

Item 10

Early Years Funding Arrangements 2026/27

Contact for further information:
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Brief Summary

This report provides information on the 2026/27 early years funding arrangements and centrally retained early years funding

Recommendation

The Working Group is asked to:

- a) Vote on the proposals for 2026/27 early years centrally retained funding

Detail

Following the report and modelling presented to the Early Years Working Group in June 2025, Lancashire County Council proposed retaining 3% of the Early Years Block centrally for the 2026/27 financial year at the Early Years Working Group on 25 September 2025. The funding arrangements were noted and subsequent consultation documents sent to all schools and early years providers on 26 September 2025, with a deadline of 10 October 2025 for responses.

This strategic move aligns with national funding regulations and the Department for Education's (DfE) increase in the minimum pass-through rate to 97%. The proposal aims to enhance service quality, inclusion, and sustainability across early years settings, while ensuring equitable access to professional development and specialist support. In addition, this will support pressures within the High Needs Block.

Where a local authority proposes to make changes to the funding formulae it used during the previous financial year that will affect early years providers, it must first consult its schools forum, maintained schools, and early years providers. Local authorities must also seek approval from their schools forum to agree any entitlements funding they intend to retain to fund central functions.

A copy of the consultation has been provided at **Appendix D**, with a supporting supplementary paper provided by the local authority at **Appendix E**. A further document has been included at **Appendix F** which is feedback received from the Early Years sector

