

Dear Deputy Doublet,

I write in reference to the recently announced plans to cut the Nursery Education Funding (“NEF”) for households earning £75,000 plus per annum. I should disclose that I am a trustee of the Jersey Community Relations Trust and am currently helping co-ordinate a project that is assessing the cost of the childcare in Jersey.

I was extremely disappointed to hear this announcement – it signals a fundamental shift in Jersey’s education policy and runs counter to previous announcements from the States of Jersey but also thinking across all progressive societies in the developed world.

Investment in pre-school children is vital, across all income strata of a society; the long-term benefit it provides to that society is undoubted. Better academic achievement, greater social mobility and greater economic output. I have to question, therefore, not only the immediate economic rationale but the long-term socio-economic rationale of removing investment in this area. With the UK Government doubling the number of free pre-school hours available to parents and numerous economists highlighting the significance of state investment in this area it is of concern that the States of Jersey have seemingly chosen to adopt a policy that is in direct contrast to these principles. That one of the wealthiest societies in Europe has decided it cannot invest in its future generation is, frankly, shameful and contradicts the recent budget announcement from the Treasury Minister where two of the five core principles were “preparing for the future” and “a highly skilled and motivated workforce”. The Chief Minister, earlier this year, also summarised the position – “It makes financial and social sense to focus our attention on the very early years of a child’s life, as it is proven that well-designed early years services, can both prevent harm and save money in the longer term.” **This policy chooses to ignore these principles and is seemingly a volte-face on the part of the States of Jersey.**

Looking at the economic rationale first – to save £250,000 per annum from the Education Department's budget. The States of Jersey announcement on 24th March 2016 states the cost as £3,914 per child per annum and in further announcements that this would impact 75-100 families, I’m unsure how these two figures tally. I can only assume, without any evidence to the contrary, that analysis has been undertaken at an absolute level, i.e. simply on a cost basis. To analyse the cost save in this manner is to be deliberately one-dimensional in assessment; it simply ignores the variables. Some dual income families may opt for one earner in the family not to work – resulting lost income tax, lost social security, more income support, workforce resource issues, skilled workers being lost to the island’s workforce. All of these will be hard to quantify until the policy is adopted but carries considerable risk to the island. As an isolated community, Jersey only has a finite working population resource that, coupled with an ageing population, is likely to come under increasing pressure. This policy places greater pressure on this as dual income families consider whether it is practical for both to work.

The Education Minister has stated that this expenditure cut has been driven by a need “to make sure our spending helps the most vulnerable children and has the maximum impact. This is perfectly in line with our commitment to the 1001 Days Agenda.” This is an entirely laudable and supportable claim but, on the lack of any evidence to the contrary, this decision is simply to cut costs, it is not about redistributing funding. The Education Minister cannot have it both ways with his announcement, though this is what he is appearing to achieve. The Chief Education Officer also states the aim is to ensure funding “is also better targeted to help children from less affluent families.” Similarly, this is good to hear but not what this policy decision is designed for – unless both the Education Minister and Chief Education Officer have decided to leave out part of the policy in their announcement I can see no evidence of the perceived cost saving being reassigned. I would, therefore, counter the Education Minister’s claim that this policy is “perfectly in line with our commitment to the 1001 Day Agenda.”

The unintended consequences on this policy will be that some families may decide not to send their children to private nurseries, their additional cost, the result of different regulatory requirements enacted by the Education Department, having previously been made affordable

under the NEF scheme. They may decide not to send their children to any pre-school childcare provider or all decide to attend the States nurseries, overwhelming this offering (refer below to capacity issues). The NEF scheme enabled all parents to choose a childcare provider that best suited their child's needs and their family's needs – the Education Minister's decision removes this choice for some families but the ripple effect of this decision will likely impact across the entire pre-school landscape. Furthermore, this will likely result in private nurseries losing revenue and, potentially, closing - a view already publicly expressed by many in the private nursery sector.

If, however, all of this is a deliberate and considered policy to target the private nursery sector, to reduce its market and reduce its delivery, then this is a dramatic shift in policy – an unannounced and non-mandated shift. There should be recognition of the role that the private sector plays – greater choice, shared-innovation and operational costs outside of the States' budget. Should the Education Department wish to remove this market and increase its provision of States pre-school providers then this will, by default, carry increased costs and increased state intervention. The Education Department and the States of Jersey need to be open and transparent with the electorate should they have decided on this policy – indeed it should be supported with an island-wide mandate. Additionally, should the private nursery sector suffer closures, is the Education Department comfortable that there are sufficient States pre-school places available in Jersey? My understanding is that there are c.1,050 children currently benefitting from the NEF regime with a roughly 50:50 split between private and States nurseries. Looking at the latest census (2011) there were c. 2,000 children aged 3-4 in Jersey. I would be concerned over, first of all, capacity and, secondly, where the remaining children are being cared for. Why then seek to jeopardise the part that the private nurseries play in this offering? Furthermore, should only a limited number of private nurseries continue, with inflated fees, this will surely accentuate social division between the wealthy and the less affluent. I cannot believe this would be an aim of the policy or an outcome wished for by any of the stakeholders.

I strongly urge the States of Jersey to reconsider this decision - it may be perceived to be a short-term solution to a reduced budget, although I see little evidence to suggest the robustness of this calculated cost saving has been fully considered, but it will have long-term socio-economic consequences. The cost saved now will be a more significant cost borne later on. That the Education Department states it will impact 75-100 families per year and that one petition against the policy has nearly 2,500 supporters speaks volumes for the lack of support for this policy and the lack of consideration of the knock-on effects of the decision with current families, future families and service providers. It would be ill-advised to ignore all the stakeholders over this decision.

The Education Minister should not confuse making a tough decision that is unpopular, as being comparable to making the correct decision – it isn't, it is simply the wrong decision for our community and for economic reasons. When David Cameron announced the doubling of free childcare hours in the UK he was quite clear on his reasons - "My message is clear. This government is on the side of working people – helping them get on and supporting them at every stage of life." It would appear that the States of Jersey feels differently.

Yours sincerely,