

EEF submission to government consultation on proposed changes to Early Years funding

September 2026

About the Education Endowment Foundation

1. The Education Endowment Foundation (EEF) is an independent charity dedicated to breaking the link between family income and educational achievement. Our mission is to support the education sector to transform outcomes for socio-economically disadvantaged children and young people from age 2 to 19. We do so by enabling early years settings, schools, and colleges to focus on delivering high-quality education, based on evidence and what works best in practice.
2. We hold a unique position in the English education system, with three key roles:
 - **We summarise evidence** - we synthesise the global evidence base to find out what is already known about improving teaching and learning.
 - **We build evidence** - we develop, evaluate, and scale up programmes and approaches that aim to boost outcomes for children from socio-economically disadvantaged backgrounds.
 - **We put evidence to use** - we help policy makers, leaders and educators to use evidence to deliver improved outcomes for children and young people from lower-income families.

Key messages

3. Our key messages from this response are as follows:
 - **Quality** - It is crucial that socioeconomically disadvantaged children are able to access high-quality early education and childcare, and that all providers have sufficient funding to enable them to deliver high-quality practice, particularly in areas of highest disadvantage. This requires funding to be sufficient to permit spending on professional development programmes with robust evidence of impact on practice quality.
 - **Access** - There is currently acute inequity of access to early education and childcare based on socioeconomic background: whilst tweaks to the system may support children to attend the hours they have access to, their impact is constrained by the funded hours system which disproportionately benefits more affluent families. DfE should continue to explore options for prioritising access for disadvantaged children.
 - **Supporting children with identified/emerging SEND** - Whilst we have suggested some approaches from the cross-phase evidence base which may support this group, there is not yet a single, robust early years-specific evidence base for pedagogical approaches that are likely to support children with identified or emerging SEND. More research is required to identify and

support effective spending decisions with inclusion funding in the early years. It is crucial that DfE consider how settings are supported to make effective decisions with their inclusion funding (e.g., via guidance, training, brokerage). DfE may wish to consider how local expertise can be further built to support this.

- **Accountability** – Accountability for SEND and inclusion funding should be streamlined and proportionate to provider size, as well as the available evidence.
- **Eligibility** - DfE should ensure a clear policy aim for reforms to eligibility to determine whether a place-based measure of disadvantage supports that aim and model any distributional effects.

Ensuring high-quality early education and care

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?

4. It is **crucial that socioeconomically disadvantaged children are able to access high-quality early education and childcare** (ECEC)– there is robust evidence for the positive impact of early education and childcare on children’s outcomes, especially for socioeconomically disadvantaged children (e.g., Bonetti and Blanden, 2020; Crowley et al, 2025). Features of structural quality (including ratios, staff qualifications and physical space) and process quality (including curriculum and pedagogy) predict children’s later academic outcomes (Sylva et al, 2014).
5. Effective professional development is a key lever for improving the quality of practice in ECEC (EEF, 2023). To date, the EEF has identified eight **Promising Programmes** in the early years, which have shown robust and cost-effective evidence of impact through randomised-controlled trials. It is **crucial that funding is sufficient to permit spending on professional development programmes with robust evidence of impact on practice quality**. This requires sufficiency of both overall funding rates and additional funding streams (e.g., EYPP, IEYF). A review of professional development in the early years (EEF, 2025) found that PVI settings and childminders most commonly reported that they would spend under £200 on professional development and school-based settings most commonly reported £200-499. In contrast, the median cost of the EEF’s early years **Promising Programmes** is approximately £1,900 per setting. This suggests that, in many settings, insufficient funding is currently being spent on high-quality professional development likely to improve practice.
6. There is evidence that high quality early education can be an effective intervention for reducing later incidence of SEND (Taggart et al, 2015). **For children with emerging or identified SEND, evidence suggests some approaches to spending inclusion funding that are likely to support their learning**. This draws on cross-phase rapid evidence assessments to identify cross-cutting strategies and practices shown to be effective for supporting children aged 0-25 with different needs (e.g., Antalek et al, 2025), which identified early identification; holistic and context-sensitive assessment and inter-professional collaboration involving educators, allied health professionals and families as supportive of children and young people with a range of SEND needs. It is **important that all settings are able to provide this high-quality support whether it is brokered by local**

authorities or settings are given the funding directly to spend on these areas. In addition, the central role of teacher expertise is highlighted (Antalek et al, 2025). **With this in mind, providers should also be supported to think about how they use funding to enable strategic deployment of staff**, where staff with the highest levels of expertise are more frequently working with the children who need it most, to ensure **equitable access to high-quality practice**.

7. However, there is **not yet a robust early years-specific evidence base for pedagogical approaches that are likely to support children with SEND**. Some relevant evidence synthesis activity is underway (e.g., **reviews by the Educational Neuroscience Policy Research Centre**) which will be helpful for informing more substantial guidance in this area. However, DfE should continue to build the evidence base for this age group through ongoing synthesis and evaluation activity. More research is needed to support educators to understand which pedagogical approaches and adaptations are likely to be particularly effective.
8. **DfE should ensure that guidance draws on evidence-based reviews and exemplifies what effective spending and practice looks like for a range of setting types and sizes.** This should include considering how settings receiving small sums of money are supported to make effective spending decisions. For example, there *may be* circumstances where it's appropriate for settings to collaborate to draw together funding to jointly access high-quality professional development or a smaller setting may pool funding streams (e.g., IEYF and EYPP) to fund a particular approach. The latter would need to be considered carefully on a case-by-case basis and should start with the identification of needs. It would be important to avoid assumptions based on general group status (e.g. that EYPP children and children with SEND always have the same needs) and would only be appropriate where identified needs are shared across groups of children. For example, children with SEND and children facing socioeconomic disadvantage *may* share a common need for further support with early language. A high-quality intervention (e.g., in line with spending options in the **EEF Guide to EYPP** and/or one of the EEF's **Promising Programmes** for EY) could be funded by drawing on both IEYF and EYPP.
9. Overall, it is crucial that **DfE consider how settings are supported to make effective spending decisions with their inclusion funding** (e.g., via guidance, training, brokerage). We welcome DfE's publication of **best practice guidance for local authorities** for the IEYF and would encourage DfE to consider further opportunities to expand this guidance and/or produce guidance pitched at setting-level, and include exemplification for a range of setting types and sizes. Relevant synthesis projects already underway (see paragraph 7) could strengthen recommendations in the guidance so that they are underpinned by evidence, as could further commissioning of research to understand how the guidance is being used.
10. **DfE may also wish to consider further how local expertise can be built to support this.** One example is to consider how local authorities might be supported to further build their expertise to broker and/or deliver support to settings on effective use of inclusion funding through training and other capacity development activity. Additionally, Stronger Practice Hubs (SPHs) may be a lever for providing this support: many maintained nursery schools, which tend to serve high proportions of children with high needs and provide high-quality care, are part of a SPH and could therefore be

well-placed to mobilise effective practice. We understand from our work that for guidance to be taken up and applied effectively, mobilisation support is essential.

Ensuring equitable access to early education and care

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

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?

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

11. We know **there is currently acute inequity of access to ECEC based on socioeconomic background**. Of the poorest fifth of parents with young children, only 36% use formal childcare compared with more than double (73%) in highest earning households (Reed & O'Halloran, 2024). This is baked into the structure of government-funded ECEC hours whereby children from more affluent families can access twice as much government funded education and care and from a younger age (up to 30 hours per week from age 9 months) than those in families receiving additional support (who can claim up to 15 hours per week from age 2). There's a **strong case for improving disadvantaged children's access to, and hours spent in, high-quality education and childcare** (see paragraph 4).
12. **DfE could consider how admission arrangements could better support access to early education and childcare for SEND and disadvantaged families** through the admissions process to early years settings offering funded entitlements. For example, at present, local authorities process parental applications to reception year in schools and allocate places according to school admissions policies which align with statutory obligations. The admissions code requires primary schools to prioritise certain children (e.g. looked after children or those with an EHCP) and detail other characteristics they'll prioritise (e.g. pupil premium). DfE could explore a comparable process for the early years system, including by taking a test-and-learn approach in geographical areas where access for disadvantaged families or children with SEND is particularly poor. This will need careful consideration of unintended consequences (e.g., around incentives for parents to seek SEND diagnoses).
13. **Ensuring that disadvantaged children attend the hours they have access to is also important**. For example, our recent evaluation of the preschool version of **Nuffield Early Language Intervention (NELI)** (EEF, 2026B) highlighted attendance as an enabler of programme delivery e.g., consistent receipt of regular targeted support. A **deprivation supplement could be useful in supporting children to attend their hours**, by mitigating some of the costs parents cite as prohibitive such as consumables and up-front deposits. Over one in four (27%) of families cite cost as the biggest barrier to accessing childcare they need (DfE, 2026). For example, 71% of parents reported charges for meals/drinks (where a lack of alignment between early years and schools in

delivering free meals is pertinent) and 41% for other consumables (e.g., nappies, suncream) (DfE, **2026**). 36% of providers have also reported using EYPP to meet basic needs (EEF, **2026A**), signalling unmet needs that a deprivation supplement could support. The government's ongoing review of childcare is likely to provide further evidence of some of the 'hidden costs' that are prohibiting access to funded hours which could signpost DfE to possible uses of this funding.

14. Ultimately though, using a deprivation supplement to support access is merely a tweak to a system which does not currently prioritise access for disadvantaged children. As such, **the impact of such changes will be constrained so long as the system of funded hours continues to disproportionately benefit more affluent families.**

Supporting quality and access through funding structure

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?

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

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

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

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

15. As set out above, it is crucial that all children are able to access high-quality early education and care. Given this, **it's necessary that all providers are able to implement inclusive practices.** This should include the ability to implement both universal and targeted approaches for supporting children with identified or emerging SEND. There is a risk that a requirement to apply for additional funding to enable targeted support will minimise or delay that crucial tier of early intervention, and in doing so could widen learning gaps. Our recent evaluation of the preschool version of **NELI** (EEF, 2026B) highlights how universal and targeted intervention work hand in hand to ensure all children make at least the same progress. **DfE should consider how targeted intervention could be recognised as a routine aspect of inclusive practice** and consider how administrative burdens are minimised through any targeted funding stream to ensure this is possible for providers to deliver.
16. We understand that whilst DfE are making some recommendations for how LAs target funding (e.g., a £1,000 floor for the IEYF), LAs will have flexibility to target funding towards particular settings. **DfE could consider how criteria for targeting could be used as a lever to promote inclusion** – for example by incentivising settings to take on children with identified or emerging SEND. This will need to be balanced with considering the need for a minimum level of funding that enables settings to spend on ensuring high quality of practice and approaches that support inclusion and careful

consideration of any unintended consequences. We'd recommend that DfE closely monitor the impact of any new approach to targeting funding and consider whether it is possible to robustly evaluate to better understand the impact of any changes.

17. Other proposals (e.g., a minimum funding floor for 2-year-olds and under 2s, distributing emerging EY contingency funding underspends) also represent helpful tweaks that may support with ensuring providers have increased funding to spend on strengthening quality of practice. DfE could consider ensuring tweaks to funding are directed towards improving quality of practice by requiring those who offer funded entitlements to have a professional development budget proportionate to their staffing. Findings from the **SEED cohort study** identified a positive association between having a professional development budget and quality of practice.
18. We welcome DfE considering reforms that may support with costs that are more difficult to meet for different types of providers as some potentially face different barriers to spending on quality of practice. For example, funding some of Ofsted's EY Register costs through a top-slice of entitlement funding is an example of a reform that may particularly be helpful for childminders and be one avenue for minimising the decline in childminder numbers (DfE, 2025).

Eligibility

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?

19. We **support the principle of driving funding towards the most disadvantaged areas**, and there could be benefits to adding a place-based measure of disadvantage. This includes providing a multidimensional understanding of disadvantage that accounts for aspects of the broader environment/local context in which a child is learning, that may be pertinent drivers of children's outcomes. It may also help to mitigate risks around getting funding to settings where parents are reluctant to apply for EYPP (EEF, 2026A).
20. However, DfE should **ensure a clear policy aim for reforming eligibility to then determine whether/how use of a place-based measure supports them to achieve this aim**. For example, DfE may wish to channel funding towards areas of highest deprivation, lowest outcomes for disadvantaged children or a combination of both. There is some evidence that EYFSP outcomes for disadvantaged children are weaker in more affluent areas (EPI, 2024), which DfE should consider if aiming to channel funding towards lowest outcomes.
21. It is worth noting that positive deviance studies (e.g., Reed et al, 2025) could be helpful for **identifying and understanding areas which use resources well to achieve above average outcomes for disadvantaged children**. Key features of these areas (e.g., higher proportions of children in high-quality provision, integrated service delivery, support for parents, tools for early identification and intervention) point to key features of funding and support at local authority level that may be useful for DfE to consider.

22. **DfE should consider other risks associated with using a place-based measure**, including that it may assume a child's context and/or outcomes based on their locality; that it may underestimate the probability of particular groups experiencing disadvantage (Sutton Trust, 2021), or that it may lag behind contemporary economic conditions.
23. **Particularly if reforming eligibility at zero cost, DfE should carefully model the distributional effects of any changes to eligibility criteria**, to identify where changes move money to/from and how well this aligns with the policy objective.

Accountability

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

24. We **support ensuring the effective use of inclusion/SEND funding through improved accountability but suggest that this should be streamlined and proportionate**. For example, it'd be helpful to avoid different accountability arrangements for different funding streams where possible. In addition, accountability should be proportionate to provider size (and therefore budgets) as well as the current position of the evidence base (as discussed above) and settings' corresponding ability to ensure inclusion and SEND funding is improving inclusive practice.
25. **DfE will need to carefully consider what is feasible and meaningful to hold providers to account for**. It may be valuable to focus on a small number of priorities (e.g., that providers can articulate how they have adopted a strong focus on evidence-informed professional development).
26. Where DfE wishes to strengthen accountability, they should **first ensure that sufficient guidance on effective spending of inclusion and SEND funding is available to the sector** (see paragraph 8 and 9).
27. DfE could **consider where the criteria for targeting inclusion and SEND funding could be used as a lever for promoting inclusion** (see paragraph 16).

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