

Dear Sir/Madam,

I am writing to you to express my concerns raised by the recent proposal to remove the NEF funding for 20 free nursery hours for families who earn over £75,000.

**The loss of NEF represents: -**

**1) Discrimination, in terms of childcare provision, against a particular group: two income working families who are home owners.**

Two full-time income families are becoming the norm to cope with the high cost of housing/mortgages in Jersey. A 2 bedroom house had a mean price of £422,000 in 2015, whilst a 3 bed house had a mean price of £527,000 in 2015.

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20House%20Price%20Index%20Q4%202015%2020160225%20SU.pdf>

Most mortgages are based on 5 times the salary of the household. If we take the proposed £75,000 family cap then the equivalent mortgage that would be possible would be £375,000 far below the mean cost of a 2 or 3 bedroom house on the island.

High accommodation costs were one of the key findings affecting retention in a recent recruitment and retention review for hospital staff.

( <http://www.statesassembly.gov.je/ScrutinyReports/2016/Report%20-%20Staff%20Recruitment%20and%20Retention%20-%2021%20March%202016.pdf> P6)

Therefore most families will require two substantial incomes to purchase a family property. This means that working full-time for both parents is becoming more normalised.

Childcare provision by states nurseries is not suitable for such groups as there is no care available before 8.45 am or after 2.45pm. Therefore private nurseries that offer this facility are essential.

The Minister's press release implies that the wealthiest parents will carry the cost of the changes in nursery care funding.

<http://www.gov.je/News/2016/Pages/NurseryFundChanges.aspx>

However, the highest earning families are likely to have the financial flexibility to choose between a States nursery, private pre-schools or commercial nursery care. As the States nurseries remain free in the proposed scheme, it is not just the less affluent who can access these nurseries, but those high earning income families who have the flexibility in terms of hours, who are favoured

**2) Restricts the likelihood for women to re-enter the workplace following maternity leave.**

The scheme enables women in particular to return to work more rapidly following maternity leave or part time employment in the first couple of years of their child's life. It allows Jersey to benefit from the varied skills in this sector of the workforce. The changes are regressive for women as they will potentially contribute to the widening of the gender pay-gap and have implications for the career progression of women.

NEF has a clear history of enabling parents to access work (<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20EYCP%20WG5ReportNEFparents2010%2020101205%20BC.pdf> P26).

### **3) The direct financial impact on parents**

High private sector nursery fees (over £1000/ month for full time provision – <http://www.jcct.org.je/images/stories/pdfs/Providers%20Childcare%20Costs%202015.pdf> or [http://www.organic-kids-jersey.com/wp-content/uploads/2015/08/OK\\_CQ\\_Fee\\_Sheet\\_2015August15.pdf](http://www.organic-kids-jersey.com/wp-content/uploads/2015/08/OK_CQ_Fee_Sheet_2015August15.pdf) ) have required parents to carefully plan their finances to take the current allowance into account. Parents will now have to find an additional £400 / month.

The amount calculated in the press release that the states spend for a child (£3914) does not equate to the average cost of a pre-school at 20 hours / week for 38 weeks. <http://www.jcct.org.je/images/stories/pdfs/Providers%20Childcare%20Costs%202015.pdf>

Using the figure from the JCCT average cost at £5.33/hour provides a figure of £4050.8 for 38 weeks.

For some providers the costs to the parents of the 20 hours that they will no longer be eligible for, will be significantly higher if their nursery fees are above average.

### **4) Individuals without family support networks are particularly at risk**

The scheme is particularly detrimental to individuals who have no family support on the island; this may affect the recruitment of essentially employed staff.

### **5) The effect on child development.**

There is a fundamental attribution error in an assumption that families earning over £75k will continue to use nursery care, rather than other forms of childcare. The risk of this assumption is that children that may be withdrawn from nursery care will not have the same access to child-development provision.

The UK government is investing in an expansion of free childcare in recognition of the importance of Early Years Learning. This importance of improving Early Years Learning has been highlighted by the national media in recent weeks.

<http://blogs.savethechildren.org.uk/2016/03/why-quality-childcare-is-vital-for-young-brains/>

Jersey needs a system that provides equal access to this for all children and, to maintain this, universal access is needed to ensure that no child is left behind in their pre-school year.

I hope that you will give the points raised above due consideration in scrutinising the proposed change to NEF funding. As the proposed changes will have a significant impact on a substantial number of families, far more than the number being reported in the press.

Yours sincerely