STATES OF JERSEY

PROPOSED BUDGET (GOVERNMENT PLAN) 2026-2029 (P.70/2025) :TWENTY-SEVENTH AMENDMENT (P.70/2025 AMD.(27)) – COMMENTS

Presented to the States on 4th December 2025
by the Council of Ministers

STATES GREFFE

COMMENTS

The Council of Ministers oppose this proposal and urge States Members to reject the amendment.

Introduction

It is disappointing that this amendment has overshadowed a positive policy which will be of significant financial benefit to families at a time when they are telling us they need it most.

While grateful to the Deputy for her continued interest in delivering the CSP priority of extending provision of 15 free hours (term-time) to all 2–3-year-olds, there is a real risk that this amendment compromises our ability to deliver this from January 2026.

The Council of Ministers therefore respectfully ask Members to reject this proposition.

Background

It is important to remember why this CSP priority was proposed and approved by the Assembly. This additional investment in quality provision of early childhood education and care recognises the transformative, positive effects on young children.

The policy aims remain as follows:

- Maintain choice and increase the availability and accessibility of childcare
- Continue to improve outcomes for children under 5 years
- Ensure quality across early years services
- Reduce the cost of childcare to parents
- *Investing in Jersey* - establish an early year's childcare system that is attractive to those wanting to work in the Island or return to work

Our intention remains - to ensure that children and families can benefit from this financial assistance in early 2026.

Calculating the hourly rate

The economics team in the Department for Economy were 'commissioned' to work independently of CYPES with the Jersey Early Years Association (JEYA) to determine the cost of providing childcare for 2-3 year olds. Considerable time was invested into this process by all parties which resulted in an agreed base cost of £10.24 per hour for a 'specimen nursery'. This base cost included staffing to regulatory requirements, utilities, rent, insurance and some additional roles (SENCO, driver, chef). Staffing costs included in the modelling were typical of the sector (and above living wage).

The proposed hourly rate was increased to £11 to allow for inflation and sustainability. The rate proposed would be index linked to RPI, with the next increase being in September 2026.

The amendment refers to cross-subsidisation. 12 out of 28 early years settings are not registered to care for children under 2 years of age and would therefore not require additional funding for cross-subsidisation of younger children. It does not make financial sense to increase the hourly rate for some settings to be able to benefit from cross-subsidisation.

The amendment also mentions provision for 'reserves'. The £11 hourly rate included an element for sustainability. It is not appropriate or reasonable that Government provides any further allocation to reserves for private businesses.

Current hourly market rates

Desktop research identified 14-day nurseries from those listed on the Jersey Child Care Trust website. Of these, seven listed their prices. Five of the seven settings charge under £11 for all session types. The average hourly price charged across all session types and all providers is £10.10. It was therefore considered that the rate offered by Government was reasonable.

Affordability for parents

While the calculated rate is not felt to be financially viable for some settings, it would significantly reduce the financial burden of childcare costs experienced by families.

Research into parents' and carers' views on early childhood education and care in Jersey overwhelmingly tells us that more affordable childcare is a top priority (94%).[1]

Parents will be able to access up to £6,270 per eligible child, which will be a considerable support to them. This demonstrates that we have listened and are responding to their concerns.

Direct payments to parents

JEYA's written communication very clearly set out that the proposed scheme, which was based on the existing Nursery Education Funding (NEF) scheme, was unworkable in its current form. Following this communication, officers were tasked with actively exploring alternative payment models.

Ongoing meetings with the sector were not required while we actively explored alternative payment mechanisms. Further meetings would have been a distraction from working at pace to ensure the successful delivery and implementation of the policy.

Having had the opportunity to review alternative payment models, we are now able to move away from ongoing rate negotiations with the sector.

There are several benefits to making direct payments to parents. These can be summarised as follows:

1. Directionally correct – supports option for repositioning as a ***benefit**,* making it easier to align with existing parental benefits if agreed
2. Increases **parental choice**, **flexibility** and **maximises parental benefit** – addresses affordability constraints directly

[1] Parents' and carers' views on early childhood education and care in Jersey

3. Paying parents directly removes the term time constraint and any confusion over the 15-hour cap. It allows families to budget and access care year-round should they choose.
4. Ease of implementation – e.g. uprated annually rather than subject to sector negotiations/discussions.
5. Avoids significant increase in administrative burden for providers - paying parents directly removes the administrative burden for settings. Settings told us that the amount of work being required by them was underestimated and that the calculations can be onerous and time consuming.
6. Allows Childcare and Early Years Service (CEYS) to focus on promoting high-quality practice and adherence to regulations.

Addressing some of the concerns regarding direct payments to parents raised by the Deputy:

- **Increased bureaucracy:** There can be no short cuts in spending from the public purse. Provider payments already require a partnership agreement and significant levels of administration within Government. We must ensure that any payments made to individuals are subject to a level of oversight and accountability as would be expected and is in accordance with the Public Finances Manual.

- **Resource implications**: Once it became apparent that JEYA were unwilling to accept the offer, internal resources were rapidly diverted into developing the administration of a direct parental payment. There has been no additional bureaucracy or cost, just a redirection of work already being undertaken. A parental payment could be uprated annually without being subject to rate discussions, and requiring agreement from the sector.

It is the Deputy who is seeking additional funding by way of amendment. Pending approval of the upcoming Budget debate, there will be sufficient resources available to deliver this policy and make a meaningful difference for children and their families.

Accessibility of scheme

Work is underway to ensure that the payment process is as streamlined as possible, to minimise the impact on the busy lives of parents and carers. Parents will already be familiar with applying for a parental grant. This is simply an additional Government subsidy for which families can apply once their child reaches the age of eligibility.

For those families finding upfront payments a challenge, additional support will be provided. This cohort will benefit most from a universal offer. Identifying this cohort, and enabling access, is an additional benefit of the scheme – not a reason not to do it.

We have already demonstrated our ability to deliver on the pilot programmes for 2–3-year-olds. This has enabled children to access a provision that previously did not exist.

We will continue to work across Government and with our commissioned partners to ensure that children are identified early and that their needs are met.

Impact on childcare tax relief

An amendment to the Income Tax (Jersey) Law 1961 has been drafted and will ensure that parents and carers are not over-compensated by receiving tax relief on the amount paid by Government.

Officers continue to work with other departments to ensure that this work is aligned across Government.

Stakeholder positions

Ensuring a whole sector approach is key to the successful delivery and implementation of this scheme. Members are reminded of the significant amount of considered and collaborative policy work which led to this becoming a CSP priority.

- ISOS Partnership - Early Years Roundtable Series 2023/24 – aligns with policy imperative C[2]
- Parents and carers – cost of childcare highlighted as a significant issue[3]
- Jersey Child Care Trust (JCCT) – *'This universal offer represents a positive investment in Jersey's children and families. We support its aim to improve access and reduce inequality.'*[4]
- Jersey Association of Child Carers (JACC) – extremely positive and beneficial to parents, some concerns raised over impact of demand[5]
- Jersey Early Years Association (JEYA) – positive for parents, however does not represent investment in the sector. £11.00 *'keeps nurseries in a states of deprivation'*[6]
- Office of the Children's Commissioner – positive for access, affordability, child development and equity[7]

Supporting the childcare sector

While unable to agree on a universal rate across all providers, we remain committed to supporting the sector to ensure that the quality of provision is high.

Regular meetings are held between the Childcare and Early Years Service (CEYS) and registered providers to promote close working practices. Feedback is sought and acted upon to ensure no additional burden is created as we strive to maintain high standards of quality and compliance. The introduction of 15 hours of funded childcare will cause no material change to the way providers operate, and as such, no change has been made to the statutory requirements since their review in 2020.

Quality Frameworks promote a common understanding of what high-quality practice looks like and support an ongoing cycle of continuous improvement.

[2] Isos Early Years Roundtable Series 2023 to 2024.pdf
[3] Parents' and carers' views on early childhood education and care in Jersey.pdf
[4] Written-submission-Budget-2026-2029-Jersey-Child-Care-Trust.pdf
[5] Written-submission-Budget-2026-2029-Jersey-Association-of-Childcare-Providers-13th-November-2025.pdf
[6] Written-submission-Budget-2026-2029-Jersey-Early-Years-Association-14th-November-2025.pdf
[7] 2025-11-14-Submission-Children-s-Commissioner.pdf

CEYS are currently working with the Jersey Association of Child Carers (JACC) to develop a Quality Framework for registered childminders as they are committed to maintaining, improving and evidencing high quality childcare.

There is also new funding invested in the sector to support children with additional needs. Through internally commissioned work with Health and Care Jersey we will provide universal and targeted speech and language therapy support to all settings. Through externally commissioned work we are scaling up the level of support the Jersey Child Care Trust will be able to provide children, and the settings they attend.

Children's Rights Impact Assessment (CRIA)

Providing children with the best possible start to life is a critical priority for families and is essential for the Island's future, this requires an increased investment in early childhood education and care. A full Children's Rights Impact Assessment has been completed to support the proposed budget (States Assembly | P.70/2025 Add.).

As the CRIA screening for the Deputy's amendment sets out, there would be a negligible impact on children and their rights - it solely seeks to increase the funding paid to providers.

Summary and conclusion

We have been clear from the outset that we did not wish to overpromise and underdeliver.

While a modest uplift of the hourly rate may satisfy providers in the short term, it prolongs discussions on the rate and detracts from focusing on the most important issue of ensuring access to high quality provision for all children. It is alarming that the Deputy believes that the cost should be £12.08 but has brought forward a 'compromise' amendment of £11.50. It is not appropriate for fees for the provision of a service by private and voluntary sector businesses to be decided on the floor of the States Assembly.

This policy has always been about delivering for children and their families. We are keen to ensure that parents can access the support they need as soon as possible and would remind Members to focus on the positive difference that this will make.