



# Walsall Council

## Walsall Children's Services

**Report to:** Schools Forum

**Date:** 27 September 2011

**Subject:** Free Early Years Entitlement – Funding arrangements in respect of the Transition period

**Contact:** Julie Taylor ([julie.taylor@walsallcs.serco.com](mailto:julie.taylor@walsallcs.serco.com))

**Purpose of the report:** To seek the support of Schools Forum to the proposals in the report in respect of the Autumn Term transitional period for early years pupils. The proposed change addresses issues raised by parents regarding their full early years entitlement.

**Recommendation:** To endorse the recommendations within the report

## **1. Introduction**

- 1.1 Parents are entitled to receive 38 weeks of fifteen hours of free early education. However, due to the transition arrangements at the start of the academic year, where pupils are often phased into mainstream nursery education, this is not always achieved. For most parents this is not a problem as they understand the issues of admitting a large number of three year olds at the same time. However, for a number of working parents it is an issue as they must continue to pay for childcare arrangements during the transitional period.
- 1.2 The attached paper has been prepared after discussion with the Early Years Funding Sub Group 5 July 2011 and work undertaken with practitioners by Linda Devey. It makes proposals regarding both funding and transitional admission arrangements.
- 1.3 The Early Years Funding Sub group, 5 July 2011, supported the principle that funding should follow the child during the transitional period, but as this represented a change to the current system it was also agreed that any changes should be implemented with effect from 1 April 2012. A number of funding options were considered but the methodology in the attached paper was supported as the best solution for all providers.
- 1.4 The small number of working parents who may insist upon claiming their full entitlement during the transition period relating to September 2011 will be accommodated through the early years contingency fund this year.
- 1.5 The local authority will put in place the necessary procedures and payment processes to support the new arrangements, once they have been agreed.

## **2. Recommendations**

- 2.1 The Schools forum is recommended to support the following proposals:
  - Agree in principle that funding should follow the child through the transitional period.
  - Agree that the transitional period in which financial adjustments should be made is three weeks.
  - Where a child attends only one setting then the nominated provider will receive the full termly funding.
  - Where a child attends two settings during the transitional period, of which one is a maintained provider, the maintained provider will receive funding for the actual hours of attendance and the relevant PVI setting will receive the balance of the entitlement funding, up to a maximum of fifteen hours per week.
  - The apportioned funding methodology and transition arrangements be adopted in the 2012-13 financial and academic years.

**WALSALL CHILDREN'S SERVICES**

**FUNDING TRANSITION INTO  
FOUNDATION STAGE**

**SUMMARY OF PREFERRED OPTION AND THE  
KEY PRINCIPLES FOR FUNDING TRANSITION  
WEEKS OF 3 AND 4 YEAR OLD CHILDREN**

**AUGUST 2011**

## **INTRODUCTION**

1. This paper sets out the proposed solution to a problem that can arise with the funding of transition into school nursery classes or nursery schools for children attending Private, Voluntary and Independent (PVI) childcare providers. This paper describes the background to the problem, summarises the preferred solution and sets out the key principles under which the preferred solution would operate.

## **THE CURRENT SYSTEM**

2. The current system operated by Walsall Children's Services (WCS) complies with DfE requirements to provide all schools and PVI settings with a budget prior to the start of the financial year, that is, 1 April. In order to do this an annual budget is calculated using lagged pupil data based upon the three previous Early Years termly headcounts.
3. Termly payments are made to the PVI sector in the first week of term for the full amount due for the same period in the previous year. At the start of the following term, the full payment is made up front once again, based on the lagged data but with a plus or minus adjustment in respect of the actual attendee hours for the previous term. By applying this methodology those settings which have a negative adjustment are likely to have a payment due against which the reduction can be offset.
4. Maintained schools are slightly different as their reconciling adjustment for actual hours is processed once at the end of the financial year rather than on a termly basis. However, maintained schools receive a termly statement to keep them updated.

## **THE PROBLEM IN OUTLINE**

5. When children transfer from their PVI provider into their school setting the term after their third birthday, good practice suggests that the transfer should be staggered so that a whole class of 26 'new' children do not all start on the same day. This 'staggering' is usually done over a period of 3 or possibly 4 weeks (we refer to this period as the 'transition period' throughout this paper). The transition period is primarily a problem at the start of the Autumn Term, when there is the largest intake into the maintained sector's nursery provision. As far as we are aware, the problem does not recur – or is certainly less acute – at the beginning of the Spring or Summer Terms.
6. Data for funding settings for the number of children receiving the Free Entitlement is based on a specific count date each term; the number of children present on the count date is assumed to be the number of children present for the whole term. However, children who start at the school late in the transition period will not have been at the school for the whole term, but will have been present at their previous PVI setting for 2 or 3 weeks at the start of the term.
7. Because WCS currently use a single funding date per term (the termly Early Years Census date), these changes are currently not picked up in the termly funding payments (so all children in a setting at the count date are funded for a whole term at that setting, even if they were not there for some of the term prior to the count date). This results in over-funding of schools and under-funding of PVI settings (in terms of Free Entitlement funding, at least) during the Autumn term.
8. In addition to the transition period, children who leave or start during the term are not accounted for, as there will be swings and roundabouts over a period of time. This model

applied is the minimum model of funding for the Early Years Single Funding Formula (EYSFF) included in the government's regulations.

9. In financial terms, parents lose out if there are several weeks of transition, because the PVI settings need to charge them for the "Free Entitlement" hours prior to the Census date that are currently not funded by WCS; and the child also misses out on some of their Free Entitlement hours for that term.
10. It should be noted that this problem does not arise when a child has not previously attended a childcare provider and thus is 'in transition' from home to school, as no other childcare provider is involved. Nevertheless, schools would still need to consider the needs of these children when developing the individual 'transition' package for the initial weeks of the term.

## THE PREFERRED SOLUTION

11. Following discussions amongst key WCS staff, and with the Early Years Funding Sub-Group in July, a preferred option involving two payments per term was confirmed as the preferred option (from 4 possible options) to resolve this issue.
12. In this solution, WCS would change their payment arrangements for PVI providers to 2 payments per term – an "on account" payment made at the start of term and then a final payment made at the end of the term (this is the method used by many other local authorities, including 3 of the 4 authorities spoken to as part of preparing this paper).
13. This alternative payment system – which was used with PVI settings historically in Walsall – does not in itself require any more data from settings/schools. The first 'on account' payment is made based on existing data on numbers on role – either from the previous term OR the corresponding term 12 months previously – and is usually paid at 60-70 % of the total amount paid for that comparator term.
14. However, settings will still need to provide data on children that undergo transition. This should take the form of additional data as part of the termly count return, containing the following information:
  - the names of the relevant children (so they can be identified) and, for each of the weeks during which transition occurred, the number of days and hours of Free Entitlement the child received at the school or setting;
  - for all such children, the week in which they started school permanently after the end of their transition period.
15. As mentioned above, settings/schools would be part-funded up front via the initial 'on account' payment. Walsall CS will seek to make the second payment as soon as possible after half term, *assuming all the necessary data has been received from settings by then*. This second payment will also include any necessary adjustments for the transition children.

## KEY PRINCIPLES

16. The following pages set out the key principles under which this system would operate, together with a few examples to indicate how funding would be allocated between settings

## KEY PRINCIPLES FOR SCHOOLS

- The maximum duration of the transition period at the start of any term is 3 weeks (in exceptional circumstances this can be extended following agreement with the local authority);
- It is primarily up to schools to determine, in discussion with their feeder childcare settings, the content and duration of the transition period for each child, based on the needs of the child, and to make the resulting information available to parents. The content and/or duration may well vary depending on whether the child is transitioning from home, a part-time setting (e.g. pre-school or playgroup) or a full-time childcare setting (e.g. day nursery);
- Any changes to the agreed content and/or duration of transition periods must be agreed between LA and the school concerned;
- During the transition period, only sessions of a minimum of 2 hours on any one day at a school or setting will be funded;
- During the transition period, if a child is attending more than 1 setting (up to a maximum of 2), the funding for the Free Entitlement hours will be apportioned between the two settings as follows:
  - all hours in any of the weeks attended at a school will be funded in full up to a maximum of 15 per week;
  - the balance up to a maximum of 15 hours per week in aggregate will be funded at the PVI setting;
- If a child is attending only one setting during transition, then 15 hours attendance per week will be funded for the transition period irrespective of the actual number of hours being attended;
- As part of the termly count data, schools will be required to provide details of:
  - each child attending during the transition weeks to whom transition arrangements apply;
  - the number of hours of Free Entitlement provided for each child for each of the up to 3 weeks of transition, separately for each week.

## KEY PRINCIPLES FOR PVI SETTINGS

- The maximum duration of the transition period at the start of any term is 3 weeks (in exceptional circumstances this can be extended following agreement with the local authority);
- Childcare settings should discuss with all relevant schools (those to which their children move), the content and duration of the transition period for each child, based on the needs of the child. The content and/or duration may well vary depending on whether the child is transitioning from a part-time setting (e.g. pre-school or playgroup) or a full-time childcare setting (e.g. day nursery);
- During the transition period, only sessions of a minimum of 2 hours on any one day at a setting will be funded;
- During the transition period, if a child is attending more than 1 setting (up to a maximum of 2), the funding for the Free Entitlement hours will be apportioned between the two settings as follows:
  - all hours in any of the weeks attended at a school will be funded in full up to a maximum of 15 per week;
  - the balance up to a maximum of 15 hours per week in aggregate will be funded at the PVI setting;
- If a child is attending only one setting during transition, then 15 hours attendance per week will be funded for the transition period irrespective of the actual number of hours being attended;
- [Subject to agreement by Schools Forum], PVI settings will be funded on the basis of 70% of the term's indicative budget at the start of the term, and 30% later in the term, once adjustments for the transition period have been calculated (and that 30% payment will incorporate the results of those adjustments – see next principle);
- As part of the termly count data, PVI settings will be required to provide details of:
  - each child attending during the transition weeks to whom transition arrangements apply;
  - the number of hours of Free Entitlement provided for each child for each of the up to 3 weeks of transition, separately for each week.
- Where the required data is returned to the LA within the required deadlines, adjustments to funding will be made as quickly as practicable by the LA so as not to delay payment of the 30% of funding unduly.

## **KEY PRINCIPLES FOR PARENTS**

- The full Free Entitlement of 15 hours per week can be shared between a maximum of 2 settings (school and one other) during the transition period;
- Parents have a duty to provide full, open and honest information as to which setting(s) their child is attending and for how many hours per week (at each) during the transition period;
- Parents are responsible for meeting the full cost of any nursery provision taken in excess of the Free 15 hours Entitlement at all times.

## EXAMPLES

These examples are intended to help schools (and childcare settings) to consider how the Free Entitlement funding can be best used to support individual children in their transition into school nursery class from wherever they might be coming (home, other childcare setting etc).

### **Example 1** - Child in transition from home to school only

*Mary is an only child and lives with her Grandparents. Mary has not been to any early years setting or mixed with children of her own age. Mary's Grandparents say she is very talkative, they also say she is very bright and can read simple story books. Mary visited her school for the first time in the last week of the summer term. She was very quiet and clung fiercely to her Grandma. She refused to look at the practitioners who tried to engage her interest and attention. Mary will need to take the full three week transition period, with a planned programme of incremental visits leading to full time.*

**Funding:** School will be funded for the actual Free Entitlement hours spent at school, up to a maximum of 15 hours, for each of the (up to) three transition weeks.

### **Example 2** – Child with special needs, in transition from pre-school to nursery class in school, and also still attending pre-school

*Simon was born with 'a moderate hearing loss' and is supported by hearing aids. Simon goes to a small pre-school 3 mornings a week. He is happy and settled in this small group, he mixes well with the other children. He is however quiet and does not readily engage in conversation with children or adults. He is well supported at home and parents are keen to provide opportunities which minimise and/or rationalise Simon's experience of disability. Simon's transition period will depend on the current expertise/training needs of the nursery staff. Simon and his parents will also need time to establish a relationship with his key worker.*

**Funding:** School will be funded for the actual Free Entitlement hours spent at school, up to a maximum of 15 hours for each of the (up to) three transition weeks, with the balance up to a maximum of 15 per week in aggregate being funded at the Pre-school.

### **Example 3** - Child in transition from day nursery to nursery school, and also still attending day nursery

*Dominic has been in a good childcare setting since he was 12 months old. He attends his nursery full time as both his parents are in full time work. Dominic is the middle child of 3 boys in his family. He is an intelligent, confident, outgoing boy who has very good communication skills. He can be very loud, impulsive and boisterous. His key worker describes him as 'being*

*ready for school'. Dominic has visited school informally on many occasions as part of taking and collecting his older brother. Dominic has strong resilience and adapts well to change; his transition might only be one week. An appropriate environment will be essential to the success of this transition.*

**Funding:** School will be funded for the actual Free Entitlement hours spent at school, up to a maximum of 15 hours for each transition week (up to three maximum), with the balance of any Free Entitlement hours per week, up to a maximum of 15 in aggregate, being funded at the Day Nursery.

**Example 4** - Child in transition from home to nursery class in school, but also attending a registered childminder

*Angela has one step sister who is much older; she attends a child minder for 3 days a week as her mummy works part time. The childminder has two other children who are much younger than Angela. Angela is described by the childminder as secure and confident; she enjoys playing with the other children and takes her responsibilities as the oldest very seriously. Angela has limited experience of being in a large group and although appears confident may need the three weeks in order to establish a relationship with her key worker and children of a similar age.*

**Funding:** School will be funded for the actual Free Entitlement hours spent at school, up to a maximum of 15 hours for each of the three transition weeks, with the balance of any Free Entitlement hours per week, up to a maximum of 15 in aggregate, being funded at the childminder AS LONG AS the childminder is part of a network that is accredited to deliver the Free Entitlement

**Example 5** – Child in transition from home to nursery school and needing additional support.

*Palani is a new arrival from India. On her first visit to school, Palani watches children at her table or playing near her and mimics their actions. After a short period she becomes silent. She does not approach practitioners but seems to communicate her needs and wants to other children, who act as her translator/interpreter. Palani is not unhappy, she is just quiet. Palani's mother speaks very little English but she is interested and keen to support both Palani and the nursery. Palani has already experienced a number of significant transitions and appears to have developed a resilience to change, she is however still very vulnerable and will need a sensitive planned transition programme over the next three weeks in order for this transition to have a positive effect on her learning and development.*

**Funding:** School will be funded for the actual Free Entitlement hours spent at school, up to a maximum of 15 hours, for each of the (up to) three transition weeks.

