

The Proposed DfE Early Years National Funding Formula

The Department for Education (DfE) provide Early Years Dedicated Schools Grant (DSG) funding to Local Authorities (LA) to fund early years providers to deliver early education provision for all 3 and 4 year olds. All 3 and 4 year olds are entitled to 15 hours per week of early education for 38 weeks per year. This provision can be provided by any Ofsted registered early years provider such as private day nurseries, pre-schools and childminders (Private, Voluntary, Independent - PVI), and by academy and maintained schools. The funding provided by the DfE for this purpose to LAs is based on historical spending allocations and there is wide variation in the funding provided to LAs, and thus to providers. In addition, from September 2017 working parents will be entitled to a further 15 hours of childcare per week, making a total of 30 hours early education and childcare per week for 38 weeks per year.

The DfE are seeking to develop a national funding formula which provides fair and transparent funding to all LAs. They are also committed to providing additional funding to improve the funding rates for providers to ensure there is a *'strong and sustainable early years funding system that is fair, transparent and maximises funding to providers'* (page 3, consultation document). The DfE funding consultation proposals relate to both the universal 15 hours entitlement and the additional 15 hours for working families from September 2017.

The DfE launched a consultation on 11th August 2016 to consult on proposals for a new national funding formula. This consultation closed on 22nd September 2016. All schools, academies and PVI providers were alerted to this consultation via email. The DfE intend that the outcome of the consultation will be published in the Autumn term, with implementation from April 2017.

Given the tight timescale for an April 2017 implementation, the DfE have indicated that LAs should begin to consult with providers and plan indicative funding allocations based on the content of the consultation document and the tables published alongside the consultation providing indicative funding rates.

The Early Years and Childcare Service are currently consulting with providers on April 2017 funding rates based on the indicative information provided by the DfE through the consultation. The methods of consultation are:

- PVI provider owner/manager meeting
- Primary Headteachers meeting
- Childminder consultation group
- Email correspondence to all providers
- Early Education Working Group

Following publication of DfE funding allocations for April 2017, the final proposed funding rates for providers from April 2017 will be put to the Strategic Director of Children's Services via his Directorate Leadership Team meeting for approval and shared with Schools Forum.

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