



# Education and Home Affairs Scrutiny Panel



# Nursery Education Fund

Presented to the States on 14<sup>th</sup> June 2016

S.R.2/2016

## CONTENTS

1. TERMS OF REFERENCE AND PANEL MEMBERSHIP.....	2
2. CHAIRMAN'S FOREWORD.....	4
3. RECOMMENDATION'S.....	6
4. INTRODUCTION.....	7
5. THE PRINCIPLE OF FREE CHILDCARE FOR ALL.....	11
6. THE CHILDREN.....	12
7. THE FAMILY.....	14
8. £75,000 AS THE THRESHOLD.....	20
9. STATES NURSERIES.....	23
10. THE PRIVATE SECTOR.....	25
11. MINISTER'S RESPONSIBILITIES.....	31
12. TAX ISSUES.....	37
13. SUBMISSIONS IN FAVOUR OF THE PROPOSAL.....	39
14. CONCLUSION.....	40
APPENDIX 1.....	42
APPENDIX 2.....	43

## 1. TERMS OF REFERENCE AND PANEL MEMBERSHIP.

### Terms of Reference

1. To establish how the proposals benefit or disadvantage the children of Jersey.
2. To establish;
  - i. what the Minister is hoping to achieve by the changes;
  - ii. why the Minister has chosen the parameters within the proposal and
  - iii. what preparation and consultation the Minister has undertaken to establish the impact of the proposals.
3. To hold public hearings with the Minister for Education and any other individuals or organisational representatives that the Panel considers necessary.
4. To gather evidence relating to the impact on stakeholders, including but not confined to parents, private nurseries and the provision of States nurseries and other services.
5. To present a report containing any recommendations to the States Assembly.

# Education and Home Affairs Scrutiny Panel Nursery Education Fund

The Education and Home Affairs Scrutiny Panel  
comprised the following members:



Deputy L. M. C. Doublet,  
Chairman



Deputy J. M. Maçon,  
Vice-Chairman



Deputy S. Y. Mezec



Deputy T. A. Vallois

## 2. CHAIRMAN'S FOREWORD

- 2.1. The present economic situation worldwide and here in Jersey is far from ideal. Gone are the days when departments could confidently invest in new initiatives to improve public services and the quality of life for islanders, knowing that there was a steady flow of income tax and that the island was prospering.
- 2.2. Being a Minister in the current circumstances is not easy, and we have all heard the phrase 'difficult decisions need to be made'. There are of course different ways to approach these decisions, and the Ministers put in place by islanders and the States Assembly have chosen to tackle the issues via a combination of savings, cuts, new taxes and charges, whilst maintaining some limited investment in select areas. To be fair to this Minister for Education, the announcement about the NEF cuts was given separately to and in advance of the MTFP plans and this should be acknowledged.
- 2.3. I understand there is no perfect solution and that, although there are other options that could be considered, generally Ministers aim to act in the best interests of islanders. However - when the chosen solution to these problems starts to impact negatively on the children in our society, I believe we have taken a very wrong turn indeed.
- 2.4. When the cuts and savings start to affect the youngest in our society, who have no political voice of their own, it is imperative that we question the method and solutions that are being chosen.
- 2.5. I expect, and I believe that the public expects, to be served by an Education Minister who will draw the line at making 'difficult decisions' or cuts that impact negatively on very young children.
- 2.6. I would expect an Education Minister, even in these difficult economic circumstances, to say 'NO' when asked if they can find savings and the only place left to cut is Nursery Funding.

- 2.7. I would expect an Education Minister to do everything in their power to protect the children of this island, even if that meant making difficult decisions about their own political career.
- 2.8. Notwithstanding the economic situation and difficult decisions, expectations have been instilled in the community through government policies of recent times. When those expectations are not met, even further distrust and disengagement is caused amongst the people we serve.
- 2.9. I call upon this Minister to respond to these public concerns, to take a stand and to spell out the limits of what is acceptable in terms of making cuts that will affect the lives, education and future of children in Jersey.
- 2.10. I ask the Minister to review the evidence in this report which has led us overwhelmingly to conclude that the proposals are divisive and damaging.
- 2.11. I ask him to withdraw these proposals, based upon the strength of this evidence.
- 2.12. I implore the Council of Ministers to revisit the reason why they set the path they have in the Strategic Plan and reflect on whether what they are doing, through apparent efficiency and productivity savings, is really conducive to those aims. I ask the Ministers to reflect upon the commitments made to the States Assembly and the public and to alter the balance of savings and cuts to ensure that every child in Jersey has the very best that we can possibly give.

### 3. RECOMMENDATION'S

#### **Recommendation**

**The Minister for Education should withdraw this proposal completely until there has been consultation, full impact assessments and evidence of connectivity with other financial policies, such as tax thresholds, within the States.**

## 4. INTRODUCTION

*"Scrutiny helps improve the delivery of public services by ensuring that decisions are soundly based on evidence"*

*Scrutiny web site*

- 4.1. The Minister for Education has made the following proposal:

*Means testing will be introduced for families to qualify for the 20 hours of free nursery education for 4 year old children with a threshold of £75,000 and where the child is in a private pre-school provider.*

The full details contained within the press release by the Department are reproduced in Appendix 1.

- 4.2. On 23<sup>rd</sup> March 2016, the Department held a meeting with owners and managers of private nurseries and pre-schools.

- 4.3. On the same evening as this meeting took place, the proposal was sent to the media. This was the first that anyone in the nursery business had heard of the proposal. The school holidays started on 25<sup>th</sup> March 2016 and both the Minister and the Chief Education Officer were out of the Island.

- 4.4. Nursery owners and Managers who attended that meeting were informed that this was a proposal that would be introduced in September 2017. The matter was reported on 24<sup>th</sup> March 2016 in the Jersey Evening Post which stated the policy would be introduced in September 2016<sup>1</sup>.



-Private  
Nurseries  
-£75,000  
threshold

---

<sup>1</sup> Article by David Edbrook, front page



# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

- 4.5. It was made clear by the Minister that this was being introduced in order to save the Department £250,000 per year and was expected to impact on between 75 and 100 families.
- 4.6. On 19<sup>th</sup> September 2008 during the debate in the States on the Annual Business Plan, the fourth amendment was debated.<sup>2</sup> This introduced free nursery hours for all children in the year prior to starting statutory education. The report attached to the proposition outlined numerous strong arguments in favour of nursery education being available to all young children, regardless of their family's financial circumstances. The Panel is of the opinion that these arguments, which were accepted by the States in 2008 when the vote was carried by 42 votes to 2 with one abstention, are so well rehearsed and generally accepted by education professionals, that for the sake of brevity, it will not discuss them in this report.
- 4.7. It was during this period that the Early Years Childcare Partnership came into existence and was a useful, collaborative and productive focus group for the Department and the private sector.
- 4.8. In 2011, as part of the Comprehensive Spending Review, P86/2011 was approved in the States<sup>3</sup>. The proposition created parity and equity between the States Nurseries and private providers by allowing the States to charge for hours above the free hours in States Nurseries where parents wished to take advantage of further hours.
- 4.9. The current free nursery funding was the result of the Annual Business Plan in 2008<sup>4</sup>. It would be reasonable to presume that should the Minister decide to make changes to that which has been agreed by the States, it should be returned to the States for consideration. The Medium Term Financial Plan (MTFP) now does the job of the Annual Business Plan, therefore the Panel was concerned that this proposal was being imposed unilaterally by the Minister and that the States were not being given the opportunity to consider the matter.

---

<sup>2</sup> P113/2008, 1(3). Annual Business Plan 2009 (P.113/2008): Fourth Amendment

<sup>3</sup> Debate 12<sup>th</sup> July 2011. Item 6 on Hansard.

<sup>4</sup> P113/2008 Amd(4) – Amd (4)(1)(3)

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

4.10. The Panel has maintained a good working relationship with the Minister and therefore was surprised that it had not been informed earlier. As the Minister and Chief Education Officer were out of the Island, members of the public who were concerned about the proposal contacted Members of the Panel. On 24<sup>th</sup> March 2016, the Chairman met with Jersey Early Years Association. The Panel met and subsequently agreed that an urgent meeting with the Minister was required. A public hearing was arranged for 6<sup>th</sup> April 2016, the details of which will be discussed later in this report. The Panel agreed to undertake a review and scoping documents were presented to the Chairmen's Committee.



4.11. Submissions came into the Panel from the public, private sector and other stakeholders. At the time of drafting this report, 80 submissions had been received.

4.12. Two members of the public started petitions, both of which stated:  
*"Scrap the plans to means test nursery places from 2017"*<sup>5</sup>

The petitions were presented to the Chairman on 31<sup>st</sup> March and as of 1<sup>st</sup> June 2016, had received 2,680 signatures in total and 357 separate comments supporting the statement.

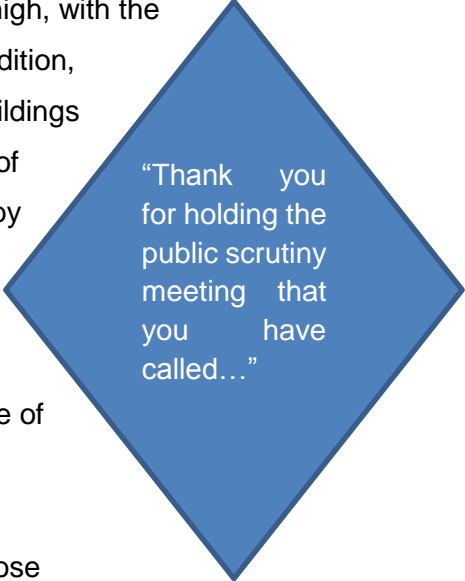
4.13. In addition to the hearing with the Minister, the Panel held a hearing with the Jersey Early Years Association. The Jersey Childcare Trust was invited to discuss their position with the Panel at a hearing but declined the invitation, preferring to provide a written submission.

<sup>5</sup> <https://www.change.org/p/states-of-jersey-scrap-the-plans-to-means-test-nursery-places-from-2017>

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

4.14. Public interest in the initial hearing with the Minister was high, with the Scrutiny room packed full and with people standing. In addition, there were another 50 or so people outside the States Buildings in the Royal Square who were opposed to the imposition of the proposal. The Panel responded to the public interest by holding a public meeting at the Pomme D'Or Hotel on 13<sup>th</sup> April. This meeting was attended by approximately 200 members of the public. The Minister also attended and the Chief Education Officer was also present for some of the time.



“Thank you for holding the public scrutiny meeting that you have called...”

4.15. The Panel bases the comments within this report upon those submissions, the evidence provided to the Panel in the public meetings and at the public hearings.

### 5. THE PRINCIPLE OF FREE CHILDCARE FOR ALL

- 5.1 The letter of invitation sent by the Department to the Public Nurseries mentioned that there had been a great deal of changes in the education sector over the past two to three years. Much of this as a result of changes in the UK that “we [the Department] have had to follow”. This statement led the Panel to examine what was actually happening in England.
- 5.2 On 16<sup>th</sup> March 2016, the Childcare Act 2016 received Royal Assent. This provided 30 hours of free nursery education for children under statutory school age, with means testing set at £100,000.



## Childcare Act 2016

### 2016 CHAPTER 5

finances do not stretch to nursery care or education, they will choose other methods of childcare. Perhaps not, in itself, a problem, but raises the question, “What will that childcare look like?” Will it mean one parent staying at home, perhaps Grandma having the children or even the lady at the end of the road having the children in her lounge all day?<sup>6</sup>

- 5.5 The States discussed many of these issues in 2008 when the free nursery hours were introduced. The overarching reason behind the decision being that it was to the benefit of the children.

5.3 The direction that England is moving, clearly underlines the importance of early years nursery education. That aligns with the reasons behind the 2008 and 2011 decisions made by the States Assembly.

5.4 The need to have pre-school children educated is paramount for many, if not most parents, however, the need for childcare is necessary for every child. If the parent’s

<sup>6</sup> Options contained in submissions received.

## 6. THE CHILDREN

6.1. In November 2015 many local agencies and community organisations worked together in support of 1001 Critical Days, a manifesto, introduced in Jersey in 2016, which highlights the importance of acting early to give children a positive start in life. This manifesto recognises that without a focus on early intervention the costs associated with managing the issues that arise in consequence will continue to rise. The Chief Minister, Senator Ian Gorst, made a commitment to invest in the very early years and gave the Home Affairs Minister, Deputy Kristina Moore, special responsibility for the 1001 Critical Days agenda in Jersey.

6.2. There are numerous publications, studies and other pieces of work which evidence how early experiences impact on the child. There are many easily obtainable documents by experts in young children, that discuss:

- health and wellbeing,
- character building
- learning abilities
- decision making capabilities...

The list could go on and on

6.3. The submissions tell us that if the cost of nursery attendance is beyond the budget of families, they will not send their children.

6.4. Clearly the skills learned prior to statutory school age have an impact on the abilities of the child when they start school. Helping a child to develop appropriate physical, social and emotional skills is a useful start and enables the child to thrive in the reception classroom and furthermore when they transition to more formal schooling in year 1 and beyond.

6.5. There are concerns of continuity. An example was provided within a submission to the Panel, where, a child may currently will be in a private nursery in St Mary when they are two years old. The next year, when the child turns three, the family could now only obtain free hours in a States nursery. Therefore, as there is no States

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

nursery in St Mary, that child can only obtain a free allocation of 20 hours in a school in another. The child then has to return to the original parish to start reception in the year they turn four<sup>7</sup>. This lack of continuity cannot be in the interests of the child. The child's attachment to the caregivers in the public nursery would be broken. This policy would be in conflict with the attachment principles of the young children and carers contained within the 1001 Days manifesto.

6.6. In addition, submissions relate to practical issues for parents who may have more than one child and the transport of those children to different schools.

### Concerns of continuity

6.7. It is an accepted principle that the earlier in a child's life investment is made, the greater the value for money. The Panel is clear that money spent on early years is an investment, not a cost and has a positive impact throughout the lifespan of that individual and on society as a whole.

---

<sup>7</sup> Submission received by the Panel

## 7. THE FAMILY

- 7.1. The Panel noted that many of the people who made submissions considered and referred to themselves as 'Middle Jersey'. Although the Panel has found no official definition, it has used the phrase in this report based on those submissions.
- 7.2. It may be a generalisation, but a large proportion of Jersey families have a natural tendency towards a desire to work. Most people want to be successful, to be part of a highly skilled and experienced workforce. Home-grown, talented people want to be able to compete with skills from elsewhere in order to be the best they can for their families and in turn, for the society they live in. If this sounds familiar, it is because it is contained in the Strategic Plan 2015-18 under 'Developing Priorities'
- 7.3. It is difficult for many of those who made submissions to Scrutiny, to reconcile the aim within the Strategic Plan. For some families who provided submissions, this policy is a very compelling inducement for one member of the family to stop working or at least to reduce their hours. This may have two areas of impact. Firstly, and perhaps rather attractively, it allows a parent to spend time with their young children. Whilst this may have benefits, it also creates a tendency for children to spend less time learning social skills and the necessary formalities in life such as starting time and finishing time etc. and more time in front of the television or computer games, even at this tender age.<sup>8</sup> Secondly, it may remove that individual from the workplace. If these people happen to be in professions such as nurses and teachers, that may impact significantly on society and cause further difficulties in recruitment in those areas<sup>9</sup>. After all, a mid-grade nurse (for example NMO4 or 5) might earn £36-£45,000 and a teacher might earn (TCH1 05) £40-45,000<sup>10</sup>. Many people from differing professions have contacted Scrutiny but they earn similar amounts.

---

<sup>8</sup> These specific concerns were taken directly from submissions to the Panel. 27 of these submissions made reference to perceived problems with early years child development should this proposal be implemented.

<sup>9</sup> Health and Social Services Scrutiny Panel report: "Staff Recruitment and Retention at the Hospital" S.R. 1/2016 states Health and Social Services are 8% short on staff, a figure that is increasing.

<sup>10</sup> Figures from Gov.je website at 2014 rates

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

7.4. The majority of stay at home parents in Jersey are women. This policy could have a significantly unbalanced impact on the female workforce. The Strategic Plan has a whole page dedicated to health and wellbeing. Evidence the Panel has received suggests that the Ministers proposal encourages withdrawal from the workforce, imposed isolation of young children and loss of earnings. The Panel has concerns over the impact this will have on the wider community.<sup>11</sup>



7.5. Giving up work to fall below the threshold will be an option. The Panel heard some interesting concerns about this concept. If a hard working family has one partner reduce or give up their working hours in order to take the family income below the £75,000 threshold that rather peculiarly allows the family to take advantage of the 20 free hours. So staying at home and not working may financially benefit some families.

7.6. It was of interest to the Panel that the following quotes could be found in the election manifestos<sup>12</sup> and blogs of some of the current Council of Ministers prior to the 2014 election:

- All citizens should be encouraged to lead independent lives, to develop their talents to the fullest possible extent.
- Offer new opportunities in employment.
- A suitably trained and experienced work force is essential to the Islands economy.
- Increasing the spending power of Islanders by lowering the cost of living.
- Our small business support is lacking.
- [1001 days manifesto is] something that I strongly feel we need to introduce in Jersey

<sup>11</sup> Strategic Plan 2015-18: Improving Health and Wellbeing.

<sup>12</sup> Vote.JE Candidate Manifestos



# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

Comparing the current proposal with those statements shows a clear change of direction for many since their election.

- 7.7. Submissions made to the Panel show that families plan to have their children and save to meet the significant demands during those early years. The Panel has received numerous examples of families where they had their first child, then planned their second to avoid both being in nursery care at the same time. The imposition of this new charge in 2017 would be too late for some families who are expecting or already have their second child. These people may become in danger of over stretching their finances for up to two years, where they had expected 20 hours of free nursery care. To departments dealing with large sums of money on a regular basis, this may not seem like a significant problem. To many families, this could be 'make or break'.

*"The decision to remove the 20 hours free childcare for families earning over £75,000 will affect my family quite significantly, in that we will now have to seriously consider whether or not we can afford the second child we had hoped for."<sup>13</sup>*

- 7.8. A significant number of submissions suggest that families are planning the birth of their children around the 20 free hours. Changing the policy will delay the birth of their second child or they will forego the birth of their second child altogether.

- 7.9. Prevention or delay of beginning a family or having a second child has also been mentioned to the Panel on many occasions.

- 7.10. And what of families with multiple children, twins etc. How will they cope with twice or more the impact stated by the Department, approximately £4,000 per child per year? Will they be eligible for additional help? Nothing has been mentioned to date.

What of multiple children, twins etc?

- 7.11. Budgeting and planning by responsible families in 'Middle Jersey' is taken seriously. Many who have submitted comments to the Panel make it clear that families expect very little if anything from the States. The Nursery Education Fund (NEF) free hours

---

<sup>13</sup> Quote from submission 2.8

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

provision was agreed by the States and parents believed they could count on a States decision. If changes such as this can be made without reference to the States Assembly, how can families plan anything in the long term?

- 7.12. The work undertaken in 2008 and 2011 within the States Chamber, provided a system that allowed 20 hours of free nursery care for all. The proposal removes that equity and will provide 20 free hours for all under £75,000 income and for some above that income who have secured a place in a States Nursery. This is inequitable. Why



should two people, doing the same job and earning similar money, be treated differently? Why should the child of one be offered something that the child of the other is not.

- 7.13. Employers have in many cases invested in their staff. Many employers consider their staff to be their greatest asset. Some could now be losing staff and have a more difficult time recruiting to fill spaces because of the proposal.
- 7.14. Nobody raised flexible working arrangements as a submission, but the Panel recognises that this may force some employers to be more flexible.
- 7.15. The submissions received by the Panel suggest that this proposal is perceived to be aimed at professional, hardworking and educated people. People who have done everything that society has asked of them in completing an education in order to obtain the better jobs, worked hard to progress through those jobs to provide the best that can be for their families.
- 7.16. The Proposal is expected, by the Minister, to impact on 75 to 100 families. The 200 people who attended the Scrutiny Public meeting strongly disagreed and the general feeling expressed was that every one of them would be affected along with many other families that they socialise with and meet in their professional lives.
- 7.17. Reduction of choice was another burning issue for many who made submissions. At the moment, parents have a choice of where to send their children based on the type

## Education and Home Affairs Scrutiny Panel Nursery Education Fund

of care /education offered, knowledge of the nursery or any one of many other elements which providers are chosen by. The proposal will reduce this choice, perhaps dependant on whether the child is accepted into a States Nursery, or whether a private provider will have to be found and paid for. The choice to be made is not as important as the fact that the parent has the choice. It is not understood why the withdrawal of choice should be the direction of travel by the Minister for so little financial gain and no gain in any other area that is discernible to most families. The Panel notes that the amount of public concern this has generated, the inequity of the proposal and the direct disadvantage to some children seems a high price to pay given that the Minister wishes to save £250,000. That is less than 0.0025% of his budget.<sup>14</sup>

- 7.18. A comment within several submissions was: “Might as well live on benefits”. This is an attitude that the Panel would not support. However, several families have raised the question who state they are working hard to maintain a mortgage, pay their taxes and educate their children. This is one more burden to carry. They want to stop, sell up and let the Island take care of them. Whilst not supporting this argument, the Panel can recognise that it could become an attractive proposition for families, where people are working long hours just to stand still and missing so much of their children growing up.
- 7.19. Most of the respondents in this review hold mortgages. The Jersey House Price Index for the first quarter of 2016 shows the mean price of a three bedroomed house is £515,000. This is a typical family house. If a bank will loan 5 times annual salary, that requires people to be earning something around £100,000 per year depending on the deposit they need to save. Earning £75,000 per year, people may be unlikely to be able to borrow more than £375,000, which according to the same document is insufficient to purchase a two bedroomed house.
- 7.20. There has been no evidence provided to the Panel to suggest that £75,000 as a family income, is a high income.

---

<sup>14</sup> Figures from Annex to the Medium Term Financial Plan 2016-2019 Pages 65 and 67.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

7.21. Relocating is an option. Further, it is an option recognised within the Strategic Plan which states:

*“If investors, businesses and our young people believe their aspirations can be better met elsewhere, Jersey will have to deal with the costly challenges of its rapidly aging population without the economic base to fund it.”*

7.22 If this policy really has people talking in such a manner, and several people who made submissions stated it would be a consideration, then the Panel is concerned why a Minister would be permitted by the Council of Ministers to put forward such a policy which is so clearly in contravention of the Strategic Plan.

7.23 Submissions point out that the policy would create a system whereby a family earning £76,000, with a child in a private nursery, could be paying taxes and therefore supporting a family earning £86,000 with a child in a States nursery. The Panel questions if that is an intended function of the policy.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

### 8. £75,000 AS THE THRESHOLD

*“To be able to give away riches is mandatory if you wish to possess them. This is the only way that you will be truly rich.”*

*Muhammed Ali*

- 8.1. Figures from the States Statistics Unit show that the proposed means testing being set at £75,000, is aimed at a third of Islanders who have children under 5 years old.

Counts of:	Actual count from 2011 census	Estimate End-2015
Households with a child under 5 years	4,158	4,366
Approx. 30% of households with a child under 5 years have gross cash income > 75k	1,310	households
This relates to approx.	340	4 year olds

The income thresholds all correspond to unequivalised household Gross Cash Income<sup>15</sup>

- 8.2. Means testing will not only impact on the families earning above the threshold, but on all families with children of that age if there is a scramble for States nursery places.



8.3. The Panel asked, “Who exactly are £75,000 households?” As can be seen from the figures above, that relates to a third of families who have children under 5 years old. That relates over time, to a third of all families in the Island who in the future have children. These are the ordinary householders, the families who have two professional people, such as, for example, a nurse and a police officer, a teacher and a secretary or perhaps a civil servant and a finance worker. Nothing extra ordinary,

<sup>15</sup> Figures obtained from States Statistics Department.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

just ordinary working families. The evidence supplied to the Panel suggests some of these are the people who cannot afford a holiday every year, who have everyday cars and who run bank accounts that are tight at the end of every month.

- 8.4. Some people who have made submissions to the Panel have examined the extra cost involved as a result of this unexpected policy and are seriously considering the benefit of both partners working. The impact within the family of people withdrawing from the workplace should not be dismissed, as it impacts on the quality of life the parents are able to provide for their children in a very direct manner. However, withdrawal of a number of people from the workplace provides the potential for significant impact in the economy of the Island, which as stated, is counter to the aims of the Strategic Plan.
- 8.5. Means testing may of course have its merits. It is used in the UK with a threshold of £100,000. The Panel has seen no consideration of a sliding scale within the proposal. The threshold is severe for those who are just above it and would make 'gaming the system' a reasonable option for many. This would be easy to achieve by reducing hours, refusing a promotion, or not progressing a business as enthusiastically as might have been the case. Submissions suggest that people recognise the likelihood for this to have a negative impact for the overall Island economy.
- 8.6. In the main, the families above the threshold are educated and professional people. Concern was expressed in submissions to the Panel that families are likely to find methods of obtaining the places in the States nurseries to avoid having to meet the cost of the 20 hours in the private sector. Some providing submissions were concerned that families under the threshold who do not apply early for a place in the States nurseries, will then be obliged to use the private sector and will of course have the 20 hours met by the Nursery Education Fund. Should that occur, then the Department will still be paying for those under the threshold to be in the private sector and still be paying for the States nurseries. This could negate the savings intended as most children will still be receiving the 20 free nursery hours.

## Education and Home Affairs Scrutiny Panel Nursery Education Fund

- 8.7. Families earning less than £75,000 may find there are no places in States nurseries or that places are less available. This could impact on lower income families, meaning the policy impacts on more than the 75 to 100 families intended.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

### 9. STATES NURSERIES

*"The most important part of education is proper training in the nursery"*

*Plato*

- 9.1. States nurseries only provide nursery education during school time hours. For many families this is sufficient, but for many who submitted evidence to the Panel, some of whom attended the public meeting held by the Panel, childcare is needed which starts earlier and finishes later. Nursery care during the school holidays is also widely needed and not available from the States providers. There are some breakfast clubs and other initiatives but these are not widely available.



- 9.2. New States Nurseries are opening or planned for three of the Island's schools, Trinity, Springfield and St Mary's, part of the Minister's intention to provide a nursery at every primary school. The Minister has stated that this is partly due to demographic changes.<sup>16</sup> Many who contacted

Scrutiny questioned how the building of new nursery units could be afforded at this time and how the money spent could be justified. The more cynical considered the policy was designed to recoup some of the cost of these new units over time. Some have questioned whether States nurseries are actually a 'nice-to-have' provision, because as the Minister has stated, nursery care is a non-statutory commitment for his department.

- 9.3. There is a presumption that the new places in the States nurseries will be taken up should the proposal be introduced regardless of the lack of wrap-around-care needed by some families. This could mean children being moved from one nursery to another or from the States nursery to the care of a childminder or similar.

<sup>16</sup> Quarterly Public Hearing 19<sup>th</sup> May 2016 Page 20



# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

- 9.4. There was no information on how the prioritisation of places in States nurseries is going to work. However, the Minister stated that he had not considered the allocation of places, but he expected there would be children with higher priorities for places than those of families earning over £75,000.<sup>17</sup>
- 9.5. The current admissions criteria for States Nurseries is explained on the gov.je website. Submissions have shown concern as to what the admission criteria be under the new policy? Will the States nurseries be available to all? Will it be necessary to register a child at birth to ensure a place? Who will decide the criteria and how will it be enforced?
- 9.6. A recurring theme for parents who have been in contact with this Panel on this and other reviews involving education in Jersey, is that parents simply do not know the details of matters such as this policy. As can be seen, there are many questions that need answers. If the Minister has those answers, they were not discussed at the point of publication of the policy and were certainly not subject of consultation beforehand.

---

<sup>17</sup> Public Hearing 6<sup>th</sup> April Page 38

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

### 10. THE PRIVATE SECTOR

*"He who opens a school door, closes a prison"*

*Victor Hugo*

- 10.1. In some cases, the people involved in the private and charitable sectors of nursery care have made submissions containing strong inferences. In others they have been more cautious as they recognise some dangers in criticising the regulator, who is the Minister. However, there is concern in very many areas, not least of which deals with the manner in which they were advised of the policy.
- 10.2. The letter of invitation to a meeting with the Department stated<sup>18</sup>:

*"..there have been considerable changes in the education sector over the past two or three years. A great deal of this is as a result of changes in the UK that we have had to follow."*

The letter also stated:

*"The aim will be to discuss current issues and explain slight changes planned for the operation of the Nursery Education Fund."*

At this meeting it was explained to those attending that the Minister intended to means test the 20 hours of free nursery placement for 4 year olds at private nurseries with a threshold of £75,000 income, above which the 20 free hours would be withdrawn. (the proposal)

- 10.3. As mentioned previously in this report, it is accepted that there have been changes in England. Probably the greatest change has been the introduction of the Childcare Act 2016, which increases the provision to 30 hours of free nursery education for families means tested at £100,000. However, clearly, the Minister is not following this particular change. He is making free nursery hours available to less families, and therefore effectively moving in the opposite direction.



<sup>18</sup> Letter Reference JD/JM/20160315 dated 15<sup>th</sup> March 2016. Signed by Chief Education Officer

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

10.4. People who attended the meeting expected some tweaks based on the letter suggesting an explanation of 'slight changes planned for the operation of the Nursery Education Fund.' The proposal is hardly a slight change. For some it may be the end of the road for their business. The Panel has been informed of one nursery where private investment has been withdrawn due to the concerns over the proposal. That nursery is due to close.<sup>19</sup> Those in the profession do not consider this to be a small change.

10.5. For many years now, good work has been done on all sides to form a States/Private partnership. In 2009, both parties signed up to the following statement:

*"Our shared vision is to work together with parents and each other in the States and Private sectors so that we can provide the very best education and care for the pre-school children in our care.*

*We aim to nurture young children so that they are confident, happy and excited to learn. We hope our children will grow up to be caring and productive members of our society. As practitioners, we will endeavour to be reflective in our practice, with the child at the centre of our work.*

*We will work within an ethos of inclusion so that every child, parent and practitioner is valued for their strengths and supported in their development."<sup>20</sup>*

10.6. The document this quote is taken from is the Jersey Pre School Quality Framework and was published in 2010. This is a well referenced document, drawing on such organisations as the Department for Education and Skills/Qualification and Curriculum Authority Curriculum for the Foundation Stage. It shows clear, agreed high quality standards of education and care, which are necessary in order to improve outcomes for all pre-school children.<sup>21</sup> It contains as a core value:

---

<sup>19</sup> Hearing of 13<sup>th</sup> May 2016 with Jersey Early Years Association Page 39.

<sup>20</sup> Jersey Pre School Quality Framework.

<sup>21</sup> Answer to: What is the pre School Quality Framework? Contained on page 6 of that document.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

*“We will create an ethos of inclusion so that every child, parent and practitioner is valued for their strengths and support their development.”*

10.7. There are those who would question the Ministers’ commitment to this mission

*“We will create an ethos of inclusion so that every child, parent and practitioner is valued for their strengths and support their development.”*

statement and core values by seemingly abandoning those children whose families are above the threshold and for whom the States nursery places are either unavailable or unsuitable due to operating hours.

10.8. The Panel was advised that the Education Department had a post holder who liaised with the private sector and had access at senior management

level within the department. That role has gone and not been replaced with a clear, equivalent senior liaison officer.<sup>22</sup> The Department have disputed this showing that the actual position is not clear to those involved.

10.9. The private sector are able to sign up to a ‘Nursery Education Fund Partnership Agreement’ each year. This is a required declaration where a private provider wishes to deliver NEF funded early years places. It requires the provider to work in partnership with the Education Department and deals with:

- Prerequisites for becoming a registered NEF provider
- Conditions of funding
- Process for administering the Nursery Education Fund
- Payment of NEF

<sup>22</sup> Public Hearing with JEYA 13<sup>th</sup> May 2016 page 6.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

- Payment of notice, sickness and absence
- Process for removal or rejection from the Directory of Providers.

10.10. This is one of numerous documents that need to be signed up to in order to become a registered NEF provider. The document makes requirements of the provider and provides powers for the Regulator, the Education Department.

10.11. There is significant concern that the means testing of families attending private nurseries will mean changes, not necessarily agreed with the providers, in areas such as:

*“1. Parents seeking a NEF place are advised to approach the provider directly to secure a place for their child. The Education Department will not be involved in placing children in registered Pre-School centres.”<sup>23</sup>*

10.12. Therefore the States will be involved in placing children in registered Pre-School centres, via the means testing process, although leaving the decision of which one to families or availability.

10.13. One of the main differences between the States and private providers is the hours of operation. Private providers, in many cases provide wrap-around-care and the States nurseries do not. This allows choice for families as to the provision they require. Currently both provisions have the 20 free hours.

10.14. How this impacts on private nurseries has been the topic of many submissions. Firstly, the Minister and Department had entered into no consultation, negotiation or any other usual course of action when one is involved in a partnership. This was presented as a non-negotiable decision to the industry.

10.15. Secondly, there was no information provided to the industry beyond the information given at the meeting with the Department. Private nurseries continue working through

---

<sup>23</sup> Para 1 Process for administering the Nursery Education Fund. Partnership Agreement 2016 – 2017.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

the school holidays and owners and managers had to reassure large amounts of worried parents through the Easter Holiday break with little or no knowledge of the details of the proposal and no documentation to provide answers.

10.16. Thirdly, private nurseries are in many cases businesses and like any business they have to keep their financial backers informed. Submissions to the Panel have shown that nurseries are having trouble creating business plans for the forthcoming years due to the uncertainty created by the proposal.

10.17. Such uncertainty has rippling effects. Staff who are employed in private nurseries have told the Panel that they now have uncertain futures. Clearly not all will be impacted by the changes but equally, some will. The Department has provided no impact assessments to the public and therefore people are trying to assess the likely impact themselves. Staff in these businesses are frequently parents as well and need to know how to plan their future. This is proving very difficult in the current climate and will be almost impossible if the proposal is introduced.

The  
Department  
has provided  
no impact  
assessments

10.18. Another area of concern amongst professional people providing this service is the possible return towards unregistered childcare. Nobody is suggesting that parents would want their children to be cared for by unregistered childminders. It has been suggested that some will simply not want the Education Department looking into their finances.

10.19. Once again, the Panel asks is this equitable? The Regulator and competition, the Department, wish to bring in means testing for private nurseries only. There is plenty of evidence of the hard work over the years in the States to create equity, however, the Panel has found no evidence to suggest that there is equity here.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

- 10.20. There are other private nurseries, who are not currently registered NEF providers at present. The Panel was told that there was no reason why those nurseries could not apply to become part of the scheme. That would increase costs which the Department would have to meet. That was a second reason for the proposal.<sup>24</sup>

---

<sup>24</sup> Public Hearing 6<sup>th</sup> April Page 16

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

### 11. MINISTER'S RESPONSIBILITIES

*"I'm just preparing my impromptu remarks"*

*Winston Churchill*

- 11.1. At the very first opportunity, the Panel invited the Minister to a public hearing which took place on 6<sup>th</sup> April 2016. As an overview, the Panel is satisfied that none of the points raised in this report so far were suitably answered by the Minister.
- 11.2. The Minister was asked, through the Department, to supply details of any impact analysis that was done prior to the hearing. Nothing was supplied. Some simple documentation was handed out during the hearing but there was no substantial impact assessment relating to how this would affect families.<sup>25</sup> It was maintained that the Minister had been looking at the policy for 6 months or over a year.<sup>26</sup> However, how this would impact on families and children could not be explained, in fact the Minister had no evidence to support what impact there would be on the children.<sup>27</sup>
- 11.3. The Minister was asked more than once about moving in the opposite direction to England and he considered this to be a simplistic view and discussed budget matters. He did not explain the rationale of what is best for children or even making it easier for people to work in society.<sup>28</sup>
- 11.4. Of the greatest importance to the Panel are the children and what is best for them. When the Minister was asked how this proposal was in the best interest of the children, he stated that there would still be provision for 70% of the children already



<sup>25</sup> Public Hearing 6<sup>th</sup> April Page 16, 20 and 41.

<sup>26</sup> Public Hearing 6<sup>th</sup> April Page 8

<sup>27</sup> Public Hearing 6<sup>th</sup> April Page 29

<sup>28</sup> Public Hearing 6<sup>th</sup> April page 5 and 24



# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

attending nurseries.<sup>29</sup> The Minister has accepted that this is not in the interest of the children. The Panel is concerned that 30% of children in Jersey may be adversely impacted by this proposal in order to save money.

- 11.5. The Panel asked about consultation with the Minister's early years advisors. It was informed that written advice had been provided to the Minister and that this would be forwarded.<sup>30</sup> Nothing has been received.
- 11.6. It was a conscious decision taken by the Minister not to consult with the private sector, but to impose the decision upon them. This was done to balance the books regardless of how the news was received.

*"We decided not to consult because the position was we had to balance our books, we had to prioritise our most vulnerable children. No excuse for that."*<sup>31</sup>

- 11.7. Despite that decision, the Minister maintained that following the hearing, there would be a period of 6 months consultation. The Panel noted that this would cause a further six months of uncertainty for families and the Minister agreed.<sup>32</sup>
- 11.8. There had been no direct input from the 1001 Days Taskforce.

***"Deputy S.Y. Mézec:***

*So you did not ask them for their views specifically on this move and its compatibility?*

***The Minister for Education:***

*To the taskforce, no."*<sup>33</sup>

- 11.9. Initially this was about saving £250,000, The Minister then explained that the money was due to be diverted to Pupil Premium and Special Educational Needs children.<sup>34</sup> Later in the hearing, the Minister discussed his concerns that other private nurseries,

<sup>29</sup> Public Hearing 6<sup>th</sup> April Page 27

<sup>30</sup> Public Hearing 6<sup>th</sup> April page 35

<sup>31</sup> Public Hearing 6<sup>th</sup> April page 48

<sup>32</sup> Public Hearing 6<sup>th</sup> April page 26

<sup>33</sup> Public Hearing 6<sup>th</sup> April page 56

<sup>34</sup> Public Hearing 6<sup>th</sup> April page 7

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

those tending to have children of wealthier families, could consider joining the NEF scheme. There was a concern that this would be beyond the means of the fund. This policy would prevent that happening.

- 11.10. The Panel noticed that during the 2016 MTFP, additional funding of £1.2 million was allocated for the Pupil Premium and £0.7 million for early years SEN children.<sup>35</sup> There was nothing at that time that suggested that additional money would be needed to be drawn down from elsewhere. This was raised at a quarterly public hearing with the Minister<sup>36</sup>. Whilst within the answer, was a detailed description of what the SEN and Pupil Premiums are were given, there was no substance to the answer that explained why there was no mention about extra money to be drawn down from elsewhere.

Education matters  
Author Rod Bryans,  
Posted on 6 November 2015

- 11.11. On the 6 November 2015, the official States of Jersey blog<sup>37</sup> had an article published by the Minister for Education which contained the following:

Henry Ford famously said:

*"A business that makes nothing but money is a poor business."*

- 11.12 He argued the parallel with education. All that he said in that article was and is agreed by the Panel. How can he now be taking action which may negatively impact on some children?

- 11.13 It was stated that this decision was made in the full knowledge of the Council of Ministers and that such meetings were fully minuted. Requests for those minutes by the Panel revealed that there were no minutes for these meetings.

<sup>35</sup> Annex to the Medium Term Financial Plan 2016-2019 Page 63

<sup>36</sup> Quarterly Public Hearing 19<sup>th</sup> May Page 19

<sup>37</sup> <https://blog.gov.je/2015/11/06/education-matters/>

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

11.14. When asked about who was to be means tested and how it would be administered, the Minister was still unclear.

- He could not answer concerns about divorced or split families stating this was to be looked at over next 6 months.<sup>38</sup>
- Administration would be dealt with by staff who form the Higher Education Team. This confused the Panel as it had heard so frequently in the past from the Minister, that all department staff were fully occupied and that there was no further efficiencies to be gained. It would seem that there has been spare resources if such a task can be dropped on a team without expansion.<sup>39</sup>

11.15. The explanation about setting the means testing showed that several figures were considered and £75,000 chosen as a balance.<sup>40</sup> The Minister could not explain the inconsistent approach to means testing across the different States departments but accepted that the additional cost to families would be £3,914 per year.<sup>41</sup>

No guarantee  
that spaces  
would be  
available in

11.16. The Minister was also unable to explain why a threshold similar to the Treasury was not used, whereby the income tax upper threshold for Marginal Relief, for a married couple with one child, was £106,000<sup>42</sup>, after which families were considered to earn sufficient to pay 20 means 20 tax.<sup>43</sup> Although he did agree to look at a sliding scale over the next 6 months.<sup>44</sup>

11.17. Families may not be able to afford the extra almost £4,000 per year for a place in a private nursery, but the Minister would make no guarantee that spaces would be

<sup>38</sup> Public Hearing 6<sup>th</sup> April page 27

<sup>39</sup> Public Hearing 6<sup>th</sup> April page 27

<sup>40</sup> Public Hearing 6<sup>th</sup> April page 17 -19

<sup>41</sup> Public Hearing 6<sup>th</sup> April page 42

<sup>42</sup> Budget Statement 2016 Page 16

<sup>43</sup> Public Hearing 6<sup>th</sup> April page 21/22

<sup>44</sup> Public Hearing 6<sup>th</sup> April page 26

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

available in States nurseries.<sup>45</sup> He accepted that there can be no certainty of places for children of families earning over the £75,000 threshold.

- 11.18. When the Panel raised the matter of equity, the Minister accepted that the policy was not fair<sup>46</sup> and that it was in fact a backward step for the children of the Island.<sup>47</sup>
- 11.19. Whilst the Minister maintained that this was not something he would have wanted to do, he offered no other choices of dealing with the issues. Other options offered within the submissions for saving money included, for example:
- Salary Sacrifice Schemes
  - Funding for 1 child only
  - Outsourcing
  - Reduction to 15 hrs

Clearly, there are other methods of saving money, some of which may be preferable to various groups that are impacted. None of this has been explored in consultation.

- 11.20. The Panel has not been able to establish the format for assessment and there is no signs of an appeals process.
- 11.21. The Council of Ministers has committed to investing in education. Further, within the Strategic Plan 2015-18, a key area of focus for education is laid out in Desired Outcome 3.5:
- “Ensure every child has the best start in life, are socially, emotionally and developmentally ready for school, engage with learning, make progress and succeed.*

*Develop a cross-agency approach to deliver joined up services that:*

- *Support children and families from conception, through the critical pre-school years (as outlined in the 1001 Days Initiative), and beyond;*
- *Promote and support the engagement of children and families with learning;*

---

<sup>45</sup> Public Hearing 6<sup>th</sup> April page 38

<sup>46</sup> Public Hearing 6<sup>th</sup> April page 30/31

<sup>47</sup> Public Hearing 6<sup>th</sup> April page 33

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

- *Deliver effective early intervention for vulnerable families.”*

11.22 The Panel questions that the Minister has fought hard enough to protect the children and deliver the requirements of the Strategic Plan.<sup>48</sup>

11.23. A skilled workforce, people, employment opportunities and cost of living pressures are all priorities within the Strategic Plan<sup>49</sup>. All could be adversely impacted on by the introduction of this policy and the Minister recognised that this was a retrograde step in many areas during the hearing. The Minister also acknowledged that he had not considered the disproportionate impact on women and their careers.<sup>50</sup>

11.24. The States made the decision for money to be placed into the Education budget for the purpose of free hours of nursery care for all during the debate on the Annual Business Plan 2009, again during a debate in 2011 and yet again in the 2016 MTFP, when £376,000 was agreed for growth of the NEF<sup>51</sup>. It was only more than an hour and a quarter into the hearing that the Chief Education Officer, stated that this decision would be part of the MTFP Addition.<sup>52</sup>

11.25. The Minister has some statutory complications within legislation relating to



Regulator &  
Provider

nursery education. Particularly obvious in this instance is that he is the regulator of the Nursery industry as provided for in the Day Care of Children (Jersey) Law 2002 and also a provider of the service under part three of the Education (Jersey) Law 1999. A conflict he recognised when asked about and stated he would be reviewing over the next six months. The Panel has concerns with the regulator being able to make proposals such as this which impact directly and adversely on the private sector, whilst being able to enhance the States nursery provision to accommodate additional places that may result from that change. Members of the public have described this in various manners, perhaps most kindly interpreted as being ‘unacceptable’. The Panel will maintain a watching brief on this area.

<sup>48</sup> Public Hearing 6<sup>th</sup> April page 8

<sup>49</sup> Strategic Plan 2015-18 Optimising Economic Growth pages 14 and 15

<sup>50</sup> Public Hearing 6<sup>th</sup> April page 43

<sup>51</sup> Annex to the MTFP 2016-2019 Pages 63 and 67

<sup>52</sup> Public Hearing 6<sup>th</sup> April page 53

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

### 12. TAX ISSUES

*“Tax cuts should be for life, not just for Christmas”*

*George Osborne*

- 12.1. More than 30 of the submissions made to the Panel point out that there is to be a negative effect on tax revenue due to parents ceasing or reducing their employment.
- 12.2. Tax from local nurseries is, perhaps not huge, but is still a revenue stream and should be safeguarded as it not only provides tax from the businesses but from the employees of those businesses as well. These may be small areas in the overall picture, but have played sufficiently on people’s minds for them to write to the Panel about.
- 12.3. Perhaps this returns some to the 0/10 policy. So many large companies in Jersey paying no local tax and this being a charge on top of the tax that is paid by families at the moment. It has been referred to as:
- a stealth tax;
  - a tax on young families;
  - a tax by another means.
- 12.4. This Council of Ministers budget for 2016, increased the childcare tax relief from £12,000 to £14,000 which was expected to cost the Island £100,000 from tax revenue in 2016. The budget document stated:
- “This increase will help hard working families who incur professional childcare costs which enable the parents to work and contribute to the economy.”<sup>53</sup>*
- 12.5. This initiative is the polar opposite that the Minister for Education has chosen with this means testing policy. The Panel is concerned that there is no flow of information, or consideration in what these Ministers are doing and how the policies of each

---

<sup>53</sup> Draft Budget Statement 2016 Page 18

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

impact on the work of another. Have the Council of Ministers established a cohesive plan for the strategic direction of Jersey's finances?

- 12.6. As discussed earlier, the threshold that the Council of Ministers accepts is appropriate for two adults with one child and a mortgage for Marginal Relief, was £106,000, after which families were considered to earn sufficient to pay 20 means 20 tax. The Panel questioned what evidence the Minister for Education has found sufficiently compelling to use a different threshold?

### 13. SUBMISSIONS IN FAVOUR OF THE PROPOSAL

*"My policy on cake is pro having it and pro eating it"*

*Boris Johnson*

- 13.1. It has also been part of the work of the Panel to establish the argument for the proposal. The Panel has worked hard to obtain arguments for the proposal, with significant effort for balance in the review. Scrutiny must be a neutral and objective process and this review is no exception.
- 13.2. Six submissions were received in favour. All with the exception of one being from retired people who see £75,000 as a huge income compared to their pensions. As none were received from young families, it would appear that the supporters of this policy will not be impacted by the proposal.
- 13.3. The Panel has also been aware of numerous letters written in the Jersey Evening Post, many being in favour as indeed there were those against.



## 14. CONCLUSION

- 14.1 Education is a strategic priority of the Council of Ministers. However, the proposed movement of funds from the Nursery Education Fund to cover the shortfall in the funding required to deliver the agreed Pupil Premium and Special Education Needs policies, provides clear evidence that it is not being given sufficient financial support by the Council of Ministers. This forces the Minister for Education to make decisions which he admits are not in the best interest of the children.
- 14.2 The proposed Nursery Education funding policy of the Minister is in direct conflict with the 1001 Critical Days Manifesto, which has been endorsed and supported by this Council of Ministers. The reduction of investment in the early years of children is also contrary to the findings of research related to value for money matters concerning investment in education.
- 14.3 This Review has highlighted a number of potential negative consequences of the proposed funding change that the Minister has been unable to satisfactorily address, not least due to the absence of any impact assessments or appropriate consultation. Potential consequences include:
- Negative financial impacts on household budgets
  - Parents choosing/being effectively forced to leave the workplace or to work fewer hours
  - Reduced numbers of women in the workplace
  - Potential parents being denied the opportunity to start or add to a family due to the additional financial burden
  - Some young children being denied the opportunity for essential early years development
- 14.4 The £75,000 family income threshold over which free nursery provision would be denied to a child has not been adequately researched, or subjected to impact assessment.

# Education and Home Affairs Scrutiny Panel

## Nursery Education Fund

14.5 The Panel is disappointed to conclude that the Minister for Education:

- has produced a policy that is directly in conflict with the Strategic Plan;
- is in danger of moving early years policy in a different direction to the United Kingdom;
- made inadequate communication and consultation with stakeholders, parents or other interested parties is effectively prepared to disadvantage some children (70-100 using his own figures) to save money
- is apparently prepared to negatively impact a number of families for a relatively small saving;
- is proposing policy that is at odds with previous decisions of the States
- failed to illustrate in the 2016 MTFP that the additional funding of £1.2m for pupil premium and £0.7m for SEN children was insufficient to complete the plans and that he would be taking funding from other areas to complete those plans.

14.6 The Panel is also concerned that the Minister has publicly agreed that this policy negatively impacts on some children and that he still wishes to pursue it.

14.7 The Panel is unable to support the Minister's proposal. It has not been developed with appropriate levels of research, impact assessments or consultation with stakeholders and as such raises too many significant issues that the Minister has been unable to adequately answer. We strongly recommend that it is withdrawn, at the very least until such as time as that work has been carried out and the information gathered taken fully into account.

### APPENDIX 1.

Press release by Department of Education

23 March 2016

## Changes to the Nursery Education Fund

The Nursery Education Fund, which provides free nursery places for three-to four year olds, is being updated and the changes will include refocusing the funds to help families that most need assistance.

Currently, almost every child in Jersey has their nursery education subsidised by the States when they are aged 3 to 4 and in the year before they start Reception at primary school. Irrespective of their income, all families can receive 20 hours of free nursery education for their child for 38 weeks in term time at a private commercial nursery. This accounts for £1.9 million of the Education Department's budget annually.

From September 2017 the Nursery Education Fund will be targeted for the first time so that children families with a household income of less than £75,000 will receive the free places.

Education Minister Deputy Rod Bryans said: "The Nursery Education Fund was introduced as a universal benefit – one that everyone automatically received regardless of their circumstances. We simply can't afford to do this any more and the time is right to make sure our spending helps the most vulnerable children and has the maximum impact. This is perfectly in line with our commitment to the 1001 Days Agenda.

"It is difficult, in the current financial circumstances, to justify giving this subsidy across the board to higher-earning families but we also need to protect the funding for those who would otherwise struggle to afford nursery education."

The Education Department has received some protection from budget cuts but is still playing its part in balancing the States budgets in the face of a potential £145 million shortfall.

Chief Education Officer Justin Donovan said: "Every education professional knows the value of high quality early learning and the positive impact it can have on a child's education and subsequent life changes. We have redesigned the Nursery Education Fund in a way that gives us a more streamlined fund but is also better targeted to help children from less affluent families. This will enable the Department to make savings but also ensure we continue the vital work in early years that will help us drive improve education standards for the Island."

**Ends**

# Education and Home Affairs Scrutiny Panel Nursery Education Fund

## APPENDIX 2.

Letter from Education Department

**Education Department**

P O Box 142  
St Saviour  
Jersey, JE4 8QJ  
Tel: +44 (0)1534 449437



# Name Redacted

Our ref: JD/JM/20160315

Tuesday 15<sup>th</sup> March 2016

Dear **[Redacted]**

Invitation to meeting

You will no doubt be aware that there have been considerable changes in the education sector over the past two to three years. A great deal of this is as a result of changes in the UK that we have had to follow. Some has also stemmed from the Council of Ministers' decision to make education one of its strategic priorities and the Education Department's new focus on the four issues of standards, curriculum, families and autonomy.

Early years has become an important focus through the 1001 Days Taskforce, which is being led by the Chief Minister's Department. These factors, together with the unprecedented focus on States funding, have given us an opportunity to review every area of what we do, including nursery and early years, of which private sector providers are an important part.

I am conscious that owners and managers of our private nurseries and pre-schools do not have direct access to information about how the Education Department is working so I would like to invite you to an informal meeting at 5pm on Wednesday 23 March in Room A of the PDC at the Education Department, Highlands College campus. The aim will be to discuss current issues and explain slight changes planned for the operation of the Nursery Education Fund.

I would be grateful if you could email [l.raine-clark2@gov.je](mailto:l.raine-clark2@gov.je) to confirm whether you can attend.

I look forward to meeting you.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. Donovan".

**Justin Donovan**  
**Chief Education Officer**  
direct dial: +44 (0)1534 449437  
e-mail: [j.donovan@gov.je](mailto:j.donovan@gov.je)  
[www.gov.je](http://www.gov.je)