

Consultation on the Early Years Funding Arrangements 2027/28

Consultation Analysis and Comments

For the purposes of this paper the following has featured the use of technology to summarise all of the consultation responses received. Full responses are available upon request.



Early Years

Overall response rates to the consultation from all Schools, Nurseries, PVI and Childminders is 17%, (184 total responses), meaning that 83% of Schools, Nurseries, PVI and Childminders have not participated in the consultation. This is a reduction of the number of settings compared to 27.73% of settings that completed the consultation last year.

Question 1: The Local Authority is proposing to retain 2.75% of the Early Years block as permitted in statutory guidance - do you have any views regarding this?

Comment Summaries:

Overall Summary:

Most respondents opposed the proposed 2.75% retention, citing significant financial pressures and concerns that funding should remain with providers to support frontline delivery. While there was broad support for SEND investment and early intervention, many respondents requested greater transparency, accountability, and evidence of the benefits that retained funding would deliver.

Summary by Provider Type:

Childminder Summary

Childminders were largely opposed to the proposal, highlighting financial sustainability concerns, rising costs, and limited perceived benefit from centrally retained services. Respondents frequently requested clearer information on how the retained funding would be used and how it would directly support children and providers.

PVI Summary

Most PVI providers opposed the retention, citing workforce pressures, increasing operating costs, and concerns about the impact on service quality and sustainability. Although many supported additional SEND investment, they questioned whether reducing provider funding was the best way to achieve this and sought greater accountability for retained funds.

Nursery Summary

Nursery respondents were generally supportive of SEND and inclusion funding but expressed concerns about the impact of increased retention on budgets and staffing. Many requested stronger evidence of value for money and clearer reporting on how retained funding improves outcomes.

School Summary

School responses were mixed. Supporters recognised the potential benefits of additional SEND and early intervention services, while others felt funding should remain with schools and providers to address local needs directly. Accountability and measurable impact were common themes.

Local Authority Comment

The Local Authority would like to acknowledge all comments and views appreciatively received and accepted with thanks.

The LA must comply with relevant statutory regulations and operational guidance, as specified in the consultation document, and in particular must adhere to the specific passthrough requirement provided at:

- [The School and Early Years Finance \(England\) Regulations 2026](#)
 - Chapter 2: Criteria taken into account – early years provision



▪ Section 38: Early Years 97% requirement

The requirement to comply with this provision is met by the Local Authority in setting the retention level at 2.75%. The Department for Education (DfE) confirm, as the retention level is less than 3%, there is no requirement to seek Schools' Forum or Secretary of State approval.

The Local Authority therefore proposes to set the level of Early Years retention for 2027/28 at 2.75%.

Q2. Do you agree to utilise 1.00% to support Early Years central spend as outlined in the paper?				
	Total Responses	Yes	No	Not sure
Childminder	88	11	65	12
		13%	74%	14%
Maintained Nursery School	12	3	7	2
		25%	58%	17%
PVI	49	10	35	4
		20%	71%	8%
School	35	19	10	6
		54%	29%	17%

	Total Responses	Yes	No	Not sure
Total	184	43	117	24
		23%	64%	13%

Comment Summaries:

Overall Summary:

Responses to the proposal to utilise 1.00% of funding for Early Years central spend were mixed, though most detailed comments expressed concern about increasing central retention at a time of significant financial pressure on providers. The most common themes were requests for greater transparency regarding how the funding would be used, evidence of value for money, and assurances that any retained funding would deliver clear, measurable benefits to providers and children. Many respondents felt funding should remain with frontline settings unless a strong case for central expenditure could be demonstrated.

Summary by Provider Type:

Childminder Summary

Most childminders opposed the proposed increase in central spend, arguing that funding should remain with providers who directly deliver childcare. Common themes included rising business costs, concerns about sustainability, and requests for clear evidence of what the additional 1% would fund and how childminders would benefit. Some respondents indicated conditional support if transparency, accountability, and demonstrable benefits could be provided.

PVI Summary

PVI providers were generally opposed to the proposal, citing increasing staffing, operational, and



SEND-related costs. Many questioned the effectiveness of existing centrally delivered services, particularly around response times and accessibility, and requested greater transparency, financial breakdowns, and evidence that increased retention would improve support for settings and children. A small number supported central investment where it demonstrably improved services and outcomes.

Nursery Summary

Maintained nursery schools expressed mixed views. Some recognised the value of central services, particularly where they support quality improvement, sufficiency, and professional development. However, many questioned the need for increased retention, felt funding would be better spent directly within settings, and requested stronger accountability, value-for-money assessments, and regular reporting on outcomes.

School Summary

School responses were mixed. Supporters recognised the role of central services in areas such as quality improvement, safeguarding, inclusion, workforce development, and school readiness. However, other respondents felt funding should remain with schools and providers, particularly given existing budget pressures. Accountability, measurable impact, and regular reporting were frequently highlighted as important conditions for support.

Local Authority recommendation to Schools' Forum

The Local Authority would like to acknowledge all comments and views appreciatively received and accepted with thanks.

The consultation document provided clarity and transparency in respect to how the 1% is required to cover the current costs of the central team that undertake all the essential work on administering and supporting the Early Years requirements.

The 1% is not an additional retention compared to the previous year, where 0.75% was approved, therefore the increase to 2027/28 represents only 0.25% increase to ensure all Central Spend commitments are fully funded. The Local Authority does not have alternative funding to cover this area, which presents a risk to the dedicated services, and sector supported by them, without the retention at 1% being supported.

In accordance with DfE guidance the Local Authority reserves the right to seek Secretary of State adjudication where Schools' Forum does not agree with the Local Authority proposals.

The Local Authority therefore recommends to Schools' Forum that 1% retention for Early Years Central spend is approved for 2027/28.



Q3. Do you agree to utilise 1.75% to support Early Years SEND as outlined in the paper?				
	Total Responses	Yes	No	Not sure
Childminder	88	14	62	12
		16%	70%	14%
Maintained Nursery School	12	4	5	3
		33%	42%	25%
PVI	49	13	32	4
		27%	65%	8%
School	35	24	9	2
		69%	26%	6%
	Total Responses	Yes	No	Not sure
Total	184	55	108	21
		30%	59%	11%

Comment Summaries:

Overall Summary:

Responses to the proposal to utilise 1.75% for Early Years SEND support were mixed. Many respondents supported greater investment in SEND, recognising increasing levels of need and the importance of early intervention. However, a significant number raised concerns about funding being deducted from all providers to support SEND provision, particularly given existing financial pressures. Common themes included the need for transparency, fair access to funding, timely support, and assurance that funding would directly benefit children and settings.

Summary by Provider Type:

Childminder Summary

Childminders were generally supportive of SEND support in principle but many opposed the proposed retention, arguing that SEND should be funded separately rather than through reductions to provider funding. Common concerns included limited access to SEND funding, the impact on already stretched budgets, and requests for greater transparency around eligibility, allocation, and how smaller providers would benefit.

PVI Summary

PVI providers broadly recognised the need for additional SEND investment and many supported enhanced funding and specialist support. However, concerns were raised that the proposed funding may still be insufficient to meet the true costs of supporting children with complex needs. Respondents frequently called for clearer information on funding distribution, timely access to support, and assurance that providers would not be left covering significant shortfalls.

Nursery Summary

Maintained nursery schools were generally supportive of increased SEND investment and early intervention, particularly where funding could support inclusive practice and children with the highest levels of need. However, many questioned whether the increase in retention had been sufficiently



justified and requested stronger evidence of impact, clearer funding arrangements, and assurances that highly inclusive settings would receive appropriate benefit.

School Summary

School responses were largely supportive of increased SEND funding, recognising rising levels of need and the benefits of earlier identification, intervention, and specialist support. Several respondents emphasised the importance of accountability, measurable outcomes, and ensuring funding reaches frontline provision where it can have the greatest impact on children.

Local Authority recommendation to Schools' Forum

The Local Authority would like to acknowledge all comments and views appreciatively received and accepted with thanks.

It is welcomed to see the general consistent consensus recognising the importance of supporting SEND in Early Years. The Local Authority confirms that the 1.75%, representing an increase of 0.75% retention when compared to the 1% approved for 2026/27, is 100% retained with the Early Years block of the DSG, and is fully committed to support all Early Years SEND priorities and will not simply be used to offset the High Needs deficit.

The consultation paper clearly outlined all of the developments being delivered to support all eligible children in Early Years settings with SEND, whether with an Education Health Care Plan (EHCP) or not, with significant levels of funding and specialist support to be allocated and provided directly to providers for their eligible children. All of this delivers a fundamental level of support that is essential in contributing to addressing escalating SEND pressures at the very earliest opportunity and ultimately results in better outcomes for children and young people, as well as reducing potential escalations to higher costs of support. This is also a crucial factor in enabling the Local Authority to comply with the recently approved SEND Reform Plan.

In accordance with DfE guidance the Local Authority reserves the right to seek Secretary of State adjudication where Schools' Forum does not agree with the Local Authority proposals.

The Local Authority therefore recommends to Schools' Forum that 1.75% retention for Early Years SEND support is approved for 2027/28.



Q4. Do you agree to the retention to be calculated on 2026/27 values, thus ensuring all providers receive any 2027/28 inflation in line with DfE funding announcements?				
	Total Responses	Yes	No	Not sure
Childminder	88	36	32	20
		41%	36%	23%
Maintained Nursery School	12	9	1	2
		75%	8%	17%
PVI	49	37	7	5
		76%	14%	10%
School	35	24	6	5
		69%	17%	14%

	Total Responses	Yes	No	Not sure
Total	184	106	46	32
		58%	25%	17%

Comment Summaries:

Overall Summary:

Responses were generally more supportive of this proposal than the previous questions. Many respondents agreed that, if retention is applied, it should be calculated using 2026/27 values so that any future DfE inflationary uplifts are passed directly to providers. However, many respondents stressed that supporting this calculation method should not be interpreted as support for the overall retention proposals.

Summary by Provider Type:

Childminder Summary

Childminders were divided, although many agreed that any inflationary increases should be passed directly to providers rather than being included in the retained amount. However, a large proportion reiterated their opposition to any retention of funding, arguing that providers need the full allocation to meet rising costs and maintain business viability.

PVI Summary

PVI providers generally supported the principle of calculating retention using 2026/27 values as it protects future inflationary increases for providers. However, many emphasised that inflationary uplifts do not offset wider concerns about funding retention, ongoing cost pressures, and the gap between funding rates and the actual cost of delivering provision.

Nursery Summary

Maintained nursery schools that commented were broadly supportive of the approach, recognising that it allows inflationary increases to flow directly to providers and offers greater certainty for financial planning. However, concerns remained regarding the overall level of retention and the continuing financial pressures faced by settings.

School Summary



School responses were generally supportive, viewing the proposal as a practical way to ensure providers benefit from future DfE funding increases while providing greater certainty for budget planning. Some respondents nevertheless maintained concerns about funding being retained centrally and its impact on frontline provision.

Local Authority recommendation to Schools' Forum

The Local Authority would like to acknowledge all comments and views appreciatively received and accepted with thanks.

Based on the majority response in favour, the Local Authority recommends the calculation of retention at 2026/27 unit values, ensuring all providers receive any inflationary uplifts within the 2027/28 hourly rates.

