DERBYSHIRE COUNTY COUNCIL

Agenda Item 8

Rep 708

SCHOOLS FORUM

5 October 2017

Report of the Strategic Director for Children’s Services

Early Years Update

1. Purpose of the Report

To update the Schools Forum on a range of Early Years issues, including the introduction of the Extended Entitlement of up to 30 hours a week.

1. Information and Analysis

The Authority welcomes the introduction of the Extended Entitlement, which has enabled working families to access up to 30 hours of Early Years’ education from September 2017. However, this will have a number of implications for funding, some of which are set out in this paper.

The ‘Early Education and Childcare Statutory Guidance for Local Authorities’ (March 2017) and the ‘Early Years Entitlements Operational Guidance for Local Authorities and Providers’ (April 2017 and July 2017) provide the necessary guidance to ensure that parents receive their entitlement.

2.1 Extending the Age Range of the School

The creation of additional places to meet demand has resulted in a number of schools offering, or wanting to offer, up to the full 30 hours to eligible children. Some schools without nursery classes are now keen to extend the age range of their school to allow them to offer places to younger children. There are two ways in which a school can do this:

1. Making Prescribed Alterations to Maintained Schools

This is the ‘formal’ route which changes the age range of the school and takes between 6 and 9 months to implement. Younger children accessing the Early Years provision are registered pupils of the school and hence there must be a qualified teacher leading the class, based on a 1:13 staffing ratio.

Agreed new provision of this type will be funded on the same basis as other Nursery Unit provision.

1. Establish Governor Run Provision under Section 27 of the Education Act 2002 (‘Community Powers’)

This is a much quicker process as there is no legal requirement for schools to consult with the local authority (LA). However, schools are strongly encouraged to talk to the LA when considering setting up Governor Run provision in order to access support and information to assist with assessing viability and sustainability. Governors do not need a separate Instrument of Government as Section 27 is a general power that governors have by virtue of their role.

Younger children attending Governor Run provision are not considered to be pupils of the school and will therefore be funded through the Early Years’ census. Schools are able to decide whether the nursery class should be led by a qualified teacher, working within a 1:13 staffing ratio, or with a suitably qualified teaching assistant, working within a 1:8 staffing ratio.

Governor Run provision will be funded on the same basis as the PVI sector.

* 1. Early Years Payment Changes and the Implications for Schools and PVI Providers

Derbyshire is moving to an Early Years electronic payment system which will incorporate the introduction of the 30 hours Extended Entitlement and Disability Access Funding (DAF).  For the PVI sector this has resulted in an increase in their start of term payment, i.e. from 70% to 80% of their overall estimated termly funding amount. The balance is paid later in the term when actual attendance hours have been submitted. The PVI headcount date has now been aligned with the School Census dates.

Schools will not be transferred to the new payment system until later in 2018 and will therefore continue to be funded via School Census data for the time being. There is no longer a requirement for schools to submit paper returns for PVI double funding check purposes.

2.3 Arrangements for Dealing with Applications for the Additional 15 Hours

Parents who apply and meet the criteria for the Extended Entitlement receive a code from HMRC. Parents are required to present the code to their chosen provider (school or PVI) who will validate it through the LA’s Provider Portal. Providers must obtain written consent from parents to validate the codes.

Codes must be obtained from HMRC by the end of the term prior to taking up a place. For example, families wishing to access a place from January 2018 must have received a valid code from HMRC before 31 December 2017. Families not obtaining a code until the start of January 2018 will only be able to access the Universal 15 hours during the Spring Term 2018 and will not be able to take up the Extended Entitlement until the start of the Summer Term 2018.

2.4 Admissions and Deferred Places

Children are eligible for Early Years funding from the term following their third birthday, up to and including the term in which they have their fifth birthday. Generally children access a full-time reception place from the September of the academic year in which they have their fifth birthday. In the past a small number of parents have requested that summer born children defer this admission until a later date.

Historically the majority of parents have accepted the Reception class place as this provided more hours of funded provision. However, the introduction of the Extended Entitlement (30 hours) means that parents may choose to keep their children in the nursery provision for longer. More applications are already being received for Reception admission deferment.

**Children Eligible for Reception Place 2017**

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| --- | --- | --- |
| ***Children Born Between*** | ***Early Years Funding Available Up To & Including*** | ***Comments*** |
| September – December 2012 | Autumn Term 2017 | These children will only be eligible for Early Years Funding until the end of the Autumn Term 2017. |
| January – March 2013 | Spring Term 2018 | These children will only be eligible for Early Years Funding until the end of the Spring Term 2018 |
| April to August 2013 | Summer Term 2018 | These children will be eligible for Early Years Funding until the end of the Summer Term 2018 |

2.5 SEND Support and Children Accessing the 30 Hours Extended Entitlement

Derbyshire will not make any distinction between the Universal 15 hours and the Extended Entitlement 15 hours and will support children with SEN (aged three and four years) for up to 30 hours of attendance. There are two new requirements for LAs when allocating funding:

* The introduction of a Disability Access Fund (DAF)
* A requirement for LAs to establish a SEN Inclusion Fund.

In addition, the LA has made provision for children in specialist nurseries via 12 week assessment places and for children in receipt of an Education Health and Care Plan.

The Government provides DAF as a one-off payment for all 3 and 4 year olds accessing funded early education who are also in receipt of Disability Living Allowance. Details have been circulated to Early Years’ providers.

Derbyshire’s Enhanced Temporary Additional Early Years Support (ETAEYS) initiative has been identified as the nationally required SEN Inclusion Fund. ETAEYS are awarded for up to 30 hours, based on learning outcomes. Allocation of resources will continue to be based on the educational interventions required as part of the Graduated Response (SEN Code of Practice 2015)

2.6 Early Years Single Funding Formula 2018-19 and Beyond

The Government has previously signalled its arrangements for implementing a national funding formula. The rate at which Derbyshire’s receives its funding from the Government is set to reduce from £4.63 to £4.39 per hour; a 5% reduction. This rate will be used to fund Derbyshire for its Universal and Extended Entitlement provision. There are three key requirements that LAs’ arrangements must meet:

1. Early Years provision in Nursery Units and PVIs must be funded by the same universal hourly rate by April 2019 at the latest;
2. Nursery Schools’ funding must be protected until 2019-20; and
3. From April 2018, LAs must ensure that 95% of the funding for 3 and 4 year olds is delegated (the current requirement is 93%).

The Authority will shortly be publishing a consultation to all providers setting out its proposals to meet these national requirements; the Schools Forum will have the opportunity to consider the consultation and the responses from consultees later this term.

1. Other Considerations

In preparing this report the relevance of the following factors have been considered: social value; prevention of crime & disorder, equality of opportunity, finance, human resources, legal & human rights, environmental, health, property and transport considerations.

1. Background Papers

Held in Children’s Services Finance and School Improvement services

1. Strategic Director’s Recommendation

That the Schools Forum:

1. Notes the report and offers its views on the issues raised; and
2. Agrees to receive a further report on the Early Years funding consultation paper later this year.

**JANE PARFREMENT**

**Strategic Director for Children’s Service**