

STATES OF JERSEY



MEDIUM TERM FINANCIAL PLAN 2017 – 2019: AMENDMENT TO FUNDING FOR FEE-PAYING SCHOOLS (P.41/2017) – COMMENTS

**Presented to the States on 30th June 2017
by the Education and Home Affairs Scrutiny Panel**

STATES GREFFE

COMMENTS

Background and Context

[P.41/2017](#) – ‘Medium Term Financial Plan 2017 – 2019: amendment to funding for fee-paying schools’, asks the States Assembly to agree to implement savings that were previously adopted in principle in [P.68/2016](#) – ‘Medium Term Financial Plan Addition for 2017 – 2019 (the “MTFP Addition”)’. This proposition proposes that the funding for fee-paying schools will be reduced by 3% by 2019. This was agreed by the States Assembly on 30th September 2016, and represents a reduction of £608,000 over the course of the MTFP Addition. If approved, this Proposition will implement a reduction in the percentage of the States grant for fee-paying secondary schools to 47% and 22% for primary schools. The percentage relates directly to the average cost of funding for a pupil in a States non-fee-paying school.

P.41/2017 – Proposed cuts

Figures quoted in the MTFP Addition detail the following savings –

- Minor adjustments for subsidies for States fee-paying schools: £150,000 in 2018 and £304,000 in 2019
- Minor adjustments for subsidies for private fee-paying schools: £150,000 in 2018 and £304,000 in 2019¹.

P.41/2017 specifically shows a reduction in grants and subsidies of 1.5% in 2018 and 1.5% in 2019, which equates to savings of up to £300,000 in 2018 and £308,000 in 2019 across the fee-paying schools.

During the Panel’s review into the MTFP Addition, 2 private schools made submissions. These submissions outlined that the reductions in subsidies would impact on the business plans of the schools, impacting on infrastructure plans and flexibility in dealing with cases of hardship. Both schools who responded to the Panel’s call for evidence, stated that they would do their utmost to prevent a reduction in provision to the children they educate. Both also stated that finances are closely monitored, and that the extra costs could only be met by passing the costs on to the fees paid by parents –

“... their fees will rise more than they otherwise would have done should the proposals to reduce the level of grant funding be passed by Members of the States of Jersey.”²

“Reduced Subsidies may mean

- *Increased fees to parents*
- *Loss of pupils into States schools*
- *Cuts in areas that impact on the children.”³*

¹ P.68/2016 – [http://www.statesassembly.gov.je/AssemblyPropositions/2016/P.68-2016MTFPAdditionfor2017-2019asadoptedasamended\(2\)FinaAnnex.pdf](http://www.statesassembly.gov.je/AssemblyPropositions/2016/P.68-2016MTFPAdditionfor2017-2019asadoptedasamended(2)FinaAnnex.pdf)

² Submission No. 3 received by the Panel during the MTFP Addition Review

³ Submission No. 4 received by the Panel during the MTFP Addition Review

Further submissions have been received by the Panel since the announcement of P.41/2017.

One such submission has highlighted similar concerns to those raised during the MTFP proposals –

“I have no doubt that these private schools will have to pass all or most of the additional cost on to parents and many of the parents, including ourselves, are already making substantial additional contributions to capital projects through the Beaulieu Foundation which will also inevitably suffer.

My overriding concern is that the proposal to reduce funding to these schools will cost the States more than it saves and lead to overcrowded State schools and potentially lead to reducing numbers at the private schools. This could ultimately lead to them having to increase fees even further and end in a vicious circle of fee rises and reducing pupil numbers leading to their demise over the medium term.”⁴

The schools impacted by these cuts have had contact from the Department over a significant period of time, and have had the opportunity to make such financial changes as needs demand.

The Panel recognises the cyclical argument of increasing fees to parents possibly causing more children to enter the States’ schools system, which in turn would further increase costs to the States. It therefore questions whether the figures reflect the reality of the savings envisaged. The Panel met with representatives of the Beaulieu Parents Consultative Committee, who expressed concern regarding the fee increase in terms of the impact on non-fee-paying schools’ costs and places. The Committee estimated that should the number of pupils in private fee-paying schools drop by as little as 5%, then any savings achieved as a result of this proposition would be eliminated.⁵

The report attached to P.41/2017 discusses the correlation between the cost of Jersey fee-paying schools for parents and the cost of schools in the United Kingdom. It shows that costs in the UK are some 143% higher than the amounts paid by parents in Jersey⁶. The Panel view this comment as justifying the reduction due to the significantly lower fees paid by parents in Jersey. At the same time, the Beaulieu Parents Consultative Committee estimate that fees in Jersey allow nearly 36% of all students in education to attend a fee-paying school, and should fees rise in line with UK private schools, the some 3,000 extra places would be required within the non-fee-paying schools in order to cope with the flight from the fee-paying schools.⁷

⁴ Submission on P.41/2017 received by the Panel on 20/06/2017

⁵ Figures received from the Beaulieu Parents Consultative Committee – 22/06/2017

⁶ P.41/2017 – page 6

⁷ Figures received from the Beaulieu Parents Consultative Committee – 22/06/2017

P.72/2011 – ‘Grant aided Schools: grants’ – Publication of Green and White Papers

[P.72/2011](#) was lodged by then Senator B.E. Shenton, and dealt with the grants paid to private schools⁸. This was adopted by the States, and included (via paragraph (a)) the agreement to maintain grants at the current level until completion of meaningful consultation via a ‘Green Paper’ stage and the subsequent ‘White Paper’ process. The Panel notes that P.41/2017 references paragraph (b) of P.72/2011 (where any changes are required to be brought before the States), but does not reference the aforementioned paragraph (a). However, with this proposition, the Panel acknowledge that the Minister is following the wishes of the States by complying with a previous decision made in the MTFP.

The Panel noted in its comments on P.68/2016 that this process is not as rigid as it is in other jurisdictions –

“The Panel recognises that the green and white paper processes are not as rigid in Jersey as in other legislatures and may be considered rather more as conceptual processes to ensure consultation.”⁹

Within the Jersey context, the Panel accepts that some consultation took place in 2011, resulting in a document entitled ‘Learning for Tomorrow’s World: the future of Education in Jersey’¹⁰. This contained a summary of the responses received by the Department and was published in 2013. However, the time lapse between that consultation in 2011 and implementation of cuts in 2018 could be argued to be so great that one is not connected to the other. P.41/2017 contains no description of any public consultation undertaken.

It is the opinion of the Panel that an independent review is needed to resolve the wider issues around how our education system is structured.

Conclusion

Based on the evidence received and previous work undertaken, the Panel has 2 concerns with this current Proposition (P.41/2017) –

1. There is a reasonable argument that, as no White Paper was published and no details of any consultation have been included within P.41/2017, the proposition contains insufficient detail to be accepted. In other words, the Minister should be maintaining grants at current levels because details of the process are missing.
2. Education has been identified as a key priority and despite the injection of extra money within the MTFP, the Department has been required to make savings that, when demographics are taken into account, reduce spending per child per year. The paragraph within P.41/2017 headed ‘**Financial and manpower implications**’ states –

⁸ P.72/2011 – <http://www.statesassembly.gov.je/AssemblyPropositions/2011/33367-26153-1152011.pdf>

⁹ P.68/2016 Com.(4) – <http://www.statesassembly.gov.je/scrutinyreports/2016/comments-mtfpaddition-20september2016.pdf>

¹⁰ <https://www.gov.je/SiteCollectionDocuments/Governmentandadministration/RLearningforTomorrowsWorld20130228KP.pdf>

“If the saving does not go ahead as proposed, an equivalent amount will have to be found from other areas of the education budget.”¹¹

The Panel is concerned that if the savings proposed in P.41/2017 are not accepted, then savings will have to be made from other areas of the Education budget. As no alternative savings have been identified in the event this proposition is not adopted, the Panel questions where the savings would come from. In the event that savings come from non-fee-paying schools, this is not an acceptable situation.

In conclusion, the Panel notes that the savings identified in P.41/2017 have been agreed in principle by the States during the MTFP Addition debate, although it stands by its previous comments that funding for Education should not be reduced. In this instance, failure to agree this reduction in funding could directly impact other areas of the Education budget; an outcome which the Panel does not wish to see.

Therefore, despite recognising reasons for this not to be done in either States or Private schools, the Panel reluctantly accepts that the proposition is in order.

¹¹ P.41/2017 – p.10