

To: All Directors of Children's Services
Local Authorities (England)

CC: Head of Early Years
CC: Head of School Funding

10 December 2009

Early Years Single Funding Formula

I am writing to let you know that Dawn Primarolo, Minister for Children, Young People and Families, has taken the decision to postpone implementation of the Early Years Single Funding Formula by one year. A written ministerial statement was laid in Parliament to that effect today (attached).

The Early Years Single Funding Formula (EYSFF) was intended to be implemented in every Local Authority from April 2010 and we know local authorities have been working hard to meet this challenging deadline.

However, we also know that many providers, parents and local authorities themselves have been concerned about the potential disruption to the early years sector that an under-developed formula could cause. The Minister has therefore decided that local authorities will not be required to implement their EYSFF until April 2011. However, the Department will invite those local authorities that believe they will be ready to implement the EYSFF from April 2010 to continue as planned and to join a new wave of pathfinders for 2010-11.

By taking this approach, we hope to build on the experience of the nine pilot local authorities that implemented their formulae in April of this year and, working with them and the new wave of pathfinders, gather further learning and good practice which can be used to support the remaining local authorities to implement their formulae successfully in April 2011.

We will write again next week in order to set out the steps to be taken by those LAs which may wish to apply to become pathfinders. In the meantime, please contact your Government Office Early Years team in the first instance if you have any questions.

We recognise that this may be frustrating to those of you that have worked hard to implement the EYSFF within a challenging timescale and in full partnership with providers. However, the work you have all undertaken so far will be necessary for taking the process into the next year. Postponing implementation will allow more time to reflect on any aspects of the formula that have caused concern and ensure that the final version supports the provision required to meet the needs of the children in your area and meets the needs of all your providers.

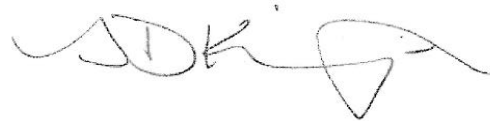
We look forward to working with you further over the next year to ensure the successful implementation of the EYSFF.

With best wishes

Yours sincerely,

Handwritten signature of Ann Gross in black ink.

Ann Gross
Director
– Early Years, Extended Services and
SEN Group
DCSF

Handwritten signature of Stephen Kingdom in black ink.

Stephen Kingdom
Head of School Funding Unit
DCSF

Written Ministerial Statement
'Early Years Funding'

This government has transformed the provision of early years education and childcare in this country, increasing investment sevenfold since 1997 and creating a universal free offer for three and four year olds.

As a result there is now nearly universal take-up of the 12½ hours of free early learning and childcare available to three and four year olds, and we remain on course to extend the provision to 15 hours per week from September 2010. The commitment and endeavour of early years providers across the country have been crucial to this success.

In 2007 we announced plans to introduce a single local Early Years Single Funding Formula (EYSFF).

This aims to provide greater consistency and transparency in local decision-making concerning the funding of the free entitlement for 3 and 4 year olds.

The necessary paving legislation for the EYSFF was included in the Apprenticeships, Skills, Children and Learning Act 2009, which has recently completed its passage through Parliament. The introduction of the EYSFF was welcomed by members on all sides of both Houses.

Our intention has been that every local authority should implement the EYSFF from April 2010. In anticipation of this many local authorities have been working hard to prepare for this and have engaged positively with local providers.

However, during the summer it became clear that a significant number of local authorities were experiencing difficulty in developing their EYSFF. More recently, parents and providers, from both the maintained and the PVI sectors, have expressed concerns about the potential adverse impact on provision if the EYSFF is introduced now.

In response to these concerns the department acted quickly to survey all local authorities, to establish how much progress they had made. This was completed towards the end of November and found considerable variation in terms of their readiness.

The data and information we have collected now suggests that less than a third of local authorities will be in a secure position to implement their EYSFF from April 2010. While it is difficult to generalise about the underlying reasons it seems clear that some local authorities have experienced serious difficulties in obtaining accurate data from their providers, while others have simply found the task extremely challenging.

I have therefore decided to postpone the formal implementation date for the EYSFF by one year until April 2011.

I have asked my officials to invite all local authorities that are confident they are ready to implement their new formulae in April 2010 and who wish to do so to continue as planned. These local authorities will be able to apply to join a pathfinder programme, which currently involves 9 local authorities but which we will now expand.

This expansion will increase the capacity of the pathfinder programme to develop practice from which other local authorities can learn.

The government remains strongly committed to the introduction of the EYSFF in all areas from April 2011. We believe that it is only through the effective implementation of the EYSFF that all providers across the sector can have confidence in local decisions about funding. This twelve month delay should provide sufficient time for concerns to be addressed, without incurring a risk of drift. It will also allow time for more dedicated support to be offered to those local authorities that need it in order to complete the development of their formula.