

# Analysis: 30 hours pilot study predicts success but flags up 'risks'

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**Author:** Morton, Katy

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## EXCERPTS

Following the publication of the evaluation of the 30-hour pilots, we take an in-depth look at the findings.

While the evaluation of the 30 hours pilot areas concludes there is 'no specific' reason to believe the policy will not be a success, it highlights potential issues including difficulties in recruiting good staff and nurseries limiting places.

'Evaluation of Early Implementation of 30 Hours Free Childcare' was published by the Department for Education (DfE) and carried out by Frontier Economics, NatCen Social Research and the University of East London. There are also separate case studies on the Childcare Works website.

The evaluation is based on survey responses and in-depth interviews with providers and parents in the eight early implementer areas that began delivering the 30 hours of funded childcare last September: Hertfordshire, Newham, Northumberland, Portsmouth, Staffordshire, Swindon, Wigan and York. In total, 561 providers from a sample of 991 completed the survey, and 2,257 out of 3,514 parents.

It finds overall that a high proportion of providers in the eight local authority areas were willing and able to offer the extended hours, and there was 'no evidence' that financial implications were a substantial barrier to the delivery.

However, the evaluation says that full implementation of the policy may be different as funding rates won't be the same and there will be no obligation for local authorities to offer extra support. Also, in the pilot, only one of the areas ran a full implementation.

### Delivery risks

The evaluation identifies a number of 'delivery risks' for the 30 hours, including insufficient funding, shortages in resources – staffing and space – and the fact that places might not be entirely free for parents.

While most nurseries in the pilot required few if any adjustments to deliver the extended hours and experienced no difficulties meeting parental demand, the authors of the evaluation suggest their response to the full implementation may be different – because, after a financial assessment of the pilot, some providers said they may limit 30-hours places to what was considered a 'financially viable number'. Also, some managers felt that their ability to meet any increase in demand for the extended entitlement would be limited by staff retention and recruitment difficulties.

In the survey, 62 per cent of providers (over all types) reported that there had been no impact on cost. However, 30 per cent said delivery costs had increased due to the extended hours (see graph below). [See online article for graph showing the financial impact—both on cost of service delivery and on profits—to different types of providers].

For 40 per cent of all providers their profits decreased due to the delivery of the extended hours, while 38 per cent said there had been no impact on profits, and 22 per cent said profits had increased.

Private providers were most likely to report an increase in costs, while voluntary providers were most likely to report an increase in profits.

Under the pilot, the national rate from the DfE to the local authorities ranged from £3.88 to £5.17. The rate paid to providers ranged from £3.15 to £7.80 – most rates had some type of supplement added. However, three local authorities paid different rates for the initial 15 hours and the extended hours.

The evaluation states, 'If funding rates are not set at attractive (sufficiently high) levels, providers may not be willing to offer the extended hours (either because it is financially unattractive or because parental fees offer a higher source of income). Providers who do offer the hours may find that it is not financially sustainable to do so, possibly risking going out of business.'

Responses to the survey and feedback from providers revealed some had experienced staff recruitment and retention difficulties, and

expected these to be exacerbated if demand for places were to rise substantially.

### Delivery of places

The evaluation shows most places were delivered by private providers (57 per cent), 14 per cent were delivered by voluntary providers and 13 per cent in nursery classes in maintained schools. Only a small proportion were delivered by childminders (7 per cent), independent schools, nursery schools and other local-authority-run provision including children's centres.

Most providers took part in the 30 hours pilot because they wanted to support the policy and they saw it as a good opportunity. Others took part because they were invited to or encouraged by their local authority, because of parent requests or concern that parents would switch to another provider if they didn't offer the extended entitlement.

Around one in seven providers (14 per cent) had introduced or increased extra charges for parents because of the 30 hours.

Local authorities reported concern about settings' practices on charging, but said it was difficult for them to interfere with providers' decisions as they could threaten the financial viability of a setting. 'Grey areas' in DfE operational guidance also made it difficult for them to establish if a setting was contravening the rules. In response to these findings, the DfE has updated its operational guidance.

### SEND

Three of the eight local authorities in the trial focused on how the extended hours could be made accessible to children with special educational needs and disabilities (SEND).

While their experiences showed that it was possible to deliver 30-hours places to children with additional needs when there was the right level and type of support in place, they did face a number of difficulties, including:

- finding the process of applying for funding to support children with additional needs time-consuming and having to wait several weeks for an outcome. During this time, a provider had to find additional resources without knowing if their costs would be covered by the local authority or manage without additional resources. One setting, for example, had to ask a parent to come and feed her child at lunchtime because it did not have available staff
- having less spare capacity to support children with additional needs as demand for places increased
- having to stretch resources to the limit and be very creative in maximising staff utilisation to provide adequate support to children with SEND
- not receiving the kind of training, support and coaching from the local authority that was needed to give them the confidence and skills to support children with additional needs, particularly as SEND teams were reported to be very 'stretched'
- of those settings committed to include children with additional needs and that had considerable experience in supporting them, being overwhelmed with requests.
- One setting manager said wondering how to meet demand 'keeps me awake at night because these children have a right to the 30 hours but the additional costs are disproportionate for a small setting like ours'.

### Technical aspects

The evaluation also highlights issues with local authority systems set up for confirming families' eligibility, and monitoring and payment systems.

While some providers reported that the system for confirming eligibility worked well, others thought it was time-consuming because they had to set up and manage an additional system for the extended hours.

Providers also said that some of the monitoring and payment systems were ad hoc and manual. They were said to be inefficient and unreliable, generating substantial additional paperwork and resulting in late payments and lack of clarity about what providers were being paid for.

The evaluation says, 'When the payment system was chaotic, some providers had concerns about offering the extended places, given that they could not be certain when they would get paid and could end up spending a considerable amount of time chasing delayed payments.'

Another issue was that local authority systems set up for the 30 hours did not appear to be geared to monitor claims for the same child submitted by different providers. This raised concerns among providers that families may over-claim for free hours and it would then be providers' responsibility to recoup the money from them.

### Parents

The evaluation also shows how the 30 hours benefited parents. Nearly a quarter of mothers (23 per cent) and one in ten fathers (9 per cent) reported they had increased their working hours as a result of the extended entitlement. The vast majority of parents said their finances had improved and the 30 hours had 'reduced the burden they had previously felt struggling to make ends meet'.

Responding to the publication of the evaluation, children and families minister Robert Goodwill said he was 'delighted' with the success of the programme. 'From cutting household costs to increasing the quality time working parents can spend with their children, access to 30 hours is giving families a real boost.'

He added that the 'hard work of all the professionals involved in the early roll-out had been vital', and he is 'determined to continue working with them to drive momentum ahead of the national launch in September'.

-reprinted from Nursery World

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