



CHILDREN, YOUNG PEOPLE & EDUCATION COMMITTEE

Wednesday, 22nd January 2025

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| REPORT TITLE: | EARLY YEARS FUNDING AGREEMENT |
| REPORT OF: | DIRECTOR OF CHILDREN'S, FAMILIES AND EDUCATION |

REPORT SUMMARY

The Early Years Funding Entitlement (EYFE) agreement is an annual agreement between Wirral Council and early years providers to deliver funded places to children under 5 years. The agreement is based on a template provided by the Department for Education (DfE). The template has been tailored for Wirral and includes additional sections that support relevant strategies for example attendance and assessment data.

The funding agreement covers the delivery of EYFE for children aged from nine months to five years, including Early Years Pupil Premium (EYPP), Disability Access Fund (DAF) and Special Educational Needs Inclusion Fund (SENIF). SENIF also has a guidance booklet. The funding agreement has been reviewed and updated for financial year 2025-2026 and early years providers will be consulted on the document between January and March 2025.

This report affects all wards

This report is not a key decision

RECOMMENDATION/S

The Children, Young People and Education Committee is requested to comment on and note the draft copy of the Early Years Funding Entitlement agreement for financial year 2025/26.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Early Years Funding Entitlement (EYFE) agreement has been reviewed and updated. The budget for early years funding will increase significantly over the year with the expansion and requires the committee to oversee the delivery and comment on the agreement.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Early Years Funding Entitlement (EYFE) agreement is based on legislation; other Local Authorities use the legislation and dispense with having an agreement. However, it is felt that the agreement provides a convenient summary of the legislation and delivery of funding to ensure early years providers deliver the funding appropriately.

3.0 BACKGROUND INFORMATION

- 3.1 The funding agreement references frameworks and legislation which can be found in the background papers.
- 3.2 The funding agreement sets out the key responsibilities for early years providers and the Wirral Council. Wirral Council's responsibilities centre around securing places, work in partnership with providers to meet children's needs and deliver places in accordance with legislation. Early years providers are expected to deliver places in line with the legislation.
- 3.3 The local authority also has a duty to consult with providers on any changes to funding. Following concerns raised by Wirral National Day Nursery Association (NDNA) group regarding sustainability of early years providers and the current payment process, Wirral completed a survey to gather providers views. The survey focused around changing the estimate headcount submission date which would make estimate payments more accurate. It also included an increase in the percentage paid each month, this could not be achieved unless estimate headcount submission dates changed.
- 3.4 Early years providers stated that they did not want the estimate headcount submission to change and did not want the payment percentages to change. Feedback from Wirral's NDNA group has been that providers may not have completely understood the survey. It has been agreed that a further survey will be taken next September once all the working family's entitlements have been implemented.
- 3.5 Providers on Wirral are all paid monthly based on estimate headcount submission, equally splitting the payments over the number of months in the term with the last month accounting for any adjustments between estimate and actual headcount submissions. The funding agreement states that providers will be paid at the beginning of each month. Generally, we can pay providers around the first of the month. However, providers have feedback that they would prefer a set date. Whilst the team try to work achieving a set date for payments it has been decided to

change the wording so providers are aware payments should receive payments before the 7th of each month at the latest.

- 3.6 The agreement has also been updated to reflect the new digital system Early Years and Education System (EYES) and in turn some of the differences in relation to dates for example, the collection of census data.
- 3.7 To ensure parents receive clear information particularly around stretched offer, the agreement now encourages providers to share with parents that they may not be able to take up their entire early years funding offer if stretching this over the academic year.
- 3.8 The Department for Education (DfE) has announced that further clarification on the charges for parents will be shared in the coming months. The agreement will need to be updated in line with guidance prior to implementation from April 2025.
- 3.9 Under section 23 of the Children and Family Act 2014 health services have a duty to notify Local Authorities if they anticipate a child is likely to have SEND when they start school. This notification process has now been strengthened and information on this notification has been included in the funding agreement.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The early years budget will significantly increase through the expansion of early years funding entitlement. Once the rollout of entitlements has completed the Department for Education (DfE) plan to reduce the percentage councils can retain to deliver entitlements from 5% of the overall budget to 3%. This will potentially mean a review of the services offered to support early years providers.

5.0 LEGAL IMPLICATIONS

- 5.1 The council has a statutory responsibility to maintain sufficient childcares places across to meet the demands of the local area. On a regular basis the council will produce a report in relation to childcare sufficiency.
- 5.2 The council also has a statutory duty to provide funding for eligible children for early years entitlements.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The agreement sets out the support available from Wirral Council both through funding and also through the various teams.
Early years team: Payments, business support, family information service and sufficiency assessments.
Quality Improvement and Training team: Tailored individual support or training per provider, holistic training based on identified needs, peer support network facilitation and operation encompass notifications and support.
SEND team: Individual support to meet children's needs, setting support to implement good practice and training to support delivery.

7.0 RELEVANT RISKS

7.1 Without the funding agreement there would be a lack of clarity on the expectations of early years providers and possibly how they should be delivering funded places.

8.0 ENGAGEMENT/CONSULTATION

8.1 The funding agreement will be sent out for feedback from providers between January and March 2025.

9.0 EQUALITY IMPLICATIONS

9.1 An equality impact assessment has been completed.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Not applicable

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 Not applicable

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APPENDICES

Appendix One: Draft Early Years Funding Entitlement Agreement

BACKGROUND PAPERS

- Early Education and Childcare, Statutory Guidance for local authorities April 2024
- Early years entitlements: Operational Guidance for local authorities and providers 24/25
- Childcare Act 2006
- Childcare Act 2016
- Equality Act 2010
- School admissions code 2021
- Statutory framework for the early year's foundation stage 2024
- The Childcare (Early Years Provision Free of Charge) (Extended Entitlement) Regulations 2023
- Children and families Act 2014
- Special educational needs and disability code of practice: 0 to 25 years 2015
- Disability Discrimination Act 2018

- Data Protection Act 2018

TERMS OF REFERENCE

This report is being considered by the Children, Young People & Education Committee in accordance with Section A of its Terms of Reference, exercising management, oversight and delivery of services to children and young people in relation to their care, wellbeing, education or health, with the exception of any powers reserved to full Council.

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|------------------------|-------------|
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