



Department
for Education

Early years funding benchmarking tool

Technical note and user guide

December 2025

Table of contents

Table of figures	3
Introduction	4
Who this publication is for	4
Main points	4
Early years funding	6
Introduction	6
Technical note: calculations and underlying data	7
Summary for the benchmarking	7
Entitlement age groups	8
Benchmarking table	8
Other early years funding formulae spend	8
Early years pupil premium	9
Disability access fund	9
User guide: early years funding benchmarking tool	10
Key budget statistics	12
Benchmarking against statistical neighbour	13
Other early years funding formulae spend	14
EYPP	15
Disability access fund	16

Table of figures

Figure 1: How to start using the tool	10
Figure 2: How to use the selection screen for the benchmarking tool	11
Figure 3: Example of an early years funding benchmarking tool page	12
Figure 4: Example of the benchmarking against statistical neighbours	13
Figure 5: Example of charts in benchmarking against statistical neighbours section	14
Figure 6: Example of the other EYFF benchmarking table	14
Figure 7: Example of the early years pupil premium benchmarking page	15
Figure 8: Example of the disability access fund benchmarking page	16

Introduction

The purpose of this document is twofold:

1. a technical note to give background information on the methodology which underpins the early years benchmarking tool for 2025 to 2026. It contains information on the datasets used and calculations performed by the Department for Education (DfE)
2. a user guide explaining how to use the early years benchmarking tool

Users can view early years funding information for an individual local authority, or compare up to 10 different local authorities across the Children's Services statistical neighbours. See [further information on statistical neighbours](#).

DfE is publishing an updated early years funding benchmarking tool for each local authority. This tool includes the projected spend in 2025 to 2026 to deliver early years places for children aged 9 months to 4-years-old and is based on the budget information from the section 251 data provide by local authorities.

Who this publication is for

This guidance is for:

- local authorities
- early years providers
- governing bodies in all maintained schools, academies and free schools

Main points

The government sets out requirements in legislation and guidance for local authorities to pass on funding to providers and to create their own local funding formulae. These requirements are set out in full in the [early years funding operational guidance](#). The key requirements are that:

- all local authorities must plan to pass-through *at least* 96% of early years entitlements funding to providers (increasing to 97% from 2026 to 2027)
- local authorities can only use a limited set of funding supplements, with a total value capped at 12% of allocated budget to providers
- local authorities must use a universal base rate to fund all providers
- all local authorities must have a local inclusion fund for children with special educational needs, covering all the entitlement funding streams

The benchmarking tool includes information about how local authorities are planning to meet these requirements in 2025 to 2026.

Early years funding

Introduction

All funding for the early years entitlements is in the Dedicated Schools Grant (DSG), which is ring-fenced for education purposes. The Department for Education calculates a total amount of DSG for each local authority and distributes it to them.

Decisions on the distribution of funding for the early years entitlements to early years providers are made by local authorities within the regulations set out by the Department for Education in the [Schools and Early Years Finance \(England\) Regulations](#).

Local authorities are required to use locally determined formulae to set the funding rates for all types of providers to fund the government entitlement places.

The early years funding benchmarking tool includes the planned spend for the early entitlements, listed below:

- the 30 hours¹ entitlement for qualifying children of working parents aged from 9 months until the child turns 2 years old
- the 30 hours entitlement for qualifying children of working parents aged 2
- the 15 hours entitlement for families with 2-year-olds receiving additional forms of support (formerly known as the 2-year-old disadvantaged entitlement)
- the universal 15 hours² entitlement for all 3 and 4-year-olds and the additional 15 hours entitlement for qualifying children of working parents aged 3 and 4

The tool also includes information regarding special educational needs (SEN) inclusion funding, the early years pupil premium (EYPP), and the disability access fund (DAF) for 2025 to 2026. The benchmarking tables show the England average or total budget as relevant for each column. Graphs are also available to allow ready interpretation of the statistics.

The benchmarking tool uses Section 251 budget statement data loaded on the COLLECT system by local authorities. All financial data is based on this return and it is the local authority's responsibility to ensure the submitted data is accurate.

¹ A 30-hour entitlement refers to an entitlement of 1,140 hours per year taken over a minimum of 38 weeks.

² A 15-hour entitlement refers to an entitlement of 570 hours per year taken over a minimum of 38 weeks.

Technical note: calculations and underlying data

The benchmarking tool is made up of 8 individual tabs. Each sheet presents different numerical data from the Section 251 returns submitted by local authorities.

The sheets are as follows:

1. Statistical neighbours – this is the cover sheet of the benchmarking tool. Users will select the local authority they wish to view data for, as well as being able to select the statistical neighbours for this local authority.
2. 3 to 4-year-olds – shows local authority planned expenditure for the 3 to 4-year-old entitlement for both universal and additional hours (includes information on maintained nursery school supplementary funding).
3. 2-year-olds (FRAS) – shows local authority planned expenditure for the 2-year-old FRAS entitlement.
4. 2-year-olds (WP) – shows local authority planned expenditure for the 2-year-old working parent entitlement.
5. 9 months to 2-years-old – shows local authority planned expenditure for the 9 months to 2-years-old working parent entitlement.
6. Other EYFF funds – shows local authority planned expenditure for SEN inclusion funding, contingency funding, and centrally retained expenditure for each of the early years entitlements.
7. DAF – shows local authority planned expenditure for the disability access fund for each of the early years entitlements.
8. EYPP – shows local authority planned expenditure for the early years pupil premium for each of the early years entitlements.
9. EY data – shows the full early years dataset that feeds into the rest of the benchmarking tool.

Summary for the benchmarking

The England average or total is given for each of the columns as relevant for all local authorities (except for the percentage pass-through rate and the percentage funding paid through supplements where the England figures exclude City of London and Isles of

Scilly). Figures for the selected local authorities are provided, and the median, maximum and minimum of the selected local authorities are also given, where possible.

The benchmarking information can also be viewed in graphical format.

Entitlement age groups

Once 'create table' has been selected on the 'statistical neighbours' cover sheet of the benchmarking tool, the subsequent 9 data sheets will be generated. Sheets 2 to 5 (each titled with the specific age group of the entitlement) show information about how local authorities plan to fund their early years providers in 2025 to 2026 for each of the early years entitlements.

Benchmarking table

The benchmarking table shows the average funding rate per hour for all providers and by early years provider types.

It also shows the percentage pass-through rate and the percentage of funding paid through supplements.

All local authorities are required to ensure the total value of supplements must not be more than 12% of the total value of planned funding to providers.

The methodology for calculating the percentage of pass-through and the percentage of funding paid through supplements is included in the early years funding operational guide.

The benchmarking table also allows comparison of the total budget for SEN Inclusion Fund (top-up grant element).

Other early years funding formulae spend

The benchmarking table on this sheet shows the total budget for each of the early years entitlements for:

- SEN Inclusion Fund (top-up grant element) budget
- early years contingency funding
- early years centrally retained spending
- total delegated EYFF budget

Early years pupil premium

The benchmarking table includes the allocated budget per local authority.

Disability access fund

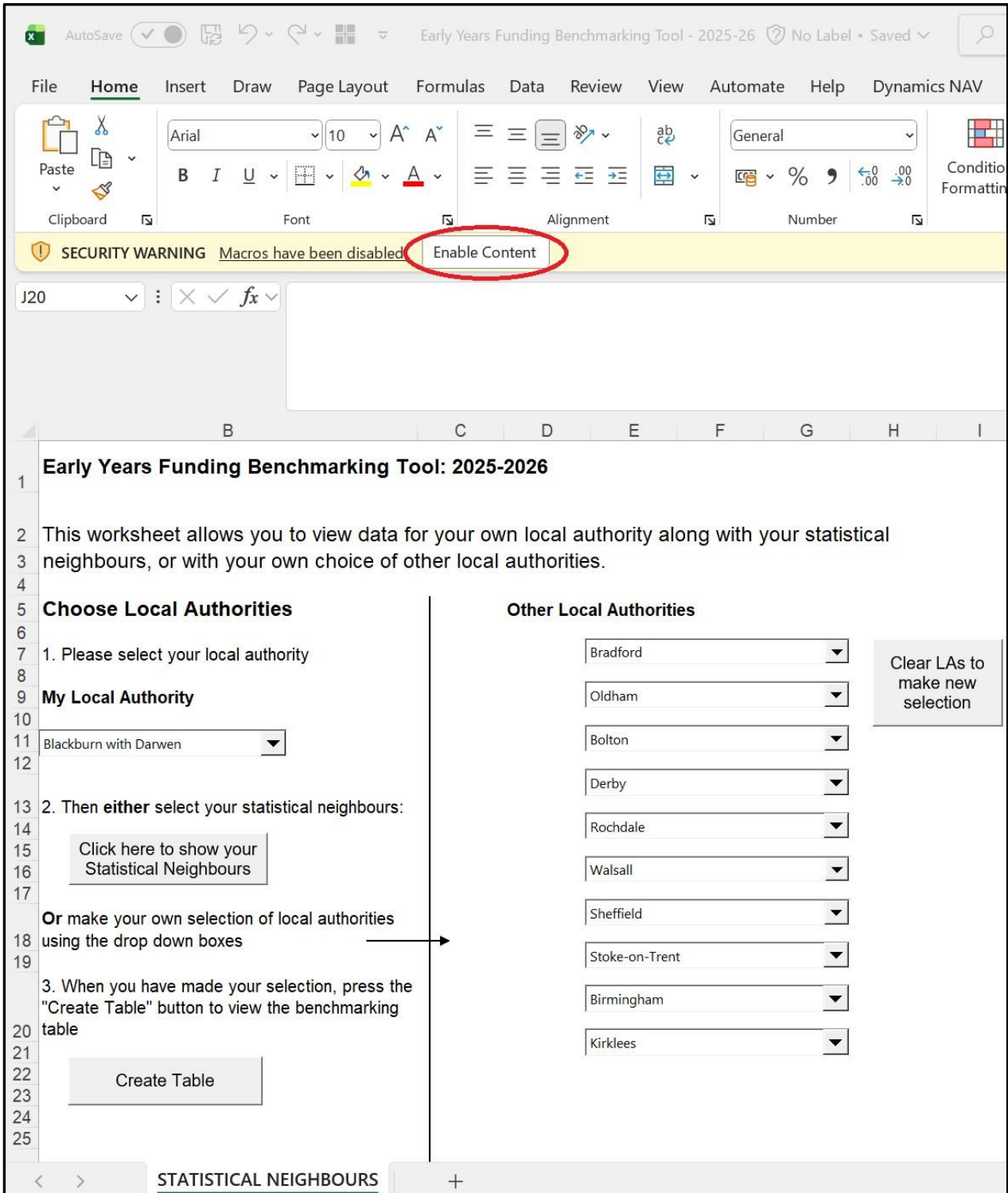
The benchmarking table includes the allocated budget per local authority.

User guide: early years funding benchmarking tool

The early years funding benchmarking tool includes the projected spend on early years providers to deliver early years places for each of the early years entitlements.

Before you start, select 'Enable Content' at the top of the workbook to begin using it.

Figure 1: How to start using the tool



The benchmarking tool allows you to view data for a chosen local authority, with the added option to view data for up to 10 of its statistical neighbours.

1. Click the drop-down button to select your local authority.
3. If you want to see the data for your statistical neighbours, click on the button labelled 'click here to show your statistical neighbours'.
4. If you want to make your own selection of local authorities to compare to, select them from the drop-down boxes labelled 'Other Local Authorities' and click 'Create Table' to generate the funding data tables.

Figure 2: How to use the selection screen for the benchmarking tool

5	Choose Local Authorities	
6		
7	1. Please select your local authority	
8		
9	My Local Authority	
10		
11	<input type="text" value="Oldham"/>	
12		
13	2. Then either select your statistical neighbours:	
14		
15	<input type="button" value="Click here to show your Statistical Neighbours"/>	
16		
17	Or make your own selection of local authorities using the drop down boxes	
18		
19		
20	3. When you have made your selection, press the "Create Table" button to view the benchmarking table	
21		
22	<input type="button" value="Create Table"/>	
23		

Other Local Authorities	
<input type="text" value="Blackburn with Darwen"/>	▼
<input type="text" value="Bolton"/>	▼
<input type="text" value="Rochdale"/>	▼
<input type="text" value="Bradford"/>	▼
<input type="text" value="Walsall"/>	▼
<input type="text" value="Derby"/>	▼
<input type="text" value="Stoke-on-Trent"/>	▼
<input type="text" value="Coventry"/>	▼
<input type="text" value="Birmingham"/>	▼
<input type="text"/>	▼

In this example, the data for Oldham is selected and the statistical neighbours for this local authority are populated under the title 'Benchmarking against Statistical Neighbours'.

Figure 3: Example of an early years funding benchmarking tool page

The screenshot shows an Excel spreadsheet with two main sections. The first section, 'Oldham - Key Budget Statistics', is circled in red and contains the following data:

	All providers	Private, Voluntary, Independent	Nursery schools	Primary nursery places
3-4 year old hourly average funding rate (£/hr) ¹	£5.71	£5.71	£0.00	£5.71
3-4 year old hourly average base rate for statutory hours (£/hr)	£5.56	£5.56	£0.00	£5.56
Pass-through rate (%)	96.5%			

The second section, 'Benchmarking against Statistical Neighbours', is also circled in red and includes a 'Table ordering' dropdown set to 'Original'. Below this is a table comparing Oldham to other local authorities:

Local Authority	Average funding rate to providers per hour				Pass-through rate	Funding paid through supplements	SEN Inclusion	
	All providers	Private, Voluntary, Independent	Nursery schools	Primary nursery places			All providers	Private
England	£5.83	£5.63	£8.82	£5.80	97.3%	4.1%	£86,778,014	£
Oldham	£5.71	£5.71	£0.00	£5.71	96.5%	2.2%	£88,836	
Blackburn with Darwen	£5.89	£5.48	£10.77	£5.49	96.2%	3.0%	£289,074	
Bolton	£5.83	£5.57	£10.13	£5.87	97.5%	6.2%	£507,607	
Rochdale	£5.68	£5.47	£10.47	£5.75	96.0%	4.2%	£167,000	
Bradford	£5.90	£5.57	£9.88	£5.56	96.9%	4.5%	£747,035	
Walsall	£6.30	£5.64	£9.82	£5.63	97.0%	0.6%	£65,000	
Derby	£6.30	£5.83	£12.31	£5.83	98.3%	3.2%	£484,978	
Stoke-on-Trent	£5.82	£5.79	£12.00	£5.75	100.1%	0.9%	£120,000	

At the bottom of the spreadsheet, there are navigation tabs for 'STATISTICAL NEIGHBOURS' (selected), '3-4 year olds', '2 year olds (FRAS)', '2 year olds (WP)', '9mth - 2 year', 'Other EYFF funds', 'DAF', 'EYPP', and 'EY Data'. The '3-4 year olds' tab is also circled in red.

Key budget statistics

At the top of each sheet for each of the entitlement age groups, the key budget statistics table shows the average hourly funding rate (which is the total rate funding rate for base rate, supplements, lump sums and SENIF if applicable), and the hourly average base rate for all providers. There is also a breakdown of hourly rate for:

- PVI (private, voluntary and independent) providers
- maintained nursery schools, and
- nursery classes within a primary school

For the EYPP and for DAF, the key budget statistics table gives the planned total budget for the local authority.

Benchmarking against statistical neighbour

The benchmarking against statistical neighbours section includes a table showing the average funding per hour for all early years providers, broken down for the different provider types. The same information is represented in a bar chart form.

The data presented here are averages across individual local authorities. Therefore, the hourly rates may not be the actual rate individual providers receive.

This section also allows comparison against statistical neighbours on:

- the percentage pass-through rate
- percentage funding paid through supplements, and
- special educational needs (SEN) inclusion fund (top-up grant element) budget

The same information is also represented in a bar chart form.

The benchmarking tables shows the England average or total budget as relevant for each provider type. The median, minimum and maximum of the selected local authorities is also included, where possible.

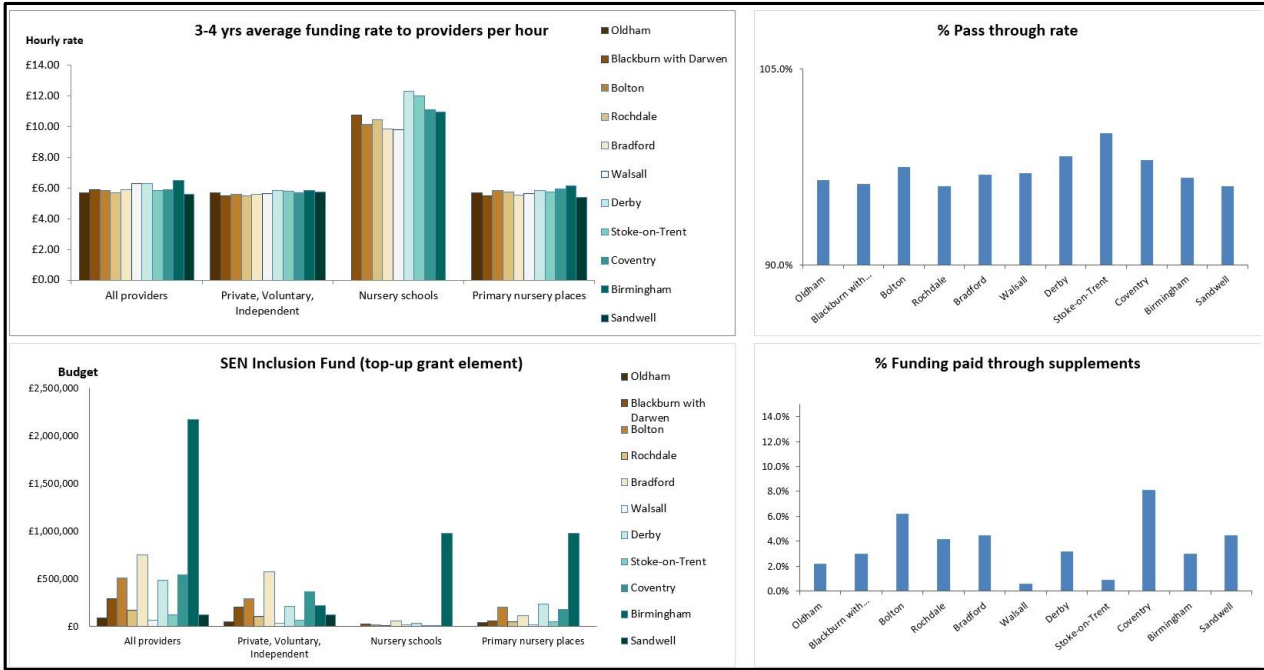
Figure 4: Example of the benchmarking against statistical neighbours

Benchmarking against Statistical Neighbours											
Table ordering: <input type="text" value="Original"/>											
Local Authority	Average funding rate to providers per hour					Pass-through rate	Funding paid through supplements	SEN Inclusion Fund (top-up grant element) budget			
	All providers	Private, Voluntary, independent	Nursery schools	Primary nursery places				All providers	Private, Voluntary, independent	Nursery schools	Primary nursery places
England	£5.83	£5.83	£8.82	£5.80	97.3%	4.1%	£86,778,014	£58,642,880	£6,987,352	£21,147,782	
Oldham	£5.71	£5.71	£0.00	£5.71	98.5%	2.2%	£88,836	£47,083	£0	£41,753	
Blackburn with Darwen	£5.89	£5.48	£10.77	£5.49	98.2%	3.0%	£289,074	£201,074	£27,823	£80,177	
Bolton	£5.83	£5.57	£10.13	£5.87	97.5%	6.2%	£507,607	£289,336	£15,228	£203,043	
Rochdale	£5.68	£5.47	£10.47	£5.75	96.0%	4.2%	£167,000	£108,550	£8,350	£50,100	
Bradford	£5.90	£5.57	£9.88	£5.56	96.9%	4.5%	£747,035	£575,217	£59,763	£112,055	
Walsall	£6.30	£5.64	£9.82	£5.63	97.0%	0.6%	£85,000	£35,000	£15,000	£15,000	
Derby	£6.30	£5.83	£12.31	£5.83	98.3%	3.2%	£484,978	£213,459	£35,410	£236,109	
Stoke-on-Trent	£5.82	£5.79	£12.00	£5.75	100.1%	0.9%	£120,000	£66,600	£2,000	£51,400	
Coventry	£5.90	£5.70	£11.11	£5.95	98.0%	8.1%	£542,400	£361,666	£2,853	£177,881	
Birmingham	£6.50	£5.83	£10.94	£6.13	96.7%	3.0%	£2,166,666	£222,222	£972,222	£972,222	
Sandwell	£5.58	£5.73	£0.00	£5.41	96.0%	4.5%	£120,000	£120,000	£0	£0	
Selection Median	£5.89	£5.70	£10.47	£5.75	96.9%	3.2%	£289,074	£201,074	£15,000	£60,177	
Selection Minimum	£5.58	£5.47	£0.00	£5.41	96.0%	0.6%	£65,000	£35,000	£0	£0	
Selection Maximum	£6.50	£5.83	£12.31	£6.13	100.1%	8.1%	£2,166,666	£575,217	£972,222	£972,222	

The table can be sorted for each of the columns by using the dropdown box labelled 'Table ordering'.

The presentation of the data has changed slightly from the previous year. The lists of data are presented side-by-side rather than being individually selected via a dropdown box.

Figure 5: Example of charts in benchmarking against statistical neighbours section



Other early years funding formulae spend

The benchmarking table for other EYFF spend shows the planned budget information for each of the early years entitlements separately. The same information is also represented in a bar chart form.

Figure 6: Example of the other EYFF benchmarking table

Oldham																Financial Year 2025-2026			
Benchmarking against Statistical Neighbours																			
Table ordering: Original																			
Local Authority	3-4 year olds				2 year olds (FRAS)				2 year olds (WP)				5mth - 2 year olds						
	Total EYFF Budget	SEN Inclusion Fund (top-up grant element) budget	Contingency funding	Central spend	Total EYFF Budget	SEN Inclusion Fund (top-up grant element) budget	Contingency funding	Central spend	Total EYFF Budget	SEN Inclusion Fund (top-up grant element) budget	Contingency funding	Central spend	Total EYFF Budget	SEN Inclusion Fund (top-up grant element) budget	Contingency funding	Central spend			
England	£3,554,262,593	£86,778,014	£30,617,803	£137,637,448	£558,030,146	£10,212,857	£2,987,135	£15,060,990	£884,818,292	£14,766,273	£5,509,565	£25,652,806	£697,693,914	£10,525,987	£5,987,592	£18,102,637			
Oldham	£17,870,389	£98,838	£0	£844,407	£4,978,020	£50,840	£0	£79,563	£5,965,065	£4,068	£0	£248,759	£8,918,872	£44,817	£0	£277,221			
Blackburn with Darwen	£10,946,688	£289,074	£0	£492,117	£2,171,003	£5,681	£0	£8,153	£3,895,916	£16,146	£0	£161,363	£5,736,603	£5,980	£0	£239,216			
Bolton	£22,812,189	£507,607	£0	£731,800	£7,511,086	£172,393	£0	£123,300	£8,185,939	£400,000	£0	£273,500	£12,495,803	£268,500	£0	£405,900			
Rochdale	£16,065,345	£167,000	£166,032	£668,518	£3,815,851	£12,000	£16,321	£158,883	£5,657,583	£78,000	£136,667	£214,676	£8,616,369	£9,100	£88,420	£363,079			
Bradford	£38,784,173	£747,035	£0	£474,715	£8,799,208	£150,000	£50,580	£82,308	£11,729,954	£200,000	£195,000	£83,979	£17,713,154	£200,000	£190,390	£91,486			
Walsall	£20,910,141	£95,000	£0	£578,469	£4,500,768	£15,000	£0	£172,694	£5,007,396	£15,000	£0	£193,767	£7,456,457	£5,000	£0	£305,702			
Derby	£22,275,706	£484,978	£13,703	£540,297	£3,354,289	£108,745	£0	£110,886	£4,557,492	£129,862	£8,798	£202,255	£5,859,412	£35,000	£4,084	£300,766			
Stoke on Trent	£13,080,682	£120,000	£325,000	£735,985	£3,261,050	£30,000	£82,000	£99,319	£6,858,783	£30,000	£173,000	£108,295	£8,738,407	£20,000	£220,000	£70,390			
Coventry	£22,571,767	£542,400	£0	£962,112	£3,932,505	£13,085	£0	£140,826	£7,996,549	£31,075	£0	£245,132	£11,918,677	£1,104	£0	£497,024			
Birmingham	£84,226,425	£2,166,666	£0	£2,426,547	£17,868,175	£916,668	£0	£1,819,910	£23,948,433	£694,444	£0	£1,213,274	£36,320,741	£472,222	£0	£606,637			
Sandwell	£22,556,459	£120,000	£770,000	£1,001,038	£4,364,018	£120,000	£0	£221,409	£6,083,419	£120,000	£0	£253,476	£9,047,455	£120,000	£0	£378,977			
Selection Median	£22,275,706	£289,074	£0	£668,518	£4,364,018	£50,848	£0	£123,300	£6,083,419	£78,000	£0	£214,676	£8,918,872	£35,000	£0	£305,702			
Selection Minimum	£10,946,688	£95,000	£0	£474,715	£2,171,003	£5,681	£0	£82,308	£3,895,916	£4,068	£0	£83,979	£5,859,412	£5,000	£0	£70,390			
Selection Maximum	£84,226,425	£2,166,666	£770,000	£2,426,547	£17,868,175	£916,668	£82,000	£1,819,910	£23,948,433	£694,444	£195,930	£1,213,274	£36,320,741	£472,222	£220,000	£606,637			

As with the entitlements worksheets, the benchmarking table can be sorted by each of the columns by using the drop-down box labelled 'Table ordering', and the bar charts can be viewed at the bottom of the sheet.

The benchmarking table for the EYPP worksheet includes the allocated budget per local authority against statistical neighbours.

Figure 7: Example of the early years pupil premium benchmarking page

Oldham - Key Budget Statistics					
					Financial Year 2025-2026
Oldham		All establishments			
Early Years Pupil Premium - total		£648,496			
Benchmarking against Statistical Neighbours					
Local Authority	Early Years Pupil Premium 3-4 year olds	Early Years Pupil Premium 2 year olds (FRAS)	Early Years Pupil Premium 2 year olds (WP)	Early Years Pupil Premium 9 mth - 2 year olds	Early Years Pupil Premium All providers
England	£44,196,992	£14,168,649	£14,624,088	£1,467,351	£74,457,080
Oldham	£376,987	£112,285	£136,805	£22,419	£648,496
Blackburn with Darwen	£143,013	£7,581	£7,581	£1,362	£159,537
Bolton	£308,267	£186,162	£4,560	£17,163	£516,152
Rochdale	£441,226	£108,252	£108,252	£19,483	£677,213
Bradford	£887,451	£146,415	£197,267	£30,934	£1,262,067
Walsall	£486,113	£85,919	£85,919	£15,464	£673,415
Derby	£512,772	£146,108	£16,530	£14,638	£690,048
Stoke-on-Trent	£823,300	£189,200	£63,100	£22,710	£1,098,310
Coventry	£641,165	£66,517	£157,967	£20,201	£885,850
Birmingham	£2,241,867	£240,852	£319,270	£50,410	£2,852,399
Sandwell	£521,607	£77,603	£77,603	£13,971	£690,784
Selection Median	£512,772	£112,285	£85,919	£19,483	£690,048
Selection Minimum	£143,013	£7,581	£4,560	£1,362	£159,537
Selection Maximum	£2,241,867	£240,852	£319,270	£50,410	£2,852,399

The table also allows you to view the data from the highest to lowest values by selecting 'Early years pupil premium' from the drop-down menu.

As with the entitlements worksheets, the information in the benchmarking table is presented in bar chart form below the table.

Disability access fund

The benchmarking table for the DAF worksheet includes the allocated budget per local authority against statistical neighbours.

Figure 8: Example of the disability access fund benchmarking page

Oldham - Key Budget Statistics					
					Financial Year 2025-2026
Oldham		All establishments			
Disability Access Fund - total		£217,617			
Benchmarking against Statistical Neighbours					
Local Authority	Disability Access Fund 3-4 year olds	Disability Access Fund 2 year olds (FRAS)	Disability Access Fund 2 year olds (WP)	Disability Access Fund 9 mth - 2 year olds	Disability Access Fund All Providers
England	£28,226,195	£4,386,632	£3,974,927	£2,457,379	£39,045,133
Oldham	£164,150	£17,336	£21,122	£15,009	£217,617
Blackburn with Darwen	£129,444	£18,291	£18,291	£8,442	£174,468
Bolton	£191,352	£52,000	£5,218	£20,636	£269,206
Rochdale	£180,096	£28,609	£28,609	£15,946	£253,260
Bradford	£438,046	£50,350	£67,838	£37,520	£593,754
Walsall	£196,042	£21,105	£21,105	£15,946	£254,198
Derby	£215,740	£48,776	£9,380	£15,946	£289,842
Stoke-on-Trent	£59,900	£13,800	£4,600	£1,700	£80,000
Coventry	£241,066	£18,900	£44,884	£20,636	£325,486
Birmingham	£840,448	£116,969	£155,051	£86,296	£1,198,764
Sandwell	£207,298	£25,795	£25,795	£12,194	£271,082
Selection Median	£196,042	£25,795	£21,122	£15,946	£269,206
Selection Minimum	£59,900	£13,800	£4,600	£1,700	£80,000
Selection Maximum	£840,448	£116,969	£155,051	£86,296	£1,198,764

The table also allows you to view the data from the highest to lowest values by selecting disability access fund from the order drop down menu.

As with the entitlements worksheets, the information in the benchmarking table is presented in graphical format below the table.



Department
for Education

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