

Response ID ANON-8H4X-3K9Z-W

Submitted to Early years funding: proposed changes to the entitlements funding system
Submitted on 2026-09-10 12:49:21

About you

1 What is your name?

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3 Are you responding as an individual or on behalf of an organisation?

Organisation

If you have selected "organisation", please provide the organisation name:
Dorset Council

4 What local authority area are you based in?

Please select:
Dorset

If you have selected "other", please specify:

5 Would you like us to keep your responses confidential?

No

Reason for confidentiality:

Our vision for Early Years funding

Meeting additional need in Early Years - Removing barriers to access for low-income families

6 Do you agree that local authorities should pass on more of the EL2 funding rate to providers to support disadvantaged children and their families?

Don't know

Additional comments - Please limit your answer to 1500 characters or less:

We have answered "Don't know" because we support a higher funding rate for Early Learning for 2-year-olds (EL2), but not if this reduces local authorities' ability to fund services currently supported through central retention. The DfE should increase EL2 funding rather than expecting local authorities to absorb these costs. The costs of administering the Early Years Block, Dedicated Schools Grant and SEND support remain, and increasing funding complexity creates additional administrative burdens.

An enhanced EL2 rate could help local authorities meet their sufficiency duty. Families accessing EL2 often seek places at short notice, unlike working families who are more likely to plan ahead.

Dorset's central retention rate is 2.43% in 2026-27, below the 3% maximum, which may provide scope to pass additional funding to providers. However, the impact would be limited, equating to around 20p per hour or £3 per week per child.

Providing free school meals to all eligible children accessing funded entitlements would have a greater impact on disadvantaged families.

Children eligible for both EL2 and the additional working 15 hours should be recorded against both funding streams. Recording all hours as working entitlement creates unnecessary burdens and reduces visibility of EL2 support.

7 Do you agree with the Department setting out more clearly how the deprivation supplement should be used, setting a minimum level and clearer purpose to this funding so it more directly supports disadvantaged children?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

We believe disadvantaged families do face all the challenges listed in the consultation and need more practical help. It also would be helpful for families that qualify for free school meals to be able to access this in all settings rather than just school settings. Clear guidance on the use of the deprivation supplement would support our Best Start in Life Advisers in their support and challenge role when visiting settings. The guidance can also be added to

our Local Provider Agreement and used when holding settings to account.

8 How might this funding be best used to support disadvantaged children to access early education and childcare?

Please limit your answer to 1500 characters or less:

We also believe disadvantaged children need additional support with learning and development and will be working with our settings on this. The communication about expectations of the use of the deprivation supplement would need to be clear. Settings can apply voluntary charges for food and other resources or activities not covered by early education funding. Clear communications will be needed for families to understand what's included in early education funded places and what would be a voluntary charge. If all qualifying children could access free school meals, it would mean this funding could be specifically targeted where needed, rather than taken up by the need for good quality food.

Meeting additional need in Early Years - Expectations for delivering the Best Start in Life

9 How can providers best be involved and play an active role in the development and delivery of the local Best Start Local plan and Best Start Family Hub network?

Please limit your answer to 3000 characters or less:

In Dorset, we want early years providers to play an active and ongoing role in the development, delivery and review of the Best Start Local Plan and Best Start Family Hub network. Providers have regular contact with children and families and are uniquely placed to understand local needs, identify emerging issues and support access to services. Their expertise will be central to shaping priorities, developing solutions and evaluating impact.

Dorset Council recently held an Early Years Conference to share the Best Start Local Plan with providers and raise awareness of the Best Start agenda. We recognise that providers were not directly involved alongside other partners in developing the initial Plan and see significant opportunities to strengthen their involvement in its ongoing development, delivery and review.

We will engage providers through a range of established and accessible mechanisms. Our termly Team Around the Setting network meetings will provide opportunities to discuss priorities, explore emerging issues, test new ideas and gather feedback on local challenges and opportunities. We will also use newsletters, surveys and consultation activities to ensure providers can contribute regardless of their capacity to attend meetings.

Providers will play an important role in informing workforce development activity and sharing intelligence about the needs of children and families, including barriers to accessing support and services. We want providers to contribute to identifying priorities, developing solutions and evaluating impact, moving towards a genuinely co-productive approach rather than one based solely on consultation.

To strengthen links with the Best Start Family Hub network, we will encourage Family Hubs to offer networking opportunities, information sessions and joint training for practitioners. This will help providers better understand available services, referral pathways and local resources, while supporting a more joined-up approach for families.

We are committed to ensuring providers have opportunities to influence decision-making through representation on relevant working groups and involvement in future reviews of the Best Start Local Plan. We will regularly share progress and demonstrate how provider feedback has informed developments, creating clear feedback loops that encourage continued engagement.

We also want to strengthen peer learning across the sector by creating opportunities for providers to share effective practice and contribute to local solutions that improve child development, school readiness and family wellbeing. Building strong relationships between providers, Family Hubs, health partners and local authority services will be essential to creating a joined-up system that delivers the best possible outcomes for children and families.

10 What challenges do you think providers and local partners will need to overcome to ensure high quality and consistent advice to families about what they can do to support their child's development at home? How can the DfE and local authorities support providers in delivering this?

Please limit your answer to 3000 characters or less:

One of the key challenges will be ensuring that families receive consistent, evidence-based advice regardless of which professional, service or setting they access. Families can currently receive different messages from practitioners and organisations, creating confusion and reducing confidence in available support. Consistency requires a shared understanding of child development, school readiness, inclusion, early identification and support.

Workforce knowledge, confidence and capacity are also important considerations. Staff turnover and changing service structures can make it difficult to maintain consistent practice, particularly where families are supported by multiple agencies. Professionals need to understand both their own role and the contribution of wider partners so families receive coordinated support, clear messages and pathways into additional help when needed.

We are strengthening our Best Start workforce to support this ambition. Best Start in Life Advisors provide information, advice and guidance to early years providers and families of children with SEND, including support within homes and settings. Best Start Family Navigators provide advice and signposting for families with children and young people aged 0-19. From October 2026, Best Start Inclusion Practitioners will provide advice and guidance to families of children under five with SEND through Family Hubs and community venues. Best Start Parenting and Activity Practitioners support families through evidence-based parenting programmes and developmental activities that strengthen parent-child interaction and learning at home.

A further challenge is engaging families who may be less likely to access support owing to disadvantage, rurality, language barriers, digital exclusion or previous experiences of services. Professionals need access to resources and approaches that are accessible, inclusive and built around trusted

relationships with families.

To support consistency, Dorset is bringing together the Best Start workforce, voluntary and community sector partners, libraries, Family Hub leads and health colleagues through workforce development events that strengthen understanding of roles, build local relationships and promote a shared approach to supporting children's development at home. We are also using the EasyPeasy app to provide families with accessible, evidence-based activities and information.

The DfE can support this work through nationally consistent evidence-based resources, key developmental messages, quality-assured information and professional guidance that can be adapted locally. Local authorities can support delivery through multi-agency training, shared resources, workforce development, peer learning opportunities, digital information platforms and clear referral pathways. Combining national consistency with strong local partnerships will help ensure families receive timely, reliable and effective advice to support their child's development at home.

Meeting additional need in Early Years - Early Years SEND funding - Overview

Meeting additional need in Early Years - Early Years SEND funding - Funding the universal offer

11 When distributing upfront inclusion funding (currently IEYF), should local authorities ensure that all providers receive funding? How should providers use this funding where sums of money are small?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

We strongly believe all settings should receive IEYF funding. We expect all settings to be inclusive and want to support all settings to achieve this aim.

It would be helpful to have clear guidance from the DfE detailing how much each setting should receive and how it should be used. This funding could then be passported to settings by the LA. Even if amounts are small, the funding provided to settings should be proportionate to their size, have a meaningful minimum amount and clear conditions of use.

All settings should be treated fairly and receive pro-rata funding according to the number of children accessing early education funding.

12 Should local authorities distribute this funding through a mandatory inclusion supplement?

No

Additional comments - Please limit your answer to 1500 characters or less:

Our preference would be to have fewer supplements and offer a higher base rate to all settings.

All settings need to be inclusive and should have the funding available through the base rate to do this. Every child is entitled to this, no matter which setting they attend.

A higher base rate would support all settings to deliver inclusive practice and meet emerging needs at an earlier stage, reducing the need for more reactive forms of support.

13 How could local authorities distribute upfront inclusion funding in a way that targets local SEND need effectively?

Please limit your answer to 1500 characters or less:

Dorset believes upfront inclusion funding should be distributed using a combination of provider size, patterns of identified need and local intelligence. Funding arrangements should support early intervention and inclusive practice rather than relying on diagnosis or statutory processes. Local authorities should retain sufficient flexibility to target areas of emerging need and support providers to meet children's needs at the earliest opportunity.

Meeting additional need in Early Years - Early Years SEND funding - Changes to targeted funding from 2028 to 2029

14 Do you agree we should replace SENIF and DAF with a new targeted funding stream for providers to access?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

We do agree that SENIF and DAF should be replaced with a new targeted funding stream for providers to access. This would give greater funding for early intervention and provide support without diagnosis. Clear guidance would also help to ensure there is fair and consistent access for all children.

15 Do you agree that the new targeted funding stream should be distributed to local authorities using a national formula? If so, what indicators or data could we use to allocate this?

Yes

Indicators that could be used and/or any other additional comments - Please limit your response to 1500 characters or less:

A nationally prescribed model would provide greater transparency, consistency and equity for children and young people regardless of where they live or attend school. However, local authorities should retain sufficient flexibility to respond to local patterns of need and local sufficiency challenges, particularly in rural areas.

16 Do you have any views on what a national framework for how this funding should be administered could include? Are there any existing local authority practices for administering SENIF you think work particularly well or not well?

Please limit your answer to 3000 characters or less:

Dorset welcomes the ambition to introduce National Inclusion Standards and would expect these to provide clear and consistent expectations for inclusive practice across early years settings and schools. The standards should support early identification and intervention, enable access to support based on need rather than diagnosis, strengthen workforce development, promote inclusive mainstream provision, and help reduce variation in support across different areas.

Dorset's current Early SEND Support arrangements already reflect many of these principles. Early SEND Support funding is targeted at children not yet attending school who have emerging and additional needs and is intended to promote inclusion within mainstream early years provision. The funding provides timely support at the earliest stage, before statutory processes need to be considered, helping settings to respond quickly to children's needs and, where appropriate, reducing the need for an Education, Health and Care Plan (EHCP).

Support is based on identified need rather than requiring a formal diagnosis. Applications are considered through monthly locality panels and require settings to identify the child's needs and demonstrate how funding will be used to support inclusion, including resources, specialist training, environmental adaptations, staff time for meetings and adult support where appropriate. The process also encourages providers to draw on specialist advice and develop their capacity to meet a wider range of needs through training, resources and inclusive practice.

Dorset would support a national framework that builds on these principles through transparent and sustainable funding arrangements that enable children and families to access support at the earliest opportunity. Any future framework should ensure that settings have access to the resources, workforce development and specialist support required to meet children's needs effectively within inclusive mainstream provision.

Meeting additional need in Early Years - Early Years SEND funding - Plan for transitioning to full implementation

17 Do you agree that, as an interim measure, we should recommend a minimum spend of 0.75% of each local authority's early years block on SENIF?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

It would be helpful to have a minimum spend to ensure consistent support is provided by LAs. Dorset currently spends 0.6% on SENIF and an increased budget would allow us to increase our SENIF funding rates. This would help with early identification of SEND needs and enable us to provide support without diagnosis.

Meeting additional need in Early Years - Early Years SEND funding - Accountability

18 What accountability arrangements should be in place to ensure inclusion and SEND funding is improving inclusive practice in settings?

Please limit your answer to 3000 characters or less:

Ofsted inspections and subsequent reports include a focus on inclusion and this provides the consistent national accountability mechanism. In addition to this, in Dorset we are strengthening our approach to monitoring impact by working alongside providers to understand how SEND and inclusion funding improves outcomes for children. This includes [e.g. sampling children's progress, reviewing whether support has improved inclusion and participation, and understanding whether needs are being identified and addressed earlier]. Accountability arrangements should focus on outcomes for children, improved provider confidence and evidence of inclusive practice rather than solely financial compliance.

Increasing the overall effectiveness of the Early Years entitlements budget - National Changes - Overview

Increasing the overall effectiveness of the Early Years entitlements budget - National Changes - Plan for incorporating IDACI in 3-and-4-year-old rates

19 Do you agree that IDACI should be introduced as a proxy for deprivation, alongside free school meals, in the 3 and 4 year old formula, using this 'basket of measures' approach to capture both household and area-based dimensions of deprivation?

Yes

Additional comments:

Dorset supports the use of a basket of measures where this provides a more accurate picture of disadvantage than any single indicator. Using both household-level and area-level measures is likely to provide a fuller understanding of need.

Increasing the overall effectiveness of the Early Years entitlements budget - National Changes - Plan for funding rates in 2027 to 2028

20 For 2027 to 2028, do you agree we should implement transitional protections for local authorities, softening the level of year-on-year reduction a local authority can see?

Yes

21 How best do you think we could smooth local authorities' transition to formula driven rates, in a way that protects operational delivery, but ensures that authorities are funded in line with the latest available data?

How to smooth transition:

Response to question 20 - Early education providers are struggling to remain financially viable. A drop in funding rates could lead to settings not being financially viable and potentially closing, which would create a sufficiency problem for LAs. We receive consistent feedback that the 3- and 4-year-old rate is too low.

Response to question 21 - Transitional arrangements should balance stability and responsiveness. Local authorities should move gradually towards formula-driven rates to avoid sudden changes that could destabilise local childcare markets and affect sufficiency. Any approach should provide sufficient notice to providers and local authorities to support financial planning.

22 Do you think there would be value in having a minimum funding floor (MFF) for the 2-year-old and under-2 funding rates?

Yes

Additional comments:

A minimum funding floor would provide greater certainty for providers and local authorities and help support market stability, particularly in rural areas where childcare sufficiency can be more fragile.

Increasing the overall effectiveness of the Early Years entitlements budget - National Changes - Plan for ongoing improvement and future changes to the EYNFF

23 Are there any improvements you would suggest to how the national funding formulae reflects different levels of additional need and cost variation, and are there any other changes you would like to see?

Improvements and changes to EYNFF:

The funding formula should take account of rurality, market sustainability and the additional costs associated with delivering inclusive provision in areas where providers may be more dispersed. Consideration should also be given to factors that support early identification and inclusion, recognising that investment at an early stage can reduce later demand for specialist support.

Increasing the overall effectiveness of the Early Years entitlements budget - Local Changes - Overview

Increasing the overall effectiveness of the Early Years entitlements budget - Local Changes - Plan for redistributing unused contingency funding

24 Do you agree with the proposal to make it possible for local authorities to distribute emerging early years contingency funding underspends to providers during the year?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

It would be helpful to be able to distribute contingency underspends in-year, but this is not something we could do until spring census numbers are known and we have made the necessary accrual calculations in mid-March. It would be better to be able to carry forward unused contingency to the following financial year and use it to increase the funding rate.

Increasing the overall effectiveness of the Early Years entitlements budget - Local Changes - Plan for updating local supplements

25 Do you agree that the permissible categories for supplements should be reduced from five to three from financial year 2028 to 2029?

No

26 Do you agree that Deprivation, Site Specific, and Inclusion are the right categories to have from financial year 2028 to 2029?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

Dorset broadly agrees that Deprivation, Site Specific and Inclusion represent the most appropriate supplement categories. However, our preference remains for the majority of funding to be distributed through the base rate wherever possible.

27 Do you think that there are any delivery issues to consider with the proposed new supplements in 2028 to 2029?

Please limit your answer to 1500 characters or less:

Clear national guidance and transition arrangements will be essential. Local authorities and providers will require sufficient time to adapt local funding systems, consult with stakeholders and communicate changes effectively. Simplicity and transparency should be key design principles.

Increasing the overall effectiveness of the Early Years entitlements budget - Local Changes - Plan for funding local authority central services separately from entitlements funding

28 Do you agree on the principle of funding central services separately from provider funding through a standalone grant?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

A central services grant would ensure funding discussions are not distracted and can focus on how to best use funding for all families.

29 Should the government prescribe how the early years central services grant is used? If so, to what extent?

No

Extent of prescription - Please limit your answer to 1500 characters or less:

Guidance rather than prescription would be helpful.

30 What type of early years central activities should be funded through this grant?

Please limit your answer to 1500 characters or less:

The grant should support activities that are most effectively delivered at local authority level, including quality improvement, sufficiency planning, workforce development, inclusion and SEND support, safeguarding, data management, finance administration and strategic planning.

31 What central services are currently provided by your local authority using this funding?

Please limit your answer to 1500 characters or less:

In Dorset the central retention is mainly used to fund staffing costs. We have a locality system and 16 Best Start in Life advisers and 3 Birth to Settled Adulthood advisers, which each have a number of early years providers to support. They visit at least termly and monitor good practice and the progress of individual children. Travel costs are also covered. The central retention funds LA managers and senior managers, both in localities and centrally based, responsible for early years strategy and support. The central retention covers the cost of the LA finance system and appropriate training, together with websites, web designers and online information. The early years funding team is also covered, which includes budgeting, planning, payments, oversight, accountancy, audit work and fraud prevention. Costs for early years SEND oversight are also included.

Changes to funding Ofsted Early Years Register Fees

32 Would you support some of Ofsted's Early Years Register costs being funded through a top-slice of early years entitlement funding, in order to reduce or remove individual provider Early Years Register annual fees?

No

Additional comments - Please limit your answer to 1500 characters or less:

We do not agree with early years entitlement funding being top-sliced to pay Ofsted fees for early years providers. Early years providers have to run their businesses and will be paying a number of bills for different services. It is their responsibility to pay this bill promptly and the current system is open and transparent. If fees need to go up, appropriate funding should be given to providers to pay Ofsted fees.

Equality impact assessment

33 Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

Please limit your answer to 1500 characters or less:

The proposals have the potential to positively impact children and families with protected characteristics through improved access to early education and earlier support. Particular attention should be paid to ensuring that children with SEND, children from disadvantaged backgrounds and families living in rural areas can benefit equitably from the proposed reforms.

Any Further comments

34 Are there any other comments that you would like to make about our proposals set out in this consultation?

Please limit your answer to 1500 characters or less:

Dorset welcomes the direction of travel set out in the consultation. The proposals broadly align with Dorset's ambitions to strengthen early identification, support inclusive practice and ensure children receive support at the earliest opportunity. Dorset would encourage the Department to retain sufficient local flexibility to allow local authorities to respond to local patterns of need and rural challenges while maintaining greater national consistency and transparency.