hourly rates for flexibility were also being used in year 2 but more bandings have been included and hourly uplifts in funding of between 5% and 35% are available depending of the level of flexibility offered.</p>
Leeds	£3.33 per hour for 12.5 hours £3.56 per hour additional 2.5 hours	£3.40 per hour*	<p>In year 1 only those providers delivering full flexibility also received an additional 71p per hour.</p> <p>Additional grants also available in year 1 to support providers in delivering extended and/or flexible provisions. Grants awarded ranged from £4,000 to £70,000.</p>
Leicestershire	£3.40	£3.47	<p>They used the 20% uplift by passporting the money directly to providers to offset any overspends on DSG caused by the success of our marketing strategy for the extended entitlement.</p>
Newham	£3.37 for first 12.5 hours £4.60 for additional 2.5 hours	£3.44 for first 12.5 hours £4.70 for additional 2.5 hours	<p>In year 1, settings were able to claim for one off funding for premises adaptations, training, recruitment costs and other resources relating to the delivery of extended and/or flexible entitlement. The average amount applied for was £10,000. This was unlikely to be offered in year 2 and they may move towards offering enhanced hourly rates for one year to settings starting to deliver the extended and flexible hours.</p>
Peterborough	£3.33 per hour	£3.62*	<p>In year 1 they had a pot of £850,000 (from flexibility uplift) which was used to support providers in delivering flexibly. They spent £426,000 over 69 settings and the money was used mainly for new equipment. The money that remained at the end of the year was distributed between providers with the amount they received based on when they started delivering the entitlement and the number of children in the setting, with the suggestion that funding should be used to support extended and flexible delivery.</p>

3: Local authority approaches to implementing the entitlement

Local authority	Year 1 hourly funding rates	Year 2 hourly funding rates	Additional information
Rochdale	<p>Voluntary sector - £3.06</p> <p>Private/Independent - £3.35</p> <p>Childminders - £3.00</p> <p>Maintained - £4.92 (for additional 2.5 hours only)</p>	<p>Voluntary sector - £3.12</p> <p>Private/Independent - £3.42</p> <p>Childminders - £3.06</p> <p>Maintained - £4.19</p>	<p>In year 1, a 5% uplift on hourly rates was paid to those extending their offer to sessions of 3 hours. Settings that were flexible between 8am and 4pm were able to access a 20% uplift on hourly funding rates.</p> <p>A capital fund was made available to support providers in delivering the new entitlement, however, there were no applications.</p> <p>In year 2 they piloted a new single funding formula (no uplift funding available).</p>
Sheffield	<p>£3.28 for first 12.5 hours</p> <p>£3.58 for additional 2.5 hours (maintained settings formula funded for 12.5 hours then £3.58 for additional hours)</p>	<p>£3.40</p> <p>(maintained settings formula funded for first 12.5 hours then £3.40 per hour)</p>	<p>In year 1 settings were given an additional 72p per hour if they were able to demonstrate flexible delivery of the 15 hours. They were hoping to have a similar model in place for year 2 but were still awaiting decision on funding allocation from DCSF in May 2008.</p> <p>Capital funding was also made available in year 1 from the General Sure Start Grant which amounted to £550,000 in Sheffield. Each setting was advised they could bid for up to £10,000 to help them in delivering extended and flexible provision. £320,000 of grants were awarded for refurbishment works, improvements to outdoor spaces and improved quiet spaces.</p>
Slough	£3.20 per hour	£3.30 per hour	20% uplift on hourly rates was given to providers delivering flexibly.
Somerset	£3.32	£3.41	The local authority used the year one uplift funding to offer a fund to providers to support them in delivering the new entitlement. They had 168 applications and awarded grants totalling £625,000. The average grant was between £3,000 and £4,000 and was typically used to cover additional rent, staffing costs, refurbishment and play equipment. There was a cap of £2,500 for capital expenditure in any grant awarded.

3: Local authority approaches to implementing the entitlement

Local authority	Year 1 hourly funding rates	Year 2 hourly funding rates	Additional information
Sunderland	Funding for additional 2.5 hours as follows: £466 per year (private) £340 per year (maintained) £466 per year (voluntary)	Funding for additional 2.5 hours as follows:* £487 per year (private) £332 per year (maintained) £487 per year (voluntary)	£100,000 funding was ring-fenced from the General Sure Start Grant to pay for capital projects that would ensure providers could deliver the new entitlement. Four maintained settings were funded to improve facilities, building expansions, new toilets and kitchen space. Uplift funding in year 1 was also based on the degree of flexibility. Providers had to fit within options, and then flexibility was formula funded with a set amount per place that was then multiplied by 2, 3 or 4 depending on the level of flexibility offered. Those that did not offer flexibility did not get an uplift.
Telford and Wrekin	£3.15 (3 year olds) £3.29 (4 year olds)	Private/independent - £3.42 Maintained - £3.55 for the additional 2.5 hours (existing 12.5 hours through school formula funding) Voluntary - £3.12 Childminder - £3.06	In year 1 all providers were paid an extra 60p per hour if they were delivering flexibly. In addition, providers were able to access one-off funding to help them to start delivering the new entitlement if they needed, e.g. equipment to support them in delivering longer sessions.
Worcestershire	£3.92	£3.84	All uplift funding from DCSF was used to enhance hourly rates in year 1.
York	£3.42	£3.48	In year 1 providers were given an extra 17p per hour if they delivered the extended hours flexibly. This figure was 16p additional per hour in year 2. A contingency fund of £100,000 was made available to support providers in implementing the new entitlement, e.g. new equipment and additional staffing costs. However, there was low demand for this and only £30,000 was awarded to providers.

Source: SQW Consulting (* final funding rate still not confirmed at time of interview)

3: Local authority approaches to implementing the entitlement

The majority of local authorities have taken a fairly cautious approach and have adopted a mixed model which has explicitly linked enhanced funding to the delivery of the additional 2.5 hours, and / or the offer of more flexibility. This has often been supplemented by one-off funding to facilitate the delivery of extended and flexible hours. In other words, funding has been targeted at encouraging changes in the provider market.

Where local authorities have made a decision not to offer enhanced hourly rates this was often based on not wanting to raise providers' expectations about future funding levels, and also concerns about the financial implications if take-up was higher than predicted. One local authority which provided significantly enhanced rates during the first year (for all 15 hours and irrespective of the level of flexibility on offer) had to deal with concerns from providers about the significantly lower rates that were to be paid in the second year. This is despite them informing providers that enhanced rates offered in the first year might not be available in the long term. In contrast another local authority also offered significantly enhanced rates but sought to manage provider expectations by making them sign an agreement in the first year to confirm their understanding that enhanced funding would not continue beyond the first year. As a result they have had less negative feedback from providers on funding rates for year two of the pathfinder.

There is no clear link between local authorities that have managed to secure extensive provider coverage in delivering the new entitlement, and those that offered enhanced hourly rates. For example, Blackpool offered extremely enhanced hourly rates for providers that were very flexible and secured full roll-out. In comparison, Derbyshire also secured almost full roll out without the use of enhanced hourly rates. There were three local authorities (Derbyshire, Somerset and Peterborough) that secured almost full roll-out without the use of enhanced hourly funding rates. In all three cases some form of uplift funding was used to facilitate the delivery of extended and flexible provision (e.g. one-off funding for equipment). There is no obvious difference between this group and the wider group of local authorities that offered enhanced hourly rates and achieved almost full roll-out.

Thus, the size of the local authority does not appear to have been a key factor in whether full roll-out has been achieved or not. Rather, it would seem the determining factors in achieving full roll-out are related to:

- Overall local authority approach at the start of the pathfinder (i.e. not all intended to implement full roll-out in the period covered by this evaluation).
- Officer time and resources available to promote the new entitlement to providers, particularly in big local authorities with a large number of providers.
- The structure of the local provider market, existing relationships with the local authority, and providers' willingness to engage with the delivery of the new entitlement.

Eleven of the local authorities we consulted had used at least part of the uplift funding to provide grants to providers to support them in being able to deliver extended and flexible provision by removing barriers to implementation. In most instances providers were made aware of the funding available and were able to bid for funding via an application in which they had to explain how the funding would be used to facilitate extended and flexible provision. With a few exceptions, the grants awarded appear to have been less than £10,000 per provider, and frequently they were much lower than this amount. There were no set criteria for awarding funding that were common across all local authorities. Awards were made for the following types of items:

- New play equipment.
- Equipment to support delivery breakfast and lunch clubs.
- Outdoor canopies or wet weather clothing to allow all weather play.
- Underwriting of places, rent or staffing costs in the short term.
- Minor refurbishment works.

A number of local authorities had difficulty in distributing all the money they had set aside as grants to facilitate the delivery of the new entitlement. In part this may be because they had a relatively short period of time to promote and distribute the funding. Although it may also be an indication that providers have not needed one-off grant funding to start delivering the new entitlement. Indeed, one local authority felt that with hindsight they probably funded things that providers would have bought anyway, and that the grants they awarded may have had little impact on encouraging providers to participate in delivering the new entitlement.

This assertion is supported by the implementation case studies, which suggest that whilst for many providers one-off funding was useful and they believed it had enhanced their provision, it did not actually remove a barrier to their participation in the pathfinder. In other words they may have participated in the pathfinder without this additional one-off funding. Indeed, when asked about the key barriers to extended and / or flexible delivery none of the providers highlighted equipment or suitable spaces as an issue. Issues related to billing arrangements, financial viability, staffing ratios and curriculum planning were the most common responses when questioned about barriers to delivery.

Whilst one-off funding may not have been the catalyst for providers' decisions to offer extended and flexible provision, our observational visits suggest that additional funding has had positive impact on settings in a number of cases. One example is a provider that had received pathfinder funding which was used to build an outdoor woodland nature area closely linked to learning around science. As a result, the provider's scores for science and nature on the ECERS-R scale improved between the first and second year of the study. In this instance the new outdoor woodland area would not have been developed without pathfinder funding. However, the link between this type of investment and its impact in facilitating extended and flexible provision is less clear. Rather, the benefits of this type of investment are likely to be felt by all children irrespective of their attendance patterns. In year two, local authorities had moved away from one-off grant funding to support providers in being able to deliver extended flexible provision. Eight local authorities indicated that they intended to continue offering some kind of enhancement on hourly rates in year two depending on the flexibility that providers offered, or for the additional 2.5 hours that are being delivered. However, when consulted in May 2008, most were still awaiting final confirmation from the Department about their funding allocations for the year, before finalising payment arrangements.

Implementation challenges faced by local authorities

In describing the challenges associated with delivering the extended flexible entitlement, unsurprisingly there was variation between local authorities reflecting local circumstances, but also some common challenges across pathfinders. These frequently related to the delivery of the existing early years entitlement (e.g. 'top-up fees' charged by providers, which is not an issue specifically related to the new entitlement). In the table below we highlight challenges that specifically relate to the implementation of *extended* and *flexible* entitlement.

3: Local authority approaches to implementing the entitlement

We identify the challenge or implementation issue identified by pathfinder local authorities, as well as the approaches they have adopted in overcoming them. It is important to note that there is no 'one size fits all' model of implementation, and that appropriate approaches and solutions will vary between local authority areas for a variety of reasons, such as the size of the local authority and the make-up of the local provider base.

Table 3-4: Local authority implementation challenges

Challenge	Solution
Encouraging providers to participate in the extended flexible entitlement	<ul style="list-style-type: none"> • Pathfinder authorities held workshops for groups of providers to explain the new entitlement and to address queries and questions. • Where there was not one dominant provider type in a local authority, some pathfinders found it useful to hold sector-specific briefing workshops or sessions to deal with implementation issues that might be specific to that sector. • One-to-one support to and visits to providers to offer them individual advice on overcoming practical barriers to implementation. • Local authorities have also developed portfolios of case studies which set out how different providers have overcome the challenges of implementation. • DCSF and pathfinders have produced FAQs documents that can be circulated amongst providers and which clearly set out the expectations for participation in delivering the new entitlement.
Local authority officer time to support implementation	<ul style="list-style-type: none"> • In large authorities the amount of office time needed to promote and support providers with implementation can be significant. It is important for local authorities to recognise the resource required to support implementation of the new entitlement. • Providing sector - or geographically specific workshops or briefings for providers can cut reduce the level of resources required, when compared with intensive one-to-one support. • Several pathfinders identified willing providers that were already delivering the entitlement as 'champions' to encourage participation by other providers. This could be extended to include settings already delivering acting as a 'buddy' for those that wish to participate.
Engaging with the maintained sector	<ul style="list-style-type: none"> • Several pathfinders reported that it was easier to begin implementation of the extended flexible entitlement in this sector at the start of the academic year as this fits with planning cycles. • One local authority seconded a head teacher in a school that was already delivering the new entitlement to visit others schools to promote it, and to offer advice and guidance on implementation. • Maintained settings can also be encouraged to think creatively about how the extension can be integrated within existing provision (e.g. use of breakfast, lunch and after school clubs to provide extended and flexible provision). • Where links are being made with breakfast, lunch and after school clubs, joint planning could be a key tool in ensuring co-ordination and quality outcomes from children, e.g. one of our implementation case study providers held joint staff meetings and planning sessions between the after school club provider and the school's foundation stage team.

3: Local authority approaches to implementing the entitlement

Challenge	Solution
Use of uplift funding to stimulate providers to deliver extended and flexible provision	<ul style="list-style-type: none">• Several pathfinders suggested exercising caution in the use of enhanced hourly rates; it can raise expectations amongst providers that cannot be maintained in the long term.• In implementing enhanced hourly rates, local authorities found it helpful to link this directly to the delivery of the extension element and/or on the basis of the degree of flexibility offered.• Small-scale grants were reported as being useful in supporting some providers in overcoming immediate but small obstacles to delivering the extended flexible entitlement (e.g. purchase of tables and chairs for lunchtime, and sleep mats). These were relatively low-cost and supporting providers with these purchased helped to foster 'good will' in relation to delivering the new entitlement.• Pathfinder local authorities identified that some settings may require physical changes or new equipment if they are to be suitable for delivering extended and flexible sessions (e.g. outdoor play space improvements).
Raising awareness of the new entitlement amongst parents	<ul style="list-style-type: none">• Local authorities reported leaflets, newspaper adverts and radio campaigns as being successful in raising awareness amongst parents.• Health visitors and other agencies working with families provide a further route to promote the entitlement.
Managing parental demand	<ul style="list-style-type: none">• Managing parents' expectations as to what they can access through the new entitlement (e.g. providers are offering different levels of flexibility), was identified as important by pathfinder local authorities.• The Department and individual local authorities have produced guidance on the minimum and maximum number of hours that a parent can expect to be able to access the free entitlement for in a single day.• Advice and guidance for parents on which providers can best meet their demand for particular patterns of provision.
Identifying demand for extended and flexible provision	<ul style="list-style-type: none">• The implementation and planning of the new entitlement should be closely linked to the findings of the childcare sufficiency assessment.• A number of local authorities have provided advice and guidance to providers on how to assess demand from parents for extended and flexible provision. This should include prospective parents and not just existing ones.

Source: SQW Consulting

In addition to the implementation issues identified in the table above, there were two additional challenges identified where less progress had been made in identifying solutions. These are described more fully below:

- **Transition points** - two local authorities expressed concerns about transitions between providers, particularly where children are using more than one provider either through formal or informal collaboration. The concern related to the extent to which transitions between settings are managed over the course of a day, or whether they are managed at all if children are attending one setting on one day and another setting the next. Where there are formal collaborative arrangements in place local authorities are encouraging providers to plan provision jointly. If arrangements are informal then this is clearly more difficult to manage. The implementation case study visits highlighted a couple of examples of seemingly good practice in managing transitions where both settings were co-located or in close proximity, e.g. joint staff planning meetings and sharing information on children's progress. However, we do not know if this approach has led to better outcomes for the children attending these settings. Local authority consultees provided no specific evidence that using more than one provider was detrimental to children rather, there was a concern that there is little evidence of the impact of such arrangements. This left some officers concerned about the extent to which such arrangements should be encouraged and facilitated. Further advice and guidance on the suitability of collaborative arrangements and good practice evidence could prove useful for local authorities and providers.
- **Impact of extended and flexible hours on children** - a challenge for some local authorities has been understanding the impact of new models of delivery on outcomes for children. The fact that a number of local authorities have restricted the number of hours that a child can take up the entitlement in a day to fewer than 10 hours (the maximum suggested under the Department's guidelines²⁸) reflects an anxiety amongst some about the length of time children should spend in such provision. This issue is largely unresolved, and our literature review also suggests there is very limited evidence available on the impact of flexible delivery patterns on outcomes for children. The latter is an area where further research could be beneficial.

²⁸ Based on the findings of the EPPE study

4: Deliverability of the extended and flexible entitlement

In this chapter we present our findings for the first of the four objectives for the evaluation, assessing deliverability. In understanding how providers have delivered the extended flexible entitlement and the challenges they have faced, we draw upon three key components of the work programme:

- Local authority consultation (Annex A)
- Implementation case studies (Annex B)
- The provider self-completion survey (Annex C).

How did local authorities promote the new entitlement to early years providers and encourage participation?

As outlined in Chapter 3, local authorities adopted a number of approaches to implementation which ranged from requesting all providers to participate, allowing providers to opt-in to delivery of the new entitlement, to a phased approach with some groups of providers targeted to start delivering earlier than others (e.g. based on geography or perceived readiness to participate in the pathfinder). We identified little evidence of local authorities implementing formal outreach strategies to encourage groups to participate in the extended flexible entitlement. However, there is evidence of a wide range of approaches being adopted in promoting the new entitlement to prospective providers.

The local authority consultations confirmed broad commonality with respect to the general approach adopted to promoting the new entitlement to local providers. All local authorities either hosted workshops or events arranged specifically to introduce the new entitlement, or 'piggy-backed' onto existing fora and groups which they used as a means of talking with audiences of providers. In some cases such meetings were fraught with initially negative responses from providers and lots of questions were raised about how the new entitlement would work in practice. However, such events are viewed as having been important because it gave providers an opportunity to raise their concerns and for local authorities to be able to respond to these. In most instances the issues and concerns raised by providers in the early stages of the pathfinder have been worked through and resolved, as further guidance has been issued by local authorities and the Department.

In some instances group meetings were held with a cross-section of different provider types, whilst in other cases sector-specific events were delivered. The latter approach was deemed important by a number of local authorities, particularly those not dominated by one particular provider type, as they identified that the barriers to implementation would vary between the PVI and maintained sectors in particular.

These workshops or briefings were typically complemented by some form of one-to-one support as needed, either through the use of 'surgeries' or visits to providers to offer tailored support. Again these have helped in dealing with individual, and often practical, concerns about participation, e.g. providing HR advice to support maintained settings with staffing issues such as extending contractual hours. The intensity of the one-to-one support provided has in part been related to the size of the local authority and the number of providers they have tried to include in the pilot. All local authorities were confident that bringing providers together was a good means of talking through implementation issues and encouraging participation. In the early stages of the pathfinder, providers are reported to have raised numerous potential barriers or difficulties for delivery, however, practical support and advice from local authorities has usually helped to overcome such concerns. Indeed, early concerns

often stemmed from uncertainty as to what delivery of the new entitlement would entail. However, both the Department and local authorities themselves developed a substantial body of guidance on how the entitlement should be delivered during the course of the first year, building on the experiences of early implementation.

For those that adopted full local authority implementation very early in the pilot there was an initial and sustained period of intensive work with providers through workshops and individual support, but this was reduced as the new entitlement became embedded and providers got used to the new way of working. For those local authorities adopting a staged or phased approach, the need for ongoing engagement of providers continued (and may do for some time to come).

The reaction from providers when the new entitlement was initially introduced by local authorities was mixed. In many respects this reflected the local context and provider market. Two local authorities (Blackpool and Somerset) were already either already delivering more flexibly or looking at more flexible delivery (respectively), thus the introduction of the new entitlement was less of a surprise to their providers, making implementation easier. Whilst there were some differences in provider responses across pathfinder local authorities, where issues were related to specific provider types there was more commonality. In Figure 4-1 we summarise the key themes that arose by provider-type.

Figure 4-1: Sector-specific challenges and solutions for implementation

Maintained sector providers - frequently raised issues relating to quality, curriculum and staffing. A concern amongst some schools was that they are being expected to provide 'childcare' which they do not see as their role, and that flexibility is about meeting the needs of the parent when their role is to meet the needs of the child. In some instances this sector is less used to planning early years provision over a full day and has been used to sessional planning. Teachers' contractual contact hours have also been an issue for delivering longer sessions.

Sector-specific briefings were one way in which some pathfinders sought to engage with the maintained sector. This provided an opportunity to discuss and seek solutions to the specific challenges faced by this sector in implementing the new entitlement. Where maintained sector providers have been involved in successful early implementation, it has also been useful for them to act as advocates for the new entitlement and to promote it within their sector, perhaps through attendance at related events, one-to-one discussions with other providers, and through the production of case study material.

Voluntary and community sector providers - have generally been enthusiastic about delivering the new entitlement but have often faced practical challenges in being able to do so. These include the availability of premises to deliver longer and / or more flexible sessions, and the need to change their registration from sessional to full day care providers if they are to deliver more hours.

Local authorities have frequently provided advice and guidance to providers in relation to changing Ofsted registrations, where this has been required. One way that local authorities have also supported providers in overcoming some of the practical challenges to implementation, such as premises availability, has been to facilitate partnerships between settings in order to deliver the free entitlement, such as the partnership brokered in Newham between maintained settings and a private provider to deliver the full 15 hours (described in more detail later in this section). Although this arrangement involved a private / maintained sector partnership it would be possible to replicate such a model within the voluntary and community sector, or across sectors.

Private sector providers - were more likely to raise concerns about fees paid to private and independent providers through the Dedicated Schools Grants. Many local authorities had private providers that were already unhappy about the rates for existing 12.5 hours free provision, and they did not want to deliver any additional hours at these rates. Several local authorities reported private providers which refuse to participate or had opted out of delivering the early years entitlement completely.

Some pathfinders have imposed a three hour minimum on the number of hours that a parent can use the entitlement in one day to ensure that providers are only being asked to deliver financially viable blocks of entitlement. In some instances providers have also set their own minimum number of hours of entitlement that a parent must use in a single day.

Source: SQW Consulting interviews, May 2008

Have providers collaborated to deliver the new entitlement?

The consultations with local authorities produced only limited evidence of new formal collaborative arrangements resulting from the implementation of the new entitlement. Where there were existing collaborative arrangements in place these were usually long-standing, e.g. a maintained sector provider working with a before / after-school club to offer longer sessions or full day care.

In the main parents appear to be left to 'join-up' and broker childcare options to fulfil their needs, for example obtaining a nursery place and finding a childminder to fill the required hours around this. Our parental survey found that 30% of respondents claimed to be using the free entitlement over more than one provider.

It would be impossible to consider the outcomes for children of using more than one type of early years and childcare provider through this evaluation, in part because so many parents supplement formal childcare with other types of informal care. However, where parents are leading in brokering arrangements between providers (e.g. involving a nursery and a childminder), it seems unlikely that any formal systems that exist would ensure the two (or more providers) are managing arrangements to ensure quality outcomes for children. Furthermore, this level of interaction is unlikely to be practical in many instances.

Where long standing arrangements exist, as was the case for a small number of the implementation case study providers, it is much clearer that joint working and planning is taking place to ensure quality outcomes for children. However, it should be noted that in such cases the collaborative partners worked from the same site or in very close proximity. Examples of how joint-working is facilitated are as follows:

- Staff members taking children between settings and ensuring that updates are given to the new care giver.
- Joint curriculum planning sessions.
- Attendance at each other's staff meetings.
- Sharing information on children's progress (e.g. through joint staff meetings, or during the 'hand over' process when a child moved from one setting to another during the day).

The Department's brief for this evaluation identified the Transformation Fund²⁹ as a resource for local authorities to use in encouraging collaboration. However, none of the local authorities we consulted specifically reported having used the Transformation Fund to encourage participation between sessional providers to deliver the extended flexible entitlement.

The findings from our 2008 provider self-completion survey indicated that 16% of providers were working in some form of partnership to deliver the extended flexible entitlement, and of these 86% were part of an informal arrangement. The implementation case study consultations with providers confirmed that most collaborative arrangements were informal, and very few were new arrangements resulting directly from participation in the delivery of the new entitlement. However, two examples were provided through the local authority consultations.

- **Newham** - four schools were delivering the 12.5 entitlement hours but contracted with a private provider to enable children to access the 15 hour entitlement. The local authority assisted the schools with tendering for this service and setting up the partnership arrangements once the contract was in place. This was found to be a simple way to support schools in delivering the extended entitlement as it overcame issues such as having to change staff terms and conditions.
- **Sheffield** - a school with a Sure Start children's centre attached to it formerly only provided wraparound care for the school. The children's centre did not offer the free entitlement and did not want to go into competition with the school. Instead the children's centre decided to work in partnership with the school delivering 12.5 hours of provision and the children's centre delivering the remaining 2.5 hours. This was offered in several forms, including a half hour breakfast club session each day. As part of the contract the children's centre had to feed back to the school on their

²⁹ Now replaced by the Graduate Leader Fund

assessments and observations of the children. In return, the school offered qualified teachers' input into the children's centre to offer help where needed, and joint planning was also undertaken.

How have providers implemented new patterns of delivery in response to the extended flexible entitlement?

In the provider self-completion survey we asked providers to indicate the minimum number of days over which parents could use their full 15 hours of free early years entitlement. More than half of all providers offered the entitlement over a minimum of three days (57%) and one-third (32%) required parents to use the provision over five days. This could suggest that the latter group delivered the extended entitlement only, without flexibility. Community and voluntary sector providers were least likely to allow the entitlement to be taken up over a minimum of three or five days (44% each). In comparison, the majority of maintained settings (73%) allowed parents to use the entitlement over a minimum of three days, with a figure of 61% for the private and independent sector.

We also asked providers to state the *minimum* number of free entitlement hours they allowed parents to use in one day. Over half (71%) restricted parents to using their provision in blocks of at least three hours per day, and just over one-third (31%) allowed parents to use fewer than three hour blocks in a day.

Providers were also asked to indicate the *maximum* amount of free entitlement that a parent could use at their setting in any one day. Responses were as follows:

- Less than three hours - 2%.
- Exactly three hours - 25%.
- Between three and five hours - 16%.
- Between five and seven hours - 41%.
- Between seven and ten hours - 15%.
- More than ten hours - 1%.

Caution should be exercised when interpreting these findings. We believe some settings may have misinterpreted the minimum day question in the survey form and understood this to refer to the minimum number of days over which they allow parents to use the setting, rather than the minimum number of days over which parents can use their free entitlement. For example, the maintained settings appeared to be very flexible in their delivery patterns (73% allowing the entitlement to be used over a minimum three days), however this is at odds with the feedback from local authorities and the information collected through the implementation case studies. This suggests that whilst maintained settings offered some degree of flexibility (e.g. providing a lunch club), it was probably not as high as the provider self-completion survey findings indicate.

All but seven of the 35 providers we consulted in 2008 as part of the implementation case studies offered some degree of flexibility in the way they deliver the extended early years entitlement³⁰. This is in line with the proportion that reported to be delivering flexibly in our first round of consultations in 2007. All of the private or independent providers we contacted were delivering the new entitlement with some degree of flexibly. Similarly, all but one of the maintained settings offered some degree of flexibility, which may appear surprising given the feedback provided by some local authorities on the difficulty of engaging the maintained sector. This flexibility included the use of lunch clubs to extend the length of sessions or bridge the gap between morning and afternoon sessions to provide full day care, and/or allowing children to access breakfast and after-school club provision as an extension to their existing sessions. In such settings this has allowed parents greater flexibility with regard to the way they use their entitlement, e.g. taking the entitlement over a smaller number of days, or using provision over five days but having the flexibility to purchase additional entitlement such as a lunch club session if they would like to. However, it should be noted that our maintained sample included two children's centres that were already offering full day care (pre-pathfinder), and that these were all maintained providers that agreed to join the pilot in the first year which reflected their willingness and enthusiasm to participate. A little under half of the voluntary and community sector providers we consulted offered any type of flexibility in the way that parents could use their 15 hours entitlement.

Availability and characteristics of provision offered between 4pm and 6pm

Our 2008 survey of providers found that 40% of all respondents offered provision between 4pm and 6pm. Interestingly, over half of maintained settings (53%) claimed this was the case, compared with 46% of private and independent settings and 25% of voluntary and community settings. However, it seems likely that maintained settings may have included the availability of 'after school clubs' when reporting provision delivered between 4pm and 6pm. This interpretation is supported by evidence from the implementation case studies, where the maintained settings we consulted were less likely to be offering the free entitlement between 4pm and 6pm than other types of provider (two of the 0 interviewed). Interestingly, five (half) of the maintained settings interviewed in 2008 as part of the implementation case studies stated that parents were able to access some form of provision between 4pm and 6pm if they wanted to, but they could not have this as part of their free entitlement. Several of those consulted were explicit in their view that provision during these hours constituted 'childcare' and not 'early years education', and as a consequence was not eligible for inclusion within the free entitlement. This is despite the fact that the EYFS has removed the legal distinction between education and care.

During our implementation case study interviews we also asked all those that offered provision between 4pm and 6pm whether they had faced any specific issues in delivering the entitlement during these hours. Only a handful of the voluntary and community sector providers (three out of the 13 interviewed) actually delivered provision during these hours and none were able to identify any specific issues related to delivery of the entitlement at this time of the day.

All of the private and independent settings (12) we interviewed offered provision between 4pm and 6pm, however, two of them did not allow parents to use their free entitlement during this period. In one case this was based on experience of fee-paying parents who were frequently late to pick up their children, and a concern that providers would not be able to charge a 'late fee' for parents using the free entitlement only.

³⁰ In this instance we define flexibility as meaning that providers did not restrict parents to using their hours over five days as three-hour blocks.

4: Deliverability of the extended and flexible entitlement

As with the feedback from the maintained settings, it is instructive to note that several private providers described the 4pm to 6pm slot as being different to the rest of the day. They offered the following comments:

Generally after 5pm we are offering a childminding service with tea and free play.

The problem with this time slot is that you can't make it a session in its own right....Most parents using provision at this time pick up their children between 5pm and 5.30pm.

For those paying children that do stay between 4pm and 6pm, the nursery does not offer focused activities. Firstly, if a parent comes to pick up a child during this time and interrupts the focused activity the child gets upset, and secondly there is not enough time to tidy-up after focused activities last thing in the day.

A key challenge for providers delivering between 4pm and 6pm appears to be how to structure this time, and whether in fact it falls within the category of 'childcare' rather than 'early years education'. The distinction between 'childcare' and 'early years education' was one that was made by providers themselves, despite the EYFS removing this distinction between these two aspects of early years education and care. The 4pm to 6pm time slot is a key transition point in the day for some providers with parents arriving to collect children during this period, which complicates the planning of activities.

Challenges faced by providers in delivering the new entitlement

Through our implementation case study consultations with providers and consultations with local authorities we collected feedback on the challenges that were faced by providers (of all types) in implementing the new entitlement. We describe these in the table below, alongside the approaches taken to overcoming these challenges.

Table 4-1: Provider challenges in implementing the extended flexible entitlement

Challenge	Solution
Curriculum planning - particularly an issue for sessional providers	<ul style="list-style-type: none"> Local authorities should continue to provide support to providers on the implementation of the EYFS and ensuring the curriculum meets the needs of children over the course of the day or week, rather than planning in small blocks of time or sessions. One pathfinder authority identified full day care providers as being a useful resource for sharing good practice in curriculum planning with settings that have traditionally worked on a sessional basis.
Overcoming the tension identified by some providers between 'care' and early years education'	<ul style="list-style-type: none"> Local authorities should continue to remind providers that the EYFS now removes the distinction between 'care' and 'early years education'. Encouraging providers to think creatively, e.g. breakfast and lunch session can be used to deliver aspects of the curriculum around language and communication, and should not be viewed as simply 'care' sessions.
Teacher contact time - concerns within the maintained sector that the extended entitlement would not allow for sufficient non-contact time	<ul style="list-style-type: none"> Using more than one teacher over the course of the day can ensure that all staff remain within their contractual contact hours. Use of level three staff to deliver breakfast/lunch clubs to extend the sessions available to children is another approach used by some maintained settings to ensure that contractual contact hours are adhered to. A number of local authorities also offered practical HR advice to providers on revising staff contracts, if this was needed.
Planning staffing cover and rotas	<ul style="list-style-type: none"> Staggering lunch and break times for staff is a solution that some settings have adopted in order to deliver extended and flexible sessions, whilst ensuring the correct adult:child ratios at all time. Many providers have recruited additional staff to supervise lunch periods, with a suitably qualified member of staff on duty at all times. One provider used 'flexible' contracts with staff whereby they work 40 hours over a 4 or 5 day period. This has helped them to manage staffing to deliver flexibly. Particular importance should be paid to ensuring adequate staff cover at key transition points in the day, e.g. when large numbers of children might be arriving or leaving at the same time, which requires staff on hand to settle children and also to pass on or receive information from parents / carers. A large number of providers also required parents to provide several weeks' notice of any changes to attendance patterns in order that staffing rotas can be planned in advance.

Challenge	Solution
Extending opening hours and/or the number of hours that children can attend each day	<ul style="list-style-type: none">• Sharing practice from full day care providers on how to manage the delivery of provision over longer periods, including sleeping and meal times.• The premises used by some providers may not be suitable for delivering extended and flexible provision, e.g. poor quality outdoor space, and it may be unrealistic for some providers to move away from sessional delivery limited to three-hour blocks per day.• A number of local authorities provided small grants to cover the purchase of sleeping mats, tables and other equipment if sessions and/or opening times had been extended, and providers reported this as being useful.• Purchase of equipment that can easily be stored away (e.g. stackable chairs) was identified as important for providers who want to extend sessions/opening hours but have limited space.• Defining quiet and sleep space for children who are attending extended hours, such as the use of dividers to segregate quiet space from active play space.• Local authorities have also provided practical advice and guidance to providers on changing their Ofsted registration from session to full day care provisions.
Managing charging arrangements for parents ³¹	<ul style="list-style-type: none">• Local authorities should ensure that the rules relating to the charging of 'top-up' fees are adhered to.• Some local authorities have provided practical support to providers on how to manage charging arrangements in a transparent fashion, and also on appropriate models for charging to ensure financial viability.• Some providers have sought to simplify charging arrangements by allowing parents to use their free entitlement for 'session' hours with breakfast and lunch club being payable as additional extras. In contrast, other providers have allowed parents to use lunch club/breakfast club provision as part of their free entitlement with any additional hours (i.e. more than 15) being charged at a standard hourly rate.

³¹ This relates to two issues, i) how providers discount the additional 2.5 hours from parent already using in excess of 15 hours provision per week, and ii) some providers are now offering parents the opportunity buy extra hours in addition to the free entitlement for the first time which has meant billing has been introduced.

Challenge	Solution
Extending hours when using shared premises	<ul style="list-style-type: none">• Practical support from local authorities on re-negotiating leases may be useful in some instances.• A small number of providers we interviewed had developed collaborative arrangements where another provider is close by and one setting would find it difficult to deliver the new entitlement alone. For example, in Newham a private provider is supporting a maintained setting by collecting children from the school and delivering the additional 2.5 hours at their site.
Brokering collaborative arrangements in order to be able to offer the new entitlement	<ul style="list-style-type: none">• In some instances there are practical and insurmountable reasons for a provider not being able to offer extended and/or flexible provision. Local authorities could support providers by brokering collaborative arrangements between providers to offer the entitlement.• One setting held an open day for childminders to identify interest in providing wrap-around care from late afternoon onwards when they were closed as they did not have enough demand to make this a viable option to deliver directly. This was done informally but provided a means of being able to link parents that wanted full day care or additional afternoon provision to another provider that can deliver this.• Where formal collaborative arrangements are in place, providers should consider joint planning and information sharing to promote positive outcomes for children.

Source: SQW Consulting

In our 2008 provider self-completion survey we asked respondents if they had experienced any difficulties in implementing the extended flexible entitlement. A little under one-third of providers (31%) indicated they had experienced some difficulties. The most common responses raised by this group were as follows:

- Staff rotas (48%).
- New billing arrangements for parents (34%).³²
- Curriculum planning (27%).

In addition, just over one-third of respondents (35%) indicated that they faced 'other' difficulties, including increased administration time, financial viability, and an inability to offer flexibility to parents due to shared premises or other constraints. A challenge for some providers was that although they were open all year round, parents only wanted to use them for the 38 weeks over which they could get the free entitlement, making it difficult for providers to fill the remaining weeks.

We used the implementation case study consultations to probe further into the challenges that providers had experienced in delivering the new entitlement, and specifically the flexible element of this. Most reported challenges related to the delivery of the extension element rather than the flexible element.³³ None of the implementation barriers reported by providers in delivering the extended entitlement appeared to be specific to particular provider sectors. However, a number of the issues relating to curriculum planning and staffing have been a particular challenge for providers previously working on a sessional-only basis, that are now offering extended provision or full day care.

Interestingly, providers did not identify equipment and suitable spaces as a barrier to the delivery of extended provision. However, a number indicated that they had received one-off grants to help them in delivering the extended entitlement, typically for the purchase of new play equipment or physical improvements to indoor or outdoor space. It would appear that whilst additional funding for such items has been appreciated by providers and has potentially enhanced provision we cannot conclude that the funding has removed a barrier to participation.

Costs associated with implementing extended and flexible delivery

In the provider self-completion survey we asked respondents to indicate the additional costs they had incurred as a direct result of participating in the delivery of the extended flexible entitlement. The most common responses were as follows:

- Staff - 68% of respondents.
- Equipment costs - 30% of respondents.

³² This appears to have been related to billing arrangements for parents using in excess of 15 hours for more than 38 weeks per year (i.e. how the provider should reflect the additional 2.5 hours of entitlement that parents were now entitled to within their overall childcare bill). In addition, some providers previously only offered the free entitlement and therefore did not have any direct billing arrangements in place with parents, whereas now they might offer parents the opportunity to purchase additional hours on top of their free entitlement, (e.g. breakfast club or lunch club sessions). These settings were billing parents for additional hours for the first time and have found that because parents purchased different levels of additional hours they needed individualised bills which incurred additional administration time.

³³ It should be noted that some providers were delivering the extended element of the new entitlement but not the flexible element.

- Catering costs - 22% of respondents.
- Rent - 21% of respondents.

In most instances the distribution of additional types of cost was evenly spread across provider types. However, private and independent providers and voluntary and community sector providers were much more likely to report incurring additional staffing costs than providers in the maintained sector.

Just under a quarter of providers reported that they had incurred no additional costs from delivering the extended flexible entitlement. Maintained settings were the most likely to report no additional costs (35%).

The findings from the provider self-completion survey were consistent with the findings from implementation case study consultations. However, our consultations found that providers offering full day care provision pre-pathfinder (and that continue to do so) were less likely to identify any additional costs, and were more likely to identify increasing costs that were non-pathfinder related (e.g. increasing electricity charges). It was impossible to pinpoint an exact cost associated with delivering extended entitlement because it varied so much between providers depending on the type and size of setting. However, with the exception of a number of private providers who considered themselves to be making a loss, the remaining providers consulted frequently commented that their additional costs were being covered through the additional revenue generated.

Costs associated with flexible delivery

The provider self-completion survey also asked respondents to indicate the specific cost implications of delivering the *flexible* element of the new entitlement. We do not believe that providers were able to distinguish accurately between the costs of delivering the overall entitlement from the costs involved in delivering flexibly (not least because all respondents answered this question, yet we know that not all are even delivering flexibly). This assertion was supported by the findings from the implementation case study consultations.

During the consultations, providers found the question on quantifying the cost of flexibility universally difficult to answer. Very few providers identified any specific costs that were related to flexible delivery. In a number of cases it was suggested that by offering provision flexibility, staffing costs had increased to support key transition points where children leave and arrive at the same time (e.g. over lunch time). One provider stated that previously all children left at a similar time after a morning session, and all children for the afternoon session arrived at a similar time, and that this was less resource intensive in terms of staffing.

Planning and administration time were also identified as an additional cost arising from the delivery of flexible provision. This related to increased time needed for curriculum planning, organising staff rotas, billing arrangements for parents and submission of funding claims to the local authority, in response to more flexible patterns of delivery. However, no provider was able to provide detail on the specific costs they had incurred through delivering flexibly.

Impact of the extended flexible entitlement on providers' finances

Through the provider self-completion survey we asked respondents to comment on the extent to which delivering the extended flexible entitlement had impacted on their organisation's finances. The largest proportion (42%) had experienced no change in their financial position. In contrast, 24% of providers stated that their finances were more healthy

and 8% that they had become less healthy.³⁴ Private and independent sector providers and voluntary and community sector providers were the most likely to report that their financial position had improved (27% and 25% respectively). However, private and independent sector providers were also the most likely to state that they were financially worse off as a result of delivering the new entitlement. A note of caution here is that at the time of the fieldwork we did have evidence that a small number of providers may be charging 'top-up fees' (although they did not necessarily know they were operating incorrectly as it related to a misunderstanding of the way in which the entitlement should be applied). If they were not doing so we believe the views on financial viability may be less positive amongst some providers.

We used the implementation case study consultations with providers to probe further on how the extended flexible entitlement had impacted upon their organisation's finances. Of the 35 providers consulted in 2008, 12 were confident that their financial position had improved since they started delivering the new entitlement, 16 had experienced no change, and seven believed their finances had worsened. The most positive responses to this question came from the providers operating in the voluntary and community sector. The private and independent sector reported mixed fortunes since starting to deliver the entitlement, and were far more likely to state that participation had had a negative impact on their organisation's finances. None of the 12 private providers we consulted had seen an improvement in their finances (in contrast with findings from the provider self-completion survey). Over half of the private providers interviewed (7) viewed the extended flexible entitlement as having had a negative impact on their finances. This is certainly higher than was reported during the 2007 provider visits, when only two private settings identified negative financial impacts.

When discussing the reasons for a decline in the health of provider finances in 2008, a range of factors emerged including those listed below:

- The uplift funding via enhanced hourly rates paid by some local authorities in year one had ended, causing a drop in income (it should be noted that local authorities did advise that additional funding may only be available for the first year of the pilot).
- There was dissatisfaction amongst some providers (usually in the private sector) with regards to the income they receive from the DSG for delivering the early years entitlement, and a belief that this does not reflect the true cost of delivering the entitlement; this was noted as being a particular issue where parents are not purchasing any additional entitlement on top of the 15 hours.
- Even where providers were more optimistic about the health of their finances in 2007, many experienced huge increases in gas, electric and food bills, and the hourly funding rates have not kept pace with these increases.

In conclusion it appears that where there was dissatisfaction or concern regarding the financial aspects of delivering the early years entitlement this was not related directly to the implementation of the extended flexible entitlement. Rather it related to an ongoing concern about the funding available via the DSG which has not kept pace with increasing fuel and consumable costs as well as increases in the minimum wage.

³⁴ A further 26% felt it was too early to estimate the impact on their setting of delivering the new entitlement.

5: Demand for extended and flexible early years provision

In this chapter we present our findings for the second of the four objectives for the evaluation, assessing demand. In understanding awareness, demand and patterns of usage of the new extended flexible entitlement, we draw upon the findings from four key components of the work programme:

- Implementation case studies (Annex B).
- Provider self-completion survey (Annex C).
- Parental self-completion survey (Annex E).
- Qualitative telephone interviews with parents (Annex F).

How was parental demand for the new entitlement established?

There is little evidence that local authorities planned implementation of the new entitlement based on any assessment of parental demand. In April 2007, few had completed their childcare sufficiency assessments, and the onus appears to have been on providers themselves to identify demand for extended and flexible provision. A number of local authorities reported that they had asked providers to consult with parents on their needs, and this was also confirmed during the implementation case study consultations with providers.

The findings from the provider self-completion survey indicate that just under half (45%) of all providers consulted with parents when planning for the extended flexible entitlement. Providers in the voluntary and community sector were most likely to have consulted with parents (54%) and the maintained settings the least likely (36%). Typically, the most common subjects covered during consultation were: length of sessions, opening hours, affordability and the number of days the setting was open for during the week. The most usual actions taken by providers in response to consultation feedback were to offer longer morning or afternoon session (67% and 43% of all providers that consulted, respectively). The implementation case study findings indicated that in consulting with parents, most providers spoke with existing and prospective parents on a one-to-one basis but a small number also distributed questionnaires to parents to assess demand. The response to questionnaires was mixed, and one provider expressed disappointment at a poor response rate from parents and lack of consistency in their responses. In our judgement this was largely a reflection of a poorly designed questionnaire and may point to a need for local authorities to provide additional support to providers in assessing demand.

Parents' awareness of the new offer

The 2008 parental survey findings indicated that overall awareness of the 15 hours of free early years entitlement was high amongst respondents (90%, compared with 89% awareness in the 2007). In 2008, respondents from a White background (90%) and those living in the least deprived quartile areas (94%)³⁵ showed higher levels of awareness of the entitlement than respondents from Black, Asian, Mixed or Other backgrounds (81%), and those living in the most deprived quartile of areas (86%). The difference between awareness rates amongst those living in the most deprived and least deprived quartile areas is statistically significant and could point to a need for more targeted marketing of the entitlement. Whilst there is no statistically significant difference between response rates for

³⁵ Based on Index of Multiple Deprivation (IMD).

those from a White background versus those from Black, Asian, Mixed or Other backgrounds, the survey findings could be suggestive of a need for additional awareness raising of the new entitlement amongst specific groups.

Awareness of the entitlement also varied between parents in different pathfinder local authorities, with highest awareness in Sheffield (97% of respondents in that area), compared with 73% of respondents in Newham. The success in Sheffield may be due to the targeted marketing campaign that was undertaken at the start of the pilot, which has been followed very recently by a local authority-wide marketing campaign with posters at bus stops, as well as radio and newspaper adverts.

The findings from the qualitative telephone interviews with parents suggest that most had been made aware of the 15 hours of early years entitlement via their provider. However, almost one-third of those interviewed had first become aware of the extended entitlement through another source including: word-of-mouth from a friend or family member, leaflet from the local authority, or through the Family Information Service. Local authorities and providers should therefore consider a range of media for promoting the entitlement, and target their communications at 'hard-to-reach' communities.

What has been the take-up of the extended flexible entitlement?

Take-up of any early years entitlement at a national level was extremely high in 2007³⁶ with 79% of three year olds, and 93% of four year olds using the entitlement. However, there were marked differences in take-up by three- and four-year olds depending on family characteristics. For example, 91% of families where both parents were working took up the entitlement, compared with 81% of families where only one parent was working, and 77% where neither parent was in employment. Amongst lone parents take-up was marginally higher where the parent was working (87%) compared with a non-working lone parent (85%). The amount of early years entitlement used nationally was as follows: 9% of children used less than 7.5 hours; 18% of children used between 7.5 and 12 hours; and 73% of children used 12 hours or more.³⁷

We do not have local data on take-up rates amongst three- and four-year olds in the pathfinder authorities³⁸ and are therefore unable to comment on whether take-up rates of early years entitlement amongst three- and four-year olds in pathfinder authorities have increased over the lifetime of the evaluation. However, the findings from the 2008 provider self-completion survey indicate that just over one-third of providers (37%) experienced increased demand from parents as a result of participation in the extended entitlement. In addition, 10% claimed that they had more consistent patterns of parental demand throughout the day, and 20% that the financial stability of the organisation had improved because of participation. This may suggest improved occupancy rates amongst some providers, however, we did not ask providers a direct question related to occupancy pre- and post-pathfinder and therefore we are cautious about the reliability of such inferences.

³⁶ Childcare and Early Years Survey 2007: Parents' use, views, and experiences' DCSF Research Report DCSF-RR025.

³⁷ Childcare and Early Years Survey 2007: Parents' use, views, and experiences' DCSF Research Report DCSF-RR025.

³⁸ The Department collects data on places taken up in the PVI sector (Early Years Census) separately to data on places taken up in the maintained sector (Schools Census) and it is not possible to aggregate this data to determine an overall take-up rate. Furthermore, prior to 2008 children using their entitlement at more than one setting would be counted as using a place at each of these settings. As a result, the number of places taken up in a local authority could be in excess of the number of eligible children in the same area.

The 2008 parental survey undertaken as part of this evaluation does give us an indication of the number of parents that claim to be using their full free entitlement. The survey findings indicated that a high proportion of parents (85%) used their *full* 15 hours of free entitlement. However, there was significant variation according to the characteristics of the respondent. As might be expected, full take-up was highest amongst respondents working full-time (91%) compared with non-working respondents (80%).

The proportion of parents using their full entitlement also varied by pathfinder local authority area³⁹. For example, 73% of parents in York and Gloucestershire claimed to be using the full 15 hours of free entitlement, compared with a figure of 94% for Blackburn, Blackpool, Rochdale and Sunderland. Interestingly, take-up of the full entitlement in 2008 was higher amongst parents living in the 25% most deprived areas (90%) compared with those living in the 25% least deprived areas (81%), despite the variations in levels of awareness observed above⁴⁰.

Finally, there was also a variation in take-up by provider type, with 94% of those using a maintained setting using the full entitlement, compared to 89% of those using private and independent settings, and 77% of those using a voluntary setting. There is a statistically significant difference between take-up of the full entitlement amongst those using the private, independent and maintained sectors versus those using provision in the voluntary and community sector. This finding from the 2008 parental survey mirrors findings from the implementation case studies, where almost all the maintained settings reported that all children were using their full entitlement, compared with more varied patterns of take-up between individual settings across other provider types. However, it is at odds with the take-up rates reported in the provider self-completion survey where settings reported (lower) take-up rates of 15 hours with between 62% and 67% of children using their full entitlement, across the key provider types. This may be explained by the large proportion of respondents to the parental survey stating that they used their free entitlement across more than one provider (30%). In other words, whilst the majority of parents were using their full free entitlement, they did not necessarily take it up in just one setting.

Through the two waves of the parental survey and qualitative interviews we also explored the reasons why parents did not use their full entitlement. We also discussed this with providers as part of the implementation case studies. Collectively, a number of key reasons emerged. These are a mix of parental choice issues and issues of availability:

- Parents wanting to spend more time with their children.
- Parents of younger children preferring to use fewer hours but to increase this as child gets towards school age.
- Parents who do not need to use the full entitlement - generally those not needing to access provision in order to work or undertake training.
- Providers not being open for 15 hours or unable to accommodate the hours / days required by parents.

³⁹ A note of caution is that the number of responses received varied between local authorities from 26-111 questionnaire returns and we cannot attach any statistical significance to these findings.

⁴⁰ We believe the difference between awareness levels of the entitlement of this group (86%) versus take-up of the full entitlement (90%) may be due to respondent error. In other words, respondents might not have realised the entitlement was for 15 hours, but they did know they were using all of the entitlement that was available to them.

How are parents using the new entitlement?

Take-up of the free entitlement over five or three days emerged as the most popular pattern for usage. The results of the provider self-completion survey indicated that patterns of usage for the full 15 hours of entitlement were as follows:

- Over five days - 58%.
- Over three days - 23%.
- Over four days - 12%.

It should be noted that the five-day pattern also includes parents that use full day care on a daily basis. The figures above are comparable with the findings from the 2007 Childcare and Early Years Survey⁴¹, which found that 55% of parents used early years education over five days, 16% over three days and 15% over four days. Our survey findings could suggest a small shift to take-up over three days has been stimulated in the pathfinder authorities, but the overall pattern is very similar.⁴²

Respondents to our 2008 parental survey were asked about the times and the days of the week that they use the provider that gave them the questionnaire⁴³. The use of provision was highest in the morning between 9am and 12pm. As with the findings from the first wave of the survey there was little variation in usage by weekdays, although take-up was consistently lower on a Friday. Unsurprisingly, very few respondents (less than 1%) used provision on a Saturday or Sunday.

The interviews with providers as part of the implementation case studies also indicated that take-up of provision was highest in the morning, and usage mid-week was most popular. It was suggested that the reason for the popularity of morning provision was to fit with siblings being dropped off at school, and that mid-week patterns particularly suited parents working part-time. This was supported by the findings of the parental telephone interviews with the majority of parents (35 out of 50) expressing a preference for when they wanted to use this provision, and of this group the majority (23) expressed a preference for morning provision. The reasons given were that morning provision coincided with working hours, start-times for their other school-aged children and for some, a feeling that their child was more alert and receptive in the morning.

It appears that high take-up of provision in the morning is largely driven by demand rather than simply being a consequence of what is actually available. Although some providers do not offer afternoon provision, even where providers were open both morning and afternoon they were still reporting that the highest demand was for the morning sessions (amongst parents not using full day care). Indeed 11% of parents that responded to the 2008 survey indicated that they would like their provider to be able to offer provision between 7am and 9am in the morning.

⁴¹ Childcare and Early Years Survey 2007: Parents' use, views, and experiences' DCSF Research Report DCSF-RR025.

⁴² However, the differences in methodology between the two surveys means that caution should be exercised when comparing the results.

⁴³ Note that we asked parents were asked about the hours of childcare they used but not how they split the early years entitlement across the week. Experience from 2007 indicated that parents were not always aware of the way in which the free early years entitlement was distributed across the week where they were using 15+ hours of provision per week.

Parents' view on the flexibility of provision

The 2008 parental survey conducted for this evaluation found that the majority (64%) of parents agreed that their provider offered hours that *“are flexible enough that I can choose exactly what hours I need.”* However, this figure varies depending on the type of provider they use. Only 49% of those using maintained providers agreed with this statement. In contrast, 76% of users of private / independent providers agreed with the statement. The degree to which parents agreed with this statement also varied between individual pathfinder local authorities. For example, 79% of respondents from Blackpool were happy with the flexibility of the provider, compared with 41% of respondents in Haringey.

Given the relatively small number of parents responding to the survey in each pathfinder local authority it is not possible to comment on the statistical significance of the difference observed between the two local authorities outlined above. However, there could be a number of reasons behind the seemingly high levels of difference in satisfaction. Blackpool chose full implementation early in the pathfinder and used incentives to encourage flexibility, making higher incentives available to the most flexible of providers. Furthermore, they allowed parents to spread their free entitlement over 52 weeks of the year, rather than the standard 38 weeks, which parents may perceive as being more flexible than restricting access to the free entitlement to term time only (38 weeks). In contrast, a relatively small number of providers were delivering the new entitlement in Haringey, resulting in parents having a potentially smaller pool of providers to choose from should they want to use their full 15 hours of entitlement in one setting only. In addition, in the first year of the pathfinder Haringey incentivised providers to offer the additional 2.5 hours through enhanced rates, but did not enhance funding rates based on the degree of flexibility offered. Therefore, providers may not have been incentivised to offer flexible patterns of provision.

Interestingly, when we probed in more detail for parents' views on flexibility during the in-depth telephone interviews the responses were less positive. Indeed seven of the 37 parents that originally agreed with this statement suggested that there were in fact times of the days and week that they could not currently access provision and would like to do so (almost all of these parents were in employment).

Parents using maintained and voluntary/community settings were more likely to agree that *“the hours offered are quite flexible, but I have to adjust working hours or other commitments to fit around the hours provided”* (29% and 24% respectively) than users of other private provision. Furthermore, 12% of users of maintained provision and 11% of users voluntary / community provision agreed that *“the hours offered are not very convenient and it limits my ability to work or meet other commitments.”* This could suggest that whilst maintained and voluntary / community settings offer some degree of flexibility, they are not fully meeting parents' demands for this.

As part of the parental survey and parental telephone interviews we probed the most important factors that influenced parents' choice of provider. The three factors that were most commonly identified by respondents to the 2008 survey as being important 'distinguishing factors' when making a decision on which provider to use were: a good general reputation (43% of respondents); friendliness of staff (41%); and proximity to home (37%). Opening hours, the flexibility of the provider and the price of childcare were not considered as such important factors, cited by 16%, 5% and 7% of respondents respectively. It was also clear through the telephone interviews with parents that 'flexibility' is not a primary determining factor in their choice of early years and care provider, and that parents sought to choose the most appropriate provision for their child, even if they could not always access the flexibility they would like.

Is there any unmet demand for early years education and care?

Through the fieldwork with providers and parents we sought to identify whether there was unmet demand for provision at particular times of the day, on particular days of week, or for particular patterns of provision.

In the 2008 parental survey, respondents were asked if they would like their provider to offer extra opening hours. The following responses were provided:

- During school holidays (13% of respondents).
- Early in the morning between 7am and 9am (11% of respondents).
- Later in the afternoon between 4pm and 6pm (9% of respondents).
- Over lunch between 12pm and 2pm (9% of respondents).

Working parents were most likely to identify they wanted additional opening hours in the form of provision being available between 7am and 9am and between 4pm and 6pm.

As part of the provider self-completion survey we asked respondents to indicate whether there were particular times of the day or week when demand outstripped the availability of places (based on their current opening hours). The majority of providers (60%) indicated that they had times in the week when demand outstripped supply. The most commonly cited time of the day or week when demand outstripped supply was in the morning between 9am and 12pm (44% of all respondents). Providers were least likely to report excess demand between 4pm-6pm (3% of respondents) or before 9am (4% of respondents).

We elicited additional feedback on demand for places through the implementation case study interviews with providers. These consultations reinforced the findings from the provider self-completion survey; whilst providers were not consistently full across the week, they frequently experience times when parental demand for places cannot be met. They most commonly referred to excess demand for morning provision. However, it should be noted that whilst parents might express a preference for morning provision from a setting, providers reported they were often happy to use an alternative session if available, particularly if they are not in employment.

6: Impacts of the free early years entitlement on children and parents

In this chapter we present our findings for the third of the four objectives for the evaluation, assessing impact. In understanding the impact of the extended flexible entitlement on parents and children we draw upon three key components of the work programme:

- Implementation case studies (Annex B).
- Parental self-completion survey (Annex E).
- Qualitative telephone interviews with parents (Annex F).

Impact of the new entitlement on children

In the first year of the study we used the implementation case study visits with early years providers to explore their views on the benefits of the new entitlement. Over a quarter of providers identified additional benefits for children arising from the new entitlement, most commonly suggesting a positive impact on children's social skills. Meal times were identified by some providers as being particularly beneficial in developing children's social skills. A number of providers also felt that longer sessions were useful in preparing older children for school. The results from the parental surveys conducted for this evaluation in 2007 and 2008 also indicate that parents are positive about the time their children spend in early years education and care⁴⁴. Please note that the benefits reported are related to the time children spend in early years education, and not to the new extended or flexible entitlement.⁴⁵ These are described in more detail below.

Social skills

In 2008, 96% of survey respondents slightly or strongly agreed that attendance had improved their child's social skills. In the parental telephone surveys we probed for examples of improved social skills. Examples provided by parents included:

- Mixing with other children.
- Learning to share and play.
- Preparation for school.
- Increased confidence in social situations.

⁴⁴ The questionnaire asked parents a closed question on whether they agreed or disagreed that the time their child spent in early years education and care had a positive impact on routine, social skills, behaviour and communication skills.

⁴⁵ It would not be possible for parents to directly attribute the benefits of the additional 2.5 hours or provision or flexible delivery of this provision to positive impacts on their child

Routine

Positive effects were also identified by the majority of parents (84%) when considering the impact of early years education and care on their child's routine. Again, we used the parental telephone surveys to probe for evidence of positive routine-related benefits. Parents also referred to the stability and structure that provision was bringing to their child. They referred to the set structure of provision and how their child knew which activities would take place when they attended. Many also said that their child benefited from knowing where they were going each day (or on particular days of the week), and understanding why they needed to get ready to go out. Several thought these benefits would have a direct impact in helping their child prepare for school.

Communication

Parents were also overwhelmingly positive when considering their child's communication skills, and 91% of respondents reported positive impacts resulting from early years attendance. When probed for further detail during in-depth telephone interviews, most respondents mentioned that their child's vocabulary had greatly increased. Many felt that this resulted from their child being involved in a range of activities such as reading stories, singing phonic songs and also from the fact that children were encouraged to talk about different topics to a variety of people. Many parents who stated that their child was shy mentioned they had gained the confidence to talk more since they started using early years education and care. Furthermore, two parents in families where the first language is not English mentioned that their child's English language skills had improved.

Behaviour

Fewer parents were positive about the behavioural effects observed in their child, although views were still largely positive with 72% of 2008 survey respondents stating there had been some positive impact. Interestingly the characteristics of the respondent also had a bearing on how positive they were about the impact of time spent in early years education and care on behaviour. Eighty per cent of lone parents identified positive behavioural benefits compared with 70% of respondents in two-parent households (statistically significant)⁴⁶. There is also a difference, although less marked, between respondents from Black, Asian, Mixed and Other backgrounds⁴⁷ and respondents from a White background levels of positive responses in relation to behavioural benefits, with figures of 77% and 71% respectively (although not statistically significant).

Other positive impacts

As well as the benefits outlined above, parents in both waves of the telephone survey identified additional positive outcomes resulting from time their child spent in early years education and care. For example, access to wider range of activities than would be available at home, increased cultural awareness and greater independence.

⁴⁶ 15% of the total survey respondent population classified themselves as a lone parent.

⁴⁷ 88% of the total respondent survey population classified themselves as "White" when asked about their ethnicity.

Negative impacts resulting from time spent in early years education and care

In both years of the study parents were overwhelmingly positive about the impact of early years education and care when they completed the questionnaire given to them by their provider. We therefore wanted to test whether parents were being “*over-positive*”, perhaps for fear of their comments being reported back to the provider.

We used the telephone surveys with parents to explore whether they felt there were any negative impacts resulting from their child’s use of early years education and care. In both waves of the parental survey the majority of parents reported no negative impacts. Fifteen (of 50) parents interviewed in 2008 identified negative impacts related to behaviour (e.g. children picking up “*naughty*” words or bad habits from other children). Where parents suggested negative impacts related to behaviour, this was usually accepted as being part and parcel of the childcare and early years experience. Three parents also reported additional negative impacts related to the time their child spent in early education and care. One parent felt that her child was quite “*hype*” when coming home from the provider; another said that her child was struggling to fit in with other children; and another felt their child had developed a “*dependency*” on playing with other adults or children all the time, creating difficulties at home.

Impact on parents of the new entitlement

Both waves of the parental survey indicate that the free entitlement has had positive impacts on parents. We asked respondents about the impact that the entitlement has had on their lives. The responses can be grouped according to whether they related to work, time, care, study or finances.

Work-related benefits

Work-related benefits were the most commonly cited type of benefit reported by 2008 survey respondents, with just under half (48%) stating that they can now work full- or part-time and/or that it is now more worthwhile for them to work because of the free entitlement. We used the in-depth telephone interviews to explore with parents in more detail the work-related benefits that have resulted from the free entitlement. Almost half of the parents (22 out of 50) interviewed in 2008 had experienced a change in their working hours in the last six months. Of this group, 12 had decreased the number of hours they worked and 10 had increased them.

For those who had decreased their working hours, this was most commonly related to the fact they had gone on maternity leave or otherwise had increased their family or care-related commitments. Other reasons included changes in working patterns because of an inflexible employer, moving abroad and variable workloads resulting from freelance employment. One parent reported that the new entitlement had impacted on her change in working status because the lower childcare bill had made it more affordable for her to have another child. Similarly, two of the parents interviewed in 2007 reported a reduction in the number of hours they worked because of the extended entitlement. In this instance parents reported they now had more “free childcare” and could reduce the hours they worked without being any worse off financially.

Amongst the group of ten parents that had *increased* their working hours there were a wide variety of explanations including:

- Childcare is now more affordable so it is financially advantageous to work.
- They were now happier for their child to spend longer in early years education and care because they were approaching school age.
- Now they are happier for child to spend longer in early years education and care as they are approaching school age.
- Financial reasons.
- Return to work after maternity leave.
- Starting own business.
- Moving into employment after completing training.

We asked these parents to what extent they thought the availability of the extended flexible entitlement had impacted on this increase in working hours. Four of the parents indicated that the availability of the 15 hours of free entitlement has had an important impact on their decision to increase their working hours. Most felt that the entitlement had made childcare more affordable. One parent was also able to start a training course because it made childcare less costly and gave her the time to prepare for her course.

The majority of parents (28 out of 50) that took part in the 2008 parental telephone survey had not changed their working status in the last six months. However, 11 parents within this group mentioned that the free entitlement was an important factor in them being able to access employment and training. Indeed five parents explicitly stated they would not be in employment were it not for the free entitlement as their childcare costs would have been prohibitive.

It is clear from both the parental surveys and subsequent in-depth interviews with parents that the free early years entitlement is an important factor in parents' ability to make choices in relation to employment and/or training, and to the financial well-being of families that are working or accessing training at all. However, whilst parents have attributed employment-related impacts to the new entitlement it is not possible to ascertain how much of this benefit can be attributed directly from the additional 2.5 hours of the entitlement, or indeed to the flexible aspects of the provision.

Other benefits for parents

Twenty-six per cent of our 2008 survey respondents cited time-related benefits resulting from the free entitlement. For example, they or their partner had more time for themselves, or could pursue interests such as volunteering or home improvements. A similar proportion (24%) cited care-related benefits, with the free entitlement allowing them to spend more time with other children or care for other relatives. A further 12% of respondents claimed that the entitlement had had no impact on their life.

Ongoing childcare related barriers to accessing employment and/or training

Eighteen of the 50 parents taking part in in-depth telephone interviews in 2008 indicated that they still faced childcare-related barriers that made it difficult for them to access the type of training or employment they would like. The two main barriers identified were as follows:

- The cost of childcare provision was too high (8 parents); amongst these, 6 mentioned it would not be cost effective for them to increase their hours of employment, or to enter employment or training because of the cost of childcare.
- The opening hours of providers were too restrictive and did not coincide with working hours or hours of training (6 parents); amongst these parents, two said they were unable to access the training of their choice as the hours did not coincide; one mentioned that she had to arrange someone to drop off and pick up her child and another mentioned that the type of work typically available in their local area was factory and shift-based, and that it was hard to find a provider that could match shift patterns.

7: Evidence on the quality of the extended and flexible provision

In this chapter we present our findings for the last of the four objectives for the evaluation (assessing quality). We draw upon the findings from the observational visits in early years settings (Annex D), and our literature review of evidence on quality related to extended and/or flexible delivery patterns (Annex G), to discuss the impacts on quality that might arise from the implementation of the new entitlement.

Literature review evidence on flexible attendance and quality

We undertook a literature review to identify any lessons about quality in early years education related to extended or flexible attendance patterns, considering a number of key questions relevant to the implementation of the new entitlement. A full bibliography detailing the literature reviewed is provided in Annex G.

What evidence is available to suggest that children's experiences in early years education and care vary across the day or with attendance patterns?

The literature review revealed little direct evidence that children's educational and care experiences and interactions with adults and children in early years provision varies across the day, or with attendance patterns. In general, setting-level considerations of quality and outcomes have been the focus of studies, rather than the reactions of individuals or within-programme fluctuations. There is some evidence that total time spent in non-maternal care early in life is associated with particular forms of behaviour difficulty at later stages, and conflicting evidence about the impact on cognitive behaviour of more hours in group settings. There is no evidence that attendance for full day or shorter sessions is clearly related to better outcomes.

One study found no evidence of changes in children's levels of satisfaction across the day and suggested that all-day provision was a predominantly positive experience under certain conditions⁴⁸. However, there are some findings that offer indirect suggestions that the hours spent in a setting and varying attendance patterns can influence children. The evidence about the rise in cortisol⁴⁹ levels across the day after several hours in group settings suggests that some children at least may experience this as stressful, although this may not be observable. Having a flexible attendance pattern is associated with less compliant behaviour towards practitioners but seems not to impact on other aspects of social behaviour. A number of studies have pointed to the ways in which children's temperaments, family circumstances and individual preferences interact with the care and educational environments, suggesting that setting-level judgments of quality and social/emotional climate will cover a range of daily individual experiences.

⁴⁸ Stephen C. (2003) What Makes All-Day Provision Satisfactory for Three and Four Year Olds? *Early Child Development and Care*, 173, 6, pp 577-588.

⁴⁹ Cortisol is a hormonal product involved in the regulation of stress and emotions. It is used by researchers to express the level of stress that children are experiencing.

Which features of early years education and care (distal and proximal⁵⁰) are associated with any variations in the quality children experience depending on time of day or attendance conditions?

The studies reviewed suggest that to maximise the quality of children's early years experiences when attendance is extended or flexible settings should:

- Enable practitioners to focus on the needs of individuals for positive adult-child interactions.
- Manage the relationships between children and adults and children to reduce social stress.
- Offer conditions that foster the development of a strong peer culture.⁵¹
- Have a wide range of activities from which children can choose.

Across the evidence reviewed a common feature is the importance of the nature of adult-child social and pedagogical⁵² interactions for cognitive and social or behavioural development. While these are essentially proximal features of provision they do rely on more distal aspects of setting management to enable practitioners to work in appropriate ways and monitor the effectiveness of practice from the perspective of individual children.

What can be learned from the research literature to ensure that children's experiences in extended day early years education and care are satisfactory, regardless of time of day or the conditions of attendance?

The literature suggests a deceptively succinct response to this question - that all children should be offered high quality provision that supports their cognitive and social development (regardless of family circumstances), and that they should enjoy warm and responsive interactions with adults, tailored to their particular needs and temperaments. But meeting this prescription for individual satisfaction and development in group care settings with staffing, financial and resource constraints is challenging. Both distal and proximal features of provision are important to children's experiences and process quality is often related to structural aspects. There is evidence that process quality is influenced by staff wages, turnover, level of fee income or other financial support, adult-child ratios, staff attitudes and professional education and the nature and implementation of government regulations.

The research literature has much to offer about the nature of high quality provision and effective early years pedagogy and there is international evidence that provision is available that meets policy goals for developmental gains (although the extent to which good quality provision is available to all varies between countries and states or regions even within the developed world). However, there has been much less attention from policy makers, funders and researchers to the implications of variations in the nature of the 'demand' for early

⁵⁰ Distal – actions or activities undertaken at a distance from children, where children are not present or are away from the playroom and outdoor play spaces. Examples include team discussions to evaluate projects or activities, writing an account of a child's progress and deciding on next steps, e.g. sourcing appropriate software for a computer. Proximal - actions or activities undertaken directly with a child present, e.g. sitting alongside a child while they complete a puzzle, promoting exploration in the garden or suggesting an addition to a drawing.

⁵¹ Supportive interactions amongst children that do not depend upon adult mediation.

⁵² In this context pedagogy refers to any activity taken by practitioners that promotes learning. This includes direct activity such as questioning, modelling, scaffolding a task by offering physical support or breaking it into manageable portions, and indirect activity such as planning and selecting resources.

education and care for outcomes at a societal and individual level. There is a need for more research into the outcomes of varied and flexible attendance patterns at the level of policy implementation and outcome and at the level of individual experiences of well-being and satisfaction with everyday experiences.

Observational visits findings

In 2007 we conducted observational activity in 19 different settings implementing the new entitlement (all of which we visited as implementation case studies), using the Early Childhood Environment Rating Scale (Revised Version, ECERS-R)⁵³. The purpose of the observational visits was to make a small scale assessment of the quality of provision in settings that were delivering the extended flexible entitlement. We followed this up with further focused observational visits covering 10 provider settings in year two of the study.

We conclude that for the case study settings visited (and probably more widely) accommodating children for extended and flexible hours is manageable, has little or no impact on children's experiences during the 'traditional sessions'. However, it could be further developed to enhance the experiences of individuals and ensure that good quality provision is offered in appropriate ways across the opening hours and over personalised attendance patterns. This is not to deny the challenges of coping with individual needs and preferences in what is essentially 'group' provision nor to under-estimate the cost in terms of physical resources and staff time. However, some amendments, such as improving facilities for children to relax in cosy and comfortable areas when they need it during the course of the day, could be made with relative ease and at modest expense.

In order to make our observations about the quality of provision for children attending for extended and flexible hours we employed a battery of tools and indicators. Assessing the quality of provision during non-standard hours is likely to be a matter of increasing importance and therefore it seems necessary to develop a reliable and validated tool which can be used by external evaluators and practitioners involved in self-evaluation and reflection on practice. Our observations suggest that the following features should be taken into account as likely to be particularly important for the quality of children's experiences during extended and flexible hours:

- Comfortable and cosy spaces for relaxation when children choose.
- Space and permission to spend time in privacy or secluded from the main group and the bustle of the playroom.
- Accessible outdoor space with a variety of surfaces and resources that facilitate a wide range of gross motor activities and allow for use of the outdoor space in inclement weather.
- Arrangements for meals and snacks that take account of the pattern of the individual's day and offer healthy options in a warm, calm and sociable environment with adults and other children.
- Schedules that ensure that all children have access to the full range of curricular areas and pedagogical interactions and maximise the choices available during, before and after sessional provision.

⁵³ Harms T., Clifford R.M. & Cryer D. (2005) *Early Childhood Environment Rating Scale*, (Revised Version, New York: Teachers College Press).

7: Evidence on the quality of the extended and flexible provision

- Arrangements for practitioners to have conversations with children and their parents when they arrive and leave while those already present or remaining in the playroom continue with their activities with appropriate adult attention.
- Scheduling 'free-play', small and large group time to give all children experience of these different learning opportunities but avoiding those who have non-standard patterns having disproportionate experiences of any of these forms.
- Managing meal times, snacks and rest periods flexibly to complement individual schedules.
- Making plans (drawing on professional practice) to support all aspects of development across the whole time a child spends in the setting, not just for 'session hours'.

8: Conclusions

This final chapter summarises the overall conclusions of the evaluation and identifies a broader set of issues and challenges that might usefully be considered by the Department in relation to the national roll-out of the new entitlement.

Local authority approaches to implementation

Local authorities have found it useful to develop guidelines on the minimum and maximum amount of entitlement that can be used in a single day, as well as specifying the minimum number of days over which the entitlement can be used. In part, sometimes this has been done to re-assure providers that they are not being asked to deliver financially unviable small blocks of provision. Furthermore, this detail has also been useful in managing parents' expectations on the degree of flexibility available.

There was very limited evidence to suggest that local authority success in encouraging providers to deliver the new entitlement flexibly could be directly attributed to uplift funding in the form of enhanced hourly rates. Some local authorities have involved all providers without offering any enhanced hourly rates, and a number have also been left with surplus uplift funding. In other areas the withdrawal of uplift funding in the second year has disappointed providers. Our evidence indicated that while many providers have benefited from uplift funding in the form of enhanced hourly rates or one-off grants, it was not required by some, and for others its subsequent withdrawal could act as a disincentive. However, it seems likely that in many cases additional funding via enhanced hourly rates or one-off grants has secured 'good will' amongst providers.

It was universally difficult for local authorities and providers to estimate the additional costs involved in delivering extended and flexible provision, primarily because there is no 'one size fits all' approach to implementation and also because the costs vary between individual providers. Most of the identified additional costs relate to delivering the extended element, (e.g. staffing and additional equipment to support the delivery over longer sessions). There is no doubt that some providers have benefited by accessing one-off funding to enhance their setting (e.g. by purchasing improved outdoor play facilities). Assessing individual providers' additional requirements to deliver the new entitlement is likely to remain an important aspect of local authority coordination during the national roll-out.

We would recommend that the availability of additional funding to stimulate implementation remains as the pathfinder is rolled out nationally. This could be linked to any assessment of provider suitability for delivering the extended flexible entitlement with funding made available to address any weaknesses identified (e.g. creation of all-weather outdoor play space). Local authorities are best placed to judge the way in which flexibility can be stimulated locally, and this should be considered as part of their development work on the single formula funding which should be in place by 2010.

The implementation challenges identified by local authorities have largely been overcome, although issues remain in relation to some providers' concerns about the funding rates offered for delivering the free entitlement. However, this is not an issue related specifically to the new entitlement. Remaining implementation challenges for local authorities concern a need to understand better the impact on children of extended and flexible provision, and the management of transitions when children are using more than one provider.

Deliverability of the extended and flexible entitlement

Reactions from providers to the new entitlement were mixed when it was first introduced. In many respects this reflected the local context and provider market. Whilst there were some differences in provider responses across different local authorities, where issues were related to specific provider types there was more commonality. For example, maintained sector providers raised concerns about quality, curriculum and planning. In contrast, voluntary and community sector providers were more likely to highlight challenges related to full day care registration and premises availability. However, these issues have largely been overcome and participating providers were generally positive about delivering the new entitlement.

There is little evidence of new formal collaborative arrangements between providers that have arisen as a result of the new entitlement. Our survey of providers found that 16% claimed to be working in partnership to deliver the extended flexible entitlement, however, the majority (86%) were doing this as part of an informal arrangement. Where there were existing collaborative arrangements in place, these were usually long standing. In the main it is parents themselves that broker and 'join-up' childcare solutions, not providers. More than half of the providers responding to our survey (57%) allowed parents to use their entitlement over a minimum of three days, and one-third (31%) required them to use it over five days. The fact that only one-third (31%) imposed a restriction of usage over five days, suggests that the majority of providers are offering some degree of flexibility. Indeed, we know that some providers were starting by offering an extension to the entitlement in the first instance, with the goal of delivering this more flexibly in the future. This reflects the fact that some providers (typically sessional providers) have had to make more changes to the way they deliver than full day care providers, in order to offer flexibility.

Providers have faced a number of challenges in being able to deliver the new entitlement. Key challenges for implementation reported by providers responding to our survey included staff rotas (48%), new billing arrangements for parents (34%) and curriculum planning. Yet these are largely practical challenges that with planning and/or local authority support have been overcome to ensure that providers are able to deliver the extended entitlement.

However, the extent to which flexibility is also offered does vary across providers from those offering limited flexibility to those that are able to offer parents a wide choice of patterns of take-up. There are some challenges such as availability of space (because premises are shared) which mean that some providers have limitations on the flexibility they can offer.

Providers highlighted the following costs related to delivering extended and flexible provision in responding to the survey: staff (68%), equipment (30%), catering (22%) and rent (21%). Just under a quarter of providers reported that they had incurred no additional costs from delivering the extended flexible entitlement. It is impossible to pinpoint an exact cost associated with delivering the extended flexible entitlement because costs vary so much between individual providers depending on their size and type. The largest proportion of providers (42%) responding to our survey indicated that delivering the new entitlement has had no impact on their organisation's finances. Furthermore, almost a quarter (24%) stated their finances were now healthier than before. A minority (8%) indicated that their finances were less healthy, and our consultations with providers suggest that this related to ongoing issues around the level of funding available for early years provision, rather than being something specifically related to the new entitlement.

Demand for extended and flexible provision

Parental awareness of the early years entitlement is very high, with 90% of parents who responded to the survey stating that they were aware of the 15 hours of free entitlement. In addition, 85% of parental respondents stated they were using their full 15 hours of entitlement. This suggests that local authorities and providers have been largely successful in promoting the new entitlement. However, the parental survey results suggest a need for additional marketing and awareness raising amongst the most deprived communities.

The findings from our 2008 provider self-completion survey suggest that over one-third (37%) of providers have experienced increased demand from parents as a result of participation in the extended entitlement. The survey also points to the popularity of take-up of provision over five days⁵⁴ (58% of users) and three days (23% of users). This compares with 16% of respondents to the 2007 Childcare and Early Years survey using provision over three days. This could suggest movement towards increased take-up over three days in pathfinder authorities.⁵⁵

The parental survey (as well as other strands of the evaluation) indicates that take-up of provision is highest in the morning between 9am and 12pm and this appears to be largely driven by parental demand. For example parents preferring morning provision because it fits with school drop off times, coincides with starting work, and (for some) satisfies an instinctive feeling that their child benefits from provision earlier in the day because they are more alert. Providers also reported that the morning was the time they were most likely to experience demand for places outstripping availability.

The majority of parents (64%) responding to our survey indicated that they were happy with the flexibility offered by their providers and that they could choose the hours they needed. This indicates overall satisfaction amongst parents, but a continuing demand for more flexibility from some providers. Parents using maintained providers were the least likely to agree that their provider offered them the flexibility to choose the hours they needed (49%), compared with three-quarters (76%) of those using private and independent providers. Our survey of parents also suggested that there is also some outstanding demand for additional provision at particular times of the year or day, most notably during school holidays (13%) of respondents, and between 7am and 9am (11%).

Impact of the extended flexible entitlement

Parents were overwhelmingly positive about the impact on their child resulting from the time they spend in early years education and care. The most commonly cited benefits were improved social skills (96% of survey respondents) and communication skills (91%). Whilst parents generally approved of the positive impacts on behaviour, their satisfaction was less pronounced (72%) than for social and communication skills. However, lone parents were significantly⁵⁶ more likely to report behavioural benefits than two-parent families.

Parents also pointed to a range of additional benefits for children resulting from early years education and care, such as access to a wide range of activities and increased cultural awareness. Whilst we cannot attribute these positive impacts to the extended flexible

⁵⁴ The group using provision over five days includes children in full day care for five days of the week as well as those that might be attending sessional provision over five days.

⁵⁵ However, caution must be exercised in comparing the results of the two survey because of different methodologies applied.

⁵⁶ Statistically

entitlement alone, it is clear that parents view access to early years education and care as being extremely beneficial to their child.

Parents also report benefits to them from the availability of the free early years entitlement. Just under half (48%) of the parents that responded to our survey indicated that access to free early years provision meant they were able to work and / or that it is now more worthwhile for them to work. It is clear from our parental survey and interviews with parents that access to the early years entitlement was an important factor releasing parents for employment and training, and contributed to the financial well-being of families that were participating in work and training. Whilst it seems likely that the additional 2.5 hours of free entitlement has enhanced these impacts, it is not possible to ascertain how much of the benefit is related to this additional entitlement or the flexible element of it.

Quality

The literature review revealed very little direct evidence that children's educational and care experiences and interactions with adults and children in early years provision varies across the course of the day, or with different attendance patterns. In general, setting-level considerations of quality have been the focus of studies, rather than individuals or within-programme fluctuations. However, the Department may wish to consider undertaking further research to strengthen the evidence base on outcomes for children resulting from flexible patterns of attendance, and attendance across more than one provider.

We conclude from our case study visits and observations in a small number of settings that accommodating children for extended and flexible hours is manageable and has little or no impact on children's experiences during the 'traditional sessions'. Nevertheless opportunities remain to enhance and develop children's experience by ensuring that good quality provision is offered in an appropriate way across all opening hours and over individual attendance patterns.

Several amendments, such as improving facilities for children to relax in cosy and comfortable areas when they need it during the course of the day, could be made with relative ease and at modest expenses in most cases. Below we suggest the factors that settings should take into account in order to ensure they offer good quality provision for all children (irrespective of their attendance patterns):

- Comfortable and cosy spaces for relaxation when children choose.
- Space and permission to spend time in privacy or secluded from the main group and the bustle of the playroom.
- Accessible outdoor space with a variety of surfaces and resources that facilitate a wide range of gross motor activities and allow for use of the outdoor space in inclement weather.
- Arrangements for meals and snacks that take account of the pattern of the individual's day and offer healthy options in a warm, calm and sociable environment with adults and other children.
- Schedules that ensure that all children have access to the full range of curricular areas and pedagogical interactions and maximise the choices available during, before and after sessional provision.

- Arrangements for practitioners to have conversations with children and their parents when they arrive and leave while those already present or remaining in the playroom continue with their activities with appropriate adult attention.
- Scheduling 'free-play', small and large group time to give all children experience of these different learning opportunities but avoiding those who have non-standard patterns having disproportionate experiences of any of these forms.
- Managing meal times, snacks and rest periods flexibly to complement individual schedules.
- Making plans (drawing on professional practice) to support all aspects of development across the whole time a child spends in the setting, not just for 'session hours'.

A small number of local authorities raised concerns about the suitability of some settings to deliver extended flexible provision. A checklist such as the one above might support them and their providers in assessing the suitability of settings for delivering the new entitlement. Assessing the quality of provision during non-standard hours is likely to be a matter of increasing importance. Therefore it would be useful to develop a reliable and validated tool which can be used by external evaluators and practitioners involved in self-evaluation and practice assessment.

Challenges for national roll-out of the new entitlement

Below we highlight a broader set of issues and challenges that might usefully be considered by the Department in relation to the wider roll-out of the new entitlement.

Clarifying terminology

There appears to be some confusion in relation to the terminology around the new entitlement and we would recommend clarification from the Department on this issue. The EYFS has removed the distinction from 'care' and 'early years education', and is statutory in all early years settings. However, our implementation case studies in particular suggest that many providers still distinguish childcare and early years education as meaning quite different things. This issue was most prominent when discussing delivery of the entitlement between 4pm and 6pm, with some providers (particularly those in the maintained sector) not allowing parents to use the entitlement during this period because they regard this as 'childcare' and not 'early years education'. There is a tension and a lack of clarity amongst some providers as to whether the new entitlement should comprise primarily early years education, childcare provision, or a mixture of both. We recommend the Department reinforces the role of the EYFS in removing the distinction between education and care, and issues guidance confirming the eligibility of early years learning **and** care to be funded through the free entitlement.

Funding early years provision

Whilst outside the scope of this evaluation, it should be noted that a number of local authorities and providers themselves raised the issue of the funding available for delivering the early years entitlement during our consultations. This was most notable amongst private and independent sector providers who in some cases have been particularly vocal to both their own local authority and to the evaluation team about the current rates. This is not specific to any one local authority; rather it reflects concern across several areas that current

funding rates do not reflect the true cost of delivery, when faced with increasing costs over which they have little control (e.g. rising fuel and food bills).

Local authorities provided examples of providers that have stopped delivering the extended flexible entitlement, others which have refused to participate, and in some instances providers that have threatened to stop delivering any free early years entitlement. Local authorities are currently considering these issues in developing single formula funding for early years provision. The Department is aware of these concerns and is introducing a single local funding formula from April 2010. This will aim to increase transparency, and whilst funding levels will be equitable rather than equal, the result should mean that they are far more reflective of the actual cost of delivery. The Department has worked closely with the six local authorities who have initially piloted the local single funding formula and in July 2008 published 'Implementation of a Single Funding Formula for Early Years: Interim Guidance' based on those experiences⁵⁷. In addition, the Department has also produced interim guidance and a practical toolkit on the extension of the free entitlement to 25% of three- and four- year olds⁵⁸.

Reinforcing regulations on top-up fees

Again, this is an issue that is not directly related to the extended flexible entitlement, however, there are instances of providers charging top-up fees. *The Code of Practice on the Provision of Nursery Education Places for Three- and Four-Year Olds (February 2006)* clearly states that 'parents cannot be charged for any part of the minimum free entitlement either directly or indirectly'. However, during the course of our fieldwork (April 2007 - August 2008) we identified a small number of examples where it was unclear as to whether this guidance was being fully adhered to. In one case, a provider allowed parents to take up a five hour session in a day but only to use the free entitlement for the first three hours. In another instance a provider allowed parents to use two sessions of the free entitlement in a day but required them to pay for the 'bridging' lunch club session.

Another approach involved a provider deducting the value of the free entitlement from parents' overall bill. Whilst this does mean that the full value of the entitlement has been passed on to the parent, it may mean that they are not receiving their 15 hours of entitlement free of charge. For example, one provider had a parent using three, five hour sessions. They then deducted the hourly payment they received from the local authority and charged the parent the difference between the provider's rate and what was received from the local authority. It is clear that this could be one reason that some providers are more positive about delivering the new entitlement than might be expected, particularly within the private and independent sector. We recommend that the Department reinforces and clarifies the Code of Practice principles on 'top-up fees' to local authorities, and that these should be communicated clearly to all providers in the revised Code of Practice that will be issued in September 2010. We understand that work on this is already underway and that a consultation exercise is planned for April 2009.

⁵⁷ 'Implementation of a Single Funding Formula for Early Years: Interim Guidance' can be found at <http://www.everychildmatters.gov.uk/earlyyears/fundingreform/>

⁵⁸ 'The Extension to the Free Early Education Entitlement Offer for 25% of 3 and 4 year olds: Interim Guidance for Local Authorities' and 'Toolkit for Local Authorities: the Extension to the Free Entitlement for 25% of 3 and 4 year olds' can be found at <http://www.everychildmatters.gov.uk/earlyyears/fundingreform/>

Ref: DCSF-RR080

ISBN: 978 1 84775 363 2

© SQW Consulting 2009

www.dcsf.gov.uk/research

Published by the Department for
Children, Schools and Families