

Title of meeting: Education Cabinet Member Decision Meeting

Date of meeting: 16 January 2019

Subject: Early Years SEND Funding Review

Report by: Anthony Harper - Early Years and Childcare Manager

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1. The proposed closure of the Willows Nursery School provides an opportunity to remodel the way in which Portsmouth City Councils supports early years children to access their funded entitlement. This report outlines the proposed changes to the funding and support for young children with SEND.

2. Recommendations

- 2.1. That Cabinet Member approve the following changes to funding and support for early years children with SEND (which are fully outlined in section 5):
- 2.1.1. Commission places for early years children with complex SEND through a specialist provision at Cliffdale Primary Academy (subject to the conclusion of the current consultation on the closure of Willows Nursery School).
- 2.1.2. Establish a single funding stream for mainstream early years providers which has 2 elements:
- a flexible 'complex needs' funding stream (*EY Inclusion Fund - Enhanced*) where funding will follow the child to the setting of their parent's choice. This element will be funded through the DSG High-Needs Block, using the funding released from the proposed closure of Willows Nursery School
 - a refocussed Early Years Inclusion Fund (*EY Inclusion Fund - Core*) which supports children with 'low and emerging' needs, in-line with Statutory Guidance. This is already funded from the Early Years Block.
- 2.1.3. Subject to consultation with the current service providers, refocus the allocation of funding to early years outreach on a resource which can consistently deliver practical support and role modelling to settings across the spectrum of needs. A SEND outreach officer role will be managed either through the Early Years Area SENCO team or Portage Plus.
- 2.1.4. Review existing training and development opportunities for mainstream early years providers to ensure they meet the needs of children and the settings they access.

3. Background

- 3.1. The Willows Special Nursery School was established in 1973. It was a provision in Portsmouth with 25 places for young children with moderate learning difficulties. During this time, The Willows has expanded and continually developed services to meet the needs of young children in Portsmouth especially those who require careful assessment and support to fulfil their potential. The school has been at the centre of best practice development in Portsmouth as; an Early Excellence Centre from 1999, a Beacon School from 2000 and a Children's Centre from 2005.
- 3.2. The Willows Centre for Children now offers integrated education and care for children from 3 months to 5 years. As a fully inclusive setting, it offers 42 full time spaces for children allocated a Local Authority 'resourced' place because of their Special Educational Needs. Alongside the maintained nursery, there are places for up to 50 children accessing free early education places and full day care.
- 3.3. The Willows Centre for Children's stated vision is firmly based on preparing every child for their future and puts them as individuals at the heart of what they do. They are all committed to ensuring that children achieve their very best, feel proud of their achievements, are confident and happy.
- 3.4. At present, there are 5 key drivers for a review:
- the Council's statutory duties to provide eligible children with access to free early education
 - the Council's statutory duties to provide working families with access to sufficient local childcare
 - the Council's statutory duties to provide funding for young children with low and emerging SEND and for children with the most complex needs
 - the pressures on spending to support children with complex needs
 - the proposals to consider the transfer of the Willows governance into an academy organisation

The current funding formula for a commissioned place at the Willows is set at the national level of £10,000 per place plus locally-agreed Element 3 Top-up paid per pupil according to the level of need, ranging from £9,600 to £20,182 per annum for a full time (1,140 hours) pupil - £21.83 per hour on average .

- 3.5. Currently, universal funding for 15hrs per week of free early education for a 3 or 4 year old passed to settings is on average £4.37 (based on the statutory funding formula). This equates to £4,982 per year for a 1140 hour place.
- 3.6. The review sought to provide a full and robust understanding of the current operational model of places delivery, the costs and comparison with alternative delivery models. The review is undertaken with the principle aim of securing, into the long-term, the skills, expertise and history of the Willows Centre for Children. Recommendations will review the current model, balancing this with good practice from around the country.

3.7. In order to ensure a full and robust review, there were several key aspects of work which were undertaken:

- Consultation with the Head Teacher and Governors
- Desktop exercise to bench mark expenditure against all school places in the City (maintained and commissioned)
- Desktop exercise to map SEND support and finances across early years
- Desktop exercise to bench mark the delivery of high needs early years places across the country
- Review the demands placed on the delivery of high needs places by legislation (e.g. ratios, accommodation)
- Consultation with Pupil Places Planning and Capital Strategy to fully understand the demand on the site
- Consultation with The Inclusion Service to fully understand the impact of the recent SEND Strategic Review
- Consultation with the Early Years Service to fully understand the implications of the childcare sufficiency assessment of day care demands

3.8. The review seeks to ensure that the following considerations remain at the forefront of work:

- The impact of recommendations of the sustainability of service delivery
- The impact of recommendations on the statutory duties of the Local Authority
- The impact of recommendations on the pressures faced by both the 'High Needs' and 'Early Years' blocks with the DSG
- The integration and impact of specialist services across the City

4. Reasons for recommendations

4.1. For the financial year 2017-18, Portsmouth had 3 primary funding streams which support children with SEND across all sites in the City; the early years inclusion fund, the Disability Access Fund, the Willows Special Nursery and Special Educational Needs Support Partnership (PSENSP):

Funding stream	Detail	Total allocation 2017-18	Focus	Access
Early years inclusion fund (SENDIF)	Required as part of the local funding formula for funded early education places. Funding is allocated to the child and supports a setting in meeting the child's needs. Families are able to access childcare in the pattern of their choice (depending on the settings offer)	£90,000	Children with 'low and emerging needs'	Setting application through Early Years Panel with supporting evidence. Criteria set against the matrix of need and a settings ability to support the child
Complex needs (through Willows)	Funded through the DSG High Needs Block against the national funding formula guidance. Families are able to access 15hr per week, term time only.	£918,900 (includes place and Element 3 Top-up funding)	Children with complex, long-term needs	Allocation via Early Years Panel/ISP against strict agreed criteria. 44 (15hr, term time only) places for children aged 2-5yrs

Harbour Outreach	Outreach support offered by the Harbour School - providers are able to apply for outreach support to help model practice and enable the delivery of SEND support in mainstream settings.	£32,000		Via application to the joint schools panel
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- 2017-18 full year cost

Positive impact

- 4.2. At the end of the Early Years Foundation Stage in 2017, 34% of children categorised as SEND support in Portsmouth achieved a 'Good level of Development' (GLD) compared to 27% nationally. (2018 national data not released until end of Nov, so have used last year's SEND data)
- 4.3. Currently the funding allocated for 'SENDIF' supports 25 children across the City. Termly reviews demonstrate that children are well supported and make good progress.
- 4.4. Outcomes for children accessing these places are good, with evidence of positive impact across all areas.

Challenges

- 4.5. Funding allocated via Early Years SENDIF is largely focussed on higher needs and is not currently fully meeting the requirements of children with 'low and emerging' needs. With this focus, the whole funding allocation for 2018-19 has already been allocated with very little room for new applications during either the autumn or spring terms.
- 4.6. Funding for complex needs only through The Willows Special Nursery means that parents are not able to access their full entitlement (due to restrictions on the places and timings offered to families). Additionally, as places are delivered term-time only, parents have to use a second childcare provider if needing childcare throughout the school holiday periods.
- 4.7. There are significant funding pressures in the DSG high needs block.
- 4.8. There has been an increasing number of Education, Health and Care Plans (EHCPs) that are being written and agreed for children in their pre-school year which is putting pressure on the High Needs Block. These often require high levels of support to be implemented by mainstream settings and additional funding required to deliver it. Where children have high levels of need but are not issued with an EHCP, funding is not currently identified and is drawn from the EYSENDIF.
- 4.9. Application processes (for funding and EHCP's) can take time meaning that families can wait for long periods of time before being able to access provision.
- 4.10. Outreach support is not consistently accessed as it is difficult to navigate. The resource and offer is unclear and driven largely by the demands of school aged pupils. Coordination of outreach to settings alongside other support mechanisms is not apparent.

Feedback from families

Information gathered by Portsmouth Parent Voice

- A child with hearing impairment; family looking for a 2 year old funded place. The provider was delivering a sessional model (mornings or afternoon, term-time) which did not meet the family's needs.
- Some parents report that the current 'offer' for funding and access to places is confusing.
- There is some feedback that not all settings identify needs well.
- Some parents report that some settings make it difficult for children with additional needs to access their offer (not feeling welcome when making enquiries).
- Some parents report that the offer is not consistent across the city, some settings providing excellent care and support whilst other ignore identified needs with no advice or signposting given.
- It was noted that parental expectations also have a part to play when negative comments are made about the mainstream market.

Case studies

Family 1 - the child originally accessing 2 year old funding with a childminder. At the same time as the family become eligible for 30 hours of funded childcare they were offered a referred place at The Willows. The family required childcare which supported mum in continuing to work, something that the Willows term-time only sessional offer didn't provide. The family accessed a great deal of support from the Early Years funding outreach officer team to identify appropriate shared care with a childminder.

Family 2 - the child was offered a referred place at The Willows, however mum was unable to take up this offer as she has no transport and could not afford the travelling costs.

Family 3 - the child has an ASD diagnosis and became eligible for 30 hours of funded childcare. The family was offered a referred place at The Willows which the parent was initially keen to accept. However, one parent worked full time as a solicitor and other parent was on a fixed shift so couldn't be flexible. In addition to requiring extended days, the family needed all-year round provision. Working with the funding outreach team, the family tried unsuccessfully to find shared care with a childminder

Evaluation of Early Implementation of 30 Hours Free Childcare in Portsmouth Final report - Independent Research, Early Implementers Team. July 2017

The independent researcher spoke with families, providers and LA officers. The feedback reported from providers states that across SEND- "A lack of additional funding for providers to support children with additional needs resulted in parents either being unable to take up all their funded hours or having to split their provision between two providers".

Models from other local authority areas

East Sussex

Access to the EYISF is via the ISEND Front Door referral process for children who are not known to ISEND Early Years' Service. Following assessment an ISEND Early Years' Adviser will determine if the child is eligible for funding support from the EYISF and at what level (Level 1 £3.50 per hour, Level 2 £5.00 per hour, maximum of 570 hours per year) and make a recommendation to the setting to apply. The level of funding is continuously under review due to a fixed budget.

Funding comes at 2 different levels and on occasions they have double funded, though this is reviewed regularly to ensure appropriate distribution of funds. All funding usually ceases for children in the summer term, who will not require the level of support of an EHCP when entering school. This is to aid a child's independence skills and or to gain additional evidence on level of need and also does not then raise expectation from the receiving school. The other clear message in funding is that it is not to fully fund a 1:1, though for those children this may be appropriate for this can be used as a contribution.

Funding can be used for any additional resource required to meet the outcomes on the settings based support plan, such as;

- Additional adult support to enable the child to fully access the learning environment, carry out any programmes or advice identified by specialists (e.g. SALT, ISEND Early Years' Service), carry out any procedures required due to a medical condition (e.g. gastric tube, tracheostomy)
- Training for staff
- Resources for a child

There is no restriction on the amount of applications per Early Years' setting and reapplications can be made for the same child providing this support is still meeting needs and achieving agreed outcomes as evidenced on the support plan.

Essex - 1 funding stream with several elements

<http://dnn.essex.gov.uk/Portals/49/Documents/FUNDING/Grants/Jul-Dec 2018 EYCC Inclusion Funding Guidance Notes.pdf>

The funding should be used to enable children to be fully supported, included and able to participate in activities. The hourly rate is in line with the rates set by SEN/AEN Provider Services based on the child's level of need:

- Low: £3.68, for children with SEN/AEN who need enhanced support for some periods of their time in the setting
- Mid: £5.06, for children with a significant/complex SEND who need a high level of enhanced support to meet their needs
- High: £6.90, for children with a high level of medical need or a life threatening medical condition which requires continuous enhanced support

Group Funding of £10.00, applications for 1 additional member of staff to support:

- groups of 3 or more children with identified AEN/SEND who have similar outcomes and require strategies that can be implemented in a targeted group OR
- groups of 3 or more children with identified AEN/SEND who attend at the same time and require enhanced support that can either be provided through a 1:3+ ratio or individual support at separate times during their attendance

Derby - 2 funding streams

Funding may be requested to support the inclusion of children with additional needs from birth to the end of foundation stage. Settings can make a request for funding to contribute to the additional costs associated with providing for children with SEND and may include:

- Mandatory training for staff in relation to the specific SEN/ disability
- To enable setting staff to deliver interventions/ programmes one to one
- To provide one to one support to enable a child to access the learning environment safely
- To pay for enhanced, intensive or additional support or training from specialists/ outside agencies
- To purchase specific assessment tools or specialist toys
- When a childminder takes on fewer children so as to be able to provide additional support to a child

Additional funding for children with exceptional, highly specialist and highly complex needs is provided to schools and settings through the Education, Health and Care Assessment process.

5. Proposed changes

5.1. The following recommendations represent a reduction of more than £70,000 when compared to the funding allocated to early years support during 2017-18. They represent an improved offer for both children and parents, whilst benefitting from efficiency savings. The figures are based on the 2017-18 settlement from central government and are subject to sufficient budget being identified and ratification by Schools Forum. Furthermore, the recommendations assume a change to the existing commissioning of places for complex needs pupils which has not yet been approved.

5.1.1. Continue to commission places for early years children with complex SEND through a specialist provision at Cliffdale Primary Academy.

5.1.2. Establish a single funding stream for mainstream early years providers which has 2 elements:

- Firstly, a flexible 'complex needs' funding stream (EY Inclusion Fund - Enhanced). Funding will follow the child, allowing parents to choose alternative childcare options which could better meet their needs; longer hours, school holiday periods, flexibility across a week. Funded through the DSG High-Needs Block, using the funding released from the closure of Willows Nursery School allocate £100,000 (prorate) for 'complex needs' places. This will; reduce the pressure on the current nursery accommodation, better support some families through offering alternative choices and enable the wider early years sector to support children with complex SEND. Implementation of this funding stream will be from September 2019 following the closure of Willows.
- Secondly, funded from the early years block, refocus the EY Inclusion Fund on 'low and emerging' needs only, in-line with Statutory Guidance. This funding stream (EY Inclusion Fund - Core) will further underpin early intervention activity within early education and childcare settings.

Outline of recommended funding streams for early years SEND

Funding stream	Detail	Total allocation	Focus
Early Years inclusion Fund (Core)	Funding through early years funding formula	£90,000*	Children with 'low and emerging' needs
Early Years inclusion Fund (Enhanced)	Funding through DSG 'high needs' block. Allocated to a child who can take the funding to any registered setting within Portsmouth	£100,000 ¹	Children with complex, long-term needs
Commissioned nursery places	Funding through DSG 'high needs' block. 15 places commissioned through Solent Academy Trust.	£150,000 places plus element 3 top-up according to the needs of the child - £137,100 ²	Children with complex, long-term needs
DSG	Early Years SEND Outreach Officer - band 5***	£25,500	Practical support for PVI providers to ensure they understand agreed interventions, have appropriate practice modelling and responsive access to advice and guidance

**this is based on a funding formula from central government which is the same as this year*

***For a full financial year (£58,700 during 2018-19 if funding is released from the closure of Willows)*

****Subject to renegotiation of an existing funding commitment*

- 5.1.3. Review application and decision making processes for both the complex and low and emerging needs funding streams to ensure they are fit for purpose, retain control over the allocated budget and make the process swift and accurate for families. The new structure will be managed as a single programme with a 'core' payment and an 'enhanced' payment. The amount of these payments will be determined prior to implementation in April 2019.
- 5.1.4. Recognising the importance of underpinning and securing the skills and knowledge of the wider early years sectors:
 - a) Subject to consultation with the current service providers, refocus the allocation of funding to early years outreach on a resource which can consistently deliver practical support and role modelling to settings across the spectrum of needs. A SEND outreach officer role will be managed either through the Area SENCO team or Portage Plus. This role will ensure a coordinated approach to support, advice and guidance for settings and families. This will link to the use of core and enhanced level SENDIF and support early years providers who do not require additional funding, but do require support to identify and implement appropriate strategies.
 - b) Review existing training and development opportunities for mainstream providers to ensure they meet the needs of children and the settings they access

¹ The funding for 2019-20 would be £58,300 from September 2019, the full year budget will be £100,000.

² Element 3 top up is estimated based on the estimated percentage split of pupils at Cliffdale on the new bands from September 2019 as per the original DSG 2019-20 budget

6. Equality impact assessment

- 6.1. The proposals to not negatively impact on children with SEND. The recommendation refocus existing funding in a way which responds to identified needs.

7. Legal implications

- 7.1. There are no additional legal implications outside of those noted with regards to the financial regulations detailed below.

8. Director of Finance's comments

- 8.1. The Dedicated Schools Grant is a ring fenced grant whose use is governed by the School and Early Years Finance (England) Regulations. The grant is split into four funding blocks and the regulations are specific about how each of the funding blocks may be used.
- 8.2. The High Needs Block provides funding for pupils aged 0 to 25 who are subject to an Education Health and Care plan or require additional support to access education. Currently the high needs support to very young pupils is provided by Willows Centre for Children, which is due to close at the end of August 2019 (subject to a public consultation). It is expected that some of the functions will transfer to an expanded provision at Cliffdale Primary Academy, however, the closure will release some funding to allow the redevelopment of the "complex needs" early years provision. Whilst the final amount has yet to be determined it is expected to be in the region of £58,000 for 2019-20 (full year effect will be £100,000).
- 8.3. Should the refocussed service for complex needs be approved then it would be available from 1 September only if the funding is released from the closure of Willows centre for children.
- 8.4. The Early Years Block funds the low and emerging needs of early years pupils. The value is calculated as a percentage of the hourly rate received by the local authority. The total funding received by the authority varies each year depending on the number of eligible pupils recorded in the January census. Therefore the funding available for the low incidence inclusion fund will fluctuate in line with the overall funding and will need to continue to be reviewed regularly.

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Signed by:

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: