

STATES OF JERSEY



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

SPECIAL EDUCATIONAL NEEDS AND SCHOOL FUNDING INCREASE

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

STATES GREFFE

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

1 PAGE 2, PARAGRAPH (f) –

After the words “set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report 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 £10 million to allow for additional resources to implement the recommendations of the Inclusion Review and to cover any shortfall in funding identified within the new school funding formula for 2022.”.

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 £10 million to allow for additional resources to implement the recommendations of the Inclusion Review and to cover any shortfall in funding identified within the new school funding formula for 2022;**
- 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

The Children, Education and Home Affairs Panel requested information in respect of the Inclusion Review and School Funding Formula during its review of the Proposed Government Plan 2022 – 2025. This information was requested in order to help inform the Panel's thinking and conclusions in respect of the Education Reform Programme and also the funding for education in general. Unfortunately, the Panel has not been provided with this information despite several requests, a statement in the Assembly and an urgent oral question.

The Minister for Children and Education explained that the Inclusion Review did not have any funding associated with it in the Government Plan, and that any additional funding provided to schools during 2022 does not relate to the outcome of the work to develop a new funding formula for schools. It was also the view of the Minister that this information should be shared with Council of Ministers prior to being shared with the Scrutiny Panel.

Whilst the Minister has explained that the Inclusion Review and School Funding Formula do not directly relate to funding in the Proposed Government Plan 2022-2025, the Panel would argue that this is not an accurate statement. The Inclusion Review, as the Panel understands, has reviewed the current structure for inclusion in the Islands Schools (including Special Educational Needs (SEN) provision), and as such will provide information as to the potential gaps in the services and recommendations to improve upon them. The Panel has been informed that this report does not in itself provide recommendations or estimates for funding requirements and it has also been told that work will need to be undertaken in order to ascertain whether additional funding is required or not. Furthermore, the school funding formula (which is intended to be in place on 1st January 2022) is replacing a model that is nearly thirty years old and may well identify that the allocated funding within the Government Plan is not sufficient to meet its needs. The Panel would conclude (without the full details being provided) that it is highly likely that additional funding will be required in order for any gaps or issues to be resolved. Therefore, to state that the funding for education in 2022 is not related to these projects is not, in the Panel's view, an accurate statement.

The Panel has previously highlighted in the States Assembly the difficulty that it has faced in undertaking scrutiny of the education budget for 2022 without this information and, given the conflicting view it holds with the Minister in this regard, it has been left with no choice but to bring an amendment to the Proposed Government Plan in order to put in place funding which will address the likelihood of increased costs arising from the implementation of both the Inclusion Review and School Funding Formula.

The Panel understands that the Minister is due to bring forward the Inclusion Review for discussion at the Council of Ministers' meeting on Tuesday 30th November, after which a copy of the report will be provided to the Panel in confidence. The Panel shall be requesting a private briefing on this as a matter of priority. Given that this falls after the deadline for the amendments to the Proposed Government Plan 2022-2025, this has placed the Panel in an impossible position to bring forward any further amendments if deemed necessary based on the information. As such, the Panel has agreed to lodge the amendment and, dependent on the outcomes of the briefing and information being provided, it will seek to amend the amount allocated within the amendment. As such, the Panel has agreed, at this stage, that the amendment should seek to provide an additional £10 million worth of funding to the Heads of Expenditure for Children,

Young People, Education and Skills in order to allow for the recommendations of the Inclusion Review to be implemented in 2022 and also address any shortfalls identified by the school funding formula.

Financial and manpower implications

The financial implications of this amendment would require the Council of Ministers to ensure that an additional £10 million is allocated to the Heads of Expenditure for Children, Young People, Education and Skills in 2022 through increased borrowing or other sources. Subsequent Government Plans will need to ensure that any recurring funding identified from the additional £10 million is allocated as well.