Provision for children and young people with special educational needs and disabilities, and for those who need alternative provision: how the financial arrangements work

Supplementary response to the Call for Evidence

Early Education is a national charity and a membership organisation which has individual and organisational members across the early years sector. We campaign for every child’s right to high quality early childhood education.

We have submitted a response to the online consultation. This supplementary paper raises issues more specific to the early years sector which were not covered in the main consultation.

In January 2017 we issued a report entitled First choice and last resort: the unique role of maintained nursery schools in England in supporting children with Special Educational Needs and Disabilities (SEND)1. The report focused on the role of maintained nursery schools (MNS) but provides an indication of the pressures facing the sector as a whole. Drawing on that report, and wider sources, we suggest that the following points are of concern in relation to the consultation:

1. Lack of access to early childhood education for children with SEND
   The Parliamentary inquiry into childcare for disabled children2 found that 41 per cent of parent carers of children with SEND said that their children did not access the full 15 hours of the free entitlement to early education for 3- and 4-year-olds, compared to just 5 per cent of parents of all children. More recently, our survey found that access to the 30 hours entitlement was compromised by SEND funding not being increased to reflect the additional hours. This means children with SEND are not consistently getting access to early education and the early support they are entitled to on an equal basis to their peers and are put at greater risk of falling behind, with implications for the extent and cost of support needed at school. Despite the public funding they receive, private, voluntary and independent (PVI) providers are not under the same obligation as maintained settings to prioritise the admission of children with SEND. This should be reviewed – but the funding and support to enable this to happen must be put in place alongside any such requirement.

2. There is clear evidence of the value of high-quality early childhood education in relation to SEND. The Early Years Transitions and Special Educational Needs study3 found that MNS had the highest percentage of children who were ‘at risk’ of developing Special Educational Needs when compared to other types of provision. Even more important, many children identified as ‘at risk’ at age 3 had caught up with their typically developing peers by the age of 5. There was a significant association between pre-school quality (highest in MNS) and children leaving the ‘at risk’ category, including those with social behavioural problems. A later paper by Anders et

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2 https://www.familyandchildcaretrust.org/parliamentary-inquiry-childcare-disabled-children
found that the positive effect of high pre-school quality in reducing the risk of SEN (especially reading) remained evident at the age of 10. There are therefore sound arguments for prioritising children with SEND in high quality early years provision, as assessed by more fine-grained measures than Ofsted grades which do not adequately measure quality.

3. Centres of excellence for SEND in the early years such as maintained nursery schools play a key role in ensuring children with SEND can access early education. In 2018 15% of children on roll in MNS had an Education, Health and Care (EHC) plan in place, were being helped with the process of securing an EHC or were eligible for SEN support. This compares to 3% of children at childminders, 4% at private providers, 9% at voluntary providers and 11% at nursery classes. MNS often become the provider of first choice because of their expertise and quality (see previous paragraph), and last resort for children turned away by other providers. However, they are too few in number – only 392 remain – and are under threat with no long-term funding solution in place after 2020. This successful model needs to be spread more widely to provide specialist support for children with SEND and for other early years settings.

4. Retaining specialist expertise A quarter of MNS in our survey offered specialist SEND provision which allowed nursery schools to budget from year to year to retain expert and experienced members of staff. However, in many places this funding was being reduced or removed, putting this specialist provision and staff expertise at risk, and reducing the number of places for children with SEND and especially those with severe and complex needs. In some cases this was being done with the intention of increasing parental choice, but it is unrealistic to think that small standalone settings – which are the majority of early years providers – who support children with SEND on an occasional basis can build up the same level of expertise as centres which have experience of supporting significant cohorts of children with SEND every year. There is a need for both centres of expertise and inclusion in every setting, not an either/or choice between the two.

5. Lack of support impacting on places for children with SEND in the early years sector There were reports that increasing numbers of children with SEND were transferring to maintained nursery schools from other providers which could not meet their needs, including both private and voluntary (PVI) providers and primary schools, and demand resulting from a lack of places in special schools. It appears that lack of funding for SEND support and lack of professional support to settings from local authorities are both impacting on early years providers’ ability and willingness to offer places to children with SEND. Our survey also showed that the expertise of MNS staff was not being used as much as it could have been to support the rest of the sector with meeting the needs of children with SEND.

6. Funding issues Some schools reported that the funding received was no longer sufficient to pay the necessary rates for specialist staff – in some cases it would not even cover the minimum wage.

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5 Survey of Childcare and Early Years Providers, 2018
7. There was **little consistency across England** as to the amount of funding available to support children with SEND in the early years, the eligibility criteria in place and the complexity of the processes for obtaining it. The Early Years National Funding Formula requires local authorities to provide inclusion funds, but there is no national model. We recommend that a review is carried out to find the most effective models for inclusion funds in the early years (see also 9 below) with the aim of moving towards a consistent national system.

8. One in six of the schools responding received no additional funding for children with SEND, despite having children eligible for SEND support and others working towards EHCs, or with EHCs already in place.

9. At a conservative estimate, MNS spent an average of £17,000 more on SEND support annually than they received in funding in order to meet children’s needs but were concerned that the scope for cross-subsidy was reducing significantly. Given the uncertainty over funding for MNS after 2020, this must be addressed urgently. The ISOS partnership report for DfE 6 clearly identified that notional funding was not an appropriate model for the early years, but that LAs needed to develop clear expectations about what additional support costs would be met from core funding. This should be addressed as part of the review of inclusion funds.

10. **Falling funding for SEND in the early years** The Early Years National Funding Formula (EYNFF) was reported as improving availability of SEND funding by only 4% of respondents; 37% reported that less funding was available, or that there was a shortfall in respect of children eligible for the 30 hours, and 8% reported that administrative processes had become more onerous. Some reported that funding had already been reducing prior to the EYNFF. Issues were raised in relation to lack of SEND funding for 2-year-olds in some areas.

11. **Impact of funding pressures across the system** Some providers report that local authorities facing pressure on their high needs funding are prioritising children of statutory school age over those in the early years. There are also reports of funding being transferred from early years budgets to the high needs block. This means that opportunities for early intervention are being lost, and costs may rise in later years. Local authority early years and SEND teams have seen extensive cuts, reducing the amount of support to providers seeking to meet the needs of children with SEND. Many early years providers are facing challenges recruiting and retaining skilled staff, which also impacts on their ability to support children with SEND. Problems within the early years sector lead to a knock-on for schools, as fewer children will arrive with their needs adequately assessed and met.

*Early Education, July 2019*

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