



Kirklees Early Years Funding Formula Final Proposals

2026-27

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Introduction

The Department for Education (DfE) published details of the Early Years Funding Formula 2026-27 and the local authority hourly funding rates on 15 December 2025 followed by the local authority dedicated schools grant (DSG) initial allocations on 17 December 2025. The rates include a national average increase between 4.3% for under 2-year-olds to 4.9% for 3 and 4-year-olds which is above the rate of inflation.

The funding rate for the Early Years Pupil Premium (EYPP) will increase from £1 to £1.15 per hour per eligible child, and the Disability Access Fund (DAF) will increase from £938 to £975 per eligible child per year.

Full details can be found here: [Early years funding: 2026 to 2027 - GOV.UK](#)

Although this adds further investment to early years, Kirklees along with one third of other local authorities will still receive the lowest funding base rate in the country for three-and four-year olds from April 2026.

Kirklees Early Years Block Funding 2026-27

The figures in the table below represent the initial allocation received from the DfE based on the estimated take-up of places, the allocations will be updated following each termly census submission during the financial year.

Table 1: Initial funding allocation for 2026-27

Funding stream	2026-27 Initial funding allocation
3- & 4-year-olds - Universal	£21,103,422
3- & 4-year-olds - Extended	£9,720,585
2-year-olds - Disadvantaged	£5,118,705
2-year-olds - Working parent	£18,125,833
Under 2-year-olds - Working parent	£24,263,813
Total place funding	£78,332,358
Early Years Pupil Premium (EYPP)	£1,460,900
Disability Access Funding (DAF)	£336,375
Maintained Nursery School Supplementary Funding (MNSSF)	£190,049
Total Early Years Block	£80,319,682

Changes to the National Funding Formula in 2026-27

The main changes to the national funding formula system are:

- an increased minimum pass-through requirement for local authorities in 2026-27. The pass-through rate will increase from 96% to 97% meaning that the amount local authorities can retain for administration will reduce to 3% of the entitlement funding.
- confirmation that local authorities must announce their funding rates to childcare providers by 28 February 2026.
- move to a termly funding system from April 2026, this means that there will be an early years census return to submit to the DfE each term based on child headcounts in January, May and October.

Consultation with Kirklees Early Years Providers

Key areas for consultation in 2026-27

The Council is seeking providers views on the following elements:

- A. The amount of funding retained centrally to support local authority statutory duties around the early years entitlements including administration of the funding.
- B. Retaining a contingency fund for each of the five entitlement funding streams.
- C. Change to the number of funded weeks in the summer and spring terms.
- D. Transfer of funds from the Early Years Block to the High Needs Block.
- E. The amount of funding allocated to the Special Educational Needs and Disabilities Inclusion Fund (SENDIF).

Consultation timeline and events

Table 2: Consultation timeline

Event	Dates
Online survey	19 December 2025 to 25 January 2026
Virtual briefing sessions	12, 14 and 15 January 2026
Early Years and Childcare Reference group Includes provider representation for childminders, pre-schools, day nurseries, out of school provision and schools and academies with nursery provision.	4 February 2026
Schools Forum	6 February 2026
Funding formula and rates communicated to providers	Before 28 February 2026

Table 3: Briefing sessions

Date	Venue	Number of Bookings	Number of Attendees
12 January 2026	Online – Microsoft Teams	8	4
14 January 2026	Online – Microsoft Teams	4	Cancelled due to low booking numbers
15 January 2026	Online – Microsoft Teams	9	6

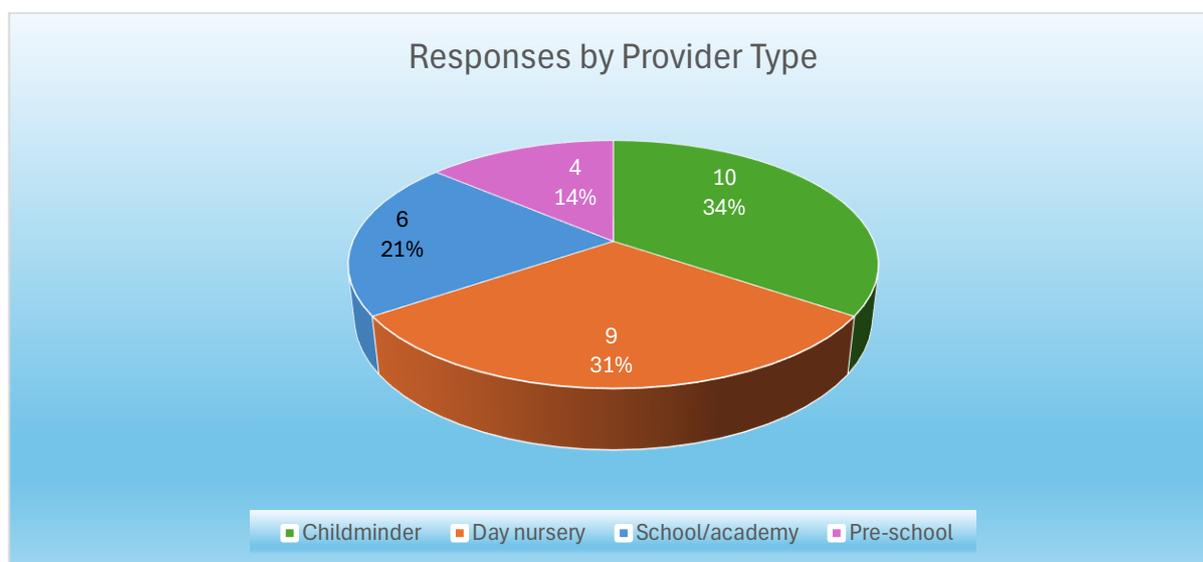
Consultation responses

There are currently 393 providers registered to provide early education and childcare, 29 providers responded to the survey (7%), results are shown below.

Table 4: Number of responses analysed by provider type

Provider Type	Number of funded providers	Percentage of funded providers	Number of funded providers that responded	Percentage of respondents
Childminder	145	36.9%	10	35%
Daycare Nursery	110	28.0%	9	31%
Maintained School /Academy Nursery	70	17.8%	6	20%
Pre-School School	59	15.0%	4	14%
Independent School	6	1.5%	0	0%
Out Of School Care	3	0.8%	0	0%
Total	393		29	

Figure 1: Pie Chart showing the number of funded providers which responded to the consultation and the percentage by provider type



A summary of the responses to the consultation questions are shown in the table below.

Table 5: Responses to consultation questions

	Number of settings in agreement	Percentage of respondents in agreement	Number of settings that did not agree	Percentage of respondents that did not agree
Question 1: Do you agree with the proposed amount to retain centrally to fund local authority support functions?	27	93%	2	7%
Question 2: Do you agree with the proposals for retaining an amount for contingency which will be distributed to providers at the end of the financial year if sufficient funds are available?	27	93%	2	7%
Question 3: Do you agree with the proposals to change the number of funded weeks in the summer and spring terms to align with the number of weeks funded by the Department for Education?	28	97%	1	3%
Question 4: In the context of the Department for Education's (DfE's) expectations, do you agree with the proposed Early Years Block transfer to the High Needs Block of £0.5 million in 2026-27?	25	86%	4	14%
Question 5: Do you agree with the proposals for retaining the current value of £3m (plus an amount for inflation costs), in the Special Educational Needs and Disabilities Inclusion Fund (SENDIF), (£1 million from the High Needs block funding plus £2 million from the Early Years block funding)?	29	100%	0	0%

There is a clear majority of providers in agreement with all proposals.

Figure 2: Pie chart showing the response to question 1



Figure 3: Pie chart showing the response to question 2

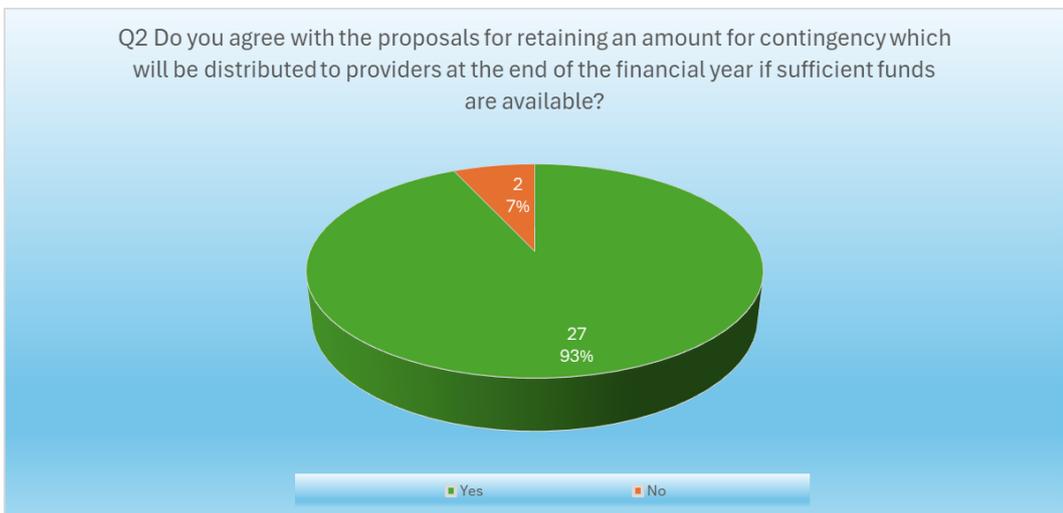


Figure 4: Pie chart showing the response to question 3

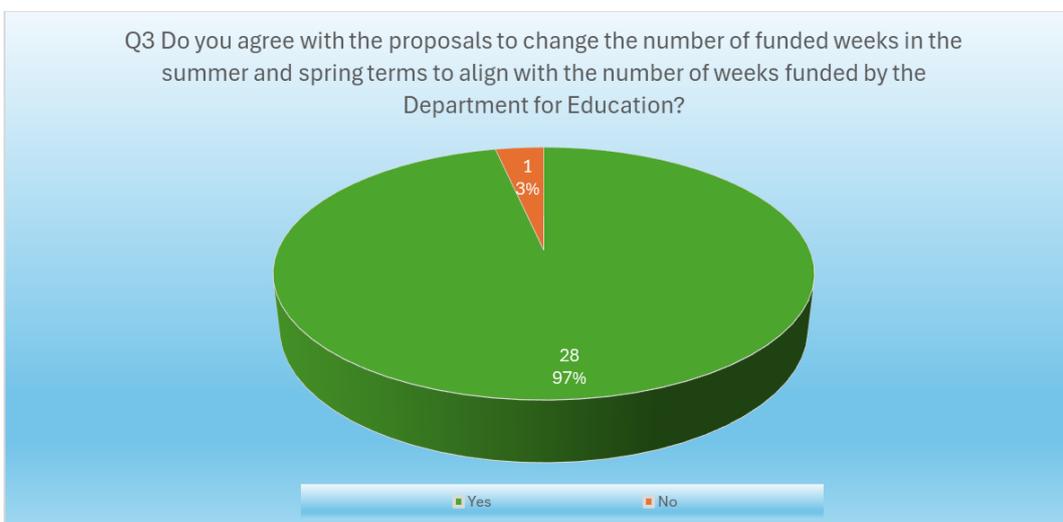


Figure 5: Pie chart showing the response to question 4

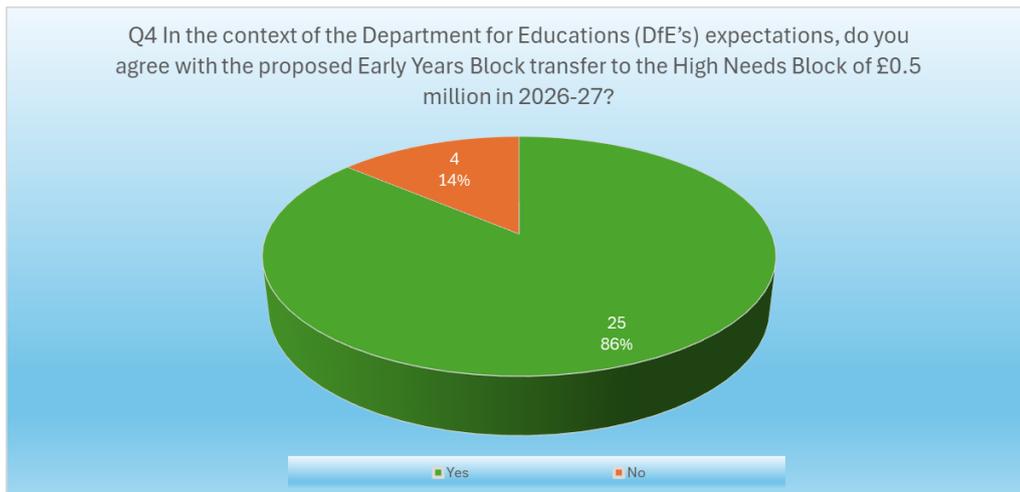
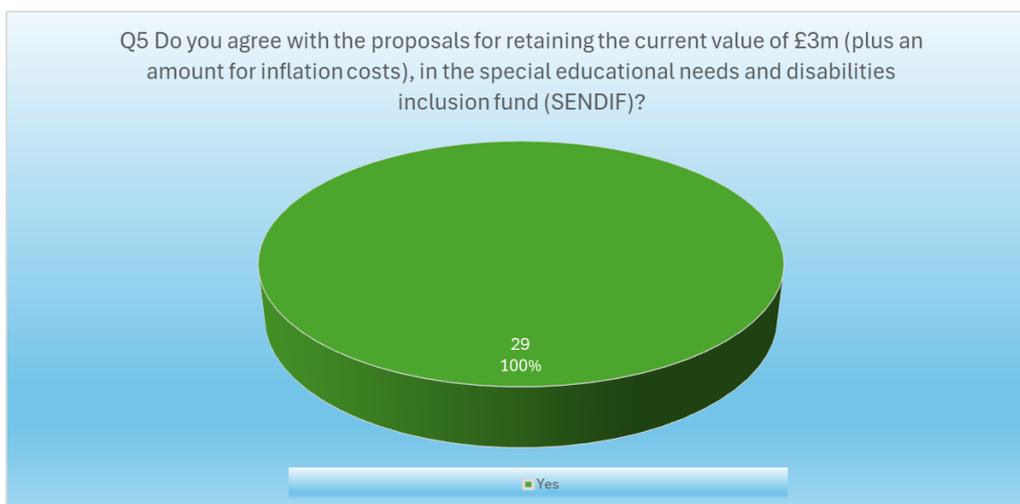


Figure 6: Pie chart showing the response to question 5



Final proposals

Taking account of the provider consultation, the final proposals are:

1. Increase the amount retained centrally by £81,184 this includes £42,884 to reflect the anticipated impact of the local authority pay award (3.5%) for each of the local authority support teams and £43,300 to increase resources in the Free Early Education Funding Team to support changes in the early years funding system and associated local authority duties. (Note: During the provider consultation events there was discussion about the admissions element of the miscellaneous central retention. As a result, in the final proposals the Early Years Block contribution to the Pupil Admission function has been removed, making £5,175 extra per year available to distribute to providers. Refer to Appendix A.
2. Retain a contingency fund of 1% from each funding stream. The contingency fund is set aside to reduce risk of an overspend and will be paid to providers in the final term of the financial year if sufficient funds are available.

3. From April 2026, change the number of funded weeks that are used to calculate funding for providers in the summer and spring terms to align with the number of funded weeks the DfE use to calculate the early years block funding for local authorities.
4. Transfer £500,000 from the Early Years Block to the High Needs Block in 2026-27 to support financial sustainability as per the Safety Valve Agreement with the Department for Education.
5. SENDIF budget to remain at £3 million, (plus an amount for inflation costs), which includes a £2 million contribution from the Early Years Block and £1 million contribution from the High Needs Block.

Decisions

The Early Years and Childcare Reference Group (which includes provider representation for childminders, pre-schools, day nurseries, out of school provision, primary schools and academies) met on 4 February 2026 to consider the above final proposals, the group agreed unanimously with the proposals.

Schools Forum met on 6 February 2026 they agreed to support the final proposals.

On 10 February 2026, the Council Cabinet will be requested to delegate authority to the Strategic Director for Children's Services in consultation with the Portfolio Holder for Children's Services and Portfolio Holder for Education, to take account of the outcomes of the provider consultation, the views of the Early Years and Childcare Reference Group and Schools Forum and make a final decision on the Early Years local funding formula 2026-27 and value of the Special Educational Needs and Disability Inclusion Fund (SENDIF).

Linked papers

[Consultation on the Kirklees Early Years Funding Formula 2026-27](#)

Appendix A: Central Retention

Table 6: Consultation Document - Proposed amounts to be retained centrally

Budget area	2025-26	Additional Resources	3.5% increase	2026-27	Description
Early Learning and Childcare	£837,205	£43,300	£30,818	£911,323	Free Early Education Funding, Childcare Sufficiency and Early Years Outcomes Teams – funding to providers, free entitlement place sufficiency, supporting standards of delivery
Back office / management costs	£81,682		£2,859	£84,541	Finance, payroll, HR, Legal, IT etc
Inclusion Support	£254,301		£8,901	£263,202	Contribution to the Early Years SEND team
Miscellaneous	£13,759		£482	£14,241	Contribution to admissions, maternity, union duties etc.
Total	£1,186,947	£43,300	£43,059	£1,273,306	

Table 7: Revised amounts to be retained centrally

Budget area	2025-26	Additional Resources / Changes	3.5% increase	2026-27	Description
Early Learning and Childcare	£837,205	£43,300	£30,818	£911,323	Free Early Education Funding, Childcare Sufficiency and Early Years Outcomes Teams – funding to providers, free entitlement place sufficiency, supporting standards of delivery
Back office / management costs	£81,682		£2,859	£84,541	Finance, payroll, HR, Legal, IT etc
Inclusion Support	£254,301		£8,901	£263,202	Contribution to the Early Years SEND team
Miscellaneous	£13,759	-£5,000	£307	£9,066	Contribution to maternity, union duties etc.
Total	£1,186,947	£38,300	£42,884	£1,268,131	