

# STATES OF JERSEY



## GRANT AIDED SCHOOLS: GRANTS (P.72/2011) – COMMENTS

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Presented to the States on 6th June 2011  
by the Minister for Education, Sport and Culture

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STATES GREFFE

## COMMENTS

### **Paragraph (a)**

The Minister for Education, Sport and Culture opposes paragraph (a) of this proposition and urges members to reject it.

### **Background**

The Minister for Education, Sport and Culture is charged, under the provision of the Education (Jersey) Law 1999, to “ensure that there is available to every child of compulsory school age a full time education appropriate to their age, ability and aptitude”.

Since 1966, the States has supported private fee-paying schools through a grant to subsidise the fees paid by parents. The Education (Jersey) Law 1999 continued existing policy under which the Education Committee (now the Minister) can vary the grant payable to the schools.

### **Consultation to date**

Senator Shenton refers in paragraph (a) of his proposition to the requirement of a ‘meaningful consultation’ before any changes are made to the grants of the listed fee-paying schools. This suggests that the Minister and officers from the Department have not been in discussions with the affected schools. On the contrary, there have been extensive discussions with the Boards of governors, trustees and senior leadership staff from each school in order to develop the proposed reduction in grant.

Formal negotiations with the schools started in September 2010. Since then, there has been ongoing consultation and a series of meetings between officers and schools to identify ways of implementing the saving that will limit the impact on parents and pupils. The Minister has met with Boards of Governors and liaised with parent groups, including meeting ‘Parents For Choice’.

CSR information on the proposed reduction has been widely distributed and shared with States Members and the public.

Comments have been received from parents, and open letters have been sent to all parents explaining the progress, as well as Ministerial statements and media releases. A parents’ meeting has already taken place at Beaulieu Convent School and the Minister has offered to attend similar meetings at all other fee-paying schools.

In addition, he has explained the proposal in media interviews, including BBC’s Talkback phone-in, and also answered numerous written and oral questions about this in the States. Separately, officers from the Department have met individual States Members, including Senator Shenton, and the proposals were also discussed in detail with the Education and Home Affairs Scrutiny Panel in January.

Although the proposal applies to all the main fee-paying schools, each school is different and it has been necessary to take this into account when determining how the reduction in grant can be managed and delivered.

In the case of Beaulieu Convent School, work undertaken with the Department has helped achieve savings and efficiencies that would have been necessary to ensure its long-term sustainability, irrespective of this proposal.

Overall, the process will help the schools become more financially secure in future. It has also encouraged them to explore greater collaboration and shared services, including the opportunity to provide a broader range of 'A' level subjects, which is in the best interests of students.

### **Green Paper**

There appears to be some misunderstanding of the purpose of the Green Paper on education. First and foremost, it is designed to improve public understanding about the Island's education system and to seek views on whether people are happy with the current provision, or if change is required in order to meet the needs of our children in the future.

It is time the debate is widened to include all aspects of education, rather than simply focussing on the role that fee-paying schools play in the Island's overall education system.

To clarify, there are 2 parallel pieces of work taking place –

- CSR: A major project to deliver targeted savings of 10% over the period 2011–13;
- Green Paper: A strategic document for public consultation on the long-term future of education.

The Green Paper will cover all the key educational areas and is due to be published as soon as possible. This is designed as a starting point for a wide debate about Jersey's education system and will help determine whether changes are required to make it fit for the future.

From the beginning, the deliberate intention was to have a broad discussion about all educational issues and promote greater understanding about how the system works. The Green Paper was never designed to provide immediate answers or solutions to the short-term funding dilemmas of the CSR. Its scope is much wider than that. The aim is to have a genuinely open consultation – not one that promotes a preconceived set of ideas on how education should be provided in the future.

If change is required, the Green Paper will be followed by one or more White Papers, specifically targeted to address particular matters raised by the public and key stakeholders.

### **Support for fee-paying schools**

Today, the Department for Education, Sport and Culture (DfESC) continues to support fee-paying schools in both the private and States sectors as follows –

<b>Grants provided to fee-paying schools in 2011</b>		
Beaulieu Primary	Private – Catholic	£223,635
De La Salle Primary	Private – Catholic	£274,156
Jersey College for Girls Prep	States-owned	£382,390
Victoria College Prep	States-owned	£305,568
FCJ	Private – Catholic	£490,406
St. George’s Preparatory	Private	£205,379
St. Michael’s Preparatory	Private	£413,328
Beaulieu Secondary	Private – Catholic	£1,653,112
De La Salle Secondary	Private – Catholic	£1,701,834
Jersey College for Girls	States-owned	£2,102,871
Victoria College	States-owned	£2,074,904

The level of support provided to all of these schools is allocated according to a formula put in place in 1978. For secondary schools, this equates to 50% of the average funding for a pupil in the non-fee-paying sector. For the primary phase, it is 25% of the average funding for a primary pupil in the non-fee-paying sector.

Even after the reduction in grant has been delivered, most fee-paying schools will still receive substantial support.

### **Differential in funding**

Currently, FCJ Primary School is the only primary school to receive a 40% grant. This additional level of funding was introduced in 2003 when the school experienced financial difficulty. Thankfully this is no longer the case, and the school has returned to a healthy financial position. It would, therefore, be inappropriate for FCJ Primary to be treated differently from the other fee-paying primary schools, especially as their fees are currently the lowest of these schools.

It is unclear from Senator Shenton’s proposition why he would wish to continue the funding differential between FCJ Primary School and the other fee-paying primary schools when this is no longer required.

Furthermore, Senator Shenton’s proposition seeks to protect certain schools in receipt of a grant and not others. In paragraph (a) of his proposition, he has omitted St. Michael’s and St. George’s from the list of schools included, with no explanation given to his rationale for this.

### **Additional States support**

What must be recognised is that all fee-paying schools receive support from public funds, whether this is in the form of support from the Department, from a financial grant or support for their capital programme

It would be remiss to suggest that overheads can only be applied to the non-fee-paying provided and fee-paying provided schools. All fee-paying schools benefit from access to the majority of services – including training – that DfESC provides for its own schools.

Senator Shenton fails to recognise the support the States has provided the faith schools over many years. The States has supported a number of capital programmes for the faith schools totalling £6.5 million over the past 9 years.

Financial support provided by the States of Jersey has included the development of classroom space, an outdoor play surface, a resource centre and general building refurbishments (see Table 1). It is therefore inaccurate to suggest the States has not supported the development of the faith schools' premises. In fact the States provide central costs to the non-provided fee-paying schools totalling £90 per pupil, which States fee-paying schools do not receive.

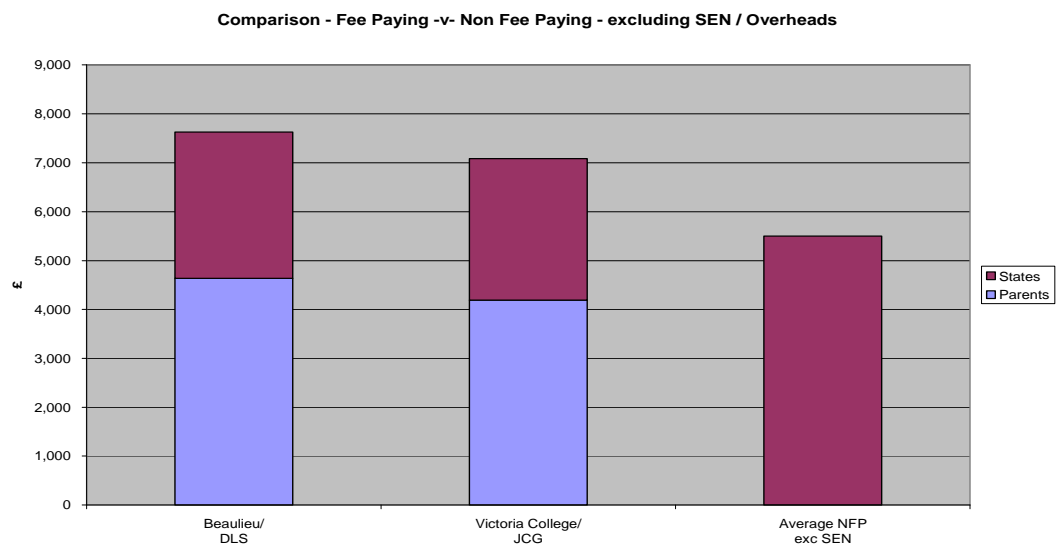
Substantial support from public funds has been provided to the faith schools over a sustained period, even though they are entirely private. This is in recognition of the contribution they make to the Island's education system. Recently, Beaulieu has also benefited from fiscal stimulus funding of £570,000 to provide additional facilities.

In the private fee-paying schools – Beaulieu, De La Salle, FCJ, St. Michael's and St. George's – the school buildings are privately owned and it is the role of the Board of Governors to manage overall finances, determine the annual fee increase and provide financial assistance to those parents who find themselves in temporary hardship (see Table 2 for historic fee increases).

In contrast, Victoria College and Jersey College for Girls are States fee-paying schools. The premises are owned by the States of Jersey and the Boards of Governors are required to take account of the Minister's policies as they carry out their duties. These include proposing annual fee increases to the Minister, who has the ultimate responsibility for setting fees at an appropriate level. Since the current Minister took office, he has requested that fee increases be kept to a minimum and at times limited the increases to a level below that proposed by the governors.

### Expenditure per pupil in the fee-paying and non-fee-paying sector

There is already a funding gap between the non-fee-paying and fee-paying schools. The average amount spent on the education of a child in the faith secondary schools is £7,466. This compares to £5,742 in the non-fee-paying sector, a differential of more than 30%.



In the UK, cuts have been underpinned by a ‘pupil premium’ in which the most disadvantaged students are targeted with extra funds. This is not the case in Jersey, and the current funding arrangement means the differential will continue to increase.

In 2004, the Education Committee agreed that, when approving any fee increases for Victoria College and Jersey College for Girls, it should take into consideration the amount spent on a pupil’s education in the fee-paying sector compared with the non-fee-paying States schools. It felt that a ‘modest differential’ was acceptable to reflect the premium paid by parents for an enhanced service. It was, however, strongly of the view that a large differential would be unacceptable, as it could potentially create a socially divisive, 2 tier system.

### **Paragraph (b)**

The Minister for Education, Sport and Culture opposes paragraph (b) of this proposition and urges members to reject it.

The Minister does not accept this proposal for the following reasons.

### **Commitment in place to debate proposal**

Senator Perchard withdrew his proposition (P.164/2010 – to have the saving considered by the States) after a commitment was given for this matter to be debated as part of the forthcoming Annual Business Plan. Procedures are in place for this to happen. This proposal is one of a number being pursued in order to meet the States requirement to reduce overall expenditure by £65 million by 2013.

The Annual Business Plan debate is the correct forum to discuss all government spending.

Furthermore, it is the only time when members are able to consider all departments’ proposals together, including those applicable to Education, Sport and Culture, and determine annual expenditure limits in the context of overall States spending.

### **No policy change is being proposed**

Senator Shenton suggests the proposal to reduce the grants to fee-paying schools is a change of policy. The Minister disagrees with this. Under the Education (Jersey) Law 1999, the Education Committee (now the Minister) can vary the grant payable to the schools. This is what occurred in 2003 when additional financial assistance was provided to FCJ. Changes to the level of grant are simply a variation within the existing policy – not a change to that policy, which remains in place.

The current proposal includes reducing the subsidy to fee-paying secondary schools over a period of 5 years. This extended timescale has been negotiated with each school to enable them to manage the saving in a way that has the minimum impact on their parents and pupils. In addition, one-off funding will be made available to schools, if required, to help with the implementation of any changes resulting from their independent reviews.

Apart from FCJ, there is no reduction proposed for the grant to fee-paying primary schools mentioned in the proposition, which will remain at 25%.

There is a clear rationale for the proposed reduction in subsidies to fee-paying secondary schools –

- ESC is required to make savings of £11.1 million across its services. There is no reason why fee-paying schools should be immune from this process. Non-fee-paying schools have already been subject to efficiency savings for several years.
- All ESC services have been reviewed both internally and externally. The aim was to identify a package that would achieve savings in the short term without unbalancing the current system.
- It is acknowledged that where possible parental choice – including the availability of faith education – should be supported, but the States has a responsibility to provide an education for all children in Jersey.
- Fee-paying faith schools have freedom to set their own fees and can mitigate the effects of efficiency savings passed on to them by increasing the fee level, which they have done. Non-fee-paying schools do not have that option. They have to cut services.
- The schools themselves have agreed that the extended timescale for delivery of the saving means there will not be a significant impact on their pupil numbers. The Department will work closely with the schools to monitor the impact of the reduction in subsidy.
- The fee increases proposed by each school are in line with the rises accepted by parents over the past decade (see Table 2). At the start of the millennium, fee increases were in the region of 10%, but there were no adverse effects and the schools retained their numbers. DfESC has received no indication from governing bodies that there would be a significant transfer to the non-fee-paying sector.

**Paragraph (c)**

The Minister believes this is unnecessary because discussions are already under way on these points.

The creation of service level agreements was recommended by the Comptroller and Auditor General previously, and discussions have already taken place with schools to this effect. Agreements are expected to be in place before December 2012.

The Minister recognises the new agreements will provide surety of funding for the schools and reassurance to the States that public money is used appropriately. Further work is required to ensure that any such agreement is appropriate and reflects the uniqueness of each school.

Bursaries are already available at Jersey College for Girls, Victoria College and Beaulieu. De La Salle does not currently provide a scheme but has announced the creation of a hardship fund through its new foundation.

DfESC has proposed to set aside a sum to help schools deal with any additional demands on their bursary schemes during the transition period.

### **Clarification of figures used in the proposition**

Although the allocation of school budgets used by the Senator have been provided by the Department, the Senator has used this data inconsistently to draw his conclusions. His assumptions are therefore incorrect and misleading.

This includes calculating the cost per pupil in the non-fee-paying sector primary schools before corporate savings of 1% have been saved and comparing this to the cost per pupil in the fee-paying schools after the corporate savings have been made. This increases the differential between the 2 sectors.

The Senator has included overhead allocations in the provided sector but failed to include these in the non-provided fee-paying schools. He has then chosen to compare the cost per child between the 2 sectors, again increasing the differential between the sectors.

Senator Shenton argues in his report that the cost to the taxpayer of educating a pupil at Grainville School is £7,956 and this compares with £2,982 for Beaulieu. Unfortunately, the Senator has failed to make a valid comparison. He has included in his figures the cost of a specialist resource provision for children with Autistic Spectrum Disorder (ASD). Beaulieu and De La Salle do not have such a Unit.

The Senator has also failed to remove any allocation for specialist funding for children with social and emotional, behavioural disorders. Again, both Beaulieu and De La Salle do not provide support for children with these disorders.

It is the four 11–16 age-group secondary schools that support our young people with special needs. It is not the fee-paying schools. The cost per pupil in a selective school cannot be compared directly with the costs per pupil in a school providing education to children with specific special needs.

*Table 1 – States expenditure on faith schools’ capital programmes (from 2001)*

Beaulieu Convent School	All-weather play area	£473,554
Beaulieu Convent School	6th Form Centre	£2,269,946
Beaulieu Convent School	Windows	£162,400
		<b>£2,905,900</b>
De La Salle College	Roof insulation	£50,000
De La Salle College	Resource Centre	£2,217,100
De La Salle College	Infant play	£110,000
De La Salle College	Roof/Windows	£32,000
De La Salle College	Replacement timber	£200,000
		<b>£2,609,100</b>
FCJ Primary School	Building upgrade	£985,000
		<b>£985,000</b>
		<b>£6,500,000</b>



**Education, Sport and Culture  
Fee Paying Education**

Fee Increases - 2000/01 - 2011/12

Table to illustrate the annual increases in fees over the last 10 years

	JCG Prep		Jersey College for Girls		VC Prep		Victoria College		Beaulieu		De La Salle		FCJ		St George		St Michael	
	Annual Fee £	Increase %	Annual Fee £	Increase %	Annual Fee £	Increase %	Annual Fee £	Increase %	Annual Fee £	Increase %	Annual Fee £	Increase %	Annual Fee £	Increase %	Annual Fee £	Increase %	Annual Fee £	Increase %
Sep 2000	2,070		2,250		2,223		2,421		2,460		2,460		1,860					
Sep 2001	2,310	11.6%	2,364	5.1%	2,478	11.5%	2,664	10.0%	2,730	11.0%	2,730	11.0%	1,965	5.6%				4.0%
Sep 2002	2,475	7.1%	2,655	12.3%	2,730	10.2%	2,931	10.0%	2,970	8.8%	2,970	8.8%	2,070	5.3%				4.5%
Sep 2003	2,655	7.3%	2,985	12.4%	3,084	13.0%	3,252	11.0%	3,147	6.0%	3,180	7.1%	2,220	7.2%				5.9%
Sep 2004	2,925	10.2%	3,210	7.5%	3,420	10.9%	3,480	7.0%	3,330	5.8%	3,330	4.7%	2,310	4.1%				4.9%
Sep 2005	3,075	5.1%	3,360	4.7%	3,600	5.3%	3,600	3.4%	3,525	5.9%	3,525	5.9%	2,430	5.2%				4.5%
Sep 2006	3,180	3.4%	3,441	2.4%	3,690	2.5%	3,690	2.5%	3,630	3.0%	3,630	3.0%	2,550	4.9%				2.5%
Sep 2007	3,300	3.8%	3,525	2.4%	3,780	2.4%	3,780	2.4%	3,849	6.0%	3,825	5.4%	2,640	3.5%				2.5%
Sep 2008	3,522	6.7%	3,765	6.8%	3,975	5.2%	3,975	5.2%	4,080	6.0%	4,080	6.7%	2,820	6.8%				3.2%
Sep 2009	3,612	2.6%	3,858	2.5%	4,074	2.5%	4,074	2.5%	4,326	6.0%	4,242	4.0%	3,000	6.4%				2.5%
Sep 2010	3,684	2.0%	4,020	4.2%	4,194	2.9%	4,194	2.9%	4,587	6.0%	4,494	5.9%	3,180	6.0%				2.0%
Sep 2011	3,831	4.0%	4,263	6.0%	4,320	3.0%	4,446	6.0%	4,860	6.0%	4,785	6.5%	3,375	6.1%				

**Notes :**

- In 2000/01 the schools were advised to prepare for a change in the School Teachers' Pension Fund regulations, which would result in an increase in employers' contributions from 9.95% of salary to an estimated 18% from January 2001. In the event, no decisions were reached until 2006 and the final contribution rate was agreed at 16.4%, effective from 1 April 2007.
- Figures for the non-States Fee Paying schools have been supplied by the individual schools

**Statement under Standing Order 37A [Presentation of comment relating to a proposition]**

This comment was submitted to the States Greffe after the noon deadline as the Minister for Education, Sport and Culture was unavailable to approve it until after noon on Friday 3rd June.