

## **PROPOSAL TO APPLY £200,000 FROM HIGH NEEDS BLOCK TO INCREASE THE EARLY YEARS AND CHILDCARE SPECIAL EDUCATIONAL NEEDS INCLUSION FUND**

### **Purpose of the Report**

1. To inform the Forum of the proposal to support the increased costs of the Early years and Childcare Special Educational Needs Inclusion Fund (SENIF) from 2025 – 2026 onwards, using funding from the High Needs Block.

### **Information and Advice**

2. All local authorities are required to establish a special educational needs inclusion fund (SENIF) in their local funding systems for children with Special Educational Needs and Disabilities (SEND) who are taking up the funded entitlement, regardless of the number of hours taken. This fund supports local authorities to work with providers to address the needs of individual children with low level or emerging SEND.
3. Inclusion funding is used by providers to support with
  - a. Additional staffing capacity
  - b. Transition to School
  - c. Working with EHC Plans
  - d. SEND Premium for settings with high numbers of children with SEND
  - e. Equipment and support from Physical Disability Specialist Service (PDSS)
4. Funding is used to pay the early years sector for children with SEND who are eligible for funded childcare. The number of children taking funded hours has increased in recent years as the Early Years entitlement has been extended.
  - a. All 3- and 4-year-olds are currently offered the equivalent of 15 hours of funded early education and childcare per week for 38 weeks of the year.
  - b. 3 and 4 year olds of working parents are entitled to the equivalent of 30 hours per week funding.
  - c. Children aged 2 years and over of working parents are entitled to 15 hours per week funding (extending to 30 hours by September 2025). Children from households receiving some form of additional government support are entitled to 15 hours per week funding.
  - d. Children aged 9 months and over of working parents are entitled to 15 hours per week funding (extending to 30 hours by September 2025)

5. The numbers of children accessing support for SEND within Early Years settings is rising and as the number of hours available increase, so will the requirement for additional support for these children to attend mainstream early years provision.
6. The Local Authority and a sub group of the Early Years and Schools Forum are currently exploring ways to support parents in making informed choices about the right school environment for their child with additional needs. Early Years Providers work closely with parents, schools and other professionals to guide families through the process and where appropriate support the development of a child's EHCP. It is crucial to support Early Years practitioners to develop the capacity to provide early intervention for children with SEND.

## **Funding Overview and background**

7. In this financial year, there has been a contribution of £186,000 from the Local Authority budget and £275,000 retained from the Early Years Block of the DSG, creating a total Early Years SENIF budget of £460,000. This has historically been allocated to children aged 3 and 4, the most vulnerable 2-year-olds and exceptional cases for under twos with complex needs and remains in place until 31 March 2025
8. In September 2024, in collaboration with the Psychology and Inclusion Service, the Early Years SENIF was extended to meet the needs of the most vulnerable children with SEND who were entering early years provision in schools with no previous Early Years provision having been accessed.
9. In addition, a Bridging Fund was established (from High Needs Block) to fund children who were making the transition to Schools provision from Private, Voluntary and Independent (PVI) providers, to encourage schools to offer a full timetable for children who were previously being offered reduced hours by schools.
10. In November 2024, The SEND Inclusion Service (prev. Schools and Families Specialist Services (SFSS)) submitted a report to the Early Years Consultation Group seeking additional funding to employ three additional Teaching Assistants within the team to meet rising demand for services. It was agreed to allocate a further £106,854 from the Early Years DSG centrally retained budget in 2025 – 2026 to meet this demand.
11. In January 2025, the Local Authority withdrew the £186,000 contribution from LA budgets, and this will now need to be retained from the Early Years Block of the DSG. This is underpinned by Early Years funding guidance that states local authorities should establish their SENIFs using funding from the early years block and/or the high needs block of their DSG allocation.
12. In previous years, any overspend on the Inclusion Funding budget has been off set by the underspend in Disability Access Funding (DAF). In 2025 – 2026 DAF funding will be required to meet the needs of children with the most complex disabilities supported by Physical Disability Specialist Service (PDSS). The costs for this have increased.
13. Funding for early years settings requiring enhanced staffing to support children with emerging needs and provide individualised support is paid at National living wage per hour.

In 2024-25 this stands at £11.44. In April 2025 this rises by 6.7% to £12.21. This will increase the spend on enhanced staffing by an estimated £40,000 from its current level.

## Data and Information

14. Children receiving Early Years SENIF has risen from 331 (02.06.2024) to 423 (17.01.2025). This figure is to date and the anticipated number for the end of the financial year 2024-2025 is 463 on termly trends.
15. 15% of 2-, 3- and 4-year-olds attending an Early Years setting are in receipt of some form of supplementary funding (including funding for children known to social care, children on EHC Plans, and children from low income households and those with emerging and complex needs.
16. Current spend (17.01.24) and comparator to same period last year.

	<b>Total (Predicted) Year end</b>	<b>Total (Actual) 17.01.25</b>
Enhanced Staffing	£588,740.15	£482,789.20
Transition Fund	£5,433.60	£5,319.60
EHCP Payments	£21,369.00	£14,349.00
SEND Premium	£4,200.00	£2,800.00
EY Panel Members	£1,700.00	£1,400.00
PDSS *	£26,989.86	£17,993.24
<b>Grand Total</b>	<b>£648,432.61</b>	<b>£524,651.04</b>
Comparison 06.02.2024	£461,194.26	£405,792.85

\* PDSS Payments will be met through use of the Disability Access Fund in 2024-2025

17. There has been an increase in the number of children who are in attendance in Schools accessing Early Years Inclusion fund which became available to them In Summer 2024. The table below is estimated expense on enhanced staffing cost for Autumn 2024

<b>Type of provider</b>	<b>No. of children</b>	<b>Funding amount</b>
PVI	186	£135,909.49
School	53	£29,909.88
Total	239	£165,819.37

## Summary

18. In order to meet the rising costs of supporting children with SEND in mainstream Early Years provision and support parents to move in to a full time mainstream school place, it is recommended the High Needs Block contributes up to £200,000 to support this work.
19. It should be noted that:

- a. The additional £106,854 for Send Inclusion Service staffing to support Children and Families with early years children has already been (subject to Forum approval) retained from the Early Years Block.
- b. Also retained from the Early Years Block (subject to Forum approval) is the additional £186,000 previously having been funded through Local Authority budgets.

20. However, there are still additional costs facing the use of the SENIF in the coming years:

- a. According to one term's figures, an additional £90,000 - £100,000 per annum will be required to meet the needs of those children who start nursery in mainstream school with no previous Early Years provision having been accessed.
- b. Additional staffing is paid at National Living wage and as such those costs will increase in April 2025 by an estimated £40,000.
- c. The number of children accessing specialist support from PDSS is rising and termly costs are increasing.
- d. The number of children under the age of three accessing funded hours is set to increase in September 2025.

## **RECOMMENDATION**

**That the Forum:**

21. Notes the content of the report.

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