



# Early Implementation of 30 Hours Free Childcare: Initial Policy Review

**Official – for public release**

November 2016 (updated in February 2017)

# Evaluation policy review

- Review purpose and approach
- National objectives and policy measures
- Local objectives and policy measures
- Potential differences in the national rollout
- Reminder: next steps in the evaluation

# Review purpose and approach

## Purpose of the review:

- To document the objectives and policy development at the national level and LA level as of October 2016 (updated in February).

## Evidence sources:

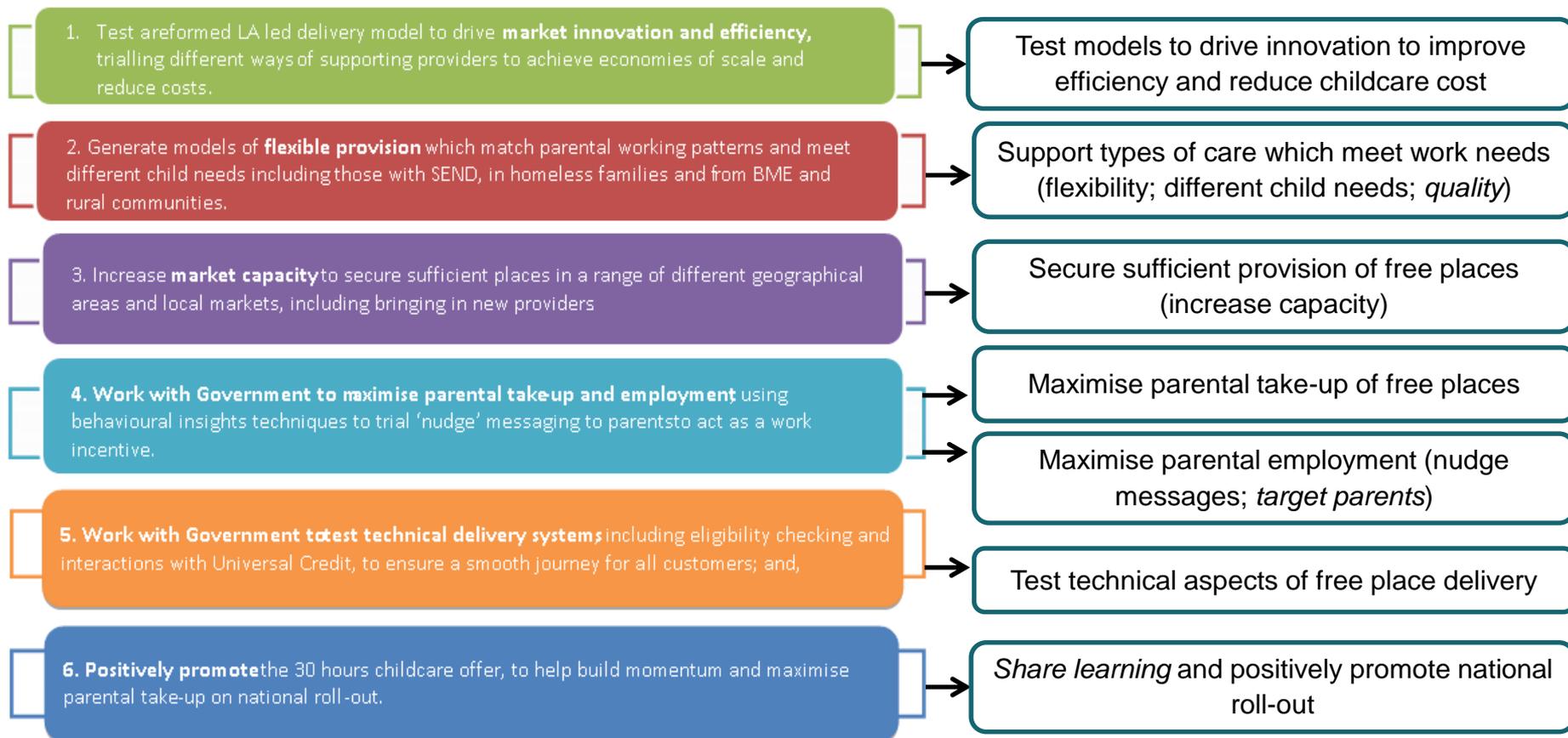
- Evaluation feasibility study.
- Review of programme documents provided by DfE.
- Updates from EI event in September.
- Telephone interviews with 8 EI LA leads in September / October.

# National objectives for early implementation

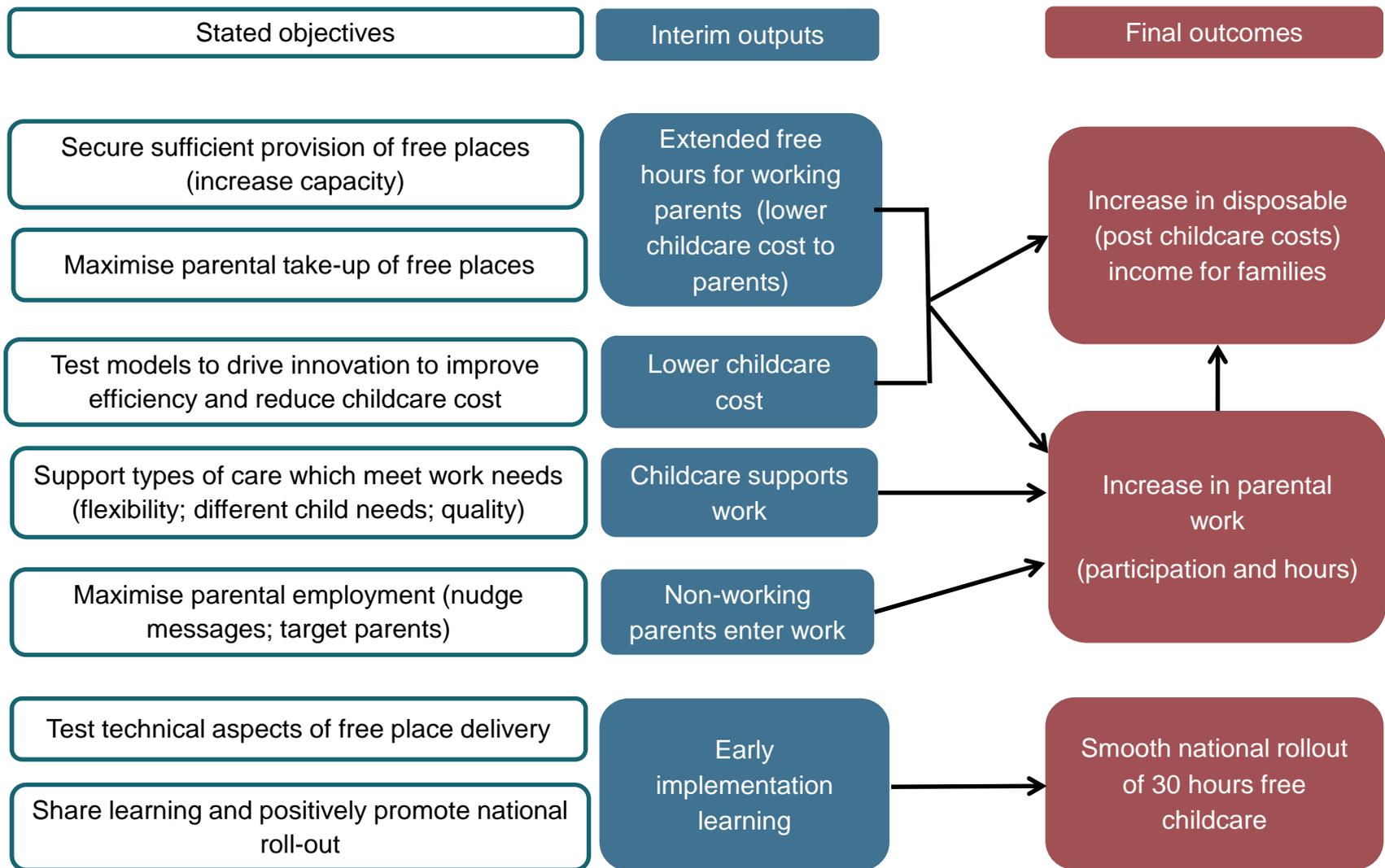
## DfE Expression of Interest Guidance Notes (October 2015)

**Aim:** To test how best to deliver the additional entitlement to all eligible children and increase the level of parental demand for places, overcoming the range of challenges around supply and quality.

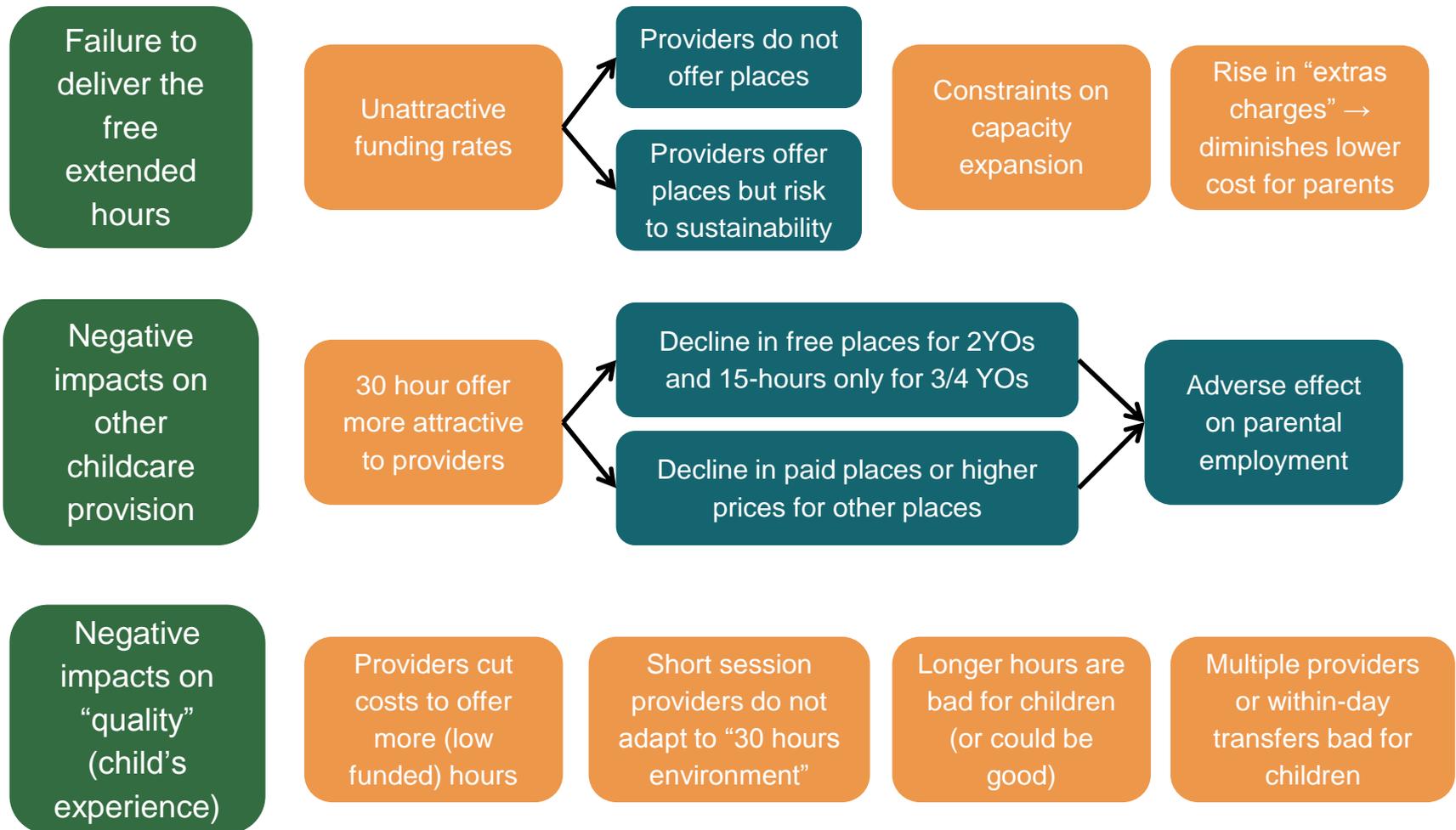
**Delivery objectives:** More specifically we want early implementers to deliver the following objectives:



# Mapping objectives to policy aims



# Potential risks and unintended consequences



# Table 1: National measures and guidance

Objectives	National policy measures and guidance			
	EI GFA agreements	Statutory guidance	EINN funding	Other measures (guidance to LAs)
Secure sufficient provision of free places (raise capacity)	Funding to LAs Expect all funding to providers Criteria for rate variation <i>LA specific</i>	No parental charges	<i>LA specific</i>	(Value for money) (Encourage new providers / models of provision)
Maximise parental take-up	KPI for % take-up <i>LA specific</i>	Work requirements		(Simple for parents)
Innovation to reduce costs	<i>LA specific</i>			
Support flexibility	<i>LA specific</i>	Allow early/late days Support spread offers	<i>LA specific</i>	(Responsive to work patterns)
Support specific needs	<i>LA specific</i>	Comply with SEND legislation	<i>LA specific</i>	
Maintain quality	Deliver places by providers meeting statutory guidance	Registered providers meeting Ofsted ratings Max 2 providers		Requirements on staff ratios, staff quals + space maintained
Maximise parental employment	<i>LA specific</i>		<i>LA specific</i>	“Main reason” test
Test technical aspects of free place delivery	KPI 15% check for parent self-declaration on eligibility	Review payment processes (prompt)		Test HMRC ECS Test grace period
Share learning and promote national roll-out	Map demand, monitor take-up, gather / share learning, termly reports Evaluation participation	Focus on learning around flexibility and SEND access	6 monthly updates <i>LA specific</i>	Regional clusters Business support National evaluation

# Summary on national measures and guidance (table 1)

## Delivering the extended hours:

- An important issue is DfE funding to LAs - balancing obtaining sufficiency with value for money (informed by cost and funding review and by feedback from EIs).
- Stronger guidance to LAs on funding for providers and innovation in the types of providers and delivery models, but less guidance on parental take-up (not an EINN objective) – reflects greater concern over the supply of places than take-up.
- Most of the delivery approach is LA specific but agreed with DfE – consistent with testing a range of different approaches (compulsory, planned diversity).

## Other measures (efficiency, flexibility, specific needs, quality, parental employment):

- Little change from current guidance - relaxation in flexibility constraints is minor (see slide 26) and quality element is only to maintain current standards (although potentially important).
- Mainly consists of LA specific approaches which are conditions of the EI grant – again, consistent with testing a range of different approaches (compulsory, planned diversity).

## Learning:

- Technical aspects only involve parental eligibility checking and provider payment processes.
- Broad national guidelines on local evidence collection, but supported by strong national learning structures and collection of evidence.

# Local objectives for early implementation

Reasons to participate \*  
(reported by the 8 EIs listed as A-H)

\* Reported in interviews and EOIs and GFAs for the programme

To support parents in their childcare needs:

- identify / meet the needs of working parents (C D E H)
  - develop flexible care (D E F G H)
- develop access for children with SEND (A B G)
  - develop childcare in rural communities (C)
- give parents access to longer free hours as early as possible (F G)

Broader economic reasons:

- maintain stability or improve childcare market (C D)
- support parents into work (A D E G H)
  - improve economy / benefit to employers (D F)

To support providers:

- understanding financial impact / maintaining viability (C G)
- business opportunities for local providers (H)

LA perspective:

- prepare for national roll-out / test delivery models (A B G H)
- involvement in policy making / on cutting edge of developments (F G)
- have capability to test extended hours (E F)

## Table 2: Local delivery approaches and funding

Area	Selection approach	Hourly funding
A	<b>Geographic area:</b> Providers within 5 miles and parents within 2 miles of 4 childcare hubs around 4 nursery schools with mix of communities	Extra 15 = £4.88 (= national) Initial and only 15: by provider type: £4.59-£7.80
B	<b>Provider and parent selection:</b> Providers selected for range of provider models (single/multiple sites and term/stretched offers); meeting parents' needs; SEND work; and LA engagement. Parents selected by child eligible for 1+ year and priority to SEND or with a place already	Extra 15 = £5.17 (= national) Initial and only 15: by provider type (higher only for nursery schools)
C	<b>Rural parents:</b> Parents in rural properties (by postcode) (575 places), gradually expanded to less rural areas	Average all 30 = £3.74 + IDACI (national = £4.01) Only15 = £3.15 + IDACI
D	<b>Lower earning parents:</b> Parents selected by earnings cap of £28k (initially £22.5k)	All 30 = £4.88 (= national) Only 15 = £3.77 + additions like IDACI
E	<b>a) Via employers:</b> offer to eligible employees at three large employers <b>b) Via providers:</b> one week window to register interest for those offering 15 hours	Extra 15 = £4 (national = £4.14) Initial 15 = £4 + IDACI Only 15 = lower
F	<b>Via employers:</b> eligible staff from 6 employers on hospital site with focus on BME and SEND	All 30 = £4.41 (= national) Only 15 = £3.85/£4 plus supplements
G	<b>Geographic area:</b> Providers within 1.6 miles of two nursery schools + commitment to quality and demonstration of financial sustainability. Parents have to already have a place at the provider.	All 30 = £3.88 (= national) Initial 15 plus premiums Only 15: by provider type (higher for nursery classes and nursery schools)
H	<b>Universal:</b> all eligible parents (estimate 1480 places)	All 30 = £4 (national = £4.07) Only 15 = £3.38 + 50p IDACI

# Summary on local delivery approaches (table 2)

## Approaches

- 1 universal area – best approach to test national roll-out, but area selected due to small number of eligible children and single LA not nationally representative.
- 2 areas using geographic area (hubs) – testing sufficiency with range of providers and take-up with range of parents (mini-universal approach).
- 2 areas selecting parents (rural, low income) – testing take-up for one type of parent (indication of how national roll-out may work for these parents only).
- 2 areas approach via employers – testing range of providers, but mainly with already working parents (weaker incentive to enter work; drawbacks of employer-dependent childcare).
- 1 area more bespoke selection – testing a range of providers, but provider and parents “cherry-picked” for more favourable delivery and take-up (child already using provider).

## Likely future changes / adjustments to approach:

- 4 EIs report likely to make minor adjustments to increase take-up
- 1 EI reports a likely shuffling in places due to nursery schools being full in January
- 3 EIs expect no changes

# Summary on local funding (table 2)

Note: these local and national rates are for the early implementation programme and not the national rollout.

Funding rate relative to national rate:

- 5 set at national rate, 3 set below national rate

Difference between initial 15 hours and extended 15 hours:

- 6 have same rate for initial and extended hours (although 2 have premiums only applied to initial hours)
- 2 have different rates (blended offer) with initial 15 hours varying by provider types

Difference with children receiving only 15 hours:

- 5 have higher rates for 30 hours, 3 have higher rates for 30 hours for most setting types (but lower for nursery classes and nursery schools in some cases)

Overall:

- Generous funding level relative to 15 hour offer – helps sufficiency, but potential negative effects on provision of 15 hour places or paid care.
- 2 cases of blended offer have needed to consider the issue of identifying initial 15 hours.

# Sufficiency of places and parental take-up

## Securing sufficient provision:

- Recruitment of providers – mixture of regular communication channels and special events, but considerable variation in intensity across EIs.
- Provider support – almost all LAs offering some type of support for business modelling, sustainability under the offer or capacity building.
- All types of providers being using to deliver places in all EIs. Very few did not previously offer the 15 hours (few new providers).
- Mixed views on whether capacity has expanded – anecdotal or coincidental accounts of expansion in some EIs.

## Maximising parental take-up:

- Recruitment of parents – multiple approaches to raise awareness and considerable variation in response across EIs.



Variation provides opportunities to explore what works best

## Table 3: Local other measures

Area	Other measures in GFA (progress by Sep/Oct)	Role of Early Innovator
A	<p><b>Flexibility</b> - development of partnership models (underway)</p> <p><b>SEND</b> - 15+ places for children with SEND (achieved)</p> <p><b>Quality</b> - quality improvement workshops and CPD (underway)</p> <p><b>Parent work</b> - hub/SSCC offer “return to work” training; support places for 2YO offer children (underway)</p>	Difficult to separate EI and EINN Supported SEND and CPD elements
B	<p><b>SEND</b> - 20 priority places; family focus groups; training and professional development (achieved, planned, some work)</p>	Reported in interview that did not receive EINN funding
C	<p><b>Flexibility</b> – broker access for parents (only one request) and developing partnerships models including exploring childminders working 50% of the week from other premises.</p>	Allowed more provider support and addition of quality
D	<p><b>Flexibility</b> – develop partnerships between group and home based providers (underway)</p> <p><b>Parent work</b> – support places for 2YO offer children (underway); partnerships supporting return to work (underway)</p>	Reported in interview that not an EINN
E	<p><b>Flexibility</b> – support parents to access flexible care; developing provider models of flexible care (ongoing)</p>	Really beneficial to share regional learning
F	<p><b>Flexibility</b> – collecting data on parental demand (ongoing); 1-3 providers to offer Saturday sessions (ongoing)</p> <p><b>SEND</b> – ensure 10 places for SEND (dropped)</p>	Enabled work on offering Saturday sessions and parental engagement
G	<p><b>Flexibility</b> – develop hubs to facilitate partnership working (underway)</p> <p><b>SEND</b> – identify children and support needed (training put in place)</p> <p><b>Parent work</b> – 25 places and support to re-enter work (identified 50 parents)</p>	Enabled work and co-ordination without taking funding from providers
H	<p><b>Flexibility</b> (capacity) – pilot of out of school clubs (initiated); testing shared foundation model of partnership (in place); support parents to access preferred model (surveys planned); provider support to increase flexibility (ongoing)</p>	Positive impact – enabled work on out of school clubs and raising provider business awareness

# Summary on local other measures (table 3)

## Other measures:

- Measures around flexibility are most prevalent (7 EIs) and most deeply developed, with those around children with SEND second most prevalent (4 EIs, although dropped in 1 and limited approach in 2) and those around supporting parental work in 3 EIs with multiple strands.
- No explicit measures for innovation to reduce costs (but possibly part of business support for providers delivering extended hours), homeless families, BME families and families living in rural areas (outside of EI only offering extended hours to these families).

## Mixture and intensity:

- Only 3 EIs include multiple areas for the other measures and 4 only include flexibility.
- Total number of initiatives vary considerably (from a single initiative to 5 elements)
- Most initiatives are underway/ongoing, with a few achieved and a couple dropped or effectively dropped.

## Role of EINN:

- Generally weak distinction between EI and EINN – 2 EIs did not recognize EINN funding.
- Half of EIs identified specific initiatives supported by EINN funding.

# Plans for local learning

## Testing technical aspects

- Local eligibility checking: mixture of approaches using evidence required on application; employer confirmation; and sample requests for evidence from parents:
  - seen as quite burdensome and questions around robustness
  - main learning value could be confirmation of the need for the national HMRC ECS
- Payment processes: most EIs makes initial payment (50%-80%) near start of term with remainder after headcount later in term, while two make later entire payment:
  - potential lessons around specific timing

## Local learning and sharing:

- Collection of evidence is very varied in approach (evaluations, surveys, case studies, ad-hoc conversations) and in intensity (some EIs have many strands, while others have much less) - challenging to use this local learning to draw comparisons.
- Opportunities for learning to be cascaded to local providers and other stakeholders through existing channels within EIs.



Local learning potentially most useful for national roll-out within each EI, but could provide example lessons and innovative ideas for all LAs

# Will the national roll-out be different?

- For the delivery of the extended hours?
- For additional measures around efficiency and cost, flexibility, specific child needs , quality and parental work?
- For evaluation and monitoring?

## (1a) Delivery of extended hours – national policy

- Statutory duty rather than funding agreements could affect implementation.
- Differences in the national funding rates:
  - If the rates were less generous → greater risk that providers may not offer places or need to review their business models to ensure sustainability.
- Differences in other national financial support:
  - No Early Innovator funding → LAs may have lower hourly funding rates for providers or provide less support.
  - National capital funding support → may help capacity building.
- Differences in eligibility checking:
  - National HMRC system rather than local processes → likely to affect take-up in different ways across different types of families.

## (1b) Delivery of extended hours – local policy

- No “rationing” process (for 7 EIs): all working parents will be eligible:
  - Higher demand for extended hours → greater risk may meet capacity constraints.
  - Higher proportion of places will be for extended hours → greater risk that providers may not find it financially sustainable / profitable to offer a higher proportion .
  - Eligible parents may be less aware of the policy, less willing to complete the application process or less able to obtain a suitable place → lower take-up.
- LA funding rates to providers may be different:
  - More places being offered → higher funding rates to encourage greater provider participation or expansion in capacity or → lower funding rates because less able to subsidise from other sources (risks as above)
  - Lack of EINN support → lower funding rates because need to withhold a proportion (risks as above).
- Longer timeframe:
  - Time to learn and embed better approaches to delivery.
- EIs were purposefully selected:
  - One criterion was “track record on innovation and delivery of sufficiency and meeting other objectives” → other LAs may develop different (less effective) local policy.

## (2) Additional measures

National policy (statutory guidance and regulations) may be different:

- Additional measures currently in GFAs (on flexibility, SEND, quality and parent work) unlikely to be included as statutory duties although may be in guidance → less likely to be implemented.
- Guidance could incorporate other objectives on innovation to improve flexibility and for homeless families, BME families and families living in rural areas → new areas of policy development and implementation.
- Could draw on implementation lessons from EI (e.g. on sufficiency, parental take-up).

Local policy may be different:

- Funding unlikely to be conditional on additional measures → less likely that time and resources will be given to additional measures.
- Not part of a selective “national trial” → less political support for the time and resources to be given to additional measures.
- Other LAs have different priorities and context from selected 8 EIs → different mixture and intensity of approaches.

## (3) Evaluation and monitoring

National evaluation may be different:

- Statutory requirement for census returns on places → better information on take-up and use collated at the national level. Other evaluation and monitoring unlikely to be included as a statutory duty but may be included in guidance.
- No need to learn for national roll-out → less reason to focus on process and implementation.
- Larger scale implementation over longer period → greater potential to evaluate impacts.
- Dissemination of learning could be weaker without Business Support Organisation or evaluators contracted to assist with dissemination of learning at the national level.

Local policy may be different:

- Funding unlikely to be conditional on evaluation and monitoring → less likely that time and resources will be given to local evaluation and monitoring.
- Not part of a selective “national trial” → less political support for the time and resources to be given to evaluation and monitoring.

# Evaluation: next steps

## Steps to date:

- Review of documents (since Aug/ongoing)
- EI lead telephone interviews (Sep/Oct)
- Presentations of evaluation strategy and policy reviews to DfE and EI events (Aug – today)
- Preparation of parents' and providers' surveys; census data collection; case studies and EINN (non-EI Early Innovators) interviews (since Sep)

## Next steps:

- Main fieldwork stage: parents' survey, providers' survey, census data, case studies, EINN interviews (Jan – March)
- Analysis of all evidence (March/April)
- Presentations of findings and EI Event / individual reports (March - June)
- Final report (July)

# Evaluation of Early Implementation of the 30 Hours Free Childcare

Contact for further information:

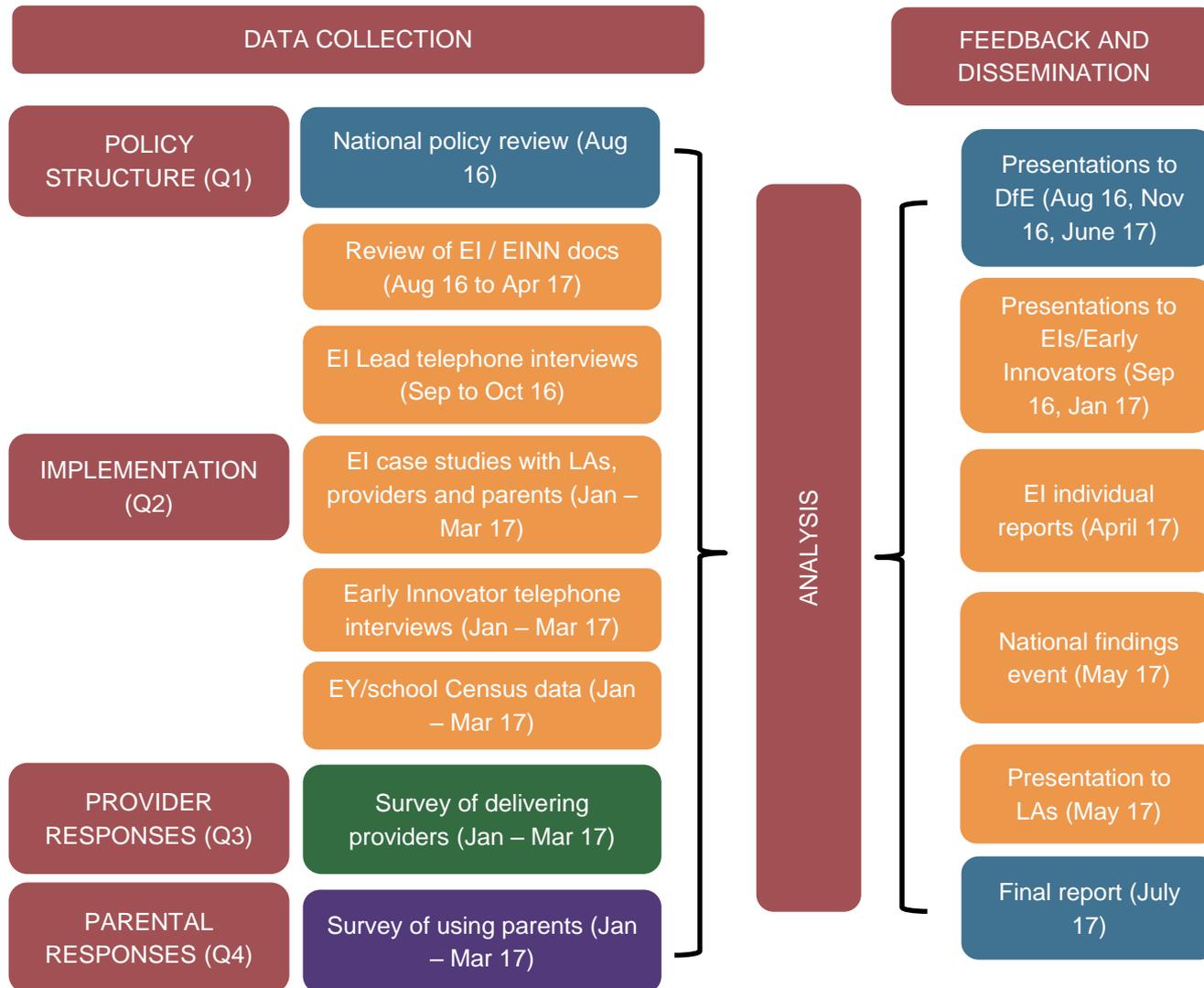
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# Annex 1: Overview of the evaluation



## Annex 2: Evaluation timeline summary

	2016					2017						
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
<b>EI Programme</b>		<b>First term</b>				<b>Second term</b>			<b>Third term</b>			
National policy review	Docs											
Local policy review	Docs											
EI Lead telephone interviews		Fieldwork										
EI case studies						Fieldwork						
EINN telephone interviews						Fieldwork						
EY/school census data						Fieldwork						
Providers' survey						Fieldwork						
Parents' survey						Fieldwork						
Presentation – evaluation plans	DfE	EI										
Presentation – policy review				DfE		EI						
Presentation – final findings										EI/LA	DfE	
Written outputs								EI reports			Final report	

## Annex 3: National guidance on flexibility

Early implementation guidance in June 2016 (*with reference to national guidance in September 2014 and the Government Response for the 30 Hours Delivery Consultation*):

48. The current standards around flexibility set out in the Department's statutory guidance for local authorities will apply to the existing 15 hour entitlement. For the additional 15 hours, we are removing all of the requirements in relation to flexibility except the maximum session length of 10 hours per day.

*A2.2 Encourage providers to offer flexible packages of early education, subject to the following standards:*

- No session to be longer than 10 hours*
- No session to be shorter than 2.5 hours*
- Not before 7.00am or after 7.00pm*

49. Local authorities are encouraged to consider offering the flexible provision proposed in the Department's consultation on the local delivery model for the extended entitlement. These proposals are to:

- offer provision which begins at 6am or ends at 8pm to further support parents who work in shift patterns
- allow parents to stretch their entitlement by taking fewer hours over more than 38 weeks of the year
- encourage 'wraparound' provision outside the period of 9am to 3.30pm.

Changes are relatively minor:

- Allowing funded provision before 7am and after 7pm.
- Allowing sessions shorter than 2.5 hours to help facilitate wrap-around care.
- Encouraging provision between 6am – 7am and 7pm – 8pm.



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