KENT COUNTY COUNCIL – RECORD OF OFFICER DECISION

Executive

DECISION TAKEN BY:	DECISION NO:
David Adams, Interim Deputy Director, Effectiveness, Sufficiency and Skills	OD-26-00018

For publication

Subject matter:
Distribution of the Inclusive Early Years Fund 2026-27

Cabinet Member decision to which this action relates:

25/00092 – Changes to the KCC local funding formula for State Funded Schools and Early Years Providers 2026-27

Decision:

In February 2026, the Cabinet Member made a decision to delegate authority to agree the distribution method for newly announced school and early years specific education grants during 2026-27, provided by the Department of Education, in line with grant conditions.

This record enacts the decision by confirming the distribution method of the new specific grant Inclusive Early Years Fund in 2026-27 across early years providers.

I agree to:
- Allocate 75% of the funding based on the number of hours provided for 3 & 4 year olds as at the Spring 2026 census data, and 25% on deprivation (based on children supported by the providers).
- Put in place a maximum limit of £5,000 so for any provider who would receive over £5,000 this is capped and any excess funding put back into the pot and redistributed.
- Put in place a minimum level of £250 so for any provider who qualifies for less than £250 they receive no funding and their funding is redistributed into the pot.

The result is the following spread of funding across different provider types:

Type of Early Years Setting	Est. Total Funding Amount £s	Number of Providers Eligible
Nursery Units in Maintained School	£64,748.51	21
Nursery Units in Academies	£109,699.50	41
Private, Voluntary & Independent settings	£1,134,390.49	634
Childminders	£20,125.44	53
	£1,328,963.94	**749**

Reason(s) for decision:

In April 2026, the DfE announced an additional £47m funding for the improvement of mainstream inclusion in early years settings in 2026-27. This is designed to be a first step towards a more inclusive early years SEND funding system, as part of a wider package of SEND reform and alongside existing SEND funding streams. This is upfront funding as a first step towards facilitating the adoption of setting-wide inclusive practices and the reduction of reliance on individual-child based funding, allowing providers to move towards a higher baseline of inclusive practice for whole cohorts – improving overall access to support mainstream settings for children with SEND. The DfE has allocated the funding to local authorities on a split of 75% base rate, 13% FSM and 12% DLA. This is based on universal hours recorded for 3&4 year olds in the January 2025 census.

The DfE expects LAs to distribute the funding upfront, without panel or application process, without being tied to individual children, in a clear and transparent manner, and with all funding going to providers. The DfE provided further guidance to local authorities which states that the specific use of funding will vary between providers, but could support activities such as:

- Strategic Planning
- Workforce development – for example, this could include increasing staffing within settings, or freeing up staff to attend training
- Adaptations or resources to create an inclusive environment

Financial Implications:
The Early Years Inclusive Fund is estimated to be £1,328,963, this is a ring-fenced grant from the Department of Education. The grant conditions stipulate the full amount of the grant must be paid over to providers and no funding retained for internal services. This option allows the funding to go to the most number of providers whilst ensuring smaller settings with less than 4 children or a lower level of deprivation do not have the monitoring implications and expectations placed upon them.

Legal implications:
The grant must be distributed upfront, without panel of application process, without being tied to individual children, in a clear and transparent manner, and with all funding going to providers.
There is an expectation that checks will need to be undertaken on ensuring that spend is eligible. Our proposed approach meets these criteria and it is suggested that this is monitored alongside SENIF to ensure compliance.

Equality Implications:
The funding is designed to support inclusion within Early Years settings. This method of allocation means that any provider with 4 or more children at the Spring census 2026 will receive funding. Providers can spend the funding how they choose as long as it meets DfE criteria specified above to improve inclusion within their setting.

Comments received from any Members or Officers consulted:

We consulted with a working group comprised of KCC Management Information, the Early Years Inclusion team, Assistant Directors for Education, and The Education People. The feedback received was that the funding should be spread amongst the most providers possible whilst ensuing monitoring requirements did not impact on the smallest providers.

Pursuant to the scheme of delegation, the Corporate Director for Children, Young People and Education has formally delegated authority to David Adams (Interim Deputy Director – Effectiveness, Sufficiency and Skills) to take officer decisions within the scope of their role and responsibilities

Any alternatives considered and rejected:

We also considered splitting the funding in the same proportions based on the same dataset but with one option being no upper limit and a lower limit of £1,000 and a second option being an upper limit of £5,000 and a lower limit of £500. Following consultation with both the Early Years Provider Group and the Schools Funding Forum, the consensus from both groups was to offer the funding to the most providers (and therefore children) possible, and therefore they felt a lower limit of £250 was the correct approach to enable more children to benefit from the funding.

Any conflict of interest declared by any executive member consulted by the decision maker and any dispensation granted by the Proper Officer:

No conflict of interest.

	8 June 2026
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signed	date