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Early Years funding formula 2025/26

Last Modified February 12, 2025



As a result of the government's expansion of childcare programme the following changes are in progress:

- **April 2024** - Two year olds of working parents entitled to 15 hours of funded childcare for 38 weeks (from term after 2nd birthday)
- **September 2024** - 9 month old to school age of working parents entitled to 15 hours of funded childcare for 38 weeks (from term after turning 9 months)
- **September 2025** - 9 month old to school age of working parents entitled to 30 hours of funded childcare for 38 weeks (from term after turning 9 months)

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Deprivation rates

A deprivation rate is applied to funding for 3 and 4 year olds and 2 year olds. From 2024/25 onwards we have also applied a deprivation rate on funding for 2 year olds. We consider that it is broadly felt more intense support is needed for two years living in more deprived areas and it would therefore be appropriate to apply a deprivation supplement in accordance with government recommendations.

The actual amount payable to each setting for deprivation will vary according to the number of children registered in deprived postcodes using historic data for 2024. The overall average rate is shown as an indication.

The minimum rate payable to a setting (eg if no children were registered in deprived post codes) would be the base provider rate.

Any new settings applying for funding part year will not be entitled to a deprivation supplement until the following financial year. If this caused difficulty we may consider as appropriate on an individual basis.

We do not apply a deprivation rate to children aged from 9 months until 2 years.

SEN inclusion fund

For 2025/26 we will apply SEN inclusion funding on the following basis

- £90,000 total budget - for 3 and 4 year olds
- £40,000 total budget - for 2 year olds
- £25,000 total budget - for 9 month until 2 year olds

Further information and application process for [Early Years SEND inclusion fund](#)

Quality supplement

The existing quality supplement payable for teacher led provision support for 3 and 4 year olds will continue to apply. This equates to 8p per hour for settings that meet the eligibility criteria

Eligible settings will need to claim this entitlement by completing a declaration. The final date for submission of claims will be **14 March 2025**. We will not accept claims after this date and will also be unable to accept part year claims eg if a teacher is employed during part of the year as this could have an adverse impact on the overall budget. Settings will be provided with the application process with their annual statement.

Teachers pay and pension grant

The existing formula will be applied to school nurseries. A provisional allocation of £116,000 will be distributed by means of a supplement to the 3 and 4 year old hourly rate of 28p to school nurseries only. This is equivalent to the allocation we receive from government to cover early years teachers pay and pensions and is added to the overall early years allocation.

Local authority retention

For 2025/26 regulations allow local authorities to retain up to 4% of funding towards their central costs for administration of grant funding, support etc. We will retain an overall 3% towards our costs and this has been factored into the calculations. Our overall aim is to continue to pass as much as possible through to providers.

Early years pupil premium

For 2025/26 this is set at £1.00 per hour per eligible child. This is the national rate set by Government.

Disability access fund

For 2025/26 this is set at £938 per eligible child. This is the national rate set by Government.

Funding rates payable to settings for 2025/26

The overall hourly rates are based on the funding allocations that have been awarded to Blackpool by the Department for Education. Settings will be sent individual funding statements during February 2025 notifying them of their individual funding rates based on the formula below for the financial year commencing 1st April 2025.

Descriptor	Eligible 9 month until 2 year old	Eligible 9 month until 2 year old	Eligible 2 year olds	Eligible 2 year olds	3 and 4 year olds	3 and 4 year olds
Financial year	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Base hourly rate payable to providers	£11.06	£10.40	£7.95	£7.51	£5.39	£5.14
Deprivation top 0 to 10% postcodes	N/A	N/A	£0.18	£0.16	£0.18	£0.16
Deprivation 11 tp 20% of deprived postcodes	N/A	N/A	£0.10	£0.08	£0.10	£0.08
Deprivation 21 to 30% of deprived postcodes	N/A	N/A	£0.06	£0.04	£0.06	£0.04
Indicative average deprivation rate	N/A	N/A	£0.13	£0.11	£0.10	£0.08
Quality supplement for teacher led provision	N/A	N/A	N/A	N/A	£0.08	£0.08
Teachers pay and pension for school nurseries	N/A	N/A	N/A	N/A	£0.28	£0.28

Consultation

The council has taken into account the views of the Early Years provider strategic group, which represents the interests of Blackpool Early Years settings, and Schools Forum. There are no changes to the overall funding formula other than uplifts to rates for 2025/26 and as the council wishes to advise settings of their individual rates promptly will not seek further consultations.

Further information

Settings requiring further information, application forms, or for details about applying for Early Years Grant funding should contact us.

Early Years funding team

Blackpool Council, PO Box 4, Blackpool, FY1 1NA

Email freeentitlement@blackpool.gov.uk

Additional information

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