

EARLY YEARS FUNDING CONSULTATION

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1. Purpose

To receive the draft consultation on proposed changes to the early years local funding formula to be implemented from April 2017.

2. Recommendations

That the Schools Forum approves the draft consultation to be sent out to early years providers and other key stakeholders in the autumn term.

3. Background

3.1 The Department for Education has issued a [consultation](#) on proposed changes to early years funding, which as a result will require Local Authorities to implement changes to their local funding formula in order to comply with the new regulations, when they come into force.

3.2 A briefing was sent out to providers outlining a summary of proposed changes and these were also discussed at the Early Years Reference Group on 15th September before the LA submitted a formal response to the consultation ahead of the deadline of 22nd September. The briefing document can be found at Annex 1.

4. Issues

Consultation with Early Years Providers in Milton Keynes

4.1 The current Early Years Funding Formula in Milton Keynes is already largely compliant with the changes proposed in the national regulations and therefore will only require a small number of changes. The draft consultation outlining the required changes can be found at Annex 2 and in summary covers the following proposed amendments to the funding formula:

4.2 Changes Directed by the Policy:

- Removal of the lump sum and quality factors from the existing formula as these will not be allowable from April 2019.

4.3 Items for Consultation:

- Other supplementary factors are allowable within the formula – the LA proposes not to use any of these factors with the exception of continuing with our early years set up funding support (to ensure additional places can be created).

- A single provider base rate is compulsory within the formula, although transition time is allowable. The LA proposes to move to a single provider base rate from April 2017 with the exception of the two maintained Nursery Schools to ensure that they can still operate after the loss of the lump sum. The DfE is providing transitional support for Nursery Schools for two years.
- Central funding can be held by the LA up to 5% of the total funding to ensure that the majority of funding is passed onto providers.