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All Nursery Education Funded Early
Years Settings

Date: 15 January 2010
Your ref:
Our ref: GTS/KMR

Dear Colleague

Early Years Single Funding Formula (EYSFF)

Further to my letter in December I am writing to update all settings on the current Worcestershire position in implementing the Early Years Single Funding Formula.

You will recall that the minister, Dawn Primarolo, advised all local authorities that the implementation the EYSFF had been deferred until April 2011 as many authorities did not feel confident that they could implement it in 2010. However, the DCSF recognised that some local authorities, such as Worcestershire, were ready to implement their formula and may have wished to continue their plans to introduce the EYSFF this year and there was an invitation to join a pathfinder group.

Members of the Early Years Reference Group who had been instrumental in the development of the process were asked for their opinion on joining the pathfinder group. An urgent meeting was called for Monday 4th January 2010. After a very productive discussion the group unanimously agreed that we should delay implementation of the EYSFF until April 2011 and not join the pathfinder. The main points which led to this decision were that;

- The new Code of Practice for early years funding would not be finalised and introduced until September 2010. There are several things likely to be included in this which will affect the way we allocate funding. They include a focus on quality and the way the extended hours can be accessed. It would be helpful to have clarity around the Code of Practice requirements before we finalise the EYSFF.
- Given the Government's funding review for implementation from April 2011 there is currently no indication of the early years funding streams and so we are unable to predict the likely funding for early years from the 2011/12 financial year. Draft hourly rates may have to be significantly reduced if this budget is much lower than 2010/11, which could mean significant budget uncertainty and instability for all providers with the potential for a subsequent drop in funding.
- There is no government decision regarding whether or not schools can charge children for additional hours when they are in the same setting as funded children. This could make a considerable difference to how schools can plan and manage their nursery provision. It has been suggested that a decision from Government will be forthcoming during this year.

- There are likely to be changes to schools admissions policies which will include the right for parents to defer their child's place in reception at four years of age and take up a full time place in an early years setting. This will entail changes in funding as we do not currently fund any pre school children for a full time place. Again we are unable to predict at this stage what the impact of this change will be.
- A delay in implementation would provide the opportunity to agree and build in a supplement for children with special needs along with the quality and deprivation additional supplements.

The group were mindful of the timescale as interests in becoming a pathfinder have to be submitted by the end of January. As the group agreed to support the implementation delay, I discussed the way forward with our Lead Member for Children's Services, Councillor Marcus Hart and Gail Quinton the Director. Having listened to the responses from the Early Years Reference Group, Marcus agreed that the local authority should not apply for pathfinder status. The recommendation will be considered at the earliest opportunity by the Schools Forum. The Council's Cabinet will need to consider the Secretary of State's decision on deferring until 2011 at its meeting in March in view of the fact that it has previously approved the implementation of the formula from April 2010.

The Early Years Reference Group will continue to develop the EYSFF and will regularly update all early years providers. We may consider 'shadow budgets' for some settings who are willing to be part of a Worcestershire pilot. This would help to provide a realistic picture from early years settings of how the introduction of the EYSFF may affect financial circumstances. This and other further work will be communicated throughout the coming year.

If you have any queries on the EYSFF please contact Alison Hitchins on 01905 728913.

Yours sincerely



Geoff Taylor-Smith
Head of Community Partnership