



Department  
for Education

# Childminders' views on funded early education

Research report

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Research

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## Executive Summary

1. In 2000 the government began funding 12.5 hours a week of early education for all four year olds. This was then extended to all three year olds in 2005. In 2010, a universal entitlement of 15 funded hours for 38 weeks a year was introduced for all three and four year olds. In 2013, the 15 funded hours became available to the 20 percent most disadvantaged two year olds. This was then rolled out to the 40% most disadvantaged two year olds in 2014. From 2017 the government is doubling the amount of free childcare from 15 to 30 hours for working parents of three and four year olds over 38 weeks of the year. Childminders are likely to play a key role in delivering the 30 hours entitlement, alongside local authority maintained nurseries and private, voluntary and independent settings (PVI's).

2. The Department for Education (DfE) commissioned this small-scale qualitative research to provide in-depth analysis exploring how childminders operate within the context of delivering funded provision. This research focused specifically on the views and experiences of a small sample of childminders who were and were not currently delivering the current 15 hour offer and their views and likelihood of delivering the 30 hour entitlement for working parents.

## Methodology

3. The research comprised of in-depth telephone interviews with 40 purposively selected childminders based in nine Local Authorities (LAs)<sup>1</sup> selected for the quality of their FIS data and broad geographical spread and is therefore indicative only and should not be seen as representative of childminders in England. It included a mix of childminders who had no experience of delivering funded provision and childminders who had previously provided it as well as a minority who currently provided funded places.

4. In addition, interviewed childminders were asked about their perceptions and possible future behaviour, which will not necessarily translate into reality, or may be affected by other external factors. Childminders were asked to comment on the policy detail of the 30 hours of free childcare which was still under consultation at the time of the fieldwork. This too may have influenced their responses.

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<sup>1</sup> Please note due to confidentiality the Local Authorities have not been named in this report.

## Findings

### Models of Delivery

5. Childminders interviewed stated their businesses varied by staffing levels and caseload make-up but the majority were working as sole-traders, providing 8-12 hours of childcare a day plus additional time on associated paperwork and business administration. The exact way they set up their businesses was stated as being determined by the ratios set by Ofsted, any restrictions on their capacity and their personal circumstances. The majority of childminders interviewed were aged over 50 years old.

6. Amongst those interviewed, fee rates ranged from £3.00-£6.00 an hour (including day rate breakdowns and hourly rates). Childminders interviewed were operating different systems of charges including: day, hourly and sessional rates; different rates for different ages of children; for wraparound care; or to secure places. Care was commonly provided for 8-12 hours a day, with many childminders providing wraparound care (either before and after school or for pre-school children also attending other childcare settings). Most childminders were operating at their full capacity with many providing childcare for families over a sustained period (from when the child was a baby up until the age of secondary school). Childminders stated this meant it could be several years before a vacancy became available.

### Special Educational Needs and Disabilities (SEND)

7. Requests for childminders' services from parents of children with Special Educational Needs and Disabilities (SEND) were low. The majority of childminders reported that they had never provided childcare for children with additional needs. This was because they had never been approached to care for a child who needed additional help and support. Several commented that they had received training on SEND but, as yet, no parent had approached them to provide childcare for a child with documented SEND.

8. The childminders could foresee some issues with providing care for children with SEND in terms of balancing any need to provide specific (one-to-one) support for a child with the need to maximise child ratios in order to make childminding a viable business. In principle, however, most said they would have been happy to provide care for children with SEND.

## Information Routes

9. There were no consistent formal networks and information routes identified from which the childminders interviewed said they received information on policy and practice. Filling this void were informal networks, which can lead to confusion and misinformation which was both stated by childminders and evident from the findings. Local Authority Early Years teams were seen by interviewees as being the obvious people to provide transparent, locally appropriate information and support for childminders. They also mentioned national information from trusted sources such as Ofsted and the Professional Association for Childcare and Early Years (PACEY).

## Current entitlement to funded early education

10. According to published DfE early years funding data, the local rates for funded places for three and four year olds in the selected areas ranged from £3.79 to £4.25 for Private, Voluntary and Independent (PVI) providers (which includes childminders).<sup>2</sup> However, in some cases childminders reported receiving different amounts to these. As the research team did not interview staff in the LAs studied it was not possible to check these figures. What was clear was that DfE data are reported for all PVI providers (including childminders) and for an entire LA and yet childminders in several LAs stated rates varied, by postcode, for example.

11. There were a number of potential misconceptions about the current funded early education entitlement reported by interviewed childminders. These, included: that funded hours could not be 'split' across more than one provider; that childminders had to be rated 'Good' or 'Outstanding' by Ofsted, or be trained or qualified to a certain level, to offer it; that priority was given to LA providers; and around payment rates, registration, administration and payment processes. Again LA staff were not interviewed so it was not known if these are mis-understandings or actual local variation.<sup>3</sup>

12. The childminders articulated that they face unique challenges compared to other early education providers (such as nurseries) in terms of providing transport to and from other providers, providing meals and snacks for children and providing extended periods of childcare (both over the lifetime of a child and weeks of the year).

## Experience of providing funded early education

13. Nineteen childminders out of the 40 in the sample had experience of providing three and four year old funded early education (although only a minority were delivering it

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<sup>2</sup> Department for Education, Early years benchmarking tool, November 2015. Available at: <https://www.gov.uk/government/publications/early-years-benchmarking-tool>

<sup>3</sup> To note LAs have responsibility for administering the entitlement in their area.

at the time of the interviews). They had typically started providing funded places at parental request, when children already in their care became eligible.

14. Interviewed childminders stated that the greatest challenge to delivery of funded provision was the rate of funding when it was lower than the childminder's standard fee. Childminders had either accepted this loss in income, or made up the difference in various ways (including increasing their fees for non-funded hours and children, and accessing other funding sources such as the Early Years Pupil Premium and providing childcare through social services such as respite care).

15. Other implementation difficulties were related to mechanisms for payment including the childminders' need for regular (monthly versus termly) and secure income, and how to make an essentially term-time offer work most advantageously over 50 weeks of the year when working alongside other (less flexible) providers (such as nurseries and other PVIs).

### **Reasons for not providing funded early education**

16. Commonly childminders who were not providing funded early education stated that this was because they had not been asked to by parents, with many preferring to take-up the entitlement within a nursery/preschool or PVI setting. Often parents, and some childminders, saw this move into a larger provider as an important step towards being "school-ready".

17. Many of the childminders were not in a position to offer funded places (to additional children) as they were already operating at full capacity.

18. Decisions not to provide funded early education entitlement were often based on perceived challenges with the process of registration, receiving payments, administrative burden and the need to use Information Technology (IT).

### **Key messages for childminders not delivering funded provision**

19. Childminders, with experience of providing funded places (for three and four year olds), were asked what key messages would encourage other childminders to provide the entitlement. They suggested the key messages should include: that there is no difference in terms of how the childcare is provided (i.e. in terms of how the children are looked after), set-up is relatively straightforward and the payments are guaranteed and regular.

### **Extended entitlement to 30 Hours for working parents**

20. At the time the research was conducted, the detail of how the 30 hours entitlement would operate was still being developed. In order for childminders to be able to comment

on what it might mean to them, childminders were read out a short vignette which included key elements of delivery that were being consulted upon.<sup>4</sup>

21. Childminders had heard of the extended entitlement. There were common misconceptions about eligibility and the detail of implementation, but in general, childminders were supportive of the concept. It was anticipated that demand would be high.

22. Concerns centred around: the low level of local fee rates paid; logistical constraints with providing or increasing the provision of 'wraparound care' for pre-school children (i.e. care provided around another provider); managing capacity and ratios; splitting provision with other providers and accommodating full-time holiday care for children that will only need part-time care during term-time.

23. It was anticipated that demand from parents to take up the extended entitlement would be high (as many working parents were already using more than 15 hours of childcare).

## Potential future behaviour

24. From the childminders interviewed, there was no clear link between current behaviour and future willingness to deliver the 30 hour offer. Some of those who were providing funded places would not be willing to offer the 30 hour extension and some of those who were not offering the current 15 hour entitlement said they would deliver the 30 hour offer.

25. A group of childminders recognised that they may have to adapt their business to offer the 30 hour places. They suggested they would do this by: getting parents to pay any shortfall in fees (through charging for extras such as lunches, outings and petrol, or increasing costs for non-funded hours), or by limiting the number of funded places they offered at one time.

26. The childminders who said they would not be likely to provide funded early education said that they would instead focus their provision on: children under 3 or over 5 years of age; holiday childcare (when it was not covered by funded provision)<sup>5</sup>; or childcare for parents who could afford to forfeit the funding. A small number of childminders said the changes brought about by the increased entitlement could result in them leaving the profession, as they anticipated it would have a negative impact on how they worked and the success of their business.

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<sup>4</sup> Note that the public consultation closed on 8 June 2016 and the government provided a response on 3 November 2016. Both are available at: <https://www.gov.uk/government/consultations/30-hour-free-childcare-entitlement>. To note, the government also consulted on Early years funding: changes to funding for 3- and 4-year-olds in 2016. The consultation and government response is available here: <https://www.gov.uk/government/consultations/early-years-funding-changes-to-funding-for-3-and-4-year-olds>

<sup>5</sup> The new 30 hours offer can be extended to provide less hours but for more weeks.



## Implications

27. While findings from this report are based on a small sample of childminders based in nine LAs and therefore do not necessarily reflect the views of childminders in general; those childminders interviewed suggested that to support more of them to provide funded places in the future, policy-makers needed to:

- pay fair market rates at regular (more frequent than termly) intervals;
- acknowledge the additional burdens the 30 hour scheme places on childminders' time and resources and compensate them for this;
- be transparent that the funding only allows for 30 hours worth of free early education over 38 weeks a year (although it can be stretched across the year this will mean less than 30 hours a week are then available) and that the amount the childminder receives may well be lower than they currently charge parents;
- promote the fact that all providers of the early education entitlement are expected to operate in a similar way (i.e. regulations) and meet the same quality standards;
- ensure procedures for implementation of the 30 hours are simple to administer and accessible to childminders with low IT literacy levels and limited financial capacity.

28. The evidence from this small-scale research with childminders has highlighted a number of potential implications for the 30 hour extension. The childminders interviewed expressed that:

- many of them were at capacity, offering childcare for multiple children within a family over a sustained period – potentially raising the need to invest in growing additional capacity in the market;
- the issue of funding rates needs to be urgently addressed as well as the need to compensate (i.e. financially) and incentivise (support and encourage) childminders for funded delivery;
- many parents have a preference to take-up funded provision at school nurseries or PVI settings. There needs to be greater promotion of the fact that childminders are expected to provide early education to the same standard as other settings;
- some parents currently use childminders for hours additional to their free 15 hours. It was not clear whether these families would stay with the childminders for the additional funded hours (and therefore start to get them for free), or would try to get more funded time with other (nursery/PVI) providers;
- many childminders need to be provided with explicit information, advice and support on what the 30 hours entitlement may imply for them including scenarios of how they could provide it (i.e. full 30 hours, shared provision with other providers, wraparound, holiday care);

- many childminders need business advice and/or IT support as well as locally relevant information on models of implementation.

# 1. Background, context, aims and approach

## Introduction

1. This report presents the findings from qualitative research with childminders to document how they currently operate and their views on providing funded early education. The research was undertaken by ASK Research in partnership with Hopwood Research and Evaluation, during May and June 2016 on behalf of the Department for Education.

2. Ofsted<sup>6</sup> defines a childminder as: a person who is registered to look after one or more children, to whom they are not related, on a domestic premises for reward. Childminders can work with no more than two other childminders or assistants. They must register if they care for children under the age of eight, and can choose to register if they care for older children. They care for:

- children on domestic premises that are not usually the home of one of the children unless they care for children from more than two families, wholly or mainly in the homes of the families;
- at least one individual child for a total of more than two hours in any day. This is not necessarily a continuous period of time.

## Background and context

3. The government has been funding early education places for all three and four year olds since 2005. The free entitlement allows for 570 hours of early education a year and can be taken up at a local authority nursery school, a nursery class in a maintained school, at a private, voluntary or independent setting (collectively known as PVIs), or, with a childminder. It is often known colloquially as the “15-hour free childcare” because that is how many hours it works out as over 38 term-time weeks.

4. At the time this research was undertaken, 95% of three and four year olds are taking up their free entitlement.<sup>7</sup> In 2013 the free entitlement was extended to 20% of the most disadvantaged two year olds. In 2014, this was extended to 40% of the most disadvantaged two year olds. Sixty-eight per cent of those eligible in this age range now take up funded provision<sup>8</sup>.

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<sup>6</sup> Taken from Ofsted’s Childcare providers and inspections as at 31 March 2016, June 2016. Available at: <https://www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-march-2016>

<sup>7</sup> Department for Education Statistical First Release: Provision for children under five years of age in England, January 2016. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/532575/SFR23\\_2016\\_Text.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/532575/SFR23_2016_Text.pdf)

<sup>8</sup> Department for Education Statistical First Release: Provision for children under five years of age in England, January 2016. Available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/532575/SFR23\\_2016\\_Text.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/532575/SFR23_2016_Text.pdf)

5. From September 2017, the government is extending the funded provision so that working parents of three and four year olds are entitled to receive 1,140 hours of free childcare a year, or 30 hours over 38 term-time weeks (hence, the “30 hours offer”). To be eligible, parents will need to be earning between the equivalent of 16 hours a week at national minimum wage and £100,000 per year. These eligibility criteria mean that an estimated 390,000 three and four year olds will be eligible for 30 hours of free childcare.<sup>9</sup>

6. Given that childminders make up around a fifth of the overall childcare market,<sup>10</sup> the DfE has stated that childminders will be key to the delivery of the extended offer. It is also known that the current free 15 hour early education entitlement is more rarely taken up with a childminder than other childcare providers (only 2% of three year olds taking up the offer do so with a childminder).<sup>11</sup>

7. This research was commissioned to explore how childminders currently operate as well as their knowledge and experience of providing funded provision (i.e. the current universal 15 hours entitlement) for those that did and barriers to offering funded provision for those who did not currently or had never provided it. It also sought to determine whether childminders knew about the proposed extended offer, their likelihood of delivering it, any barriers likely to be faced in delivering it and what support would be required to enable them to offer it.

## Aims

8. The aims of the research were to:

- better understand the current views and behaviour of childminders;
- explore whether childminders currently offer and deliver any funded provision. If so, why? If not, why not?;
- identify perceived barriers and drivers to delivering the extended 30-hour free entitlement.

## Methodology

9. The research involved interviewing childminders from nine local authorities (LAs) in England. LAs were selected based on the quality of the information on their Family Information Service (FIS) databases and to ensure a broad geographical coverage

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<sup>9</sup> Available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482517/Childcare\\_Bill\\_Policy\\_Statement\\_12.03.2015.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482517/Childcare_Bill_Policy_Statement_12.03.2015.pdf)

<sup>10</sup> Department for Education Statistical First Release: Provision for children under five years of age in England, January 2016. Available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/532575/SFR23\\_2016\\_Text.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/532575/SFR23_2016_Text.pdf)

<sup>11</sup> Department for Education Statistical First Release: Provision for children under five years of age in England, January 2016. Available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/532575/SFR23\\_2016\\_Text.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/532575/SFR23_2016_Text.pdf)

(including a mix of rural and urban areas). The FIS database had to provide good information on childminders, including whether or not they offered funded provision, and had telephone and email contacts. The sample was not intended to be representative of the population of childminders, rather the sample was drawn to provide insight into childminders' views of delivering (and not delivering) funded provision.

10. Childminders were screened to check if they did offer funded provision or not (to ensure sufficient sample of both) and invited to take part in the research.

11. A series of one-to-one in-depth telephone interviews were then conducted with a sample of 40 childminders. The interviews lasted between 30 and 60 minutes. The semi-structured interviews explored:

- the childminding services offered and provided by childminders and the factors affecting their model of delivery; what age children the childminder looked after and why;
- whether or not childminders were currently offering and/or providing the 15 hours funded early education entitlement; the positives and negatives of delivering it; and for those not delivering it, their reasons why not;
- childminders' understanding of the extended 30 hours entitlement, perceived barriers or challenges to delivery (if any) and what considerations or support would be most important in helping childminders deliver the extended entitlement.

12. At the time the research was conducted, the detail of how the 30 hours entitlement would operate was still being developed. In order for childminders to be able to comment on what it might mean to them, childminders were read out a short vignette (see Figure 4.1 on page 30) outlining likely elements of delivery. The vignette was developed in collaboration with the DfE and included key elements of delivery that were being consulted upon in the April-June 2016 public consultation.<sup>12</sup> Further detail can be found in Section 4.

## Interview sample

13. A total of 40 childminders from across England were interviewed.

14. The recruitment sample was weighted towards those who had no experience of offering the 15 hours funded early education entitlement in order to explore the barriers to

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<sup>12</sup> Note that the consultation closed on 8 June 2016 and the government provided a response on 3 November 2016. Both are available at: <https://www.gov.uk/government/consultations/30-hour-free-childcare-entitlement>. To note, the government also consulted on Early years funding: changes to funding for 3- and 4-year-olds in 2016. The consultation and government response is available here: <https://www.gov.uk/government/consultations/early-years-funding-changes-to-funding-for-3-and-4-year-olds>

providing funded childcare provision. However the achieved sample was more even, with:

- 21 of the 40 childminders interviewed were not offering funded places;
- 19 had experience of delivering funded provision, although only a minority were currently delivering it (i.e. had eligible children on their caseload taking up funded provision with them).

## Study limitations

15. This was a small-scale exploratory study carried out between May and June 2016. It involved 40 purposively selected childminders (compared to the 46,287 registered childminders in England)<sup>13</sup> based in nine Local Authorities selected for the quality of their FIS data and broad geographical spread. The evidence in this report is therefore indicative only and should not be seen as representative of childminders in England.

16. Interviewed childminders were asked about their possible future behaviour. This will not necessarily translate into reality, or could be affected by other external factors such as parental demand or a change in economic circumstances. Similarly, childminders were asked to comment on policy detail which was still being consulted on at the time of the fieldwork. This too may have influenced childminders responses.

17. Local fee rates which the research team provided to childminders as a basis for discussion did not appear to be an accurate reflection of the fee rates being paid to childminders from DfE data.<sup>14</sup> However, as the research team did not work with staff in the LAs studied it was not possible to check these figures.

18. This study only explored the issues from childminders' point of view. It is recognised that the 30 hour extension of funded early education will affect the entire childcare workforce, but the remit of this research related solely to childminders.

## Sample characteristics

19. In general, the characteristics of those interviewed reflected findings on childminders in the 2013 Childcare and Early Years Provider Survey<sup>15</sup>. Please see Appendix 1 for a more detailed breakdown of the sample characteristics. Of the childminders interviewed:

- all were women, although some worked with their male partners;
- their ages ranged from 36 to 69 with the majority over 50 years of age;

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<sup>13</sup> Ofsted, Childcare providers and inspections as at 31 March 2016, June 2016. Available at:

<https://www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-march-2016>

<sup>14</sup> Data on rates were taken from the DfE's Early Years Benchmarking Tool.

<sup>15</sup> Department of Education, Childcare and early years providers survey: 2013, September 2014. Available at: <https://www.gov.uk/government/statistics/childcare-and-early-years-providers-survey-2013>

- the majority were white;
- many were qualified to level 3 or above;
- most were rated as “good” or “outstanding” by Ofsted although some were graded as “requiring improvement”.

20. Childminders tended to have come into the profession:

- when they had had their own children and wanted employment to fit around their family and needs at home;
- later in life, often as they had their own grandchildren who needed childcare or following retirement or career change from another profession;
- following previous childcare experience – such as babysitting, working in a nursery or working in a school (as a Teaching Assistant or lunchtime supervisor); and
- wanting to run their own business and dictate their own work-life balance.

## Report structure

21. The report is structured as follows:

- Section 2 outlines how interviewed childminders operate;
- Section 3 sets out whether or not childminders were currently offering and/or providing the 15 hours free entitlement to early education. It describes the opportunities and challenges of delivering it. For those not delivering it, the reasons for not delivering it are explored;
- Section 4 sets out childminders’ views of the forthcoming 30 hours extended free entitlement for working parents along with perceived opportunities and barriers to delivery for the childminding profession;
- Conclusions are set out in Section 5;
- Appendices include detail on the sample and the research tools used.

## 2. Childminder delivery models and associated factors

### Introduction

1. In this section the broad delivery models operated by the childminders interviewed are presented along with factors affecting this.

### Childminder business patterns

2. The childminders interviewed had patterns of delivery which were influenced by both commercial acumen (e.g. fee rates, knowledge of the early years sector and childcare market) and logistics (both personal and commercial relating to capacity, caseload, operational hours). The ways in which they tended to be set up are detailed below.

### Staffing variation

3. Sole childminders (either at full or reduced capacity) were the most prevalent business patterns and were divided between:

- Sole childminder caring for the *maximum* number of children permitted by Ofsted<sup>16</sup> (i.e. 6 children under the age of 8) and/or wraparound care before and after school for children aged over 8 years;
- Sole childminder caring for *less* than the maximum number of children permitted by Ofsted because the childminder had intentionally set-up their business to look after a small number of children (as this was what they felt comfortable with or had the space for at home/to transport);

Less common arrangements included:

- Childminder formally working with assistants and/or other family members registered as childminders (e.g. spouse and daughters) with the broad aim to take on the maximum number of children permitted by Ofsted ratios. This was in order to ensure that there was an extra pair of hands available for example to cover busy periods such as before and after school, the holidays or to cover illness;<sup>17</sup>

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<sup>16</sup> Registered childminders can look after up to six children up to the age of eight. Of these, a maximum of three can be under fives, who are classed as 'young children' and a single childminder can only have one child under one year old. This ratio includes the childminder's own children if they are under age eight and are being looked after (i.e. not when they are in school for example). More information is available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/335504/EYFS\\_framework\\_from\\_1\\_September\\_2014\\_with\\_clarification\\_note.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335504/EYFS_framework_from_1_September_2014_with_clarification_note.pdf)

<sup>17</sup> According to the Childcare Act 2006, a childminder can work with two other people at any one time. These may be assistants, other childminders or a combination of the two. Childminders may work with more than two people during a working week, but there must never be more than three childminders working together at any one time.



- Childminder working informally with another childminder providing care between them, such as joint outings or sharing the drop-off/pick up runs;
- Childminder (also) registered as providing childcare on domestic premises. This means there are four or more people working together.

## Caseload variation

4. Providing a mixture of care for pre-school and school aged children was the most prevalent of delivery models. Delivery models included:

- Providing for a mixture of pre-school children typically from 9am to 3pm (and/or early mornings and evenings) and school-aged children before and/or after-school ('wraparound' care);
- Only providing childcare for babies, children under the age of 3, or children under school-age;

Less common arrangements included:

- Only providing wraparound care for school-aged children;
- Providing flexible provision to meet localised gaps in parental childcare demand to include early mornings and weekends;
- Linking with a Children's Centre to offer extra local capacity to encourage parental take-up of early education entitlements (as the Children's Centre was at capacity);
- Providing either term-time only or all year round care.

## Features of delivery and associated factors

### Demand and capacity

5. All of the childminders interviewed stated that their business model was influenced by parents' needs. For most, this was balanced with their own personal circumstances, the needs of their own children (where appropriate), and/or, the type of children they felt best suited to care for.

6. The majority of childminders were sole childminders who had been working as childminders for many years. Many childminders spoke about keeping children they looked after 'on their books' from a very young age up until they reached senior school (age 11-12). They often also looked after siblings and relatives. This meant that in many cases vacancies were not available for several years and that the relationship between the childminder and the family was strong.

7. Most of those interviewed were “at capacity” either in terms of the maximum children permitted by Ofsted ratios or in terms of the model they were aiming to provide. Many had waiting lists (with parents on a list to get on the childminders’ books if a place became available). Most business came from word of mouth or parent recommendation, with very little need to advertise. Many were caring for children who lived very close to them.

8. Those interviewed who currently had capacity and would have been open to taking more children were those who:

- cared for children now reaching senior school age;
- were judged as requiring improvement by Ofsted;
- were new to the profession; or
- were working in partnership with other agencies or delivering flexible provision to meet gaps in local childcare.

### Timing

9. Most childminders operated all year round except for bank and family holidays. However, some only provided childcare during term-time and a very small number only operated for part of a week (i.e. had a day a week off). Most childminders stated that their opening times were dictated by the need to fit in with parents’ working patterns. In the main, childminders were providing care for children for around 8-12 hours a day. Some stated that they could provide overnight or weekend care (although requests for this were low).

10. The number of childminders offering early morning and late evening childcare was limited amongst the sample interviewed. This tended to be a feature of areas where parents had long commutes to and from work (e.g. rural areas and the South East).

11. There were frequent reports of childminders working additional hours in the evening and during weekends to complete paperwork (e.g. learning journals). This, coupled with the long hours of childcare provided, meant that many childminders reported fatigue and low hourly rates of pay (when income was calculated over total hours worked providing actual childcare and administration and paperwork).

### Fees and charges

12. Childminder fee structures varied with some charging day rates, some sessional fees, and others setting hourly fees or, a mixture of all three. Day rates ranged from £30 to £55, and hourly fees from £3.50 to £6. Day rates, where used, tended to be for younger children spending all (up to 10 hours) or part of a day with the childminder. Providers who offered ‘anti-social hours’, such as weekend care increased their rates for these hours up to £8.

13. Fee rates were based on local competitiveness, experience, demand and quality. Several childminders raised the issue of needing to balance the cost of childcare for

parents with the need to earn a reasonable income themselves. There was a fairly even split between those working to earn “a bit of extra money” and those totally dependent on their earnings from childminding. This was often linked to the childminder’s age and family circumstances.

14. Most were paid weekly or monthly by parents. Some talked of being paid through different childcare voucher companies and other third parties (such as LAs from whom the frequency and patterns of payment may have been different. See Section 3). Childminders commented that fees from parents could often be late or not forthcoming due to parents’ financial situations or the importance they placed on ensuring childcare was paid for promptly.

15. Very few childminders charged anything additional for costs they incurred including lunches, outings or petrol, for example. There was a split amongst childminders regarding increases to fee rates. Some planned increases at the start of an academic year, others kept the same set fee for individual families (based on family affordability and number of children from the same family being cared for, for example).

### **Wraparound care**

16. Many of the childminders interviewed were providing wraparound care. This was either before and after school care for school-aged children (aged 5-11/12 years) or with other providers often once the child reached the age of three or four years.

17. Wraparound care for pre-school aged children most commonly involved collecting and/or dropping off children with other providers - typically local nurseries. Providing wraparound impacted on childminders in a number of ways:

- places being ‘blocked up’ by children who were also spending some of their time at another provider (which the childminder may or may not have been charging the parents for) – i.e. a child might have also been going to nursery for 2 hours in the morning, preventing the childminder from offering this place to another family;
- children’s times with the childminder having to fit in with each other (i.e. having to juggle 2 sets of part-time hours);
- numbers of children that wraparound could be provided for was restricted by distance to and number of other providers they had to drop off or pick up from, as well as available space in the car or other modes of transport or how many children they could safely walk along roads (as childminders have to take all children with them);
- transport costs, such as petrol, fell on childminders;
- responsibility for providing meals and snacks often fell on the childminder (e.g. providing breakfast before, or lunch after, sessions with another provider);
- insufficient capacity to meet holiday demand (when other providers are closed, children need to switch from wraparound to full-time places).

## **Business operation issues**

18. Many childminders commented on the amount of paperwork they were required to complete. This included keeping learning journals up-to-date, keeping all policies updated in line with Ofsted changes and business administration. Several commented on how difficult they found it to keep abreast of changes. Most were completing administration themselves, although some got help from their husband/partner.

19. Most had attended various childcare training in recent years (some nationally, but more generally locally). There were comments about how difficult it was to attend training given their working hours.

20. Several childminders commented that they did not have access to a computer and reported low levels of computer literacy particularly in terms of use to support their business.

## **Childcare for working and non-working families**

21. Most of those interviewed were providing childcare for working parents. Some were providing funded places to non-working parents accessing the free entitlement to early education.

## **Special Educational Needs and Disabilities (SEND)**

22. Previous research has suggested that some parents of children with SEND report not having access to early education and childcare provision that meets their needs.<sup>18</sup> Childminders interviewed were asked if they had experience of providing childcare for a child with additional needs or SEND.

23. The majority of childminders reported that they had never provided childcare for children with additional needs. This was because they had never been approached to care for a child who needed additional help and support. Several commented that they had received training on SEND but, as yet, no parent had approached them to provide childcare for a child with documented SEND.

24. Although most of the childminders interviewed reported that they would be willing to care for a child with additional needs or SEND in principle, several highlighted concerns about:

- costs and viability based on the presumption that a child with SEND would need one-to-one support;

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<sup>18</sup> Department for Education, Childcare and Early Years Survey of Parents 2014-15, March 2016. Available at: <https://www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2014-to-2015>

- balancing the needs of a child with SEND with the needs of the other children in their care given that they were often operating as a sole childminder;
- the physical constraints of the domestic premises from which they operated.

25. Examples from childminders who had cared for children with additional needs included:

- children with identified disabilities such as hearing impairment, Down's syndrome or cerebral palsy;
- children who had been placed with them for one-to-one childcare at weekends, for example to provide respite care for parents of a child with autism;
- sufficient staff (assistants or other childminders) were available to be able to operate inclusively;
- some reported caring for children who presented challenging behaviour but had not been assessed so no additional needs had been formally identified;
- none reported making specific adaptations or having to overcome particular challenges to meet a child's needs.

## Networks and information routes

### Formal

26. Interviewed childminders were asked about where they obtained information about childcare policies and practice, including specifically about funded provision. The majority of childminders interviewed said that they were members of, or accessed information from, the Professional Association for Childcare and Early Years (PACEY). PACEY was also stated as being one of the most trusted sources of information for childminders, along with Ofsted, and in some areas, the LA.

27. Some childminders reported regularly checking the Ofsted website for information on policies affecting them and stated that they would contact Ofsted directly if they had a question related to provision.

### Informal

28. Many of the childminders interviewed also referred to their personal networks as a source of information and knowledge. This was generally other childminders working in the local area. Childminders interviewed felt that opportunities to meet with other childminders were invaluable to prevent isolation and share information on policies, practice and ideas.

29. What was noticeable about this route of information was that the details were often incorrect, specifically around policies and the provision of funded early education.

30. Facebook was commonly cited as a source of information with groups specifically for childminders repeatedly identified (which many childminders accessed via a tablet or Smartphone). For some, these online discussion groups were the key source for keeping informed about the profession. Other childminders raised concerns about the quality of the information passed through online forums and commented about the confusion that can arise if online comments are based on personal opinions or factors that can vary locally.

*“You have to take it all with a pinch of salt so I might see something on there and then try and find out for myself, because you can’t always trust what people put on there”*

***Childminder delivering funded hours, Urban (London)***

## **The role of Local Authorities**

31. In some areas there were reports of very high quality support for childminders and regular contact (including information on policies, training events) from the local authority. Childminders received regular emails and postal information from their local team and had a named contact in the team to contact for information and support.

32. In one area the LA team had been seen as a highly trusted route of information and support but the service had been stopped “due to funding cuts”. The childminders in this LA considered this had been detrimental to them.

33. In other areas childminders interviewed could not recall ever having been contacted by their LA or of being provided with information and support. Yet many childminders felt that it was the responsibility of their Local Authority Early Years team to support them and provide regular information about policies and implementation in their area.

## 3. Provision of universal 15 hours funded early education entitlement

### Introduction

1. This section sets out whether or not the childminders interviewed were currently offering and/or providing funded early education. It describes the opportunities and challenges of delivering it. The reasons childminders gave for not delivering it are also explored.

### How the current funded provision works

2. All three and four year olds, and some two year olds<sup>19</sup>, in England can get 570 hours of free early education or childcare per year. This is usually taken as 15 hours a week for 38 weeks of the year i.e. during term-times.

### Rates for funded provision

3. Childminders, like other providers of funded early education, are paid a fixed hourly rate for the care of eligible children. This rate is set by the LA and varies by the age of the eligible child (two year olds or three and four year olds).

4. In the 9 LAs from which childminders were sampled, DfE data on the average LA rates paid per hour for three and four year old places to Private, Voluntary and Independent (PVI) providers, which includes childminders, is set out in Table 3.1.

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<sup>19</sup> This is dependent on whether or not their parent(s) is getting: Income Support; income-based Jobseeker's Allowance (JSA); income-related Employment and Support Allowance (ESA); Universal Credit; tax credits and you have an annual income of under £16,190 before tax; the guaranteed element of State Pension Credit; support through part 6 of the Immigration and Asylum Act; the Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit). A child can also get free early education and childcare if any of the following apply: they're looked after by a local council they have a current statement of [special education needs \(SEN\)](#) or an education, health and care (EHC) plan; they get [Disability Living Allowance](#); they've left care under a special guardianship order, child arrangements order or adoption order. For more information please see: <https://www.gov.uk/help-with-childcare-costs/free-childcare-and-education-for-2-to-4-year-olds>

**Table 3.1: Department for Education Private, Voluntary and Independent (PVI) average three and four year old funded LA rates**

Area	Local rate: £/hr
1 (London)	£3.83
2 (London)	£3.79
3 (North)	£3.97
4 (North)	£4.20
5 (North)	£4.22
6 (South)	£4.17
7 (South)	£3.90
8 (Rural)	£3.96
9 (Rural)	£4.25
England average (Mean)	£4.19
England average (Median)	£4.04

Source: *Early Years benchmarking tool, DfE, November 2015*<sup>20</sup>

5. The detail of these rates were given to childminders who had not provided funded provision to enable them to comment on whether or not the local fee rate would affect whether or not they would provide funded provision in the future.

6. However, those childminders with experience of providing funded places sometimes cited amounts received were different to these figures. Feedback also suggested that some LAs were operating different rates of pay and incentives for early years providers. In some areas, funded fee rates differed depending on the postcode the child lived in. In others, the rate of funding reduced the more children providers delivered funded childcare for.

7. Some childminders were receiving additional funding for children they cared for, which the research did not explicitly explore. These included:

- funding to provide childcare through social care, or as part of a package of family support, or respite care (for children with SEND);
- funding for early education provided for disadvantaged children via the Early Years Pupil Premium (EYPP).<sup>21</sup>

8. The complexity of local early education fee rates and other sources of funding should be borne in mind when interpreting the research findings. This is because the responses of childminders who had not provided funded provision were based on the DfE rates provided which may not be an accurate reflection of the actual local rates provided.

<sup>20</sup> Department for Education, Early years benchmarking tool, November 2015. Available at: <https://www.gov.uk/government/publications/early-years-benchmarking-tool>

<sup>21</sup> This was however not very common in the sample.



Similarly, several of the childminders who were providing the early education entitlement were receiving incentivised rates<sup>22</sup> for some children that may have positively influenced their willingness to provide it. As the research team did not interview staff in the LAs studied it was not possible to check these figures.

## Awareness and misconceptions

9. All interviewed childminders were aware that parents can access some free early education but there was variation in levels of understanding. There was very little distinction made between the provision for two year olds and that available for three and four year olds. Some had not realised that the funded provision for three and four years olds is a universal entitlement whilst the two year old funding is targeted at disadvantaged families, often assuming all funded provision was for low income parents.

10. There were a number of notable misconceptions about how the free early education scheme operated, including:

- that funding could not be split between providers;
- fee rates and payment processes around how childminders would receive money;
- that childminders needed to be rated as 'good' or 'outstanding' by Ofsted to be eligible to provide it;
- that childminders needed to have attended a course, be part of a specified childminder network, or be qualified to a certain level to provide it;
- that the priority locally was for the full 15 hours to be provided in LA funded/maintained nurseries.

11. In practice, childminder levels of understanding of funded early education were mostly (but not exclusively) affected by whether or not they had experience of providing it.

12. It is not clear whether these issues have arisen from LA models of delivery or are a misperception on the part of childminders.

## Experiences of those offering funded provision

### Reasons for offering

13. Of the childminders interviewed, those who were offering places normally did so due to parental request. That is, when a child they were already looking after became

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<sup>22</sup> These are local rates for certain postcodes to encourage more childcare for disadvantaged families and the additional costs this may require, for example transport costs.

eligible, parents asked childminders to provide them a certain number of hours of funded provision. The reasons childminders gave for agreeing to these requests included:

- parents should be able to arrange their childcare however works best for them and get what they are entitled to;
- funded places provide a guaranteed income source - childminders had reported that it could be difficult to get regular payment from parents directly and hence claiming the funded provision via the LA would circumvent that issue;
- providing funded places kept families on the books - some childminders commented that they might have lost some children to other childcare providers if they had not offered funded provision. This was important given the research found that many children continued to use childminder services until they were 11 years old.

## Ease of delivering

14. Those providing funded early education reported it as being relatively straightforward to implement, both in terms of set up (registering) and receiving payment. Initially, many had received support and advice to help explain the paperwork and navigate any online systems.

*“My husband’s good on the computer so he set it all up for me. I just gave him basic details about what I earn and the number of children. He said it was all fairly easy to do.”*

***Childminder delivering funded hours, Rural (East)***

## Challenges of delivery

### Funded fee rates

15. The research found that those childminders offering funded provision were:
- accepting a temporary loss of income - based on the fact that it was for an individual child for a short amount of time; that higher fee rates for eligible two year olds made up for the shortfall; or because they were not solely dependent on the income from childminding for their own daily living costs;
  - making up shortfalls in fees, charging to secure a place or boosting their income from other children. For example:
    - childminders were charging parents for a full-day of childcare when the child may be spending some time at another provider to secure

the place for that day, and/or during the holidays and to cover child sickness;

- childminders were splitting the funded hours into day or half-day blocks with another provider to minimise the number of hours of lost income. This meant the childminder was able to make up the money lost when the child was at a different provider by taking on another child for a full or half day;
- increasing the income received from other (non-eligible or older) children by raising the hourly fee for school-age children and for pre-school children's time beyond the 15 hours entitlement, or increasing the number of school-age children cared for in breakfast and after school sessions;
- or avoiding the issue of lower LA rates by, for example:
  - having fees lower than the local rate (this was more likely if childminders were operating in disadvantaged areas, were less experienced or had lower Ofsted ratings);
  - topping-up funding with elements of local or other funding (e.g. childcare provided as part of a family support package).

## Implementation issues

16. Some problems were also reported concerning implementation:

- regularity and accuracy of payments - most were paid the funded provision on a half termly or termly basis with around 70-80% of the money being paid upfront and the remaining 20-30% being paid at the end of term. This was to take account of any changes to the number of eligible children being cared for. Several childminders reported this process caused them problems with budgeting. Some had found that they had been overpaid (because a child did not attend for the hours expected or because they had stopped attending) and so had to pay back the LA. Receiving payment and paying back to the timescale of the LA could cause difficulties with cash flow;

*"I'd been paid already for this little boy but then he left me so the LA needed that money back. Because it was near the end of the accounting year they needed this really soon. It was really difficult to get it back to them in that timescale."*

***Childminder delivering funded hours, Rural (South West)***

- refusal of payment by the LA - this related to split funding between different childcare providers such as a childminder and nursery where the total claimed exceeded the entitlement. For example, a nursery claimed for all 15 hours and a childminder claimed for 5 so the LA refused to pay the childminder for their 5;
- covering childcare in non-term-time (i.e. over school holidays) - the funding only covers 38 weeks of the year although it can be stretched over a full calendar year. Childminders reported issues about a lack of understanding from parents that they would need to pay for childcare outside of term-time or how hours are stretched to cover an academic year;
- regularity of reporting child attendance and payment for hours provided only - LAs do not cover child absences or 'full sessions' even though the childminder might usually have charged in this way.

## Experiences of those not providing funded provision

17. The sample was deliberately weighted towards those childminders who were not offering funded education. This was so that the research team could explore their perceived barriers to doing so.

## Reasons for not offering

18. There were several key reasons why childminders were *not* currently providing funded early education. The top 4 most common reasons are as follows:

- no demand - they had not been asked to provide it by parents;
- no eligible children - they had no children in their care of the relevant age;
- parental preference - parents preferred to take up their free early education entitlement in nurseries rather than with a childminder as they see the move to a larger provider as a step to 'school readiness'. Although some childminders still charged parents for the time that the child spent with the other provider in order to secure the child's place;
- fee rates - local hourly fee rates for funded provision were lower or perceived to be lower than the childminder's existing hourly rate;

Other reasons for not currently providing funded early education included:

- lack of capacity - they had no spaces to take on additional children requiring funded provision, or logistical considerations prevented this;
- concerns about bureaucracy - including assessments/paperwork associated with early years education and claiming payments, training requirements and need to use IT;

- provider eligibility - where childminders needed to be rated 'good' or 'outstanding' by Ofsted to be eligible to offer funded places. This was not just an issue for those falling below these standards but providers with currently 'good' and 'outstanding' ratings worried about the implications of receiving a different rating. Childminders were concerned that being 'downgraded' would mean they could no longer provide funded places and would lose income.

## **Messages to childminders not offering funded provision**

19. Childminders providing funded early education were asked what messages childminders not offering it might need to hear to encourage them to provide it.

20. The key messages they believed needed to be shared with other childminders to encourage wider provision were that:

- there is no need to do anything different from or additional to the childcare childminders (should) already provide;
- it is relatively easy to register;
- there is not much additional paperwork needed after initial set-up;
- payments come through regularly and offer a secure source of income.

## 4. Views of the planned 30 hours funded early education entitlement for three and four year olds

### Introduction

1. This section sets out childminders' views of the forthcoming 30 hour extended free entitlement for working parents from September 2017. The perceived opportunities and barriers to delivery for the childminding profession and likely behaviours are also explored.

### Unprompted awareness

2. Most of the childminders interviewed had already heard of the extended free entitlement but there were common misconceptions about eligibility of both parents and childminders and how it would operate.

### Providing informed comment

3. At the time of the research the detail on how the extended free entitlement was to be operated was still to be determined. In order to be able to provide informed comment about what it might imply for their business, childminders were read out a short vignette describing the proposed extended free entitlement (Figure 4.1). The vignette was developed in partnership with the DfE and based on key elements of a DfE consultation<sup>23</sup> underway at the time of research.

**Figure 4.1:**

**Vignette describing the 30 hour free childcare entitlement for working parents of three and four year olds and likely features of operation**

*In September 2017 the entitlement to free early education and childcare will be increased to 30 hours a week for **WORKING** parents. By **working** parents we mean that to be eligible parents will each need to be working between 16 hrs./wk. at NMW and £100k/year). It includes self-employed parents and single parents.*

*Childminders do not have to offer these free places, but if they do it is likely that:*

- *funding will be claimed through the LA*

<sup>23</sup> Note that the public consultation closed on 8 June 2016 and the government provided a response on 3 November 2016. Both are available at: <https://www.gov.uk/government/consultations/30-hour-free-childcare-entitlement>. To note, the government also consulted on Early years funding: changes to funding for 3- and 4-year-olds in 2016. The consultation and government response is available here: <https://www.gov.uk/government/consultations/early-years-funding-changes-to-funding-for-3-and-4-year-olds>

- *the extra provision will be funded at the same rate as universal 15 hours*
- *all provision will still come under the same regulations and ratios set out in the EYFS framework*
- *the 15-hour entitlement will stay as it is (i.e. this will be universal for all parents).*

*It is also likely that:*

- *lunch and outing costs can be charged to parents, but top up fees cannot (i.e. it won't be possible to charge parents more than you receive from the LA).*
- *hours can be split across more than one provider (e.g. the 30 hours could be split between a school nursery and a childminder for wraparound care)*
- *the hours in which funded childcare can be taken up will be extended to cover term-times and holidays and from 6am to 8pm*
- *LAs will pay promptly on a monthly basis*
- *Childminders will not have to determine parents' eligibility to claim.*

## Reactions to policy

4. Childminders generally felt it was a good idea to support working families by assisting with childcare costs and believed that demand would be high.

5. There were some concerns about the 30 hours being too many, the upper income level for eligible parents being so high, and the fact that some parents who were only working 16 hours would be eligible for the extended free entitlement.

6. Childminders were concerned that nurseries and Private, Voluntary or Independent (PVI) settings already had a lack of capacity and would struggle to increase places in order to provide the full entitlement. This resulted in some nervousness that demand for childminders to provide the extended free entitlement would be high and there would be more pressure to provide it irrespective of perceived challenges.

*“Parents will want it. So we’ll have to provide it.”*

**Childminder not delivering funded hours, South East**

7. It should be noted that childminders who had no experience of providing the funded 15 hours of free early education found it difficult to immediately think through the implications for them and assess any potential impacts on their business.

## Concerns raised

8. Concerns raised about delivering the extended free entitlement were similar across those with and without experience of providing funded early education. These related to:

- fee rates – specifically funded rates being lower than childminders currently charged in many cases. This was considered a potential significant impact for childminders due to their small scale and limited capacity;

*“It doesn’t sound like much of a difference, just 20p an hour. But if you work that out, that’s over 7 hours for 3 children, so that’s, what, about twenty pounds a week. Why should other working families be helped to put food on their table with childminders taking the hit.”*

### **Childminder not delivering funded hours, London**

- inability to charge top-up fees – not being able to charge any shortfall between usual fees and fees paid by the LA to parents;
- logistics of sharing the hours of funded provision with other providers while managing their ratios and meeting the needs of working parents regarding drop off and pick-up times;
- other childcare providers being established specifically to focus on offering funded early years provision, resulting in loss of custom for childminders;
- the logistics of how to operate and manage funded hours over more than 38 weeks a year – including concerns about business operations (accounting, cash flow management and paperwork) and caseload issues (rates for non-funded times, caseload make-up);
- lack of parity with state nurseries – some childminders pointed out that state nurseries are funded according to the number of places they offer to children regardless of whether or not the places are filled throughout the year. In contrast, childminders are paid according to the number of children who attend.

9. The evidence does not necessarily suggest that current patterns of delivery for funded provision operated by childminders would persist with the increase to 30 hours. Some currently offering it said they would no longer be willing to do so once this increased to 30 hours. Others said they would. Some who were not providing funded places felt they might start doing so, and others felt they would not.



## Opportunities and threats to business operation

10. How the childminders interviewed perceived the extended offer of 30 hours childcare for working parents would operate dictated whether they said they were likely to offer it and how they would adapt their business model.

11. One group of childminders could foresee business opportunities from the extended free entitlement, including:

- offering funded places when they had not done so before;
- developing partnerships with local nursery schools to share funded hours with other providers (as far as logistics would allow);
- keeping children on their books in the longer-term (even if they have reduced income when children are three or four years old);
- guaranteeing a set, regularly paid source of income;
- for the small number currently charging less than the LA rate, an increased income source.<sup>24</sup> This group were very likely to deliver funded early education under the new scheme.

12. Another group said they were likely to provide extended funded early education, often due to parental demand, but spoke of ways in which they would have to alter their business model. For example, by:

- charging for extras to make up for any shortfall in funded rates - childminders liked the idea of being able to charge for lunches and outings - some saw it as a necessity if top up fees could not be charged;
- discussing with parents how they could account for any shortfall in fee rates;
- limiting the number of funded places for three and four year old children they offered;
- not sharing the full 30 hours with another provider;
- providing for full sessions regardless of whether a child attended for that entire period or not;
- slightly increasing the costs for older age children.

13. Those childminders interviewed who said they would not provide funded early education under the extended entitlement for working parents either suggested they

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<sup>24</sup> This finding should be treated with extreme caution. This is because the research also identified that the fee rates DfE provided, on which childminders based their answers, were inaccurate and did not necessarily reflect the rate that the LA actually paid. This was often in more disadvantaged areas where market rates were lower.

would continue operating as they are at present, or would adapt their business model to allow for this. This would be achieved for example, by:

- focussing their service on caring for babies (under three years of age, and especially disadvantaged two year olds who attract higher funding rates) who could leave their care when they become eligible for funded provision and/or taking an increased number of school-aged children before and after school;
- offering full day childminding on private fee rates during the holidays only;
- leaving the childcare profession.

## Suggestions for overcoming challenges for childminders

14. Childminders suggested a number of ways in which the extended scheme could be set up and implemented to encourage childminders to provide it. These included:

- Cost factors:
  - incentivising delivery – by increasing local rates of funding;

*“Everyone I know in this area charges at least £4 an hour. I charge £4.50 because I know I provide a good service and others charge that. There are some round here who charge £5 an hour. So how then do they come up with a local rate of £3.90 an hour? Even if it was an average of all what we charge that would seem fairer. But not lower than even the cheapest people in the area.”*

### **Childminder not delivering funded hours, London**

- allowing additional charges – not as top-up fees but for additional costs childminders incur such as refreshments, petrol and other educational and play-related materials. The opportunities for maximising income should be made explicit to childminders and parents alike;
- simple payment process – easy to set up and use with minimal burden (such as head counts rather than hourly usage per child) resulting in accurate, regular (preferably monthly versus termly) and timely payment;
- Operational issues:
  - raising parent awareness – there is a strong preference for parents to take up their funded provision in nurseries (as a step towards being school-ready). As capacity to offer the full entitlement in these settings may be limited, parents need to feel that the alternatives (including childminders) are of equal quality;

*“They go off to nursery at 3. Parents seem to just think that’s what you do.”*

### **Childminder not delivering funded hours, North**

- acknowledging the unique role of childminders - recognising their ability to provide the most flexible forms of childcare and early education by helping them overcome additional challenges and costs they may face. This includes making all processes as simple and accessible as possible with minimal burden placed on childminders;
- providing clarity on the '30 hour' message – so that parents are clear what they are entitled to and why they might face additional charges. It should also be made clear to childminders how funded places can be provided across more than one provider and over more than 38 weeks of the year;
- providing support to childminders – not only in terms of keeping them up-to-date with policy but also for sharing ideas about practice and providing practical help. This support needs to come from trusted sources and be adapted to the specific needs of childminders;
- it was evident in some of the feedback that some childminders will need to be provided with clear illustrations or scenarios of how the 30 hour extended free entitlement could work in order to best assess the opportunities and challenges it poses to their business.

## 5. Conclusions and recommendations

1. This small-scale qualitative study was commissioned to provide in-depth analysis exploring childminders views and experiences of delivering the current 15 hour offer and their views on delivering the 30 hour entitlement for working parents. The research comprised of in-depth telephone interviews with 40 purposively selected childminders based in nine LAs and should therefore not be seen as representative of childminders in England. In addition, those interviewed were asked to comment on the policy detail of the 30 hours of free childcare which was still being consulted on at the time of the fieldwork.

### Models of delivery

2. Among those interviewed, childminders' businesses vary by staffing levels and caseload make-up. The majority work as sole-traders and this brings additional pressures. The exact way they set up their businesses is determined by the ratios set by Ofsted, any restrictions on their capacity and their personal circumstances. The childminding workforce is also ageing. In the 2013 DfE Childcare and Early Years Providers Survey, childminders had the oldest age profile of all providers, with two – thirds (67 per cent) aged 40 or older, with almost all childminders surveyed (99 per cent) at least 25 years old. The majority of childminders interviewed in this current piece of research were aged over 50.

3. Among those interviewed fee rates ranged from £3-£6 an hour (including those charging set day rates) with care commonly provided for 8-12 hours a day. Childminders reported several additional hours a week "in their own time" on paperwork connected to the Early Years Foundation Stage Framework and business administration.

4. Many childminders interviewed provide wraparound care (either before and after school or for pre-school children also attending other childcare settings). This results in childminders reporting that they have additional pressures on their costs and time as they often provide transport to and from other providers (limiting their capacity for children due to logistic constraints and incurring transport costs), supply refreshments and have demand for more places during school holidays.

5. Requests for childminders' services for children with SEND are low from parents. Childminders could envisage some issues with providing childcare for children with SEND, most often in relation to child-staff ratios but, in principle, would be happy to provide care for them.

6. There are limited formal networks and information routes from which childminders get information on policy and practice. Filling this void are informal networks, which can lead to confusion and misinformation.

7. LA Early Years teams were seen as the obvious provider of transparent, locally appropriate information and support for childminders, as well as national information from trusted sources such as Ofsted and PACEY. Some childminders had no links with their

LA for support. When childminders reported access to a LA Early Years support team, this was generally highly regarded.

## **Current entitlement to funded early education**

8. In the studied areas local rates of pay for funded early education places were reported in the DfE Early Years Benchmarking Tool as ranging from £3.79-£4.25, although childminders delivering funded provision reported payments received as being different. This may have been due to variations in local delivery.

9. There were a number of misconceptions about the current 15 hours early education entitlements including: that funded hours could not be 'split' across more than 1 provider; that childminders had to be rated 'Good' or 'Outstanding' by Ofsted, or be trained or qualified to a certain level, to offer it; that priority was given to take-up in LA maintained nurseries; and around payment rates, registration, administration and payment processes. As this research did not include the LA, it is not clear whether these were misperceptions or a feature of different implementation conditions imposed by LAs.

10. Childminders articulated that they face unique challenges compared to other providers in terms of providing transport to and from other providers, providing meals and snacks for children and providing extended periods of childcare (both over the lifetime of a child and weeks of the year).

## **Experience of providing funded early education**

11. Childminders had typically provided funded places at parental request. Offering funded places was seen as a good way to keep children and families "on the books" (for what could be over 10 years) and a guaranteed source of income.

12. The greatest challenge to delivery was the rate of funding (perceived to be lower than the childminder's standard fee). Childminders had either accepted this loss in income, or made up the difference in various ways (including charging top-up, increasing rates for non-funded hours and children, and accessing other funding sources).

13. Other implementation difficulties were related to mechanisms for payment including the need for regular and secure income and how to make an essentially term-time offer work most advantageously over 50 weeks of the year when working alongside other (less flexible) providers.

## **Reasons for not providing funded early education**

14. Often, childminders were not providing the funded early education entitlements because they had not been asked to by parents. This was either because they had no children of an eligible age on their caseload or because of parental preferences to take-up the entitlement within a maintained nursery/school or PVI setting. Parents and some

childminders considered a move to a larger, more formalised setting was a step towards children being “school-ready” and provided a more stimulating environment.

15. Many childminders interviewed were not in a position to offer funded places to additional children as most were at capacity (due to ratios, constraints of logistics or personal preference).

16. Concerns about providing the funded early education entitlement were often based on perceived challenges with the process of registration, receiving payments, administrative burden and the need to use Information Technology (IT).

## **Key messages for childminders not delivering funded provision**

17. The key messages childminders with experience of providing funded places thought others should know were that:

- there is no need to do anything different in terms of provision and care for children;
- it is easy to set up and there is a minimal need for on-going administration;
- payments are secure, regular and easy.

## **Extended entitlement to 30 hours for working parents**

18. At the time the research was conducted, the detail of how the 30 hours entitlement would operate was still being developed. In order for childminders to be able to comment on what it might mean to them, childminders were read out a short vignette which included key elements of delivery that were being consulted upon.<sup>25</sup>

19. Childminders had heard of the extended entitlement. There were common misconceptions about eligibility and the detail of implementation, but in general, childminders were supportive of the concept. It was anticipated that demand would be high.

20. Concerns were raised about implementation. These centred around the level of local fee rates, the logistical restrictions on childminders (including the impact this had on their ability to provide more wraparound care for pre-school children) and the issues of providing care outside of term-time.

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<sup>25</sup> Note that the public consultation closed on 8 June 2016 and the government provided a response on 3 November 2016. Both are available at: <https://www.gov.uk/government/consultations/30-hour-free-childcare-entitlement>. To note, the government also consulted on Early years funding: changes to funding for 3- and 4-year-olds in 2016. The consultation and government response is available here: <https://www.gov.uk/government/consultations/early-years-funding-changes-to-funding-for-3-and-4-year-olds>

## Potential future behaviour

21. There was no clear link between whether childminders currently were or were not providing the 15 hours funded early education entitlements and whether they thought they would under the extended offer of 30 hours for working parents.

22. Those that could see the opportunities the new scheme offered childminders (guaranteed income source, keeping children on the books, linking with other providers), were likely to say they would provide funded early education.

23. Many childminders recognised that they may well have to adapt their business models to offer the extended provision. They suggested they would do this by: getting parents to pay any shortfall in fees (through charging for extras such as lunches, outings and petrol, or increasing costs for non-funded hours) or by limiting the number of funded places they offered at one time.

24. Those childminders who said they would not be likely to provide funded early education suggested that they would focus their provision on children under 3 or over 5 years of age; focus on non term-time provision (with no funded places); provide childcare for parents who could afford to forfeit the additional funded hours or leave the profession.

## Suggested changes to support childminders offering funded provision

25. Childminders suggested that to support more of them to provide funded places in the future policy-makers needed to:

- pay a fair market rate;
- pay regularly;
- acknowledge additional burdens on childminders, their time and resources, by minimising administrative requirements and allowing them to make additional charges;
- make it more transparent to parents what the '30 hours' free childcare covers (including that it is only for 38 weeks of the year at a set rate) and that additional charges may be incurred;
- explain to childminders how they can optimise their earning potential;
- make it clear to parents and in policy communications that all providers of the early education entitlement are expected to operate at the same level and are inspected in the same way by Ofsted. It is perceived that there will be a need for many working parents to use childminders for their extended hours entitlement. It is therefore important that there is clarity and transparency on what childminders offer, their standards of care and early education provision;

- ensure procedures are straightforward to administer, simple to understand and accessible to those with low literacy levels and limited financial capacity;
- provide support, information and advice in a range of formats to help and reassure childminders about their policy knowledge, childcare and education practices and business operation. Ideally, this would come from a LA Early Years team and (because of potential differing interpretations of policy by LAs) Ofsted or an agency childminders use and trust such as PACEY.

26. These issues need addressing as childminders are often at capacity and there is a lack of appetite amongst many to grow their businesses to accommodate the demands of the new system. However, childminders believe that they will be very much needed to ensure that there is sufficiency and choice in the market to make the 30 hour offer work for parents.



# Appendix 1

## Sample characteristics

This table shows the characteristics of the sample consulted for this piece of research, and compares that to the national picture of childminders from the 2013 DfE Provider Survey<sup>26</sup>.

Characteristic		Sample	DfE Provider Survey (2013)
Gender	Female	100	98
Ethnicity	White British	93	87
	Non-White British	7	12
Age	Under 24	0	1
	25-39	10	32
	40-49	15	37
	50+	68 (31% of these were over 60)	30
Qualifications	None	13	14
	Levels 1-3 (GCSEs and A Levels)	73	78
	Levels 4-6 (to degree level)	18	9
Ofsted rating	Outstanding	18	
	Good	43	
	Satisfactory	3	
	Requires improvement	10	

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<sup>26</sup> Department for Education, Childcare and Early Years Survey of Providers 2013, September 2014. Available at <https://www.gov.uk/government/statistics/childcare-and-early-years-providers-survey-2013>

	Not inspected (met Early Years inspection)/	28	
Fee rates	£3.00-3.49	3	
	3.50-3.99	23	
	4.00-4.49	28	
	4.50-4.99	18	
	5.00 – 5.49	23	
	5.50 – 6.00	18	
	Multiple data as various rates	10	

# Appendix 2

## Topic Guide

### Childminders and Funded Provision

#### Introduction

*Thank you for agreeing to talk to ASK Research today. As I explained we have been asked by DfE to find out about what services childminders offer and their views on funded early education or childcare provision. We will report our overall findings to the DfE. No-one will know that we have spoken to you. When we report what you tell us, all quotes will be anonymous. Therefore, you are completely free to tell us whatever you want to about the funded childcare offer, and don't have to answer any questions you don't want to. We value your honest opinions.*

*As explained, when we spoke before, our conversation should take around 35 minutes. If you need to stop our conversation at any time please say so and we can arrange to finish another time. I will post out your £10 shopping voucher once we have completed the interview.*

Are you happy for me to record our conversation? This is just so I can write up notes. It will not be shared with anyone else and will be deleted afterwards.

If consent given: START RECORDING

#### Section One

##### How you currently operate and why [to spend 10 mins]

*The first set of questions explore the childminding services you provide and why you offer what you do.*

*(Opening prompt if needed) Currently what is the best part of being a childminder. And what is the most difficult?*

##### **1. Can you describe to me the current childminding services you offer.**

- **Is the business just you or do you have staff?**
- **And what do you currently provide?**
  - (Prompt: numbers and age of children, times of care, whether they draw down the free entitlement for 2,3 and 4YOs, costs [does this mean price to the parent here (fees) or cost of delivery?] and variations, links with other providers/school drop off/pick up) [would be good to be clear about whether there is a formal link with a school]

- **Do any of the children you care for need any additional help or support?** This could include special needs related to learning, behaviour, day-to-day living or any physical or mental impairment, illness, or disability?
  - **Have you previously cared for children with additional needs?** [if they have and they don't now, can we ask why (to see whether there are any barriers to so doing)?]
  - **Are there any challenges around this?**
2. **Why do you offer the childminding services in the way you do?**
- **Would you consider taking on other staff?**
  - (Prompt: supply-led versus demand-led (reasons for setting up business), administration (paperwork/reporting to LA, registration, Ofsted, etc.)?)

## Section Two

### Knowledge and Views of Offering Funded Childcare Provision [to spend 15 mins]

*The second set of questions explore your knowledge and views about offering (the existing) funded childcare provision, and any issues you currently face in providing it.*

3. A) **Are you aware of funded early education or childcare places?** (i.e. the universal entitlement to what's called 15 hours a week free childcare for all three and four year olds and some eligible two year olds?)
- B) **How informed do you feel about this offer?**
  - **Where have you got this information from?**
  - C) **Are you aware that the government is extending the free childcare entitlement?**
  - to 30 hours per week for working parents of three- and four-year-olds from September 2017?
  - If raised: there are 8 early implementation sites starting in September 2016 (none included, although they may have been asked to be involved in application). 4 areas included will be early innovator sites.
4. **Do you, or have you ever, offered funded places?**
- (i.e. the universal entitlement to 15 hours free childcare for all three and four year olds and some eligible two year olds?)
  - Yes / No (go to Q7)
5. If Yes, and **have you provided funded places?**
- **No? Why not? What were the 'barriers'?**

- (Prompt: lack of take-up/demand; local systems/ processes including registering/ admin).

6. **If Yes...**

- **Can you describe to me your experience of delivering funded places? What did/do you offer and why?**

- How did/do you work with other providers; (drop off/pick up; hours of care)  
Do you have experience of funded provision for two year olds or children with SEND?

Did you [have to] change anything about the way you delivered your services?

- **What are the positives about providing it for you and parents?**
- What benefits have parents reported? (Prompt: flexibility; employment; child factors)
- **What are the negatives and challenges to providing funded childcare?**
- i.e. barriers (Prompt: funding; administration; other providers; take up, profitability)
- **Many CMs don't provide funded places; what do you think are the key messages for childminders to encourage them to offer funded places?**
- **What extra information, help or support do you think childminders need for more to offer funded places?**
- i.e. what would incentivise childminders (if say funding: Ask is there anything else?) Probe: there anything you would change (in terms of regulation) in the EYFS or how Ofsted how often etc. works
- 

7. **If No....**

- **Can you tell me why you don't currently provide funded childcare provision?** (Prompts: Lack of awareness or lack of demand from parents? Conscious decision not to? Implementation issues)
- **What changes would need to be made to encourage you to provide it?**
- (Prompts: rates; administration; perceived LA issues; parental demand/awareness; other providers)
  - If say funding: Ask if that changes would you deliver? What else would need to change?
  - What support would you need to provide it?

**Section Three [to spend 10 mins]**

## Enablers and Barriers to delivering the new 30 hours funded childcare provision

*The third set of questions explore the likelihood of you offering 30 hours funded childcare in the future*

### **READ OUT**

*In Sept 2017 the entitlement to free early education and childcare will be increased to 30 hours a week for **WORKING** parents. By **working** parents we mean that to be eligible parents will each need to be working between 16 hrs/wk at NMW and £100k/year). It includes self-employed parents and single parents.*

*Childminders do not have to offer these free places, but if they do it is likely that:*

- *funding will be claimed through the LA*
- *the extra provision will be funded at the same rate as universal 15 hours*
- *all provision will still come under the same regulations and ratios set out in the EYFS framework*
- *the 15 hour entitlement will stay as it is (i.e. this will be universal for all parents).*

*It is also likely that: (see consultation doc)*

- *Lunch and outing costs can be charged to parents, but top up fees cannot (i.e. it won't be possible to charge parents more than you receive from the LA).*
- *hours can be split across more than one provider (e.g. the 30 hours could be split between a school nursery and a childminder for wraparound care)*
- *the hours in which funded childcare can be taken up will be extended to cover term-times and holidays and from 6am to 8pm*
- *LAs will pay promptly on a monthly basis.*
- *Childminders will not have to determine parents' eligibility to claim.*

*Based on this information*

8. If these changes came in now, what would it mean for you?
- *Would you be likely to [continue] or to start providing funded places?  
Please tell me why/why not.*
  - *Would you change anything about how you currently operate for parents to access the 30 hours of funded childcare provision? Why? How? How do you see parents wanting to use their entitlement? What does this mean for you?*
  - *What do you think parent demand would be like for your/other services?  
Why?*

- If parents requested you provide them with a funded place, would you? Why? What effect would it have on you?
  - What would be the benefits of offering this (for you and parents)?
9. How do you think the offer should be set up to work best for childminders? How would it need to operate to enable you to offer it? (If state funding: What rate is required?)
10. What would you need to provide care for more children with additional needs?
11. What information, help and support would you need to provide 30 hrs funded care

## **Section Four**

### **Information and Networking**

*The final set of questions explore how childminders get information about funded provision and what information is needed*

12. Can you tell me about where you generally get information (about changes to legal requirements, what's happening in the profession, etc.) on childcare and childminding from? (Prompt: Same as before; online forums, emails, word of mouth, etc.)
13. What networks are you involved in? (Prompt: LA sponsored networks, PACEY, childcare hubs, virtual networks, school or children's centre)
14. Would you be willing to speak to this research team again about childminding?

### **Close**

15. Is there anything else you would like to tell me about the 30 hours funded childcare offer?

Many thanks for your time. [To JUNE 6<sup>th</sup>] There is currently a consultation open on the detail of this policy: <https://www.gov.uk/government/consultations/30-hour-free-childcare-entitlement>

STOP RECORDING

Can I check your postal address so I can send you the vouchers to thank you for taking part in the research?

If you would like more information about anything we have discussed today you can go to  
XXXXXX



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