

# **STATES OF JERSEY**



## **CHILD CARE SCHEME FOR LOW INCOME FAMILIES: AMENDMENTS (P.173/2004) – COMMENTS**

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**Presented to the States on 23rd November 2004  
by the Finance and Economics Committee**

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**STATES GREFFE**

## COMMENTS

The Finance and Economics Committee notes that the financial implications of this amendment, though not absolutely clear, are substantial. A figure of £2 million is quoted to deliver a benefit to 30% of families, and the amendment makes no reference as to how this should be funded. Whichever way it is funded (and it has to be funded) the effect will be significantly to increase the annual expenditure of the States at a time when we are trying to promote restraint. Accordingly the Finance and Economics Committee does not support this Report and Proposition on a financial basis.

It also opposes the amendment on the basis that it would conflict with the current principle of the Child Care Scheme, which is to encourage individuals to return to work and therefore reduce reliance on benefits, and could instead act as a disincentive to return to work.

The Committee also believes that any changes to this scheme would at this stage be premature until the outcomes of the Employment and Social Security Committee's review of Income Support and the ongoing review of early years education being undertaken by the Education, Sport and Culture Committee are known.

Clearly any additional funding required would be significant and would need to be prioritised alongside other States initiatives as part of the 2006 Resource Allocation process.