



# Consultation: Early years funding

## Changes to funding for 3 and 4 year olds

Take part in our consultation by [reading our proposals and visiting the survey site](#) between Thursday 11<sup>th</sup> August and Thursday 22<sup>nd</sup> September. We ask your views on changes to the way funding works for both for the existing free entitlement for 3 and 4 year olds and the extended 30 hour entitlement for working parents.

This factsheet gives a summary of our key proposals. We look forward to hearing your views.

### What are we proposing?



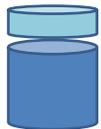
**Fairer funding for Local Authorities**  
Introducing a national funding formula to allocate a record level of investment, including an additional £1billion by 2019-20, fairly and transparently.

95%

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



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



**Greater transparency for providers**  
More targeted use of local authority funding supplements to incentivise providers to meet the needs of parents.



**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.

### What does it mean for the early years sector?

£3.9bn

A record £3.9bn funding per year from 2019-20 to ensure we can expand the free early years entitlements from 15 to 30 hours a week.

£4.88

Government fulfils its promise of a higher national average hourly funding rate, increasing from £4.56 to £4.88.



The vast majority of local authorities and providers to see increases in their average hourly funding rates.



A more level playing field for different types of provider, which is more transparent and easier to understand.



A new approach for disabled children and children with special educational needs with extra funding to help them access and benefit from the free entitlements.