



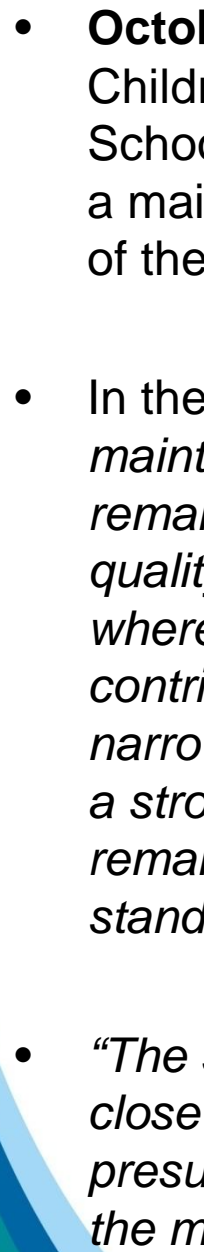
# **Supporting you to implement the Early Years Single Funding Formula (EYSFF)**

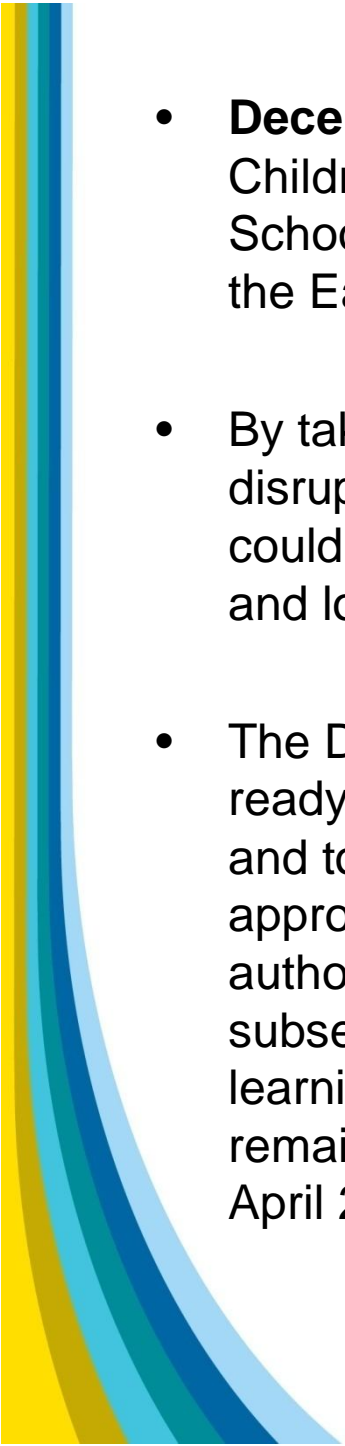
**Megan Pacey, Chief Executive, Early Education**

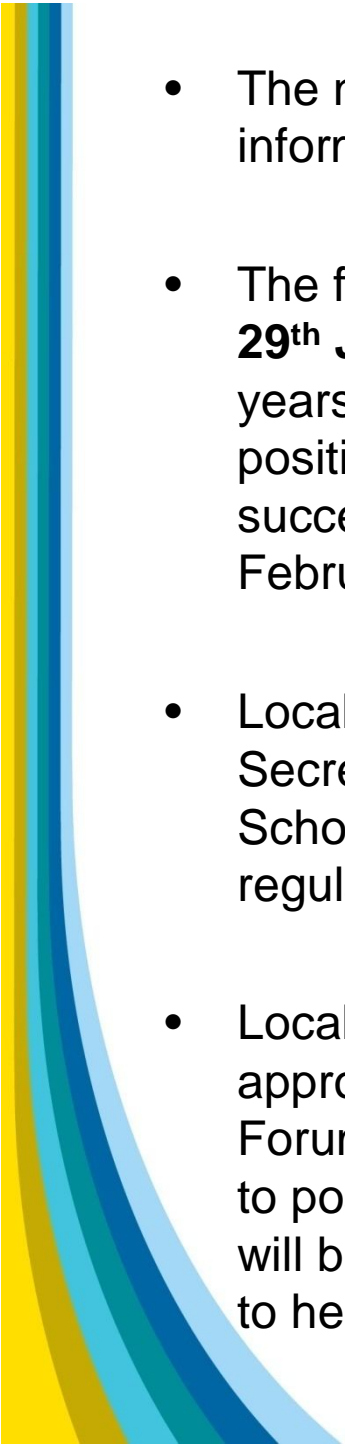


# The Early Years Single Funding Formula in a Nutshell

- In June 2007, the Government announced that local authorities in England would be required to design and implement an Early Years Single Funding Formula for funding the Free Entitlement to early years provision for three and four year olds across all sectors.
- The aim was to improve the fairness and transparency in the way that funding is allocated to providers who deliver the Free Entitlement and thereby support its extension to 15 hours, to be delivered more flexibly from September 2010.
- Final practice guidance from the Department for Children, Schools and Families *Implementing an Early Years Single Funding Formula: Practice guidance* was published in July 2009.

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- **October 2009:** The Rt. Hon. Dawn Primarolo MP, Minister for Children, Young People and Families in the Department for Children, Schools and Families wrote to every Director of Children's services with a maintained nursery school to reaffirm the government's expectations of the EYSFF so far.
  - In the course of the letter, she made it very clear that *"the place of the maintained nursery school in the early learning and childcare system remains of high importance. Such schools generally provide a high quality of education and many are placed in areas of high deprivation where the early years' needs of children are the greatest. This sector contributes strongly to supporting the life chances of children and narrowing the gaps in attainment at later ages. For this reason I place a strong importance of ensuring that the funding of these schools remains viable and that they can continue to deliver the same high standards of provision."*
  - *"The single funding formula should not be used as a vehicle to close, or close by strangulation, good quality nursery school provision. The presumption against the closure of nursery schools remains, even if the method of funding them is changing."*

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- **December 2009:** The Rt. Hon. Dawn Primarolo MP, Minister for Children, Young People and Families in the Department for Children, Schools and Families took the decision to postpone implementation of the Early Years Single Funding Formula by one year until April 2011.
  - By taking this approach Government hope to avoid the potential disruption to the early years sector than an under-developed formula could cause and the subsequent impact on children, parents, providers and local authorities.
  - The DCSF 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. In taking this approach it is hoped that the experience of the nine pilot local authorities that implemented their formulae in April 2009, and the subsequent new wave of pathfinders from April 2010 will identify further learning and effective practice which will be used to support the remaining local authorities to implement their formulae successfully in April 2011.

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- The new group of pathfinders will be selected after consideration of the information provided against published criteria.
  - The form is to be completed and returned directly to the DCSF by the **29<sup>th</sup> January 2010** and copied to your local Government Office early years lead, by local authorities who consider themselves to be in a position to implement their Early Years Single Funding Formula successfully by April 2010. Application outcomes will be known by 15<sup>th</sup> February 2010.
  - Local authorities that wish to be pathfinders will need to apply to the Secretary of State for additional arrangements to be made under the School Finance (England) Regulations 2008 in order to disapply certain regulations.
  - Local authorities are being strongly advised to take a collaborative approach in consultation with Local Authority colleagues, Schools Forum, providers and representative groups before making a decision to postpone or to apply to become a pathfinder. The new pathfinders will be expected to work with the DCSF and the existing pilot authorities to help simplify the process for others and share effective practice.

# Criteria to be considered as a 2010/11 pathfinder

What consultation has taken place with providers? (who has been consulted and dates of consultation process)

Has your Schools Forum supported your application to introduce the single funding formula from 2010? (supporting evidence is required)

Does your early years reference group and/or PVI Schools Forum representative support your application to introduce the single funding formula from April 2010? (supporting evidence is required)

# Criteria to be considered as a 2010/11 pathfinder

What financial impact would the introduction of the single funding formula have on different types of settings:

- Maintained nursery schools
- Maintained nursery classes in infant and primary schools
- Private nurseries
- Voluntary providers
- Independent sector
- Childminders

(copies of any modelling showing gains and losses at individual provider level in both cash terms and as a % of last years' funding)

# Criteria to be considered as a 2010/11 pathfinder

Does your authority fund any full time places? Please provide details of where and how.

Is this universal across the whole local authority or only some providers?

If yes, how will the introduction of the single funding formula impact on the offer of full time places?

Approximately how many surplus places are there in

- Maintained nursery schools?
- Maintained nursery classes?

What has been done to mitigate losses in providers (maintained or PVI) with surplus places as a result of moving to participation funding?



# Criteria to be considered as a 2010/11 pathfinder

Will the introduction of the single funding formula directly lead to the closure of any of the following providers in the future:

- Maintained nursery schools?
- Maintained nursery classes?
- Other providers?

What transitional arrangements are being proposed and for how long would these last?

What arrangements are being made to hold a contingency?

# Key questions to think about

- Is there recognition of the costs related to the legal requirements of your setting?
- Is there recognition of premises, rates and rents costs for your setting?
- Is there recognition of the need for some funding for spare capacity for emergency safe-guarding admissions?
- Is there sufficient funding through the deprivation element to protect vulnerable groups and help to close the gap?
- Has there been recognition of the increased co-ordination and liaison requirements of a multi-professional workforce to meet the needs of these groups?
- Is there provision in the formula for sustainability?

# Key questions to ask

- Is there recognition in the formula that it will not necessarily result in the same hourly rate for all settings as it must reflect the real costs of providing free entitlement by different providers? “Fair and transparent” is not necessarily equal.
- Is there an awareness by the local authority that some services currently provided by your setting may need to receive funding from other sources if your budget is cut?
- Does the local authority understand that if funding is not available for services such as those outlined below, then the quality of provision in your setting and other settings will be adversely affected?
- Is there recognition in the formula that the local authority is currently funding more than the 12.5 hours free entitlement, or that you will be required to fund 15 hours free entitlement in the future?