

**JERSEY CHILD CARE TRUST: FIVE YEAR STRATEGY
(2002-2006) AND THE PROVISION OF FUNDING**

**Lodged au Greffe on 31st July 2001
by the Education Committee**



STATES OF JERSEY

STATES GREFFE

180

2001

P.121

Price code: B

PROPOSITION

THE STATES are asked to decide whether they are of opinion -

to refer to their Act dated 18th February 1997 in which they approved the establishment of a Child Care Trust to co-ordinate, promote and facilitate expansion of child care provision in the Island and -

- (a) to receive the Jersey Child Care Trust's Five Year Strategy for Child Care (2002-2006) and to approve the key objectives set out in the report, namely -
 - (i) to increase the number of high quality child care places,
 - (ii) to create a trained, motivated and well supported child care workforce,
 - (iii) to ensure that every working or studying parent can afford a high quality child care place,
 - (iv) to create a child-friendly Island environment, and
 - (v) to support parents and relatives in their role;
- (b) to agree, in principle, that the additional sum of £130,300 should be made available to the Jersey Child Care Trust to enable it to undertake the work outlined in this Strategy and to charge the Finance and Economics Committee to identify the appropriate source of funding for making the funds available each year from 2002 - 2006.

EDUCATION COMMITTEE

Notes: 1. At its meeting of 5th March 2001, the Finance and Economics Committee agreed additional interim funding of £70,000 in 2001 and 2002 for the Jersey Child Care Trust from the General Reserve. At that stage further permanent funding could not be approved because overall Committee cash limits had been set by the States in accordance with revenue expenditure increases of six per cent. It was recommended to the Education Committee that future funding for the Jersey Child Care Trust should be prioritised alongside any other requests the Education Committee may have in their cash limits negotiations.

The proposition brought to the States is inaccurate in that it assumes the funding of £70,000 awarded by the Finance and Economics Committee in 2001 and 2002 will continue.

With regard to the request for additional funds the Finance and Economics Committee maintains the opinion that funding for the Jersey Child Care Trust should be found from within the Education Committee's existing cash limits. Therefore, the Finance and Economics Committee cannot support part (b) of the proposition.

Future funding for the Trust should be prioritised alongside any other requests the Education Committee may have in their cash limits negotiations.

2. The Human Resources Committee notes that there are no manpower implications identified for States Departments in the draft. If the proposals are implemented, any additional staffing requirements that may be identified in States Departments would be considered only in the light of the States policy on manpower and would not normally be approved unless compensatory savings are made elsewhere.

With regard to flexible working, the States Human Resources Department is currently conducting a general review of the application of policies and flexible working will be included in this. The Department is, therefore, happy to undertake the review that has been requested by the Jersey Child Care Trust.

3. The Jersey Child Care Trust Strategy referred to in this proposition is being published separately.

REPORT

1. Background

At its meeting of 18th February 1997, the States adopted a proposition of the Education Committee (P.244/96) and approved the setting-up by the States of a Child Care Trust to co-ordinate, promote and facilitate expansion of child care provision in the Island. Following registration of the Trust's Constitution before the Royal Court on 5th December 1997, the Trust has supported the development of significant advances in the range, quality and quantity of child care places available for children aged up to twelve years and has formed a close and working relationship with other agencies, both States and private, which are concerned for the welfare of children.

2. Current funding

To date the Trust has delivered the targets within its Business Plan, as approved by the Education and Finance and Economics Committees, with funding provided by way of annual grants from the Education Committee plus a series of additional interim annual grants made by the Finance and Economics Committee from the General Reserve, as follows -

	1998	1999	2000
	£	£	£
Education Committee	51,500	152,900	152,900
Finance and Economics Committee	<u>122,000</u>	<u>55,000</u>	<u>66,000</u>
	<u>173,500</u>	<u>207,900</u>	<u>218,900</u>

- Notes :
1. For 1998 both the "start up" and "core running" costs were provided by the Finance and Economics Committee.
 2. For 1999 and 2000 the core running costs have been part of the Education Committee's cash limited revenue budget and annual interim grants have been agreed by the Finance and Economics Committee, pending the delivery of the Trust's Five Year Strategy.

For 2001 similar interim arrangements have been agreed, with the Education Committee providing the Trust's core funding in the sum of £156,700 and the Finance and Economics Committee providing an additional £70,000. The Finance and Economics Committee has further agreed that this sum will be added to the Education Committee's cash limited revenue budget and thus, from 2001 onwards, subject to the Committee's budgets being maintained in line with increasing pupil numbers, the Trust will receive an annual core grant from the Education Committee of £226,700.

3. Future funding

To put the Trust on to a sound financial base, from which it would be able to plan the measured and ongoing development of child care provisions in the Island, the Constitution of the Trust required it, within its second year of operation, to produce a five year strategic report together with funding and action plans for the same period, to be submitted to the Education Committee for approval and presented to the States by the President of the Education Committee on behalf of the Trust, for information and reporting purposes.

Although the Trust met its other targets in terms of producing a detailed Business Plan and reporting progress to the Education Committee, it has only now, at the end of its third year, been able to produce its Five Year Strategy. Whilst this delay is unfortunate, it was perhaps over-ambitious to require the Trust to produce such an important and far-reaching document in less than two years of operation. The delay has enabled the Trust to gain a much deeper understanding of the local child care environment and to produce a more coherent and constructive strategy than might otherwise have been possible.

It is also now clear that the requirement of the Trust's constitution does not go far enough, in that simply "to present this Strategy to the States, for information and reporting purposes", does not secure the support of States members for the Strategy nor, more crucially, does it secure a firm commitment to provide sufficient funding to the Trust so that it may deliver the agreed strategy. The purpose of this report is therefore to seek the support of the States to the targets, as outlined in the Child Care Trust's Five Year Strategy and to ask the States to approve the provision of increased core funding to the Trust to enable it to deliver those targets.

The Trust's Five Year Strategy provides much detail and compelling argument to support its bid for funding for the

period 2002-2006 and therefore, those same arguments are not repeated here.

It will also be seen that the strategy identifies the funding required by the Trust to cover its direct activities as well as broader funding elements which will need to be quantified and approved during the life of the strategy by those States Committees with responsibilities for areas of child care support. However, this report concentrates on the Trust's direct funding needs and leaves those other broader issues for later consideration, as they are developed over the next five years.

In summary, the Trust requires funding for its Five Year Strategy, as follows -

	2002	2003	2004	2005	2006
	£	£	£	£	£
Administration	150,000	150,000	150,000	150,000	150,000
Increased places	74,000	196,000	196,000	136,000	136,000
Develop workforce	0	46,750	46,750	46,750	46,750
Cost of places	0	30,000	0	30,000	0
Child-friendly environment	0	0	0	0	0
Support parents	9,000	9,300	10,000	10,500	11,000
	<u>233,000</u>	<u>432,000</u>	<u>402,750</u>	<u>373,250</u>	<u>343,750</u>

In order to secure certainty and continuity for the future, it is proposed that this funding be averaged over the five year period to produce an annual grant of £357,000. Of this sum, the Education Committee will, subject to its budgets being maintained in line with pupil numbers, continue to provide an annual grant of £226,700 to the Trust, from within its cash limited revenue budget and the shortfall of £130,300 per annum will need to be secured from elsewhere.

The Education Committee has examined its core function priorities and is not in a position to make this additional sum available from within its cash limited budget without damaging existing education services. Members will understand that the Committee cannot compromise the quality of existing provision in order to meet the developments proposed in the Strategy.

The Trust, as it has done already, will continue to raise funds and support "in kind" from a wide range of other sources. However, it is unlikely that such support will meet the shortfall and thus, if additional States financial support cannot be secured, the planned work of the Trust will be significantly curtailed or will have to be extended over a much longer period. The Education Committee believes that the Trust must be able to rely on a firm commitment to the provision of the necessary funding from the States if it is to fulfil the States' aim of meeting the targets as outlined in the Strategy for the period 2002-2006.

4. Conclusions

The nature of the environment in which the Trust operates is variable and, to some extent, unpredictable, and a strategy covering a five year period must be both flexible and responsive. The Education Committee firmly believes that the Trust's strategy meets those requirements; that the targets it contains are well judged in relation to identified need, and that these targets may be modified over time in response to changing need or a changing environment.

The Education Committee therefore commends the Child Care Trust's Five Year Strategy for Child Care to the States and asks that it gives full and wholehearted support to the identified work of the Trust over the life of the Strategy.

5. Financial and manpower implications

The financial implications are set out above and the comments of the Human Resources Committee on the manpower implications are attached.