

Shropshire Council Inclusive Early Years Fund Strategy, 2026 to 2027

The inclusive early years funding (IEYF) is paid to Shropshire Local Authority under section 14 of the Education Act 2002. [Inclusive early years fund for 2026 to 2027: methodology - GOV.UK](#) explains how the Department for Education has calculated inclusive early years fund funding rates for each local authority.

The Secretary of State for Education has issued the following guidance [Inclusive early years fund for 2026 to 2027: conditions of grant and operational guidance for local authorities - GOV.UK](#) which provides detail on how the funding should be managed by local authorities.

The inclusive early years fund is subject to the [DfE standard grant funding agreement terms and conditions](#).

Overview of Shropshire Early Years Settings

Number of group and school based Early Years settings in Shropshire with children accessing 3 and 4-year-olds universal 15 hours entitlement	188
Total Number of children in these provisions	3585

Funding Overview

LA rate per PTE*	Universal Hours PTEs	IEYF Allocation
£54.09	3,605	£195,354.95

*PTE = Parttime Equivalent

The [DfE guidance](#) states:

Local authorities should ensure providers receiving an allocation from the IEYF receive an amount that is substantial enough to effect meaningful change in inclusive practice at setting level. We recommend this is in the region of £1,000 per setting. This is to ensure providers receiving the grant have a sufficient level of funding to develop mainstream inclusive practice. As such, local authorities are not required to fund all providers in their area and could apply a minimum funding threshold to achieve meaningful allocations.

Applying the recommended £1,000 de minimis presents a number of challenges within Shropshire.

The calculation for IEYF is based on the number of children accessing 3 and 4-year-olds universal 15 hours entitlement. Childminder size means they will have a small number of eligible children resulting in funding not being substantial enough to make meaningful change to inclusive practice. Therefore, childminders are not included within the IEYF allocation.

The rurality of the county has provided a challenge with Shropshire having a significant number of smaller providers, 110 (58.51%) settings, who would not be awarded IEYF if the recommend

£1,000 de minimis was applied. Therefore, Shropshire Local Authority has developed its own formulaic approach to target the SEND need in the area.

Shropshire has set its de minimis threshold at £750.

All funds from providers where their allocation falls below the £750 de minimis threshold have been combined giving a total amount of the fund to be redistributed as £32,568.19. This will be redistributed amongst settings below the £750 threshold but in an area of deprivation as indicated by the Income Deprivation Affecting Children Index (IDACI). This follows the recommendation of using deprivations as a proxy for SEND need, recognising the correlation between SEND and deprivation in the early years.

These two actions (de minimis of £750 and redistribution of funds in areas of deprivation) changes the number of settings receiving funding from 78 (41.5%) to 148 (78.72%)

The early inclusion funding will support providers in adopting setting-wide inclusive practices and intervening early to support children with SEND.

The funding will be paid upfront, requires no panel or application process and is not tied to individual children.

Local Authorities are required to ensure providers are using the fund for its intended purposes and should expect early years providers to retain financial records (for example, a detailed spreadsheet or receipts if appropriate) showing how the funds have been spent.

Shropshire will expect providers who receive an allocation of IEYF to:

- Provide a summary showing what the provider intends to use the IEYF for. This should support providers to become more inclusive of children with SEND through activities such as:
 - strategic planning
 - workforce development
 - adaptations or resources to create an inclusive environment

Further guidance will be available from the DfE in due course.

- Complete a review form at the end of the year detailing how IEYF has been used and the impact.

All Shropshire Early Years staff will ask providers about their deployment of Shropshire Ordinarily Available Guidance.

Early Years SEND Support Officers and Education Quality Advisors (SEND & AP) will sample a range of providers to as part of Early Years Inclusion Funding quality assurance visits to understand the use of funding and any emerging trends.

The funding cannot be used:

- as a substitute for entitlements funding, early years pupil premium, disability access funding, SEN inclusion funding or high needs funding

- for contingency purposes
- for local authority central or administration costs

Providers who do not receive an IEYF allocation will be supported by Shropshire Local Authority in implementing setting-wide inclusive practices. These settings will be prioritised for pre-funded training based on the Shropshire Universal Inclusive Practice Guidance for the Early Years. After completing the training, providers will be assisted in reviewing their universally available provision and developing a plan for further improvement. Additional support will include a coaching visit during the allocated support period, followed by a final visit to evaluate progress.

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