

EYPRG 3rd February 2026

ITEM 4 – Appendix 4C

Subject Heading:

Early Years Funding 2026-27

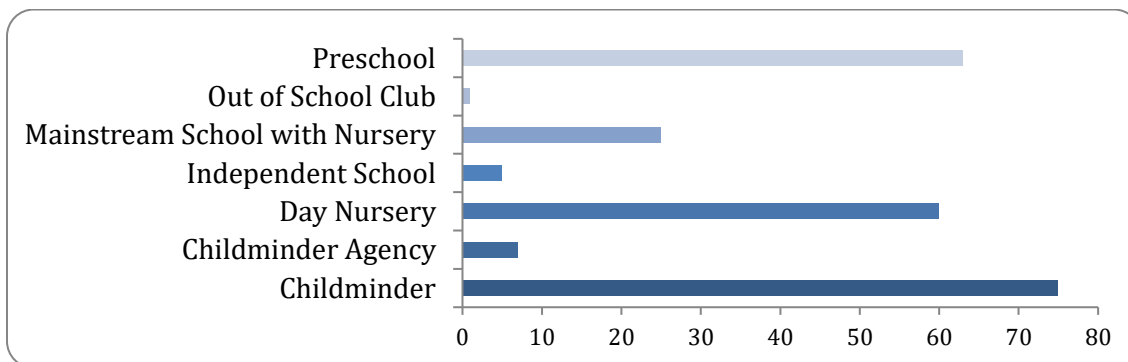
Report Author:

**Hany Moussa – Principal Education
Finance Officer**

1. Early Years Funding Consultation 2026-27

1.1 Providers consultation survey

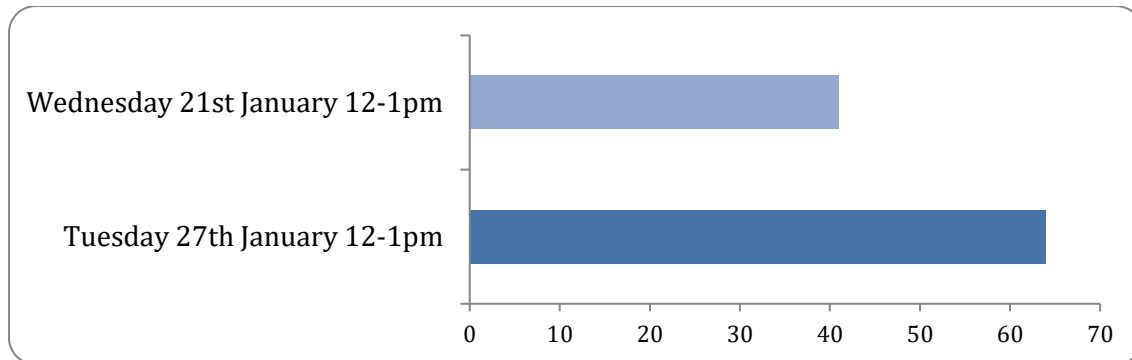
Number of providers survey sent to: **236 (previous year : 261)**



Provider Type	Total
Childminder	75
Childminder Agency	7
Day Nursery	60
Independent School	5
Mainstream School with Nursery	25
Out of School Club	1
Preschool	63
Total	236

1.2 LA Consultation Webinar

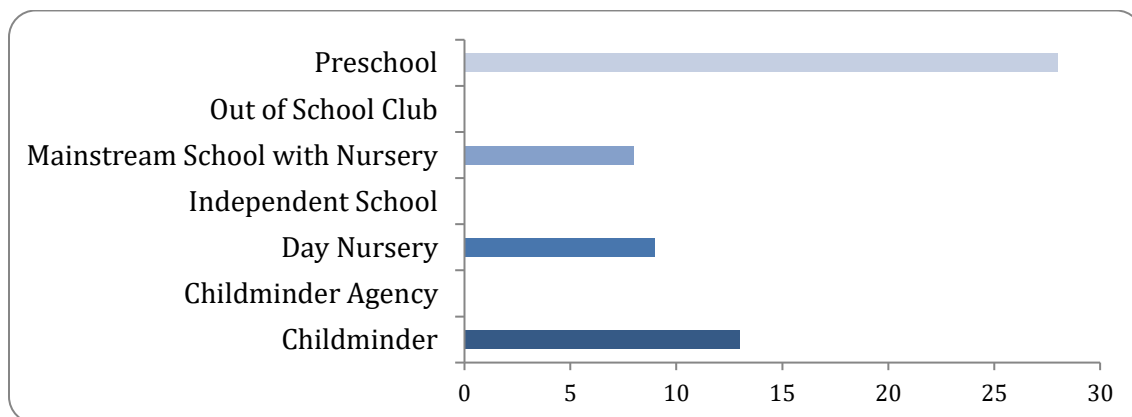
Number of providers survey sent to: **236**



Webinar	Total
Wednesday 21st January 12-1pm	41
Tuesday 27th January 12-1pm	64
Total Invites sent	105

1.3 Providers responding to consultation survey

Responses to this survey: **58 (previous year : 87)**

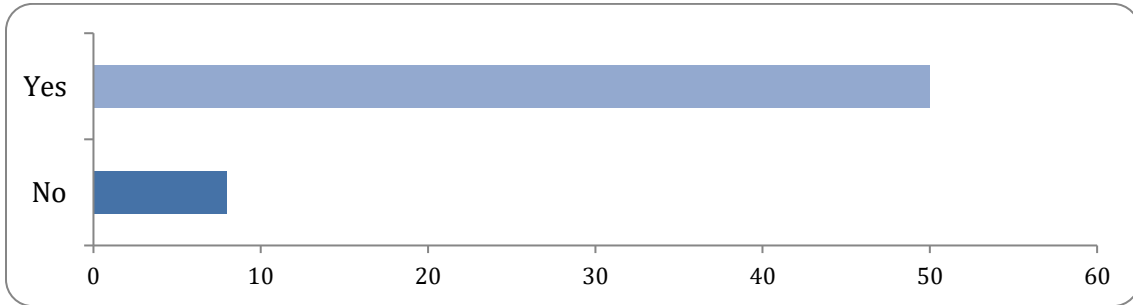


Provider Type	Total	Percent
Childminder	13	17.3%
Childminder Agency	0	0.0%
Day Nursery	9	15.0%
Independent School	0	0.0%
Mainstream School with Nursery	8	32.0%
Out of School Club	0	0.0%
Preschool	28	44.4%
Total	58	24.6%

2. Consultation Responses

1: Do you agree for the existing under two – working parents entitlement rate paid to providers to be £11.85?

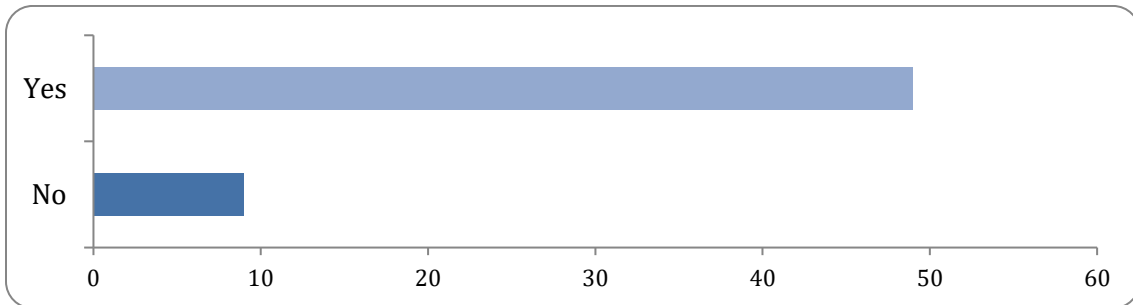
There were 58 responses to this part of the question.



Option	Total	Percent
Yes	50	86.2%
No	8	13.8%

2: Do you agree for the existing two year old – working parents entitlement rate paid to providers to be £8.64?

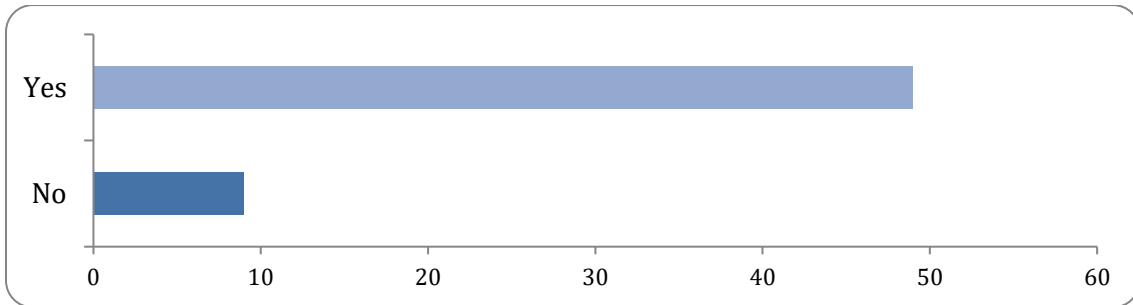
There were 58 responses to this part of the question.



Option	Total	Percent
Yes	49	84.5%
No	9	15.5%

3: Do you agree for the existing two year old – from families receiving additional support (FRAS) entitlement rate paid to providers to be £9.20?

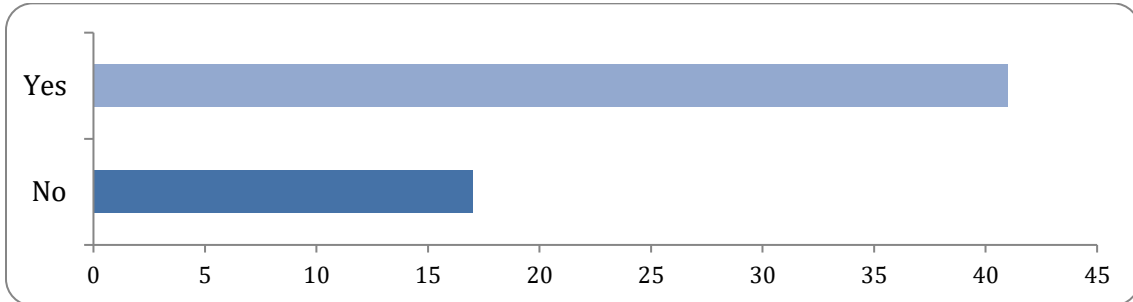
There were 58 responses to this part of the question.



Option	Total	Percent
Yes	49	84.5%
No	9	15.5%

4: Do you agree for the existing three/four year old entitlement rate paid to providers to be £6.02?

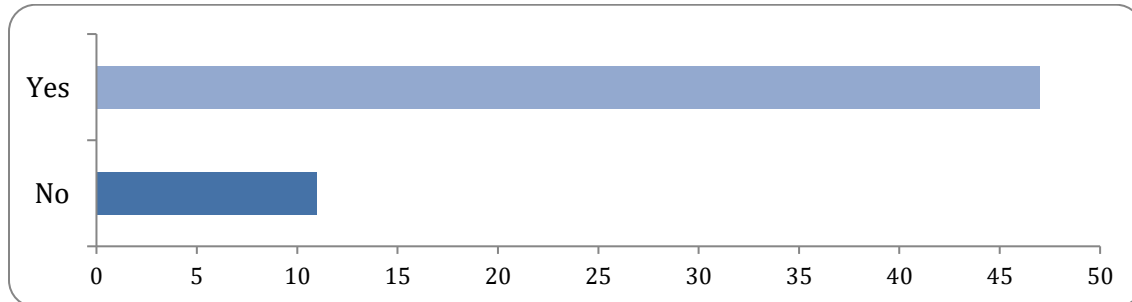
There were 58 responses to this part of the question.



Option	Total	Percent
Yes	41	70.7%
No	17	29.3%

5: Do you agree for the continuation of deprivation and quality as the only supplementary funding factors for 2026-27, with deprivation aligned to schools' IDACI rates and quality targeted at maintained schools with nursery classes?

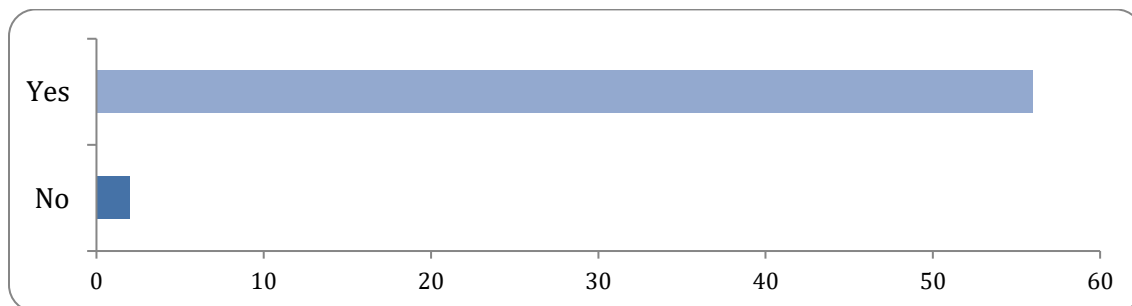
There were 58 responses to this part of the question.



Option	Total	Percent
Yes	47	81.0%
No	11	19.0%

6: Do you agree that the SENIF budget is increased to £2.313m to meet the additional demand for support?

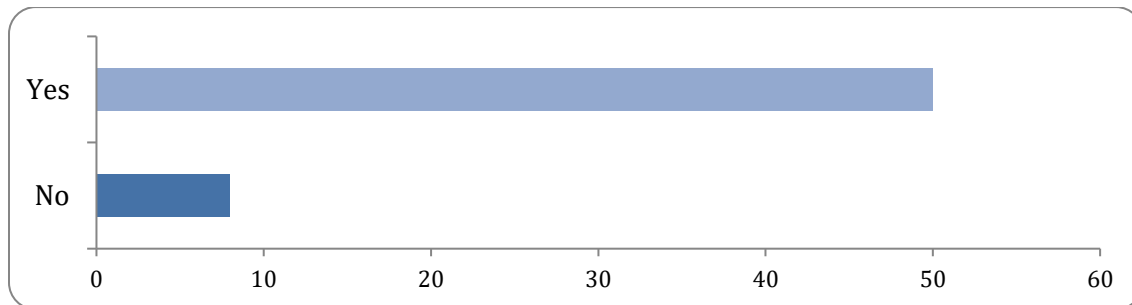
There were 58 responses to this part of the question.



Option	Total	Percent
Yes	56	96.6%
No	2	3.4%

7: Do you agree that the central retained budget for LA support is set at 3%, with a budget of £1.797m?

There were 58 responses to this part of the question.



Option	Total	Percent
Yes	50	86.2%
No	8	13.8%

8: Any further comments?

There were 12 responses to this part of the question, and the comments have been summarised into categories with the LA response.

Comment	LA Response
Adequacy of funding levels / minimal increase	The LA recognises the financial pressures facing early years providers. Funding rates reflect the level of grant received from central government. The Authority continues to raise concerns regarding funding adequacy and will make representations to the DfE where appropriate.
Central Services and retained funding	Central services remain a core function in supporting early years providers. The LA regularly reviews service delivery to ensure it is effective, proportionate and represents value for money.
Charging for meals and additional services	Providers are reminded to refer to the Directory and Funding Agreement (D&FA) and the Early Years Operational Provider Guide for guidance on charging for additional services.
Childminder sustainability and parity with larger settings	The LA values the role of childminders within the early years system and acknowledges the pressures highlighted. Funding decisions are made in line with national guidance, and engagement with childminders will continue.
Early intervention and SEND pressures	The LA remains committed to supporting inclusion and early intervention. SENIF continues to be targeted to support children with emerging and complex needs, enabling timely support regardless of EHCP status.
Market impact and sufficiency risks	The LA notes concerns regarding potential impacts on provider behaviour and place availability. Ensuring sufficient childcare places remains a statutory duty, and the Authority will continue to monitor sufficiency across all age groups.
Parity of funding rates across age bands	Local base rates are determined by the DfE through the Early Years National Funding Formula. Funding allocations are calculated separately for each entitlement and age group, and the LA is required to apply these in line with national requirements.

3. Recommendations for consideration at Schools Funding Forum

Following consideration of the consultation responses and stakeholder feedback, EYPRG is recommended to propose the following for approval at the Schools Forum for the 2026-27 financial year.

1. The base hourly rate for:
 - a. 9 months to two year olds (under twos) entitlement - **£11.85 per hour**
 - b. two year olds – working parents’ entitlement - **£8.64 per hour**
 - c. two year olds – disadvantaged families’ entitlement - **£9.20 per hour**
 - d. three/four year olds (universal and extended) entitlement - **£6.02 per hour**
2. The level of a quality supplement to allocate funds to schools replacing the teachers’ pay and pension grants (TPPG) – **Quality factor budget of £460,000**
3. **Deprivation rates of funding continue to be aligned with the rates that are used for schools in the National Funding Formula as per the table below**

	Hourly rate	Annual rate (38 weeks x 15 hours)
Band	2026-27	2026-27
A	£0.80	£456.00
B	£0.60	£342.00
C	£0.57	£324.90
D	£0.52	£296.40
E	£0.33	£188.10
F	£0.27	£153.90
G	£0.00	£0.00

4. **SEN Inclusion Fund (SENIF) to support providers total budget of £2.313m.**
5. **Centrally retained budget for LA support and commissioning total budget of £1.797m.**

4. Budget distribution of Early Years Block 2026-27

Budget Distribution	Under Two	Two Year Old - Working Parent	Two Year Old - FRAS	Three/Four Year Old (Universal / Extended)	Total	% of Projected Allocation - Overall
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LA Projected 26-27 Allocation*	£19,515,303	£15,093,244	£2,057,045	£23,224,499	£59,890,093	100.0%
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Base Rate	£18,149,232	£14,036,717	£1,995,334	£20,538,784	£54,720,068	91.4%
Deprivation Supplement	£0	£0	£0	£600,000	£600,000	1.0%
Quality Supplement	£0	£0	£0	£460,000	£460,000	0.8%
SENIF	£780,612	£603,730	£0	£928,980	£2,313,322	3.9%
Total Distribution to Providers	£18,929,844	£14,640,447	£1,995,334	£22,527,764	£58,093,390	97.0%
% of Initial Allocation – Entitlement	97.0%	97.0%	97.0%	97.0%	97.0%	

Education Central Support Services 2026-27	£585,459	£452,797	£61,711	£696,735	£1,796,703	3.0%
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