



The Early Years Single Funding Formula
A briefing note prepared by Early Education
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1. In June 2007, the Government announced that local authorities in England will 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 is 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.

The implementation of the Early Years Single Funding Formula to date

2. As local authorities in England have sought to establish their Early Years Single Funding Formula, there have been significant concerns raised about the impact of the implementation of the Single Funding Formula. The experiences of the implementation of the Early Years Single Funding Formula to date are mixed.
3. Many of those working in the maintained sector are reporting that they are increasingly being threatened with closure or significant budget cuts with immediate effect. Others working in the private, voluntary and independent sectors report that many of the rates currently being proposed by local authorities under the Early Years Single Funding Formula amount to little more than pennies and are not enough to support the delivery of the aims of the Early Years Single Funding Formula. Many are also noting that the proposed rate will leave them unable to comply fully with the spirit of draft *Code of Practice on the Provision of the Free Early Education Entitlement*.
4. As the implementation of the Early Years Single Funding Formula enters its final phase of consultation, there is increasing evidence that many of the formulas being proposed by local authorities will have significant and adverse consequences on the services that schools and settings whose high quality early education and care currently support the most disadvantaged children and families.
5. An increasing number of maintained nursery schools and children's centres and nursery class settings are reporting that the Early Years Single Funding Formula that is being proposed by their local authority is going to adversely affect those children who have been identified as being vulnerable and at risk, those with special education needs and the parents who benefit from the support that this existing high quality provision provides.

6. The aims of the Early Years Single Funding Formula to improve and maintain quality of all provision, fairness and transparency of funding are wholly desirable but the manner in which the Early Years Single Funding Formula is currently being delivered in most local authorities continues to threaten the provision of those who deliver for the most disadvantaged children and their parents. Local authorities must be both supported and rigorously monitored to ensure that the aims of the Early Years Single Funding Formula are genuinely achieved across all sectors.

Impact of the loss of the maintained provision as a consequence of the implementation of the Early Years Single Funding Formula

7. There is a consistent and growing body of evidence that demonstrates the effectiveness of maintained nursery school provision and good outcomes for children.
8. Results from the EPPE (Effective Provision of Pre-School Education) study (Sylva et al, 2004) showed that 'combined centres' – described as 'similar to nursery schools' which 'have developed their provision of extended care to include full day care and parent involvement' ranked in the 'good' to 'excellent' range on regards to quality of provision. EPPE concluded that well resourced pre-school centres with a history of integrating education are more successful at providing care and education than centres from the 'care' tradition. EPPE noted that care orientated provision usually offers the lowest salaries to staff, employees working with the lowest qualifications, and has limited access to training and higher staff turnover.
9. The effectiveness of maintained nursery schools is also confirmed by Ofsted reports.
10. The 2007/08 Chief Inspector of Schools Annual Report noted 'nursery schools are particularly effective. 96% of those inspected are good or outstanding.'
11. In 2007/08, 47 per cent were judged 'outstanding'.
12. By comparison, Ofsted's 2005-2008 review of all childcare and early education settings, excluding maintained nursery schools revealed that only 3 per cent were judged 'outstanding' and 57 per cent were 'good'. Ofsted were also concerned as to the ineffectiveness of early education settings outside the maintained nursery sector in disadvantaged areas.
13. In the thirty areas of most disadvantage 54 per cent of day care groups provided good or better childcare, compared with 63 per cent in the rest of the country. In maintained nursery schools located in the 20 per cent most deprived local authorities, as determined by the indices of multiple deprivation (Indices of Multiple Deprivation, Office of National Statistics, 2005-2008) all maintained nursery schools in these local authorities were judged 'good' or 'outstanding' during 2005-2008.
14. Any discussion of maintained nursery provision should include their value as a quality provider, as demonstrated by Ofsted and the EPPE research. Maintained nursery schools are significantly engaged by the private, voluntary and independent learning and childcare settings, as models of effective practice, and as a resource to improve the leadership, pedagogy and practice across all sectors. They play a significant role in the provision of

training qualified teachers and other early learning and childcare providers. Maintained nursery school headteachers and their management teams also facilitate a significant leadership role within their local areas and in some cases this extends regionally and nationally.

15. Over the past ten years there has been significant investment in early education and care. If the single funding formula is implemented in its current state, a decade of investment benefiting the most disadvantaged children and their families is at risk and the highest quality and most effective early education provision will be lost.

Long term impact of the Early Years Single Funding Formula

16. Failure to invest or maintain investment in young children has long-term costs;

- School failure and lower achievement
- Poor physical and mental health
- Lower workforce productivity
- Crime and delinquency

Economic benefits far exceed the costs. High quality programmes are necessary for large economic returns, but where the quality is meagre, they are likely to be far less effective. Ensuring quality must be an essential component of public programme investment. (Siraj-Blatchford, I. and Woodhead, M. (Eds.) (2009)

17. As it is presently proposed, the implementation of the Early Years Single Funding Formula risks undoing the benefits of the significant investment that the present government has made in childcare, the early years, Sure Start and Children's Centres.
18. For many disadvantaged children, the quality of their early childhood education and care has a significant and long-term influence on their educational performance and life chances (Sylva et al, 2004; Schweinhart et al, 2005).
19. Any 'levelling of the playing field' must take into consideration, differences in the quality of the early learning experiences on offer as well as the impact of poverty, ill health and other adversities. These disadvantages are beyond the control of the individual child and their family and social justice therefore demands that adequate provisions should be made (Siraj-Blatchford, I. and Woodhead, M. (Eds.) (2009).

References:

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