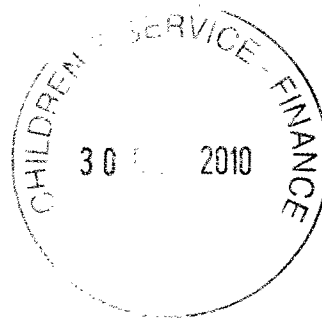


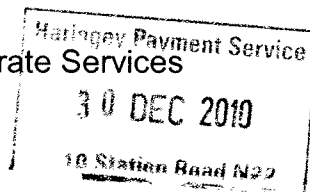
# Department for Education



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Mr Steve Worth  
London Borough of Haringey, Corporate Services  
Alexandra House  
10 Station Road  
London  
N22 7TR



Our ref: 2010/0102912  
December 2010

Dear Mr Worth,

Thank you for your letter of 02 December 2010 about the Early Years Single Funding Formula (EYSFF) which has been passed to me for reply.

The Government has taken the decision to introduce the EYSFF in every local authority from April 2011, following the successful implementation in over 70 pathfinder authorities from April 2010. For too long, early years funding has been inconsistent and patchy across the country with too many children, particularly from disadvantaged families not accessing any, or all of their free nursery education hours. The EYSFF requires all local authorities to be transparent about the funding that they are providing for free nursery education for 3 and 4 year olds by taking a more equitable and cost effective approach – so that parents and providers are able to hold them to account.

It is fundamental that the EYSFF is based on a detailed understanding of providers' costs in both the maintained and Private Voluntary and Independent (PVI) sectors. In determining rates, local authorities should be able to explain and justify any differences in funding between providers under the new formula.

I acknowledge your concern about differences that can occur between the areas covered by the School Teachers' Review Body's (STRB) four pay bands and the Area Cost Adjustment provided as part of the Dedicated Schools Grant (DSG). I can assure you that this issue, and its impact on funding in Haringey in particular, has been raised with us and was considered as part of the review of the DSG which ended in July 2010.

Following the election last May the coalition government confirmed that it wanted to continue the 'spend-plus' methodology of funding schools in 2011-12 so that the level of turbulence in the system was minimised while the pupil premium was introduced. Longer term, the Government's view is that the system of school funding needs reforming. Currently schools facing similar challenges can receive vastly different levels of funding, for no reason other

than historical accident and an out of date assessment of need. The Government believes that two schools with the same needs should receive the same level of funding. It should not be dependent on historical allocations made for a different set of children. The Department for Education will be working closely with Local Authorities and schools to ensure a stable transition to any new system, taking account of their experiences of the current arrangements, and its strengths and weaknesses. I should stress that there will therefore be a full and detailed consultation on school funding changes for 2012-13 and beyond. The White Paper published in November said that we would consult on the merits of a national funding formula, the factors to be included in such a formula, and the necessary transitional arrangements. As part of this work we will be looking at options for the Area Cost Adjustment.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Shearer', with a checkmark-like flourish at the end.

Rob Shearer  
Early Years and Extended Schools