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Sarah Teather MP

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Victoria Borwick
Chair, Health and Public Services Committee
City Hall
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2th April 2012

Dear Ms Borwick,

Thank you for your letter of 12 March, and for sending me a copy of your recent report, *Tackling childcare affordability in London*. Your report raises some important issues and suggests action which could be taken at all levels of government to make high quality childcare more affordable.

The Government is committed to increasing the availability of high quality early years provision, whilst at the same time reducing costly and unnecessary bureaucracy. Our reforms to the Early Years Foundation Stage (EYFS) will improve how young children learn in early years settings by freeing up practitioners' time to focus on the areas that are most essential for children's healthy development. We have also consulted recently on clearer and simpler quality criteria that providers of the free entitlement to early education must meet in order to access funding. Both of these reforms will come into force from September 2012.

Your report recommends that the Department should review how local authorities are funded to provide free early education so that funding takes more account of the local cost of provision. The Government recognises that funding levels for the free entitlement can be controversial which is why, since April 2011, we required all local authorities to introduce an early years single funding formula to improve the fairness and transparency of the funding that they allocate to early years providers. We also recently published a consultation on school funding reform, *Next steps towards a fairer system*, which also looks at early years funding. In it we recognise that getting the components and implementation of a fair early years funding formula for local authorities right is critical. In the consultation we commit to continuing to work towards this over the next few years so that this can be done alongside a national funding formula for schools and with minimal disturbance for local authorities and providers.

Early education is a high priority for the Government because of the benefits it brings for children's development as well as the support it provides to help parents balance work and family life. This is why we are extending the free entitlement to early education to 40 per cent of two year olds from 2014, with additional investment of £760m per year, which will create many more free places in London and across the country.

We also recognise the importance of making the free entitlement to early education for two, three and four year olds as flexible as possible to meet parents needs, whilst ensuring that it is delivered at the times that best enable children to learn. Local authorities are already required to ensure that children can access their free entitlement sessions in three hour blocks over five days a week, or in five hour blocks over three days a week. From September, we plan to allow the full 15 hours of free entitlement to be taken over two days a week rather than three and between 7am and 7pm (rather than 8am-6pm as now). We will, however, retain the maximum of ten hours in one day. We are also clarifying the circumstances in which schools can charge parents for additional hours of early education, above the free entitlement, in the way that private providers are able to do.

We hope that the new two year old entitlement and the improvements to flexibility will increase take-up of free early education, particularly by the most disadvantaged children, and make it easier for parents to work or study.

Thanks you again for your letter and for the copy of your report. I hope that my comments are helpful, and that you are reassured that reforms are already underway.

A handwritten signature in black ink, appearing to read 'Patil' followed by a stylized flourish.

 **Sarah Teather MP**
Minister of State for Children and Families