Early Years Budget in Year position 2026/27

Report being considered by: Schools' Forum

Date of Meeting: 12th October 2026

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Item for: Discussion/Comment **By:** All Forum Members

1. Purpose of the Report

1.1 An overview of the in year position of the Early Years Block.

2. Recommendation

2.1 This report is for information only. There are no recommendations.

Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?	
Yes: ☐	No: ☒

3. Introduction and Background

3.1 The Early Years Block funds the delivery of free early education and childcare entitlements for you children aged 9 months to 4 years. In 2026/27 local authorities are required to pass through 97% of Early Years Block funding to providers.

3.2 At quarter one the forecast position of the Early Years Block was a surplus of £0.7m with forecast income of £33.5m and forecast expenditure of £32.8m. The net position against budget is £0.2m favourable.

	Budget	Q1 Forecast	Variance
Income	(£32.6m)	(£33.5m)	(£1.0m)
Expenditure	£32.1m	£32.8m	£0.8m
Net	**(£0.5m)**	**(£0.7m)**	**(£0.2m)**
2025/26 DfE adjustment (Confirmed after Q1)		£0.6m	
Adjusted Net	**(£0.5m)**	**(£0.1m)**	**£0.4m**

Key: () means income or surplus

3.3 The forecast was calculated based on the summer term uptake for all funding streams and adjusted based on prior year trends.

3.4 For the 25/26 year end income adjustment, West Berkshire Council forecast an increase in income of £0.4m based on uptake data provided.

3.5 In July 2026, after quarter one had closed the Department for Education confirmed the 25/26 income adjustment was a reduction of £0.2m. This has resulted in a £0.6m reduction to the 26/27 Early Years Block position. This will not financially impact providers.

3.6 This adjustment brings the 26/27 Early Years Block position to a surplus of £0.1m

3.7 For 2026/27 the Department for Education has changed the calculation used to fund local authorities. Local authority allocations for all funding streams will now be calculated using a weighted average of each of the termly census part-time equivalents (PTEs). This new methodology will see revised allocation statements throughout the financial year with a smaller post year end adjustment.

4. Conclusion

4.1 The quarter one forecast position is a surplus of £0.7m, however following the DfE reduction in income the adjusted position is a surplus of £0.1m

5. Appendices

5.1 None