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Guidance

# Local authority management of special educational needs inclusion funding (SENIF) – examples of local authority practice

Updated 7 January 2026

**Applies to England**

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# 1. Introduction

Last year, we worked with local authorities to review the operation of special educational needs inclusion funding (SENIF) and disability access funding (DAF) and updated the early years funding operational guide to provide more detailed guidance on planning local early years special educational needs and disabilities (SEND) arrangements. We also published examples of local authority SENIF and DAF practices on the [Childcare Works](#) website for local authorities to consider when developing their early years SEND funding approaches locally.

As set out in [giving every child the best start in life](#), we remain committed to improving the early years SEND funding system and working with local authorities to improve consistency, speed of distribution and reduce bureaucracy, to ensure help reaches children who need it quickly. To support this commitment, we are publishing a further set of local authority examples. These examples illustrate approaches that are working well and which local authorities may wish to consider when planning their own local arrangements to support children with SEND in the early years. These approaches include:

- **cohort funding** – SENIF funding is used to support groups of children with similar needs helping settings to plan interventions more strategically. When considering SENIF arrangements, local authorities should look to move towards a system which allows for commissioning of services for cohorts of children with similar needs, such as group interventions for speech and language development. Approaching SENIF arrangements in this way will help to manage anticipated needs and ensure resources are used efficiently
- **streamlined application processes** – Reducing paperwork – for example through online portals, cohort applications or simplified application forms - meaning providers can spend more time supporting children
- **timely access to funding** – Streamlined processes mean providers can access funding quickly once approved so that children receive support as early as possible. Clarity about funding arrangements and payment timelines mean settings know what to expect
- **integration within the local authority's wider SEND offer** – SENIF works best when it is part of a joined-up local SEND strategy and embedded in the broader local authority central SEND support offer which may include a centralised training offer, access to specialist teachers and/or special educational needs co-ordinator (SENCO) networks
- **constructive and proportionate reporting processes** – Proportionate audit

processes that are part of a supportive wider SEND offer build trust and encourage continuous improvement

## 2. Lincolnshire

<b>Initial 2025 to 2026 early years dedicated schools grant (DSG) allocation</b>	<b>£98,805,597</b>
Planned SENIF spend for 2025 to 2026	£1,055,000
Source of funding	Early years block only
Planned SENIF spend for 2025 to 2026 as a % of initial 2025 to 2026 early years DSG allocations	1.06%
Estimated part time equivalent (PTEs) children across all entitlements	17,041
Estimated number of children accessing SENIF in 2025 to 2026?	538

### **How do you budget and decide how to set up your SENIF funding for a given year?**

Response:

We review historical take-up of children in each age category to monitor trends and assess demand. This helps us forecast future needs and adjust our budget accordingly. These projections are built into the DSG, and we make corrections if we have over-allocated in previous years. Although the schools forum does not need to approve SENIF (only local authority central costs), we still present a paper to the schools forum for transparency. Our SENIF is funded from the early years DSG.

In addition to statutory SENIF, DAF, and high needs funding, we offer a range of centralised support services, which support all providers, funded from a combination of high needs and early years DSG funding. These services include a training directory with subsidised training, free SENCO network meetings, funding to release staff in early years settings and a team of consultants and early years specialist teachers. Although our early years and SEND teams are distinct, they work closely

together, ensuring that early years considerations are integrated into all SEND communications and facilitating smooth transitions into school. Where possible, we try to facilitate group-based activities to avoid double funding.

### **How do you administer SENIF funding to providers?**

Response:

We use a banding system to administer SENIF funding with Level 1 at £2.10 per hour and Level 2 at £4.20 per hour. We know our providers prefer maintaining these rates rather than reducing the overall base rate to increase them.

Providers can submit new applications twice per term – once before the term starts and once mid-term for emergency funding – via an online portal. This application requires providers to submit evidence of strengths and need, including the level of need of the child and what support measure the setting is already providing. The parental and child voices are also sought to give a broader picture of strengths and need, and the outcomes that they are looking for.

Our team of early years professionals assess the level of need and make decisions termly. This group includes early years specialist teachers and local authority team members who support providers directly with SEND as leads on quality and inclusion. We also conduct 6 internal moderation meetings a year, where a small group of early years professionals come together on a scheduled date to sample and moderate decisions made, having reviewed the applications independently first. Furthermore, if a provider does receive funding for a child, this is reviewed termly to assess the impact and ensure the funding is being used effectively.

If granted, this money is paid monthly, in line with the entitlements payments and is linked to the number of entitlement hours claimed by the provider.

Finally, if a child receives an education, health and care (EHC) plan for the highest bands of funding, early years inclusion funding ceases and funding transitions to the high needs block. If a decision is made for the child to receive lower funding blocks, then SENIF remains in place until the child goes to school.

### **How is SENIF funding used by providers?**

Response:

We allow overall flexibility in how providers use SENIF funding though we do provide guidance. Common uses include staff training and purchasing resources. Although we do not prescribe that it be used for one-to-one support, many providers use the

funding for small group work and maintaining lower staff-to-child ratios. One of our main goals with SENIF and for the future is to reduce the number of EHC plans and most requests for support focus on transitions into school. Statistics show that the main area of need mostly cited is communication and interaction and locally we have strengthened our offer around this. We have central early years specialist teachers who are assigned to specific providers and conduct focused visits while also monitoring the SENCO within each setting (the SEND CoP Area SENCO role).

### **Do you have audit processes for your SENIF?**

Response:

Our audit process includes termly review forms that evidence how funding is spent and the outcomes for each child. Providers are encouraged to share evidence of the child's progress, strengths and needs, voice of parent and child (for example, by uploading paperwork like 2-year-old-progress or speech and language therapy reports), any interventions that have worked and any that have not. That said, we have never encountered a case where funding has been removed due to inappropriate use. This is mostly because at the point of award, we ensure that providers are reliable and that the funding will be used appropriately. As such, applications are rejected if we believe the funding will not be spent effectively or in a way that will not achieve the child's outcomes.

### **Have you made any improvements to your SENIF to streamline the process?**

Response:

We have transitioned from using paper forms and 4 different locality-based emails to an online portal, simplifying the application process. While satisfied with the current system, we are exploring ways to maximise funding for providers without double funding. For example, some providers apply for every SEND child, while others with high SEND cohorts apply selectively due to strong internal practices. We aim to support these providers further. We are also investigating correlations between children not achieving the good level of development (GLD) and SEND application, and cases where a child is not listed as special educational needs (SEN) on the annual census. We are currently developing an inclusion audit for providers to help identify areas of strengths and needs, particularly in relation to the effective use of SENIF where impact has been identified. Good practice examples will then be shared with the sector for continued improvements.

### 3. Camden

<b>Initial 2025 to 2026 early years dedicated schools grant (DSG) allocation</b>	<b>£24,471,312</b>
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Planned SENIF spend for 2025 to 2026	£1,260,000
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Source of funding	Early years block and high needs block
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Planned SENIF spend for 2025 to 2026 as a % of initial 2025 to 2026 early years DSG allocations	5.15%
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Estimated part time equivalent (PTEs) children across all entitlements	3,641
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Estimated number of children accessing SENIF in 2025 to 2026?	360
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#### **How do you budget and decide how to set up your SENIF funding for a given year?**

Response:

We determine our budget based on previous year's expenditure, considering the impact our budgeting will have on the core rates for providers, which is done in consultation with the schools forum. Our expenditure has increased from £188,000 in 2017 to 2018 to £1.2 million in 2025 to 2026 due to growing need within the local authority. We draw this funding from the early years block and also have a separate pot of funding for those with more complex needs taken from the high needs block (approximately £500,000).

We have dedicated staff to oversee the budgeting and delivery of our SENIF and early years SEND offer. Firstly, a funding manager who coordinates the panel and paperwork. Secondly, a SEN manager and deputy manager, who monitor the whole of early years SEND delivery. We have approximately 6 intervention teachers that are specialised in early years SEND support and approximately 10 quality advisers with a team manager that do not offer specialised early years SEND support but play a role in monitoring early years funding stream delivery, including SENIF.

## **How do you administer SENIF funding to providers?**

Response:

Our providers fill out an application form, which is then reviewed independently by both the specialist SEN intervention team and a local authority SENCO to select an appropriate banding and identify borderline cases. Where there is uncertainty, these cases (normally 12 are selected) are assessed by a panel comprised of school representatives, nursery SENCOs, private, voluntary, and independent (PVI) SENCOs and chaired by the manager of the specialist SEN team. We assess all borderline cases if there is a need.

We provide the funding once per term. The rate at which funding reaches providers depends on when panel has taken place. For example, if the panel is adjourned towards the end of term, when we already have the headcount data, the funding will go through straight away.

We approve funding for the whole academic year, and providers must reapply each year.

We use a banding system to measure need consistently. The bands go from Band A to Band D, with Band D being the most significant and complex needs. Each banding corresponds to a termly rate that depends on whether the child takes up the 15 hours, or 30 hours entitlement. The 15 hour take up (which doubles if the child takes up 30 hours) operates as follows:

Band A attracts £750 per term, Band B gets £1,500, Band C receives £2,200, and Band D gets £3,000.

## **How is SENIF funding used by providers?**

Response:

Our providers generally use SENIF to increase staffing ratios. We also provide a list of interventions that can be accessed centrally from the local authority - for example, certain specialist equipment. We mandate that funding cannot be used to fund staff training, as there is a specialist central training offer from our early years SEN team. Providers can release their SENCOs to access this training, or others looking to become SENCOs can attend a training centre.

## **Do you have audit processes for your SENIF?**

Response:

We do not have a formal audit process. Providers must reapply for SENIF each year which holds providers accountable in the case of each individual child.

Our early years intervention team, made up of specialist teachers and assistants, visit all types of settings to offer support and advice. This team feedback where a setting is not using the money appropriately, and we have occasionally withdrawn money from settings due to the intervention teacher saying it is not being properly spent.

We also have a quality team that monitors the overall running of a setting with regards to core early years provision from the early years DSG pot. Although this not specific to SEND provision, given our SENIF is drawn from the early years DSG, this also is a way of monitoring SENIF spending.

**Have you made any improvements to your SENIF to streamline the process?**

Response:

We consulted on changes to our SENIF in April 2023 and a new system was introduced in autumn 2024. Providers indicated that they would like to have greater involvement with decision making processes. As a result, we now have representation from PVI providers (as well as school and local authority nursery representatives) on our panels.

We have aligned our application form to match applications we receive for the ‘Exceptional Needs Grant (ENG)’ transition top-up grant that we offer, for when a SEND child is transferring from early years to reception, so that there is consistency across provider applications.

**4. Bradford**

<b>Initial 2025 to 2026 early years dedicated schools grant (DSG) allocation</b>	<b>£80,212,355</b>
Planned SENIF spend for 2025 to 2026	£1,297,035
Source of funding	Early years block only
Planned SENIF spend for 2025 to 2026 as a % of initial 2025 to	1.62%



2026 early years DSG allocations

Estimated part time equivalent (PTEs) children across all entitlements	18,845
Estimated number of children accessing SENIF in 2025 to 2026?	698

**How do you budget and decide how to set up your SENIF funding for a given year?**

Response:

We base our SENIF budget on projections and past trends. Figures are provided by our finance team to ensure allocations reflect anticipated demand and historical usage.

The SENIF budget for the following year is based on current spending level projections. For 2025 to 2026, we have made some arithmetic estimates for the impact of the working parents entitlements and the extension of these to 30 hours. For example, we estimated that SENIF spend would in 2025 to 2026 increase by 40% (with the current forecast being an increase of 46%).

We launched a pilot of our new SENIF model in September 2024 (further details below) which is due to be rolled out to all settings in 2026. Once the pilot is fully running across all providers, and the 30 hours entitlement is also set for a full year, we will look again how we can more closely forecast spend, according to cohort numbers and bands going forward, rather than relying on past trends with an arithmetic uplift. Our model should make predicting easier. Given financial pressure, we have not uplifted the SENIF rate of funding that we have used for some years, so the only variable in the budget has been the number of eligible children and their banding. The budget and SENIF approach is discussed with our early years working group, and we consult with the schools forum, before more widely consulting with providers.

**How do you administer SENIF funding to providers?**

Response:

Our approach has been part of a pilot that began in September 2024, and which will be rolled out to all settings from January 2026. Providers complete a cohort-based application each term. This provides an overall amount to each school or setting to plan and deliver enhanced staffing. Applications are submitted via a spreadsheet,

which is updated on a termly basis. This format has significantly reduced application time, aligning with the 'Early Years Development Journal' that settings already complete. A panel reviews submissions and provides an initial agree or decline decision. Funding is paid for the whole cohort on a termly basis, with documentation outlining individual children, amounts per child, and the overall SENIF allocation. This enables strategic planning. We advise alternative funding streams are used first. Communication is streamlined, with 2 emails per provider – one confirming agree or decline, and another providing financial details after checking for eligibility.

We use a banding system for individual children, with a base rate of £6.32 and percentage increases depending on need. The bands are defined as follows: Band 1 for moderate learning delay, Band 2 for severe learning delay, Band 3 for profound and multiple learning delay, and Band 4 for medical or exceptional circumstances.

Bradford's cohort-based application process enables settings to plan staffing and interventions for groups of children, reducing duplication and supporting predictable needs.

### **How is SENIF funding used by providers?**

Response:

Providers primarily use SENIF funding to enhance staffing rather than purchase resources. This may involve hiring additional specialist staff or reallocating existing staff so that the SENCO can focus on training and specialist teaching.

In addition to SENIF, we have a strong central offer which providers can access offering training and additional support from our local authority officers.

### **Do you have audit processes for your SENIF?**

Response:

We aim to conduct progress checks using markers such as attendance improvements. Moderation is carried out by an officer or teacher working alongside the setting manager or SENCO. This is done randomly or if we have a concern about individual applications. While we have never withdrawn funding based on a visit, we may adjust funding if the application indicates use for resources or if an EHC plan is in place but not disclosed.

### **Have you made any improvements to your SENIF to streamline the process?**

Response:

Yes, we have implemented a 3-year pilot with a full rollout planned from January. The pilot included a diverse range of providers, including PVI's and schools. We conducted briefings, sent communications, and gathered in-person feedback. Providers appreciated the reduced paperwork, which allowed more time to support children. Knowing the value of each banding helped with strategic planning and staff recruitment. Feedback led to improvements such as adding columns for education, health and care assessment (EHCA) status and handling mid-term transitions. The final product is still under review, and while the portal is in place, funding plans will be refined based on feedback from the new SENIF allocations.

## 5. Southampton

<b>Initial 2025 to 2026 early years dedicated schools grant (DSG) allocation</b>	<b>£33,816,911</b>
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Planned SENIF spend for 2025 to 2026	£100,000
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Source of funding	Early years block only
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Planned SENIF spend for 2025 to 2026 as a % of initial 2025 to 2026 early years DSG allocations	0.30%
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Estimated part time equivalent (PTE) children across all entitlements	3,540
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Estimated number of children accessing SENIF in 2025 to 2026?	143
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**How do you budget and decide how to set up your SENIF funding for a given year?**

Response:

We have maintained a consistent SENIF budget of £100,000 over the past 3 years. We use early years census data to track numbers of children with SEND in settings and we also record the training level of settings early years advisory teachers. This allows us to set a formula based on these numbers, and additionally, how well

trained the staff in a setting are.

We have consistently had a significant underspend on our SENIF. By revising our application process and relaxing some of our requirements, we have increased uptake considerably, but we do still underspend by approximately £40,000 per year. This is mostly because our SENIF is reserved for children with low and emerging needs only, as in line with the original policy motivation behind SENIF and to avoid their need being overlooked. Furthermore, we encourage our providers to use funds strategically to support whole settings, and not only for individual children, through whole setting training initiatives for example.

For more complex and demanding need, we fund 1:1 support separately through the 'Early Years Support Scheme (EYSS)', which is funded from our high needs block.

### **How do you administer SENIF funding to providers?**

Response:

Providers can use an application form to apply for funding of an amount they deem appropriate to pay for certain resources or interventions. Providers can apply for individual children or groups, and funds are released promptly upon approval. Applications are assessed by our funding manager against criteria focused on the best interests of the child or cohort. This simple process has significantly increased uptake with annual SENIF spending rising from under £20,000 to around £60,000. This increase in uptake has largely been driven by removing the rules and restrictions around SENIF and promoting it heavily to providers. Providers may apply multiple times as and when funding is needed, and funding is treated as a one-off grant.

In the same application form, we also encourage providers to apply for central offers –such as Level 3 SENCO training or autism support. These schemes have fixed costs, and the provider can apply specifically for these, or they can work out their own intervention costs and apply for the particular funding amount that would allow their desired interventions.

The application for the EYSS and its 1:1 support is more complex, with a universal referral form and review by a regularly meeting application panel. This is a rolling document, so once completed, it only needs to be updated for any further requests and is a useful initial source of information on a child's need for the rest of their educational journey.

### **How is SENIF funding used by providers?**

Response:

Providers identify their needs and apply according to these. However, we do maintain formal criteria: funding must not cover ordinarily available provision (which is published online next to the local SEND offer), must meet the child's needs, and is capped at £1,000 per child. Our SENIF does not fund 1:1 care. Instead, it supports broader packages such as staff training or targeted interventions that reduce reliance on 1:1 support. Alternatively, money from the EYSS can only be used for 1:1 support and once a child has access to this, they no longer have access to the broader SENIF pot to prevent double funding.

### **Do you have audit processes for your SENIF?**

Response:

We conduct formal audits on a 4-year rolling cycle. Audits may be random or triggered by incurring points on a points system (for example, due to complaints or errors about charging, invoicing or headcount). These audits include site visits from the local authority's early years funding manager and development worker and case studies to assess the impact funding is having. We also use 6-month evaluation forms to this end as well. While providers may initially be apprehensive about them, our audits often reveal positive outcomes and areas for improvement.

We also informally monitor SENIF spend through initial and review visits outside of the auditing process, and providers can challenge decisions made through the SEND team. For us, school based nurseries have their own area SENCO so our local authority SEND team has less direct involvement in informally monitoring their practice though they are expected to make the same evaluation reports as all other settings.

### **Have you made any improvements to your SENIF to streamline the process?**

Response:

Following feedback from providers and a trial group, we have digitised the application process using Microsoft Forms and simplified criteria to encourage more applications. We promote our strategic schemes through checkboxes, making it easier for providers to engage with our local offer. We have found that these changes have significantly improved accessibility and uptake. In response we are intending to increase the SENIF funding offer for 2026 to 2027.

## 6. Durham

**Initial 2025 to 2026 early years dedicated schools grant (DSG) allocation**      **£ 71,974,350**

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Planned SENIF spend for 2025 to 2026	£1,770,436 – early years block
	£3,498,300 – high needs block

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Source of funding	Early years block and high needs block
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Planned SENIF spend for 2025 to 2026 as a % of initial 2025 to 2026 early years DSG allocations	2.5% of early years block (SENIF only)
	7.3% early years block and high needs block

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Estimated part time equivalent (PTEs) children across all entitlements	12,386
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Estimated number of children accessing SENIF in 2025 to 2026?	971
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**How do you budget and decide how to set up your SENIF funding for a given year?**

Response:

How much we allocate to our SENIF is based on the previous year's spending, review of demand, consultation with schools forum informed by reference to other local authorities for consistency. Our SENIF is one part of our support funding arrangements for early years providers for which 2.5% of the early years block funding is allocated. SENIF remains focussed upon children with low and emerging needs. In addition, we have early years SEND support funding available for children with higher needs funded through the high needs block which providers can access for children without an EHC plan.

**How do you administer SENIF funding to providers?**

Response:

We reviewed our early years SEND funding arrangements in September 2024 introducing an 'Early Years SEND Provision and Funding' guidance document, which introduced a banded funding approach and incorporated our co-produced ordinarily available provision descriptors. We have 5 funding bands A to E and SENIF funds band A and B which describes additional support for children with low and emerging needs.

SENIF is available for both individual children and groups of children presenting with similar needs, for example speech, language and communication or emotional wellbeing.

The applications require less supporting evidence than early years SEND support applications proportionate to the funding available.

Applications are appraised weekly by an early years SEND advisor to ensure a swifter response and funding award.

High needs funding (Band C to E) requires a separate application with supporting evidence and is appraised by a multi-agency early years SEND panel.

### **How is SENIF funding used by providers?**

Response:

Providers in Durham use SENIF over one to two terms to identify and respond to children with low and emerging needs whilst implementing the graduated approach. The funding can be used to provide individualised support, improve staffing ratios and/or support small groups of children with similar needs through evidence-based interventions, for example, speech and language programmes. It can also enable providers to provide additional support to children and help them to determine whether a child has emerging needs or their developmental differences are linked to limited experiences in infancy/early childhood or family/environmental factors.

Children with identified SEND can access early years SEND support funding (high needs block) This is a higher rate of funding directly relating to the child's early years entitlement and level of need. Providers use this funding to provide individualised and small group support.

Durham encourages providers to apply for funding for groups of children with similar needs, such as social and communication challenges among younger cohorts. This approach helps manage predictable needs and allows for targeted commissioning

of interventions.

## **Do you have audit processes for your SENIF?**

Response:

We recently introduced an annual early years SEND support measuring impact tool. This information is gathered annually using Microsoft forms. The form gathered information on children's progress, models of support, early years entitlement take up and indications regarding future requests for EHC needs assessment.

Informal monitoring takes place through our early years SEND panel processes and visits to settings by our early years SEND specialist advisors.

Financial audit arrangements are also outlined through the provider funding agreements.

## **Have you made any improvements to your SENIF to streamline the process?**

Response:

The key objectives of our early years SEND funding review in 2024 was to ensure that SEND funding reflected the hours taken by the child, to create a faster, simpler and more consistent process for applying for SEND funding and improve the clarity and transparency of the funding system.

We provided simpler forms and reduced the application processing time. We enabled providers to request SENIF in anticipation of a child starting at their setting following parental enquiry and/or visit to setting and did not need applications to reflect involvement/referral to other professionals.

We also implemented a new transition process for children known to the portage service as they moved into their early education setting. Funding was awarded to the receiving setting based on the information gathered by the portage service. This has reduced the administrative burden for settings and reduced parental anxiety at transition.

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