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Corporate Director - Children and Young
People's Service

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Contact: Early Years Funding Team
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Date: 29th January 2026

Dear Colleague

2026-27 Early Years Funding

1. 2026-27 Provider Funding Rates

The Council's Executive Members (Children and Young People's Service) have considered and approved the 2026-27 early years funding rates. The details of the outcome of the early years funding consultation and the associated decisions by Executive Members are confirmed as follows:

Entitlement	2026-27 Base Provider Funding Rate Per Hour	Percentage Increase from 2025- 26 Rate	<i>2025-26 Base Provider Funding Rate Per Hour</i>	<i>2026-27 Early Years Funding Consultation Provider Responses Supporting the Proposal %*</i>
3 & 4-Year-Olds – Universal & Working Parent Entitlements	£5.84	8.96%	£5.36	84.16%
2-Year-Olds – Families Receiving Additional Support & Working Parent Entitlements	£7.66	4.93%	£7.30	89.11%
Under 2-Year-Olds – Working Parent Entitlement	£10.41	5.05%	£9.91	84.16%

*101 early years providers responded to the North Yorkshire Council 2025/26 Early Years Funding Consultation

Early years providers within North Yorkshire responding to the principle-based early years funding consultation undertaken in Autumn 2025 supported the following principles being applied to develop the 2026-27 early years provider base funding rates:

- The local authority funding retention rate for the provision of centrally managed service provision for early years is approx. 3% for all funded entitlements (this reflects the maximum retention rate allowed by the Department for Education (DfE) of 3%)
- The funding for the Early Years Special Educational Needs Inclusion Fund (SENIF) is provided from the Early Years Dedicated Schools Grant (DSG) Block (approximately 2% of local authority funding rate for all funded entitlements)
- There is a single provider base funding rate for the 2-year-old entitlements for families in receipt of additional support and working parents.

The 2026-27 early years provider funding rates have been developed based on the above principles.

The deprivation funding supplement is paid for all early years funded entitlements based on the hours attended by the child and a banding using the postcode of the child attending the setting. The methodology used by North Yorkshire is based on the Index of Multiple Deprivation (IMD). The IMD combines information from seven domain indices (which measure different types or dimensions of deprivation) to produce an overall relative measure of deprivation. The deprivation funding methodology and funding rates for all early years' funded entitlements for the 2026-27 financial year are unchanged, as follows:

Band	2026-27 Deprivation Hourly Funding Rate	IMD Score
Band A	54p	>34.17
Band B	7p	>20 <34.17
Band C	4p	>10 <20

The national funding levels received from the DfE for the other early years funding elements for 2026-27 are as follows:

	2026-27 Funding Rate	<i>2025-26 Funding Rate</i>	<i>Percentage Increase</i>
Early Years Pupil Premium hourly funding rate for eligible children (maximum of 15 hours per week)	£1.15	£1.00	15%
Disability Access Funding (annual rate)	£975	£938	3.9%

2. 2026-27 Termly Funded Weeks

The DfE have now confirmed the number of weeks that will be funded for each term in the 2026-27 financial year. The local authority receives early years funding from the DfE within the financial year based on 38 weeks; the number of weeks funded each term by North Yorkshire Council reflects the funded weeks provided by the DfE for each term. The funded weeks are as follows:

Term	Funded Weeks	<i>Actual Term Weeks</i>
Summer 2026	13	13
Autumn 2026	14	14
Spring 2027	11	10
Total	38	37

Providers offering **term time funded provision** will need to consider, and use their discretion, in managing their funded entitlement offer in the terms where the funded weeks are more or less than the

actual weeks in the term e.g., charging parents for the unfunded weeks, transferring the additional funded week from the Spring term to the Summer term for children with continuing provision across the two terms. Please ensure that parents are informed in advance of the term starting as to how the termly funded weeks will be managed for your provision. Please see the termly date information using this link: [Useful dates 2026-2027.pdf](#)

3. 2026-27 Provider Indicative Budgets

An indicative budget calculator is being issued to providers by the local authority for the 2026-27 financial year. The calculator allows providers to calculate their 2026-27 indicative termly budget allocations by entering their latest estimated funded weekly hours each term for each of the early years funded entitlements. The 2026-27 early years indicative budget calculator is attached to the email with this letter and can also be found at: [Indicative Funding Budget Calculator 2627.xlsx](#)

4. 2026-27 Early Years Funding Payments

The local authority uses the termly estimates required to be submitted by providers before the start of each term to calculate the payment for the initial months each term. In this respect, to receive initial monthly funding payments each term, **providers must submit an estimate of the total weekly funded hours for each early years funded entitlement category prior to the start of the term.** The estimated hours will be adjusted to reflect actual funded hours, as recorded on the termly provider headcount submission, with an associated adjustment to the termly payment balance. The Early Years Funding Team will provide guidance and request the submission of estimates via an on-line form prior to the start of each term.

5. After Headcount Payments

For the 2026-2027 financial year, the funding paid to local authorities by the DfE for all of the funded entitlements will be based entirely on the free entitlement hours recorded on the termly headcounts. In order to mitigate any impact on base provider funding rates and to ensure overall affordability of the early years funding allocation, the circumstances where providers can be paid in respect of “After Headcount Adjustments” is required to be limited. From 1 April 2026, the local authority will apply the following arrangements:

- The funding for **childminders** will continue to be adjusted for children who move in and out of their provision after the termly headcount date, where the child has been recorded on a headcount in the current term with a North Yorkshire provider. For children accessing funded hours for the first time, after headcount funding will only be able to be claimed for children who have moved into North Yorkshire between the headcount deadline date for the funded term and the after-headcount deadline date for the funded term, and the child has not accessed a funded place at another early years’ provider within North Yorkshire in the funded term. Providers will be required to provide evidence of the date that the parents moved into North Yorkshire to support any after headcount claim.
- For **private, voluntary and independent providers and schools and academies**, after headcount funding will only be able to be claimed for children who have moved into North Yorkshire between the headcount deadline date for the funded term and the after-headcount deadline for the funded term, and the child has not accessed a funded place at another early years’ provider within North Yorkshire in the funded term. Providers will be required to provide evidence of the date that the parents moved into North Yorkshire to support any after headcount claim.

Providers are advised to consider their individual business response and parental communication arrangements where a parent, who has not newly moved into North Yorkshire, wishes to take up a funded place after the termly headcount deadline date. Where possible, providers are strongly advised to communicate with prospective parents prior to the start of the funded term and to encourage parents to take up their funded place before the termly headcount deadline date.

Providers are reminded to access their North Yorkshire Council early years e-mail accounts on a regular basis to ensure that they receive the latest early years funding information updates from the local authority. Providers are also able to receive early years funding information notifications and reminders by text; in order to receive this service please ensure that an up-to-date mobile telephone number is entered on the Provider Updates Form via the Synergy Provider Portal for your provision.

I would like to thank providers for their responses and engagement with the 2026-27 early years funding consultation and your continued commitment to supporting the delivery of high-quality early years education and childcare for children in North Yorkshire.

Please contact the Early Years Funding Team (e-mail: eyft@northyorks.gov.uk) if you have any queries with regard to the funding rates for the 2026-27 financial year.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'H Emmett', with a long horizontal stroke extending to the right.

Howard Emmett
Assistant Director – Resources