

Independent School Funding Review

Prepared for the Government of Jersey

16 October 2020

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1. Background and scope of review

1.1. Background to this report

The Government of Jersey's (GoJ) Proposed Common Strategic Policy 2018-2022 sets out five strategic objectives, the first being "to put children first".¹ This objective covers a series of facets crucial to children's wellbeing, including health- and education-related outcomes.

To this end, in July 2019, the Government of Jersey released an Invitation to Tender (ITT) for the Provision of an Independent School Funding Review, explicitly stating the ambition for children to: "Be able to attend schools that are well-resourced, including good levels of financial headroom so that schools can positively support the achievement of the best outcomes for all children."²

The GoJ ran an open procurement exercise and the supplier chosen to support this piece of work was 2020 Delivery Ltd., a management consultancy that works solely in public services.³ This report has been authored as a result of the Independent Review, completed by 2020 Delivery Ltd. alongside input from GoJ and other stakeholders from Jersey's education sector. This Independent School Funding Review team have together made a series of recommendations for the funding model of Jersey's education system. For further details about the approach taken to develop this report, see Section 2 of the Appendix.

The request for support included several deliverables. Our response to meeting these deliverables is set out in Section 1 of the Appendix. To deliver on this scope, we completed analysis of the current state of funding, engagement with stakeholders on the island of Jersey, and international best practice research into funding models across the world. These pieces of work all contribute to the final output: a series of proposed options for the future funding model.

This document has been developed by the Independent School Funding Review team following review of documentation and discussions with key stakeholders from the Jersey education system (see Section 3 of the Appendix). Data is based on modelling of current state and future scenarios, with that modelling based on baseline data, such as Age-weighted Pupil Unit (AWPU) allocations and expenditure, assumptions, and calculations. Baseline data has been provided by the Government of Jersey and where possible all calculations have been checked and quality assured by the Government of Jersey. All modelling outputs are limited in their accuracy by the accuracy of baseline data, by the accuracy of assumptions, and by the accuracy of calculations, and as such they should not be relied upon as a promise as to the future. Financial analysis is based on the Department for Children, Young People, Education and Skills (CYPES) budget and forecasts for 2019.⁴

¹ Government of Jersey's Proposed [Common Strategic Policy](#), 2018-22.

² ITT for Independent Review of School Funding CP19/05/713

³ <https://www.2020delivery.com/>

⁴ These have been calculated using October 2019 management accounts, and therefore are not a full representation of expenditure during FY19 given this data was not available at the time of writing. The remaining spend for FY19 (Oct – Dec) has been based on forecasts as agreed with CYPES finance teams.

The contents of this document are not intended to provide a comprehensive literature review of all information received. Instead this document focusses on summarising the findings. This document should be considered as a whole, and individual elements not taken out of context.

1.2. Scope of this report

This report is the final written output of the Independent School Funding Review examining Jersey's education funding model. This review has been carried out in late 2019, reporting in early 2020. The scope of this review includes the following elements of Jersey's education system:

- Primary, including attached nurseries (also referred to as early years (EY)).
- Secondary
- 16-18 provision, both academic and technical⁵
- Special schools
- Special Educational Needs (SEN) in mainstream education

This scope covers both fee-paying and non-fee-paying providers across primary and secondary schooling. Therefore, there are a total of 38 schools and colleges within the scope of this review with an annual operating budget of £88.4m.⁶

In conducting this review, analysis reviewed the following funding streams and approaches:

- The core allocation mechanism for school budgets (AWPU)
- Support provided for additional needs, including SEN, Jersey Premium, English as an Additional Language (EAL) and other targeted funding streams
- The approach taken to support the fee-paying sector

The scope of this work does not include some elements of Jersey's education system. Areas that are outside of the scope of this work include but are not limited to:

- Private nursery provision
- Adult education⁷
- Higher Education
- Children's Services
- Other public services that interact with education, such as healthcare services
- Back office and services that are funded centrally by GoJ outside of the CYPES accounting boundary, such as Human Resources (HR) and finance.

Where available, we have incorporated key financial information from 2019 actuals into our analysis, which will be indicated accordingly.

⁵ This covers non-fee-paying provision at Hautlieu and Highlands (under 19 only) as well as fee-paying 16-18 provision at Victoria College, Jersey College for Girls, De La Salle and Beaulieu.

⁶ For a full list of providers included in scope, see Section 4 of the Appendix.

⁷ Including 19+ education provided at Highlands.

This is as agreed with the GoJ upon commencement of this review. We note that some areas of the broader system are being reviewed through other pieces of work.⁸ For information about the governance for this report, see Section 3 of the Appendix.

1.3. Policy objectives

As written in the Children and Young People's Plan, there is a stated aim for the Government of Jersey to be "putting children first".⁹ Education services are, of course, a core vehicle through which the Government can achieve this aim. Specifically, the plan states three core priorities for children and young people to "learn and achieve":

1. Provide the best start during early years
2. Improve standards in nurseries and schools
3. Building better transitions to employment

Further, the GoJ has recently described an ambition "for all islanders to enjoy a good quality of life, in a fair and balanced society, sustained by a prosperous economy and outstanding, modern public services".¹⁰ Within this education has a central role in creating a skilled workforce and vibrant economy as education services are a critical public service and are absolutely necessary for developing and sustaining a prosperous economy for the future. It is appropriate and timely to conduct this review and to ensure the education sector is appropriately funded, and that the economic incentives within the system drive the right social outcomes for the people of Jersey.

This review included completion of an options appraisal to assess the desirability and feasibility of each recommendation under consideration. To develop the criteria for this options appraisal, we have engaged with senior stakeholders from across Jersey's Education system, including Headteachers, Government representatives, Ministers and Unions.¹¹ Through this approach, we agreed that any future funding model should meet the following policy aims:¹²

- Increases overall educational achievement on Jersey
- Reduces inequality of outcomes
- Equips students with the employability and life skills to thrive in the current and future economy
- Provides equitable and sufficient support for additional needs, including SEN, Social Emotional and Mental Health needs (SEMH), EAL and deprivation
- Increases the overall efficiency of the system

⁸ For example, there is currently a review underway looking at the provision of 16+ technical education, in alignment with the skills agenda. Additionally, there is work underway looking at the structure and provision of Children's Services, and there are interdependencies with work such as the [Early Years Policy Development Board](#), and the [Big Education Conversation](#).

⁹ [Children and Young People's Plan 2019-23](#), Government of Jersey.

¹⁰ GoJ, March 2018, "[One island, one community, one government, one future](#)".

¹¹ For the full engagement tracker please see Section 3 of the Appendix

¹² These policy aims form sub-criteria included within the options appraisal. For further detail on the options appraisal process, see Section 2 of the Appendix.

These criteria have been used in this Independent School Funding Review to complete an options appraisal of funding models available to GoJ. The criteria have been chosen to link with the existing policy agenda for education on Jersey, including aligning with Jersey's Government Plan, Children's Plan, Post 16 Strategy and the work of the Early Years Policy Board.¹³

¹³ [GoJ Government Plan 2020-2023](#), and [GoJ Children and Young People's Plan 2019-23](#)

2. Executive Summary

The Government of Jersey aspires to achieve outstanding educational outcomes for all children. This aspiration is front and centre in the 2020-23 Government Plan and the Independent School Funding Review was commissioned to identify the funding needed to achieve this. This is the final report of the review and recommends what the Government of Jersey needs to do to put children first.

Current funding for non-fee-paying education is low, at £9.2m below the level needed to match high-performing jurisdictions. With this level of funding, children on Jersey achieve academic outcomes broadly in line with England, though disadvantaged children do not currently achieve well. There are also significant mental health and wellbeing challenges for children on Jersey, particularly around anxiety.¹⁴ Overall, there is a significant gap between current provision and the aspiration for a world class education system.

The current low level of funding is most acute for disadvantaged children and those on vocational pathways. In 2019 the school system ran a deficit of £2.4m, and this review has identified that a further £2.8m is needed to properly fund current provision. This would also go some way to closing the gap in spending between students at fee-paying and non-fee-paying government schools, currently standing at £15k across a student's school career.¹⁵

This unsustainable financial position is reflected in both the deficits recorded by schools and the quality of provision for children. Within the £2.4m total deficit, all Jersey's 11-16 schools and many primaries are running deficits, and the rapidly deteriorating position risks a breakdown of financial discipline in the sector if not addressed. Within schools, funding challenges make meeting the needs of the highest-needs children difficult, and this has an impact both on these students and on standards of behaviour across the school system. There is minimal budget headroom in schools for investment in the improvements in teaching and learning that would drive better outcomes.

From this starting point, reaching a world leading education system that puts children first is a journey that will take a number of years. This is also a transformation that goes well beyond funding, as evidence from the world's top performing education systems shows that once a certain level of investment is reached there is a weak relationship between spending levels and outcomes for students.¹⁶ Jersey already spends above this threshold level. Looking to Finland and other top performing jurisdictions, successful reform requires a deliberate and sequenced policy agenda over at least a decade, with strong alignment of objectives, funding, governance, curriculum and teacher development. This review aims to support Jersey on this journey through:

- Recommending the funding level needed now to stabilise current provision and make the investments in teaching quality and equity to put the system on the path to sustained improvement (an additional £8.5m).
- For the medium-term, identifying the structural changes needed to resolve long standing barriers to effective use of resources in the education system and to improve standards.
- For the long-term, setting up a radically simplified funding formula that has the flexibility to support an evolving policy agenda as the education system develops and improves.

¹⁴ Jersey Children's Commissioner Consultation, 2018

¹⁵ Assuming a student is in full-time education from Reception to KS5.

¹⁶ OECD, PISA in focus, "[Does money buy strong performance in PISA?](#)", 2012

Immediate priorities

Looking at each time horizon in turn, for the immediate-term we recommend:

1. A **sustainable funding settlement for schools**, which gives sufficient resources to deliver a good education for all students, delivered through a radically simplified funding formula.
2. **Investment in system improvement** including a Teaching Excellence Fund and greater collaboration between schools to start Jersey on the path to matching the outcomes of the world's best education systems.
3. **Stronger governance** to ensure funding is used well to create the best possible outcomes for Jersey children, including greater financial autonomy for schools and stronger financial controls.

Medium-term priorities

For the medium-term, we suggest GoJ consider the policy options below:

- A. **Structural change to enable schools to efficiently offer a broad curriculum** with mixed-ability teaching, including consolidating academic selection at 16 and limited mergers of schools.
- B. **Strengthening the primary and post-16 offer** for children and young people, including extending the years of mandatory education to include 16-18 and focusing any additional funding on the currently-underfunded primary phase.
- C. **Realign funding to increase equity**, by reviewing whether grants for fee-paying education should be means tested rather than a universal benefit and reviewing the inclusion model for children with the most complex needs.

Longer-term priorities

This funding review recommends the immediate development of a radically simplified funding formula that will provide a flexible platform to support future education policy developments. Moving into the longer-term, we note that becoming a world leading education system is a journey likely to take more than ten years and international experience shows successful reforms go through multiple distinct phases.

We suggest educational reform remain a focus for the Government of Jersey over the next decade, and that the government ensures suitable collaboration with UK and international partners with expertise in system improvement, alongside ensuring there is sufficient programme and capital resourcing in place to deliver the planned reforms.

3. **Headline recommendations**

The recommendations below are the output of the Independent School Funding Review and have been designed to meet the policy aim of putting children first. They treat the current operational realities of the Jersey education system as the starting point and aim to build a fair and sustainable funding model for the future. They are grounded in broad engagement across the education system, including with headteachers, governors, professionals supporting schools, the Children's Commissioner and the Department for Children Young People Education and Skills.

The recommendations of this report are grouped under three themes: Sustainable funding; System improvement; and Stronger governance. These are shown at a headline level below and in detail in Section 4. In total, these recommendations would cost the GoJ an additional £8.5m to implement above current budgets.¹⁷

Theme 1

A sustainable funding settlement for schools

1. Implement a radically simpler funding formula so all schools and colleges have transparent and equitable budgets and the funding system is flexible for the future
2. Ensure that 16-18 technical education is appropriately funded for the future by levelling up per-student funding in technical education and implementing the post-16 education review
3. Increase the funding available to schools and colleges to support students with the most significant Special Educational Needs (SEN)
4. Make low prior attainment a significant factor in determining funding allocations, so schools can focus resources on enabling children who fall behind to catch up
5. Resolve system deficits through transitional grants to give schools space for deficit reduction, linked to Curriculum Led Financial Planning reviews to ensure all money is spent to best benefit pupils

Theme 2

Investment in system improvement

6. Increase Jersey's school improvement capacity with a mandate to deliver clear outcomes on quality of teaching, as this is the most important longer-term driver of quality
7. Sharing of provision and staff between schools to spread good practice and offer a broader curriculum within existing resources
8. Uplift to the Jersey Premium to support socio-economic equality in the education system
9. Strengthen the central Educational team so all children have timely access to specialist help when they need it
10. Support mental health and wellbeing through a whole school approach, backed by a targeted training programme delivered within schools

¹⁷ These costs are explained in further detail in Section 4.3. All analysis available in accompanying Excel model.

Theme 3

Stronger governance

11. Increase schools' financial freedom so they can hold reserves for future challenges and can allocate their budgets to maximise the quality of education for their students
12. Strengthen school financial governance with the broader introduction of financially-skilled governing bodies and the introduction of cluster-level school business managers
13. Conduct "teach-ins" to ensure planners in schools understand the full funding mechanism and schools' freedoms and responsibilities
14. Support Jersey Music Service to become a Trust while setting challenging requirements on participation rates by pupils from currently under-represented schools
15. Ensure central services allocate resources in the way most beneficial to schools by giving Heads a leading role in their governance

3.1. Policy options

In addition to the core recommendations listed above, there are medium-term policy options GoJ could adopt to resolve structural inefficiencies and progress on the journey towards a world class system. The options below capture significant changes to the Jersey 4-18 education system and would require a 2-4-year horizon for implementation. These options are laid out in more detail in Section 8.

- Consolidate all **academic selection at age 16**, rather than the current dual selection at 14 and 16, to remove the double funding of Key Stage 4 across the 11-16 schools and Hautlieu (saving up to £781k¹⁸), and give all students access to a broad curriculum.
- **Concentrate new funding on early years**, which would better align with the GoJ policy agenda, and align with evidence for the high impact of good quality early intervention for disadvantaged children.
- Consider some selected **mergers between schools**, with the primary driver being economies of scale and efficiency savings
- Review the current **model for inclusion**, to ensure children with significant additional needs receive a high quality of education in the right setting.
- **Extend the years of mandatory education**, which would incur higher direct costs of provision, but would improve outcomes for some young people and stronger economic outcomes through reduction in young people becoming not in education, employment or training (NEET). This has been estimated by Skills Team, CYPES, as £600k.
- Changing the **relationship between GoJ and fee-paying schools**, including offering greater autonomy and potentially means testing support for fees, rather than offering subsidised fee-paying education as a universal benefit.

¹⁸ Saving assumes the re-provision cost of replacing KS4 at Hautlieu with increased provision in the 11-16 schools would be 50% of current allocation, due to use of existing underused capacity. Assuming pupils who transferred from the fee-paying sector to Hautlieu at KS4 remain in the fee-paying sector, additional savings are assumed for these pupils being funded at the reduced 43% rate instead of the full rate at Hautlieu.

These options represent significant changes, and some would take time to consider, assess the impact and consult on a way forwards. These are not core recommendations for immediate implementation, but instead choices and opportunities for GoJ to consider during 2020 and beyond (see implementation timeline in Section 5 of the Appendix). These policy options have been chosen based on their alignment with the policy agenda for children and young people in Jersey and/or their ability to financially support some of the changes recommended elsewhere, either through cost savings or revenue generation.

4. Recommendations in detail

4.1. Introduction

The content in this section outlines recommendations that have been shaped by financial analysis, international best practice and interviews with more than 50 stakeholders across Jersey, including representatives of Government non-fee-paying, Government fee-paying and private schools, CYPES, unions, central teams that support schools, the Children’s Commissioner and the Jersey Music Service.¹⁹ This broad engagement and analysis has been integrated to produce the recommendations, bringing both lessons from successful systems across the world and insight into the realities and opportunities of the Jersey system.

4.2. Recommended way forwards

This report presents a series of recommendations that would collectively form a new model for funding Jersey’s education system. These individual recommendations include measures to revise the funding model such that it accounts for the following components: core costs, pupil needs, school needs and the broader needs of the system (see Figure 1 below).

Proposed Jersey funding model

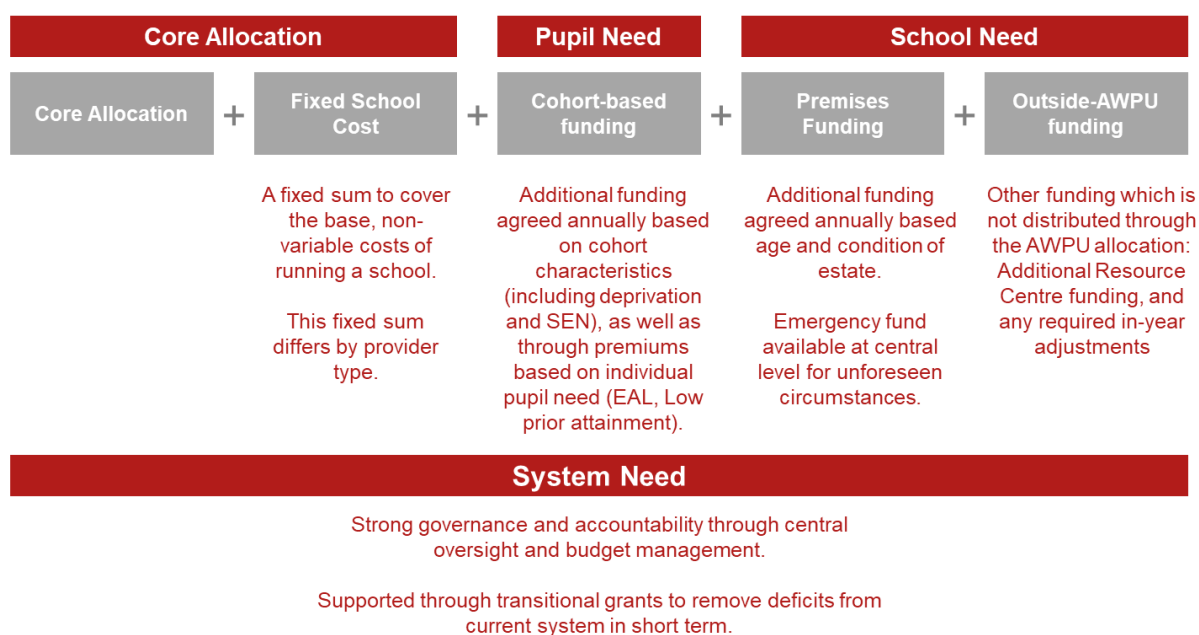


Figure 1 High-level proposed Jersey revenue funding model

When taken together, these recommendations would provide Jersey with a new funding model for education services. The principles of the new funding formula have been designed in line with the policy objectives outlined in Section 1, and the options appraisal criteria explained in Section 2 of the Appendix. This new model has the following broad benefits:

¹⁹ The full engagement tracker can be found in Section 3 of the Appendix.

- It is simpler than the current model, supporting higher transparency and better strategic planning within the system;
- It addresses areas where Jersey's education system is not currently meeting the policy objectives from GoJ, such as sufficient funding for additional needs and mental health;
- It is implementable within a manageable timescale (see Section 5 of the Appendix on implementation approach); and
- It gives the option for GoJ to consider more radical reforms in the future, whilst addressing issues that need to be resolved sooner (see Section 8 on policy options).

In Section 5, the current funding model is explained. The recommended future model retains some similarities with the current structure, for example that there is an annual cycle of allocations managed centrally by CYPES. The changes recommended to this funding formula include:

- Uplifts to the total budget requirement for education in Jersey (see Section 4.3 on funding).
- Better supporting schools/colleges to deliver on the policy objectives of GoJ by increasing the level of funding provided for additional needs.
- Redistribution from one formula component to another, to reduce the number of "adjustments" in the current system and support strategic planning by providing a simple system.
- Process changes to support better governance and accountability.

All changes ultimately aim to simplify the current funding formula, increase transparency and efficiency, but also support policy objectives, such as support for additional needs. This new funding model is summarised visually in Figures 2 and 3 overleaf. For further detail about the proposed operational changes, see Section 6 of the Appendix. To note, that the majority of providers would receive their core allocation on a per pupil basis, in order to reflect the variable costs of delivering a broad curriculum for these pupils. At primary level, the core allocation would be assigned per form, given that costs of delivery are broadly aligned to the number of forms within any given year group.

| NON-FEE-PAYING | | | | |
|------------------|--|--|---|---|
| | Core allocation | Pupil need | School need | System need |
| | An annual £ allocation for each provider based on the number of: | | An annual process for identifying pupil, school and system needs. Delivered through allocation of funding (£) and resources to providers: | |
| EY | Pupils | <ul style="list-style-type: none"> Cohort characteristics (JP, SEMH, LPA) Individual pupil need (SEN, EAL) | Not applicable – merged with primary funding streams | |
| Primary | Forms | <ul style="list-style-type: none"> Cohort characteristics (JP, SEMH, LPA) Individual pupil need (SEN, EAL) | <ul style="list-style-type: none"> Lump sum (same for all primaries) Premises fund aligned to condition | <ul style="list-style-type: none"> Potential transition grants |
| Secondary | Pupils | <ul style="list-style-type: none"> Cohort characteristics (JP, SEMH, LPA) Individual pupil need (SEN, EAL) | <ul style="list-style-type: none"> Lump sum (same for all secondaries) Premises fund aligned to condition | <ul style="list-style-type: none"> Potential transition grants |
| 16-18 academic | Pupils | <ul style="list-style-type: none"> Cohort characteristics (JP, SEMH, LPA) Individual pupil need (SEN, EAL) | <ul style="list-style-type: none"> Lump sum Premises fund aligned to condition | <ul style="list-style-type: none"> Potential transition grants |
| 16-18 vocational | Pupils | <ul style="list-style-type: none"> Cohort characteristics (JP, SEMH, LPA) Individual pupil need (SEN, EAL) | <ul style="list-style-type: none"> Lump sum Premises fund aligned to condition | <ul style="list-style-type: none"> Potential transition grants |
| Special Schools | Block fund | This assumes that special schools run at capacity due to demand | | None – block fund |
| HE | Not in scope of this review | | | |
| Adult | | | | |

Figure 2 Proposed funding model for non-fee-paying providers

| FEE-PAYING | | | | |
|-------------------------|--|--|--------------------|--|
| | Core allocation | Pupil need | School need | System need |
| | <i>An annual £ allocation for each provider based on the number of:</i> | <i>An annual process for identifying pupil, school and system needs. Delivered through allocation of funding (£) and resources to providers:</i> | | |
| EY | <i>Not in scope of this review</i> | | | |
| Primary | Forms <i>Fee-paying schools get 22% of the per form allocation</i> | <ul style="list-style-type: none"> Cohort characteristics (JP, SEMH, LPA) Individual pupil need (SEN, EAL) | | <ul style="list-style-type: none"> Lump sum (same for all primaries) |
| Secondary | Pupils <i>Fee-paying schools get 47% of the per pupil allocation</i> | <ul style="list-style-type: none"> Cohort characteristics (JP, SEMH, LPA) Individual pupil need (SEN, EAL) | | <ul style="list-style-type: none"> Lump sum (same for all secondaries) |
| 16-18 academic | Pupils <i>Fee-paying schools get 47% of the per pupil allocation</i> | <ul style="list-style-type: none"> Cohort characteristics (JP, SEMH, LPA) Individual pupil need (SEN, EAL) | | <ul style="list-style-type: none"> Lump sum (administered with secondaries) |
| 16-18 vocational | <i>N/A</i> | | | |
| Special Schools | <i>N/A</i> | | | |
| HE | <i>Not in scope of this review</i> | | | |
| Adult | <i>Not in scope of this review</i> | | | |

Figure 3 Proposed funding model for fee-paying providers

4.3. Cost implications of implementing all recommendations

The Independent School Funding Review team recommend that GoJ implements all 15 recommendations included in this report. This would require significant resource, including staff and budget for implementation as well as financial support for recommendations that have a cost associated with delivery. Below is a summary of the total additional cost implications of implementing all recommendations. In addition to this, we recommend that CYPES are appropriately resourced to manage an effective transition and implementation phase (see detail in Section 5 of the Appendix).

In total, CYPES currently allocate £88.4m per annum for education of 4-18-year olds. However, there are significant deficits in the system, meaning that in 2019, £2.4m more than this was actually spent by schools. This makes current expenditure £90.8m per annum. The breakdown of spend by school type is shown in Figure 4 here.²⁰

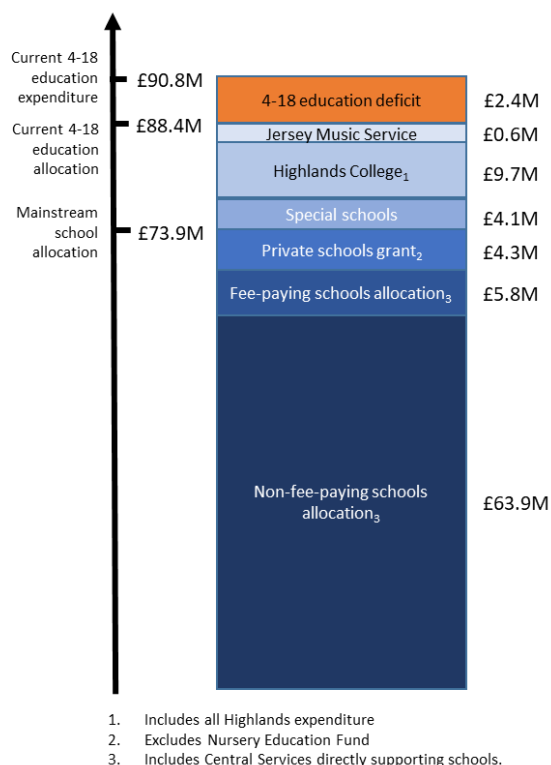


Figure 4 Current allocation and spend, based on 2019 figures

This report makes 15 recommendations to improve the funding model used in Jersey, including measures to simplify the model significantly. Some of these recommendations will not incur significant cost to deliver, for example where they represent a change in process or governance. However, the Independent School Funding Review team find that there are significant areas where additional financial investment is required in order to support schools on their journey towards becoming world-class institutions.

²⁰ For further information about the current expenditure on education in Jersey, see section 5.

In order to provide a summary cost for the investment required to implement all recommendations, we clustered recommendations in three groups: Investment to meet the deficit (recommendation 5); Investment to support current services to better meet their aims (recommendations 3, 5 and 8); and, Investment in new services to align provision on Jersey with the policy agenda (all remaining recommendations). The level of investment associated with each of these groups is summarised below.

| Type of investment | Relevant recommendations | Level of investment |
|--|------------------------------------|------------------------|
| Investment to meet the deficit for providers of education (age 4-18) | 5 | £2.4m per annum |
| Investment to support current services to better meet their aims | 2, 3, 8, 9 | £2.8m per annum |
| Investment in new services to align provision on Jersey with the policy agenda | 1, 4, 6, 7, 10, 11, 12, 13, 14, 15 | £3.3m per annum |
| Total | | £8.5m per annum |

In total, this represents an investment of £8.5m per annum above current budgets.²¹ This represents an uplift of approximately 10% compared to the current 4-18 education allocation. This uplift is necessary to support the GoJ and schools on Jersey to provide services that better meet the needs of children, young people and their families, and to begin Jersey's journey to becoming a world class education system.

For comparative purposes, we have analysed the level of investment required in non-fee-paying schools in order for GoJ to match the funding levels of high-performing comparator countries. This represents an additional £3.1m per annum of funding beyond the recommended new funding of £8.5m above current budgets. This is shown in Figure 5 by the grey dotted line.²²

However, the relationship between spending and outcomes is not simple or direct for systems at Jersey's level of funding, and all increases should be carefully targeted based on the evidence of what will improve standards and wellbeing.

²¹ This figure is based on analysis and projections completed by the Independent School Funding Review team. This is based on 2019 pounds, and will need adjustment for inflation in future years.

²² The analysis used to calculate this figure is derived from the analysis shown in section 5.4 which compared education spend in USD adjusted for PPP. The investment required to match the high-performing comparator countries has been calculated as the difference in cost per pupil between Jersey and the median of the peer group, multiplied by the number of pupils in Jersey non-fee-paying or special schools. This has then been adjusted to Jersey prices in 2019. The grey line is set at current Jersey 4-18 education expenditure plus this required investment.

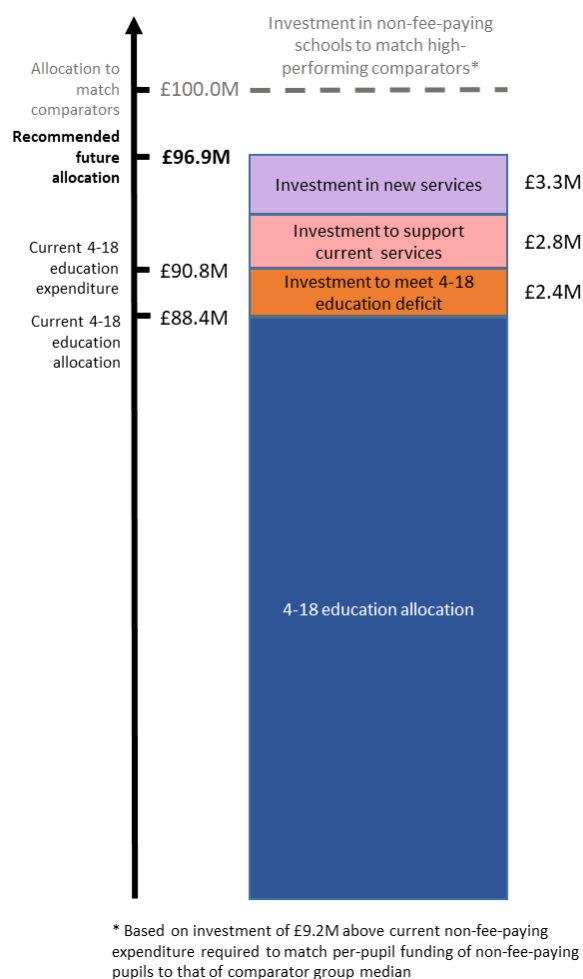


Figure 5 Recommended investment in Jersey's education system

Further, we acknowledge that there will be significant work required in order to implement the recommendations. This will require resourcing for a central programme team to manage the implementation, including engagement with schools. We therefore recommend that CYPES are appropriately resourced to manage an effective transition and implementation phase (see detail in Section 5 of the Appendix).

4.4. Explanation of each recommendation

The recommendations are grouped under three themes: Sustainable funding; System improvement; and Stronger governance. These themes are based on GoJ's stated ambition to put children first, which also drives the evaluation criteria we used to reach these recommendations.²³ In the following section, there is detail about each of our recommendations, as well as a summary of the evaluation of the recommendation against the criteria of Strategic Fit and Feasibility of delivery.

²³ [GoJ Government Plan 2020-2023](#)

4.4.1. Theme 1: A sustainable funding settlement for schools

1

Implement a radically simpler funding formula so all schools and colleges have transparent and equitable budgets and the funding system is flexible for the future

The current funding model aims to fund schools by allocating funding on a line-by-line basis to match costs. While this has advantages in ensuring all schools have the basics they need to operate, it has reduced schools’ ability to budget well for their children and led to ever increasing complexity and calls from schools for the department to meet new costs from central funds.

We recommend a radically simpler core funding model that departs from the line-by-line cost matching approach and is instead based on the number and needs of students, alongside a core allocation for fixed costs. This would give schools more autonomy to spend their budgets in the way that maximises outcomes for their students and reduce the time and energy that goes into negotiating and administering the formula. This simplified system would standardise a number of metrics that are complex components of the current formula.²⁴ An additional advantage of this simplified formula and higher overall level of funding is that it would allow headteachers to set suitable levels of financial headroom for their schools, based on their local context and the needs of their students.

| | | |
|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | High |
| Feasibility of delivery | Financial impact | Med |
| | Implementation impact | Med |

Changing the formula will have financial implications. The cost of the funding increases under the new formula are captured in recommendations 2, 3, 4 and 8 and there will be non-recurrent implementation costs for consultation and managing the transition to the new formula, including setting up models and systems and teach ins for school staff (recommendation 13).

²⁴ The new formula would: bring fee-paying and private Primaries on to the same AWPU calculation as the non-fee-paying Primaries; standardise SEN funding mechanisms across fee-paying and private schools; and simplify a number of funding streams to become part of a single payment for schools, including SA point funding which would become part of the overall payment to schools.

2

Ensure that 16-18 technical education is appropriately funded for the future by levelling up per-student funding in technical education and implementing the post-16 education review

Students following a technical education route through Highlands College currently receive £1,100 less per year than those educated on the academic route through Hautlieu²⁵. We recommend that this gap be closed by levelling up 16-18 funding for technical education to match funding for students on the academic route. This would represent an increase in funding for 16-18 technical education of £900k²⁶.

In May 2019, GoJ launched a Consultation into post-16 education in Jersey.²⁷ This culminated in publication of the post-16 Strategy for Jersey in October 2019.²⁸ This document set out the long-term vision for post-16 education, including six objectives:

- Ensuring that Jersey has a highly skilled workforce that will maintain and boost its future economy
- Providing access to tertiary education for all through widening participation, equality of opportunity and improving educational and employment outcomes
- Ensuring the quality and appropriateness of post-16 education provision
- Creating an international offer in Jersey for post-16 education at undergraduate and postgraduate level
- Encouraging appropriate research and innovation
- Ensuring appropriate governance and financial sustainability for post-16 education

| | | |
|--------------------------------|--------------------------------|------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | Med |
| | Implementation impact | High |

²⁵ Highlands 16-18 pupil numbers known for 2018, with 794 pupils, so we have calculated Highlands per pupil allocation for 2018, and uplifted this based on Jersey RPI, giving an estimate of £7,568 per pupil (School budgets and pupil numbers (FOI), 22 Jul 2019). Hautlieu per pupil allocation has been calculated as £8,701 per pupil by isolating the total AWPU allocation assigned to Hautlieu KS5 using the 2019 AWPU calculation data, combining this total with the Central Services budget per pupil figure of £539 per pupil (assumed as an even distribution across all pupils at government maintained schools), divided by the number of pupils in KS5 at Hautlieu in the autumn term of the academic year 2018/2019, 495, (sourced from GoJ characteristics data). Note that this excludes Jersey Premium, in-year adjustments and the 'All School Spend' budget line.

²⁶ Compared allocation per pupil for Hautlieu KS5, and Highlands students, and multiplied by number of 16-18 Highlands students.

²⁷ [GoJ's post-16 education consultation document](#), May 2019.

²⁸ [GoJ post-16 strategy](#), October 2019

In addition to the uplift to 16-18 technical education funding we recommend that FE lecturers at Highlands have access to the Teaching Excellence Fund (recommendation 6) to support delivery of high-quality technical education in line with these recommendations.²⁹

²⁹ We are aware of these issues in particular due to our engagement at Highlands College, including a written submission to this Independent School Funding Review received from the Principal of Highlands College on 20 December 2019.

3

Increase the funding available to schools and colleges to support students with the most significant Special Educational Needs (SEN)

| | | |
|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | Med |
| | Implementation impact | Low |

Currently pupils with a Record of Need are eligible for ringfenced “banded funding” for SEN support.³⁰ While this helps schools meet the needs of these students, current banded funding only meets a fraction of the cost of the provision these students need. This is putting significant strain on schools serving the highest need students, with funding from the core budget used to support high needs students. This, therefore, has a subsequent impact on all pupils, as core funding streams are used to subsidise SEN funding.

To better reflect the cost of provision for high needs SEN students we recommend increasing the amount of banded funding available to reduce the school contribution. The recommendation is to increase the banded funding hours provided by 5 hours for all students with a Record of Need, with the requirement on schools reduced from covering the first 15 hours to the first 10. This would require £625k additional funding per year.³¹

To support this increase, we recommend an additional £30k increase to the general SEN fund which is allocated between schools as part of schools’ Average Weighted Pupil Unit (AWPU) allocation. This is to ensure that SEN allocation to schools remains at the same proportion of total direct to schools spend as in the current state. Further details on our recommended changes to the funding formula can be found in Section 6 of the Appendices to this report. This gives a total increase in direct to schools SEN funding of £656k per year.

To note, we also recommend increasing the availability of Educational Psychologists to compliment this recommendation (see recommendation 9). This is critical and complimentary because central resource, such as Educational Psychologists, are necessary to assess the needs of pupils and formalise a Record of Need, which in turn would make that pupil eligible for this “banded” SEN support.

³⁰ A Record of Need is a formal statement that reflects the special educational needs and arrangements for a pupil. Typically, pupils in receipt of a Record of Need represent 1-2% of the population. [Information from FOI request available on GoJ website. April 2015.](#)

³¹ This cost is based on 5 additional hours being provided to all students with a record of need (125 in the Autumn term of academic year 2018/2019). We have assumed that 17 TA FTEs could staff this, assuming a 37hr working week. We have multiplied 17 FTE by the average 2019 TA salary of £30,110 (based on Government of Jersey School Staffing Data), with on-costs of 22.9%, to reach the total.

Further, we recommend that GoJ conducts a comprehensive review of the inclusion model, including provision within mainstream and special schools. This would address concerns about current provision among parents, teachers and students, ensuring that all students receive the right provision to meet their needs in an appropriate setting. We recommend that this work would be a broad review of provision, including taking a rights-based approach, but it would be likely to have cost implications, as the funding requirements of different inclusion models vary widely.³²

For more information on this element of the recommendation see Policy Decision 4. In advance of this comprehensive review, we recommend that:

- GoJ continue to block fund Special Schools at the current real terms level; and
- CYPES review the capital works needs of special schools and assess whether these should be prioritised.

³² This holistic review is required because there is a trade-off between the cost of delivery, the quality of service, and the complexity of management for a small island population. This review should consider each of these factors when making recommendations about the future funding and delivery model.

4

Make low prior attainment and English as an additional language (EAL) significant factors in determining funding allocations, so schools can focus resources on enabling children who fall behind to catch up

If all students are to achieve their potential it is vital that schools have the resources to help students with additional needs, and those who fall behind, through catch up interventions. Under the current funding formula children who enter a school with lower prior attainment or EAL do not attract any additional funding, so schools are not funded to provide the additional support these pupils need to achieve their potential. We recommend that the formula implements new funding for children with low prior attainment and EAL.

| | | |
|--------------------------------|--------------------------------|------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | High |
| | Implementation impact | Med |

Low prior attainment would be assessed based on outcomes at the beginning of reception for primary and on the KS2 outcomes of students in reading, writing and mathematics for secondaries. Low prior attainment funding would remain with a child until the end of the phase (Reception-Year 2 for primary, Years 7-9 for secondaries). In order to deliver this, a new external assessment would be needed at or before the start of Reception. This would need to be sensitive to the developmental stage and needs of pre-Reception children while also being sufficiently robust to form the basis for funding decisions. The cost of implementing an additional weighting in the formula for low prior attainment would be £896k per year.³³

Children with English as an Additional Language currently receive much less funding in Jersey than in England and have lower attainment than other children. We recommend that the Jersey schools' budget match the proportion of funding going to EAL in England, and distribute this new funding to individual schools in proportion to the number of pupils with EAL.³⁴ The cost of implementing an additional weighting in the formula for EAL would be £501k per year.³⁵ The total

³³ This assumes the low attainment premium will be given for pupils not achieving an average level of 'Expected' in the Early Years Standards Framework at the end of Reception, and for pupils not achieving an average level of 'Developing' in the Jersey Primary Assessment Framework at the end of Year 6. In 2019, 115 and 149 would have been eligible for the respective premiums. The cost range has been estimated based on setting the low-attainment premium to match the average of the current Jersey Premium, and the current England Low Attainment Premium for Primary and Secondary respectively (£1,081 for Primary, £1,173 for Secondary). Total cost = premium value * eligible pupils per cohort * years the school receives the premium per child. English values are adjusted to Jersey prices at PPP.

³⁴ 1.1% of the English school allocation is allocated according to EAL. Source: Schools block funding formulae 2018-19: Analysis of local authorities' schools block funding formulae, July 2018

³⁵ 1.1% of current £62.5m budget for Jersey state-maintained schools (non-fee-paying and fee-paying), minus £187k currently spent on EAL.

cost for implementing both low prior attainment and EAL funding through the formula would be £1,396k per year.

5

Resolve system deficits through transitional grants to give space for schools for deficit reduction, linked to Curriculum Led Financial Planning reviews to ensure all money is spent to best benefit pupils

| | | |
|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | Med |
| | Efficiency of funding process | High |
| Feasibility of delivery | Financial impact | Med |
| | Implementation impact | Low |

The recommendations in this review are designed to provide fair funding for education providers in Jersey, and together represent a significant funding increase for schools. When fully implemented, all schools should have the funding they need to provide an excellent standard of education for their students. In transitioning to the new formula, the starting point is that some schools are currently running very significant deficits (>£0.5m)³⁶ and even under the new formula some may have residual deficits. Where this is the case, transitional funding will be

provided to enable schools to reduce their deficit progressively over a small number of years. This will give any schools in deficit a manageable path to financial recovery while re-establishing strong financial governance for the system.

To support schools in using their resources as effectively as possible for their students, these transitional grants would be linked to implementing Curriculum Led Financial Planning reviews. These reviews would identify benchmarked opportunities for better deployment of staff, both within the school and in collaboration with other schools on the island.

As any remaining deficits are removed the money formerly assigned to transitional grants would be available for distribution to all schools through the funding formula.

³⁶ The total school deficit is £2.4m and has been calculated as the difference between the 2019 budget and actual expenditure. For more detail on how the £2.4m figure is calculated, see Section 4.

4.4.2. Theme 2: Invest in system improvement

6

Increase Jersey’s school improvement capacity with a mandate to deliver clear outcomes on quality of teaching, as this is the most important longer-term driver of quality

The Jersey Schools Review Framework has been beneficial in encouraging a culture of school improvement across the island and with publication of school reports from 2020 the pressure on schools to demonstrate the strength of their provision will increase. As teacher quality is the strongest driver of the quality of education in any system, we recommend Jersey’s school improvement function receive additional funding to focus on teacher quality.³⁷ This would move the Jersey education system closer to the teacher development focus of high-performing comparators such as Finland and Singapore, with a long-term aspiration towards making teaching a Masters-level profession on Jersey. To ensure this funding is used effectively we also recommend that Headteachers be given a central role in the governance of the teacher development programme. We recommend that teacher development funding is earmarked, and linked to the value of total staff expenditure, based on best practise from OECD.³⁸

| | | |
|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | High |
| | Implementation impact | Med |

Singapore is a world leader in teacher development and systematically supports teachers to maintain high standards, develop their practice and keep abreast of new developments in education.³⁹ Analysis of published school accounts from Singapore schools shows central investment in teacher professional development averages 2.62% of total salary costs (including on-costs).⁴⁰

³⁷ How the world’s best performing school systems come out on top, McKinsey & Company, 2017

³⁸ The Funding of School Education: Connecting Resources and Learning, Chapter 3 Distributing School Funding

³⁹ Empowered Educators in Singapore: How High-Performing Systems Shape Teaching Quality, A. Lin Goodwin, Ee-Ling Low, Linda Darling-Hammond, 2017

⁴⁰ Based on financial reports published by Grace Orchard (2016/17), Metta (2016/17) and Lighthouse schools (2015/16).

We recommend matching this level of investment in Jersey, requiring funding of £1,727 per teacher per year⁴¹, totalling an annual budget of £1,345k⁴². The Jersey Teaching Excellence Fund would support all teachers in Government-maintained schools, and FE-lecturers employed by Highlands, with a focus on:

- Offering excellent continuing professional development (CPD), up to and including funding for Master's courses, for current teachers so all teachers can continually improve their practice and improve student outcomes⁴³
- Ensuring teachers have sufficient non-teaching time to develop their practice and engage with professional learning and research
- Improving the offer for teachers considering coming to Jersey, improving the recruitment situation for shortage subjects
- Developing coaching and other high-impact opportunities for heads to enable them to develop their leadership of teaching and learning

A focus on quality of teaching is one of the most high-impact school improvement approaches but the benefits will take some time to appear as improvements in attainment, due to the lag between improvements in teaching and improvements in measured outcomes for students. Despite this lag this is likely to be Jersey's most effective lever for medium-term school improvement and would require sustained focus from Ministers and the department to deliver the benefits.

⁴¹ 2.62% of £53,688 mean salary in Jersey in 2019 (Teacher salaries (FOI), GoJ, 26 Jun 2019)

⁴² These figures assume 778 FTE teachers and FE lectures in post across government primary and secondary schools and Highlands College in 2019. Teacher FTE (711) sourced from Government of Jersey School Staffing Data, FE-lecturers FTE (67) estimated based on total lecturer FTE multiplied by proportion of staff expenditure spent on non-HE-specific lecturers (Highlands staff and visiting lecturers (FOI), 14 Nov 2018; Highlands accounts 2018; Jersey Staffing data)

⁴³ Master's level courses would not be available for all teachers at once, and instead would have a capped intake each year

7

Sharing of provision and staff between schools and between schools and Highlands College to spread good practice and offer a broader curriculum within existing resources

| | | |
|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | High |
| Feasibility of delivery | Financial impact | Low |
| | Implementation impact | Med |

The Jersey education system is exceptionally well positioned to create excellent collaboration between schools due to the concentrated geography of the island, with no two schools more than an hour’s travel time apart. Despite this, collaboration is currently often informal and based on relationships between staff, and rarely involves deeper collaboration on staffing and curriculum. We recommend GoJ offers some seed funding for networks, including two years of part-funding for a number of shared teaching posts. These would be for teachers working across two or more schools in specialist subjects

that typically have small class sizes.

To support this, some changes to IT systems may be needed to support timetabling across schools. Seed funding would enable these changes to be implemented in year 1.

This would require total funding of £147k per year for seed funding and 50% funding of four posts, with the matched funding for posts phased out at the end of year two.⁴⁴

⁴⁴ This assumes seed funding of £15k, and 2 FTE at mean Jersey teacher salary (£53,688, see Current State), with 22.9% staff on-costs covering Social Security and Pensions contributions.

8

Uplift to Jersey Premium to support socio-economic equality in the education system

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|--------------------------------|--------------------------------|------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | High |
| Feasibility of delivery | Financial impact | High |
| | Implementation impact | Low |

The introduction of the Jersey Premium has been very successful in closing the gap between students from disadvantaged backgrounds and their peers. We recommend that GoJ build on this success by increasing the premium to enable schools to close the gap further. This would still leave the Jersey Premium below the level seen in comparator systems as it currently stands at £1,005 per Primary pupil, £645 per Secondary pupil and £2,000 per Looked After Children (LAC)⁴⁵, below the respective Pupil Premium values of £1,448, £1,026, and £2,524 in England,

after adjusting for Jersey prices.⁴⁶

The Jersey Plan 2020-23 included additional funding for the Jersey Premium, however this will be focused on extending Jersey Premium to KS5 students⁴⁷, with per student rates planned to rise over the life of the government plan. In addition to the planned roll out of Jersey Premium to a wider age range, we recommend increasing the Jersey Premium to price-adjusted English Pupil Premium levels, for both primary and secondary (including KS5) phases, and for Looked After Children, and moving to a guaranteed funding level, rather than a fixed budget distributed across the cohort of eligible pupils. Implementing this uplift would cost £1,046k per year.⁴⁸

⁴⁵ Provided by CYPES, 16/01/2020

⁴⁶ Pupil Premium values in UK GBP (Pupil premium: conditions of grant 2019 to 2020, DfE) adjusted with a Jersey cost adjustment, 1.097 Jersey Pounds per GBP, calculated by comparing USD PPP exchange rates for UK and Jersey, from CIA World Factbook for Jersey (see Section 5.4) and from OECD for UK

⁴⁷ Government Plan 2020–2023: Further information on additional revenue expenditure and capital and major project expenditure, Government of Jersey, July 2019

⁴⁸ Calculated using 2019 Jersey Premium eligible pupil numbers for Primary (1,409, Jersey Characteristics data), Secondary exc. KS5 (794, Jersey Characteristics data) and LAC (84, Corporate Parenting in Jersey: Children in Care and Care Leavers. A Policy Framework, October 2018). Estimated eligible KS5 numbers for 2020 provided by CYPES (200).

9

Strengthen the central Educational team so all children have timely access to specialist help when they need it

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|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | Low |
| | Implementation impact | Med |

Currently there is a system of centrally provided specialist support for some additional needs, including Educational Psychology; the Social, Emotional and Mental Health Inclusion Team (SEMHIT); and English as an Additional Language (EAL).

Feedback from school leaders suggests that these services are generally of good quality, but that provision, particularly in Educational Psychology, is insufficient to meet the needs of students. Further, there is no mechanism for schools to easily purchase more of these

services if this would be the best use of their resources.

We recommend increasing the number of hours available to schools from the Educational Psychology service by 33% to better reflect the need of students within the system. This would require an increase in funding of £168k⁴⁹. We also recommend reforms to the governance of the service to ensure resources are used to the maximum benefit of students, as laid out in recommendation 15.

⁴⁹ 33% uplift on current £510k Educational Psychology service budget.

10

Support mental health and wellbeing through a whole school approach, backed by a targeted training programme delivered within schools

Mental health and wellbeing is an increasing issue and a policy priority on Jersey, supporting two of GoJ's five priorities by *putting children first* and *improving Islanders' wellbeing*.⁵⁰ In the school curriculum there is currently Personal Social, Health and Economic education (PSHE), which covers some elements of mental health and wellbeing. However, our engagement through this Independent School Funding Review suggests that the current level of provision is not meeting the needs of children and young people.

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|--------------------------------|--------------------------------|------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | Med |
| | Implementation impact | Med |

Therefore, we recommend investing to improve the quality and impact of mental health and wellbeing support as part of the core PSHE curriculum. This would be delivered as a targeted programme that follows the "whole school" approach, embedding mental health and wellbeing into the core curriculum.⁵¹ This would work by training teachers to deliver mental health lessons as part of the curriculum, as well as equipping staff with the tools and awareness they need to be able to signpost pupils to other services as necessary.

Our recommendation considers the importance of school leadership in guiding and supporting the "whole school" approach, and has costed for three teachers per government maintained school to receive training to deliver social and emotional resilience teaching to pupil groups, one of whom should be part of the senior leadership team.^{52 53}

In order to strengthen the quality of the content currently being delivered there may be a need to revise the curriculum or send additional materials to school leaders providing guidance about best practice.

⁵⁰ Outlined in the [Common Strategic Policy 2018-2022](#).

⁵¹ The "whole school" approach is cited in several policy documents as best practice, for example Professor Katherine Weare's paper for NCB *What works in promoting social and emotional wellbeing* and *Responding to mental health problems in schools?*

⁵² The importance of the involvement of senior leadership in setting the agenda for mental health provision in schools is discussed in the Department for Education departmental advice, [Mental health and behaviour in schools, Department for Education, November 2018](#)

⁵³ Our recommendation considers a programme based on a UK-adapted version of the Penn Resilience Programme, which is recommended for school based programmes by the [Public Health England's Mental Health Commissioning tool, developed in partnership with the London School of Economics](#).

Further, we would recommend implementing a training offer for Mental Health First Aiders within schools, which will teach staff how to identify, understand and help someone who may be experiencing a mental health issue. The purpose of this programme would be to focus on children's needs, signposting to services where necessary, while also helping to improve staff mental health. The benefits of this approach would be to improve awareness and understanding of mental health and wellbeing issues, and to support timely receipt of more formalised support where necessary. This programme would not include development of additional child and adolescent mental health services (CAMHS), but this may be considered as part of a longer-term policy decision (see Section 8).

The cost of such a programme is estimated at £249k in year one, based on training costs and supply cover costs. We have provided for three teachers in each government-maintained school to deliver social and emotional resilience lessons to pupils in schools, as well as for 20% of Teachers and 50% of Teaching Assistants in government maintained schools to receive Mental Health First Aid training.^{54 55} Our recommended programme provides a strong coverage of Mental Health training in schools from year one, and costs will reduce year on year as fewer staff require initial training.

Schools should be monitored on their delivery of mental health and wellbeing support through the Jersey Schools Review Framework, as this will ensure that delivery is maintained over time.

⁵⁴ These costs have been estimated using Public Health England's 'Mental Health Promotion: return on investment' excel tool, developed by teams at the London School of Economics, which provides a unit cost of £519 per teacher to receive training to teach social and emotional resilience. This has been uplifted for 2019 Jersey prices, while Mental Health First Aid costs have been priced at the one day course unit cost of £200, sourced on the MHFA England website, <https://mhfaengland.org/mhfa-centre/faqs/tags/Course%20costs>. Prices have been uplifted for Jersey costs. These costs align with the UK governments 2017 commitment to train 1,000 teachers with MHFA England, at a cost of £200,000

⁵⁵ Supply costs for teachers have been assumed at £230 per day, based on the rate supplied in the AWPU 2019 calculation; TA supply costs have been assumed at £100 per day, based on the upper band of a selection of TA supply job advertisements in London, and uplifted for Jersey staff costs. Note that members of the SLT team have been excluded from supply calculations.

4.4.3. Theme 3: Stronger governance

11

Increase schools’ financial freedom so they can hold reserves for future challenges and can allocate their budgets to maximise the quality of education for their students

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|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | Low |
| | Implementation impact | Med |

Schools are currently unable to hold reserves, following changes to financial governance in recent years. This severely limits their ability to create prudent multi-year financial plans. Giving schools multi-year budgets would mitigate this, but this is not possible under a formula-based approach, as a school’s future budget will depend on the number of pupils/forms and their particular needs. Instead of multi-year budgets we recommend schools be allowed to hold reserves, which gives many of the longer-term planning advantages of multi-year budgets and also avoids

schools having to get all their budget spent before the end of the financial year.

We recommend that schools be enabled to hold reserves and be given as much forward guidance as possible on expected pupil numbers and any formula changes. Together, these changes will enable schools to use their resources more effectively through good medium-term planning, without additional cost to the system. To support schools in using these financial freedoms well to benefit their students we have also proposed the introduction of school business managers, financially-skilled governing bodies and teach ins on the funding formula (recommendations 12 and 13).

Case Study: Funding alone cannot guarantee positive outcomes and central solution tends to work best for raising standards.

Luxembourg is one of the world’s best funded education systems at a spending-per-head level.

Overall attainment is good but some way short of world leading, with disadvantaged students, and those students who do not speak the three languages of Luxembourg, consistently fall behind in terms of results. As a result, the government has created a central taskforce to deploy support to immigrant students.

12

Strengthen school financial governance with the broader introduction of financially-skilled governing bodies and the introduction of cluster-level school business managers

The proposed reforms to the funding formula (recommendation 1) and financial autonomy (recommendation 11) will require an increase in the financial sophistication of many schools if they are to use the new freedoms to substantially benefit their pupils.

To enable this good financial management, we recommend the introduction of school business managers shared across clusters of schools. These school business managers would work with Heads in setting and monitoring budgets and also take on leadership of a range of back office areas, such as the General Data Protection Regulation (GDPR) and health and safety, to enable Headteachers to focus on improving teaching and learning. We recommend that cluster business managers be part-funded centrally for the first two years to encourage uptake, with paying for the posts devolving fully to schools after that time.

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|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | Med |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | Low |
| | Implementation impact | High |

Further, we believe GoJ should consider the introduction of governing bodies for all schools, with a key responsibility being to ensure effective use of resources and the maintenance of positive reserves. These governing bodies would have significant autonomy from the department in how they use schools' financial resources as long as they continue to hold positive reserves, but with the department able to step in where a school is on course to overspend beyond its reserves. This would enable the school system to draw on the financial expertise among the citizens of Jersey and build stronger community involvement in schools and education issues.

Together, these recommendations would require approximately two additional full-time equivalent (FTE) across central support for governance and clerking, and a further four part-centrally-funded (50%) cluster business managers, during the first two financial years of implementation. This would cost an estimated £175,000.⁵⁶

⁵⁶ Sample of 'School Finance Manager' salaries taken from Indeed.com on 20/12/2019. Correcting for Jersey increased costs with 9.7% uplift from England, and on-costs of 22.9%, gives an FTE salary of £43,658. Cost calculated as FTE * expected salary.

13

Conduct “teach-ins” to ensure planners in schools understand the full funding mechanism and schools’ freedoms and responsibilities

The current school funding model used on Jersey is complicated, including:⁵⁷

- A core funding formula, calculated per-pupil (secondary) or per-form (primary)
- Adjustments to reflect the actual cost of delivery
- Additional funding streams for additional needs
- A series of ad-hoc adjustments agreed over time

| | | |
|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | High |
| Feasibility of delivery | Financial impact | Low |
| | Implementation impact | Low |

The complexity of the existing system makes it challenging for school leaders to predict the level of funding they will receive for any given year and this reduces the effectiveness of financial planning. The timing of schools receiving their budgets and the need to spend the budget before the end of the financial year also creates waste through sub-optimal last-minute spending in the last months of the financial year.

In the period before implementation of the recommended simplified funding formula, CYPES should host a series of “teach-ins” for school leaders to provide advice and guidance about the way in which schools budgets are calculated. This would support longer term planning and transparency and build mutual understanding of where difficulties in the current system are experienced. This recommendation would not require additional funding, as we anticipate that this is deliverable within the existing capacity of CYPES teams.⁵⁸ This may also bring an additional benefit of supporting teams within CYPES to better understand the pain points in the current system.

⁵⁷ For full detail about the current funding model see Section 5

⁵⁸ This work would be in the short-medium term only, as the requirement for information and guidance would be drastically reduced once the new simpler formula is introduced.

14

Support Jersey Music Service to become a Trust while setting challenging requirements on participation rates by pupils from currently under-represented schools

The Jersey Music Service, which supports the music curriculum in schools and provides instrumental learning and ensembles, covers all GoJ schools. It offers instrumental tuition at a fee to those who can pay, with free or subsidised tutoring for disadvantaged students. The prices it can charge and fees paid to tutors are set centrally but do not cover costs and it is subject to restrictions around staff contracts that do not reflect the way the service has evolved.

We recommend that GoJ broadens access to instrumental tuition and orchestral playing by setting up the Jersey Music Service as a charitable trust with funding conditional on participation rates from disadvantaged children. This would be organised with a governing body that includes CYPES representation to ensure oversight and accountability of activities and a clear constitution which prioritises affordable lessons and access for all young people. To fund this model, there would be a re-baselined core allocation to deliver services in schools, tied to agreed levels of free and subsidised tuition, and the right to raise fees by agreement with its governing body. As fees for music tuition are subject to Goods and Services Tax (GST), the department could also consider offering GST relief on fees to bring this into line with the system for fee paying schools.

This model would allow Jersey Music Service to become self-sufficient without additional cost to the taxpayer and broaden access for disadvantaged children.

| | | |
|--------------------------------|--------------------------------|------|
| Strategic fit | Alignment with policy outcomes | Med |
| | Efficiency of funding process | High |
| Feasibility of delivery | Financial impact | Low |
| | Implementation impact | Med |

15

Ensure central services allocate resources in the way most beneficial to schools by giving Headteachers the leading role in their governance, and include Heads in the governance of the central school improvement function

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|--------------------------------|--------------------------------|-------------|
| Strategic fit | Alignment with policy outcomes | High |
| | Efficiency of funding process | Med |
| Feasibility of delivery | Financial impact | Low |
| | Implementation impact | Med |

The current system for providing specialist services to schools is very centralised. The department allocates the budgets for teams, such as Educational Psychology and specialist behaviour and mental health, and determines how schools will be able to access the services. While many schools report that they value the services they receive there are challenges on availability and responsiveness.

To ensure services are designed and delivered in the way that best support schools we recommend

establishing a steering and advisory group to oversee and support a subset of central services within CYPES. This group would include Headteachers, heads of the support services and senior CYPES representation, and would be responsible for setting the direction of these services and overseeing delivery. Services within the groups remit would include Educational Psychology, the Teaching Excellence Fund and the school improvement function.

This recommendation would not require new funding as it represents a change of governance.

5. Current state analysis

5.1. Overall picture

Jersey is the largest of the Channel Islands, with a population of ~105,000, including ~15,000 school age children and young people.⁵⁹ To serve this population, there are 42 schools on the island of Jersey. These schools include:

- Primary schools including nurseries, Secondary schools, and one Further Education college
- Government-maintained non-fee-paying schools and fee-paying schools, and private schools, some of which receive financial and other support from the Government of Jersey
- Special Schools which provide specialist support for children not in mainstream education

In scope for this review are 38 schools, listed in Section 4 of the Appendix, in line with the scope of this work, as given in Section 1.

The GoJ budget to provide education services for this population is currently £88.4m.⁶⁰ This figure is made up of funding for non-fee-paying schools (£63.9m), fee-paying schools (£5.8m), grants to private schools (£4.3m), funding for special schools (£4.1m), further education for 16-18 year olds at Highlands college (£9.7m) and the Jersey Music Service (£0.6m). For context, this represents 62% of the total CYPES budget.⁶¹

Through this Independent School Funding Review, we have found that there is a structural deficit in the funding of education in Jersey. This is due to two factors. Firstly, some schools have consistently been unable to operate within their allocated budgets, leading to significant deficits at the end of each financial year. Under the current system, these deficits are then funded by the GoJ, but without any accompanying mechanism to prevent the deficit from recurring, such as increasing next year’s budget or encouraging efficiencies. This fiscal deficit amounts to £2.4m a year, with the majority stemming from secondary schools.

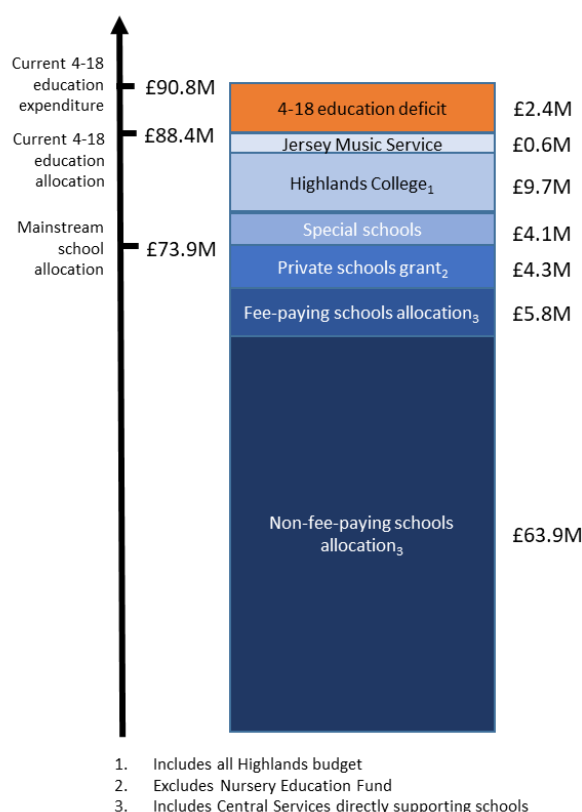


Figure 6 Current spending on school and college education in Jersey

⁵⁹ Sum of school pupil numbers (Government mainstream schools, private schools and special schools: Schools, pupils and their characteristics Academic year 2018/2019, GoJ) and Highlands 16-18 cohort (School budgets and pupil numbers (FOI), 22 Jul 2019)

⁶⁰ Figures are based on Month 12 Actuals sourced from the Children Young People and Skills Department Financial Statements, shared by the CYPES Finance Team, January 2020

⁶¹ The total CYPES budget is £142m

Secondly, we have found that there is systematic underfunding in the system, meaning that Jersey’s education system is not funded at the level necessary to meet the policy intent for children and young people. Specifically, there are some areas where schools are unable to provide core services at an appropriate level due to a lack of funding, such as within SEN, EAL, or SEBD. This under-funding amounts to £2.8m a year.⁶²

5.2. The impact of fee-paying schools

The GoJ provide a state subsidy to a number of fee-paying maintained schools on the island, as well as providing a grant to fee-paying non-maintained schools. These schools’ allocation is calculated using a similar formula to the non-fee-paying schools, though they receive a fixed percentage of this allocation.⁶³ These schools charge parents fees to make up the remainder of their budgets. Currently, all changes to fees over 2.5% pa for fee-paying maintained schools must be agreed by the Education Minister and Treasury.

The difference between average expenditure per pupil on a child who attends non-fee-paying school from Reception to Year 13, and a child who attends a fee-paying school from Reception to Year 13 is laid out in the figure below.⁶⁴

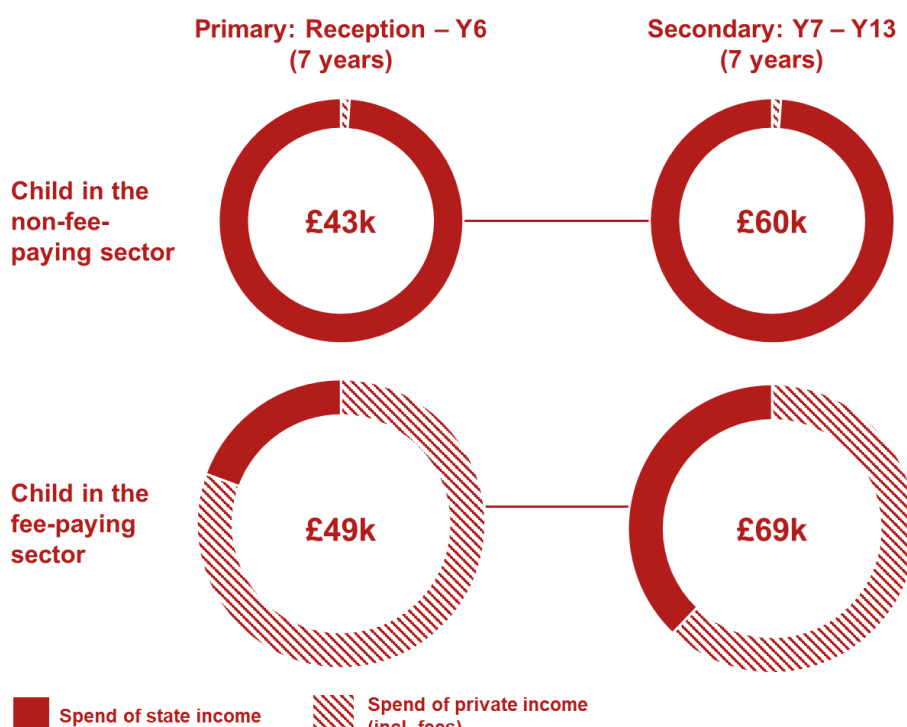


Figure 7 Spend per pupil in the fee-paying sector vs. spend per pupil in the non-fee-paying sector

⁶² See Section 4.

⁶³ This is fixed at 22% for fee-paying maintained and fee-paying non-maintained Primary schools, and 47% for fee-paying maintained and fee-paying non-maintained Secondary schools

⁶⁴ The figures above assume that: the child in the non-fee-paying sector attends Hautlieu, and that all private income (including fees) is spent in-year. Expenditure from state income considered includes: AWPU allocation, ARC funding, Central Services, Jersey Premium, and ‘All School Spend’, while private income considered includes: fees, revenue generated from private engagements, such as premises rental

In the financial year 2019, despite the fixed nature of fee-paying maintained school fees, children in the fee-paying sector benefited from 15% greater expenditure on their education from Reception to KS5.

5.3. Funding for pupils with additional needs

Excluding the Jersey Premium, £8.4m was spent on additional needs in Jersey in 2019, across 9,052 pupils taught in mainstream non-fee-paying schools or special schools⁶⁵. This covers both additional needs support to mainstream schools, such as central SEN, SEMHIT, and EAL teams, or part of the special needs budget, including special schools funding. This equates to £924 per every pupil.⁶⁶

Similarly, England's high-needs budget of £6.3bn⁶⁷ covers 7.4m pupils⁶⁸, equating to £927 per every pupil after adjusting for Jersey prices⁶⁹. This excludes Pupil Premium expenditure. The Department for Education has announced the high-needs budget will be increasing to over £7bn in 2020-21, an increase of 12%.⁷⁰

Funding for Jersey Premium in non-fee-paying and special schools was £2.1m⁷¹ in 2019, equivalent to £234 per pupil taught in mainstream non-fee-paying schools or special schools. England spent £2.4bn⁷² on Pupil Premium in 2018/19, equivalent to £357 per pupil after adjusting to Jersey prices.

⁶⁵ Total expenditure is sum of special schools funding, and funding for the central inclusion team: 'EE5 - Inclusion & Early Intervention', Forecast M10, CYPES Financial Statements, October 2019

⁶⁶ Jersey school accounts, 2019

⁶⁷ Total High Needs Block funding (2019-20 DSG - High Needs Block, DFE).

⁶⁸ Pupil numbers are sum of pupils attending state-maintained primary, secondary and special schools (Dedicated schools grant (DSG): 2018 to 2019 financial year allocations, ESFA, July 2019).

⁶⁹ Adjusted with a Jersey cost adjustment, 1.097 Jersey Pounds per GBP, calculated by comparing USD PPP exchange rates between UK and Jersey, based on figures from CIA World Factbook for Jersey (see Section 5.4) and from OECD for UK.

⁷⁰ [Provision for high needs](#), Education in the media blog, Department for Education 23 October 2019.

⁷¹ Jersey Premium funding to non-fee-paying schools in 2019. Fee-paying schools receive a small amount of Jersey Premium funding (due to having small numbers of eligible pupils), but this has been excluded in order to make a fair comparison to the UK state-sector.

⁷² Pupil premium: allocations and conditions of grant 2018 to 2019, DfE

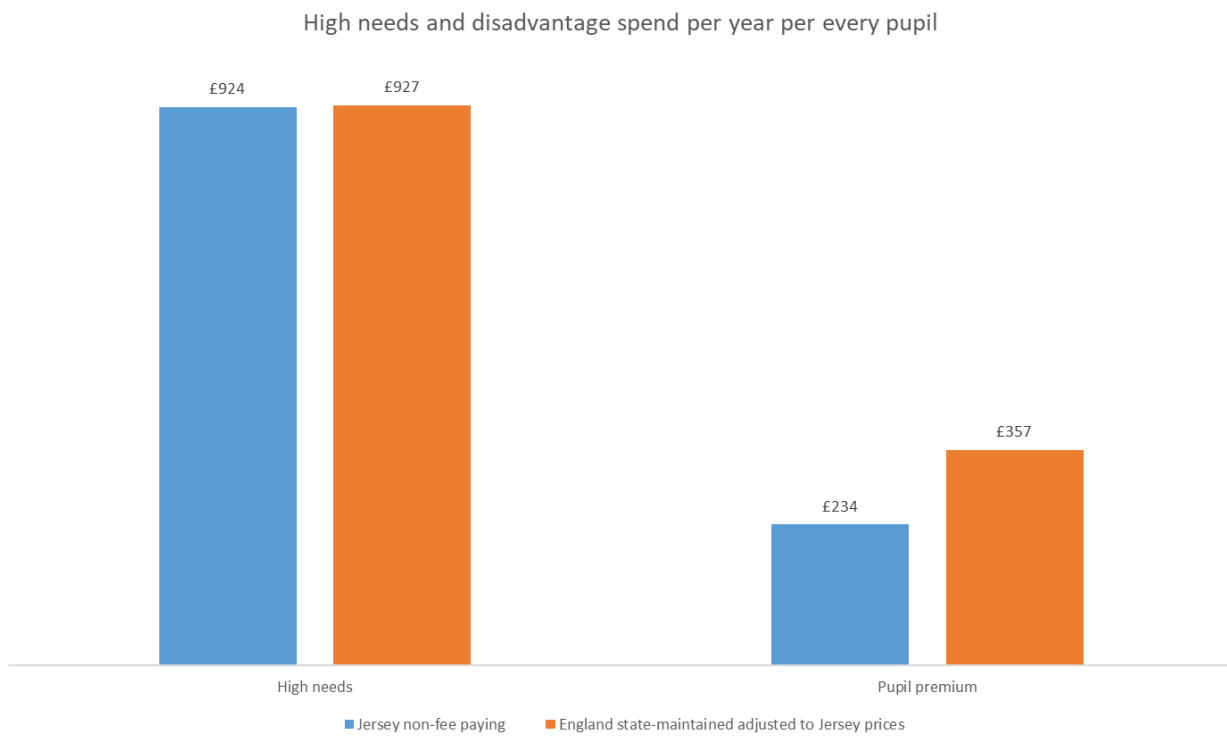


Figure 8 Comparison between Jersey and England of overall expenditure on high needs, and disadvantage pupil premium, divided by the number of non-fee-paying state-maintained pupils, including special schools.

5.4. International Comparators

Further, Jersey's spend on education is lower than that in most high-performing jurisdictions, with particularly low spending relative to the group of high-performing comparator nations at Pre-primary (Nursery and Reception) and Primary (KS1 and KS2) levels.⁷³ There may be some good reasons for this, for example an efficient system with little waste would have low levels of spending. We however find that there are a number of areas where Jersey should spend more, in particular for pupils with additional needs.











| USD PPP (2016 Prices) | | Pre-primary | Primary | Secondary |
|---|---|------------------|------------------|------------------|
| Jersey (non-fee paying, inc. Special Schools) | ✗ | \$6,555 | \$7,536 | \$10,298 |
| Jersey (fee paying, exc. Special Schools) | ✗ | | \$8,274 | \$11,647 |
| United Kingdom |  | \$3,582 | \$9,962 | \$10,565 |
| Finland |  | \$9,765 | \$9,402 | \$10,632 |
| Ireland |  | Data unavailable | \$8,309 | \$4,947 |
| Iceland |  | \$11,263 | Data unavailable | Data unavailable |
| Estonia |  | | \$6,322 | \$6,535 |
| Belgium |  | \$9,239 | \$11,962 | \$14,673 |
| Australia |  | Data unavailable | \$8,980 | \$10,997 |
| Luxembourg |  | \$18,463 | \$18,492 | \$22,799 |
| New Zealand |  | \$1,029 | \$7,755 | \$8,594 |
| Canada |  | Data unavailable | \$8,763 | \$13,331 |
| Comparator group median (exc. Jersey) | | \$9,502 | \$8,980 | \$10,632 |

Figure 9 Comparison of public expenditure on public-institutions per pupil by country, by education phase. Figures presented in USD, adjusted for purchasing power parity (PPP), in 2016 prices. Jersey's 2019 expenditure has been adjusted for inflation and PPP, in order to compare like-for-like with OECD Education at a Glance statistics.

5.5. Outcomes

⁷³ Comparator figures sourced from OECD Education at a Glance, Education finance statistics, for 'Government expenditure' on 'Public institutions'. Public institutions denotes educational bodies directly managed by the state, or with leaders who are appointed by the state. This excludes UK academies, which are instead 'Government funding dependent private institutions'.

In order to match the definition of the OECD figures, we have included expenditure from Jersey non-fee-paying schools, Highlands College, as the OECD includes vocational level 3 education within Secondary education, and special schools, which are not reported separately by the OECD. La Sente pupils by phase is known, while we have assumed that Mont A l'Abbe has a similar proportion of Primary/Secondary to mainstream schools. Central services expenditure has been included.

Jersey fee-paying schools are not directly comparable with the OECD data on other nations but has been included for reference.

All figures presented in USD PPP, in 2016 prices. A Jersey specific PPP (0.767 Jersey Pounds per USD PPP) has been calculated to adjust Jersey education expenditure, by comparing Jersey GDP per capita calculated from Government of Jersey data with a PPP adjusted GDP per capita published by [CIA World Factbook](https://www.cia.gov/library/publications/the-world-factbook/).

Jersey inflation from 2016-2019 has been used to deflate Jersey 2019 expenditure to 2016 prices, sourced from opendata.gov.je.

Across all pupils, Jersey's educational attainment has improved in recent years, and Jersey has consistently outperformed England in overall General Certificate of Secondary Education (GCSE) and A-Level attainment.⁷⁴

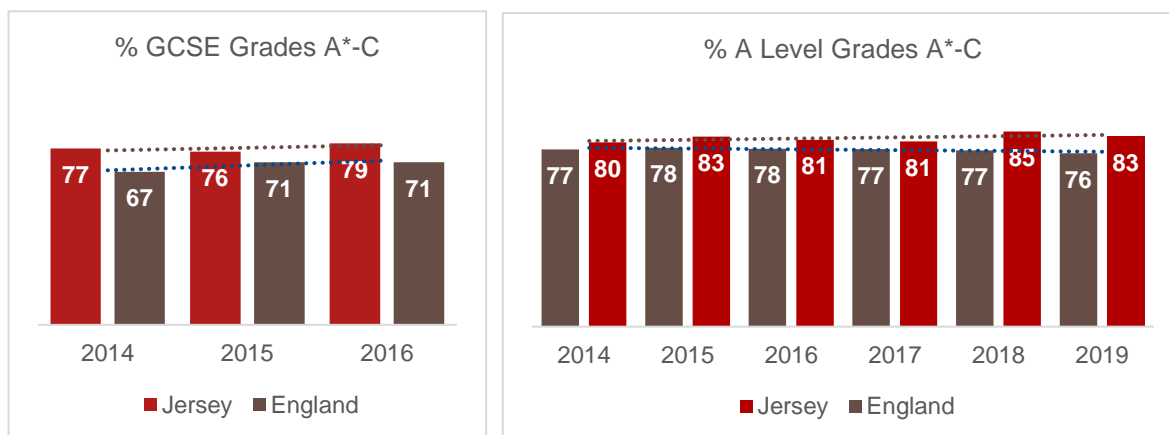


Figure 10 Comparison of overall attainment at GCSE and A-Level between Jersey and England, comparing percentage of pupils achieving A*-C.

However, there is significant variation in attainment by school type in Jersey. Comparing Jersey non-fee-paying schools with their like-for-like equivalents in England shows Jersey non-fee-paying schools underperforming relative to England.⁷⁵ The overall attainment is significantly improved by the fee-paying schools on the island.

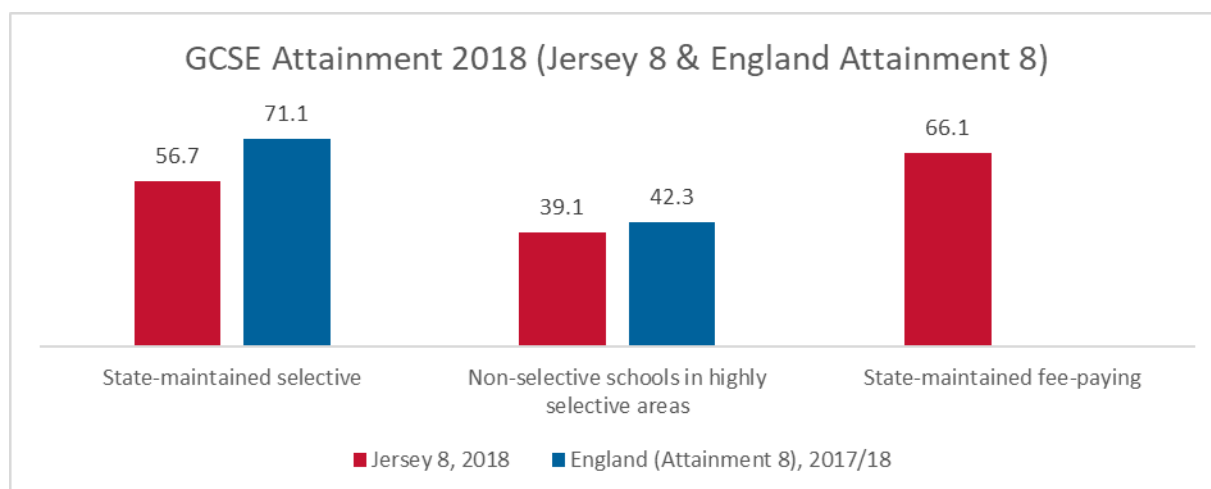


Figure 11 Comparison of Jersey 8 scores to England Attainment 8 scores in 2018; both measures of performance across 8 key subjects including English and Maths

⁷⁴ [Exam Results](#), Government of Jersey.

⁷⁵ This compares Hautlieu to English selective grammar schools, and the non-selective non-fee-paying secondary schools in Jersey with English non-selective schools in highly-selective areas – e.g. schools in which a proportion of more-able pupils have been selected by selective schools. We recognise that Jersey 8 and English Attainment 8 feature different subject restrictions, so are not exactly comparable. However, we believe they are sufficiently similar to make reasonable comparisons.

Jersey data provided by Raoul Harris, CYPES Education Insight Team, via Egress Platform transfer, 15/11/2019. England data sourced from GCSE and equivalent results in England 2017/18 (provisional), DfE, October 2018.

Further, when you examine “value add” metrics such as Progress 8, non-fee-paying and fee-paying state-maintained schools in Jersey add less value to their pupils’ performance than the equivalent schools in England, while the state-maintained fee-paying schools add significantly above average value – on average adding half a grade per subject to each pupil.⁷⁶

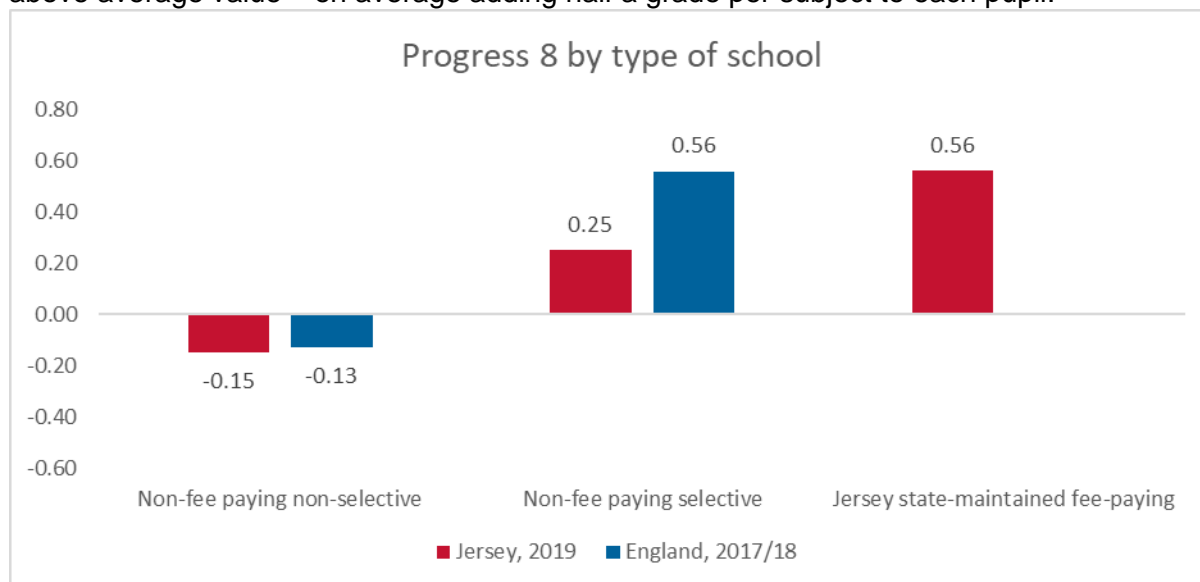


Figure 12 Comparison of Progress 8 scores between Jersey and England schools by type. A score of 1 indicates the average pupil scored an average one grade higher at GCSE than expected based on their grades at the end of KS2.

Comparing the percentage of pupils who left KS4 and went on to take a Level 3 qualification (A-Level or equivalent), Jersey is found to also perform less well than the UK. In 2016, 61.4% of pupils went on to Level 3 study, including pupils who studied for AS levels, compared to 71.2% of pupils in the UK.⁷⁷ Educational outcomes for looked after children in Jersey are also extremely low compared to other children on the island.⁷⁸

5.6. Mechanism for funding education on Jersey

Overall, the Jersey education system is funded centrally by GoJ, through CYPES. Providers receive an annual allocation based on a set of criteria, and then are able to spend their allocation on staff and resources. The criteria used to agree the allocation is called the AWPU. The exact components of AWPU depend on the type of provider, with a different mechanism for each of: Primary schools, Secondary schools, Fee-paying providers, Further education. Special schools are block funded not through the AWPU.

⁷⁶ Progress 8 measures for both English and Jersey have been calculated based on expected performance of the English cohort, to allow for comparison of the value-add schools in the two systems provide. Jersey data from 2019 has been compared with English data from 2017/18, due to the availability of data.

Jersey data provided by Raoul Harris, CYPES Education Insight Team, via Egress Platform transfer, 15/11/2019. England data sourced from GCSE and equivalent results in England 2017/18 (provisional), DfE, October 2018.

⁷⁷ Jersey 2017-2037 Vision. Level-3 study is qualifications at an equivalent level to A-levels.

⁷⁸ CYPES school data team

At a high level, AWPU includes payments for the number of pupils, central staff costs such as Headteacher salary, premises and minor works. There are a series of adjustments made to each calculation to attempt to closely match the real cost of delivery. For example, the staff costs are adjusted to accurately reflect the real costs of wages given individual circumstances in each provider. This is a complicated system (detail below).

| Current AWPU Funding to schools | |
|---|--|
| Component | Funding Method |
| Core variable funding (either per-pupil or per-form) | <ul style="list-style-type: none"> • Non-fee-paying Primaries are funded per form (and adjusted for more than 26 pupils in a form) • Non-fee-paying Secondaries and all fee-paying schools are funded per student |
| Fixed funding | <ul style="list-style-type: none"> • Central staff costs <ul style="list-style-type: none"> • Primaries: Head and Deputy at cost, along with Secretary, Caretaker, and banded First Aid funding • For Secondaries and fee-paying: this is a fixed sum banded to school type, including costs for a Head, Deputy, Secretary and Caretaker • SEBD allocation: note that this is only received by Secondaries, excluding Hautlieu⁷⁹ • SEN allocation <ul style="list-style-type: none"> • For Primaries: based on a 'deprivation' and 'context' score, and allocated from a central pot • For Secondaries: based on a 'deprivation' score, and CAT scores, and ENCO requirement |
| Premises funding | <ul style="list-style-type: none"> • Based on m² for premises and grounds • Includes designated budgets for minor works and utilities for Primaries • Adjustments included for 'condition factor' |
| Adjustments | <ul style="list-style-type: none"> • Staff costs adjustment: an adjustment based on average grade of staff • Actual cost of Head and Deputy adjustment • Occupation Health and Corporate Efficiency for non-fee-paying Secondaries and all fee-paying schools • Other school specific adjustments |

In addition to the AWPU allocation, GoJ makes other payments to providers of education outside of this process. These payments include initiatives to reflect the needs of pupils, such as Jersey Premium or Additional Resource Centres, or to reflect the needs of schools, such as capital builds

⁷⁹ The proposed new funding system treats Hautlieu the same system as the 11-16 schools

and central services. Further in-year adjustments are made, allocated at cost. These include ad-hoc personnel changes and specific school requirements.

| Current Non-AWPU funding | | |
|--------------------------|------------------------------------|---|
| Component | | Funding Method |
| Pupil need | Jersey Premium | <ul style="list-style-type: none"> Allocation per Jersey Premium eligible pupil given to schools This measure is based on household income and other socio-economic indicators |
| | Additional Resource Centres (ARCs) | <ul style="list-style-type: none"> Separate funding provided to schools with ARCs (8 in total) This funding is ring-fenced for spend on provision of ARC facilities |
| | Special Schools | <ul style="list-style-type: none"> Funded at previous years allocation + inflation |
| School need | In year adjustments | <ul style="list-style-type: none"> One-off adjustments allocated at cost |
| | Central Services | <ul style="list-style-type: none"> Additional needs services, supporting SEN, EAL, and SEMHIT as well as curriculum support and evaluation Central support for HR, finance and procurement (funded from a central GoJ budget) |
| | Capital Builds | <ul style="list-style-type: none"> Centrally managed and financed |

Overall, this is a complex system. We have found from our engagement that school leaders do not have a strong understanding in all components of this system, and therefore find it difficult to plan or proactively manage budgets. Further, with such a comprehensive system of adjustments, Headteachers have told us that they struggle to find any headroom in their budget for unforeseen costs (such as a new carpet, or textbooks).

5.7. Feedback from stakeholders about the current state

Through this review, we have engaged with stakeholders from across Jersey's education system, including school leaders, civil servants, ministers and trade unions. This includes working alongside the Big Education Conversation team who are running a comprehensive consultation about the

“Under the current system it is very difficult to act on the inclusion policy due to underfunding of additional needs”

Headteacher, non-fee-paying Primary school

future of education on the island of Jersey.⁸⁰ This engagement was to understand the views of stakeholders on the funding model and emerging recommendations.

“Non fee-paying secondary schools are expected to perform to the same standards as fee-paying schools, but get half the money”

Headteacher, non-fee-paying Secondary school

Through this engagement, we have learned that there are issues with the current funding model, including its’ structure and the process through which it is managed, as well as the absolute levels of funding assigned to schools. The most pressing finding is that the funding model is out of date,

underfunded and, in a range of areas, viewed as unfair by the majority of stakeholders. This gives a call to action for the Government of Jersey; you need to take action now to design and implement a funding model that empowers schools to deliver services that are fit for the children and young people of Jersey.

Overleaf is a summary of the headline themes that emerged from those conversations. An overview of all feedback, and a full list of those engaged, can be found in the Appendix. These themes have been used to support the design of the recommendations included in this report, including the longer-term policy options.

“The system has been under-resourced for years and has progressively got worse”

Union representative

| | |
|--|---|
| <p>Jersey’s unique context poses challenges that are not adequately accounted for in the funding model</p> | <p>Jersey Premium has been welcomed, but is papering over cracks in the system</p> |
| <p>The funding model is out of date, underfunded and, in a range of areas, viewed as unfair by the majority of stakeholders</p> | <p>The funding model and approach is overcomplicated and difficult to understand</p> |

⁸⁰ The Big Education Conversation is being run from within Strategic Policy, Performance and Population (SPPP)

| | |
|---|---|
| <p>The funding model does not adequately support schools in addressing the additional needs of children and young people in a timely manner</p> | <p>Improvement in early years provision is needed and would have beneficial impacts across the system</p> |
| <p>Mental health and wellbeing of pupils, school staff and parents is a growing concern</p> | <p>The balance of autonomy and central control is not optimal across a range of areas</p> |
| <p>There are concerns about the capacity of and processes mandated by central services</p> | <p>Schools face challenges in relation to their infrastructure and their capacity to maintain their sites under current arrangements</p> |
| <p>Special schools share many of the issues that non-special schools encounter and face some specific challenges</p> | <p>The current inclusion model does not adequately provide for the complex needs of pupils in some cases</p> |
| <p>Schools are not incentivised and supported to develop more sustainable budgeting processes and behaviours</p> | <p>Greater collaboration is welcome, but the right funding, incentives and targets must be aligned to support schools succeed</p> |
| <p>Selection at 14 is viewed as having a deleterious system-wide impact by the majority of stakeholders, but is strongly supported by some</p> | <p>Further education from 16 to 18 is overlooked in comparison to academic pathways and there is insufficient choice and information on post-16 pathways for pupils</p> |
| <p>There is broad support for a move towards mandatory education to 18</p> | |

6. Lessons from other jurisdictions

6.1. Methodology for international comparisons

To support the analysis of the current state in Jersey, we completed an international best practice review to understand the relative strengths and weaknesses of Jersey, and potential alternatives. This was underpinned by a comprehensive data comparison exercise which looked at education system performance and resourcing based on data from the OECD, World Bank, and United Nations.⁸¹ This quantitative view was supplemented by secondary qualitative research on the drivers of performance in globally-excellent systems.

6.2. Options for how to fund education

At a thematic level, the international best practice research revealed some core patterns and parameters on which school funding systems vary. The following matrix and accompanying analysis aim to highlight the position of Jersey relative to other education systems, and therefore outline the principle-level options available.

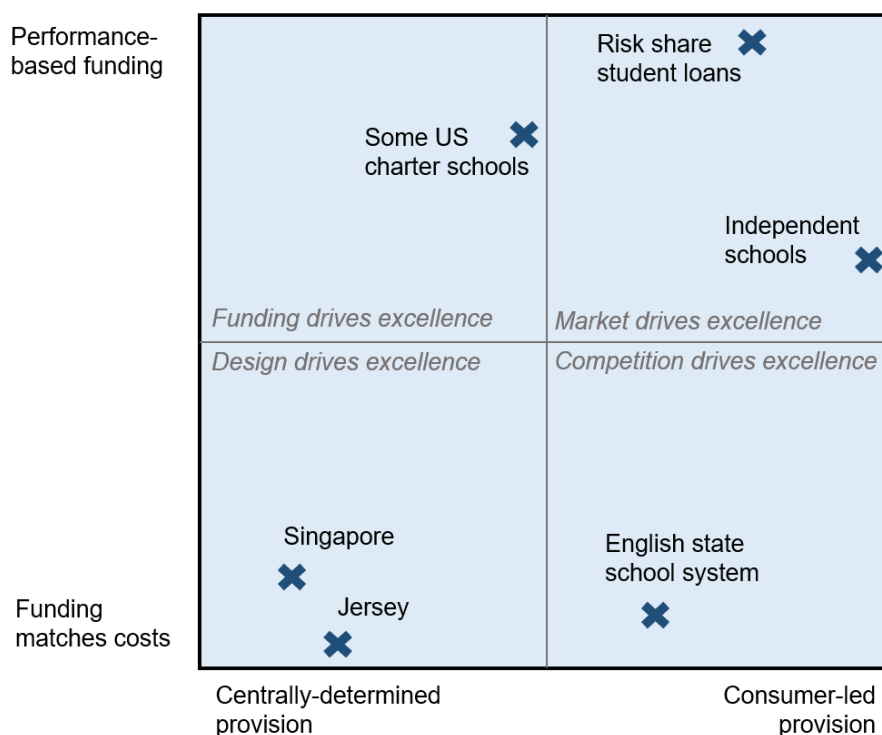


Figure 13 Matrix of school systems according to level of centralisation and driver of funding

⁸¹ [School enrolment, secondary, private](#), World Bank; [Education at a Glance 2019](#), OECD Statistics; [Demographic and social statistics](#), United Nations Statistics Division. Accessed on 28/11/19.

6.2.1. Driver of funding: Performance vs. cost

The majority of school systems make allocation decisions on the basis of cost, for example pupil numbers, and the associated number of teachers and pupil resourced required. This is represented on the “y-axis” of Figure 13 above. However, there are a few examples of systems that incorporate a level of performance-related funding. Whilst Singapore is a highly centralised and equity-oriented system, it operated an ‘EduSave’ programme whereby the top performing students are rewarded with funding for use on educational resources and activities.⁸² This makes it a more ‘performance-based’ system than Jersey.

| What are the characteristics of a performance- or cost-based system? | |
|--|---|
| Performance-based | Cost-based |
| <ul style="list-style-type: none"> Schools are paid for outcomes, with the state defining what academic, safeguarding and other outcomes schools are to achieve. Funding is based on achieving outcomes, either through direct payment or mediated by student choice. This focuses schools and systems on the outcomes valued by parents and students, or government. Struggling schools risk receiving lower funding, with a resulting ‘vicious cycle’ of deterioration in both funding and performance. This can exacerbate inequality. Funding levels can change rapidly. | <ul style="list-style-type: none"> A body centrally determines what it ‘should’ cost to provide an education in each context, and funding is allocated accordingly. Typically, the cost factors included are related to pupil numbers and associated costs. This gives certainty to schools that they will be able to operate within budget if they are efficient (and the formula is accurate). There’s no financial mechanism to address underperformance. Schools can be less responsive to parents, students and the centre as they have no financial incentive to respond. |

Figure 14 Components of a performance-based vs. cost-based system

⁸² [Edusave Account](#), Ministry of Education Singapore. Accessed on 12/11/2019.

6.2.2. Level of centralisation: Centrally determined vs. consumer-led

School systems also face a choice about whose ‘conception of the good’ should determine the education system. This is represented on the “x-axis” of Figure 13 above.

| What are the characteristics of a centrally-determined, or consumer-led system? | |
|---|---|
| Centrally-determined | Consumer-led |
| <ul style="list-style-type: none"> • The central decision-making body decides what schools should prioritise. That priority is then funded either directly (performance-based funding) or indirectly (paying for the package of resources required to deliver it). Systems of this nature tend to include central control on admissions and opening new schools. • Systems tend to be relatively stable and predictable, and schools tend to have certainty about funding. • There is less scope for innovative new providers, meaning that parents and students often have less choice. | <ul style="list-style-type: none"> • Parents and students exercise choice between competing schools and routes through education, and funding is allocated in line with those choices. • Consumer-led systems are responsive to needs, creating greater opportunities for innovation and novel approaches. • These systems tend to be accompanied by higher levels of autonomy, as schools can choose to deliver against local needs in the manner that they see fit. • There is a greater risk of failure and inequality, as not all innovations will work, and it is more difficult to outline and monitor performance against a consistent set of minimum standards. • Where state and consumer objectives for education are significantly different a consumer-led system can lead to a poor match between provision and government priorities |

Figure 15 Components of a centrally-determined vs. consumer-led system

In many states this is determined almost solely by government, but some build in choice for parents and students: for instance, in the UK parents have the choice to create ‘free schools’ in line with local needs. This has resulted in unique schools such as specialist rural-skill oriented schools being created in farming communities, as well as other specialist schools such as those with a sport or music focus.⁸³ Moreover, consumer-led systems incentivise schools to listen to ‘what parents want’, whereas centrally determined systems see schools adhering to government priorities.

⁸³ [The 22 new free schools approved by DfE](#), Schools Week. Accessed on 11/11/2019.

Case Study: Small and centralized systems have the power to very proactively address inequities

In Singapore, all teachers are hired centrally, and the Ministry of Education is responsible for overseeing teaching qualifications, managing the staff evaluation and promotion system, and hiring and assigning principals and teachers to schools.

In this system, professional progression for teachers is only possible through teaching at more challenged schools, meaning high quality teachers will often spend time in tougher schools. Moreover, they provide additional benefits directly to socio-economically deprived families to support individually-driven spending towards educational needs.⁸⁴

6.2.3. *Where should Jersey choose to direct its future model?*

By analysing systems in this manner, we took away two important lessons which would subsequently inform the funding options made about Jersey. Firstly, there is no 'silver bullet' for designing an optimum school funding system: international practice varies significantly according to local needs and political choices.

That said, the majority of systems remain in the 'bottom left' quadrant, with the highly devolved nature of control and consumer choice in the English school system being an outlier. With a small population, Jersey is likely to have a less diverse set of needs than England, and with a strategic focus on improving education for 'every child' we recommend a centralised approach rather than something more consumer-led. Moreover, we believe a cost-based approach to funding better aligns with the aim to provide resources for all children equitably and based on need, with a focus on actively reducing poor performance and outcomes.

6.3. Jersey's global position

Whilst Jersey inhabits the same quadrant as the majority of other systems analysed, it also has some distinctive features which we believe have implications for what is possible within education funding.

Compared to other education systems, Jersey stood out in several ways:

Size: In line with Jersey's small population size, the student numbers in Jersey were amongst the lowest of the systems investigated. Most comparable on the grounds of size were Andorra, Antigua and Barbuda.⁸⁵ Of the very small education systems in the world, Jersey performs relatively well in terms of quality.

⁸⁴ What other countries can learn from Singapore's schools, The Economist, August 2018.

⁸⁵ [Population, total](#), World Bank. Accessed on 27/11/2019.

Centralisation: In many countries, especially larger ones such as Canada and Australia, much power is devolved at a territorial or provincial level, with the equivalent of ‘Local Authorities’ holding responsibility for the funding allocations to the schools within their areas.^{86 87} In Jersey, the Government of Jersey is the primary decision-maker, and devolution would be impracticable and undesirable due to the small number of schools overall.

Prevalence and role of fee-paying schools: 32.7% of pupils in Jersey attend fee-paying schools, which is globally very high. It is most comparable to Belgium and Australia which have 59% and 41% fee-paying enrolment respectively.⁸⁸ The relationship between fee-paying schools and the state is typical of many European countries. In the Netherlands however, it is written as a constitutional right that private and public schools are equally resourced. This means that government expenditure on public educational institutions must be matched by expenditure on private, government-funded educational institutions.⁸⁹

Spend per pupil: Against comparably well performing education systems such as the UK, Australia and Luxembourg, Jersey spends significantly less per pupil at primary, and similar or lower levels at secondary (see Section 5).

Together, these insights indicate that Jersey can and should tackle inequalities more directly. As a small island with central, rather than regional control, Jersey has a unique level of power to influence both ‘inputs’ and ‘outcomes’ in a directive way. It should take the lead of Singapore, another small locality, and undertake interventions which ensure minimum levels of performance and quality across the system.^{90,91}

Currently, a significant barrier to working towards greater equity is the prevalence of private schools. Whilst undertaking the Netherlands’ approach of complete funding would likely be unaffordable for the Jersey system, Jersey should work to address some of the associated inequalities of high fee-paying school enrolment, and gradually move away from the current level of financial support (see Policy Decision 6).

Jersey is unlikely to have the levels of funding seen in the wealthiest nations such as Luxembourg. Moreover, the global data analysis demonstrates that those nations spending the most on pupils don’t necessarily have the best outcomes.⁹² This suggests that Jersey must choose its interventions in a strategic and targeted way. This is likely to mean a redistribution of resources rather than increases across the board, but also positively indicates that ‘smart’ spending can be as least as effective as very high spending. The recommendations included in this report do amount to an increase in the overall budget for Jersey’s education system (an increase of approximately 10%⁹³),

⁸⁶ [How are schools funded in Australia?](#), Australian Government. Accessed on 12/11/2019.

⁸⁷ [Canada: Governance and Accountability](#), National Center on Education and the Economy. Accessed on 11/11/2019.

⁸⁸ World Bank Data, [School enrolment, secondary, private](#). Accessed on 28/11/19.

⁸⁹ [Netherlands funding in education](#), European Commission. Accessed on 13/12/2019.

⁹⁰ [Edusave Account](#), Ministry of Education Singapore. Accessed on 12/11/2019.

⁹¹ What other countries can learn from Singapore’s schools, *The Economist*, August 2018.

⁹² OECD. [PISA 2018](#). Accessed on 10/11/2019; and OECD Data, [Education Spending](#). Accessed on 28/11/19.

⁹³ See Section 4.3

however, these have been carefully chosen to prioritise redistribution and promote a fair education system for all.

Jersey is a unique place. Just as the series of countries analysed had unique ways of responding to governmental and public priorities, Jersey will need to make change in a way that works for the population, and which avoids unmanageable levels of disruption. Accordingly, we recommend that changes to education funding continue to be undertaken in a consultative and user-centred way. This means that the implementation of any recommendations in this report should be completed in conversation and collaboration with stakeholders from across the sector (see implementation plan in Section 5 of the Appendix).

7. Options for funding the future model

This Independent School Funding Review has produced recommendations about how to improve the funding formula for education on Jersey. In order to arrive at these recommendations, the funding review team assessed whether GoJ should be considering a radically different funding model, such as those outlined in Figure 5. This assessment was completed using criteria for what a good future funding model would look like for GoJ.

When assessed against the criteria, there was no evidence found to suggest that Jersey would benefit from adopting a radically different approach to funding educational institutions. Therefore, we recommend that Jersey continue to adopt a centrally-determined, cost-matching approach to funding, but that there are significant changes made to the specific funding formula in order to simplify the formula, and address instances of inequity, unfairness or underfunding within the system.

The core recommendations included in this paper would require additional funding of £8.5m above current budgets. There are a number of ways in which these additional funding streams could be raised by GoJ. This section of the report outlines three high-level funding models available to GoJ and compares this to the status quo.

7.1. Funding option 1: Increase in CYPES budget envelope

This option sees additional funding being provided through an overall increase in the envelope for education spending (the CYPES budget). This increase could be raised through several means, including:

- Additional taxation, one option for which would be to introduce GST on school fees
- Redistribution from other government departments

If this option is considered viable, the mechanism for raising the necessary funds would need to be agreed by GoJ.

7.2. Funding option 2: Fund priorities through reducing support to fee-paying sector

This option sees additional funding being made available for priority areas through reduction in the subsidization of fee-paying education. Within this option there are a number of sub-options for consideration, including:

- Introducing a system of means-testing for pupils at fee-paying providers, where a subset of pupils from higher income families are not eligible for GoJ support
- Reducing the amount provided to fee-paying institutions by reducing the percentage of AWPU that they currently receive

Delivery of these options would require significant consultation with fee-paying providers and parents. Therefore, it is anticipated that if this option is preferred by GoJ, there may need to be a significant period of transition, which may include short-medium term implementation of funding option 1 (increase in CYPES envelope) in order to fund the new model during consultation and transition periods.

7.3. Funding option 3: Funding through other redistribution within the CYPES budget

This option sees additional funding being made available for the new funding model through redistribution within the education system. This could be achieved through:

- Reduction in the level of core allocation provided to schools through AWPU, meaning that additional needs funding would make up an increased percentage of school allocations
- Reduction of other funding streams, such as higher education or capital to revenue transfers.

It is not recommended that this option is taken forwards. Benchmarking with high-performing comparators suggests Jersey is currently underspending on education per pupil per year (see Section 5).

7.4. Funding options appraisal and recommendation

These three funding options have been assessed against the status quo, using the appraisal criteria as set out in Section 6. The results of this options appraisal are summarised in Figure 16 below.

| CRITERIA | Status Quo | Future model, funding option | | | |
|--------------------------------|--|---|---|--|--|
| | | 1 | 2 | 3 | |
| Strategic fit | Alignment with policy outcomes | M/L – current state has some significant issues | H – best way to maximise policy aims | M – achieves most policy aims | M – achieves most policy aims |
| | Efficiency of the funding process | M/L – current state can be confusing | H – reduces complexity | M – complexity around redistribution | M/L – complexity around redistribution |
| Feasibility of delivery | Financial impact | M/H – there are significant overspends and knock on effects | H – additional financial envelope required | M – net zero impact, though “winners and losers” | M – net zero impact, though “winners and losers” |
| | Implementation impact | L – very little change required | M – change required should be manageable by GoJ | H – significant consultation required | H – significant consultation and implementation requirements |
| Assessment | <i>Tied</i> 3rd | 1st | 2nd | <i>Tied</i> 3rd | |

Figure 16 Funding options appraisal (Green = high score, Yellow=moderate score, Peach = moderate-to-low score, Red = low score)

This Independent School Funding Review recommends that GoJ consider the options for funding the recommended new model for Jersey’s education economy. This would be with a view to agreeing both a funding model (see Section 6) and an approach for financing this model (this section of the report). It may be the case that GoJ decide to fund the additional spend required through a combination of different streams. This has not been modelled as part of this review given the large number of permutations involved.

For this funding options appraisal, the status quo has been provided as a counterfactual for comparison, with the scenario meaning that the current funding allocations process runs into the future with no significant changes. If it is not possible to deliver any increase in funding envelope or redistribution it could be possible to optimise the status quo by implementing recommendations that have no cost implications, such as improving understanding about the formula. This is not a recommendation coming out of this Independent School Funding Review.

Finally, adopting some of the policy options outlined in Section 8 could reduce the structural inefficiencies in the current system, releasing funds to deliver the recommendations proposed in this report. As adoption of these policy options is beyond the core recommendations of this report this approach has not been included in the options appraisal above, but were these to be pursued there is the potential to substantially reduce the total additional spending required.

8. Policy options for GoJ to consider

8.1. Overview of policy options

In addition to the new funding model outlined in Section 6, there are a set of policy options that GoJ could consider which have significant impacts on both outcomes for children and the funding system. These policy options have been developed based on the work of the Independent School Funding Review team but are separated from the main recommendations due to the complexity of delivery and broad non-funding implications.

These options are summarised in the list below, and set out in further detail later in this section:

- Consolidate all **academic selection at age 16**, rather than the current dual selection at 14 and 16, to remove the double funding of Key Stage 4 across the 11-16 schools and Hautlieu (saving up to £781k⁹⁴), and give all students access to a broad curriculum.
- **Concentrate new funding on early years**, which would better align with the GoJ policy agenda, and align with evidence for the high impact of good quality early intervention for disadvantaged children
- Consider some selected **mergers between schools**, with the primary driver being economies of scale and efficiency savings, with the potential to go to three 11-16 schools
- Review the current **model for inclusion**, to ensure children with significant additional needs receive a high quality of education in the right setting
- **Extend the years of mandatory education**, which would incur higher direct costs of provision, but would improve outcomes for some young people and stronger economic outcomes through reduction in young people becoming not in education, employment or training (NEET). This has been estimated by Skills Team, CYPES, as £600k.⁹⁵
- Changing the **relationship between GoJ and fee-paying schools**, including offering greater autonomy and potentially means testing support for fees, rather than offering subsidised fee-paying education as a universal benefit

These options are significant, and some would take time to consider, assess the impact and consult on a way forward. These are not core recommendations for immediate implementation, but instead choices and opportunities for GoJ to consider during 2020 and beyond (see implementation timeline in Section 5 of the Appendix).

8.2. Policy options in detail

In this section of the report there is indicative detail about the policy options outlined above. This detail has been developed during the Independent School Funding Review and have been tested with the project board. These policy options are not core recommended courses of action. Instead,

⁹⁴ Saving assumes the re-provision cost of replacing KS4 at Hautlieu with increased provision in the 11-16 schools would be 50% of current allocation, due to use of existing underused capacity. Assuming pupils who transferred from the fee-paying sector to Hautlieu at KS4 remain in the fee-paying sector, additional savings are assumed for these pupils being funded at the reduced 43% rate instead of the full rate at Hautlieu.

⁹⁵ Figure supplied by CYPES.

these should be read as opportunities for GoJ to explore when looking for more transformational change to the current system.

Policy option 1

Consolidate all **academic selection at age 16**, rather than the current dual selection at 14 and 16, to remove the double funding of Key Stage 4 across the 11-16 schools and Hautlieu, and give all students access to a broad curriculum

Jersey currently has a system of academic selection at age 14, with a subset of pupils moving to Hautlieu for KS4. Through the Independent School Funding Review, we have found that, while progress for KS4 students at Hautlieu is strong, this selection system has the following drawbacks:

- The remaining non-fee-paying secondary schools (not Hautlieu) experience uncertainty in student numbers as the numbers accepted to Hautlieu vary each year. Given the funding model, this results in uncertainty about a school's income and makes matching staffing to student numbers challenging.
- Due to lower student numbers in the non-fee-paying secondary sector, there are implications on curriculum offer, with schools either running a large curriculum at sub-scale (which is financially unviable in the long term), or reducing their curriculum offer, which reduces the quality of education for students.
- To support non-fee-paying secondaries to continue to offer a broad curriculum, there is some double funding of KS4 by GoJ. While understandable given the structure of the current system, this is not an efficient use of funds overall.
- The current system leads to many high attaining students leaving their secondary schools at age 14, which has a negative impact on the overall performance of the non-fee-paying secondaries.
- There are some challenges relating to the emotional well-being of students, staff and parents, due to the uncertainty caused by selection at age 14, with some students moving and others staying behind.

There is an opportunity for GoJ to consider the role of selection in the non-fee-paying Jersey education system, including the following options:

- Moving the age for all selection to 16, removing the double selection at 14 and 16.
- Removing selection entirely, and making Hautlieu a non-selective school

The funding implication of student transfers from 11-16 non-fee-paying schools to Hautlieu through student movement in year 10 is £1.1m.⁹⁶ This takes into account the per-pupil aspect of the 11-16 schools' allocation, as well as the per-pupil share of the non-fee-paying secondary school deficit.⁹⁷

Potential savings to the GoJ may be realised through the reduction of any sub-scale classes currently in 11-16 KS4. Assuming that the 11-16 schools are already operating with the full capacity required to educate these students, both in terms of available staff, timetabling, and physical capacity, the full £1.1m could be realised as a reduction to the 11-16 school overspends.

In the short-medium term, there will be one-off costs associated with delivery. This includes central programme costs, for example in managing a consultation with stakeholders, as well as any reprovisioning costs that arise from the future model. The financial implication for the GoJ could be a saving of ~£781k per year. This is driven by efficiencies of scale from making use of currently under-utilised capacity in the 11-16 schools, and the lower cost to GoJ associated with fee-paying students moving to Hautlieu at age 16 rather than age 14.^{98 99}

⁹⁶ Student numbers attending Hautlieu in year 10 have been sourced from an [FOI detailing the percentage of Hautlieu admissions in year 10 from non-fee-paying 11-16 schools, fee-paying schools and UK or overseas from 2014 – 2018](#). Hautlieu intake in the autumn term of year 10 has been sourced from the Characteristics data shared by the GoJ.

⁹⁷ Per-pupil allocation calculated as £5,122 per year 10 student, and £5,423 per year 11 student. Deficit per pupil is calculated at £720 for a non-fee-paying secondary student, and at £217 for a fee-paying secondary student.

⁹⁸ This saving is realised as the increased student numbers in 11-16 schools would help to reduce their operational deficits.

⁹⁹ An [FOI provided by the GoJ](#) in July 2019 indicates that the 11-16 non-fee-paying schools currently operate at a total of 252 students short of the maximum operational capacity of 26 students per class at the current number of classes (figures provided from January 2018). Note that this shortfall is spread across KS3 and KS4.

Policy option 2

Concentrate new funding on early years, which would better align with the GoJ policy agenda, and align with evidence for the high impact of good quality early intervention for disadvantaged children

The Government of Jersey has committed to putting children first, as set out in the Common Strategic Policy. A core part of achieving this will be in ensuring children and young people have the best possible start. Early intervention and early years are a top priority in the New Children's Plan for Jersey, however at present, only 57% of children reached the expected level of development at the end of Reception.¹⁰⁰ Further, compared to benchmark countries, Jersey comparatively spends little on Early Years at a per pupil level.¹⁰¹

Investing in EY support has been shown to have significant impact on educational outcomes¹⁰² and economic indicators.¹⁰³ Therefore, there is an opportunity for GoJ to significantly rebalance the level of funding provided towards Early Years, to more directly support medium-long term outcomes for the population.

This policy decision would be closely linked to the work of the Early Years Policy Development Board, and ongoing work to change the structure of nursery funding from 2020 onwards.¹⁰⁴ We anticipate that to have a major impact for children in Early Years would require significant capital and revenue funding, as building new provision for children in this age range would likely require new facilities and have significant ongoing operating costs. This would potentially lead to significant savings through lower needs in that cohort as they move through the education system, but this financial benefit would take a number of years to materialise.

¹⁰⁰ GoJ Annual Report and Accounts 2018

¹⁰¹ Comparison of spend to benchmark countries using OECD spending data adjusted for PPP. See Section 5.

¹⁰² Study of Early Education and Development, Uni. Of Oxford, Sept 2018

¹⁰³ Invest in a Strong Start for Children: A Toolkit for Donors on Early Childhood, Uni. Of Pennsylvania

¹⁰⁴ [GoJ announcement about nursery funding](#), Jan 2019:

Case Study: Investing in Early Years can affect health and wellbeing outcomes

In England, Sure Start Centres were introduced in 1999 to support young children and their families, with £450m funding for the first 3 years (to target the poorest 20% of wards).¹⁰⁵

At its peak, this accounted for one third of spending on programmes for the under-5s and was evidenced to improve health outcomes and reduced hospitalisation rates. Additional benefits included improved life satisfaction and more stimulating learning environments at home.

¹⁰⁵ *Sure Start (England)*, Briefing Paper, June 2017
Institute for Fiscal Studies. *The health effects of Sure Start*. 2019.
House of Commons Sure Start Briefing Paper. 2017.

Policy option 3

Consider some selected **mergers between schools**, with the primary driver being economies of scale and efficiency savings

Jersey has a relatively small Island population, and there are a significant number of education providers (schools and colleges) in a relatively small geography. There are some instances where this is necessary, for example in more rural areas where parish schools exist. In these examples, public transport can be a challenge, and therefore there is a strong rationale for operating multiple, smaller, schools in close proximity to one another.

However, in some other instances there may be benefits of considering future mergers between providers. This is due to evidence that:

- Some schools are under capacity (such as D’Auvergne) and operating small class sizes.
- Some primary schools have high SLT expenditure per child
- There are a number of town schools that operate in close proximity to one another, in an area where the cost of estates is expensive
- Many secondary schools struggle to efficiently deliver a full curriculum offer due to their scale

A full operational merger is at the extreme end of the options available to GoJ. There may be benefits of completing mergers in some instances, but this would require extensive consultation and impact assessment. In addition to considering mergers, the GoJ should pursue opportunities to encourage stronger partnerships and collaboration between providers in the sector. For example, this could include shared facilities, curriculum and staffing, particularly in minority subjects and where recruitment is most challenging.

This work should be completed through a dedicated programme that includes extensive consultation with stakeholders including teachers, school leaders, parents and children. The programme management costs of this intervention are likely to be high, and therefore we recommend that this initiative is only considered if there is believed to be sufficient appetite to implement mergers in the system.

To achieve this, GoJ could conduct an initial scoping exercise to establish the potential for mergers or closer working. This exercise would provide insight about the level of saving that could be possible, and therefore allow GoJ to make a decision about whether the costs of managing the consultation programme are outweighed by the potential benefits to the system.

Case study: Smaller jurisdictions can potentially benefit from consolidation of their schooling systems

Guernsey have recently completed a funding review for secondary education, which is modelled to cost £157m. This is a consolidation programme, which turns four separate schools into a single, multi-site school.

This approach is anticipated to support the expansion of the curriculum and investment in facilities. The business case models that this is a more efficient use of resources, due to the economies of scale that are expected to be realised.

This has, however, not been universally accepted by stakeholders in Guernsey. If Jersey is to consider a consolidation exercise, we recommend that CYPES engage with the Education Department from Guernsey to understand the current state of this programme.

Policy option 4

Review the current **model for inclusion**, to ensure children with significant additional needs receive a high quality of education in the right setting

Jersey currently runs an education model that is highly inclusive, with most provision for high needs children situated in mainstream education. In addition to mainstream provision, there is special school provision at Mont à L'Abbé and La Sente. These schools accept pupils with the highest additional needs and demand outstrips capacity.

Through this Independent School Funding Review, we have met with stakeholders from these special schools, the central inclusion and Educational Psychology teams, and discussed provision for additional needs within the mainstream system. This has led to the following observations:

- There is restricted capacity for the special schools, with mainstream schools looking to refer more children than they can accommodate
- There are requirements for additional or upgraded estates and facilities at special schools
- Special schools are unclear about the way in which their funding is calculated
- The cost per place for special schools is much higher than in mainstream provision and in some cases attendance is low
- Additional Resource Centres attached to mainstream schools are widely seen as successful in meeting the needs of their students, and provide a balance of specialist support and inclusion in a mainstream setting
- Some high needs students in mainstream schools, while included in the sense of attending a mainstream setting, may not be experiencing a fully inclusive education or receiving the education they need to make good progress
- There are issues with mainstream providers struggling to meet needs and manage associated behavioural challenges of the highest need pupils

There are a range of options open to GoJ in developing Jersey's inclusion model, including expanding specialist provision to meet demand, strengthening the specialist-in-the-mainstream model of the Additional Resource Centres (ARCs) and removing special schools entirely and redeploying staff and resources to support children in mainstream schools.

These questions are beyond the scope of this funding review, but changes to the model would likely have funding implications, in addition to the core aim of improving outcomes for the highest needs children on Jersey. We recommend that as an immediate priority, GoJ conducts a comprehensive review of the inclusion model (including provision within mainstream and special schools).

In order to implement this policy decision, we anticipate that GoJ would establish a central Inclusion review team who examine best practice and opportunities to improve provision. This team would make recommendations to GoJ, including any additional investment required. Given that spending on SEN in Jersey is broadly comparable with comparator countries, there may not be significant new investment required, but this is dependent on the future model agreed.¹⁰⁶

¹⁰⁶ This holistic review is required because there is a trade-off between the cost of delivery, the quality of service, and the complexity of management for a small island population. This review should consider each of these factors when making recommendations about the future funding and delivery model.

Policy option 5

Extend the years of mandatory education, which would incur higher direct costs of provision, but would improve outcomes for some young people and stronger economic outcomes through reduction in young people becoming not in education, employment or training (NEET)

Whilst the curriculum and approach in Jersey mirrors some key components of the UK's education model, there is currently no mandatory requirement for young people to be in education between the ages of 16 and 18. Jersey could consider raising the mandatory age of education, which may:

- Support the stated aim of "reducing the number of young people who become NEET".¹⁰⁷
- In the longer term, improve labour market participation and productivity of the Jersey economy through supporting young people to reach higher levels of qualification and skills. Higher levels of workforce participation are also proven to have wider social benefits on health and wellbeing.

Given the high levels of participation in education or employment from 16-18-year olds, there may be limited immediate benefit of completing this policy change. A softer option for consideration would be for GoJ to focus on further strengthening participation rates, rather than enforcing mandatory education for people in this age group.

If GoJ were to increase the age of mandatory education to age 18, the CYPES Skills team has estimated this would cost in the region of £600k.¹⁰⁸

¹⁰⁷ [GoJ Children and Young People's Plan 2019-23](#)

¹⁰⁸ Figure supplied by CYPES.

Policy option 6

Changing the **relationship between GoJ and fee-paying schools**, including offering greater autonomy and potentially means testing support for fees, rather than offering subsidised fee-paying education as a universal benefit

The Government of Jersey currently financially supports both non-fee-paying and fee-paying providers. The support to non-fee-paying providers represents a significant proportion of the overall education budget. Therefore, it may be beneficial for GoJ to review and change the support provided to fee-paying providers. Further, engagement undertaken as part of this Independent School Funding Review suggests that Government fee-paying schools are looking for greater levels of autonomy, in particular the ability to set their fees to the levels they consider appropriate.

If the GoJ were to reduce the level of financial support provided to fee-paying providers, this would in theory result in significant financial savings, which could be redistributed towards other parts of the education sector. We strongly recommend that any review of fee-paying support includes consideration of means testing within the system. This would help to ensure that a reduction in GoJ support to fee-paying providers does not have a disproportionate and negative effect on some parents. For example, this could be achieved through extending the current system of means testing for higher education support to the fee-paying schools' sector. Appropriate transitional arrangements would also need to be considered, to ensure that changes to fees support did not have a negative impact on current students at the fee-paying schools.

In order to change the relationship between GoJ and fee-paying schools there would need to be an extensive consultation and negotiation exercise, including work completed to scope the future relationship. This would include agreeing aspects such as:

- The level of grant provided by GoJ to fee-paying schools.
- Any conditions attached to that grant, for example establishing a system of means testing and implementing appropriate checks and balances on the setting of fees. This may also include considering equalising fee-levels between schools.¹⁰⁹
- Any other changes to the relationship between GoJ and fee-paying schools such as the ability to raise fees, ownership of land, maintenance of buildings or governance/oversight.

We anticipate that the outcome of this work would be a future model that reduces the level of grant currently provided to fee-paying schools. The combined allocation to fee-paying maintained schools and grant to fee-paying non-maintained schools is £9.4m¹¹⁰ a year, and therefore this would represent the absolute maximum revenue gains possible from this work. In reality we anticipate that this work would not remove the grant entirely, but instead reduce the level of grant and replace with

¹⁰⁹ Currently Jersey College for Girls and Victoria College have different fee levels without a clear rationale.

¹¹⁰ The allocation to fee-paying maintained schools in 2019 was £5.1m, and the grant to fee-paying non-maintained schools is £4.3m. This excludes any Central Services budget, and the 'All Schools Spend' line.

a system of means testing. This reduction in the grant provided to fee-paying schools could then be used elsewhere in the education system, for example to provide funding for other initiatives that may be high cost, such as strengthened Early Years provision.