Schools Forum

Subject:
Early years funding 2026/27: Outcome of provider consultation.

Report of:
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Date: 12 March 2026

1. Purpose of the Report

1.1 The purpose of the report is to summarise responses to the 2026/27 Early Years Funding Consultation and update Schools Forum on the Early Years funding rates for 2026/27

2. Background

2.1 The Early Years National Funding Formula (EYNFF) was introduced in 2017/18. Since then, the Council has been responsible for setting the hourly funding rates paid to providers to deliver the free entitlements for under 2's, 2, 3 and 4-year-olds for both working families and families receiving additional support.

2.2 Local authorities are required to consult providers on annual changes to their local Early Years Funding Formula.

2.3 Early Years Statutory guidance states that a minimum of 97% of funding must be passed to providers, an increase from the mandated 96% in 2025/26. This means that centrally retained funding (for central services or services in-kind) combined with any funding movement out of the Early Years Block is now limited to a maximum of 3%.

3. Department for Education (DfE) Funding rates from April 2026

3.1 In December 2025 the DfE announced funding rates payable to local authorities from April 2026.

Table 1: Oldham's EYNFF Funding Rates from Government

	2026/27
Under 2-year-olds (9 month upwards)	£12.11
2-year-olds combined	£8.91
3 and 4-year-olds	£6.25

4. Current Local Funding Formula

4.1 The table below shows the hourly rates paid to providers in 25/26 and the relevant Special Educational Needs Fund (SENIF) contribution.

Table 2: Hourly rates paid to providers in Oldham 2025/26

	Base rate	Deprivation supplement	Maximum hourly rate
Under 2-Year-Olds, Working families	£11.10		£11.10
2-Year-Old – Disadvantaged Families	£8.14		£8.14
2-Year-Old – Working Families	£8.14		£8.11
3 and 4-year-olds*	£5.56	20p	£5.76

5. Consultation

5.1 The LA consulted providers on proposals for the 2026/27 funding rates and the SENIF contribution which must be applied to all entitlements.

5.2 The Consultation was launched by way of an online survey.

6. Consultation proposals

6.1 The LA consulted on 2 funding options.

6.1.1 Option 1

Age	Base rate per hour	Supplement per hour	Maximum hourly rate	SENIF	Uplift
3 & 4 Year old	£5.83	20p	£6.03	£100,000	4.5%
Disadvantaged 2 Year Old	£8.55		£8.55	£50,000	4.8%
Working families 2 Year old	£8.55		£8.55	£100,000	4.8%
Working Families under 2	£11.65		£11.65	£100,000	4.7%

6.1.2 Option 2

Age	Base rate per hour	Supplement per hour	Maximum hourly rate	SENIF	Uplift
3 & 4 Year old	£5.83	20p	£6.03	£100,000	4.5%
FRAS 2 Year Old	£8.59		£8.59	£30,000	5.2%
Working families 2 Year old	£8.55		£8.55	£100,000	4.8%
Working Families under 2	£11.65		£11.65	£100,000	4.7%

The locally applied formula for all entitlements must adhere to the following:

- 97% of funding must be passed to providers (including the base rate, supplements, and the SEN Inclusion Fund).
- There must be a universal base rate for all providers.
- There must be a deprivation supplement for 3-and-4-year olds.
- There must be a Special Education Needs Inclusion Fund (SENIF) for all entitlements.
- Funding rates must be published by Friday 27 February 2026

7. Consultation Response

7.1 The LA received 62 responses to the consultation out of the 251 providers eligible to respond, this represents a 25% response rate.

Table 3: Overall response rates by provider type



Table 4- Responses to each option



8. Preferred Options

8.1 The sector opted for option 2

9. Conclusion

9.1 Based on the outcome of the consultation, the following early years funding rates for 2026/27 are approved and published.

Table 8- Early Years recommended Funding Rates for 2026/27

	Base rate	Deprivation supplement	Maximum hourly rate	SENIF
3 and 4-year-olds	£5.83	20p	£6.03	£100,000
2-year-olds disadvantaged families	£8.59		£8.59	£30,000
2-year-olds working families	£8.55		£8.55	£100,000
Under 2 -year- old's	£11.65		£11.65	£100,000

9.1 The SENIF will now be consulted on separately and the total that will be allocated for 26/27 is £330,000.

9.2 The Early Years Pupil Premium (EYPP) and the Disability Access Fund (DAF) are not part of this consultation since the payment process for these is prescribed by central government. From 1 April 2026, rates are as follows:

	2026-27 Rate
EYPP	£1.15 Per hour, first 15 hours
DAF	£975 per year

10. Recommendation

10.1 That Schools Forum note the outcome of the Provider Early Years Funding consultation 2026/27, as summarised above.