



Early Years National Funding Formula: Fact Sheet on the Government Response

Thank you to everyone who contributed to our consultation and regional events, including 3,121 respondents to our online survey. We heard your views on distributing our record investment in the 3- and 4-year old free entitlement.

This factsheet provides a summary of our response. If you are a childcare provider, please now work with your local authority and provide your thoughts on their consultation on funding rates in your local area. Visit the Foundation Years website for further information and advice to help you prepare for 30 hours delivery.

What do the reforms do?



Fairer funding for local authorities

Introducing a national funding formula to allocate early years investment fairly and transparently: an additional £1 billion every year by 2019-20. Including all the elements of the government's support for the three- and four-year olds, the national average funding rate for three- and four-year olds will increase from £4.56 to £4.94 per hour.

95%

Maximum funding to providers

All local authorities to pass on the vast majority (95%) of funding directly to childcare providers.



Fairer funding for providers

Childcare providers in each local authority area to receive the **same basic rate of funding** (before supplements) for every hour of the free entitlements.



Greater transparency for providers

More targeted use of **local authority** funding supplements to recognise key drivers of local costs.



Additional funding for children with SEND

Targeted additional funding for providers to support disabled children and a new local authority approach to supporting children with special educational needs.

How have we responded to feedback from the early years sector?

£4.30

Every local authority now guaranteed a minimum funding rate of £4.30 per child per hour. This will give local authorities the scope to pay providers an average rate of at least £4 per hour.

MNS

Local authorities can maintain funding levels for Maintained Nursery Schools – £55m per year of additional funding, extended until the end of this Parliament (2019-20).



We will allow a redesigned **quality** supplement and a supplement for providers who support children with **English as an additional language**.

£615

We have confirmed the **Disability Access Fund** will provide £615 for eligible children every year, supporting providers to help all children access the free entitlements.



We will require local authorities to have a **SEN Inclusion Fund** and to publish details on their planned value and how the funding will be allocated.