Minister for Education



19-21 Broad Street | St Helier Jersey | JE2 4RR

Mark Rogers
Director General CYPES

25 February 2021

Sent by email only to: M.Rogers@gov.je

Dear Mark,

Letter of instruction - Nursery Education Fund ("NEF"), increase of free hours entitlement and hourly rate payable to registered providers.

Thank for your letter of 25/02/2021 requesting a letter of instruction from me in accordance with R116/2018 - Codes of Conduct and Practice for Ministers and Assistant Ministers.

I acknowledge the risks highlighted in your letter, but I believe these risks are outweighed by the urgent need to honour the commitments that Government has previously made. I must provide certainty to parents, schools, and the NEF registered providers, in line with legitimate expectations they hold in response to government announcements.

I appreciate that with time permitting, I could have relied upon you to progress Children's Rights and Economic Impact Assessments. I would like your officers to more frequently produce these assessments and you will always have my support to complete them. We have, nevertheless, as you say, arrived at this point due to principally the function of time, and the inability to complete all the technical work by this point.

As such, I fully appreciate your concerns regarding your obligations as Accountable Officer for the NEF budget and CYPES head of expenditure, but as a Minister I must consider a much broader range of economic and social factors when making decisions, which you are unable to do as an Accountable Officer.

As we are both aware, the previous Minister for Education, with full knowledge and firm support from a meeting with the Chief Minister and subsequently the Council of Ministers, <u>announced</u> on 11th November, 2020 the Government of Jersey's intention. This was "to extend the 20 hours of funded nursery education, offered to all children aged 3 to 4, to 30 hours from September 2021." A commitment to review the hourly rate was also made in the same press release.

The Minister at that time had already had an initial discussion with Jersey Early Years Association ("JEYA") representatives and committed to meeting again, early in the New Year, to further progress towards an increase of the NEF hours entitlement and the hourly rate.

Following the Minister's resignation and my subsequent election as Minister for Education, you and your officials have worked with me and supported a meeting with JEYA to progress in the delivery of the Government's position. JEYA have provided a written report which provides their analysis of costs across the sector. Subsequently, they have confirmed by email an hourly rate that they believe is sustainable for the industry, after consulting all their members.

As your advice note from 24 February confirms, the NEF hourly rate has not kept pace with inflation, and it is now circa 50 pence per hour behind where it should be. For a provider with 25 children accessing 20 hrs per week through the NEF, this adds up to a shortfall of £250 per week or £9,500 for 38 weeks. While I can appreciate Government must spend wisely and contain costs where appropriate, I cannot ignore the reality of this for providers. The NEF rate has increased by 21% from £4.54 in 2009/10 to the current rate of £5.49 2020/21. During the same period, hourly parking charges set by Government have increased from 58 pence to 87 pence. A 50% increase, that I am sure some Early Years staff are well aware of as they park for work.

I'm sure we agree that experienced, well-trained staff are fundamental in nurturing children's play, learning and development and that high-quality settings contribute to positive outcomes for children and their families. Our Statutory Requirements rightly place significant responsibility on those who care and educate our youngest children. As such, I am concerned that providers will find it harder to maintain a high level of quality if their income continues to fall behind inflation.

With this in mind, I consider the investment I am committing to, in supporting the extension of the NEF, as a long-term investment - in our children and their future, and the wider long-term prospects for the Island.

International research by UNICEF suggests that the financial case for investing in children's early years is strong. The rate of return on investing in early childhood programmes can be about 13.7 per cent. The benefits are reaped in better education and health outcomes, lower crime, and higher individual earnings. I consider this a good investment of public funds. Investments in children's early development can also lead to better individual adult incomes of up to 25 per cent. Investing in early childhood development also benefits nations – supporting a more skilled workforce that is better prepared to take on the future challenges of a global and digital economy. These outcomes are in line with my policy objectives, and those of putting children first.

As your letter sets out, alongside the points that you have raised, I must also take into the account the views of my Ministerial colleagues as the Island's elected leaders, and those of the States Assembly who approved the Common Strategic Policy and the 2020 Government Plan. Within the approved 2020 plan we committed to "Continue to develop better-integrated support in the 'early years' (0 to 5), through the work of the Early Years Policy Development Board, starting with a reformed nursery education offer."

I recognise that I am unable to direct you to contravene the Public Finances (Jersey) Law 2019 and that implementation of the scheme is subject to the necessary funding being made available through underspends in other areas of CYPES or via other mechanisms with the consent of the Treasury Minister.

Accordingly, I am therefore formally instructing you to implement the changes to the Nursery Education Fund so that if offers up to 30 hours free education each week, for 38 weeks, during school term-time only, from September 2021. I believe this is an important matter for parents, and the wider Island. Further to our discussions, please ensure this is carried out alongside an increased hourly rate for the registered providers of £6.70 per NEF funded hour, along with the necessary communications to all relevant parties tomorrow, so that all concerned have certainty before the weekend.

Yours sincerely,

Deputy Jeremy Maçon Minister for Education

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García, Jorge Luis, et al., 'The Life-cycle Benefits of an Influential Early Childhood Program', Human Capital and Economic Opportunity Global Working Group, Working Paper 2016-035, Chicago, December 2016, p. 1, https://heckmanequation.org/resource/lifecycle-benefits-influential-early-childhood-program

ⁱⁱ Gertler, Paul, et al., 'Labor Market Returns to an Early Childhood Stimulation Intervention in Jamaica', Science, vol. 344, no. 6187, 30 May 2014, pp. 998–1001, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4574862