

Joint response to the *Early Years Pupil Premium and funding for two-year-olds consultation*

The Early Years Pupil Premium and children with special educational needs and disabilities



Summary

From September this year, children who receive Disability Living Allowance or have a statement of special educational needs (or an education, health and care plan) will be eligible for the free early education offer for two-year-olds, regardless of their family's income. These children are included in the eligibility criteria for the two-year-old offer because early education is particularly beneficial for children with SEND, whilst their parents often face higher costs for childcare.

The government proposes to introduce an Early Years Pupil Premium (EYPP) from April 2015, which will be incorporated into funding for the free early education offer for three- and four-year-olds, but does not plan to include children with disabilities and special educational needs in the eligibility criteria for the EYPP.

The government's rationale was sound when it extended the free early education offer for two-year-olds to children with SEND: high quality early education supports inclusion and wellbeing and is particularly beneficial for these children as well as their families and peers. The recent independent Parliamentary inquiry into childcare for disabled children highlighted that children with SEND are still being let down by a lack of appropriate funding, support and services to meet their needs.

In order to target disadvantage in the early years, the government should increase funding for the EYPP and align the eligibility criteria with the two-year-old offer to include children in receipt of Disability Living Allowance and children with a statement of special educational needs (or an education, health and care plan). This step is affordable and would help to address the urgent need for better support for children with SEND in the early years.

Early education and children with disabilities and special educational needs

The government set out its reasoning for extending the free early education offer for two-year-olds to children with SEND:

Research evidence indicates that early education is particularly beneficial for children with SEND. Early education also has wider benefits for these children, such as supporting social inclusion and improving well-being. However, parents of children with SEND can often face higher costs for early education and childcare.¹

The recent independent Parliamentary inquiry into childcare for disabled children confirmed these issues and highlighted additional problems:²

- 41 per cent of parents of children aged three or four with disabilities reported that their children receive less than the statutory entitlement to 15 hours of free early education.
- 33 per cent of parents said that a lack of staff with SEND experience was the reason for not accessing childcare.
- Parents reported that providers were reluctant to accept children with SEND due to the difficulty of accessing funding, training and support.
- The availability of local authority SEN support and training for providers is patchy and sometimes of a low quality.

¹ *Extending Free Early Education to More Two Year Olds* (2012) Department for Education consultation document, p. 7

² *Parliamentary Inquiry into Childcare for Disabled Children* (2014) Contact a Family, Every Disabled Child Matters, Family and Childcare Trust and Working Families

- Children with SEND tend to be cared for in a small number of settings in each area. This limits choice and flexibility for parents and means that the early years is much more segregated and less inclusive than the school system.
- Parents who wish to purchase hours of childcare in addition to the free offer face high fees: 38 per cent reported paying £11-£20 per hour and 5 per cent paying more than £20 (compared to the national average of £3.50 to £4.50 per hour).
- In many areas local authority SEND budgets in the early years do not appear to be adequate to provide the full free offer for children with SEND or enable providers to offer additional hours at an affordable rate for parents.

These findings reflect the reality that little progress has been made in improving access to high quality early education for children with SEND since the evaluation of the Disabled Children's Access to Childcare Pilots highlighted similar issues in 2011.³ The EYPP would help to address these problems by providing an incentive for high quality providers to accept children with additional needs; by providing a source of support for additional training and specialist support; and by offsetting the cost of the need for higher staff-child ratios for some children with SEND.

The proposed EYPP eligibility criteria and early years funding from April 2015

Children with SEND are not included in the proposed eligibility criteria for the EYPP. Rather, the eligibility criteria have been transposed from the school Pupil Premium. The EYPP consultation also explains why the government does not propose to extend the EYPP to the two year-old offer: *The two-year-old early education entitlement is already targeted at the most disadvantaged children. We do not feel that it would make sense to overlay a further premium on top of the two-year-old entitlement itself.*⁴

The funding allocations published alongside the EYPP consultation suggest that the EYPP will be available to between 165,000 and 173,000 children. This compares to an estimated 285,000 children who will be eligible for the two-year-old offer from September this year. The scope of the eligibility criteria for the EYPP therefore will include somewhat more children than the initial 20 per cent eligible for the two-year-old offer under strictly 'economic' criteria from September 2013, but less than the 40 per cent eligible from September this year under broader needs based criteria including SEND.

Once the EYPP is introduced, the early years funding system will be guided by two different sets of eligibility principles. Providers will accept children with SEND aged two who attract a higher rate of funding (because the two-year-old offer is funded more generously than the offer for three- and four-year-olds) but funding for many of those children will fall significantly from the September after they turn three. This will undermine the effectiveness of the early education offer. Childcare providers should be able to plan on the basis that if they accept disadvantaged children they will be able to support them until they begin school and will be resourced to do so. This disjointed approach will reduce the incentive for higher quality settings to admit disadvantaged children with SEND.

We note that the Department for Education recently published the consultation *Changes to the school admissions code* that sets out steps that would allow schools to prioritise children who are eligible for the EYPP in their admissions arrangements. The consultation states that (3.1):

The proposed change will enable admission authorities of primary schools to give priority in their admission arrangements to disadvantaged children who are eligible for the early years

³ *Disabled children's access to childcare (DCATCH): a qualitative evaluation* (2011) Department for Education

⁴ *Early Years Pupil Premium and funding for two year-olds* (2014) Department for Education, p. 12

pupil premium, the pupil premium or service premium and have attended a nursery that is part of the school. The change will allow for continuity of education for those most in need of such stability.

Children with SEND will miss out on this opportunity. The criteria may also work against the goal of encouraging schools to establish nurseries and offer high quality early education by undermining funding continuity from age two to reception class.

The case for extending the EYPP eligibility criteria

Children with disabilities and special educational needs face barriers to inclusion in early years provision that do not exist in the school system. To be effective in reducing inequalities in outcomes between children, the EYPP should be designed based on the characteristics of disadvantage in the early years. The proposed eligibility criteria mean that some children who are subject to disadvantage will miss out on an intervention designed to offset the challenges they face. This will reduce the effectiveness of the EYPP.

Children with SEND attract other forms of support in schools that are not available in the early years. Children have a stronger statutory entitlement to a full time education place and education providers have access to greater and more reliable sources of funding. For example, special school places are funded at a fixed rate and mainstream schools have access to, and control over, significant 'notional' SEN budgets. This system does not operate in the early years where the EYSFF does not include mandatory SEN supplements. The assumptions underlying the eligibility criteria for the Pupil Premium in schools—that schools caring for children with SEND have access to appropriate funding and support—cannot be made in the early years.

The EYPP consultation document does not give a specific reason for the exclusion of children with SEND from the eligibility criteria but states that some groups of children considered for inclusion already receive government funding from other sources or are likely to be eligible for the EYPP under other criteria.⁵ Given that there are clear funding problems affecting children with SEND and their parents in the early years and that there is a significant group of children with SEND who will not be covered by other eligibility criteria, there is a strong case for including this group in the eligibility criteria for the EYPP.

Finally, extending the EYPP to children with SEND is affordable. The government has estimated that 8,000 two year olds receive disability living allowance and 250 have a statement of special educational needs and are eligible for the free early education offer for two year olds (and are not otherwise eligible for the offer under the economic criteria). The number of eligible children is likely to be higher in the three- and four-year-old age groups as more children have needs identified or an existing condition has a greater effect on daily living. Based on these figures, the cost of extending the EYPP to three- and four-year olds in receipt of Disability Living Allowance or with a statement of special educational needs would be in the region of £5-£10million each year.

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⁵ Ibid., p. 12

Appendix: Eligibility criteria for the two year old offer and proposed eligibility criteria for the Early Years Pupil Premium

Eligibility criteria included for the two-year-old offer that will be excluded from the EYPP are highlighted in red.

Free early education for two-year-olds	Early Years Pupil Premium
<p>Parents are in receipt of one or more of the following benefits:</p> <ul style="list-style-type: none"> • Income Support • income-based Jobseeker's Allowance • income-related Employment and Support Allowance • support through part 6 of the Immigration and Asylum Act 1999 • the guaranteed element of State Pension Credit • Child Tax Credit (but not Working Tax Credit) and have an annual income not over £16,190 • the Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit) • Working Tax Credits and earn £16,190 a year or less <p>Children are also entitled to a place if:</p> <ul style="list-style-type: none"> • they're looked after by a local council • they've left care under a special guardianship order • subject to a child arrangements order or residence order • they have a current statement of special education needs (SEN) or an education, health and care plan • they get Disability Living Allowance 	<p>Parents are in receipt of one or more of the following benefits:</p> <ul style="list-style-type: none"> • Income Support • Income-based Jobseekers Allowance • Income-related Employment and Support Allowance • Support under part 6 of the Immigration and Asylum Act 1999 • the guaranteed element of State Pension Credit • Child Tax Credit (but not Working Tax Credit) and have an annual income not over £16,190 • the Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit) <p>Children are also entitled to the EYPP if:</p> <ul style="list-style-type: none"> • they're looked after by a local council • they've left care under a special guardianship order • subject to a child arrangements order or residence order • adopted from care