

**REPORT TO:** School's Forum

**DATE:** 26<sup>th</sup> February 2025

**REPORTING OFFICER:** Executive Director Children's Services

**PORTFOLIO:** Children, Young People & Families

**SUBJECT:** Early Years Special Educational Needs inclusion funding (SENIF)

**WARD(S)** Borough Wide

**1.0 PURPOSE OF THE REPORT**

1.1 This report sets out details of a proposed change to Early Years 'top up funding'. Top up funding is the current funding model used to provide additional financial support to children with special education needs and disabilities (SEND) to access their Funded Early Years Entitlements (FEYE).

1.2 This report will set out the limitations of the 'top up funding' process and propose a revised model which will meet the statutory requirement for local authorities to provide special educational needs inclusion funding (SENIF). The new model will refocus SEND support on high quality provision using the graduated approach, and strengthen support for lower level SEN needs to help reduce unnecessary applications for EHCP assessment.

1.3 The proposal meets the objectives of HBC Children and Young People Plan priority areas, as follows;  
**Priority 3** Improve SEND provision  
**Priority 4** Increase number of children attending schools graded good or outstanding and improve attainment outcomes at all key stages  
**Priority 6** Improve attendance at School, College and in the Early Years settings including sufficiency of places  
**Priority 9** Improve access to positive opportunities

**2.0 RECOMMENDATION: That**

- 1) the report be noted; and**
- 2) the Board approves the Strategy.**

**3.0 SUPPORTING INFORMATION**

**Background**

- 3.1 All early years providers have the opportunity each term to apply for additional 'Top-up funding' to help children with SEND to access their Early Years education. The funding is awarded in the form of additional hours, to supplement children's FEYE, and can be claimed up to receipt of Education, Health and Care Plan (EHCP) for children who meet this criteria.
- 3.2 To access funding providers need to evidence the need for additional support above and beyond what cannot be met through ordinarily available provision and quality first teaching strategies. This is evidenced at application by submitting a completed application form, two reviewed SEN support plans, a detailed costed provision plan, parent views and other supporting evidence including development tracking and reports from external professionals if available. On average applications are between 50 - 80 pages long.
- 3.3 The Top up funding Panel sits each term to review applications and agree or decline funding. When funding is agreed by the panel, an additional number of 'top up' hours evidenced in the costing plan are funded for the academic year from the date of panel or until the end of the summer term before the child attends school. When funding is declined the provider has an opportunity to reapply at the next panel the following term. On average 25 applications are considered at each panel

#### **Rationale for change**

- 4.0 The process and terms and conditions of the top up funding have not been reviewed in recent years. The limitations of current top up funding arrangements have become increasingly apparent and alternative options considered due to:
- 4.1 Statutory local authority funding guidance 2025 to 2026, has been updated in line with government childcare reform policy. The guidance sets out the legal obligation for LA's to provide SENIF to eligible children from 9 months old, this is in addition to other statutory operational practices which are not in place in the current top up system. These operational practices highlighted in the guidance in appendix 1, will need to be adopted within a new SENIF funding policy which will ensure Halton Borough Council (HBC) is meeting statutory obligations and will provide clarity and transparency to the proposed model around the terms and conditions of the funding.
- 4.2 Last academic year September 2023 - July 2024, 75 applications were considered by the panel for additional top up funding, 48 children went on to receive funding. This is far less than the 93 children referred into specialist teaching and advisory service in 2024, and significantly less than the 151 children recorded on SEN

support or undergoing statutory assessment at May headcount 2024 (Appendix 2). This indicates large number of providers are not accessing local authority support for children with SEND.

- 4.3 HBC data shows that 62 children were put on SEN support within the first term of Reception who were not recorded on SEN support in Nursery 2. This highlights an area of concern around early identification of emerging SEND needs and ability to follow the graduated approach. This suggests that funding alone would be ineffective and the provision of practical advice and support needs to be considered alongside funding within a new model.
- 4.4 An increasing number of families are experiencing settings reporting that they cannot meet need due to lack of funding. Funding is currently set at £8.50 per hour for PVI settings and £12.50 per hour for maintained Nursery schools and classes. This has not been reviewed in recent years and does not take account of increased employers costs. In addition, payment in hours is not a statutory requirement and misleads the focus of support for both parents and providers, taking the focus off quality of provision and directing it towards one-to-one support which is not necessary for the majority of children at a SEND support level.
- 4.5 There is very little guidance underpinning the top up funding process, including completing applications and costing plans, the panel decision making process and expectations of use of funding. As a result, unclear 'rules' around top up funding are inconsistently referred to and statutory guidance is not being met. The over reliance on paperwork submitted without clear guidance, limits the panels ability to fully understand the needs of the child and to be able to benchmark decisions when awarding or declining funding. This has resulted in inconsistent panel decisions, an increase in declined or deferred funding decisions and no follow up support for children or providers to understand the impact of the funding.
- 4.6 There is currently no transition funding to support children immediately where SEN needs are evident. This can disadvantage children who can go without financial support for up to half of the academic year depending on the date they start with the provider. For example a child starting a setting in September would not have the required evidence for the October panel and so the application could not be considered until February panel at the earliest.
- 4.7 Providers have expressed concern that top up funding given in hours is not enough to have an effective impact for the child, some awarded as little as 1.5 hours per week. Providers consider it easier to get an assessment for EHCP than be awarded top up funding, citing more realistic funding outcomes through EHCP route as a reason to apply (Appendix 3). This suggests access to funding may be a contributing factor to Early Years submitting the highest

number of EHCP applications across the education sector.

4.8

In February and November 2024 a consultation was held with Schools and Early Years providers about Top up funding processes, a total of 25 providers contributed to the consultation (Appendix 3). 100% of respondents expressed dissatisfaction with the current processes. The main reasons cited included;

- Unclear guidance on completing applications and inconsistent panel decisions
- Application process is lengthy and ineffective use of SENCO's time
- Children declined funding due to minor administrative errors
- Funding based on hours is confusing for parents and insufficient to enhance ratios to have any real impact on supporting the child e.g. awarding 1.5 hours per week
- Termly panels and requirement for 2 reviewed support plans leave children without support for unreasonable periods of time.
- Staff report it is easier to get an assessment for EHCP than top up funding with more realistic funding outcomes through EHCP route

### **Preparation**

5.0

A revised budget for SENIF has been modelled in accordance with Early years entitlements: local authority funding operational guide 2025 to 2026 (DFE;2024) which sets out clearer guidance around SENIF to ensure the funding system supports the continued rollout of the new entitlements and delivery of the existing entitlements. As advised within the guidance, the revised budget has considered the number of children with SEN in the local area, their level of need and the use of Section 251 data as a tool to compare different local authorities, including our statistical neighbours, expenditure on SENIFs. The budget has been modelled (appendix 4) will be brought to Schools forum on 26<sup>th</sup> February 2025.

5.1

Research has been undertaken into SEND funding models and Early Years team structures in other local authorities. This has involved meetings, reviewing paperwork and sitting on an Early Years inclusion panel to fully understand the processes and consideration to Halton's needs. This research informed the proposed model of funding and link to wider SEND support from Halton Early Years team.

### **The proposed model**

6.0

The proposed new funding model for Halton will be based on other LA funding models and monthly panel meetings. The exact cost set within each band will be decided once a budget has been agreed,

and then reviewed periodically throughout the year to ensure the model has been budgeted correctly and no children are disadvantaged.

The proposed model links the banding system to the level of need descriptors which moves us away from a set hours formula and is more consistent with other local authority processes.

- 6.1 The banding system focuses on an incremental approach and will link funding to practical support offered from the revised roles within the Early Years Team, leading into support from specialist teaching and advisory service (STAS) at the highest band for complex needs. The revised Quality Improvement Officers role and newly developed role of the Early Years Intervention Officers will help implement and model effective strategies and provide advice and challenge to help providers to follow the graduated approach. The new roles will enable HBC to monitor the impact of funding and reinforce the advice given by specialist teachers and EP which should reduce the demands on their teams.
- 6.2 The level of need descriptors within each band system will provide transparency in panel decision making, reducing inconsistencies. The banding system also creates flexibility in the provision for a transition grant, offering immediate support to children and early intervention, this means children are not disadvantaged by the time of year they join the setting.
- 6.3 A SENIF policy will be developed around the terms and conditions underpinning SENIF. This will provide clarity around purpose, eligibility, expectations of use of funding and accountability of impact. This will ensure that HBC is meeting requirements of the statutory guidance and protect against unfounded rules being applied to the funding, such as a link between awarding SENIF intended for lower level emerging SEND to implications for other funding.

## 7.0 **POLICY IMPLICATIONS**

### 7.1 **Early years entitlements: local authority funding operational guide 2025 to 2026**

(Education and skills funding agency; 24)

[Early years entitlements: local authority funding operational guide 2025 to 2026 - GOV.UK](#)

All local authorities are required to have a SENIF for all children eligible for the entitlements and who have SEN, regardless of the number of hours taken. These funds are intended to support local authorities to work with providers to recognise and support the low-level and emerging needs of individual children with SEN who are taking up the entitlements. These funds also support local authorities to undertake their responsibilities to strategically

commission SEN services as required under the Children and Families Act 2014.

7.2 **Special educational needs and disability code of practice: 0 to 25 years Statutory guidance for organisations which work with and support children and young people who have special educational needs or disabilities**

[SEND Code of Practice January 2015.pdf](#)

Providers must have arrangements in place to support children with SEN or disabilities. These arrangements should include a clear approach to identifying and responding to SEN. The benefits of early identification are widely recognised – identifying need at the earliest point, and then making effective provision, improves long-term outcomes for children

Local authorities must ensure that all providers they fund in the maintained, private, voluntary and independent sectors are aware of the requirement on them to have regard to the SEN Code of Practice and to meet the needs of children with SEN and disabilities. When securing funded early education for two-, three- and four-year-olds local authorities should promote equality and inclusion for children with disabilities or SEN. This includes removing barriers that prevent children accessing early education and working with parents to give each child support to fulfil their potential

8.0 **FINANCIAL IMPLICATIONS**

8.1 A budget has been modelled to demonstrate that given the provisional 25-26 Early Years Block settlement, Halton Borough Council (HBC) should be able to pass on to all settings in all age groups the year-on-year hourly rate increases, and using the current central retention percentages, HBC would have a SENIF 'pot' that is a 20% increase on current year.

9.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES** [\(click here for list of priorities\)](#)

9.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**

Raising children's achievements through access to early years childcare provision will have a positive impact on the emotional health and wellbeing of challenging pupils and students. Access to quality provision also plays a key role in the early development of language and communication skills which are essential to future learning, vocabulary development and access to the wider curriculum and developing and maintaining relationships. Working in an integrated way across education, health and care offers timely support and intervention to families who need it most.

- 9.2 **Building a Strong, Sustainable Local Economy**  
Early Years providers support both families and the economy by delivering the government funded early years entitlements which enables parents to work and provides employment opportunities including apprenticeships through the local college.
- 9.3 **Supporting Children, Young People and Families**  
Children's experiences, relationships and surroundings in their earliest years fundamentally shape their future. The ambition for children with special educational needs and disabilities is the same for all children, that they achieve well in their early years and fulfil their potential.
- Identifying need at the earliest point and offering timely support for children, parents and carers to access services is essential and can improve long term outcomes for children.
- 9.4 **Tackling Inequality and Helping Those Who Are Most In Need**  
Research shows that accessing a high quality early years provision is good for all children and especially beneficial for children facing disadvantage and adversity.
- Early years practitioners play a crucial role in providing an inclusive curriculum, to give every child the best possible chance to thrive, learn well, and be healthy and happy throughout childhood and beyond.
- 9.5 **Working Towards a Greener Future**  
None
- 9.6 **Valuing and Appreciating Halton and Our Community**  
Attending a School or Early Years setting can help support children and families to develop a sense of belonging within their community.
- 10.0 **RISK ANALYSIS**
- 10.1 Continuing with the current top up funding process presents a high level of risk that children will not receive the support they need early enough and therefore will have negative impact on their outcomes and life chances.
- There is also a high risk that council will not meet their statutory requirements with regards to SENIF.
- There is a high risk that unnecessary EHCP applications will be continue to be made to access funding and support.
- 11.0 **EQUALITY AND DIVERSITY ISSUES**

11.1 SENIF funding promotes equality and diversity for children with SEND. Early years providers are vital to helping all children access their education within inclusive environments. Providers need to access advice, support and where appropriate challenge to help them develop high quality provision and a curriculum that is highly ambitious and truly inclusive for all children. Early identification of needs, appropriate support, together with high aspirations, can help ensure that children who have SEN or disabilities can achieve well and make a successful transition into adulthood.

## 12.0 **CLIMATE CHANGE IMPLICATIONS**

12.1 None

## 13.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

13.1 **Special educational needs and disability code of practice: 0 to 25 years Statutory guidance for organisations which work with and support children and young people who have special educational needs or disabilities**

[SEND Code of Practice January 2015.pdf](#)

**Early years entitlements: local authority funding operational guide 2025 to 2026**

(Education and skills funding agency; 24)

[Early years entitlements: local authority funding operational guide 2025 to 2026 - GOV.UK](#)

**Early years foundation stage (EYFS) statutory framework**

[Early years foundation stage \(EYFS\) statutory framework - GOV.UK](#)