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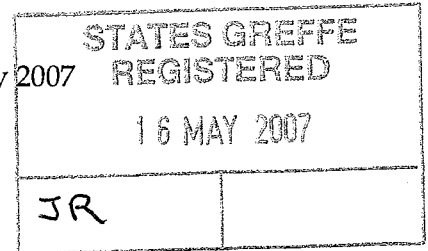
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Registered Charity No. 241

Deputy Bob Hill  
Chairman  
Education and Home Affairs Scrutiny Panel  
Morier House  
Halkett Place  
St Helier  
JE1 1DD

Our Ref.: GCP/AMV

15 May 2007



Dear *Bob*

**Early Years Education and Child Care**

I have noted with great interest the call for evidence by your Scrutiny Panel in connection with your review of what is required for the effective delivery of early years education and child care.

Coincidentally the Jersey Child Care Trust has made a submission to the Council of Ministers on the subject of child care provision, and I thought that you might find of interest the attached copy of that submission.

The Jersey Child Care Trust has also written to the Treasury and Resources Minister concerning the adverse effect of the imposition of GST on child care provision, and a copy of that letter is attached.

If the Scrutiny Panel would wish to receive oral evidence from the Jersey Child Care Trust, I would be pleased to make myself available.

Kind regards.

Yours sincerely,

**Colin Powell**  
Chairman

Encl.



## JERSEY CHILD CARE TRUST

### A Submission to the Council of Ministers on the Subject of Child Care Provision

The Jersey Child Care Trust (JCCT) was delighted when the Council of Ministers included in the States of Jersey's Strategic Plan 2006-2011 the statement "we recognise that all forms of investment in the Island's children from the earliest years are an important and necessary investment in the Island's future". We were equally delighted that the Strategic Plan was endorsed by the States and we assume that thereby States' members as a whole subscribe to the view that investment in the Island's children is an investment in the Island's future.

The JCCT has long held the view that there is a continuing and urgent need to address issues impacting on the ability to provide adequate, high quality and affordable child care in the Island. There is a need for a public/private sector partnership in child care provision and for equality of treatment of parents and children according to their needs. The Trust continues to work to meet these needs. In doing so the Trust continues to seek to gain greater appreciation of the real benefits that are to be obtained from an investment in children from their earliest years. These benefits include -

- improved academic performance;
- enhanced social skills;
- reduced requirement for supporting special needs;
- a reduction in crime and antisocial behaviour;
- improved life skills and job satisfaction.

Research has shown that many of the problems surrounding the activities of young people have their roots in the lack of adequate investment/support made available for children in their formative years.

Many parents who wish to work will be disincentivised by a high cost of child care. Enabling parents to support their families through work rather than through benefits is an important objective to secure from which the economy as well as the individuals benefit.

In holding these views the Trust was naturally glad to be invited to participate in an officer group established and tasked to bring forward recommendations for a comprehensive strategy for supporting early years child care and education in respect of the 0-5 age group. The Trust was pleased to find that its views are very much supported by the following research findings referred to in the report of the Minister for Education Sport and Culture on "Early Childhood Education and Care: Progress Report December 2006" presented to the States on 22 December 2006 -

- (i) quality child care has a beneficial impact on the development of children and this is enhanced further where provision includes an element of early education. The benefits to children are sustained into adulthood and garnered by society as a whole by reducing the costs associated with educational failure and its consequences;
- (ii) high quality provision is more likely to develop where there is a strong partnership between the public and private sector that is founded on a clear partnership agreement;
- (iii) child care supports mothers returning to work thus reducing the loss of their skills to the economy;
- (iv) child care costs can be a barrier to labour force participation, particularly in respect of women;
- (v) support for child care is warranted as an intervention measure aimed at children at risk because intervention of this nature has substantial economic benefits by reducing unemployment and crime in later life;
- (vi) skill shortages emerging in the economy may be mitigated by greater or more flexible parental participation in the workforce;
- (vii) failure to address issues to do with the affordability of child care can lead to an increase in the use of unregistered child care.

In achieving the benefits of early years education and child care the emphasis is very much upon affordability and quality in child care provision. Criticism of child care provision is generally in terms of it not being available to those on relatively low incomes because of inadequate governmental support; and of the failure to achieve the benefits to which reference has been made above because the child care provision has not been of a sufficient quality.

In Jersey the Trust believes that there is an excellent standard of child care provision through both public and private nurseries but there is growing evidence that through the high cost of child care, particularly for those aged 0-3, there is a real risk of child care being provided in situations where the required standards are not met.

In the circumstances of Jersey child care has a particular economic significance. The cost of housing in the Island means that for most young families both parents are required to work. This economic necessity however has a benefit in that it increases the activity rates among those of working age and this lessens the need for immigrants to meet the employment requirements arising from a buoyant economy growing at the rate targeted in the Strategic Plan.

The Trust is disappointed therefore that against the clear messages of the social and economic benefits to be obtained from the provision of affordable, quality child care, to which reference has been made above, this policy area is not given the priority it deserves. This failure to give adequate priority to quality child care provision includes a failure to respond to the negative aspects of the present policy.

The present policy of providing States funded nursery education for 3 and 4 year olds at no cost to the parents while of benefit to those able to enjoy this facility has a detrimental effect on the viability of private nurseries. This has two consequences. One is a need for the private providers to increase child care fees; and the other is an increasing difficulty in providing affordable child care for the 0-3s. The Trust considers that insufficient account has been taken of the effect on private nursery provision for the 0-3s of the loss to the private sector of children aged 3-5 who are accommodated in the nurseries in the public sector for which no charge is made.

Not only is there a lack of equality in the fact that some seeking child care have the opportunity to obtain this at no cost while others are faced with the increasing cost of private sector provisions. In addition, there is no certainty that all those enjoying the free facilities provided by the public sector will be those in greatest need of such a free service. A parents survey conducted in February and yielding a 60% return indicated that, across all States funded nursery classes, about a third of parents had household incomes of less than £26,000, half had incomes between £26,000 and £60,000 and 17% had incomes in excess of £60,000.

The Trust would not wish to see the present inequality responded to by introducing charges for the States funded nursery classes. In the view of the Trust investment in children from their earliest years should be viewed as being as important for the children, and as beneficial for the community at large, as investment in children in their later years, and should be equally freely available for all concerned. The Trust is aware that there is in prospect an income support scheme, and that consideration is also being given to providing a free entitlement of 20 hours per week, 38 weeks per year for all 3 and 4 year olds. However, in the view of the Trust this will not address sufficiently existing needs, particularly in respect of the 0-3s. Furthermore, any additional funding for child care is said to be unlikely to be provided before 2009 and even then there is no certainty that, in competition for public funds with other essential services, the necessary funds will be made available.

In the view of the Trust there is a real risk that, if early action is not taken, existing child care facilities will be lost to the detriment of the children, their parents and the community at large.

The Trust believes that investment in the Island's children is an investment in the Island's future, and that this investment needs to start from the earliest

years. If this view is accepted – and research would suggest that it is a soundly based view – the Trust would suggest that if funds are not available within present budget allocations serious thought should be given to using the Strategic Reserve to support this investment. This would be of significant benefit to the Island. By helping to secure the most effective use of the resident workforce it would support future economic growth. Through the contribution made to reducing future social problems it would have a beneficial impact through a lesser demand on public funds in the future.

Overall a greater investment in children from their earliest years will help the Island to better prepare for the future. It is the view of the Trust therefore that the necessary increase in the funds made available to support early years education and child care should not be delayed. Early action is required for it is the firmly held opinion of the Trust that not adequately funding early years education and child care today will lead to a far greater 'cost' for the Island in the future.

**Chairman**  
**Jersey Child Care Trust**

15 May 2007



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Senator Terry Le Sueur  
Treasury and Resources Minister  
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Our Ref.: GCP/AMV

26 April 2007

Dear 

**GST and the Private Child Care Sector**

I refer to the recent publication of the Corporate Services Scrutiny Panel's second report on the forthcoming goods and services tax (GST) and I am writing on behalf of the Jersey Child Care Trust to express our strong support for the Panel's key findings concerning the adverse effect of the imposition of GST on private child care provision.

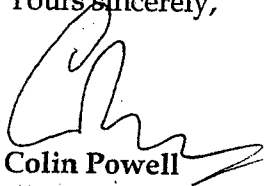
The Scrutiny Panel has rightly highlighted the inequity that arises with the current different and unequal treatment of those who are able to enjoy free child care provided by States' nurseries and those who are reliant on private nurseries. The imposition of GST on the latter will add to this inequity. The provision of affordable, quality, child care is of great benefit to children, parents and the community at large and should be an essential feature of the States Strategic Plan. Further increasing the cost of child care can be expected to have long term adverse effects for all concerned. As you will know, the importance of supporting child care and early years education as an investment in the Island's future is something about which I wrote to the Council of Ministers last year.

The Trust considers that there are further potential inequities for the 0-5 year age group, which will occur as a result of the introduction of GST, that need addressing. The private child care sector is broadly evenly split between charitable and non-charitable registered child care places. The exemption of charities from GST but not the non-charitable child care providers will place the latter and those parents who rely upon them at a distinct disadvantage.

The Trust therefore would wish to join the Corporate Services Scrutiny Panel in requesting an urgent resolution of these problems with the extension to the private providers of registered child care places the treatment being extended to charities, before the introduction of GST in 2008.

With kind regards.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Colin Powell', with a stylized flourish at the end.

**Colin Powell**  
Chairman

cc Senator Mike Vibert, Minister for Education, Sport & Culture