

2018.03.19

9 Deputy J.M. Maçon of the Minister for Education regarding the hourly rate paid from the Nursery Education Fund: [OQ.48/2018]

Will the Minister explain why there has been no inflation-based uplift in the hourly rate paid from the Nursery Education Fund in the last 4 years; and will he further explain whether the lack of uplift in recent years is consistent with any agreement reached with private nurseries when the fund was established?

The Deputy of Trinity:

The other Assistant Minister is going to answer this question.

The Connétable of St. Brelade (The Assistant Minister for Education - rapporteur):

I thank the Deputy for the question, however, despite this being a query about nursery years and in a week we launch the new Children's Plan, unfortunately there is no mention at all of children. I am sure the Deputy would agree that children should be at the centre of all our conversations on these matters. In regards to the question, the hourly rate for the N.E.F. (Nursery Education Fund) has been £5.50 since September 2014, prior to which there were inflation increases. There has been no increase primarily because the N.E.F. has gone over-budget during this period and the Education Department has had to absorb the overspend. Since 2014 the department has been under pressure to make savings as part of the M.T.F.P. (Medium-Term Financial Plan), as have many other departments. The N.E.F. has been protected from these cuts, which have been made in other parts of the service. Just to be clear, there is no commitment in the N.E.F. agreement to raise the rate by inflation, although it was the broad intention when the scheme was originally launched.

3.9.1 Deputy J.M. Maçon:

Neither does the question talk about parents or families but I would like to think that they were vitally important in this debate as well, so just because something is omitted does not mean it is unimportant. In that case, can I ask, if the N.E.F. has been going over-budget and if we know that J.E.Y.A. (Jersey Early Years Association), for example, have made their concerns repeatedly to the Education Department, can the Assistant Minister explain what representations have been made to the Treasury Department in order to combat what are clearly overspends on quite a pushed budget?

The Connétable of St. Brelade:

It is clear that the department has had to absorb this cost within the department. We have had discussions with Treasury but that is not, I am afraid, where the money is going to come from; it has to come from within the department. As the Deputy may be aware, or may not be aware, not only has the budget been exceeded by around about £500,000 to £600,000 last year, if inflation had been added it would have added another £200,000 to that last year. So it is clearly becoming unsustainable and I think we do have to realise that there is a review taking place at the current time with the Early Years Childhood Partnership and I think until we finally have that review complete this is very much going to be a transition period until we can finally get that review complete and have a new N.E.F. or a new sustainable N.E.F. in place.

3.9.2 Connétable J. Gallichan of St. Mary:

Does the Minister realise that, because of the situation we find ourselves in now, when the education providers are not able to sign up to the draft partnership agreement for the administration of the N.E.F.? Does the Minister appreciate that long-term certainty is vital in this situation, not only for parents so they can look after their children's interests, but also of course for

the business modelling of the providers themselves? We run the risk, if this is not addressed as a matter of urgency, of finding ourselves with perhaps a vacuum in early years childcare?

The Connétable of St. Brelade:

I could not agree with the Constable more, there is a need to have some certainty for parents and families, as the Deputy has said, but also for the providers themselves. As I said, I think this is very much a transition period, we are talking with providers, it is not too late, as has been suggested, to come to agreement for this year, but this is a very short period of time in which we need to find a sustainable long-term future. I would just ask the providers and parents just to be patient for a very short period while we can sort this out and have a long-term solution that I think everybody can sign up to and agree. Recommendations have been put forward within the report. They have not been fully agreed yet and it is still in a state of review, so I would just ask that just for this year we can work through this and I would ask the providers to work with us through this period until we can find a long-term solution that we can all sign up to.

3.9.3 The Connétable of St. Mary:

Of course I understand the Minister's predicament, as it were, but we put so much into improving services for our youngsters and those services have an increased cost, which we cannot expect all the providers to simply absorb.

The Connétable of St. Brelade:

For the department to find more money for the N.E.F. this particular year, irrespective of the long-term solution, it would undoubtedly mean that the department would have to make cuts somewhere else or lose services somewhere else. That is not something that any of us want to see. It gets back to the question of do we go back to Treasury for more money to find that? That is something we need to maybe discuss with Treasury, but it has been made clear to us that to date we have to absorb that within the department. The amount of overspend is quite large and I think would even be more if you added inflation to it, but it is clear from the message we are getting here today that we probably need to have a discussion again with Treasury. But to date it is something that the department has had to absorb.

3.9.4 Senator S.C. Ferguson:

I find this a little perplexing, given the fact the department has saved a considerable amount of money arising from the donation of upgraded and superior computers to all the primary schools and 500 new computers to Highlands, all donated free of charge, does the Minister not consider that it is a little strange that they are short of money for the Nursery Education Fund? Would he care to comment on that?

The Connétable of St. Brelade:

I cannot quite see what the Senator is suggesting is connected with Nursery Education Funding. There are pressures on all budgets and there are certainly pressures on the Education Department's budgets. Money is tight and we need to make sure it is spent in the best possible way. But clearly, if we are going to find any more money this year for Nursery Education Funding it has to come from somewhere, and I am afraid it is going to have to come from services where I do not want to see cuts and that includes things like the Youth Service, for example, who do a fantastic job in looking after young people. So I think there are difficult choices to make and again I get back to the point, this is a transitional period, we know it is not right and we certainly know it is not sustainable, but we need a short period to be able to find a way forward. Again, I would just ask the providers to work with us.

3.9.5 Senator S.C. Ferguson:

My point is that if you are getting given vital equipment for the primary schools and Highlands, you must have saved some money somewhere, because I understand that there was a proposal that they were going to spend £1.5 million on new computers for one of the schools and, if they have had free computers, then there is £1.5 million that is sitting in your back pocket? Would the Minister care to comment?

[16:00]

The Connétable of St. Brelade:

It is very difficult to comment on something I have no background information on. To my knowledge, I do not think that money is available. I do not know where that message has come from or where that information has come from, but I am happy to look into it. But I do not think the department saved that sort of money by having computers provided to it. I will ask the Minister and ask the officers for further information. I cannot do any more than that.

3.9.6 The Deputy of St. John:

I find the answers so far wholly unsatisfactory. There has been a review of early years, the report was done last year, and this came about from the Minister deciding at M.T.F.P. stage, without having any long-term vision for nursery education, that he would cut his budget to hand over to the Minister for Treasury and Resources. I would like the Assistant Minister to fight for the Nursery Education Funding at the Council of Ministers to determine that, even though the Social Security childcare component has been able to be uplifted, that this vital partnership that we hold with the private sector in caring for our children in nursery education should be maintained and supported going forward.

The Connétable of St. Brelade:

I do not think I ever said I would not fight for it. Anybody who knows the work I have done within Youth Service and other areas knows I am very passionate about young people and making sure they get the right start in life. But we need to get the right solution for this and I am afraid, as much as there was a review carried out, the conclusions of that review are not complete. Until they are and we have sat down with the providers to decide what the right future is and how funding should be met in future, as much as I will fight for it we need to work together and at the moment we are not in a position where I can say how that will pan out. But I have said we will talk to Treasury again but it is going to be difficult, all departments are struggling for funding, I know that the Deputy behind me is not going to be particularly happy with that answer, but that is all I can give her at present.

3.9.7 Deputy J.A.N. Le Fondré of St. Lawrence:

Yes, I am concerned on 2 accounts: one the Assistant Minister has said there was never any commitment to raise the N.E.F. by inflation when P.113/2008, which is the Council of Ministers' own amendment that brought this thing in, categorically states: "The Nursery Education fee would be increased in line with inflation." So how do we get this disconnect between what the States approved, what the Council of Ministers brought forward, and what his department have done? Second question is: can the Assistant Minister, because the impression I get is 5 years of no increases in N.E.F. at all, so therefore there might be ever so slightly an air of scepticism from the private sector, is there going to be any resolution? Can the Assistant Minister confirm here and now his full and unequivocal support for the existing relationship we have with the private sector providers? They feel they are being squeezed out by Government.

The Connétable of St. Brelade:

Yes, on the final point quite simply. I think on the first point I take his point. I have P.113/2008 with me and it clearly says in that that the Nursery Education fees will be increased in line with inflation. They were from 2009 to 2015. I was not at the department at the time, but at that time the decision was made that, due to the cuts that had to be made through the M.T.F.P., that the rise in inflation were not sustainable within the department. The decision was made then not to increase them. I am sure that the providers were not happy with that in 2015 as they are not happy with it now, but I cannot do anything than to say, if we were to have increased it in line with inflation, it would have put even more pressure on the department than there currently is and undoubtedly services that we would not like to see cut would have been cut. I say that on top of the fact the department has done its very best to try to make savings in backroom staff where the public would not see the pressures on funding, but the fact is we are at a stage where the department cannot absorb any more raised revenue or any more extensive cost rises and anything we do now is going to mean services being put at risk.

3.9.8 Deputy J.M. Maçon:

Given that this Council of Ministers has put the care of early years right at the top of its agenda; that has been one of its main aims in its plans from the Strategic Review, the Assistant Minister has confirmed that there was an understanding that inflationary rates would go up, I think we can therefore understand how, despite the Assistant Minister calling for patience from the private providers, it is probably something that, after 4 years, is not something that is going to stick anymore. Therefore will the Assistant Minister take this issue to the Council of Ministers table, because if Education cannot fund it then funding needs to come from somewhere else and, given the undertaking from this Government to give that investment in early years, does the Assistant Minister not think it right that this issue needs to be referred back up the chain and resolved? If not, why not?

The Connétable of St. Brelade:

I will speak to my fellow Assistant Minister across the Chamber and we will endeavour to speak to the Treasury Department to see what is available. I cannot promise anything, as I have already said, the decision has been left with the department to resolve. Clearly, if we try to resolve it, it is going to mean putting pressures on services. All I can say is yes, we will consult with Treasury and see what we can do in regards to make the situation better for the providers.