

# STATES OF JERSEY



## **PROPOSED GOVERNMENT PLAN 2022- 2025 (P.90/2021): (P.90/2021) SIXTEENTH AMENDMENT**

### **NURSERY EDUCATION FUND FUNDING INCREASE**

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**Lodged au Greffe on 30th November 2021  
by the Children, Education and Home Affairs Scrutiny Panel**

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**STATES GREFFE**

PROPOSED GOVERNMENT PLAN 2022-2025 (P.90/2021): (P.90/2021)  
SIXTEENTH AMENDMENT

**1 PAGE 2, PARAGRAPH (f) –**

After the words “set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report<sup>2</sup> insert the words –

“, except that, in Summary Table 5(i) – 2022 Revenue Heads of Expenditure, the Head of Expenditure for Children, Young People, Education and Skills shall be increased by £2.05 million to fully fund the increased costs associated with the Nursery Education Fund for 3–4-year-olds following the hourly rate increase and the increase in provision from 20 to 30 hours.”.

CHILDREN, EDUCATION AND HOME AFFAIRS SCRUTINY PANEL

**Note:** After this amendment, the proposition would read as follows –

**THE STATES are asked to decide whether they are of opinion –**

to receive the Government Plan 2022 – 2025 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2022 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law
- b) to approve the Changes to Approval for financing/borrowing for 2022, as shown in Appendix 2 – Summary Table 3 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- c) to approve the transfers from one States fund to another for 2022 of up to and including the amounts set in Appendix 2 – Summary table 2 to the Report, noting that the transfer from the Consolidated Fund to the Technology Fund is subject to the Assembly’s approval of a proposition to create such a Fund in 2022, in line with Article 9(2)(b) of the Law;
- d) to approve each major project that is to be started or continued in 2022 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;

- e) to endorse the efficiencies and other re-balancing measures for 2022 contained in the Government Plan as set out in Appendix 2 Summary Table 6 and reflected within each gross head of expenditure in Appendix 2 – Summary Table 5(i);
- f) to approve the proposed amount to be appropriated from the Consolidated Fund for 2022, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, **except that, in Summary Table 5(i) – 2022 Revenue Heads of Expenditure, the Head of Expenditure for Children, Young People, Education and Skills shall be increased by £2.05 million to fully fund the increased costs associated with the Nursery Education Fund for 3–4-year-olds following the hourly rate increase and the increase in provision from 20 to 30 hours;**
- g) to approve up to £480 million to be appropriated from the Consolidated Fund for the Past Service Pension Liabilities Refinancing head of expenditure, subject to the availability of funding, which may include, in full or in part, use of the borrowing/financing referred in paragraph (b);
- h) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2022 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- i) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2022 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 8 to the Report;
- j) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2022 as set out in Appendix 2 – Summary Table 9 to the Report;
- k) to approve an amendment to the policy of the Strategic Reserve Fund to enable that Fund to be used as a holding Fund for any or all monies related to the repayment of debt raised through external financing, with the monies used to offset the repayment of debt, as and when required; and
- l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2022-2025, as set out at Appendix 3 to the Report

## REPORT

In its review of the Government Plan 2022-25, the Panel has identified that the funding allocated to Early Years under the Improving Educational Outcomes programme for 2022 is £1.27 million. This is a reduction of £1.43 million from the estimate given in the Government Plan 2022-23 of £2.7 million for 2022. It was noted by the Panel that the £1.27 million is entirely allocated to fund the Nursery Education Fund (NEF) hours for children within the private nursery providers.

The Panel notes that the Early Years Policy Development Board (EYPDB) report presented six recommendations in respect of Early Years policy for the Island. During its review of the Government Plan, the Panel questioned how much of the £1.27 million allocated under the Improving Educational Outcomes project in 2022 was in respect of implementing these recommendations. It was explained to the Panel that, no further funding was provided for in respect of the EYPDB recommendations (other than a further £330,000 allocated to the Best Start Partnership from the Covid Health and Social Recovery Programme). It was confirmed that the totality of the funding within the programme was being spent on NEF hours for 3-4-year-olds in private nursery settings.

Upon further questioning, the Panel was reminded of the decision from the Minister for Children and Education earlier in 2021 to increase the NEF offer from 20 hours to 30 hours from September 2021. This was also done in tandem with an increase to the hourly rate paid from the NEF to £6.70 per hour from £5.77 per hour (a raise of 93p per hour per child). As a result of this increase in hours and hourly rate, on top of the already mentioned reduction in funding for early years in 2022, it is noted that the costs in the original business case for 2022 have been exceeded. The Panel was informed that the maximum likely 2022 cost for 3-4-year-olds accessing 30 hours with NEF providers is £3.32 million. This amounts to £2.05 million more funding than budgeted for in the Proposed Government Plan 2022-2025.

The Panel's amendment therefore increases the level of funding for the NEF for 3-4-year-olds in 2022 in line with the estimate provided by Government.

The Panel believes that this increase in funding to support the increased costs associated with the NEF for 2022 will support the policy intentions of the Minister in this regard and resource it effectively. This is in direct support of the Common Strategic Priority 'Putting Children First', and the Panel would urge Members to support the amendment.

### **Financial and manpower implications**

The financial implications of this amendment would require the Council of Ministers to ensure that an additional £2.05 million is allocated to the Heads of Expenditure for Children, Young People, Education and Skills in 2022 through borrowing or other sources. Subsequent Government Plans will need to ensure that any recurring funding identified from the additional £2.05 million is allocated as well.

There are no additional manpower implications arising from this amendment.