STATES OF JERSEY

Corporate Services Scrutiny Panel Comprehensive Spending Review Hearing

FRIDAY, 18th JUNE 2010

Panel:

Senator S.C. Ferguson (Chairman) Deputy T.A. Vallois of St. Saviour Connétable D.J. Murphy of Grouville

Witnesses:

Deputy J.G. Reed of St. Ouen (The Minister for Education, Sport and Culture) Mr. M. Lundy (Director of Education, Sport and Culture)

Also Present:

Mr. M. Robbins (Scrutiny Officer)

[15:32]

Senator S.C. Ferguson: (Chairman):

Welcome to this public hearing of the Corporate Services Scrutiny Panel on the Comprehensive Spending Review. I wonder if for the sake of the ladies transcribing if you can give your name and position.

The Minister for Education, Sport and Culture:

My name is Deputy James Reed and I am the Minister for Education, Sport and Culture.

Director of Education, Sport and Culture:

Mario Lundy, Director of Education, Sport and Culture.

Connétable D.J. Murphy of Grouville:

Dan Murphy, Constable of Grouville.

Deputy T.A. Vallois of St. Saviour:

Tracey Vallois, Deputy of St. Saviour.

Senator S.C. Ferguson:

Sarah Ferguson, Chairman.

Mr. M. Robbins (Scrutiny Officer)

Mick Robbins, Scrutiny Officer.

Senator S.C. Ferguson:

The savings identified have reached approximately 1 per cent, not the 2 per cent required by the terms of the C.S.R (Comprehensive Spending Review). Why have you not met the 2 per cent cuts?

The Minister for Education, Sport and Culture:

First of all, I think we need to go back to the time when the States agreed and approved the Strategic Plan and in the Strategic Plan there are a number of priorities; 2 in particular I would like to draw your attention to. Priority 3 is to reform the public service to improve efficiency and priority 4 is to ensure sustainable public finances. Once this was agreed and I had started to get a better understanding of the department since being elected as Minister, I, working very closely with the department, decided that we needed to review and carry out major reviews on many areas that the department provides. As such, we initiated guite a large number of major reviews. Subsequently a decision was made to carry out the C.S.R. process within a very tight timescale and, as such, the first decision that I made, was that I require the department to identify real savings, sustainable savings, that could be delivered without impacting on frontline services and, equally, that would not second guess the reviews that were currently being undertaken. As such, I believe, that rather than not deliver savings, I think we have done an exceedingly good job so far to identify £1 million worth of real savings that are sustainable both in the short and medium and longer term.

Senator S.C. Ferguson:

But in the Auditor General's review of spending, way back when, 2 or 3 years ago, he identified a number of items in Education that were put up as immediate and actual savings. Did you look again at those before you started on your 1 per cent?

The Minister for Education, Sport and Culture:

Absolutely. That was one of the first tasks that we undertook, was to pick up the very useful Comptroller and Auditor General's report, *Emerging Issues*, look at the areas that have been identified and required further consideration. In current discussions we have ... and, in fact, in the savings you will see changes to the Youth Service and savings derived from it, you will see that there are savings that relate to a charge, if you like, or recognition of the cost of property with regards to the 2 fee-paying colleges and, more recently, discussions have taken place with the Instrumental Music Service to determine how best we continue to provide that service and what costs should be attributed to it.

Senator S.C. Ferguson:

With your 2 per cent, we found with a number of departments that the 2 per cent or, in your case, the 1 per cent, is a sort of holding action while they look on the bigger implications of the 3 and the 5 per cent. Is yours going to go through seamless legs of the 3 and the 5 or is it just a holding action while you get the bulk of these 12 or 14 reviews finished.

Director of Education, Sport and Culture:

I come back to our starting point. The whole purpose is to ensure you provide the services that we are trying to provide at the most efficient and cost-effective method and manner and the major review that we are undertaking are designed to do just that, to allow us to consider options that change and identify where improvements are required. I would hasten to add that there is another issue which, perhaps, has not been necessarily spoken about within the C.S.R. process and that is, certainly with my department and I know others have known spending pressures which, equally, need to be considered and I think that as far as we are concerned, we set off with a view that where possible, we would try and manage those pressures within existing resources. Since the C.S.R. process has been introduced, it somewhat changes things because on the one hand there is target figure of a 10 per cent saving. However, it is unclear at present how the known spending pressure that have been identified will be dealt with.

Deputy T.A. Vallois:

The major reviews that are ongoing, when do they complete?

Director of Education, Sport and Culture:

Well, we are expecting that a number of our reviews will be completed over the next 3 months. Some are very close to completion but my intention is that because of the nature of some of the reviews which we will perhaps come on to in more detail later, it will be very important if we are to be successful in altering or changing the way that we deliver those services that all interested parties including front-line staff are included in that process. It is my aim that once we have the evidence enabling us to identify options that we then will go out to consultation to the wider public to ensure that their views are taken into account before the final decisions are made.

Deputy T.A. Vallois:

How does that fit into the Business Plan process?

Director of Education, Sport and Culture:

Sorry, I could not hear.

Deputy T.A. Vallois:

How does that fit into the Business Plan process?

Director of Education, Sport and Culture:

I think that we have already accepted that there is a target figure of 2 per cent that is required to be delivered within the time scale. Our difficulty is, as I just said before, is that I am nervous of trying to second guess reviews currently taking place because, ultimately, if we end up coming to conclusions before our reviews are complete, it would be, I think, detrimental to the ability of the department to deliver change where change is necessary.

Director of Education, Sport and Culture:

If I can just clarify. There is a lot of weight that has been put on these reviews and being part of the C.S.R. process. These reviews were initiated before the C.S.R. process and they were initiated with a view to having a long-term

strategy for education on the basis that any major reform of education was going to take a significant length of time to deliver and given that the period of tenure usually for a Council of Ministers is 3 years, it was important to have a long-term strategy that would span more than one period. So that was the intention behind these. So these reviews did not start with us saying: "Let us go and find 2 or 5 per cent ceiling." These reviews started off by saying: "Let us ensure that the entitlement, particularly the education reviews, the entitlement for students in Jersey is right. Let us cost up what that entitlement would look like and let us make sure that our service is structured appropriately to deliver it." Now, we expect because in any system you will see areas where there is high efficiency and high effectiveness but you will also see if there are any opportunities to improve that so we would expect to see that. But it is a major review of the structure of education and about 4 of those reviews all feed into one thing which is, how is our education system structured to deliver what we want it to deliver? It is only once you have those reviews that then you can cost them up and you can compare them to the system as it stands today and you can identify whether or not there are potential savings.

Senator S.C. Ferguson:

Yes, although we also get the impression from some of the hearings we have had that 2 per cent, well, that is just part of normal business year on year efficiencies.

Director of Education, Sport and Culture:

I would like to make a couple of comments, first of all, because since 2004 the department has identified and delivered efficiency and targeted saving of approximately £5.5 million. Alongside of that there has been other growth which totals a similar amount, all approved and recognised as necessary to meet the needs of the department. The only additional growth, if you can call it that, to the department's budget has been around the provision for pay awards and non-staff inflation and also surrounding demographics which is related to the number of children that we are required to educate. So I think that picture tells you that the department has been very involved in ensuring that the provision of services has been provided in the most cost-effective manner. Yes, this is the next step. Yes, there is an acknowledgment that we need to deal with the deficit. However, it must not be and I hope you would agree to the detriment of the education that we provide to our young people.

[15:45]

Director of Education, Sport and Culture:

I think the important thing to note from this is because a portion of the department's budget was formula-funded on the number of pupils, that whether or not there was a drag to take funding out the system under the old method of funding it would have gone up and down naturally. So if there were 50 less students in the system, there would be 250,000 less funding coming into that school or those schools depending on whether it was spread across a number of schools. So in a sense there were automatic things happening there that varied the budget. Now, that has changed because now we are

talking about cash limits. So there is the potential within that cash limit, although it is not always easy to predict because the birth rate, of course, has increased over the last 3 years where it was expected to go down. But there is a potential there with the cash limit that if student numbers drop then you will not require the same level of resources.

Senator S.C. Ferguson:

Yes, I am interested that you talk about roughly 250,000 for 50 students which is, I think ...

Director of Education, Sport and Culture:

You usually weigh 5,000 or 6,000 per student in the secondary phase. It varies according to the age group of the students and the school funding review that we have looked at, we have it ongoing at the moment, it is questioning that. It is questioning whether that is reasonable. It is questioning whether the concept of smaller class sizes, for example, with some of your eldest pupils, is a reasonable assumption to make and there are no answers to those things at the moment but we are looking at the research and we are questioning whether or not that is the most efficient way to fund and drive funding for the schools.

Senator S.C. Ferguson:

Yes, I find that an interesting figure because I seem to remember a slightly higher figure in the U.K. (United Kingdom) and people are saying: "Yes, we are putting more in but are we getting the product out?"

Director of Education, Sport and Culture:

We are seeking to benchmark. We do benchmark against such authorities in the U.K. in terms of our performance and we are seeking to benchmark more closely in terms of expenditure but, obviously, it is not a direct comparison so you have to make allowances for the potential there.

Deputy T.A. Vallois:

Can I ask on the C.S.R., the pressure that is being put on by the Minister for Treasury and Resources is to ensure that everybody meets a 10 per cent savings target and, again, all Ministers to work together, obviously, without there being any form of collective responsibility among Ministers. I was just wondering whether the fact that you should all be working together, you have something like, I think, it is about 12 reviews going on at the moment. How does that work when yourself, you have approximately £100 million budget but we have to have about £70 million more being spent in their budget but they have not even started a review yet.

Director of Education, Sport and Culture:

I cannot speak for the department. All I know is because, I suppose, of my background with P.A.C. (Public Accounts Committee) and the understanding that we need to ensure that services provided are efficient and effective and deliver what is required, that we introduce and instigated those major review quite early on bearing in mind as, I think, my Chief Officer has already stated, that the C.S.R. process was not even thought about by that time. I think this

is the difficulty that both the Minster for Treasury and myself and the Council of Ministers are trying to manage is that on the one hand there is a need to address the financial deficit but, equally, there is an ongoing requirement not only to meet that deficit but to ensure the services we provide meet the needs of our community and at the same time recognise that perhaps some of the changes that may come about from these reviews, will deliver and perhaps enable the services and the education to be delivered in a different manner which is more cost effective over time. That is the issue as much as we acknowledge that, ideally, you would like to deal and deliver savings in a set time frame, there are bound to be, whether it is my department or others, areas where it could take longer. However, the benefits will still be there at the end of the day and I think this is an issue that, as I say, we are still in discussion over.

Senator S.C. Ferguson:

Sorry, did you say something?

The Connétable of Grouville:

No, I was asking you if I could, ma'am. There have been rumours flying around for ages that one of the primary schools is going to be closed down. That would be a savings that would not affect your long-term planning, would it?

Director of Education, Sport and Culture:

No, well, hang on. First of all with regards primary schools, I think it should be noted that the department, over a number of years, has reduced the number of primary schools to ensure that, again, the education provision is provided for in the most cost effective manner. Closing primary schools currently are not on the agenda because of the numbers of young people that we are required to educate would not allow, there is not enough flexibility in the system, to allow the closure of an additional primary school. You must recognise that as a department, we are responsible and have to provide through our legislation, education for any child on this Island and there is a movement of young people into our Island throughout the year. This flexibility needs to be made. The primary school totals about 160 to 170 children so if you were to close a primary school, you would have to find additional places for those children. Furthermore, you would have another issue to deal with because dependent upon where that primary school may be, you could end up requiring or not being able to accommodate those children within those local other primary schools. Therefore, you would have to look at transporting young people to other areas of the Island. That is not necessarily efficient. There is not, in fairness, also a huge amount of money that you can save by closing a primary school. You can gain a capital benefit, that is, if you are able to utilise the facilities for another method. But as I say, currently and I go back to the first statement, there is no intention and we are not able to look at reducing primary schools.

The Connétable of Grouville:

So can I just follow that up? You are saying that there is a constant flow of children in all the primary school places ignoring the geographical locations.

Because the rumour was that, of course, one of the schools in the northern parishes was going to close down in order to amalgamate with another one because they did not have enough pupils.

Director of Education, Sport and Culture:

If I could explain what has happened. This was just before the Comptroller and Auditor General's report and through it and the effect takes place. We have closed 2 forms of entry at 2 primary schools in the Island which played through this year. That means that there are 14 less classes. equivalent to closing down 2 primary schools; 2 one-form ended(?) primary schools. So, when the Comptroller and Auditor General was making his predictions about numbers I think he was looking at at 2014 and 2015 being around 14 per cent to 15 per cent spare capacity in the system. If the demographics go that way there would not be more than 12 per cent spare capacity in the system and we need between 5 per cent and 10 per cent to manage the system, to manage the catchment areas. Now, no primary school in Jersey at the moment has under 140 pupils. So, if you close a primary school that has 140 pupils you have to find 140 spare places. We do not have 140 spare places and no matter which primary school you would choose there certainly would not be 140 spare places in the primary schools surrounding that; in other words, in the parishes. So, it would not be practical at this moment. When we closed 2 forms of entry; we closed one at Rouge Bouillon School and one at Samarés school, then worked through the system and of course then this year we have found we have 38 more requests for places in the town catchment area than we have seats for them. So, it is a challenge to manage the balance of the system.

The Connétable of Grouville:

So, what you are saying is there is still a constant flow coming in then. You are not seeing a bulge or a bump or a ...

Director of Education, Sport and Culture:

There always has been, in some year groups in some schools, and they shift. If you were to go back 10 or 15 years you would have seen there was about 60 odd pupils in St. Lawrence when they were considering whether or not that school should stay open and that school has significant numbers at this time; I do not know the exact numbers but there is certainly well over 140 pupils. So, you have to be cautious that you do not take a short term measure that is going to cause you problems a little further down the road, especially when you now have a 3-year trend of increasing birth rate.

The Minister for Education, Sport and Culture:

The other thing that I would like to add to finish off is that it would be wrong just to look at the financial implications of maintaining or closing a primary school. I think many of you that are here today would recognise that a primary school is considered to be the height of a community and as such it plays a large part in supporting and developing the community that surrounds it and that has implications and benefits to the Island which need to be considered over and above just financial matters.

Director of Education, Sport and Culture:

There are policies in place to ensure that, and they cannot always be at play, but where they can be play that a school does not become inefficient because it has small numbers. So, for example, if you had a school where in one year you had, say, 15 pupils and in the next year group you had 14 pupils, you would not have 2 classes; the school would combine that in a mixed age class, so there would only be one teacher. So, there are strategies and policies to enable schools to deliver efficiently, even though they may not have full numbers and if you were to consider other jurisdictions a school over 100 pupils would not be considered for closure unless there were a lot of schools just around 100 pupils with a lot of space. If there were 2 schools that were designed for 200 pupils and they only had 100 pupils then you might close it, but we do not have the capacity in the rest of the system to take that action right now, but if the demographics go the way that they were predicted then when you get to 2015 and 2017 that may be a different picture. You have to plan for that now because you would not be able to achieve it at short notice.

The Minister for Education, Sport and Culture:

It also depends on the shape of education that you want to provide and the needs of the community in the Island and the young people that are necessary for their educational development and we have a number of individuals who have been identified recently in the Williamson Report and others and in fact in our Inclusion Review that is hopefully about to come out that identify that some additional support needs to be provided for some of our youngsters to improve the educational opportunities. I think just to underline one point, it should be noted that the policies that we have spoken about already exist. They are not something new. This is not the department suddenly scrabbling around and thinking: "Okay, we now need to become more efficient." This is an ongoing process that the department undertakes regularly and reviews annually.

Senator S.C. Ferguson:

So, the concept of complying with the requirement to meet the 3 per cent and the 5 per cent, providing you have had the reviews, you are not too worried about that?

The Minister for Education, Sport and Culture:

Well, I am worried about timescale because any changes could take longer than the period that has been identified to deliver the saving. I think the provider, and I think that what we are aiming for is, as I said before, to ensure that the public get a good deal and the educational needs of our young people are met. Now, you have to balance that not only with trying to identify and ensure that your educational service is provided in a cost-effective manner, but equally we have known spending pressures which need to be addressed in one shape or form and I think that it would be wrong for people to believe that we run a department that can simply reduce costs and ignore the known spending pressures that exist and a primary one that I have mentioned over and over again, over the last 14 months, is the higher education cost and the support that goes with that. That has been devalued since 2001. It is not

acceptable ... the public say it is not acceptable and solutions need to be found. That is one of the major reviews that we are undertaking.

[16:00]

We are looking at how we fund and how we provide support for those that want to enter into higher education. We cannot ignore that there could be a cost involved and that needs to be linked to ... if we are seeking real savings I believe that we will be able to deliver real savings. Some of those will be that we will require some of the people who currently enjoy our services to contribute more but in other areas I believe that it could be that the government is required to provide additional support. Until we can see the evidence, until our reviews are complete, it would be wrong to second-guess the outcome.

Senator S.C. Ferguson:

Yes, because we hear from other Ministers that: "Yes, we can make the cuts but if everybody is not playing the game it is going to be very hard to get our department to also join in the economies." The concept of pain being shared equally across the States.

The Minister for Education, Sport and Culture:

I would agree with that but I refer you to the strategic plan and the framework that was set out. It said that we needed to look at and prioritise the services that are required. I believe we need to have a public debate on what those services are. Do we believe that we should provide a proper, quality education for our young people on this Island? If we do, there is a cost. If we want to support our young people to improve their skills and develop their academic ability, there is a cost involved. Therefore, I do not believe it is necessarily a simple matter of every department reducing its cost by 5 per cent, 3 per cent, 2 per cent. In fact, if you look at the emerging issues document, and if you look at the comments made by the Comptroller and Auditor General, he considered pro rata-type cuts as being unrealistic and unsustainable and I think that is a consideration that the Council of Ministers is giving now after seeing the results of the 2 per cent approach to determine how best to proceed and deliver our public services within the financial constraints that we are faced with.

Senator S.C. Ferguson:

Does one of these reviews compare the costs of education per child to the actual results that you are getting? In other words, is the value for money improving?

The Minister for Education, Sport and Culture:

As I say, these reviews and the work that is undertaken currently in the department, and my Chief Officer will be able to comment in a minute and put right anything that I say that may be misleading.

Senator S.C. Ferguson:

If he dare!

Minister for Education, Sport and Culture:

We are looking at improving the way that we identify the achievements of our young people. It is very easy to focus on academic achievements and the current statistics that everybody is aware of with regard to academic results of G.C.S.E. (General Certificate of Secondary Education). What we need to do, and I tie in the cost with performance, is that there is a lot of work that is undertaken within our schools to support those who are less academic, or need additional support and have special needs, and as such it is difficult sometimes to identify in a simple analysis a cost/benefit. The benefits to the young person with a special need that we are supporting at schools such as Mont à L'Abbé, I think, are priceless.

Director of Education, Sport and Culture:

Can I just clarify that? There have been many attempts to equate the effect of different resourcing levels on educational performance across the world. There is only one major report that got anywhere close to it and it is exceedingly complex and the mathematics behind it is difficult to digest. It is generally recognised that there are only fairly crude ways to benchmark that and the way that you do that is you benchmark your performance against an authority that has similar results and you then benchmark your resources against that. Now, Jersey, in terms of the amount of money that the States spend on education, will always come out of that fairly well because of course for 40 per cent of children in secondary education, and slightly less, about 30 per cent of children in primary education, the States is only paying half of the cost of the 40 and 25 per cent of the cost of the other 30 per cent because they are in fee-paying education. If you go to the U.K. you have about 8 per cent of students in fee-paying education and the cost of the rest is being picked up by the government. So, if you look at it in those terms it would not be a fair comparison. I think the thing to do is to look at (and this is what we are doing at the moment) updating our benchmarking in terms of the authorities that have similar performance to Jersey and the amount that they invest in their school system. It is difficult to compare because there are ways in which schools in the U.K. can gain access to additional funding. So, the way that the U.K. Government has tried to implement reform is to say: "Okay, here is your school's budget. Now, if you do this you can access money from this pot and if you do that, you can access money for this pot." So, they have tried to lever change with funding and it has been very successful, I would have to say. We do not tend to that. What we tend to do is to give the school the base level of funding and then give them the policies to follow.

Senator S.C. Ferguson:

I was looking at some ... it was a fairly crude measure perhaps, but it was a measure that was saying: "Right, we have put a considerable extra percentage into education and yet the level of children coming out of ordinary secondary education with defective reading, writing and arithmetic skills has also gone up." So, it is a measure of ...

The Minister for Education, Sport and Culture:

Well, I challenge that statement. I would challenge ...

Senator S.C. Ferguson:

It is not in Jersey, no. These are foreign figures obviously, but it was saying: "If we put so much extra into education and the number of children who can actually read and write and do arithmetic has gone down, this is a measure."

The Minister for Education, Sport and Culture:

Just to bring it back to ... it would be worth maybe just mentioning the reviews that we are undertaking because it will help you to perhaps understand that some of these questions that are being asked and, quite rightly, some of the concerns that are being raised, will be dealt with within the review process. We have the funding of primary and secondary education; that is a major review that looks at how we provide the services for our young people and how we support fee-paying colleges. We are also looking at secondary education and a review of options for the Island's secondary education which could be in itself ... that debate will need to be extended and necessarily full because an option of change could be quite radical, dependent on the outcome of that review. At the same time as long as it provides and meets the educational needs then absolutely we should follow it. After that we have vocational provision for the 14 and 19 year-olds, picking up on how we provide for those less academically minded. We are looking at the Highlands College review of the fees policy and how we deliver the higher education. further education, on the Island. We are reviewing the current arrangements for the financial support of students following the programmes of higher education and we just briefly touched on that. Social inclusion, how we support those individuals who need that extra help within our school. Review of the Jersey Library Service. Okay, a smaller review but necessary because again it is there and designed to support our local community. A review of the management structure across the department; independent review that has now been completed. Finally, a review of the cultural strategy which we all know was approved in 2005 and yet the resources that were required to deliver it and the form that the strategy took was inappropriate. So, I hope that you will see by the list of those reviews that we are taking our job seriously. We are keen to ensure, and I come back to the first point I made, that the services we provide are both effective and efficient and deliver and meet the needs of our own community.

Director of Education, Sport and Culture:

Could I just clarify this?

The Connétable of Grouville:

Sorry, could I just get in at this stage? We have travelled way off the point. The original question was that there are rumblings from other Ministers and other C.E.O.s (chief executive officers) about the fact that they want everybody to be in the same boat and to do the same cuts. You have obviously given us a huge dissertation on why you should not cut and we understand why you are not doing that ...

The Minister for Education, Sport and Culture:

No ...

The Connétable of Grouville:

Now, James, just a moment. I am just thinking back to when you were on the P.A.C. and I doubt you ever took excuses. How would you equate the fact that Public Health are doing it? That Social Security are having to do it, and education should not do it?

The Minister for Education, Sport and Culture:

No, we are ...

The Connétable of Grouville:

That is basically what you are saying. You have given us a list of why you should not do it.

The Minister for Education, Sport and Culture:

No, I am not. I am sorry, no, you have not listened because first of all my experience on P.A.C., and again I refer you to all the Comptroller and Auditor General reports written on savings that were identified and were supposed to be delivered in 2005 and beyond, and I point you to the emerging issues document. It failed. The reason why those savings and the identified savings, the £35 million savings, were not delivered was that it was not done appropriately and it was not managed in the best fashion. What I have learned, and what I believe the Council of Ministers is following, and I know that there are difficulties. There are bound to be between the different departments in the way that they can deliver the savings and in the timescale allowed. We need to ensure that this process delivers and provides the reduction in costs that we are looking for, but equally does not have any negative effect on the medium and long-term delivery of the services that we consider to be essential. I am not against cuts. I have signed up fully to the process. I believe I am ahead of the game. My problem is that my reviews do not necessarily fit with the timescale of the C.S.R. That has been acknowledged, even in the business plan where they have accepted the identified savings of £1 million and allowed us sufficient time to complete some of the reviews so that we can then identify further savings to meet the level required. I would say in justifying my actions, that I would ask you when you consider the savings that are being proposed by my department and others, that you look at what those savings are and whether they are sustainable or not, because it would be easy for ourselves to pass on costs to a parent or student as a way of saving money. If we are to do that we need to do it with full knowledge and evidence and acceptance of what that impact may, or may not, be. That is all I am saying. I am not saying I am against cuts and I would not want you to believe otherwise. What I am saying is that we have started a process. Unfortunately the C.S.R. process and the timescale that has been allocated to the C.S.R. process does not necessarily fit with the reviews that we are undertaking, but these reviews are designed and will deliver savings required to ensure that our services, especially education, is provided in the most cost-effective manner.

Director of Education, Sport and Culture:

I can give you some concrete examples of the importance of this and how it has been progressed. The challenge that the Minister set to us as officers was: "Look at the service as it currently is, particularly with schools, see if there are inefficiencies, improve the service and take cost out of it." That was the challenge that we were set. There are only 2 ways that you can do that; you either change the structure of the system, or you simply take money out of schools. If there are inefficiencies in the structure of the system then simply taking money out of the schools may accrue the savings, but it could effectively damage the quality of education. The way that we have gone about looking at the structure, and I cannot tell you the outcome of this because I have not seen them yet, but the way we have gone about looking at the structure of the system is, for example, we have 5 6th form colleges and we have Highlands College. There are approximately 2,000 pupils in the 6th form. If you look at this on a school-by-school basis that is when you would come up against the challenge where: "If you take money out of this then we will not be able to deliver." But if you start to think of those 2,000 students as a cohort and how can institutions work together and not necessarily deliver the same thing, but collaborate more effectively, then you see ways to improve the offer and the very first thing that we did was to survey all Year 12 students and ask them: "Did you get your first choice for A Level? If not, why The results of that survey will tell us whether or not the current distribution of 6th forms in the Island is delivering what those 2,000 students need. If it is not, then we have a serious structural issue that we would have to look at and that is the way that we have gone about it.

The Connétable of Grouville:

Okay. You are obviously ... I was going to use the word "struggling" but I do not mean that. But you are working very hard at trying to find the 2 per cent. How do you think you are going to get on with the other 3 per cent and 5 per cent?

The Minister for Education, Sport and Culture:

I think that there are opportunities that will come out of the reviews. I come back to it; you have to start with evidence. That was the first rule that was taught to us by the Comptroller and Auditor General on the P.A.C. You start with the evidence, you consider your options, you determine and work out the best way forward, not just in the short term, but looking to the medium and longer term. That is what our reviews are designed to do. As we identify the areas where improvements can be made and following consultation, because I have given a commitment to the staff, the unions, and parents that they will be fully consulted throughout the review process. Then I think we have a far better opportunity to deliver, and ultimately it is not about money, I do not necessarily believe, over and above all else. What we are aiming for is to deliver the best education in the most cost-effective manner on this Island. If we can come out at the end of this process, following the outcomes of these reviews, and say: "This is what the Island wants. This is what we are going to provide and this is the future for the next 10, 15, 20 years for this Island" what better result?

The Connétable of Grouville:

You forgot cost in that.

The Minister for Education, Sport and Culture:

Pardon?

The Connétable of Grouville:

At what cost?

The Minister for Education, Sport and Culture:

That is what I am saying. That would be part and parcel of it. It has to be. If someone would come and tell me how you ignore spending pressures and just focus solely on reducing cost, producing savings, then I would like to meet the person.

The Connétable of Grouville:

What we are trying to get down to here is we are trying to find out if you are going to meet the 2 per cent, 3 per cent and 5 per cent and we want to have an idea in our minds, is it going to happen?

The Minister for Education, Sport and Culture:

I cannot tell you.

The Connétable of Grouville:

That is all we want.

The Minister for Education, Sport and Culture:

I cannot tell you because I am not prepared, and I cannot second-guess the outcome of the reviews. It would be absolutely wrong. I have every intention, and I have signed up with the Council of Ministers to deliver the savings identified. In fact, if I could deliver more I would, but equally it must be recognised, as you can see if you look at the draft business plan that has been produced recently there are allocations of growth alongside the savings. I would point you to some departments that have more growth than the amount of savings that they are required to deliver. I accept that there are reasons for that, but equally there will be, I am sure, reasons quite likely for our department to seek additional growth in some areas. Again, I cannot tell you what they will be because I have not completed my reviews, but my reviews will answer those questions and will give everyone the opportunity to participate in that decision-making process quite properly.

Senator S.C. Ferguson:

Yes, well, now going on from that, we have had problems with one or 2 departments because they were not able to identify what their costs were. We have the sort of simple Fern Britton-type question, how much does it cost to put a child a year through secondary school?

The Minister for Education, Sport and Culture:

We can provide you with all that information and in fact, again, I would remind you that the Comptroller and Auditor General has already carried out an in-

depth review on the department, back in 2005, and he has generally referred and others to our department as being one that knows their business, recognises the costs and is able to identify the costs of the services that they provide. I am more than happy for you either to come and meet with my finance director, to attend the department, and I am sure you will be provided with all the information that you could possibly wish for.

Director of Education, Sport and Culture:

I think the important thing about that is the schools are formula-funded. So, the money that goes into the schools is based on assumptions that have been made about the cost of educating a child, whether they are in primary school, secondary school, or if they are going into further education.

Senator S.C. Ferguson:

Yes. My question, for instance to T.T.S. (Transport and Technical Services) was, how much does it cost to dig 100 feet of trench? It is simple stuff like that. They were quite happy. They knew the cost and if you know the costs.

Director of Education, Sport and Culture:

We know the costs but we have not brought them with us, but we know the costs.

Senator S.C. Ferguson:

No, because we did not ask for them. Because if you cannot identify the costs, how can you identify the savings? That is the real point. So, the consultation is obviously going to take place once you have had your reviews. You have also started with a property occupancy charge for the fee-paying schools and this year there is a saving of £80,000, but this is only for 6 years. How does this fit with the sustainable savings required within the rules of the C.S.R.?

The Minister for Education, Sport and Culture:

For a start, this is a direct outcome. You talk about the Comptroller and Auditor General and the emerging issues, this is a direct outcome of one of his recommendations and in discussions with the fee-paying colleges it was determined that an £80,000 reduction shared equally between the 2 colleges which works out at £35,000 reduction for the 2 secondary colleges; Girls College and Victoria College, and a £5,000 reduction in the grant to the 2 primary schools. This will be a year-on-year reduction and it will obviously be a reduction on their base budget, so it is sustainable, and it was deemed that that was the appropriate level to reduce the budget by to avoid impacting on parents and the schools and at the same time they have been encouraged to collaborate and look at the cost of their education that they provide and I can assure you that over the last couple of years their increases in fees has been relatively low and that is again due to the fact that those schools have made every attempt to adjust their costs and to avoid passing it on to the parents.

Director of Education, Sport and Culture:

That saving was made pre C.S.R. and of course one of the issues is that the school year begins in September and you have the discussions with the

governing body and the governing body set their fees, the fees are communicated to parents for September and it is not easy when you get to the middle of the year to go back to the parents and change all those arrangements. So, that was all sorted out pre C.S.R.

Senator S.C. Ferguson:

So, is that really a saving?

The Minister for Education, Sport and Culture:

Sorry?

Senator S.C. Ferguson:

Is that really a saving? Is that a genuine saving for the C.S.R.?

The Minister for Education, Sport and Culture:

I believe it is a saving because I am aware that the colleges involved have been able to manage their affairs within appropriate and recognised fee increases, acknowledging this reduction. But Mario picks up an important point which is again a difficulty which is particular and peculiar, should I say perhaps, to our department in that our financial year does not fit, and I will repeat, does not fit with the States financial year. Our financial year runs with the academic year which is from September to July. So, any changes that we would choose to make that would affect the cost of provision of education would be linked to a start date in September. Therefore, you would find that you would only have a part effect in that particular year, or a third effect, should I say, where the other two-thirds get delivered in the following year and again it has been acknowledged, fortunately, by the Council of Ministers and accepted that there may be a need for some flexibility in the delivery of those savings.

Senator S.C. Ferguson:

Super. But you also have cuts in schools and colleges' overheads of £298,000 which you have described as mostly being about the support provided to the schools to deliver programmes. If you are withdrawing that support, what is to prevent the schools cutting the service provisions concerned?

The Minister for Education, Sport and Culture:

Mario will answer in more detail, but basically what we have done is to look at what is being provided, and some of the programmes have been introduced over a period of time and have developed to an extent that the schools can now continue and maintain them. Also, the purpose of these changes and these reductions do not impact on the frontline services and that is equally important. For further explanation I think Mario will probably add something.

Director of Education, Sport and Culture:

Some of these things are around programmes that have been implemented. We began the implementation a few years ago and with all new programmes when we begin the implementation we do it with a view to becoming self-sustainable. So, if we bring in, for example, advisers to support the

development of a new initiative we work towards having local people in our schools who can train, so that we can lose the external input and with 2 or 3 of those programmes that is the point at which we are at. So, the schools really do not need to stop delivering. It is not a service, as such, it is a particular approach to learning. The other reason that they would not do it is because they work within an accountability framework where they are expected to deliver the Minister's policies of the Education Department and they are held to account for those. So, if they were not delivering them then that would be picked up through the evaluation process.

Senator S.C. Ferguson:

I do notice that technically we have reached our time but we have a bit to go. Would you mind staying on a bit longer?

The Minister for Education, Sport and Culture:

Absolutely.

Senator S.C. Ferguson:

That would be super. Thank you very much.

The Minister for Education, Sport and Culture:

I will try and keep my answers short.

Senator S.C. Ferguson:

Oh, yes. Sorry. Based on the £9.40 standard interims fee for a child, £33,000 was a huge grant for Durrell but instead of stopping this all together, could you not reduce it to, say, £5,000 which would allow all of one primary school year to visit and some extra for exam students in secondary education?

[16:30]

The Minister for Education, Sport and Culture:

Basically we felt that when I looked at the grants that we were currently providing, this was the only grant that was provided to a commercial organisation. It was equally recognised that certain children would visit the zoo linked to a particular curriculum or programme in the curriculum and other children did not and it was felt that rather than directly impact or seek to reduce the school budget it was more favourable to remove this grant and allow the flexibility of the schools to determine how best to provide the educational experience and access to facilities such as Durrell within their existing budget. It was with discussion with Durrell. They are keen and are currently talking to the schools to see how they can help support and encourage young people to access Durrell as and when they choose and I think it is just ... yes, it is £33,000, yes, in the bigger scheme of things it is not a huge sum of money, but these sums of money obviously do add up and it is something that we believe we can remove without having any detrimental effect to our youngsters.

Director of Education, Sport and Culture:

Directly this is a cost passed on to the schools, so we envisage that the schools who want to do this will continue to do this and that they will make provision for it themselves from within their own budget.

Senator S.C. Ferguson:

They will negotiate a discounted rate with Durrell.

The Connétable of Grouville:

This is discounted, is it? This £9.40?

Director of Education, Sport and Culture:

It was a straight grant and it was before ...

The Connétable of Grouville:

Do they charge you on a per capita to go in?

Director of Education, Sport and Culture:

Yes.

The Connétable of Grouville:

£9.40? Could you not have negotiated a deal down to a fiver, or something like that, to let the same amount of children go?

Director of Education, Sport and Culture:

I think the important thing here is, what we were doing in providing the grant was making provision for all schools to go there and not all schools would take that up. So, we have not passed on savings to schools for very good reasons this year, but this in a sense is a cost to a school, an additional cost, so if they want to maintain this and they are keen to do that then they will negotiate directly with Durrell.

Senator S.C. Ferguson:

Why is there growth around the cuts to the grant for the Heritage Trust?

The Minister for Education, Sport and Culture:

I noticed you have been somewhere else in the past 12 months. You would have realised that 3 independent reviews have been undertaken to try and address some of the issues that Jersey Heritage Trust face and it was started by ... obviously the first review was produced in 2009 by the Comptroller and Auditor General who basically said: "Look, there is a problem." Since that time, and even prior to that, I would hasten to add, the department has been working alongside Jersey Heritage Trust to not only deal with its immediate financial problem, but to put it on a far more sustainable footing. Through discussions with the department Jersey Heritage Trust have reduced their ongoing deficit of £550,000 to £200,000 by restructuring the services that they provide and basically the sums of money that are being sought now, subject to States approval, are to ensure that the heritage sites are kept open for business and Jersey Heritage is placed on a firmer footing.

The Connétable of Grouville:

Who is the accounting officer for Jersey Heritage?

Director of Education, Sport and Culture:

I am the accounting officer for the grant that goes through to the Heritage Trust but obviously the trustees are responsible for the finances.

The Connétable of Grouville:

There has been a change there, has there?

The Minister for Education, Sport and Culture:

Three new trustees have recently been introduced to the board.

The Connétable of Grouville:

What about the States Members representatives on the ...?

The Minister for Education, Sport and Culture:

Since I became Minister I removed, or did not fill, the vacancy left by Deputy Labey, who was the previous Assistant Minister, and that is still my intention. In fact, moving forward, I think that one of the areas that we will be looking at is how that board is structured and whether it is necessary for any States Member to be part of that board.

The Connétable of Grouville:

Yes. If they are not going to talk up to meetings ...

Senator S.C. Ferguson:

Now, you have mentioned grants for university students. This is a topic that is raised by quite a number of the submissions which will be part of our final report. You will have full access to them. What savings will be possible where the grant of students of divorced couples to be based on either the combined income of both parents, or ... let us start with the combined income of both parents, as it is for married parents.

The Minister for Education, Sport and Culture:

I do not necessarily think it is a question of, let us say, expenditure or savings. I think first of all it is an issue of equity and fairness with regards to the way that divorced and separated parents are treated alongside married couples. We have been faced with an ongoing problem that obviously as more people get divorced and separated that proper provision needs to be made for the young people who choose to access higher education. As part of our review we are looking at this particular area and I know, because I have read various reports, that we have looked at other jurisdictions including England and the Isle of Man and Guernsey to see how they deal with this matter, but there is no, I would hasten to add, perfect solution. I would hope, and I believe that in most cases parents should be, and are, responsible for providing education to their children. There is a perception that certain individuals take advantage of the improved support provided today with single parents, or divorced and separated parents.

Senator S.C. Ferguson:

I do know cases.

The Minister for Education, Sport and Culture:

As such, we are mindful of this.

Director of Education, Sport and Culture:

We have estimated, and it is very rough because it depends on the income of the parents, it depends on the choice of course, it depends on the university, we have estimated that we could recover in the region of about £700,000 minimum. It will fluctuate year-on-year but that is what we are targeting, if you like.

Senator S.C. Ferguson:

That is not to be sneezed at. No, because one hears stories.

The Minister for Education, Sport and Culture:

We are mindful, as I say, of the concerns raised and I have spoken personally to a number of individuals who have raised this matter.

Senator S.C. Ferguson:

Reform can only be implemented successfully if there is a genuine culture of change within the department and you will find it difficult where the department sees the reforms as hostile. How are you achieving this open-mindedness at E.S.C. (Education, Sport and Culture)?

The Minister for Education, Sport and Culture:

I would say we have already achieved it. I believe I was quite fortunate to walk into a department that was already open to change and had already demonstrated the ability to change and adapt to financial constraints and I flag up the savings that have been delivered over the last 6 years. We are, and the department is, fully committed to reviewing its services, as per the wideranging reviews that we are undertaking now, we are determined to make sure that the service that we provide, as I say, meets the needs of the people.

Senator S.C. Ferguson:

How about the 270 square feet average per inhabitant of your section of the Highlands site?

The Minister for Education, Sport and Culture:

I should have mentioned that apart from the list that I gave you there is a review that is being undertaken to look at all property under the administration of my department, along with property holdings and every effort is going to be made to again ensure that the facilities that we have are providing best value for money.

Director of Education, Sport and Culture:

From a practical perspective to demonstrate the openness to change the senior management team at Education, Sport and Culture are dedicating 20 per cent of management time to the C.S.R. process because it needs that amount. So, there is one complete day a week which is set aside for

workshops. So, we have had workshops with all the primary head teachers, workshops with all the secondary head teachers, we have had workshops with the instrumental music service, we have had workshops with the youth service. So, each part of the department, each section of the department, is spending a considerable amount of time working with the senior management team doing a similar exercise to that which we are doing today, which is around how you are delivering services, challenging, et cetera. So, there is a significant input. I would say that if there was not the will to make the change there would not be the will to make that investment.

Senator S.C. Ferguson:

What about the input from the frontline staff and the unions?

Director of Education, Sport and Culture:

In terms of the broader reviews in time there will be appropriate consultation. One of the difficulties ... well, not difficulties, it is one of the joys, is that we have to spread through an organisation of some 2,500 staff. So, you have to start somewhere and what you cannot do is you cannot go out and talk to teachers until you have talked to head teachers and you cannot talk to youth workers until you have talked to the youth management. So, you work through and also our view of this is that there has to be a role for leadership. If you are going to consult on something the leadership of the department has to do something, take through the issues, take through the options, and help people think about possible solutions to the problems. That is the process that we are going through and that is the challenge for us, and that is one reason why the timescale is tough for us.

Senator S.C. Ferguson:

Yes. The next one was to say that you are going to have to be tough for the 3 per cent and the 5 per cent cuts. You are going to have to be tough to deliver the difficult political decisions on the structure and delivery of the redefined services. Do you think you can deliver those?

The Minister for Education, Sport and Culture:

Well, I think we have already touched on the subject and the only proviso is that we need to be mindful that the cuts are firstly achievable and secondly, do not have a negative impact on the education service and provision that we are required to provide.

Senator S.C. Ferguson:

Again, you have obviously abolished certain individual programmes. You are obviously preferring to have a more selective approach to the cuts rather than just straight to, say, 35 per cent across the board?

The Minister for Education, Sport and Culture:

Absolutely, and I think it comes back to determining what priority we place on the individual services and how they fit with the bigger picture.

Senator S.C. Ferguson:

What obstacles do you foresee in achieving the overall process?

The Minister for Education, Sport and Culture:

I suppose time is the biggest one and the appropriateness and the ability to have and demonstrate and provide the complete picture that everyone can understand and subscribe to. But I believe that if we do not properly explain the decisions around changes to the services we provide and get people to appreciate what those changes might be, I think we will have great difficulty in delivering them. I think it is a process that is going to be very challenging. I think that it is a process that requires that the consideration ... and I keep mentioning it ... but one part is saving money. The second part is recognising that behind the scenes, there are known spending pressures that need to be dealt with. Now, whether or not you offset those spending pressures against the cuts you propose or whether you allow for them in a different manner is a decision to be made. But we cannot ignore that there are known spending pressures that have not yet been accounted for and that is not necessarily just with my department. I am sure that is across the board. Part of the problem that we have had in the past is that we have not had clear accounting for the services that are provided across the States and I do not believe that necessarily all the costs that are attributed and required to deliver the services have been fully recognised.

[16:45]

As such, I believe that the process of G.A.A.P. (Generally Accepted Accounting Principles) accounting and the identification of the full cost of the individual services provided will certainly place both the States, and give confidence to the public ultimately, because we will then be able to benchmark year to year the services that we provide against the costs of delivering those services.

Senator S.C. Ferguson:

Yes, I think there is one more point that has come out very much over the hearings. This very bare list that the public have got on any cuts, it really does not explain the thinking behind it. There is one that says: "Get rid of language assistance," but in actual fact, as I understood it, it is just in the primary schools.

Director of Education, Sport and Culture:

That is right and that is a presentational issue but that is really inevitable in the time-scales I have been working towards. There is a lot that goes on behind those and if I go back to the brief that the Minister gave us, it is either improve or maintain the current quality of delivery and take the cost out of it. Well, there are ways with technology now to engage with French language speakers in France without actually having them in the classroom. So there are other ways that we can explore and I think that is what we need to try and do.

The Minister for Education, Sport and Culture:

We are because ... just to pick up on that point of exploring other options. I have had discussions with Mr. Myatt, who is the French Consul, on whether or

not Alliance Francaise could maybe support some of the language development within our schools in the same way that the Portuguese government is currently supporting their local community within our schools with the provision of foreign teachers.

Senator S.C. Ferguson:

All right and the other thing, how much talking ...

The Connétable of Grouville:

Can I finish off on that one?

Senator S.C. Ferguson:

Yes.

The Connétable of Grouville:

Are you carrying on with that?

Senator S.C. Ferguson:

No.

The Connétable of Grouville:

Because I was going to say that I brought up when Mario came to see us about the fact that we cannot do exchange visits with the schools now because of the Health and Safety aspects and whatever is going on but we used to have a wonderful situation with Hautlieu where our children went over to their school for a couple of days and they came back to us for a couple of days. It is no longer feasible because of basically the criminal record checks and things like that which are going on and that does not really encourage them into French.

Director of Education, Sport and Culture:

That aspect of it can still be done. It is the staying long term, the staying overnight with families.

The Connétable of Grouville:

Yes, that is right.

Director of Education, Sport and Culture:

You will have noticed that the British Government is changing the plans that it had around vetting and barring and I guess we will be watching what they are doing.

The Connétable of Grouville:

So there is hope. I will have the French on to me again saying: "Why not?" and I have got to explain to them that we do not trust them.

The Minister for Education, Sport and Culture:

No, but you are right. There are opportunities that could be open but we are restricted in the ...

The Connétable of Grouville:

We are not even asking for any money. We can fund it ourselves from the parishes. Yes, we can do that for the school.

Senator S.C. Ferguson:

Are you doing enough talking to other departments where you might have services that are overlapping?

Deputy T.A. Vallois:

We do have services overlapping.

The Minister for Education, Sport and Culture:

Yes, in fact, I am part of the schools objective. In fact, I am chairman at the moment and I am working closely with E.D. (Economic Development) and Social Security in the development of skills and putting the vocational training. With another hat, I sit on the Children's Policy Group and work alongside the Minister for Home Affairs and the Minister for Health and Social Services looking at and developing currently a Children's Plan and Children and Young Persons' Plans, as I say, for all youngsters on our Island. This sharing of services and closer co-operation was fully subscribed to. I think that, from my experience from being Minister of the department, there are occasions where the department has ended up filling gaps left by our partners in the support of young people if there is a lack of funds. I would hope that now, with the creation of the Children's Policy Group and, indeed, the additional funding that has been provided through the Williamson Implementation Plan, that we can start to address some of these issues, allowing every partner to play their full part in the delivery of those particular services.

Senator S.C. Ferguson:

Yes but going on from that, what about where you have got services and other departments like E.D.D. (Economic Development Department) have got services like lifeguards and you are both supplying a similar product?

Deputy T.A. Vallois:

Not just that, though. The co-operation that you have with those departments is purely one part of your department. You have Sport and Culture also and it could arguably be said that could be some general liaison between E.D.D. for tourism and culture and looking at the P.P.P. (private-public partnership). That is one, for example. There is not things that cover ...

Director of Education, Sport and Culture:

Just a classical example of that would be the Island Games bid where you are working on things like that. There are other examples where Jersey is quite a popular destination in terms of sports, events, sports conferences and things like that that are attracted over Fort Regent to F.B. Fields, international cricket. These are things where there has been good liaison.

The Minister for Education, Sport and Culture:

But I take your point and I think that this is one of the challenges that, as a Minister and as a department, we face because we recognise that we have

got our day to day work that needs to be undertaken and delivered alongside of not only these major reviews that we have instigated but now an additional time pressure with the C.S.R. process. It is a big issue and there are areas where I know that there is work to be undertaken but it is physically impossible to deal with some of these matters. I have spent some time quite recently discussing matters with Economic Development and with the new P.P.P. with regard to the development of cultural tourism. I met today with members of the Chamber of Commerce to do with the hearing resources and how the Schools Executive can work more closely with the Chamber of Commerce in ensuring that the training initiatives and the improved skills development that we are providing meets their requirements and perhaps, more importantly also, will help to guide us when we look at improvements or changes within the current consecutive education that we are seeking to provide.

Senator S.C. Ferguson:

All right, I think we have covered the differences between this review and the one in 2005 at some length at the beginning.

The Minister for Education, Sport and Culture:

Yes, I am sorry, but I really do want to remove this perception that somehow just because James Reed has become Minister for Education, Sport and Culture, he is no longer aware of what a pound is. I would suggest that, since becoming Minister, I am far more aware of what a pound is. I am also, on becoming Minister and being involved within the department, aware that the way that the States generally manage their finances still needs improvement. The way that the overall costs of services are provided needs to be improved and I think that there are still opportunities to deliver the efficiencies that we are all looking for, and/or more importantly, perhaps, demonstrate to the public that the services we are providing are being provided in an efficient and effective manner. That is perhaps my challenge and the challenge that I raised when I was sitting on P.A.C. to the Council of Ministers and Ministers identify and demonstrate that you are doing what you are required to do and providing the best value for money. That is the challenge that I have now taken on and I hope to be able to demonstrate over the next 12 months that I am up to that challenge.

Senator S.C. Ferguson:

We are watching. Thank you very much indeed for your time, Minister. Thank you very much, Director.

The Minister for Education, Sport and Culture:

Thank you very much.

[16:54]