



National Audit Office

**REPORT BY THE
COMPTROLLER AND
AUDITOR GENERAL**

**HC 1789
SESSION 2010–2012
3 FEBRUARY 2012**

Department for Education

Delivering the free entitlement to
education for three- and four-year-olds

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National Audit Office

Department for Education

Delivering the free entitlement to education for three- and four-year-olds

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Amyas Morse
Comptroller and
Auditor General

National Audit Office

25 January 2012

The free entitlement to education for all three- and four-year-olds is the Department for Education's main financial intervention in children's early education, with estimated spending on provision of £1.9 billion in 2011-12.

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This report can be found on the
National Audit Office website at
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Key facts

£1.9bn

spending on provision of the free entitlement by local authorities in 2011-12 (forecast estimate)

28,630

providers of free entitlement education (estimated figure)

831,800

three- and four-year-olds were receiving the entitlement in January 2011 (estimated figure)

- 570** hours of early education to which each child is entitled per year
- 93 per cent** of three-year-olds benefiting from some free early education in January 2011
- 59 per cent** of three- and four-year-olds receiving the entitlement within private, voluntary and independent settings in January 2011
- 78 per cent** of free entitlement providers rated good or outstanding in Ofsted inspections from September 2008 to March 2011
- 5.8 per cent** of the Dedicated Schools Grant, budgeted spend on the free entitlement in 2011-12
- 152** Early Years Single Funding Formulae – one for each local authority
- £3.95** average rate of local authority funding per entitlement hour in 2010-11
- 59 per cent** of children in 2011 achieving a good level of development at age five

Summary

1 All three- and four-year-olds are entitled to 15 hours per week of free education, for 38 weeks per year ('the entitlement'). Children are eligible to receive the entitlement for two years before reaching compulsory school age, the term after they turn five. In January 2011, 831,800 children were receiving the entitlement. A further 390,000 four-year-olds were in reception classes in primary schools, which children become eligible for in the September after their fourth birthday.

2 Parents choose a local provider and the entitlement should be free at the point of delivery. Parents can pay for additional hours, and some use less than the full entitlement. Local providers can include state schools ('maintained'), and private, voluntary and independent ('non-maintained') providers. In 2010-11, around 28,630 providers were delivering the entitlement. At an estimated cost of £1.6 billion in 2010-11, the free entitlement is the Department for Education's (the Department's) main financial intervention in children's early education. Forecast spending for 2011-12 has increased to £1.9 billion, reflecting the increase in the entitlement to 15 hours per week.

3 The Department first introduced the entitlement for four-year-olds in 1998. Previously, some local authorities prioritised free early education while in other areas free provision was limited. In 2004, the Department extended the entitlement to all three-year-olds, and in September 2010 to its current level. It plans to extend the entitlement to disadvantaged two-year-olds from September 2013, and to cover 40 per cent of two-year-olds from 2014-15.

4 The Department has used research to inform its policy decisions. The research suggests that high-quality early learning can benefit children's development through a lasting influence on educational outcomes, with greatest impact for children from disadvantaged backgrounds. The Department's 2010 impact assessment for extending the entitlement also estimated likely monetised benefits such as additional income for parents able to participate in work and improved long-term earnings potential for individuals receiving the entitlement. Benefits from the entitlement are expected to help broader goals including reducing child poverty and improving social mobility.

5 The Department's current vision is 'for all three- and four-year-old children to have access to high-quality early years provision that helps them reach their full potential'. While the entitlement 'may help parents manage their childcare costs and working patterns... that is not its principal purpose'. Supporting children's development is therefore the main objective from funding the free entitlement. The Department recognises that many other factors also contribute to children's early development, including the influence of parents. Its shorter-term intention is for the entitlement 'to make sure children are well prepared for school'.

6 The Department is responsible for setting the policy direction for early years provision, including the statutory framework and overall funding, and for whether, overall, the system is delivering value for money. It sets aspects of the delivery framework and devolves delivery to local authorities and to the market of different providers. By law, local authorities must secure 'provision of childcare sufficient to meet the needs of parents in their area', and secure provision of the entitlement free of charge for each eligible child.

7 The Department funds local authorities through the Dedicated Schools Grant. Funding for early education is not ring-fenced so authorities determine the level of funding required to deliver the entitlement, including whether to direct other sources of funding towards early education. Local authorities also set the rates and process for paying providers, may carry out their own assessments of provider quality, and have additional statutory responsibilities for maintained providers. Ofsted oversees inspection of all providers offering the entitlement.

8 Since 1998, the early education market has expanded to meet rising demand. Between 2008 and 2011, the Department provided additional revenue and capital funding to local authorities to support extending the entitlement. From April 2011, each local authority introduced a local funding formula to determine rates paid to providers using funds from their Dedicated Schools Grant. The Department is consulting on changes to these formulae and to its statutory guidance for authorities delivering the entitlement, as well as on the overall funding system for local authorities. It has recently consulted on changes to the curriculum for early education.

9 A further 260,000 children per year will be covered by the extension of the entitlement to 40 per cent of two-year-olds. The Department has announced additional funding for local authorities to build up their provision, of £64 million in 2011-12 increasing each year to £760 million in 2014-15, the first full year of the new entitlement. The Department's ongoing commitment to the core entitlement will be funded from within local authorities' overall spending limits. Economic conditions may also affect the financial health of the wider childcare market.

10 This report examines whether the Department for Education is achieving value for money in delivering the free entitlement to education for three- and four-year-olds. The report does not cover reception classes. **Figure 1** sets out our criteria.

Figure 1

Assessing the free entitlement

Issue	Criteria
Whether the Department is achieving its objectives	<p>The entitlement is:</p> <ul style="list-style-type: none"> ● taken up by those eligible; ● delivered in high-quality settings; and ● delivering improved outcomes.
Whether funding arrangements support the Department's objectives	<p>The Department's allocation of funds to local authorities supports its objectives and whether the local funding formulae support:</p> <ul style="list-style-type: none"> ● transparent and efficient distribution of resources; ● flexibility and take-up of provision; ● quality of provision; ● children from deprived backgrounds; and ● management of the market.
Whether information is well used to improve value for money	<p>The Department and its partners have sufficient information to:</p> <ul style="list-style-type: none"> ● know whether long-term benefits will be delivered for children; ● understand the performance of its delivery model; and ● help enhance overall performance and value for money.

Source: National Audit Office

Key findings

Achieving objectives

11 A high national take-up rate for early education has been sustained as the Department has expanded the entitlement, but there are wide variations in take-up between local authorities. The Department has extended the entitlement twice since 2006, increasing the total number of funded hours by 59 per cent. The national take-up rate for three- and four-year-olds in early education has been 95 per cent since 2008 despite an 8 per cent increase in eligible children. This figure is boosted by the high participation of four-year-olds in reception classes, not part of the free entitlement. In 2011, take-up by three-year-olds is 93 per cent (92 per cent in 2008). However, the Department's data show take-up rates in local authorities vary widely. Take-up for children from the most disadvantaged families is also lower than overall take-up.

12 The quality of providers offering the entitlement has been sustained overall since 2008-09 but access to high-quality provision varies depending on where children live. In 2008-09, 78 per cent of Ofsted inspection judgements were good or outstanding, following the introduction of the Early Years Foundation Stage, and 79 per cent in 2010-11. However, the percentage of non-maintained providers receiving good or outstanding inspection judgements rose from 75 per cent (2008-09) to 81 per cent (2010-11), while the percentage of maintained providers receiving good or outstanding inspection judgements was 84 per cent in 2008-09 and 75 per cent in 2010-11 (this figure partly reflects a change in inspection regime since September 2010). For each local authority, the percentage of good or outstanding provision in March 2011 ranged from 64 per cent to 97 per cent. Areas of highest deprivation were less likely to have high-quality provision.

13 Children's development as measured at age five has improved, but results at age seven have not. Nationally, at age five, 59 per cent of children achieved a good level of development in 2010-11 (compared with 45 per cent in 2005-06). The gap in outcomes between the lowest achievers and their peers has also narrowed. The first children to have been eligible for two years of twelve-and-a-half hours free entitlement reached the end of Key Stage One (at age seven) in 2009. Although there have been changes in the scope and nature of the entitlement, and its relationship with Key Stage One results is not straightforward, the Department did intend that the entitlement would have lasting effects on child development throughout primary school and beyond. National Key Stage One results, however, have shown almost no improvement since 2007, so it is not yet clear that the entitlement is leading to longer-term educational benefits.

Funding arrangements supporting delivery

14 Local authorities direct different proportions of national funding to the entitlement, and funding arrangements provide limited incentives for providers to improve quality. Our analysis suggests local authorities allocate between 3.5 per cent and 9.8 per cent of their Dedicated Schools Grant (Department funding to educate three- to sixteen-year-olds) to the entitlement. We found some evidence that those authorities directing a higher percentage of their grant to the entitlement were also those with higher deprivation and those with higher median wages, but we found no link with take-up rates or quality. Research has identified better qualified staff as a key driver for improving quality in early years settings. However, pay rates for qualified staff are on average at least 28 per cent higher than those for unqualified staff, so local authorities which choose to recognise the higher provider costs of employing more qualified staff in their funding formulae are likely to face cost pressures. The Department does not monitor the impact of additional funding of £69 million paid in 2011-12 to local authorities to support them in increasing take-up.

15 Local authorities reported that local funding formulae were improving transparency and fairness but a minority estimated that the funding they offered was sufficient to cover the costs incurred by only a few or none of their providers. The Department intended to improve transparency through publishing the rates paid to different provider types in each local area and to enhance fairness by funding providers on a consistent basis. In our survey of local authorities, nine out of ten respondents reported that the formula was improving both transparency and fairness. Seventy-two per cent estimated that their formula funding was sufficient to cover costs for all or most providers, but around 10 per cent estimated that funding was sufficient to cover the costs of only a few or none of their providers. Funding rates remain higher for maintained providers at an average of £6.83 per hour for nursery schools and £3.97 per hour for nursery classes in primary schools, compared with £3.77 per hour for non-maintained providers.

16 Funding formulae are complex, vary across authorities and at least a third are based on a limited understanding of provider costs. Funding formulae across 152 local authorities inevitably differ but the emerging formulae are complex. Formulae include base rates, defining basic hourly funding per child, and supplements to reward specific behaviour. In 2010-11, the majority of local authorities set five or fewer base rates, but the number of base rates per local authority ranged from 1 to 15, and the percentage of funding distributed through base rates ranged from 37 per cent to 100 per cent. Average funding per hour in 2010-11 varied from £2.78 to £5.18 across local authorities. Our analysis suggests that only 20 per cent of the variations were driven by known factors such as variations in median wages. Although authorities undertook surveys of provider costs to inform their funding rates, for one third of authorities these did not deliver useful information.

Using information to drive value for money

17 The Department does not yet have robust measures to demonstrate whether longer-term benefits are being realised. The Department has anticipated considerable longer-term monetised benefits in its impact assessments, including improved lifetime earnings from better GCSE results, and increased income for working families. Developing appropriate measures of longer-term progress against these potential benefits is challenging, but the Department does not currently have robust means to check whether expected longer-term benefits are being realised.

18 Before 2010-11, the Department did not have sufficient data to estimate total spending on the free entitlement by all local authorities, or to identify variations across local authorities. Since April 2010, the Department has had more detailed data, enabling it to estimate total spending of £1.6 billion on the entitlement for 2010-11, and £1.9 billion for 2011-12. However, errors and gaps in the data remain. Furthermore, there is inconsistency in how local authorities have reported using base rates and supplements and the criteria for awarding supplements. This limits how far the Department can compare funding arrangements.

19 The Department has not assessed what drives value for money in practice across the delivery system as a whole and lacks robust analysis of the relationship between performance and funding levels. Locally, some authorities are trying to track the quality or type of settings in which children have received the entitlement and their resulting outcomes at age five. Such tracking is not widespread or consistent. Our analysis found local authorities with high funding rates were not necessarily those with high-quality provision. Eighty-nine per cent of local authorities compare their base rates with others, but authorities are much less likely to compare costs of different settings, levels of take-up, quality of providers, or levels of workforce qualification. There is limited transparency about local authorities' performance or of how well different authorities perform their multiple roles in local provider markets.

20 Parental choice is an important driver in the market for the entitlement but there are limitations in the information available to parents, and assessed quality of provision is only one factor in parental decision-making. Parents' choice of early education provider is often driven by factors such as convenience, well-being of their children and the cost of additional hours. Ofsted reports contain useful provider information for parents but Ofsted's inspection cycle for most early years providers is 47-months. In March 2011, one third of providers offering the entitlement had not had an inspection visit since September 2008. Seventy-eight per cent of authorities make their own assessments of provider quality but these are not routinely published or made available to parents.

Conclusion on value for money

21 In delivering the free entitlement to early education, the Department and its partners have made progress against many objectives, which are positive indicators of value for money. The entitlement has been extended and overall take-up levels sustained. Children's development as measured at age five has improved, although a longer-term impact on attainment is not yet visible. Also, the Department and its partners do not yet sufficiently understand the relationship between local performance and funding, including how far variations in rates paid to providers reflect legitimate local factors, to be confident that funding arrangements are efficient. The Department needs to address variations in take-up, in access to high-quality provision and the impact on attainment in later years if it is to achieve value for money and get the best possible return for children from its annual investment of some £1.9 billion.

Recommendations

22 As the Department enters a further phase in delivering the entitlement, its current consultation exercises provide an opportunity to improve value for money. Our recommendations focus on systemic information and funding issues highlighted in this report.

Given existing variations, the Department needs to understand any significant patterns in the relationships between funding and take-up, quality and availability of provision more clearly so that it can drive value for money in revised funding arrangements and guidance. The Department should:

- a** use existing information to confirm which factors in the delivery system drive successful performance against its objectives in practice, including where performance is improving against a lower baseline;
- b** analyse the overall performance of local authorities over time to identify where additional funding to the 90 per cent baseline for three-year-olds is not improving take-up, and consider changes to the funding system;
- c** identify key data to support local authorities in benchmarking their own performance with peer authorities, and work with its partners to develop consistent public information to help parents, providers and others in understanding local performance and holding local authorities to account;
- d** enhance the information available to help parents choose providers, including considering the frequency of inspection and whether other quality information is sufficiently transparent;
- e** review the information needed across the system to support local authorities in managing the local provider market (such as comparative data on funding rates), and analyse the anticipated impact of the revised funding formula on the wider childcare market; and
- f** simplify local funding formula arrangements and ensure revised formulae incentivise providers to meet Department objectives to improve quality and support take-up for disadvantaged children.

The Department will need to analyse further whether the longer-term benefits anticipated from the entitlement are being realised. The Department should:

- g** further develop its existing evidence base on the longer-term benefits of early education in line with available resources; and
- h** develop measures to judge the return on its ongoing investment in the entitlement, as envisaged in its impact assessments.

Part One

Introduction

1.1 The free entitlement to education is the Department's primary financial intervention in children's early education. All three- and four-year-olds are entitled to 15 hours per week of free education, starting the term after a child's third birthday. The scope of the entitlement has evolved since it was introduced in 1998 for all four-year-olds (**Figure 2**).

Figure 2
Developments in the free entitlement

September 1998	The Government introduces free entitlement for four-year-olds for five 2½ hour sessions per week, 33 weeks per year.
April 2004	Extension of entitlement to three-year-olds.
April 2006	Extension of entitlement to 38 weeks per year.
July 2006	The Childcare Act 2006 introduces responsibilities for local authorities (sufficiency and provider support) and providers (quality).
September 2008	The Early Years Foundation Stage introduces a framework for delivering consistent and high-quality environments for all children in pre-school settings.
April 2010	Seventy-one pathfinder local authorities introduce local funding formulae for the entitlement, to improve fairness and transparency of funding allocations to providers.
September 2010	Entitlement for all three- and four-year-olds extended to 15 hours per week, with greater flexibility over 38 weeks per year. ¹
October 2010	The Government renews its commitment to the free entitlement for three- and four-year-olds and the extension to disadvantaged two-year-olds in the Comprehensive Spending Review.
April 2011	All remaining local authorities introduce local funding formulae.
July 2011	Supporting Families in the Foundation Years ² describes the Coalition Government's plans for further reform, including the emphasis on child development and school readiness as the primary purpose of the free entitlement.

NOTES

¹ The entitlement is 570 hours per year: 15 hours per week over 38 weeks, but can be taken over a longer period.

² Department for Education, Department of Health, *Supporting Families in the Foundation Years*, July 2011.

Source: National Audit Office literature review

1.2 In determining the expected benefits from changing and expanding the entitlement, the Department has set out its own analysis of the likely educational and monetised benefits, drawing on the findings of longitudinal research (**Figure 3**). It identified that high-quality early education can benefit children's social, physical and mental development, positively influencing outcomes for children, particularly those from disadvantaged backgrounds.

Delivering the entitlement

1.3 Key principles of the free entitlement are that it must be provided completely free at the point of delivery, and that parents should be able to choose where and how their children use the entitlement (subject to providers being registered and delivering the Early Years Foundation Stage). The Department sets aspects of the delivery framework and oversees a devolved delivery system. Local authorities must work closely with local providers to deliver the entitlement (**Figure 4** overleaf). Authorities must follow the Department's statutory guidance, most recently updated in its September 2010 code of practice (being replaced from September 2012).

Figure 3

Findings of the Effective Provision of Pre-School Education Project

First phase (end of Key Stage One)

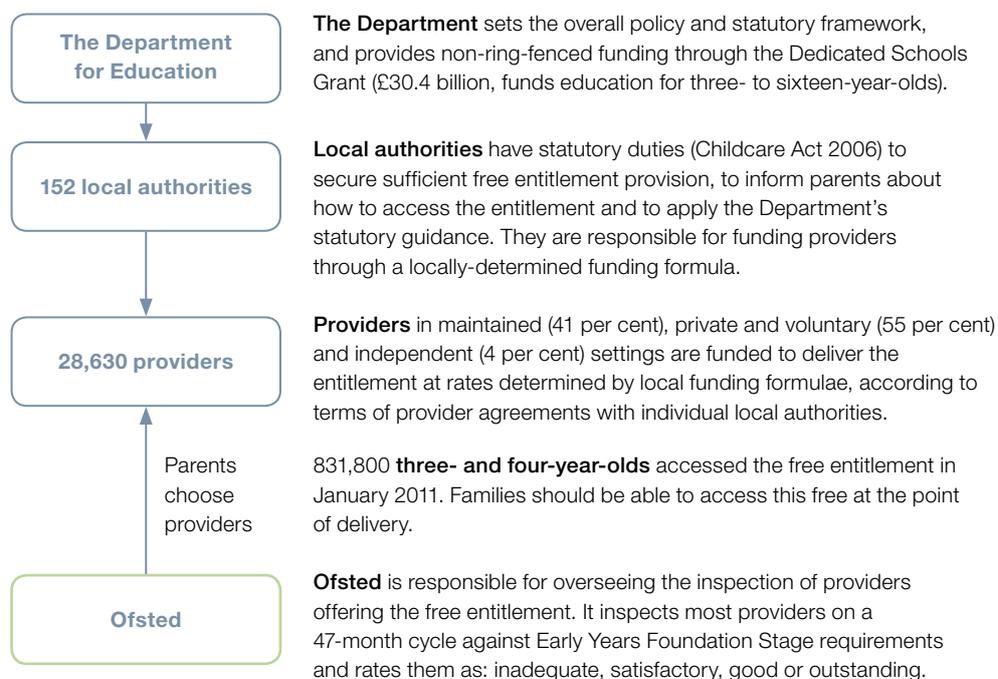
- Pre-school experience, compared with none, enhances all-round development in children.
- Full-time attendance led to no better gains for children than part-time provision.
- Disadvantaged children benefit significantly from good quality pre-school experiences, especially where they are with a mixture of children from different social backgrounds.
- Quality indicators include warm interactive relationships with children, having a trained teacher as manager and a good proportion of trained teachers on the staff.

Second phase (end of Key Stage Two)

- The benefits of medium- and high-quality pre-school education have persisted to the end of Key Stage Two.
- Attendance at a high-quality pre-school was especially beneficial for boys, pupils with special educational needs and those from disadvantaged backgrounds for most social/behavioural outcomes.
- High-quality pre-school was especially beneficial for the most disadvantaged pupils in promoting better mathematics outcomes at age 11.
- Children who had attended poor quality or less effective pre-school provision generally showed no significant age 11 benefits in improved outcomes compared with those who did not attend any pre-school.

Source: The Effective Provision of Pre-School Education Final Report. A Longitudinal study funded by the DFES 1997–2004 and Final Report from the Primary Phase: Pre-School, School and Family Influences on Children's Development during Key Stage Two (Age 7-11)

Figure 4
Responsibilities for delivering the free entitlement



Source: National Audit Office

1.4 The Childcare Act 2006 requires local authorities to manage local childcare markets to achieve sufficiency of places. Statutory guidance requires authorities to consult parents regularly about what they want from the free entitlement. Local authorities also set the funding rates and process for paying providers of the entitlement within the framework set by the Department. Authorities may carry out their own assessments of provider quality and have additional statutory responsibilities for maintained providers, such as employing staff.

1.5 A range of providers deliver the entitlement (**Figure 5**), although the mix varies considerably between local authorities. For example, maintained providers range from 0 to 95 per cent of provision. Where provision through maintained settings is high, this partly reflects historical decisions by authorities before the Department introduced the entitlement.

1.6 Maintained settings and playgroups have historically been sessional, offering morning or afternoon sessions. Day nurseries open beyond normal school hours, and charge parents for hours additional to the entitlement. Childminders may only offer the free entitlement if they have received a good or outstanding Ofsted rating and are part of a childminder network. Although there are around 56,000 registered childminders, few deliver the entitlement.

Figure 5
Providers delivering the free entitlement

Sector	Provider type (or 'setting')	Number of providers ¹	Percentage of total (%)	Number of children receiving the free entitlement	Percentage of total (%)	Average hourly funding rate ² (£)	Percentage of providers rated good or outstanding by Ofsted ³ (%)
Maintained⁴ Settings for which government grants are the main source of funding	Nursery schools Discrete schools for young children with their own headteacher and governing body	420	1.5	340,540	40.9	6.83	96
	Nursery classes Classes for young children within primary schools	7,440 ⁵	26.0			3.97	76
Non-maintained Settings not directly maintained by government funding	Private Day nurseries and pre-schools run for profit	13,720 ⁶	47.9	457,600	55.0	3.77 ⁷	77
	Voluntary Day nurseries and pre-schools run not-for-profit	6,000	21.0				79
	Independent Classes for young children connected to independent (fee-paying) schools	1,050	3.7				33,660
		28,630		831,800		3.95	78

NOTES

- 1 Estimated number of providers from early years and schools censuses.
- 2 Calculated from total funding, including base rates and supplements, for local authorities implementing funding formulae in April 2010, divided by total funded hours reported.
- 3 Calculated from over 19,000 providers inspected by Ofsted from September 2008 to March 2011.
- 4 Includes academies and direct-grant nurseries.
- 5 Includes 370 special schools where an estimated 4,040 three- and four-year-olds were benefiting from some free early education in January 2011. These schools are outside the scope of our study.
- 6 Includes childminders, providing around 1 per cent of free entitlement education.
- 7 Local authority returns to the Department do not split funding or hours for private, voluntary and independent providers.

Source: National Audit Office analysis of Department for Education and Ofsted data

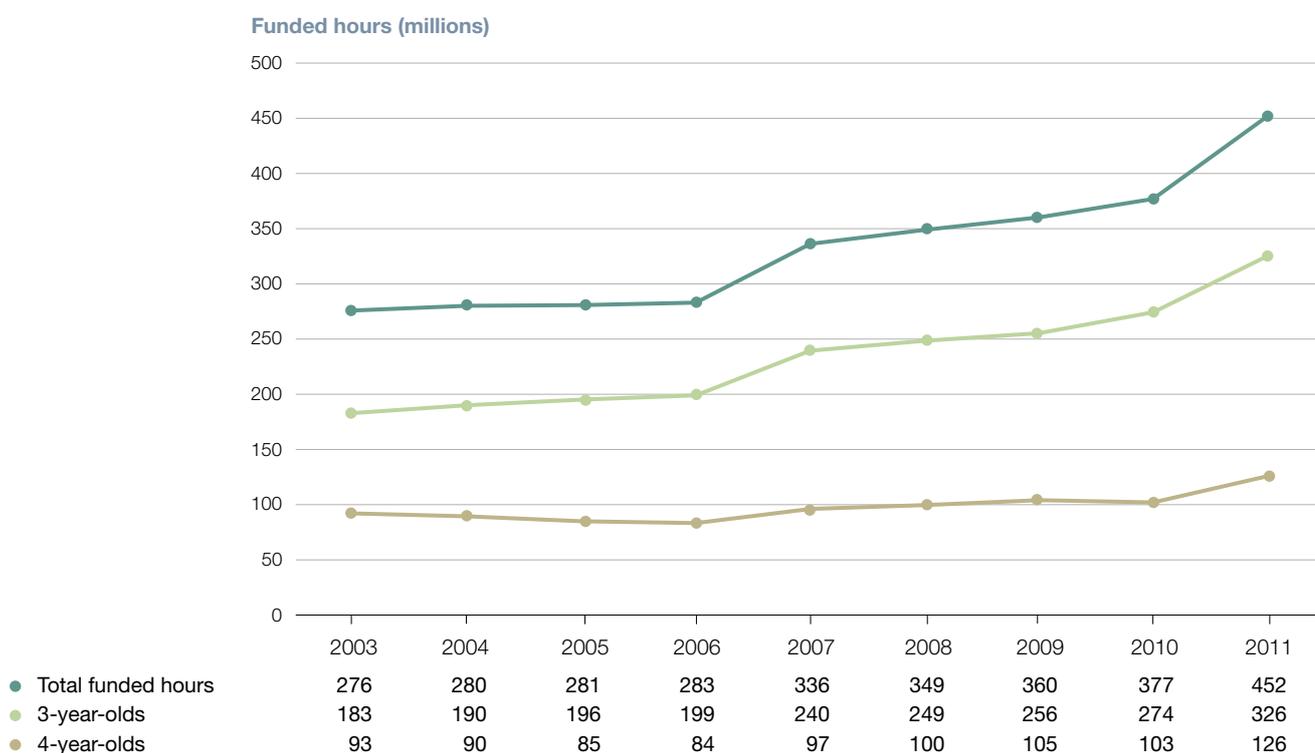
Part Two

Performance against the Department’s objectives

2.1 The Department’s vision for the entitlement is ‘for all three- and four-year-old children to have access to high-quality early years provision that helps them reach their full potential’. The Department has identified that the benefits are likely to be greatest for those from more disadvantaged backgrounds. Over recent years, the Department has funded an increasing number of entitlement hours (**Figure 6**).

Figure 6

The number of funded entitlement hours for three- and four-year-olds¹



NOTES

- 1 Excludes four-year-olds in reception classes, not funded as part of the entitlement.
- 2 Numbers may not sum due to rounding.

Source: National Audit Office analysis of Department for Education data

2.2 This part of the report examines the progress the Department has made in achieving the objectives from its investment. The objectives are: high take-up of the entitlement; high-quality provision; and improved outcomes for children.

Take-up of the entitlement

2.3 The number of children taking up some free early education has increased; 1.2 million three- and four-year-olds benefited from some free education in January 2011, 8 per cent more than in 2008.¹ The Department has sustained a take-up rate (take-up as a percentage of the three- and four-year-old population) of 95 per cent since 2008, despite an increasing eligible population in that period. This figure is, however, boosted by high participation (98 per cent) of four-year-olds, many of whom are in reception classes, not funded as part of the entitlement. The 2011 take-up rate for three-year-olds alone is 93 per cent (92 per cent in 2008).

2.4 Both departmental data and local authorities' own data demonstrate wide variations in take-up rates across the country. The Department's data show a range of 77 per cent to 117 per cent, whereas in our survey, local authorities reported a range of 62 per cent to 102 per cent. Some of these differences may reflect provision of entitlement places for children travelling between authorities. We analysed variation in take-up rates against other factors, including deprivation and quality of provision, and found no significant relationships at local authority level.

2.5 The Department has acknowledged that 'the most disadvantaged families are those who are least likely to access good quality early years education, even though they are the ones who can benefit most from it'.² According to the Department's survey of parents, the take-up rate among disadvantaged three- and four-year-olds was nine percentage points lower on average across 2008 and 2009 than for other children. These families were less likely to be aware of the entitlement than other families.

2.6 The Department has sought to improve access for disadvantaged children through Children's Centres and is extending the entitlement to cover 40 per cent of two-year-olds from 2014-15. It intends that this should help children make the transition into the existing free entitlement and increase take-up at three and four. The Department has announced additional funding for local authorities to build up provision: £64 million in 2011-12 increasing each year to £760 million in 2014-15, the first full year of the new entitlement.

2.7 Some children use less than their full entitlement; 22 per cent of three-year-olds accessing the entitlement use fewer than 13 hours. In the Department's survey, parents stated that they did not use the full entitlement because insufficient sessions were available, that they could not receive the entitlement without purchasing additional hours, or because they preferred to use fewer hours.

¹ In data prior to 2008, children attending more than one provider may have been counted twice.

² Department for Education, Department for Work and Pensions, *A New Approach to Child Poverty. Tackling the Causes of Disadvantage and Transforming Families' Lives*, April 2011.

Quality of provision

2.8 Overall quality of providers offering the entitlement, as measured by Ofsted, has been sustained since 2008-09, the first year to be inspected under the Early Years Foundation Stage (see Figure 2). Seventy-eight per cent of Ofsted inspection judgements were good or outstanding in 2008-09, and 79 per cent in 2010-11. However, the percentage of non-maintained providers receiving good or outstanding inspection judgements rose from 75 per cent (2008-09) to 81 per cent (2010-11), while the percentage of maintained providers receiving good or outstanding inspection judgements was 84 per cent in 2008-09 and 75 per cent in 2010-11. These 2010-11 data in part reflect a change in inspection regime; since September 2010, maintained providers rated outstanding have been inspected less frequently by Ofsted.

2.9 There is wide variation in quality of provision between local authorities. The percentage of providers rated good or outstanding by Ofsted in each authority ranges from 64 per cent to 97 per cent. The Department's statutory guidance allows local authorities to fund providers with a satisfactory rating from Ofsted where there are insufficient places at good or outstanding providers. The Department has identified that 30 per cent of children can only access their free entitlement in a setting rated satisfactory by Ofsted. Also, looking within local authorities at populations of around 1,500 people, we found areas with higher deprivation have lower levels of quality (**Figure 7**). This was driven by the variation in the quality of non-maintained settings in areas of differing deprivation levels. Maintained quality showed a smaller variation according to deprivation. We analysed variations in quality against other factors at local authority level, including take-up, and found no significant relationships.

Educational outcomes

2.10 The Early Years Foundation Stage profile is a statutory assessment by teachers at the end of the reception year (age five). The profile measures a child's development at the end of the Foundation Stage and is the Department's chosen indicator of the impact of the entitlement. National results have improved; 59 per cent of children achieved a good level of development in 2010-11 compared with 45 per cent in 2005-06. Potential longer-term outcomes from this intervention are discussed in Part Four.

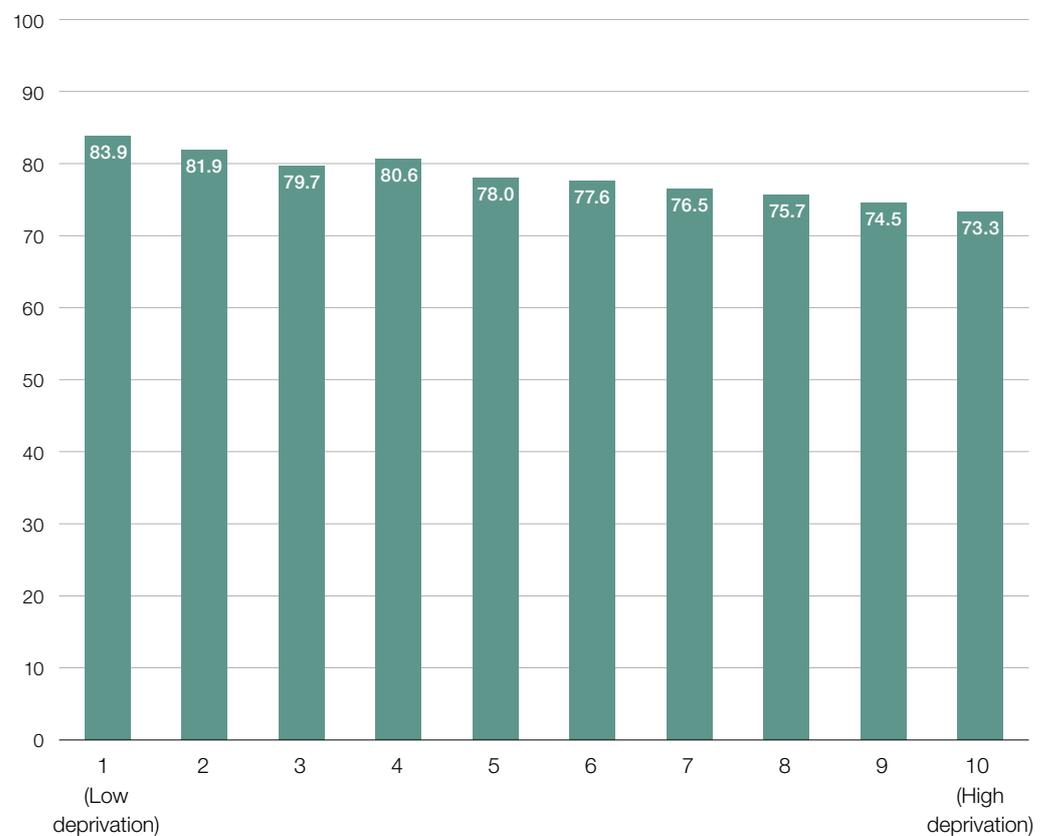
2.11 There is significant variation in Foundation Stage profile outcomes by local authority. The proportion of children achieving a good level of development at age five in 2011 ranged from 48 per cent to 74 per cent. However, we found little evidence of a relationship between educational outcomes and take-up rates of the free entitlement or the proportion of good or outstanding providers by local authority.

2.12 The Childcare Act 2006 places a statutory duty on local authorities to reduce inequalities between young children in their area. The Foundation Stage profile is used to estimate the inequality gap in children's development at age five. The Department aims to narrow the gap in outcomes between the lowest achievers and their peers. Nationally, this gap has reduced from 37.2 per cent in 2007 to 31.4 per cent in 2011.³

Figure 7

Quality of providers by level of deprivation

Percentage of providers rated good or outstanding by Ofsted



NOTE

1 Deprivation, measured by the Index of Multiple Deprivation, rates Lower Super Output Areas (populations of approximately 1,500 people) according to indicators covering economic, social and housing issues.

Source: National Audit Office analysis of data from Ofsted inspections between September 2008 and March 2011

3 Compares the median score (the middle value when all are arranged in order) for the whole population to the mean score of the lowest 20 per cent of achievers.

Part Three

Funding the entitlement

3.1 This part of the report examines whether the Department's allocation of funding to local authorities supports its objectives, and whether the local funding formula supports:

- transparent and efficient distribution of resources;
- flexibility and take-up of provision;
- quality of provision;
- children from deprived backgrounds; and
- management of the market.

3.2 The Department has yet to report actual spending on the entitlement. In this part we have used funding of the entitlement as a proxy for its cost.

Allocating resources to local authorities

3.3 The Dedicated Schools Grant, £30.4 billion in 2010-11, is provided by the Department to local authorities, and covers funding of education for three- to sixteen-year-olds. Funding for early education is not ring-fenced. However, the statutory duty to provide a place for every eligible child who wants it should drive authorities to allocate sufficient funding to the entitlement.

3.4 The Dedicated Schools Grant is allocated to local authorities using a guaranteed unit of funding per child, which is the same for all ages. The allocation to each authority is almost entirely based on the previous year's allocation (99 per cent in 2010-11). For the free entitlement, the allocation per child is 60 per cent of the guaranteed unit of funding, reflecting an entitlement to 15 hours per week compared with 25 hours per week for compulsory education.

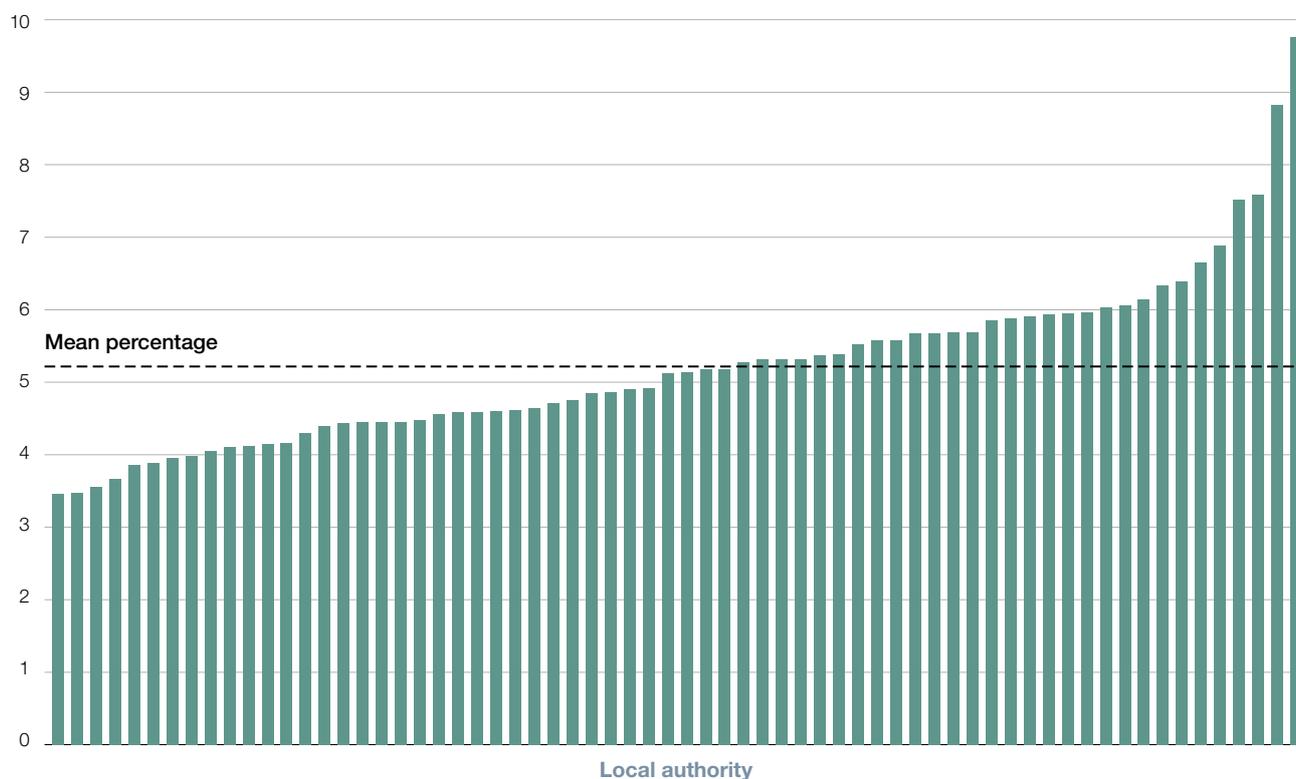
3.5 The guaranteed unit of funding allocates the same funding per child per hour for all age groups. Local authorities decide how to distribute their Dedicated Schools Grant allocation. The proportion of the grant spent on the entitlement by local authorities varies widely, from 3.5 per cent to 9.8 per cent (**Figure 8**). We found some evidence that those authorities directing a higher percentage of their grant to the entitlement were also those with higher deprivation and those with higher median wages, but we found no link with take-up rates or quality.

3.6 Staff costs typically represent over two-thirds of the cost of early education. Average pay rates for qualified staff are at least 28 per cent higher than those for unqualified staff,⁴ so local authorities choosing to recognise the higher provider costs of employing more qualified staff in their funding formulae are likely to face cost pressures in their delivery of the entitlement.

Figure 8

The percentage of Dedicated Schools Grant directed at funding the free entitlement by local authorities, 2010-11

Percentage of Dedicated Schools Grant



NOTE

1 Data from pathfinder local authorities for the local funding formula.

Source: National Audit Office analysis of Department for Education data

The local funding formula

3.7 The Department introduced a local funding formula to improve transparency and fairness of funding allocations and to encourage desired provider behaviour. The formula has two main elements: base rates defining a unit of funding per hour per child; and supplements to reward specific behaviour. Supplements encouraging providers to work with disadvantaged children are mandatory. Other supplements (for quality and flexibility) are optional.

Transparent and efficient distribution of resources

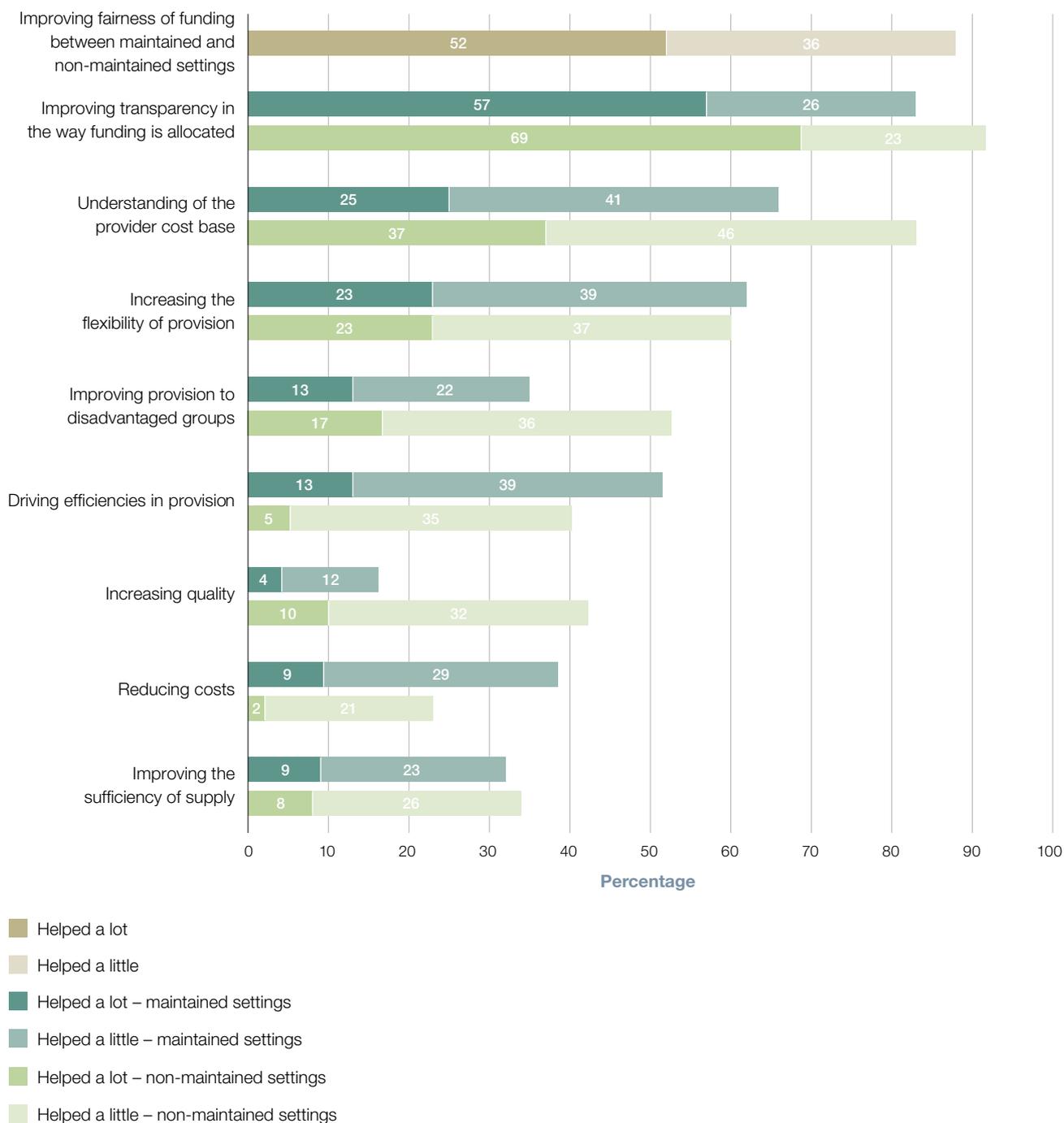
3.8 Transparency is improved where local authorities publish their formulae, so providers know the basis of funding allocations. Fairness between different provider types is improved by funding both maintained and non-maintained settings by participation rather than places available. The Department postponed the original requirement for all authorities to introduce the formula from April 2010, recognising that many authorities were not ready. Seventy-one pathfinder authorities introduced the formula in April 2010 and the remainder followed in April 2011.

3.9 In responding to our survey, nine out of ten authorities said that introducing the formula had improved transparency in the way funding is allocated, and that it had improved fairness of funding between providers. However, they also said the formula had much less impact on increasing quality, reducing costs or on improving sufficiency of supply (**Figure 9**).

3.10 Despite basic improvements in transparency, comparisons of funding data between local authorities are not straightforward. Local funding formulae have different numbers and values of basic hourly rates (or 'base rates') (**Figure 10** on page 24) and different criteria and values for supplements. This complexity can create administrative burdens for providers operating in more than one local authority; providers operating three or more day nurseries account for over 15 per cent of all nurseries.⁵ The Department is reviewing the complexity of formulae, which have not been in place long enough to track their actual impact.

⁵ Laing & Buisson, *Children's Nurseries UK Market Report 2011*.

Figure 9
The impact of the local funding formula

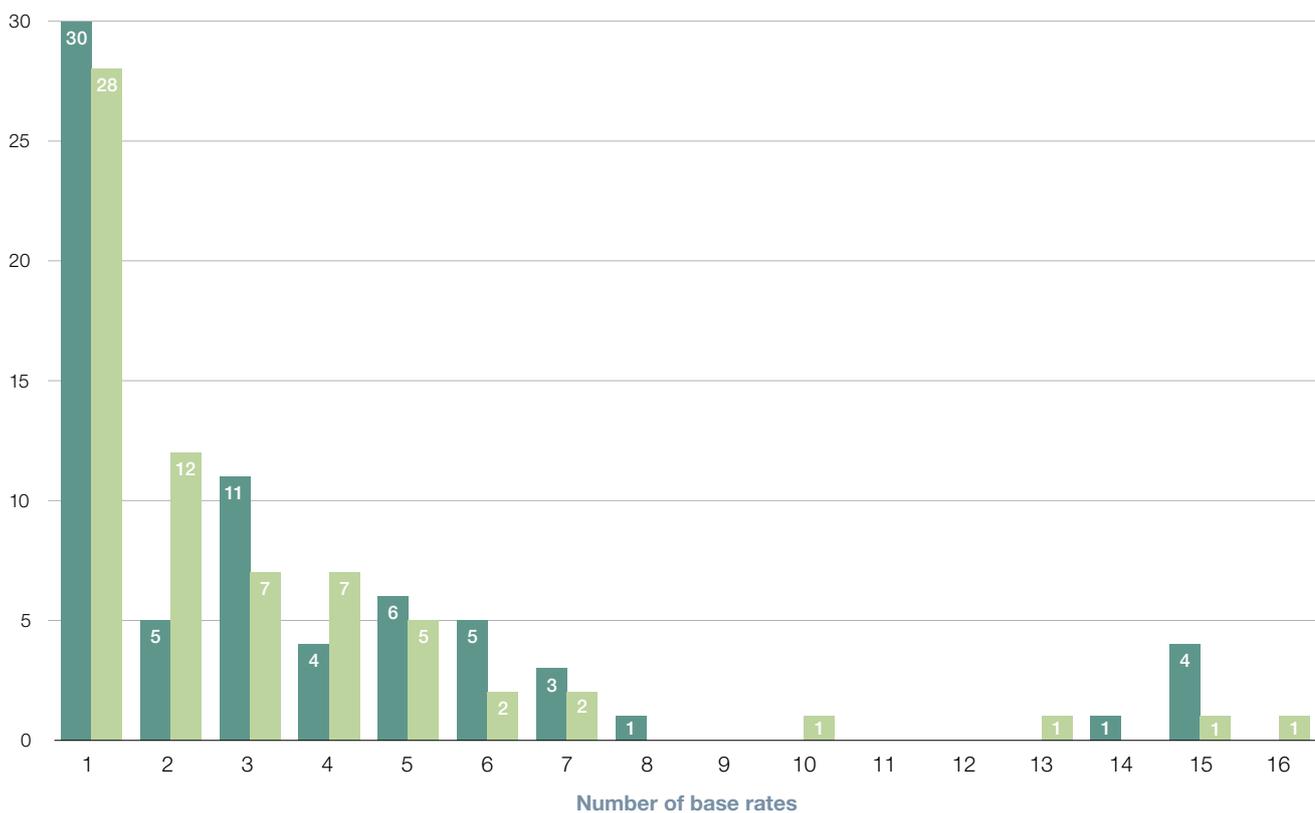


Source: National Audit Office survey of local authorities

Figure 10

The number of base rates used by local authorities¹ in 2010-11 and 2011-12

Number of local authorities



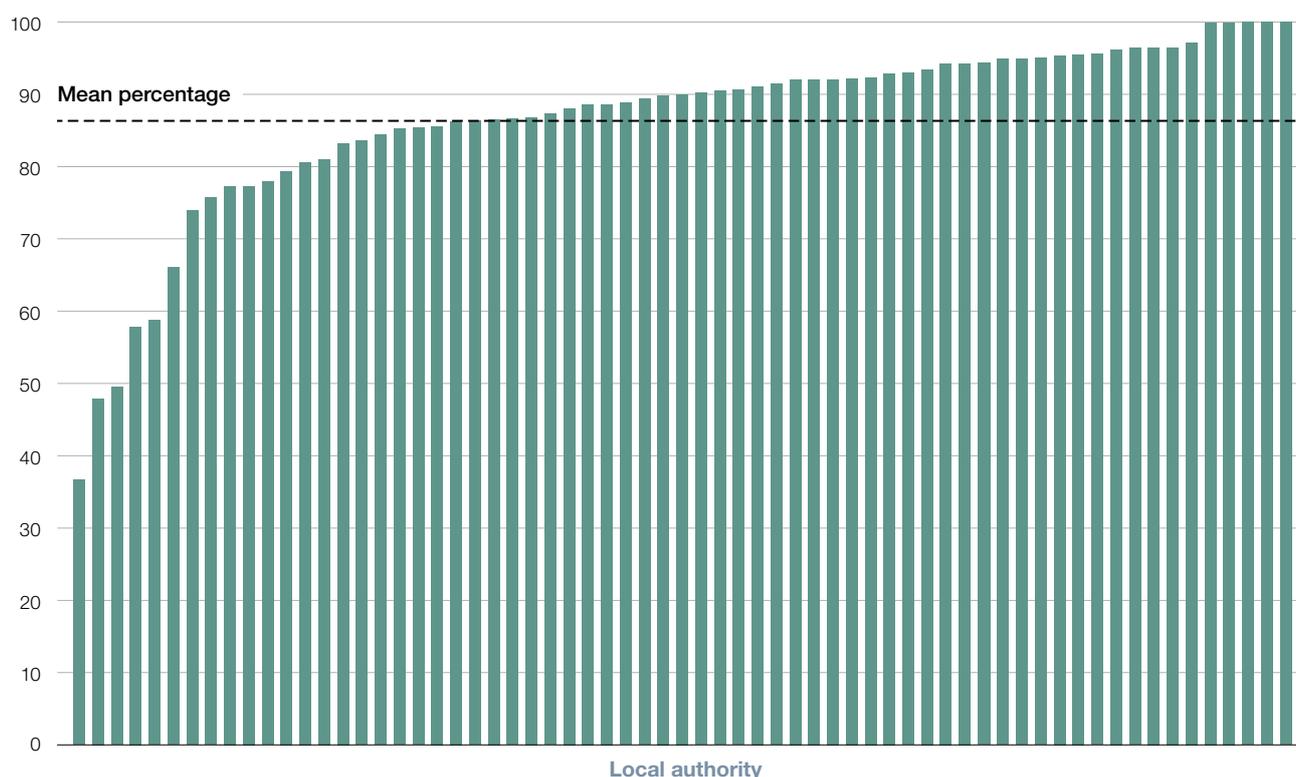
■ 2010-11
■ 2011-12

NOTE

¹ Data cover pathfinder authorities for 2010-11 and for 2011-12. We reviewed rates for all 152 authorities in 2011-12 and found a similar pattern.

Source: National Audit Office analysis of local authority returns

3.11 In 2010-11, the way local authorities applied the funding formula varied widely. The number of base rates ranged from 1 to 15, although the majority set five or fewer (Figure 10); and funding distributed through base rates ranged from 37 per cent to 100 per cent (Figure 11). Pathfinder authorities adopting the formula in 2010-11 are now in their second year of its use, but the overall picture is not simpler (Figure 10).

Figure 11The percentage of funding by local authorities through base rates in 2010-11¹**The percentage of funding**

3.13 Before introducing the formula, many local authorities paid maintained providers for places offered, regardless of how many places were taken up. The formula, however, links funding to the number of children receiving the entitlement in the setting. Maintained providers would receive less funding unless they filled their places. In responding to our survey, 40 per cent of authorities reported they had used transition payments for maintained providers to reduce short-term impacts of falls in funding resulting from the change to participation-led funding.

3.14 The Department calculates a take-up rate for every local authority, based on full-time equivalent places taken up. This considers the number of hours received, not just whether the child has used some of the entitlement. Where this rate amongst three-year-olds is less than 90 per cent of their eligible population, the Department increases funding to the equivalent of 90 per cent. In 2011-12, 89 local authorities received £69 million of this additional funding. The Department intends that this is used to help increase take-up and has advised local authorities to focus their resources on disadvantaged three-year-olds. It does not, however, monitor how the additional funding has been used to increase take-up, and local authorities may use this funding for educational purposes other than outreach work.

Quality of provision

3.15 The Department sees its funding of the free entitlement as a lever to drive up quality in the early years sector. Local authority provider agreements can require providers to attend training and to demonstrate quality improvements, assessed by visits from the local authority.

3.16 Around a half of authorities using funding formulae in 2010-11 chose to include quality supplements. Qualifying criteria include good or outstanding Ofsted judgements and employing an early years professional. In many cases it is too early to assess the impact of these supplements on provider behaviour. However, there are limitations to the criteria used. For example, a provider, once inspected by Ofsted, may not be re-inspected for three years. Therefore, regardless of any quality improvements made, the provider may have no opportunity to improve its Ofsted assessment, and hence no opportunity to qualify for the supplement, for three years.

3.17 The Department has used other funding to support the quality of settings offering the entitlement. Between 2006 and 2011, the Department gave £555 million to local authorities to train and employ graduate leaders to support and mentor others, and model skills and good practice to secure high-quality provision. From April 2011, support for graduate leaders is being funded from the Early Intervention Grant, which local authorities may choose to use for other purposes. The Department will need to monitor whether recruiting and retaining graduate level staff in early years settings continues following this change of approach.

3.18 Local authorities can include criteria for quality in their agreements with entitlement providers and withdraw funding if quality is unsatisfactory. In practice, 43 per cent of local authorities have withdrawn funding while a further 50 per cent say that they plan to withdraw funding where quality is poor. Statutory guidance allows local authorities to fund providers rated as satisfactory (paragraph 2.9). Proposed new statutory guidance (September 2012), would require such providers to demonstrate quality improvements.

Children from deprived backgrounds

3.19 A deprivation factor is compulsory and is intended to target more resources towards disadvantaged children. From 71 pathfinder authorities in 2010-11, only 55 provided details of a deprivation supplement. We analysed a sample of 24 authorities and identified deprivation supplements ranging from 3p to 79p per child per hour. There was also considerable variation in how deprivation supplements operated and the criteria for eligibility. It is too early to say which criteria have had the strongest effect on targeting disadvantaged children.

3.20 Research observed the most significant benefits of early education for disadvantaged children receiving high-quality provision. Funding formulae can be used by local authorities to attract the best early years professionals by paying providers deprivation and quality supplements. The Department is placing emphasis on recruiting candidates from deprived areas for the Early Years Professional Status programme, and is also piloting a programme to attract top graduates to work in deprived areas.

Management of the market

3.21 Local authorities are required to set funding rates, based on their understanding of provider costs, to manage markets locally and provide sufficient places to meet demand. Across pathfinder authorities in 2010-11, average funding per hour ranged from £2.78 to £5.18. We analysed these variations and found some evidence of a relationship with median wages and deprivation but no relationship with take-up rates or quality.

3.22 The local funding formula was intended to fund providers for the hours of free entitlement delivered, reflecting the costs of delivering those hours. Despite these intentions, our survey found that local authorities have a poor understanding of non-maintained provider costs. The Department expected local authorities to improve their understanding of provider costs through provider surveys, which 97 per cent of local authorities conducted. Many surveys were, however, unsuccessful. In over half, many non-maintained providers did not respond. One third of authorities found that the information was not very useful.

3.23 Despite improvements to the fairness of funding through the local funding formula, funding remains higher for maintained providers at an average of £6.83 per hour for nursery schools and £3.97 per hour for nursery classes in primary schools, compared with £3.77 per hour for non-maintained providers (see Figure 5). These rates may reflect the higher cost base of maintained providers, such as employing teachers on nationally-determined pay scales, which can be 50 per cent higher than other early years professionals. Maintained nursery schools have additional costs, for example they must have a headteacher. The percentage of providers rated good or outstanding by Ofsted since 2008 is 96 per cent for maintained nursery schools, 76 per cent for maintained nursery classes, and 78 per cent overall for non-maintained providers.

3.24 Many providers claim that funding does not cover costs. In 2011, 58 per cent of day nurseries reported that unit funding did not cover the costs of provision.⁶ However, 72 per cent of local authorities in our survey estimated that the funding they offered was sufficient to cover costs for all or most providers, but 10 per cent estimated that funding was sufficient to cover the costs of only a few or none of their providers. Nevertheless, few providers have withdrawn from offering the free entitlement.

3.25 Local authorities have generally achieved the requirement to provide sufficient places to meet demand. However, unexplained differences in funding rates, poor understanding of provider costs and the diversity of approaches to base rates and supplements suggest that local authorities are not using consistent criteria to manage local markets.

Part Four

Using information to understand and improve value for money

4.1 Part Two of this report assessed the progress made by the Department in achieving its objectives, and Part Three examined whether funding arrangements set up by the Department support achievement of these objectives. A robust information framework is important to support the Department and its partners to achieve and demonstrate value for money. As the entitlement continues to evolve, this part of the report considers whether there is sufficient and robust information to help:

- assess the longer-term benefits from the entitlement;
- understand the performance of the delivery model; and
- enhance overall performance and value for money.

Information on achieving longer-term benefits

4.2 The Department has estimated an additional cost of £250 million each year to extend the entitlement to 15 hours per week. It estimated monetised benefits in two areas. Firstly, the increased hours and flexibility of the offer should increase the number of working parents, generating an additional £4.4 billion in annual family income. Secondly, receiving the entitlement should improve educational outcomes for children later in life. In its impact assessment, the Department estimated that a pupil achieving five A*-C grades at GCSE will have lifetime earnings £45,000 greater than a pupil with no GCSEs. On this basis, the Department states that the benefits of extending the entitlement would exceed costs if 5,542 extra children gained five GCSEs at C or above. The Department does not, however, demonstrate how the free entitlement could influence this change of outcomes for an individual and it has not established metrics to track progress towards this aim.

4.3 The Foundation Stage profile is the Department's measure of progress at age five, but there is no effective way of matching children's outcomes to the quality or type of settings they attended, or indeed whether they received the entitlement. Most children will have subsequently spent a year in a reception class, making it difficult for the Department to isolate the effect of the entitlement on children's development. However, the Department points to the additional 30,000 children achieving a good level of development in the Foundation Stage profile in 2010 compared with 2009 as an indicator that its investment in the early years is having a positive impact on children. The Department has not yet assessed whether this represents good performance compared with what it expected, considering spending on the entitlement, nor has it linked this achievement to expected changes in GCSE performance.

4.4 The Department's evidence base for investing in early education anticipates continued benefits from the entitlement at age seven and beyond. The first cohort to benefit from the universal free entitlement for three-year-olds would have reached the end of Key Stage One in 2009. As shown in Part Two, national Foundation Stage profile results have improved. Although there have been changes in the scope and nature of the entitlement, and its relationship with Key Stage One results is not straightforward, the 2011 national Key Stage One results from teacher assessments at age seven have shown almost no improvement since 2007.

Understanding the performance of the delivery model

4.5 In order to improve value for money, the Department needs to understand what is being spent and whether resources are targeted at the factors that generate the best outcomes. The Department's evidence base suggests that key factors include increasing take-up, particularly from disadvantaged groups, and improving the quality of provision through using qualified staff and good leadership.

Spending

4.6 Before 2010-11, the Department did not know total spending on the free entitlement by all local authorities, and therefore lacked solid evidence on national spend, or variations across local authorities. Local authorities' data reported early years spending (including interventions other than the entitlement) for non-maintained providers and nursery schools but not for nursery classes in schools. Since April 2010, the Department has had more detailed data from the local funding formula, which have enabled it to estimate total spending of £1.6 billion on the entitlement for 2010-11⁷ and budgeted spending of £1.9 billion for 2011-12. These data will continue to be collected and published annually.

⁷ The Department also provided funding of £340 million to local authorities through the Standards Fund to be spent on the extension to 15 hours and additional flexibilities.

4.7 Despite the Department's more complete data collection, gaps remain, with inconsistencies and errors in reported budget data for 2011-12. For 35 local authorities it is not possible to determine the value of base rates as figures include supplements or are not reported at all. Furthermore, there is inconsistency in the way local authorities have reported their use of base rates and supplements and the criteria for awarding supplements. This limits authorities' ability to compare their funding arrangements with other authorities in England. The Department is seeking to improve the quality and transparency of data through using a local authority pro forma.

Take-up

4.8 The Department does not consider its method of calculating local take-up rates reliable enough to publish but uses these data as the basis for allocating additional funding where take-up is low (paragraph 3.14). The Department calculates take-up rates using Office for National Statistics' population projections data and pupil numbers from annual provider censuses. In our survey, 71 per cent of local authorities said they used local population data to calculate their take-up rates. Two-thirds used birth data, almost half used regional population data and one quarter used GP registrations. On average, local take-up rates reported in our survey differed by seven percentage points from those used by the Department. While the Department's measure is consistent nationally, it can lead to inappropriate funding allocations and local methods are likely to be more responsive to changes in population.⁸

4.9 The Department has further information on take-up, including from disadvantaged families, from its parents' survey, but these data may be more than a year old (survey data for 2010 is yet to be published).

4.10 The Department uses national data to check sufficiency of provision nationally, and estimates there are over 250,000 vacancies. It recognises local shortfalls in places exist, but considers it to be local authorities' role to analyse and resolve local sufficiency issues, including how much headroom exists. In 2008, all local authorities were required to produce Childcare Sufficiency Assessments, including sufficiency of free entitlement places. Our analysis of 30 assessments found they were strong on identifying numbers of places available, and gaps in provision, but weaker on identifying parents' needs, and whether these had been met. The Department has proposed replacing Childcare Sufficiency Assessments with a responsibility for local authorities to report annually to council members and to parents on how they are meeting their duty to secure sufficient childcare.

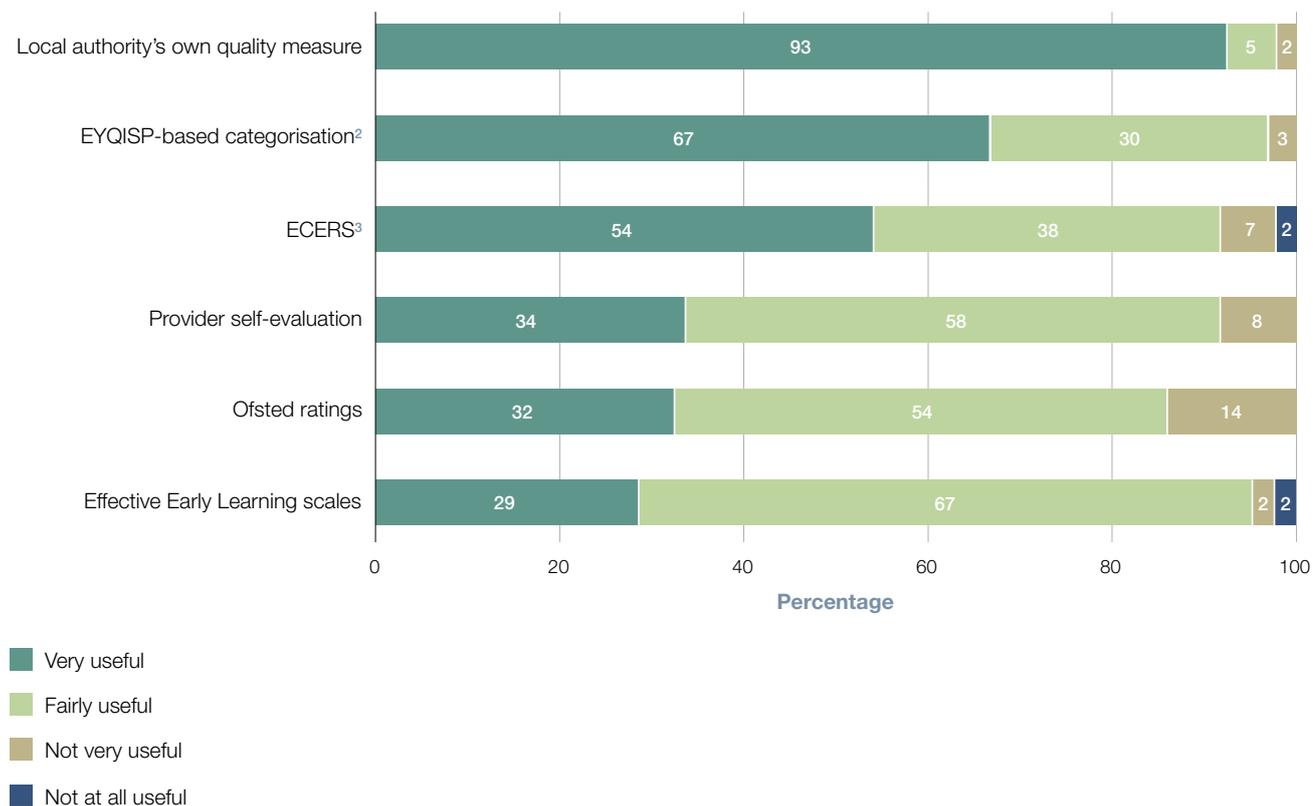
4.11 The Department allocated £642 million of capital between 2008-09 and 2010-11 to local authorities to address flexibility and sufficiency issues in their areas, including in providing the extended free entitlement. The funding was primarily intended for the non-maintained sector. The Department did not require authorities to report how this capital has been used nor has it assessed how far new capacity has been lost through churn of providers.

⁸ National Audit Office, *Formula funding of local public services*, July 2011.

Quality

4.12 The Department’s main measure of quality is the judgements of Ofsted inspection visits to providers. Our survey found that although Ofsted data were used by all local authorities to identify settings where provision was poor quality, they found other information more useful to inform their quality assessments of providers (**Figure 12**). Ofsted’s inspection cycle for most early years providers is 47-months, so Ofsted inspection judgements may not be sufficiently up-to-date for decision-making. Local authorities visit providers to gain understanding of quality and to inform quality improvement programmes.

Figure 12
Usefulness of measures in assessing quality of provision¹



NOTES

- 1 Includes only those authorities who used the measure.
- 2 EYQISP (Early Years Quality Improvement Support Programme) – support programme for leaders and Early Years Consultants developed by National Strategies.
- 3 ECERS (Early Childhood Environment Rating Scale) – quality measure used in Effective Provision of Pre-School Education Project (Figure 3).
- 4 Numbers may not sum due to rounding.

Source: National Audit Office survey of local authorities

4.13 Parents choose from a range of providers. Parental choice is an important driver in the market for the entitlement but there are limitations in the information available to parents. Even though 78 per cent of authorities make their own assessments of provider quality, these are not routinely published. Parents therefore lack this source of information to inform their decision-making about how to use the entitlement. Also, parents commonly place a higher priority on convenience, the cost of additional hours (around 60 per cent of parents using the entitlement purchase additional hours), and the happiness and safety of their children than on the Ofsted reported measures of quality. The Department has signalled its intention to improve information available to parents, for example, working with Ofsted to make Ofsted reports easier to find and to read.

Enhancing overall performance and value for money

Understanding variations in performance

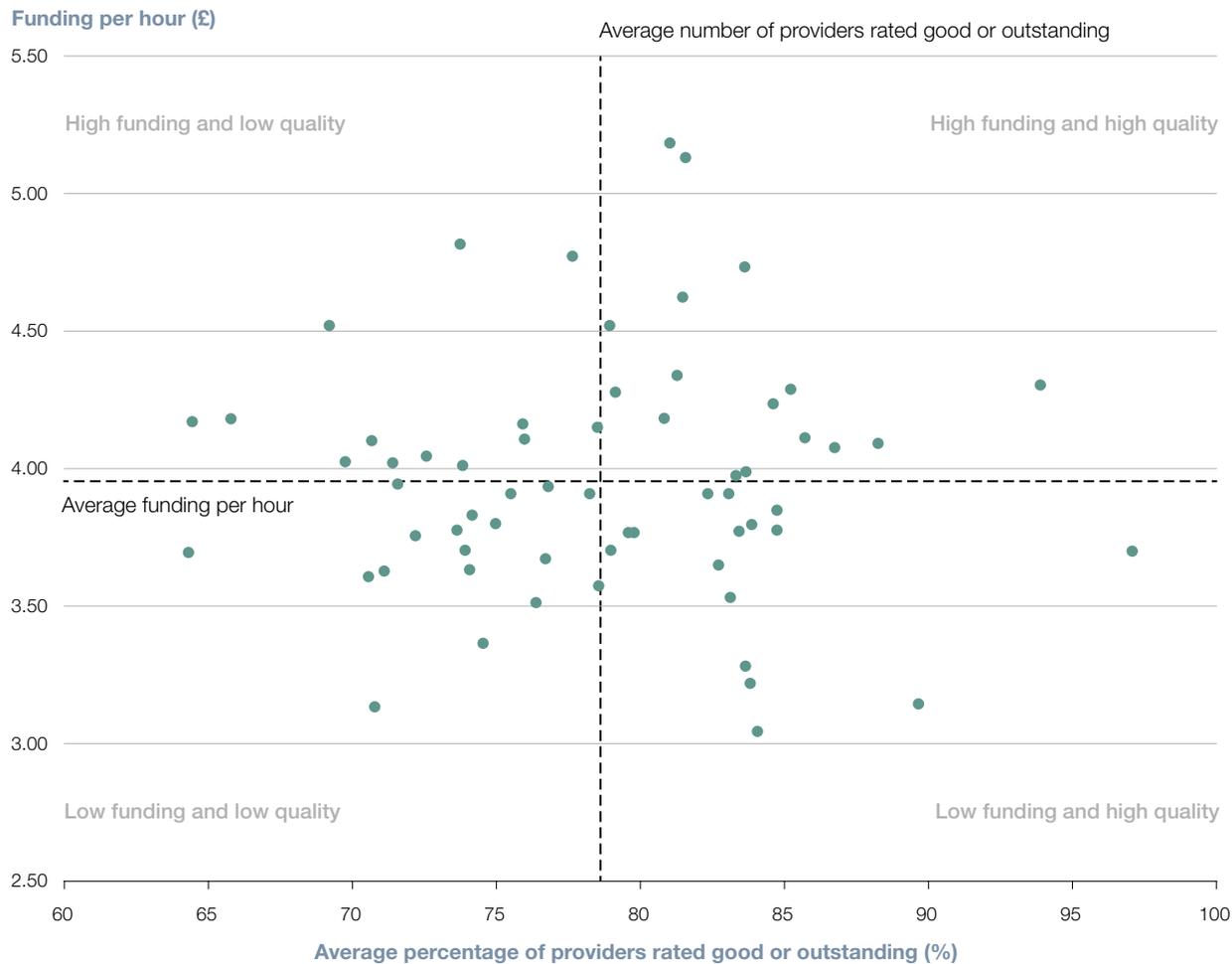
4.14 Parts Two and Three highlighted considerable local variations in the performance measures monitored by the Department. The Department should clearly understand variations in performance across the delivery system, and the reasons for them, to inform its interventions and to be assured that ongoing spending on the entitlement provides value for money.

4.15 The Department uses a range of information to assess progress with delivering the entitlement. This includes mechanisms such as data returns, surveys of providers and of parents. It gathers information through contact with local authorities and providers and through the Early Education Co-Production Group, which brings together stakeholders to advise on delivery. Before July 2010, the Department also received some assurance over programme delivery from Government Offices.⁹

4.16 The Department does not routinely analyse existing data to identify reasons for variations in performance. Local authorities with high funding rates are not necessarily those with high-quality provision (**Figure 13** overleaf). We tested whether variations in funding and quality at local authority level could be explained by local factors such as median wages and levels of deprivation. We found 20 per cent of variation in funding could be explained by these factors but only 1 per cent of quality. We also analysed the funding and quality of local authorities' statistical neighbours, those authorities considered by the Department to have similar characteristics. This analysis revealed no clear relationships between levels of funding and quality, even in similar authorities.

⁹ The Government announced the abolition of Government Offices in July 2010.

Figure 13
Funding per hour and quality of provision across local authorities



NOTE

1 Each dot represents one local authority.

Source: National Audit Office analysis of funding returns from pathfinder local authorities (2010-11) and Ofsted data (2008-2011)

Supporting improvement

4.17 The Department expects local authorities to play a strong role in managing local markets to encourage sufficient provision and to improve the quality of entitlement provision. The Department does not monitor whether local authorities are upholding their statutory duties, and would only intervene where there was a serious breach of duty. It has, however, directly approached individual authorities where it received reports that its statutory guidance has been breached, for example, parents complaining of being charged ‘top-up’ fees by providers.

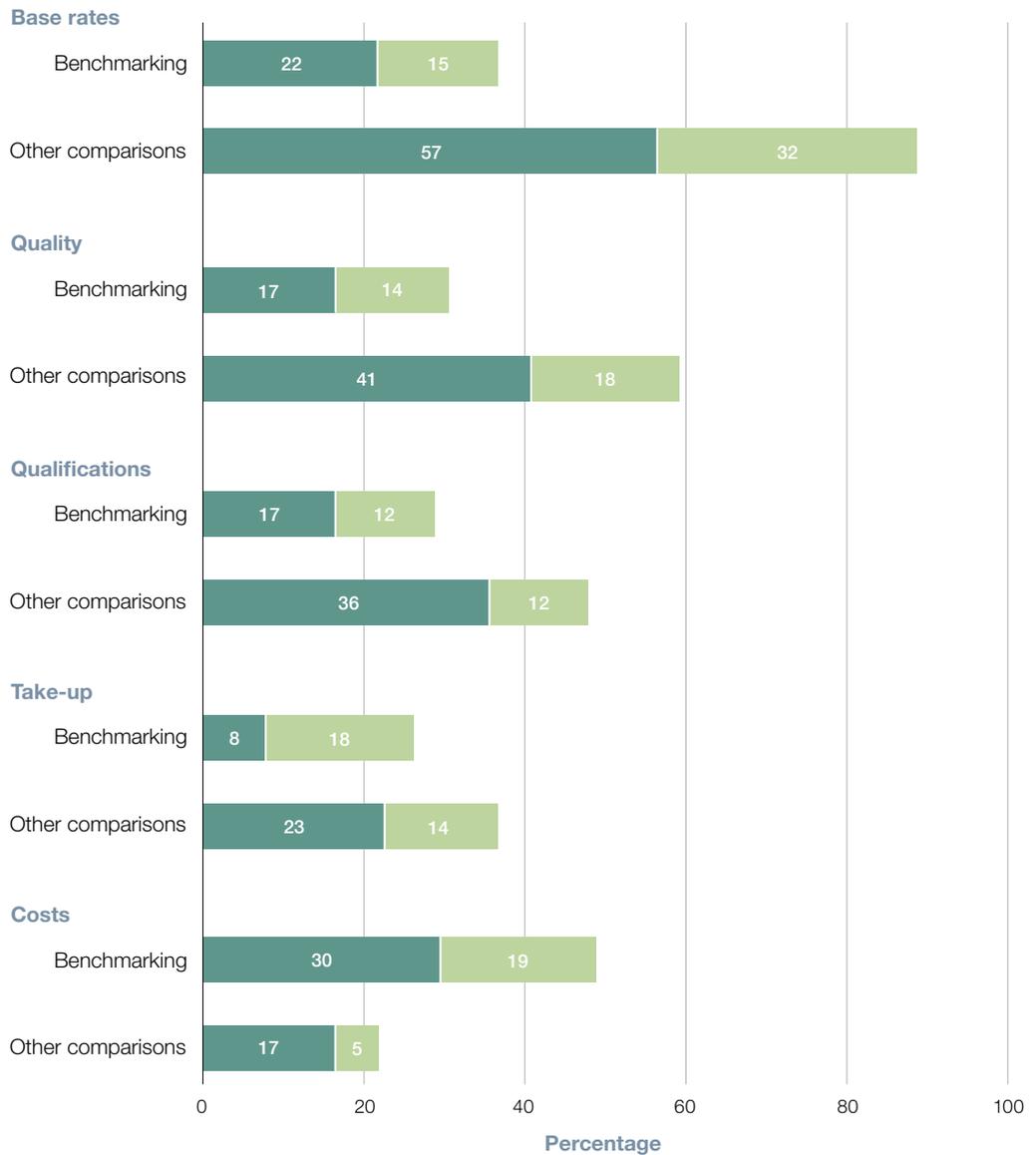
4.18 Authorities could improve mechanisms for benchmarking and comparing performance. For most of the measures we asked about, benchmarking was less common than other comparison exercises. A quarter of authorities performed no benchmarking at all. Although, from our survey of local authorities, 89 per cent had compared their base rates, 57 per cent had not compared beyond their own region. They were much less likely to have compared costs of settings, take-up, or levels of workforce qualification in the sector (**Figure 14** overleaf). Introducing the local funding formula has enabled data comparisons between authorities, but there are no formal mechanisms to make data easily accessible for local authorities to compare performance and funding. We found data comparisons between authorities depended on personal networks, such as those formed historically through Government Offices.

4.19 Sharing of good practice between local authorities is not widespread and is voluntary. The Department's role is to assist local authorities to identify and share good practice. For example, to assist local authorities with their implementation of the local funding formula, the Department posted good practice advice generated by local authorities on its website. It has not, however, assessed how far good practice, and learning from delivering the entitlement, has been spread nationally.

4.20 Local authorities do not routinely analyse the performance of providers in delivering outcomes for children and take appropriate action. Some are attempting to track the quality of settings in which children have received the entitlement and their outcomes at age five. Our local authority survey found that most had analysed the impact of factors that may cause variations in outcomes, such as deprivation, on Foundation Stage profile outcomes (**Figure 15** on page 37). Less than 40 per cent of local authorities had analysed whether the child had used the entitlement. Only a small proportion of authorities that had analysed these factors had taken action to address variations.

4.21 The Department expects improved transparency to help parents and providers to hold local authorities to account for their spending decisions. This relies upon local citizens having reliable and timely data on local authority performance, including key measures such as take-up rates, quality and Foundation Stage profile results. These data are not, however, currently available as an accessible dataset for local citizens.

Figure 14
Local authorities' use of benchmarking and comparisons of performance



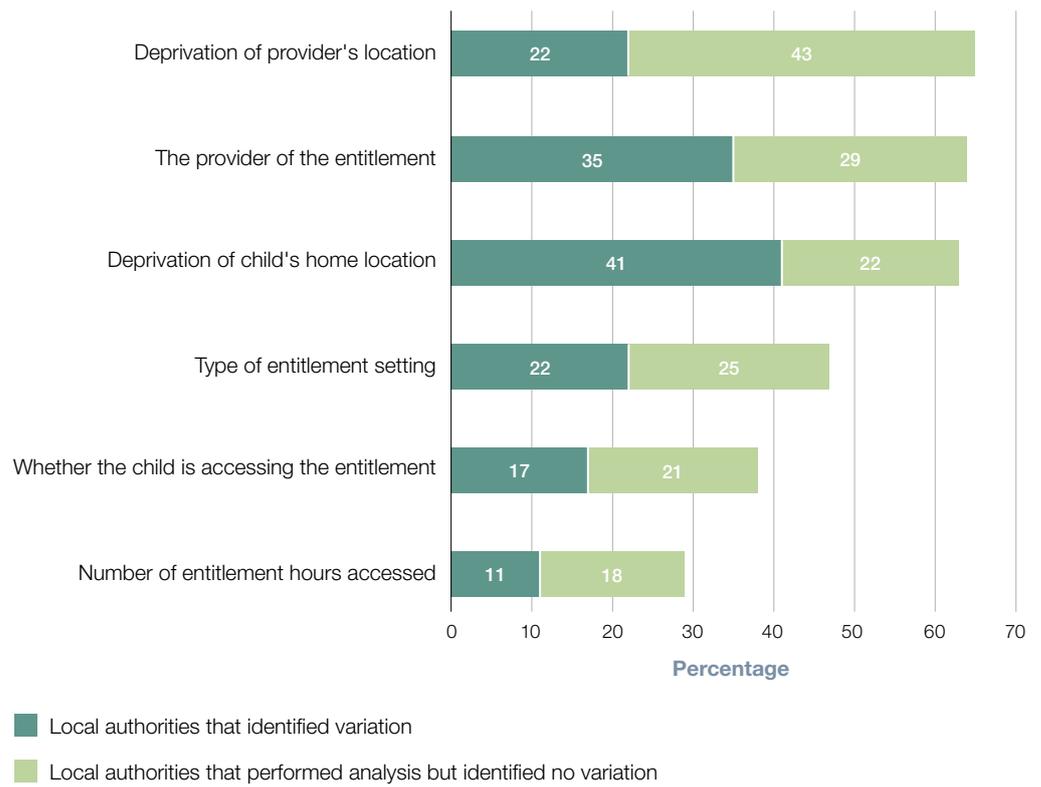
■ Regional data only
■ Using a wider range of data

NOTE
1 Respondents were asked whether they had compared or benchmarked their data with other local authorities in their own region or with data of statistical neighbours (some of which may be in the same region) or aggregate national data.

Source: National Audit Office survey of local authorities

Figure 15

Local authorities' analysis of factors that may cause variations in Foundation Stage profile outcomes



Source: National Audit Office survey of local authorities

Appendix One

Methodology

Our fieldwork took place between June and September 2011.¹⁰

Method	Purpose
Review of policy documents, evaluations and academic literature	To understand the evolution of early education and the landscape within which the entitlement has developed, and to identify available data.
Analyses of existing data collected by the Department, Ofsted and others	To identify take-up, quality of provision and outcomes of the entitlement. We also used research examining the experience of families eligible for the entitlement.
Analyses of take-up, funding, quality and outcomes	To examine variations between local authorities we analysed data published by the Department and Ofsted and Section 251 returns from local authorities covering their local funding formulae. Data covered 71 pathfinder authorities applying the formula from April 2010 and the remainder from April 2011. We also used regressions and analysis of variance to determine the extent to which variations could be explained.
Information mapping	To assess the flows of information that might be used to inform value for money in the delivery system.
A census of local authorities	To identify types of information available to local authorities about funding, costs, delivery, quality, outcomes and take-up of the entitlement. We achieved a 76 per cent response rate, with responses from over half of authorities in each region.
Visits to 14 local authorities	To understand practical issues faced by authorities in delivering the entitlement: the information used; costs and funding; take-up; outcomes; and value for money. We also reviewed data and case examples, using qualitative analysis to triangulate with other findings.
Semi-structured interviews with stakeholders including the Department, academics, providers and representative bodies for providers and parents	To understand developments in the delivery of the entitlement, to identify data sources and how delivery mechanisms could be improved.
Expert reference group	We engaged with the Early Education Co-Production Group to provide feedback, comment and context on our overall findings.

¹⁰ See www.nao.org.uk/universal-education-2012 for further details.



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