**London Borough of Tower Hamlets**

**Schools Forum**

**AGENDA ITEM**

**Title of report:**

**Early Years Report**

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**Details on who has been consulted with on this paper to date:**

Schools Finance

SEND section

**Exec Summary:**

The report sets out the updates for key early years items:

Early Years High Needs Block arrangements

Changes in payment arrangements to schools for universal 3 and 4 year old funding

Admission of SEND children to school early years’ provision.

**Action Required:**

Schools Forum is invited to note the information contained in this report.

1. **INTRODUCTION**

## Early Years Block (EYB)

The majority of this is delegated to maintained schools, to nursery schools, to providers in the PVI sector and to child minders. The purpose is to source entitlements for early childhood education and care places funded by the government[[1]](#footnote-1). The resulting funding covers the statutory universal provision of part-time education[[2]](#footnote-2) to all three and four year olds, the provision of full-time education for three and four year olds with working parents[[3]](#footnote-3) and the provision of part-time education to eligible two-year olds[[4]](#footnote-4). The Local Authority (LA) can retain 5% of entitlements to provide central services, the use of which requires Forum approval. The amount centrally retained can be increased if dispensation is given by the Secretary of State for Education. The EYB also contains specific funds such as the Disability Access Fund. This paper provides a preliminary view of the overall situation.

* 1. **Early Years Block.**

The position for this Block will be confirmed in the near future. At this stage, information is necessarily partial.

Many head teachers have contacted the council to point out recent over payments. Schools Finance would like to apologise for this. The situation will be rectified in the near future.

1. **Updates**
   1. **Changes to the payment system (schools) for the universal offer for 3 and 4 year olds.**

The Directorates Leadership Team (DLT) has approved a revised process for early years funding for 3 and 4 year old children attending school nursery provision.  This information will also be communicated to schools via the head teachers’ bulletin, through the Governors’ website and through this update at Schools Forum, 16th October 2019.  Private, voluntary and independent (PVI) childcare settings have been informed of this change today.

From September 2019, DLT has agreed that payment of the universal three and four year old childcare funding to schools for their nursery classes should be based on attendance, in line with national requirements.  This is in order to ensure equity for schools, childcare settings and parents.

Schools will be paid in full for Terms 1 and 2.  For Term 3, the Council will retain 20% of the allocation.  On receipt of school information on attendance for the previous terms, the retained sum will be released to the school.  The system for monitoring this is approach is under development.  Further information will be shared with schools in the near future.

From academic year 2020-2021, schools will be paid on the basis of attendance for all terms.  Please note that all other early years settings (childcare) offering the 3 and 4 year old free entitlement are already paid in this way and that payments are monitored for these settings. Monitoring will be light touch and similar to the monitoring already in place for all childcare settings and child minders in receipt of the same government entitlements (early learning for two year olds, universal funding for three and four year olds, additional hours for the working parents of three and four year olds). Schools accessing the two criterion-based entitlements (early learning for two year olds and the additional hours for the working parents of three and four year olds) will already be familiar with current monitoring systems. One of the parent information sheets for the additional hours entitlement is included as Appendix 2.

* 1. **High Needs Block**. The proposals for this block are included in this paper for information.
  2. **Early Years Block**

The Early Years Block provides a limited contribution to the following activities. This contribution is made through some support for salaries. The IEYS regularly updates Schools Forum on progress in these areas.

2.3.1 Early learning for two year olds (EL2) funding

As of September 2019, the number of children that have been successfully placed through EL2 stands at 1,038 which is a 20% increase from this time last year.

A number of schools have successfully bid for capital funding to admit more two year olds through the early learning for two year olds (EL2) funding stream. IEYS teams continue to offer guidance and support to schools interested in taking two year olds. This support is offered in response to a request from the head teacher.

2.3.2 What the IEYS is doing to increase placements

The recent challenge visit from Childcare Works on behalf of the DFE found that good progress has been made recently. The phased closure of the day nurseries has released resources to enable more work on EL2 take-up.

The IEYS has revised the EL2 marketing plan and has created an action plan and an outreach plan. Successful initiatives continue. For example, the postcards sent to potentially eligible families six times a year based on the information received from central government through the DWP. The postcards provide more information about the scheme as well as details of the three nearest providers closest to the family.

Publicity materials are revised annually. Leaflets and banners have been distributed to GP surgeries, schools and Idea stores. EL2 banners are displayed in parks and public playgrounds across the Borough as well as through providers.

2.3.3 Early Years Pupil Premium (EYPP)

The EYPP remains a separate funding stream. It continues to be paid into the DSG and there are no funding changes proposed to either the methodology or to the rate for 2019-20.

The government has committed to review the rate for the EYPP taking into account the delivery of the new Disability Accessibility Fund. The allocation of funding for the EYPP for 2018-19 was £293k. This equated to 53p per hour.

2.3.4 Disability Access Fund (DAF)

The DfE has provided additional funding of £615 per child in receipt of Disability Living Allowance (DLA). This is a fund for providers to support children with disabilities or special educational needs. It aids access to Free Entitlement places for early years by supporting providers in making reasonable adjustments to their settings.

Since September 2019, 9 DAF application forms have been received: 4 from schools and 5 from childcare settings. The DWP estimates that there are 154 three and four year olds children in Tower Hamlets who may be eligible for DAF 2019 – 20. **Schools and childcare settings are not yet claiming for 145 children locally this financial year.** We will be raising the awareness of DAF and encourage the take up of the scheme amongst schools and childcare settings.

The take up of the DAF continues to be slow. Schools and MPVI settings have been informed of this funding through head teacher’s bulletin and the termly forums. The forums are followed up by letters from Christine McInnes. The information and application form are available on the Tower Hamlets [website](https://www.towerhamlets.gov.uk/lgnl/education_and_learning/childcare_and_early_years_educ/Early_learning_and_childcare_funding.aspx). We will continue to work with schools and MPVIs in order to raise the awareness of this funding.

2.3.5 Distributing DAF funding to early years providers

Local authorities must fund all early years settings providing a place for each child eligible for the DAF in their area at the fixed annual rate of £615 per eligible child. DAF should not be offset against any other funding which an authority may ordinarily be providing for children eligible for the DAF.

DAF is payable as a lump sum once a year per eligible child. If a child eligible for the DAF is splitting their free entitlement across two or more providers, for example a school nursery class and a child minder, the local authority should ask parents to nominate the main setting to receive DAF. This setting will be where local authorities pay the DAF for the child.

If a child receiving DAF moves from one setting to another within a financial year, the new setting is not eligible to receive DAF funding for this child within the same financial year. DAF funding received by the original setting will not be recouped. In cases where a child who lives in one authority area attends a provider in a different local authority, the provider’s local authority is responsible for funding the DAF for the child and eligibility checking.

2.3.6 Additional hours for three and four year olds (the extended hours)

There has been a significant increase in the number of extended hours codes received during the summer term (1068) compared to the same time last year (850). The increase is almost exclusively from schools who returned 641 codes this year, compared to 433 last year.

The feedback from schools has been very positive and the take up of the extended hours from school has increased by 32% compared to last Summer term 2018

2.3.7 Local Authority Day Nurseries

The local authority day nursery phased closure is now complete. This represents an annual recurring saving of £1.6 million for the Council and Schools Forum. Forum contributed part of the funding for these settings.

2.3.8 Early Years’ SEND Inclusion Fund (part of EY HNB)

There is a requirement to establish an inclusion fund for three and for year olds with SEND taking up the government entitlements and, at the council’s discretion, for two year olds who are accessing the free entitlement. This forms part of the high needs block under access to childcare.

Part of this funding **must** be used for working parents of children with SEND so that they can access childcare all year round, rather than term time only. Locally, this sum is an agreed maximum amount of £150,000 for children accessing the 15 hour free entitlement and £3,000 for those accessing the extended entitlement (30 hours). A small grants process is followed which is aligned to the SEND Panel approval process. This is explained in more detail below.

The Council is minded to divide the remaining sum *pro rata* among schools taking children with SEND 2-5. Children aged 2-5 with an EHCP are funded separately.

Schools should supply the numbers of children identified at school action level, and send these figures, along with the number of 2-5s attending overall. This percentage will be used to allocate SEND funding to each school. The Council is aware that this sum will not be sufficient to provide individualised support but is rather a contribution to the costs accrued.

2.3.9 Eligibility

The SEND Inclusion Fund is for children taking up the government entitlements for early childhood education and care.[[5]](#footnote-5) Local authorities must target the fund to children with significant emerging SEND to facilitate their access to private, voluntary and independent childcare settings[[6]](#footnote-6). Locally this is overseen by the IEYS Area Inclusion Coordinators (Area SENCos in the SEND code of practice). These qualified teachers work with the child, family and setting and assist with identification and planning for children with SEND and transition planning to school using a person centred approach. The enabling funding for access (through for example equipment, additional support) comes from the high needs block.

Children with established complex and long term needs in receipt of an Education, Health and Care Plan (EHCP) continue to be eligible to receive funding via the high needs block of the DSG.

2.3.10 Centrally retained funding

This funding is used to cover the costs of management and administration of the early years block which includes but is not limited to;

* Fulfilling the council’s statutory duty of moderating school EYFSP results to ensure their accuracy, validity and reliability. This is carried out by a team of moderators from schools, supported by the IEYS QA teachers. The STA requires that at least 25% of schools are moderated by visit annually. The STA specifies the focus for the statutory visit in terms of the areas of learning and also its date. All aspects of the EYFSP must be covered during each visit as the curriculum is holistic.
* The STA also requires the IEYS to secure the agreement of Schools Forum to any local variations in approach. Locally, this means the Autumn and Spring visits. In previous years, head teachers have decided that they prefer to have early notice of any issues that may be developing in their early years’ provision and have supported the local “three point” model.
* Head teachers have in past years asked for “three point” moderation:
* An initial visit in the Autumn term to discuss previous data and the school’s action planning to improve the good level of development (GLD);
* A second visit in the Spring term to explore any challenges or barriers to the implementation of the school’s action plan;
* A third statutory visit in the Summer term at the time point determined nationally by the Standards and Testing Agency (STA).
* There has been a continued local improvement in levels of school readiness (EYFSP GLD) since 2013. There has been a narrowing of the attainment gap for the last two years. Success would be to continue to improve both these trends. There is a focus on narrowing the gap (as measured by the EYFSP), both with respect to attainment for children with SEND but in particular the gap between boys and girls which is significant at this time in LBTH.
* Inclusion and SEND support from qualified teachers (Area Inclusion Coordinators) employed by IEYS for children in childcare settings who will be transferring to school. This ensures that children referred to IEYS by other agencies are supported by qualified teachers while in childcare settings. Transition to school plans are prepared with parents, the school and the childcare setting.
* The IEYS Inclusion Team prioritises a range of activities to support the council in meeting its statutory duties: Supporting identification and planning for children with SEND in PVI childcare providers. Every PVI childcare setting has an allocated Area Inclusion Coordinator (Area SENCO in the SEND Code of Practice) providing SEND advice.

Ensuring contributions to EHC plans by Area Inclusion Coordinators are carried out within expected time limits;

The IEYS holds an SEND Inclusion Fund from the high needs block to support access of children with significant emerging needs into PVI childcare. This is targeted solely at PVI settings. The IEYS believes that a strong focus on SEND and meeting the needs of children with a disability has the additional impact of improving attainment across the board.

The administration of the SEND Inclusion Fund through the IEYS involves submission of an application form and supporting information evidencing the child’s needs in relation to the specified criteria. Applications are considered for approval by an Inclusion Funding panel which consist of the heads of the IEYS and SEND Section and two senior managers from the IEYS . More information can be found in the high needs block report.

* Administration of childcare funding accessed by schools for their nursery class provision (universal entitlement, EL2 and additional hours).
* Support for schools causing concern in EYFS. Three point moderation usually picks up any potential problems early.
* Improving the quality of early childhood education and care settings as judged by Ofsted (includes childcare businesses, child minders and school support). Only settings that are rated “good” or better by Ofsted contribute to improving outcomes and narrowing the gap;
* Sufficiency of childcare, including creating places for eligible two year olds and extended hours places for three year old whose parents are working.
* The early years training programme (some aspects are charged for) is based on the annual analysis of Ofsted inspections and EYFSP data sets. This bespoke training supports improving outcomes and gap narrowing because it is focussed on areas identified by Ofsted inspections and through EYFSP data analysis.
* Co-ordinating the employment and training of early years practitioners and settings including child minders. It also co-ordinates parenting programmes for families with children 0-11.

2.3.11 New proposals

**EY HNB in schools.** As stated above, part of the EY HNB must be used for working parents of children with SEND so that they can access childcare all year round, rather than term time only. The agreed maximum sum for children accessing the 15 hour free entitlement is £150,000 and those accessing the extended entitlement (30 hours) is a maximum of £3,000. Where multiple applications are submitted by a childcare provider, the panel will consider the level of need outlined in each application to determine whether a single amount will be adequate for all the children or whether an increased level of funding will be recommended. This is moderated against other agreed applications. A small grants process is used and aligned to the SEND Panel approval process.

The Council is minded to divide the remaining sum *pro rata* among settings taking children with SEND 2-5. Children aged 2-5 with an EHCP are funded separately.

Schools should supply the numbers of children identified at school action level, and send these figures, along with the number of 2-5s attending overall. This per centage will be used to allocate SEND funding to each school. The Council is aware that this sum will not be sufficient to provide individual support. It is however, a contribution to reducing the costs accrued.

This process will require administration. The IEYS is prepared to assist with this, so long as funding is provided for the running costs for monitoring and quality assurance.

**Increased rate for children eligible for EL2.**

This would be given to ALL settings taking eligible child as an enhancement to the current rate. The amount per hour per child will be calculated by Schools Finance as the new systems are put in place.

**QA and monitoring of new system for 3 and 4yo universal funding (schools)**

The IEYS is prepared to assist with this, so long as funding is provided for the running costs for monitoring and quality assurance. Costs are generated by this requirement and should be met from the overall DSG.

1. **Impact of Early Years Block**

Early years’ support for families is evidenced by the continued increased access of children’s centre services (Appendix 1) and the continued improvement of the GLD. The provisional 2018-198 GLD stands at 69.9%.

1. **Early Help**

From 1st October 2018, the IEYS became part of Youth and Commissioning. The restructured IEYS was established, in part, to provide a strong contribution to Early Help, mainly through universal services delivered by early childhood education and care settings (including schools) and children’s centres. This has enabled the council to run a successful Early Help pilot in the North East. DLT has recommended that this approach is extended to the rest of the borough.

**Appendix 1 (EY Block): Children’s centre reach and volume September 2019**

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| Children’s centre engagement continues to track above last year in like-for-like comparisons for both reach and volume for adults and children.  The dip in August follows the seasonal trend of reduced access by families over the summer period. |  |
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**Appendix 2: Summary Information for Parents Concerning Extended (30) Hours Eligibility**

The only way to access the 30 hours is to log on to the Government website and apply for a code BEFORE the beginning of the term you want the 30 hours for.

Every Code has a validity start and end date. You must renew/re-confirm your information with HMRC (on the Government website) prior to the validity end date.

Every code has a grace period end date but **this will only come into effect if you are already registered and accessing 30 hours at a provider/school when you allow your code validity to lapse**.

It is your responsibility as a parent to keep your code current and up to date by re-confirming your information via the Government website.

If this is the first time you are accessing the 30 hours at a provider, your code must be within its validity period; if the code validity has expired or you have allowed it to lapse without re-confirming, you will not be able to access the 30 hours in the current term.

If you are moving to a new setting/school, your code must be within its validity period.

If you already have a code, you need to keep your information up to date by re-confirming it on line every 3 months.

If you allow your code validity to lapse, your child’s access to the 30 hours will cease at the end of the “grace” period.

The above requirements are set by the Department of Education and the Department of Work and Pensions.

1. This childcare entitlement cannot be used for any purpose other than early childhood education and care. All unspent childcare funding MUST be returned to the government at the end of the financial year by the council. [↑](#footnote-ref-1)
2. Funded for schools and all other registered settings by the government’s universal childcare entitlement for three and four year olds. This funding is available to all children nationally from the term AFTER a child’s third or fourth birthday. [↑](#footnote-ref-2)
3. Funded for schools by the government’s additional hours childcare entitlement for the working parents of three and four year olds. This funding is available to the children of eligible parents from the term AFTER a child’s third or fourth birthday. Eligibility is determined by the government. Parents must present a valid code to the school prior to a placement offer by the school. [↑](#footnote-ref-3)
4. Funded by the early learning for two year olds entitlement. This funding is for eligible families only (40% nationally). Eligibility is determined by the government. Parents must present a valid code to the school prior to a placement offer by the school. [↑](#footnote-ref-4)
5. Early learning for two year olds (40%), universal offer for three and four year olds (all children whose parents wish to access a place) and the extended hours for the three and four year olds children of eligible working parents. [↑](#footnote-ref-5)
6. The schools share of these monies was delegated to schools in 2011. The school SENCo is responsible for appropriate SEND provision for children between two and five. [↑](#footnote-ref-6)