

# Review of SEN top-up funding in Essex

## New SEN top-up funding arrangements for the early years

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Engagement events with early years sector leaders

May 2023



**These briefing sessions are intended to help practitioners and partners in early years settings in Essex to prepare for the roll-out of the new Essex approach to SEN top-up funding.** The briefing sessions will be practitioner-focused – **as such, we recommend that the training is attended by early years setting leaders and SENCOs** (we recognise that, for some settings, the same person may hold both roles). The focus of the sessions will be on the principles and strategic decisions that have informed the co-production of the new approach to early years SEN top-up funding, and on the practice of gathering evidence of a child’s needs and accessing top-up funding in future. (They will not focus on financial management.)

**The aim of the briefing sessions will be to –**

1. introduce leaders and practitioners to the new approach to early years top-up funding;
2. give leaders and practitioners opportunity to engage with, discuss and explore plans for the new early SEN top-up funding arrangements and how they form part of a wider package of support for children with SEN in the early years in Essex; and
3. inform leaders and practitioners about what will happen next, and opportunities for further support and advice, before the new system “goes live” in September 2024.

**At each session, we will provide an overview presentation based on these slides. (At some sessions, the section with our presentation will be recorded so that colleagues who could not attend can view it at a later date.) After that, we will stop the recording and leave time for questions and discussion.**

# Key overarching messages

## About the overall review and re-design of SEN top-up funding in Essex



Essex County Council

- 1.** **The current system in Essex is unnecessarily complex and confusing** – there are different approaches, tools and decision-making processes across and within different phases and types of providers. **In early years, there are three different systems for settings to manage.**
- 2.** **The focus of this review is ensuring we have a fair distribution of resource for settings and children, not to make savings** – the aim is to create a sustainable long-term approach to SEN top-up funding. **In each sector (including early years), current spending levels = the baseline.**
- 3.** **The new Essex approach to top-up funding has been co-produced and widely tested** – working with colleagues from across all phases and sectors. **We have worked with early years sector leaders to co-produce and test the overall Essex system and the specific early years approach.**
- 4.** **Top-up funding is one part of an overall system of support for children with SEN** – it is important to see top-up funding as part of the mutually-reinforcing wider system of SEND support. **In the early years, this includes ordinarily available provision and targeted support.**
- 5.** **We want to create a clear-to-understand, transparent, sustainable and universal approach to allocating SEN top-up funding** – where decisions are understood, taken consistently, and supports the transition of children between phases – **including Nursery-Reception transition.**
- 6.** **A key principle of the new system is that the allocation of top-up funding is fair** – to do this, decisions will be based on evidence of need (set against banding descriptors of need). **This ensures that children with similar needs in similar settings receive the same level of funding.**

We aim to cover three things in the main “presentation” part of this session ...

## 1. Introduction and context

National context | Case for change in Essex | Overall aims and principles

## 2. A new approach to SEN top-up funding in the early years

The new early years SEN top-up bands | How they will work in practice | Wider strategic reforms to ensure fairness and equity | Alignment with overall early years SEN support

## 3. Next steps

What happens next (implementation timeline) | Key points to takeaway from today

After the presentation, we will allow plenty of time for questions and discussion.

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# National context: Funding allocated to local areas (including for early years and high needs)

National government



Dedicated Schools Grant



Dedicated Schools Grant



Schools Block



Early Years Block



Central School  
Services Block



High Needs Block

# National context:

## The three elements of provider-level SEN funding



Education setting	Funds held within the delegated budgets of education settings		Funds allocated by LAs for individual young people
National framework	Element 1	Element 2	Element 3
Early years setting	Early Years National Funding Formula (including deprivation supplement) (FEEE in Essex)		SEN Inclusion Fund   Top-up funding
Mainstream schools	Schools National Funding Formula (basic entitlement)	Notional SEN Budget (school-level)	Top-up funding
Units / resourced provisions		£6k per commissioned place	Top-up funding
Special schools	£10k per commissioned place		Top-up funding
Further education	Post-16 National Funding Formula	Formula funding (SENK)   £6k per high-needs learner	Top-up funding

*NB The above does not necessarily reflect every potential source of funding – Pupil Premium, lump sum, DAF.  
 NB There is a different approach to funding independent providers, who negotiate fees with the commissioning LA.*

# The case for change: Why we are introducing new SEN top-up funding arrangements in Essex

## Overall aim

- To create a single, “universal” approach to SEN top-up funding in Essex that –
- applies to all phases and settings, ensuring funding is governed by consistent principles;
  - is easy to understand, fair, efficient, and transparent; and
  - is part of a robust SEN system, aligns to key Essex-wide policies (EHCNA guidance, ordinarily-available provision, Panels), and is consistently applied across the county.

## Main issue

**Put simply, the current top-up funding arrangements in Essex do not deliver on these aims.**

Current SEN top-up funding arrangements are unnecessarily complex and confusing. Each sector uses a different methodology to decide on the allocation of top-up funding.

- Early years – multiple funding streams, complex, no alignment with school-age funding.
- Schools – banding system has compromised by additional elements added (provision, fixed / default top-ups). Inconsistent application. Overly complex. Not transparent.
- Post-16 – individually-negotiated top-ups not sustainable or equitable.

Current arrangements do not offer a robust, equitable and sustainable basis for arranging top-up funding, in the medium term and in anticipation of any national changes.

## Myth-busting

The review is being undertaken from a principled basis – we want to have a fair, transparent, coherent and sustainable system. The review is not being driven by the need to make financial savings. As its starting point, for early years and across all sectors, the review is considering how existing levels of resources (and any future uplift) can be distributed in the fairest way.



# The aims of the review and re-design of SEN top-up funding arrangements in Essex

## The aim of the SEN top-up funding review

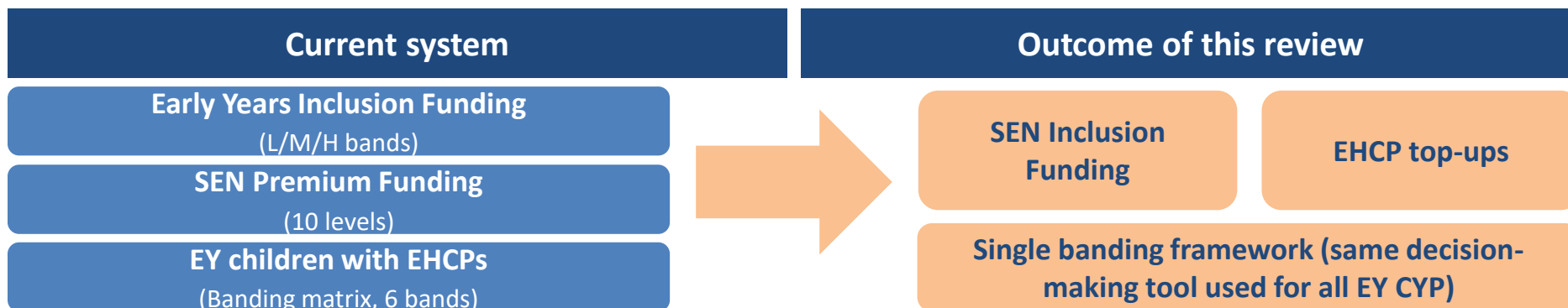
**Aim:** To create an effective, fair and coherent system for SEN top-up funding – one that covers and links all phases and settings, for young people from birth to 25.

**Scope:** SEN top-up arrangements in all phases and sectors of education – early years, mainstream primary & secondary schools, special schools, and colleges.

**Focus:** On aspects of SEN funding that can be determined locally, with a specific focus on the methodology for how SEN top-up funding is arranged fairly and transparently.

## What this means specifically in the context of the early years ...

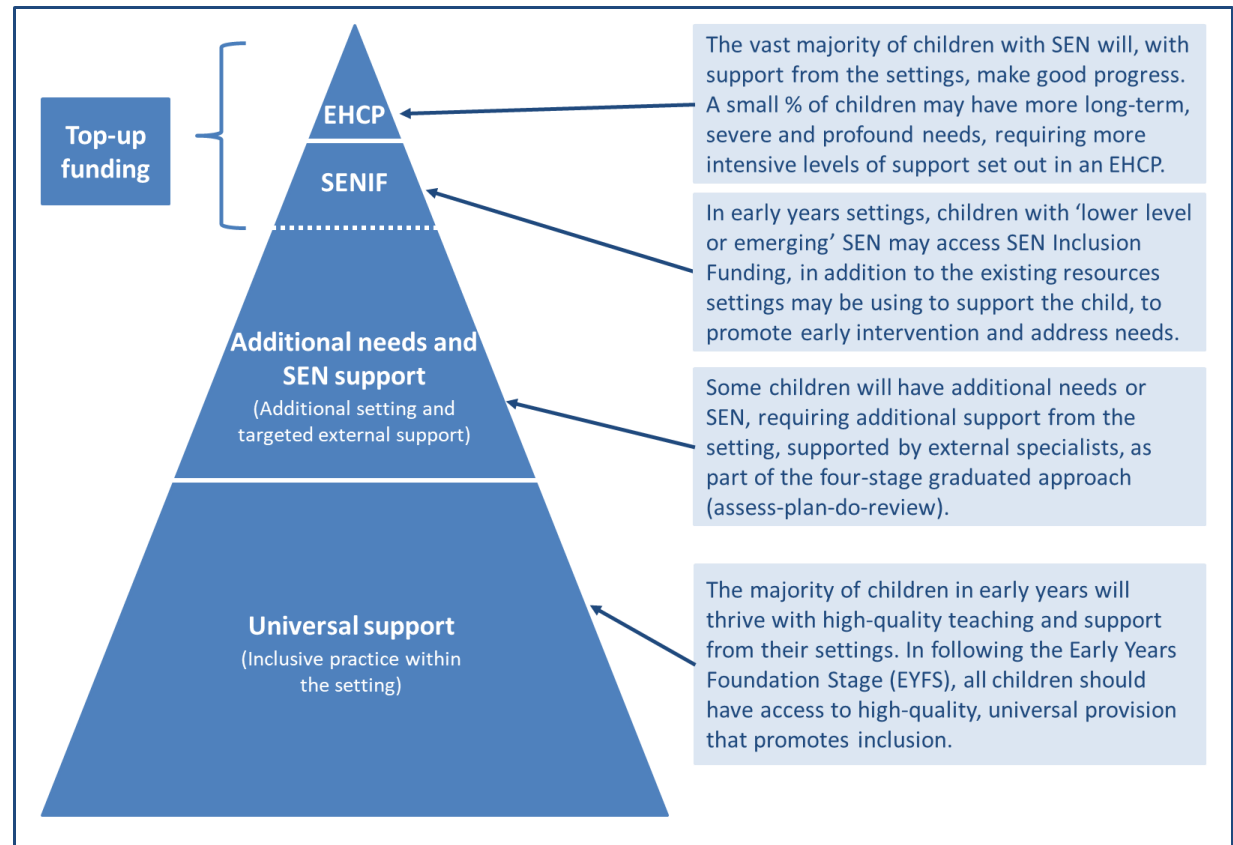
1. Simplifying the three existing strands of early years top-up funding (all with different sources, tools, paperwork and decision-making processes) into two strands using the same tool and processes.
2. As part of an overarching approach to arranging top-up funding that aligns with arrangements for school-age children to support transitions.



# The new continuum of support for children with SEN in the early years



- ❖ There are different ways LAs can meet the needs of children with additional and high needs – not all support has to be provided in the form of top-up funding for individual children.
- ❖ All LAs are required to establish a SEN Inclusion Fund for 3- and 4yos with SEN taking up the free entitlement, but LAs can extend to under 3s.
- ❖ Proposals around early years SEN top-up funding in Essex are part of a continuum of support for children with SEN.



The graphic above illustrates SEN continuum and the support that might be sought at each level.

This graphic (and others in this presentation) can be found in the *Operational Guidance* document, which has been shared with these slides in advance of the briefing sessions.

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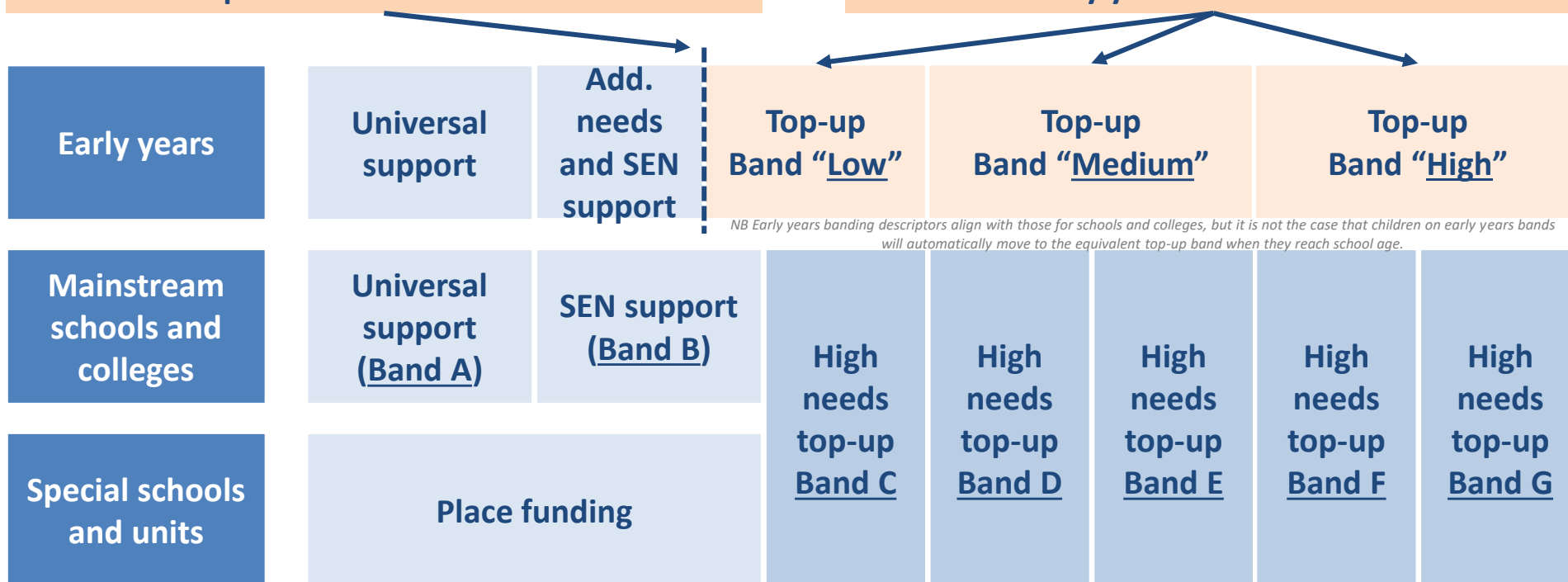
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# Developing an early years version of the Essex all-age / cross-phase banding descriptors

In the summer term of 2022, we established an Early Years Task-and-Finish Group, made up of representatives of the sector and LA officers. The primary task of the Group was to develop an early years version of the Essex banding descriptors for allocating top-up funding. There were two “exam questions” on which we focused. Based on the Group’s work, we co-developed a set of early years banding descriptors.

Q1. We agreed where we should set the dividing line between additional needs / SEN support and the first (“Low”) band of top-up funding, and drafted descriptors to reflect this.

Q2. We adapted the all-age banding descriptors, and developed and tested descriptors for the “Low”, “Medium” and “High” bands specifically relevant to early years.



# How the banding descriptors relate to the prime areas of the EYFS

The banding descriptors are focused on descriptions of a child's needs, and are organised according to the four main categories of need in the SEND Code of Practice.

When considering a child's development and areas of need, early years practitioners may find that the table below shows how the four categories of need in the SEND Code of Practice relate to the three prime areas in the EYFS, as well as the characteristics of effective teaching and learning.

The four categories of need in the SEND Code of Practice	EYFS
Cognition and learning	Characteristics of Effective Teaching and Learning
Communication and interaction	Communication and Language (prime area)
Social, emotional and/or mental health needs	Personal, Social and Emotional Development (prime area)
Sensory and/or physical needs	Physical Development (prime area)

# An outline of the new Essex early years SEN top-up banding framework and descriptors

Type of need		Ordinarily-available provision		High needs top-up funding		
		Universal	Add. needs / SEN support	Low band	Medium band	High band
Cognition & learning						
Communication & interaction	Speech & language					
	Social communication					
Social, emotional & mental health						
Sensory / physical needs	Vision					
	Hearing					
	Phys. / medical					

### Introductory points

- Reminder of purpose, eligibility, criteria, and use of SENIF.
- Confidentiality and consent.
- Details of how to submit a request.

### Part 1: About the setting

- Name, URN, status (+ any registration numbers that apply).
- Details about who is submitting the request (name, role, contact).

### Part 2: About the child and their needs

- Child's details – name, age, date begun attending; start in Reception.
- Summary and reference to evidence of the child's needs in supporting documents (NB not duplication of One Plan, reports).
- Summary of reasonable adjustments and support put in place, its impact and child's progress (reference to details in One Plan).
- Details of other agencies involved with the child or family.

### Part 3: About the request for funding

- Type of request: initial request, extension (details of band and start-date), change of band, transition funding (evidence of need for transition funding, agreed by setting and school).
- Details of hours and pattern of child's attendance in EY setting.
- Details of other sources of funding the child receives (DAF, EYPP).
- Details of discussions with parent, parental consent.

# EY SEN top-up funding:

## Thinking about evidence to include

<u>Area of need</u>	<u>Examples of evidence of a child's needs that settings could submit</u>
<b>Cognition &amp; learning</b>	Evidence gathered from a range of learning experiences (problem-solving, matching, sorting, classifying, play skills, numerical skills). "Ages and Stages Questionnaire" (ASQ) or other forms of standardised assessments based on setting and parental views. Triangulated with specialist reports from wider services – e.g., health visitor reports.
<b>Physical skills, sensory needs, medical needs</b>	Linked to the EYFS prime area of physical development. Evidence related to a child's access needs, mobility, personal care needs – might include reports from a physiotherapist or occupational therapist. For children with medical needs, evidence of assessments and a healthcare plan.
<b>Social, emotional &amp; mental health</b>	Linked to the EYFS prime area of personal, social and emotional development. Evidence here would include the setting's assessments of progress in making relationships, self-confidence, self-awareness; structured observations of behaviour (logs of behaviour, frequency); risk assessments; assessments from external specialists (e.g., therapists); early help assessments (with consent).
<b>Communication</b>	Linked to the EYFS prime area of communication and language – developing of listening and attention, understanding and speaking, and/or social communication needs. Evidence may include standardised assessments carried about by the setting (e.g., use of language, vocabulary) or assessments from a Speech & Language Therapist.



# Broader strategic questions about how resources for top-up funding should be used in the early years

The introduction of the new early years bands presents an opportunity to consider some broader strategic questions about the scope of early years top-up funding in Essex – essentially how the overall resource is most fairly allocated across children and settings.

Strategic questions	Proposals co-developed by the Task-and-Finish Group
<p><b>1. Rates at which top-ups are paid</b> – given legacy of differential rates for PVIs and maintained settings.</p>	<p>We propose to move to consistent top-up funding rates across all early years providers. In parallel, we propose to bring eligibility for SENIF into line with established best practice in other local areas.</p>
<p><b>2. SENIF eligibility criteria</b> – given top-ups currently paid above free entitlement hours / statutory minimum.</p>	<p>Subject to ongoing modelling, this approach would result in future in a slight reduction in the % of children who would receive top-up funding (and would instead be supported at SEN support level), but would enable an uplift in top-up values for PVI settings.</p>
<p><b>3. Transition funding</b> – to support transition and avoid inappropriate requests for EHCNAs for 0-5s.</p>	<p>We propose to introduce dedicated EY-Reception transition funding for one full academic year to encourage early, joint school-setting transition planning, and avoid inappropriate EHCNA requests.</p>

## Benefits / impact

- Single coherent package – benefits as a whole, not isolated changes.
- Potentially higher rates of top-up funding for the sector.
- Access to top-up funding driven by evidence of need – remove reliance on s23 notifications to enable access to top-up funding.
- Streamline eligibility – reduce administrative burden on settings and LA.
- Direct support for transition – give confidence about support EY-Reception.

# A summary of statutory requirements, Essex's current offer, practice in other local areas, and our proposals

These proposals would bring Essex into line with established practice in other LAs, with an offer that fulfils, but remains more generous than, current\* minimum national statutory requirements. (\*We will reflect as necessary on changes in national requirements following the March 2023 budget announcement on increasing the childcare offer.)

Area of funding	Current statutory requirements for LAs	Essex's current broader offer	Established practice in other LAs	Our proposed model
Funding for 3-4yos	Top-up funding (SENIF) for 3- and 4yos receiving FEE (max 30hrs).	Fund top-ups for all 3-4yos with additional needs, <u>including any hours taken above FEE 30hrs.</u>	Top-up funding for 3-4yos with additional needs up to a maximum of 30hrs (in line with FEE).	Fund top-up for all 3- and 4yos with additional needs (Low, Medium and High bands) <u>up to a maximum of 30hrs</u> in line with FEE (or above 30hrs in exceptional circumstances).
Funding for under 3s	Optional – at LAs' discretion.	Funding top-ups for <u>all under 3s with additional needs, including any hours taken above FEE 15hrs.</u>	Top-up funding for 2yos eligible for FEE, up to maximum of 15hrs (in line with FEE).	<u>Funding top-ups for 2yos, with higher levels of need</u> (Medium and High bands) up to <u>maximum of 15hrs</u> (but with discretion to fund up to 30hrs in exceptional circumstances).
Transition funding	Optional – not mentioned in guidance.	<u>IPRA funding</u> – applied for by receiving school, paid for <u>two terms</u> in Reception year.	Transition funding – applied for by early years setting to encourage early planning.	<u>Transition funding</u> – for children with M / H bands + need for transition support; applied for by early EY setting to encourage early planning; paid for the <u>whole of Reception year.</u>

# Strategic questions

## Transition funding: Proposed timeline



Date	Actions needed
April	<b>Allocations of primary school places – parents / carers notified.</b>
End April / early May	<b>First transition planning meeting.</b> For children on “Medium” and “High” bands, decision about whether to apply for top-up funding. EY setting and primary school to work on this together, along with parents / carers.
May / early June	<b>Panel meeting to decide on requests for transition funding.</b> (Dedicated meeting(s) of SENIF panel, focused solely on transition funding requests.)
June / July	<b>Second transition planning meeting.</b> Update transition plan, including taking account of any transition funding that has been agreed.
September and throughout the academic year	<b>Implementation of transition plan and graduated response.</b> Regular / termly reviews of needs, progress, impact of support. Consider if further support, beyond transition / Reception year, is necessary. Apply accordingly.
The end of the academic year (the following July)	<b>Transition funding for Reception year comes to an end.</b>

# Modelling of proposed SENIF top-up funding values in early years

## Modelling

- ❑ We sampled existing requests for top-up funding (under EYIF and SPF) and looked at the proportions of cases that would be allocated new SENIF bands.

**Universal / SEN Support** – 13-21% | **Low** – 50-54% | **Medium** – 22-31% | **High** – 3-6%

- ❑ We used data on the total number of hours used by children at each band, and adjusted this to take account of proposed changes to eligibility for SENIF funding (see p.18).
- ❑ We then modelled uplifting existing PVI rates to bring these in line with rates for maintained nursery providers, and compared these to the benchmarks from other LAs that we have collected.
- ❑ **Based on our modelling, we propose the following financial values for the Essex SENIF top-up bands for all providers (PVI and maintained) when the new system goes live in September 2024.**
  - **NB** These are shown based on a maximum of 30hrs for 38 weeks for illustrative purposes. Not all children currently access settings for the maximum entitlement, and funding will reflect that.
  - **NB** These are proposed values based on current financial modelling. We will continue to gather data and check our modelling, and adjust if necessary. Final values to be confirmed in spring 2024.

	Low	Medium	High
<b>Proposed <u>Essex</u> SENIF band financial values</b>	<b>£5,324 p/a</b> (£4.67 hr)	<b>£6,658 p/a</b> (£5.84 hr)	<b>£9,986 p/a</b> (£8.76 hr)
<b><u>For comparison:</u> Average from other LAs</b>	<b>£3,190 p/a</b> (£2.80 hr)	<b>£5,227 p/a</b> (£4.59 hr)	<b>£8,906 p/a</b> (£7.81 hr)

# Modelling of proposed rates of EY-Reception transition funding

## Modelling

- ❑ We have modelled an estimate of the number of children who would be receiving SENIF in the future who would be moving from an Early Years setting into Reception – i.e., a proportion of 2-4yos.
- ❑ We have then modelled the proportion that would be eligible for transition funding, based on the criteria agreed with the Task-and-Finish Group – those on Medium and High bands, where there was evidence of need for ongoing support across transition (and where it would not be appropriate to apply for an EHCNA at that point or before).
- ❑ We modelled a range of scenarios, based on proportions of children moving to Reception on SENIF Medium and High bands requiring transition funding (see below), and used the existing rate of IPRA funding (scaled up to 3 terms – currently this is only paid for 2 terms) as a point of comparison.
  - Medium band – 80%-100%.
  - High Band – 50% (based on more children with complex needs receiving an EHCP), 80% and 100%.
- ❑ Based on our modelling, we propose that the rate of transition funding should be set between £2.5k and £3.5k when the new system goes live in September 2024. (NB As with the proposed SENIF band values, these are initial, proposed values based on current modelling. We will refine our modelling and confirm the final value of transition funding following the first round of applications in spring 2024.)

	Rate for 3 terms
Proposed <u>Essex</u> EY-Reception transition funding rate	£2,500-£3,500
For comparison: IPRA funding if scaled up to 3 terms	£2,439-£2,761

Taken together, these changes represent a broad, coherent package for enhancing support around SEN for children in pre-school settings. We are proposing that these are seen as part of a single package, and introduced as such. There are important potential benefits.

- **Building capacity** – 4x new EY “early intervention” posts to support EY providers to develop their universal offer and more consistent understanding of “ordinarily-available provision” in EY settings.
- **Aligning SPF and EYIF** – single SENIF, with single front door, application process, decision-making, payments. Benefits to providers and LA. More responsive system – not dependent on diagnosis / s23 notifications from health professionals, but based on evidence of need collected by settings.
- **New banding methodology** – clear criteria, specific descriptors for early years, but linked to and aligned with all-age descriptors – ensure EY settings and schools speak the same language, and supports transition. Same bands cover children supported with SENIF or with EHCPs – ensures consistent, needs-based, transparent and fair decision-making. Higher top-up funding rates for settings, with support offer for children with needs below top-up level.
- **Fairer, more sustainable system**, with strong moderation, consistent decision-making and robust financial oversight via new, single, county-wide SENIF Panel. Providers can be confident that requests for funding for children with similar needs in different settings will be treated in the same way.
- **Maintain an offer that remains more generous than the statutory minimum** – top-up funding as part of an overall continuum of support for all pre-school children with additional needs and SEN.
- **Transition funding** – consistent approach to transition, with funding available to support EY-Reception transition, and a new process to encourage early planning between EY settings, schools and parents.

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# The implementation timeline for the early years sector

Where we are in the process and what comes next



Essex County Council

Date	Actions needed
June 2022	 <b>Early Years Task-and-Finish Group <u>completed</u> work on banding descriptors.</b>
September 2022 – March 2023	 <b><u>Further planning activities</u></b> – including key strategic questions (eligibility, rates, transition funding), financial modelling, implementation planning.
March 2023	 <b><u>Agree overall package of supporting children with SEN in EY.</u></b> Task-and-Finish Group   Working Group   Schools Forum   ECC.
 Summer term 2023	 <b><u>Briefing and engagement events on new system for EY sector.</u></b> Principles   Overall package of support   Operational guidance   Banding descriptors.
From September 2023	 <b><u>(Relaunched) Panel starts allocating resources under existing system and shadow band under new system</u></b> (so all children have a band for Sept 2024).
Summer + autumn terms 2023	 <b><u>Further communications, briefing and drop-in sessions for EY sector leaders and SENCOs.</u></b> Further advice and support on the new system.
Spring term 2024	 <b><u>Further training for EY sector – refresh and focus on <u>transition</u> funding.</u></b>
April 2024	 <b><u>Confirm financial values of new top-up bands – communicate to settings.</u></b>
Summer term 2024	 <b><u>New transition funding process launched.</u></b>
September 2024	 <b><u>“Go live” for new system – funding allocated on new bands.</u></b>



## 1. Key principles that inform the new approach to SEN top-up funding in Essex

- **Top-up funding is one (and not the only) way of supporting children with SEN** – it is part of a continuum of support for children with SEN in early years settings.
- **New early years top-up funding arrangements are part of a single, Essex-wide, cross-phase approach to SEN top-up funding** – the aim of which is to have a consistent, fair approach to distributing available resources (recognising this comes from a finite, collective pot). The aim is not to reduce budgets.
- **The new Essex approach to allocating funding is based on evidence of need** – to ensure fairness between settings and sectors – child with same needs in similar settings funded in the same way.

## 2. What these changes means for top-up funding arrangements in Essex for early years settings

- **A single route to access top-up funding, single decision-making process, single banding framework.**
- **Aligns access to top-up funding with free entitlement hours** (with scope for exceptional circumstances).
- **Clarity and consistency about the level of needs requiring universal / SEN support or top-up funding** – our modelling suggests a slightly smaller % of children will require top-up funding in future, which will enable an uplift of top-up rates, bringing PVI's in line with maintained settings (and above averages in other local areas).
- **Dedicated funding to support transition to Reception** – new timeline and criteria to encourage joint planning between settings and schools, and allay parental concerns.

## 3. What to expect in terms of next steps

- **New SEN Inclusion Funding Panel launched in Sept 2023** – settings apply as normal under current system, but Panel will allocate bands under existing and new system. Settings do not need to re-band their children. Emphasis on evidence of children's needs from settings – not dependent on diagnosis / s23 notification.
- **Further advice and briefing on new Panel and application process later this term** (June / July).
- **New transition funding process launched summer term 2024** – for children starting Reception in Sept 2024.
- **New banding goes live Sept 2024** – funding allocated using new banding descriptors.

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