

RESERVE FUNDING FOR CHILDREN, YOUNG PEOPLE, EDUCATION AND SKILLS (CYPES) COVID-19 PRESSURES

1. Purpose of Report

To enable the Minister to approve the allocation in 2022 of up to £2,241,000 from the General Reserve (Covid-19 contingency) to the Covid-19 Response head of expenditure.

2. Background

Since the onset of the pandemic, CYPES has incurred significant additional operational financial pressures as a consequence of its on-going operational response to Covid-19.

Additional funding was agreed in 2020 and 2021 to address these issues. While the Island is in the process of de-escalating the public health response, significant costs have already been incurred during Q1 and are projected for the remainder of the year to ensure the continued safe provision of services to children and young people. These relate primarily to the following:

- £568,000 to backfill staff absence – staff absence must be backfilled with supply teachers to minimise the impact on children’s education. The current Covid-19 wave is resulting in a high level of staff absence and higher than typical levels of staff absence is likely to feature for the remainder of the year.
- £523,000 to cover additional cleaning requirements – additional cleaning services have been implemented in CYPES to reduce transmission of Covid within schools. In line with the approach adopted across the Government estate, this programme continues in 2022.
- £917,000 to cover equipment, infrastructure, and hygiene consumables including contingency – costs will be incurred to ensure a continued safe environment for children, adapt infrastructure to meet evolving public health requirements, and ensure suitable equipment is in place to support remote provision for children and young people that are isolating.
- £233,000 reduction in income generating activities – CYPES generates income from, amongst other things, Highlands’ private course fees, canteen sales, and venue hire. While the economic recovery is underway demand for CYPES income generating activities remains lower than pre-pandemic levels. It is estimated that the income deficit will reduce in 2022 compared to previous years but will remain a significant financial pressure.

Given that public health policy is evolving, there remains a degree of uncertainty about the precise impact that Covid-19 will have on CYPES expenditure, but costs to the end of June are reasonably predictable and CYPES requires the ability to adapt to meet need as the year progresses.

Funding is therefore requested up to £2.2 million, which mirrors the costs incurred in 2021, but drawdowns of this amount will be made periodically in line with actual expenditure so the actual funding available remains tailored to need.

3. Recommendation

The Minister is recommended to approve the allocation in 2022 of up to £2,241,000 from the General Reserve (Covid-19 contingency) to the Covid-19 Response head of expenditure.

4. Reason for Decision

Article 15(3) of the Public Finances (Jersey) Law 2019 states that the approval by the States of a Government Plan authorises the Minister to direct how an approved appropriation for a reserve head of expenditure in the plan may be spent (including on another head of expenditure) in the first financial year covered by the plan.

The current Policy for Allocations from the Reserve, presented to the States Assembly as R.60/2021, sets the requirement for all allocations from the General Reserve (Covid-19 contingency) once recommended for approval by the Treasurer of the States, to be referred for review to either the Council of Ministers or the relevant Competent Authorities Ministers (CAM) and to seek comments from the Principal Accountable Officer (PAO) prior to submission to the Minister for approval.

This Decision has been circulated to the Council of Ministers in accordance with the requirements of the policy.

Reserve funding for CYPES Covid-19 Pressures was approved by the CAM on 25th March 2022

The Investment Appraisal Team has reviewed the business case for this request and recommended it for approval. Following this review, the Treasurer, taking into account comments from the PAO, recommends that the Minister allocates funding from the General Reserve.

The Treasurer of the States, under delegation from the Principal Accountable Officer, will appoint the Director General for Children, Young People, Education and Skills, as the Accountable Officer for this allocation.

5. Resource Implications

The Covid-19 Response head of expenditure to increase by up to £2,241,000 and the General Reserve (Covid-19 contingency) to decrease by an identical amount.

This decision does not change the total amount of expenditure approved by the States in the Government Plan 2022-25.

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