



Kingston and Richmond extended 15 hours entitlement market research analysis

Summary report November 2018

1 Introduction

1.1 Background

The 'universal' Early Education Funding (EEF) entitles all 3- and 4-year old children to 15 hours of early education per week, for 38 weeks each year. In September 2017, the Government extended the amount of free early education and childcare available to working families with 3- and 4-year old children. This means that working families with three and four year olds, who meet certain eligibility criteria, can now access an additional 15 hours of free childcare per week.

Local authorities nationally have been working to effectively implement the extended 15 hours entitlement, and this has included work to ensure that there is sufficient childcare provision to meet local demand for extended hours places for 3- and 4-year olds.

The Royal Borough of Kingston upon Thames and the London Borough of Richmond upon Thames are keen to ensure that there is enough childcare available for all families eligible for the 15 hours extended entitlement within their Boroughs. Services for children in both Boroughs are provided by Achieving for Children (AfC), a not-for-profit community interest company owned by both councils.

1.2 Aims of the project

AfC commissioned NLH Partnership to work in partnership with it to conduct a childcare market research analysis to explore the demand for, and supply of, extended 15 hours childcare within the Boroughs of Kingston and Richmond. NLH Partnership is an independent research, evaluation and training organisation that specialises in working with services for children and families.

The project was funded through the Department for Education's (DfE) 'Delivery Support Fund' (DSF), which the DfE made available to local authorities to support them in delivering the extended 15 hours entitlement. The project aimed to explore a range of factors, including:

- Parents' extended 15 hours childcare needs and how these might change
- Key influences on parents' take-up of extended 15 hours childcare and their childcare provider preferences/choices
- Patterns of families' childcare requirements
- Likely behavioural or attitudinal changes as a result of the extended 15 hours offer
- Barriers to families' take-up of extended 15 hours childcare
- Barriers to providers offering extended 15 hours childcare places
- The number of providers currently offering extended 15 hours places, the number of places, and current capacity/vacancies
- What delivery models are currently adopted by providers
- Current market capacity to meet demand for the extended 15 hours entitlement
- Analysis of the impact of the extended 15 hours offer on the other Early Education Funding entitlements (2 year old places and universal 15 hour places for 3 and 4 year olds)
- How more providers might be encouraged to offer extended 15 hours places, and how overall capacity might be increased

2 Methodology and sample

2.1 Overview

The project used a mixed method approach to data collection and utilised the following primary data collection methods:

- A survey of local childcare providers
- A survey of local parents
- Focus group discussions with local providers

- Focus group discussions with local parents

In addition, a range of secondary data sources were utilised. This data included:

- Local data on the number of providers offering the 30 hours extended entitlement
- Local data on take-up of the 30 hours extended entitlement by local families

2.2 Parent survey sample

In total, 149 parents completed a survey questionnaire. Of these, 143 parents indicated that they were resident in one of the two Boroughs - 83 were from London Borough of Kingston, and 60 were from London Borough of Richmond upon Thames.

2.3 Provider survey sample

In total 151 childcare providers completed a questionnaire – 149 of these providers were located with the Boroughs of Kingston or Richmond. Of these, 75 providers were located within the London Borough of Kingston and 74 within the London Borough of Richmond upon Thames.

2.4 Focus group sample

26 parents participated in the two focus group discussions. Of these, fewer than one-fifth was currently, or previously had been, eligible for the 15 hours extended entitlement, although approximately one-quarter were due to be eligible within the next year.

14 childcare providers participated in the 3 focus group discussions. These included a range of provider types, including: private, full daycare settings; preschools/playgroups; and childminders.

3 Findings

3.1 Offering the 30 hours – secondary data analysis (supply) - key findings

- Similar numbers of providers within Kingston and Richmond currently offer the extended 15 hours (38%).

- The average (mean) proportion of providers delivering the extended 15 hours in each locality within Boroughs is 38.6 across the two Boroughs. The average figure for Kingston is 39.2, and 38.2 for Richmond.
- North Kingston and Kingston Town (34% of providers delivering the extended offer), and Heathfield, Whitton and West Twickenham (33.3% of providers delivering the extended offer) were highlighted as areas where relatively low number of providers were delivering the extended 15 hours entitlement.
- Kew, Mortlake, Barnes and East Sheen (12%), Ham and Richmond (16.5%), and St Margarets, Twickenham and Teddington (24.5%) were highlighted as localities where particularly small proportions of children who had accessed free entitlement hours, had also accessed the extended 15 hours entitlement
- Summer 2018 extended 15 hours headcount data indicate that Kew, Barnes, Mortlake and East Sheen, and Hampton and Hampton Hill were the localities where the greatest proportions of children were ‘splitting’ their free entitlement hours between providers, and that Surbiton and Tolworth, South of the Borough, and Ham and Richmond smallest proportion of children were ‘splitting’ their free entitlement.

3.2 Provider analysis – primary data analysis

When childcare is available - key findings

- Overall, the majority of providers (109 providers, 73%) offered full daycare, however, there were differences between authorities, with a greater proportion of Kingston (80%) than Richmond (66%) providers offering full daycare.
- All providers provided childcare from Monday to Thursday (typically more

than 95%), with fewer providers offering childcare on Fridays. Availability of weekend childcare was very low - only one provider from each local authority area stated that they provided childcare on a Saturday, and none on Sundays.

- The vast majority of providers stated that they offered childcare during mornings and afternoons, with fewer offering childcare during early evenings and early mornings. None of the providers who completed the survey offered care at nights.

How the 30 hours was offered - key findings

- The majority of providers from both local authorities offered term-time only extended 15 hours childcare.
- Data suggest some differences in terms of the proportions of Kingston and Richmond providers who worked in partnership to deliver the extended 15 hours during the 2017/18 schools year - approximately 40% of Kingston providers and 55% of Richmond providers stated that they worked in partnership.
- It was clear from focus group discussions that some providers found it challenging to provide adequate flexibility for parents whilst ensuring that the extended offer was practically deliverable and financially viable.
- There was evidence of some trial-and-error in terms of the models that providers had adopted.
- It was typical for providers who were not childminders to implement some form of optional charge to most parents who were accessing the extended 15 hours.
- Approximately 40% of Kingston providers and 55% of Richmond providers stated that they worked in partnership to deliver the extended 15 hour entitlement during the 2017/18 school year.

- Focus groups highlighted a lack of 'strategic' partnership working between providers, in order to meet the childcare needs of local parents.
- There is some evidence to suggest that partnership working between providers in the delivery of the 30 hours entitlement is more widespread in Richmond and may require further development in Kingston.

Reasons for not offering the extended 15 hours - key findings

- Key reasons for not offering the extended 15 hours include: concerns about the funding rate: providers' concerns about remaining financially sustainable whilst delivering the extended entitlement; lack of demand for places; and premises/opening hour restrictions.
- In focus groups, providers highlighted a lack of certainty among some providers about the various models of delivery that they can implement in delivering the extended 15 hours, what they can and cannot charge for, the amount of additional administration work that might be involved, and the impact on financial sustainability of delivering the extended entitlement, as key barriers to providers delivering the extended 15 hours entitlement.
- Childminders who participated in focus groups stated that they would tend to avoid taking on children eligible for the extended entitlement because of the amount of perceived paperwork, particularly if they had high demand for their childcare services.

Reasons for offering the 30 hours - key findings

- Key reasons for providers offering the extended 15 hours offer were: adequate, perceived local demand, and the belief that they might have lost parents to competitors if they did not offer the 30 hours.

- It was clear from focus groups that the financial imperative to deliver the 30 hours was a key motivation in their decision.

The experience of delivering the extended 15 hours entitlement - key findings

- The large majority of providers in both Kingston (85%) and Richmond (79%) stated that they had been able to meet demand for extended entitlement childcare and were confident that they would be able to do so in the future
- Survey data suggested that delivering the extended entitlement had made little difference to providers' abilities to effectively deliver the free childcare entitlements for 2-year olds and 3- and 4-year olds.
- Locality-based analysis highlighted Hampton and Hampton Hill, and Heathfield, Whitton and West Twickenham, as localities where providers were more likely to state that they had concerns about meeting future demand for the extended entitlement.
- In terms of focus group data, of those providers who had delivered the extended 15 hours entitlement, none cited issues with coping with demand for childcare from local parents, or having over-demand. In fact, most providers who participated in focus groups said that they had additional capacity to potentially deliver more extended entitlement places.
- A small number of provider indicated that certain areas had an over-supply of childcare providers, namely Surbiton and Tolworth, and St Margarets, Twickenham and Teddington.

Future delivery plans - key findings

- Approximately half of providers in both Kingston and Richmond stated that they planned to deliver the extended 15 hours entitlement in autumn 2018.
- Survey data suggests that childminders may be far less likely to

deliver the extended 15 hours entitlement than private day nurseries or preschools/playgroups.

- Approximately half of providers in both Kingston and Richmond stated that they planned to deliver the extended entitlement in autumn 2018.
- The most common reason for not intending to offer the extended entitlement in autumn 2018 was that the rate per hour was not viewed as enough to make delivering the offer sustainable.
- Findings suggest that a significant proportion of providers who are 'not sure' about whether or not to offer the 15 hours extended entitlement may have some spare capacity that could be utilised (if they could be encouraged to offer it).
- Survey data suggests that supply of childcare should remain relatively stable between 2017/18 and autumn 2018, with the large majority of providers in both local authorities who stated that they were currently offering the 15 hours extended entitlement, stating that they would be delivering the extended entitlement in autumn 2018.
- There was little evidence that providers who did not currently offer the extended entitlement intended to offer it in the autumn of 2018, although a significant number of providers were 'not sure', and there may be scope for influencing their decision and encouraging them to deliver the 15 hours extended entitlement if required.
- The median number of 'full' '30 hour' childcare places that Kingston providers (who stated their intention) said they would deliver in autumn 2018 was 3 places. The corresponding figure for Richmond was 2 places. For 'partial' places, the median number of places for Kingston and Richmond was 1 and 2.5 respectively.

3.3 Parent analysis – primary data analysis

Parents' knowledge of the 15 hours extended entitlement – key findings

- Focus group discussions highlighted a lack of knowledge about the 15 hours extended entitlement amongst local parents.
- In general, parents felt that anything that meant that they could more easily negotiate the range of childcare on offer would be of great use.

Eligibility and accessing the extended entitlement - key findings

- The most common reason for eligible parents not accessing their full 15 hours extended entitlement was that they did not need the full entitlement. Only a small number of respondents suggested that the reason was related to a lack of childcare supply.
- Focus groups highlighted a number of barriers to parents accessing the 15 hours extended entitlement – key barriers included: the need to pay for some childcare in order to access the extended entitlement; and a lack of information, knowledge and understanding about the extended entitlement offer.
- A significant number of parents who had yet to access the extended entitlement were very unclear about the offer, in terms of the offers delivered by different providers, whether or not they needed to pay anything, the eligibility criteria, and factors such as 'grace periods' and the application process.

How the 15 hours extended entitlement had helped families - key findings

- For parents who accessed their full extended entitlement, the most likely impact was that it had allowed them to move from informal to formal childcare, although there was evidence of the extended entitlement helping some

parents into work, or helping them to increase their working hours.

- Parent focus group participants generally felt that it was unlikely that parents would be attracted back into work by the extended entitlement alone. For most parents, the extended entitlement was seen as a 'money-saver', rather than something that would encourage them back into the labour force.

Future childcare needs – key findings

- Data suggest that the majority of families who are eligible for 15 hours extended offer are likely to require and take up some formal childcare – findings indicate that this may be in excess of 90%.
- Survey data suggests that for eligible parents, across the two Boroughs, approximately one-third stated that they would require childcare for more than 30 hours per week, with approximately half stating that they would require childcare for between 15 and 30 hours per week.
- Findings suggest that there may be a lack of weekend childcare supply, particularly for Sunday provision.
- Data suggest that there is a small amount of demand for childcare at nights and weekends, and that may be a lack of supply of such childcare across both Boroughs.
- Findings suggest that there may be a general demand for childcare during school holidays for most families eligible for the 15 hours extended entitlement.

Parents' childcare preferences - key findings

- Approximately 50% of parents would be willing to use more than one provider, but that a significant number (32%) said that they would not, with 17% 'not sure' – focus groups suggested that parents would generally

rather not 'split' their provision between providers.

What was important in parents' choice of childcare - key findings

- Focus group discussions, flexibility of childcare, and the ability to access the 30 hours at times, and on days that parents need them, was one of the most important factors in parents' choice of childcare.
- Survey data suggests that a range of factors are important in parents' choice of childcare, and this was particularly apparent for Kingston parents. These factors include: proximity of childcare to home, Ofsted rating, whether the provider meets the child's particular needs, and whether additional payment is required.

Changes in childcare needs between Autumn 2018 and Spring 2019 – key findings

- The majority of eligible survey respondents stated that their childcare needs would remain the same between autumn 2018 and spring 2019.