

Inclusive Early Years Fund - Frequently Asked Questions

What is the Inclusive Early Years Fund?

In February 2026, the Department for Education (DfE) announced the Inclusive early years fund: 2026 to 2027 - GOV.UK, which will provide an additional £47 million of funding to support the sector to become more inclusive of children with special educational needs and disabilities (SEND).

This funding marks a first step towards a more coherent and inclusive early years SEND funding system. It is upfront funding intended to:

- help providers adopt setting-wide inclusive practices
- reduce reliance on individual child-based funding applications
- enable early intervention for children with SEND

In 2026 to 2027, the inclusive early years fund complements existing funding such as special educational needs inclusion fund (SENIF), disability access funding (DAF), and high needs funding, while signalling the direction of future reform to create a simpler, more consistent approach to supporting inclusion across all early years providers.

For consistency across early years funding arrangements, the DfE have chosen to use data that are also used within the 2026 to 2027 early years national funding formula (EYNFF) for 3 and 4-year-old.

The DfE have allocated funding based on 3 and 4-year-old universal hours part time equivalent (PTE) because, as a universal offer, this represents a full cohort of children and there is an increased likelihood of identifiable SEND needs emerging at this age.

What can it be used for?

All funding received via this Inclusive Early Years Fund must be distributed to eligible early years providers and **must not** be used for contingency purposes or local authority central or administration costs.

This fund **must not** be used as a substitute for entitlements funding, early years pupil premium, disability access funding, SEN inclusion funding or high needs funding.

That means that 100% of this grant will be passed through to providers.

The inclusive early years fund must be distributed to support providers to become more inclusive of children with SEND. Funding is **not linked to individual children** and is intended to be used flexibly to support for setting wide sustainable, inclusive provision for all children.

While the specific use of funding will vary between providers, it should support activities such as:

- **Strategic planning** to ensure inclusive practice is embedded and sustained.
- **Workforce development**, to build confidence and skills in delivering inclusive provision.
- **Targeted adaptations and resources** to enhance an inclusive and supportive environment for all children.

We strongly recommend that you undertake a SEND audit, to guide action planning to inform how you allocate this funding and support ongoing development within the setting.

Examples of how this could be utilised include, but are not limited to:

- Training for staff to build confidence and develop the skills required to deliver high-quality inclusive practice within the setting, including implementing targeted interventions and activities to support individual needs.
- Funding to support staff release for training, meetings, networking, and planning, enabling the embedding of changes that enhance inclusive practice.
- Investment in high-quality resources to enhance children's experiences within the setting, including the development of an emotionally inclusive environment and the provision of resources to support emotional regulation and sensory exploration.
- Funding to provide dedicated SENCo time to evaluate practice, identify gaps in provision, and plan and implement ongoing improvements
- Staff mentoring or coaching to improve inclusive practice.

While the funding is distributed based on 3 and 4-year-old universal entitlement PTE numbers, the funding is intended to help providers adopt setting-wide inclusive practices for all early years' entitlements-funded age groups and should be used to benefit children across the setting.

How has the allocation per setting been calculated in West Sussex?

The grant has been distributed directly to all providers, based on hours delivered in the spring term 2026, for all children in receipt of the Universal Early Years Funded Entitlements for 3 and 4-year-olds.

The DfE recommended that local authorities distribute the total allocation to providers based on a base rate plus an additional needs factor.

The purpose of the minimum funding threshold, via a base rate, is to support value for money by avoiding small allocations that would be insufficient to support the development of mainstream inclusive practice.

The calculation used in West Sussex is:

Base rate

- Pre-Schools/Day Nurseries: £1000
- Childminders: £300

The remaining funding pot is then be allocated by:

- 75% based on number of Universal EYFE hours claimed in spring 2026
- 25% based on number of EYPP hours claimed for 3- and 4-year-olds in spring 2026

The basis for this approach is:

- to pay as a one-off lump sum by 30 September 2026.
 - to include all early education providers delivering the Early Years Funded Entitlements for children aged 3 and 4 years-old and under, including childminders.
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- To insure the Inclusive Early Years Fund is allocated using a clear and consistent formula

What records do I need to keep?

Local authorities must maintain and keep clear records of income and expenditure in relation to the inclusive early years fund, including a record of allocations and evidence of the use of funds by providers.

Local authorities should ensure that providers are using the fund for its intended purpose and **early years providers are expected to retain financial records** (for example, a detailed spreadsheet or receipts if appropriate) showing how the funds have been spent. WSCC may:

- request a summary of how they have used the funds
- using existing accountability mechanisms, such as inclusion funding reviews, EYFE audits and Setting Review Meetings to understand how funds have been spent
- sample a range of provider types and sizes to understand the use of funding and any emerging trends

Useful Links

- [Diversity and inclusion - West Sussex County Council](#)
- [SEND toolkit - West Sussex County Council](#)
- [Early Years SEND Assessment Guidance - Dingley's Promise](#)
- [Action Plan for Inclusion Workshop | West Sussex Services for Schools](#)
- [Early years education and childcare training and support programme - West Sussex County Council](#)
- [Early identification in the EYFS - West Sussex County Council](#)
- [Early Years SENCO 2026 | Best Practice Network](#)
- [Early years inspection toolkit](#)
- [Early Years | EEF](#)
- [Home page | Nasen](#)

