

# MAJOR REVIEWS – STEERING GROUP REPORT

## EDUCATION, SPORT & CULTURE

### 1. Introduction

The Comprehensive Spending Review (CSR) is a response to the structural deficit forecast from 2011 and the need to at least match savings in the public sector with any proposals to increase taxation. The CSR is therefore targeted at delivering £50 million (10% of gross revenue spend) by 2013 from the expenditure levels approved in the 2010 Annual Business Plan.

Accordingly, States departments have been asked to identify savings of 10% - 2% in 2011, 3% in 2012 and 5% in 2013 - based on 2010 budgets.

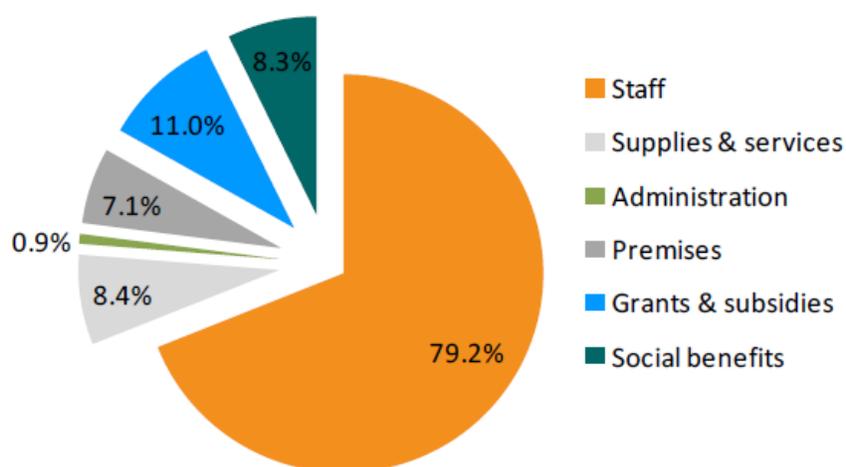
Consequently, the Education, Sport and Culture Department (ESC) has been asked to identify savings of £11.1 million by 2013.

#### a) Education, Sport and Culture

ESC provides a number of statutory and non statutory services and its 2010 budget totalled £99.5m. The budget over the service areas together with staff numbers is detailed in the table below:

	Gross £	Income £	Net £	% of total	FTE
Pre-School	3,416,000	(21,100)	3,394,900	3.4%	46.9
Primary NFP	21,455,300	(58,300)	21,397,000	21.5%	394.5
Secondary NFP	21,801,600	(212,600)	21,589,000	21.7%	371.0
Fee Paying	12,761,400	(8,110,000)	4,651,400	4.7%	199.3
Grants to FP Schools	4,725,600	-	4,725,600	4.7%	-
Tertiary	10,643,300	(2,373,400)	8,269,900	8.3%	152.1
Student Finance	8,181,500	-	8,181,500	8.2%	2.2
Special Needs	7,589,400	(6,800)	7,582,600	7.6%	144.0
Library	1,664,100	(55,700)	1,608,400	1.6%	28.0
Youth Service	1,822,900	(403,000)	1,419,900	1.4%	32.5
Sports Division	6,865,000	(3,505,100)	3,359,900	3.4%	89.0
Arts / Heritage	3,706,000	-	3,706,000	3.7%	1.0
Other Front Line	1,865,000	(140,000)	1,725,000	1.7%	29.4
Directorate / Secretariat	177,750	-	177,750	0.2%	1.0
Schools & Colleges Support Team	2,084,773	(190,000)	1,894,773	1.9%	16.6
Culture & Lifelong Learning	177,587	-	177,587	0.2%	1.0
Sport & Leisure Support Teams	1,042,037	(83,500)	958,537	1.0%	17.8
Policy & Planning	913,094	-	913,094	0.9%	12.3
ICT Support	1,579,463	-	1,579,463	1.6%	4.7
Finance / HR / Insurance	1,063,458	(158,400)	905,058	0.9%	6.1
Local Society Grants / Jersiaise	201,066	-	201,066	0.2%	-
Long Term Sickness / Maternity	1,178,072	(80,000)	1,098,072	1.1%	-
	<b>114,914,400</b>	<b>(15,397,900)</b>	<b>99,516,500</b>		<b>1,549.4</b>

The following pie chart shows how the expenditure is split over types of spend, staff accounting for nearly 80%.



#### **b) In depth reviews**

The CSR process identified 6 in depth reviews to be undertaken. These encompassed the 4 major departments within the States (Health and Social Services, ESC, Home Affairs and Social Security) together with one covering all Terms and Conditions of all States employees and another examining Court and Case Costs, an element of States expenditure which has consistently overspent its budget.

#### **c) Role of Steering Group**

Steering Groups were set up for each of the major reviews and their role and composition is attached at Appendix A together with their governance structure. This report of the ESC Steering Group, together with those of the other Groups, will be presented to a Political Board comprising the Minister and Assistant Ministers of ESC, a Minister representing the CSR process and an independent Minister on 21 September 2010.

#### **d) Structure of this Report**

Section 2 – Comments on the findings from the major review into ESC

Section 3 – Review of the savings put forward by ESC to achieve their 10% savings targets by 2013

Section 4 - Conclusions and Steering Group comments

## **2. ESC Major Review**

- a) The high level Terms of Reference for the major review are attached at Appendix B. As ESC had already commissioned a number of reviews/projects covering a range of services

provided by the department, it was agreed that the CSR major review would provide a peer challenge of these reviews and assess them for their contribution to achieving the CSR savings target. Tribal were appointed to undertake this work.

- b) The 10 reviews assessed by Tribal were:
- (i) Funding of Primary and Secondary Education
  - (ii) Review of options for the Island's Secondary Education
  - (iii) Vocational provision for 14-19 year olds
  - (iv) Review of fees policy at Highlands College
  - (v) Review of financial support of students – higher education
  - (vi) Review of data information management
  - (vii) Review of the impact of demographic trends
  - (viii) Review of Social Inclusion
  - (ix) Review of the management structure across ESC services
  - (x) Review of the cultural service
- c) The departmental objectives of these reviews were to provide background analysis, commentary and industry experience to inform future policy formation within the department. Tribal assessed the 10 reviews against 10 key measures in order to assess their robustness and contribution to the financial objectives of the CSR and RAG rated them accordingly. Two of the key measures were:
- The extent to which the review identified and focused on CSR financial objectives; and
  - The extent to which there are savings opportunities identified in the report
- For these two measures, of the possible 20 scores (10 reviews assessed over these two criteria), the RAG rating showed 12 Reds, 5 Ambers and 3 Greens. The green ratings were on the review of demographics and social inclusion ((vii) and (viii) above) and the outcomes of these reports have been fed into the CSR proposals for 2012/13.
- d) As Tribal report stated, 'most of the work was not designed to meet the financial objectives of the CSR.' It informed the CSR process but did not yield savings. For this reason, Tribal's main analysis was then focussed on assessing the department's proposals to achieve the CSR savings targets.

### **3. ESC's CSR Proposals**

- a) ESC's CSR savings targets total £11.1 million comprising:
- 2011 - £2.288 million (2%)
  - 2012 - £3.363 million (3%)
  - 2013 - £5.438 million (5%)
- b) Although the ESC Minister had agreed to the full 2011 savings in May this year, an amount of £1.3 million remained unallocated when the 2011 Business Plan was lodged in July. Tribal assessed proposals to achieve this balance of savings together with the 2012 and 2013 requirements.

c) ESC put forward areas where savings totalling £8.3 million could be achieved which Tribal assessed and rated on a RAG basis over 3 criteria:

- Financial calculation
- Feasibility
- Achievability in the timescales

The outcome is shown below:

	£'000 annual amount by 2013	Financial calculation	Feasibility	Achievability in timescales
<b>Savings that require reconfiguration of resources</b>				
Nursery education (reduction in hours)	£500k	A	G	G
Delivery of a more efficient model of secondary education	£1,000k	R	A	R
Alternative curriculum provision re- configuration	£250k	A	G	G
Exploration of different models of collaboration within the tertiary sector	£1,000k	R	A	A
Youth service management	£100k	G	G	G
Sports management team	£180k	G	G	G
<b>Savings which involve reducing grants or increasing income</b>				
Grants to schools	£4,494k	G	G	A
Instrumental and music charges	£200k	G	G	G
Increase sports charges	£160k	G	G	G
Reduce grants to sporting bodies	£160k	G	G	G
<b>Other headings under £100k</b>	£167k			
<b>Total savings not previously included in CSR</b>	£8,311k			

- d) Based on this assessment, ESC has pushed two of the proposals – the delivery of a more efficient model of secondary education (£1m) and the exploration of different models of collaboration within the tertiary sector (£1M) – back to be delivered in the period 2014/16, outside the main CSR timescales.
- e) Tribal subsequently identified a number of possible additional savings which were achievable by 2013 and these have now been included in ESC's submission. These are:

Description	£'000 annual amount by 2013	Technical feasibility	Financial feasibility
Structure and organisation of secondary and post 16 provision	£250k	G	A
Secondary education PTRs and productivity	£300k	G	A
Efficiency savings in the primary sector	£300k	G	A
Pay and conditions (specific issues)	£200k	G	A
<b>Total</b>	<b>£1,050k</b>	<b>G</b>	<b>A</b>

- f) These savings still fall short of the CSR target and the Steering Group, at its meeting on 24 August 2010, suggested that some departmental targets should be set to further reduce expenditure. The following table summarises the areas discussed with broad estimates of potential savings:

Savings opportunity	Already in CSR (per annum)	Additional potential (per annum)	Feasibility
Youth service management (major service cuts)	£0.1m	£0.6m	R
Pre-school provision (reduce to 15 hours in all sectors)	£0.5m	£0.7m	A
Sports charges (increase across the board by 10%)	£0.2m	£0.2m	G
Energy in ESC (10% saving)	-	£0.2m	G

Teachers allowances & supplements (hard approach)	£0.2m	£0.4m	R
Part time & agency staff (cut back)	-	£0.1m	A
Schools maintenance costs (more effective procurement - 25%)	-	£0.2m	G
Sports maintenance costs (more effective procurement - 25%)	-	£0.1m	G
Caretakers in primary schools (25% reduction)	-	£0.2m	R
<b>Total additional potential (excluding grants below)</b>		<b>£2.7m</b>	
Grants to fee paying schools (longer term – eliminate)	£4.5m	£5.2m	A

However, following further analysis, only one of the above proposals – reduction in maintenance – has now been submitted as part of ESC's CSR proposals.

- g) The figures for some of the proposals have now been refined and a high level summary of the savings being put forward is shown below.:

Description of Service and Objectives	2012 Savings		2013 Savings		2014-2016 Savings	
	£'000	FTE	£'000	FTE	£'000	FTE
<b>Schools and Colleges</b>						
<b>Pre School Education</b> Remove the inequity in nursery education by bringing public provision in line with private provision. All children will receive 20 hours free per week during term time.	(276)					
<b>Primary Education (Non Fee Paying)</b> Efficiency savings in the primary sector.			(300)	-12		
<b>Secondary Education (Non Fee Paying)</b> Falling school rolls and re-configuration of the secondary catchment areas					(1,000)	-20

Additional savings in tertiary education proposed by Tribal by closer collaboration between institutions.					(125)	-3
Further efficiency savings in secondary education through a review of PTRs as proposed by Tribal					(300)	-6
Strengthening leadership structures, workforce remodeling and performance management – as proposed by Tribal.					(200)	0
<b><u>FP Education (Provided Schools)</u></b> 50% reduction in funding to fee paying schools and introduce property occupancy charge	(1,091)		(755)		(240)	
<b><u>FP Education (Non -Provided Schools)</u></b> 50% reduction in funding to fee paying schools	(889)		(592)			
Cease grant to independent preparatory schools.	(294)		(196)			
Bring funding policy for small primary schools in line with other fee paying primary schools	(89)		(59)			
<b><u>Special Educational Needs and Special Schools</u></b> Introduce a new model of vocational education for Key Stage 4 students requiring an out of school placement.			(250)	-4		
<b><u>Instrumental Music Service</u></b> Introduce charges for the Jersey Instrumental Service.	(84)		(50)		(40)	
<b>Culture and Lifelong Learning</b>						
<b><u>Further, Vocational, and Tertiary Education (Including Highlands College)</u></b> Increase collaboration in non fee-paying post 16 education.					(1,000)	-20
Additional efficiency savings in tertiary education proposed by Tribal.					(125)	-3
<b><u>Public Libraries</u></b> Review provision of library services to the west of the island.					(60)	-1.7
Remove funding for trainee librarian			(32)	0		
<b><u>Youth Service</u></b> Restructure Youth Service management			(100)	-2		
<b><u>Culture</u></b> 5% reduction in grants to Jersey Arts Trust, Jersey Arts Centre, Jersey Opera			(59)			

House and Le Don Balleine.						
<b>Sport and Leisure</b>						
<b>Sports Centres</b>	(23)	-1				
Restructure the customer services team resulting from the introduction of the online booking system at Fort Regent.						
Restructure of Sports and Leisure management team			(160)	-3		
Increase sports charges by approximately 3% above normal cost increases.	(53)		(54)			
<b>Playing Fields and School Sports</b>	(80)					
Introduce devolved model of pitch management.						
<b>Grants and Advisory Council</b>	(160)					
Reduce grants to clubs, individuals and governing bodies						
<b>Playschemes and Outdoor Education</b>	(80)	-1				
Introduce new model of delivering holiday activity clubs						
<b>Total</b>	<b>(3,119)</b>		<b>(2,607)</b>		<b>(3,090)</b>	
<b>Target</b>	<b>3,363</b>		<b>5,438</b>			

The table above shows that the 2012 and 2013 proposals fall short of the targets by £3.1 million by 2013 although savings are identified in the years following. It should also be noted that this summary includes £281,000 of direct user pays charges (charges for sport and instrumental music charges) whereas departments were asked to make actual reductions on gross budget to achieve the 10% target and submit user pays proposals over and above. ESC has correctly identified this on their revised CSR templates.

*Note: Since the production of this report, further work has been done in relation to nursery education. Initial proposals to reduce public sector provision to 20 hours have been reconsidered. To ensure there is enough capacity to meet parental demand and to remove the current inequity it is now proposed that charges are introduced for any additional optional hours of nursery education. This brings the public sector into line with the private sector. Depending on the uptake, this would affect the perceived extent of user pays proposals.*

- (h) An analysis of 2011/16 proposed savings (attached at Appendix C) over the department's service areas shows that non educational areas of the budget have also taken a share of the savings.

## Steering Group Conclusions and Comments

- (a) At the outset of this review, ESC identified the areas where it would make savings and submitted the full 10%.

- (b) Based on the Tribal Review, which suggested that the savings associated with structural reform of the education system would be difficult to realise in the period 2011 -2013, ESC has postponed the delivery of these until 2014, leaving a shortfall of £3m in 2013.
- (c) The Steering Group acknowledges that staff costs account for 80% of ESC's expenditure and over 50% of the budget is spent on primary and secondary education. Major service redesign as to how education is delivered in the Island will take time. The mismatch between the academic and the financial years also creates difficulty in achieving CSR timescales.
- (d) In arriving at the initial list of savings ESC considered the potential for savings across all areas of business, including those that are non-statutory such as the Youth Service, the Library Service, Sport, nursery education and grants, including higher education. Savings have been taken in a number of these areas which are, for the most part, discretionary spend.
- (e) The Steering Group is of the view that, if ESC is required to meet the 10% savings target set within the timeframe of the CSR process and find an additional £3m without bringing forward educational reform, the short fall would need to be met from these remaining areas of the budget.
- (f) The Steering Group does not underestimate the considerable difficulty associated with finding savings in some areas such as higher education. Nor does it anticipate that the closure of a major sports facility would be easily achieved. It does however believe that ESC needs to reconsider whether there is potential within these non-school areas of the budget to make up some of the shortfall.
- (g) The Steering Group is also concerned at the level of growth submitted by ESC for 2012/13 - £13.15million. This can be broadly categorized as follows:

Terms and Conditions of Service for Teachers	£800k
ICT Strategy	£652k
Initiatives developed through fiscal stimulus funding	£1.70m
Shortfall in current Higher Education Budget	£800k
Potential Impact of unknown changes to HE funding in UK	£9.20m

- (h) Whilst Steering Group appreciates that this range of growth has been included to draw attention to funding pressures that will either require a change to policy or funding, in total they exceed the total savings so far identified in 2011-2012. This is unsustainable in the current context. It is therefore the view of the Steering Group that the £9.2m relating to unknown changes in HE funding in the UK be removed until after the proposed changes are known and understood. At that time it would be necessary to review policy in this area. The remaining balance should be subject to further in depth analysis and review.

### THE ROLE OF THE STEERING GROUP

A generic terms of reference was developed for the steering groups along with a governance structure which was approved by the Council of Ministers.

The Steering Groups were given three prime responsibilities:

1. To steer each major review and ensure the Terms of Reference for each review are delivered on time and within budget.
2. To provide an independent challenge and review on the relevant department's services and operations including:
  - (a) Financial overview:
    - The allocation of budgets across service areas
    - The level and nature of overheads
  - (b) Organisational and management structure and opportunities for reform
  - (c) Alternative service delivery options
  - (d) User pays/charging options
3. To present a report to the Ministerial Board setting out how savings could be achieved, identifying those which would be as a result of efficiency; major restructuring without reducing outcomes; and those which would result in reductions in outcome. For each option it should identify the service and public implications, together with an indication of what would be necessary to implement the option.

The membership of the Home Affairs Steering Group is:

- Stephen Regal (independent Chairman)
- John Richardson (Deputy Chief Executive of the States)
- David Warcup (independent Chief Officer)
- Mario Lundy (Chief Officer, ESC)

The Steering Group has met on 6 occasions including its inaugural meeting held on 22 June 2010.

#### **The role of the Consultants**

The independent consultants appointed to undertake the peer review were Tribal – a leading UK consultancy specializing in Public Sector reform. Tribal were asked to undertake a review according to the terms of reference attached at Appendix B.

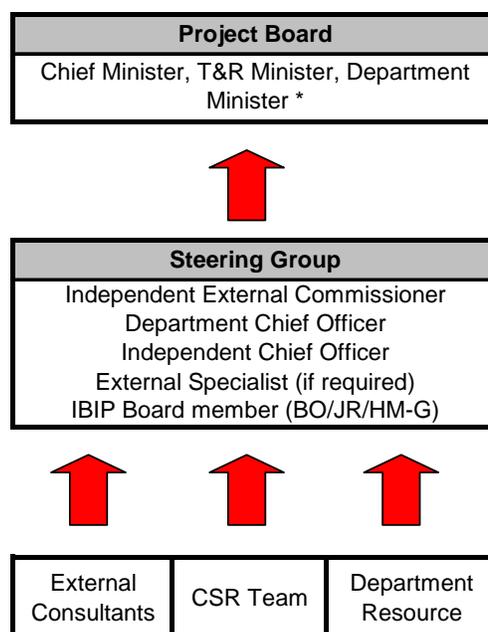
Tribal is the leading provider of consultancy and support services to the public sector. It employs over 2,000 staff in more than 40 offices across the UK, serving over 2,500 clients. The company works with a wide range of organisations including schools, hospitals, local authorities, housing associations and government departments. Many of its staff have worked within the public sector and are nationally recognised leaders in their field.

## MAJOR REVIEWS – GOVERNANCE STRUCTURE

The Council of Ministers has approved the following governance structure for the major reviews being undertaken as part of the CSR.

The following diagram shows the proposed governance structure:

### MAJOR REVIEWS - GOVERNANCE STRUCTURE



*\* For the Terms and Conditions Review, the Project Board will be the SEB*

#### The following comments further explain the process:

1. The Project Board will agree the Terms of Reference of the review and receive the final report from the Steering Group.
2. The Steering Group will meet regularly throughout the project and ensure the Terms of Reference are delivered.
3. It is envisaged that either the independent external reviewer or the independent chief officer would be the Chairman of the Steering Group.
4. The main work of the reviews will be undertaken by external consultants appointed by the Steering Group or internally with external peer review. It should be recognised, however, that some support both from the CSR team and the relevant department will be necessary. In addition, there will be a requirement for a Project Manager to be identified to manage the review which, ideally, will be someone from within the department

## Education Sport & Culture – Major Reviews

### Introduction

The States of Jersey has initiated a Comprehensive Spending Review (CSR) which will analyse all areas of States spending to identify ways to save money, to understand the implications of any proposed savings and also to target improvements. There will be 6 major reviews, one of which will be Education, Sport and Culture (ESC).

### Objectives of the Review

The key objectives of the major reviews are to:

- identify the major cost drivers for the department to identify current and future major spend areas
- benchmark major spend areas with other jurisdictions to determine areas for efficiency review
- review identified areas of concern to maximise savings ie
  - providing the same service at a lower cost
  - deliver the same policy outcome by different means
  - deliver a different policy outcome
- identify improvements where planning and control weaknesses are shown

### Background

The CSR is targeted to find total savings of £50m (10%) by 2013 from the current business plan. Options for ESC contribution towards these savings will be identified as part of the Review. However, the expectation is for opportunities to the value of at least 10% of the level of forecast spend to be identified which is £11.1 million by 2013.

### Scope

The reviews currently being undertaken by ESC cover the major policy and expenditure areas of the service, namely:

1. Funding of primary and secondary education
2. Review of the options for the Island's secondary education system
3. Vocational provision for 14-19 year olds
4. Review of fees policy at Highlands College
5. Review of current arrangements for the financial support of students following programmes of higher education
6. Review of data information management
7. Review of impact of demographic trends
8. Review of Social inclusion
9. Review of Jersey Library Service
10. Review of the management structure across the ESC service
11. Review of Cultural Strategy
12. Review of ESC property portfolio

## Appendix B

Detailed terms of reference have been prepared for each review (summary attached) and specialist consultants identified.

In addition, the scope of the work will support the Comprehensive Spending Review objectives and will thus also cover the following:

1. A diagnostic phase to collate all relevant financial and non financial information on key service/activity areas including inputs and outputs and benchmarking/unit costs where appropriate.
2. An assessment of cost drivers within other areas of the department to determine where additional savings could be made.
3. Appropriate benchmarking of key service areas to determine how they compare with best practice organisations.
4. An assessment of changes required in the short term and longer term to improve efficiency and effectiveness, including proposals to change policy and legislation.
5. Identification of prioritised savings opportunities, up to the value of 10% of forecast spend (value to be confirmed), with impacts, risks, costs and implementation plan.
6. Real cost pressures the department is expecting to face over the next three years and consider potential solutions

### **Detailed work programme:**

As outlined in each of the detailed terms of reference (attached below)

To ensure the robustness of the ESC reviews, and to ensure that the major areas impacting on expenditure are addressed by each of the individual reviews, the programme will be subject to an overarching peer review by an external independent consultant.

### **Governance**

A Steering Group will oversee the review and arrange regular meetings to monitor progress. The Group needs to be finalised but thus far will comprise:

- Chief Officer – Mario Lundy
- Independent Chief Officer - David Warcup, Chief of Police
- A member of the IBIP Programme Board (Bill Ogle/Hugh McGarel-Groves/John Richardson)
- An external independent – Stephen Regal (Chairman)

### **Deliverables**

1. Comprehensive reports and proposals covering all areas listed under the scope.
2. The completion of the CSR pro-formas.
3. Delivery of 10% savings by 2013

### **Timescales**

The overarching review to report back by the end of August

### **Resources**

In addition to specialist consultants, ESC have seconded a senior finance officer to oversee the review programme and the ESC SMT are dedicating a full day each week for the CSR process.

ESC may request financial assistance for part of their review programme. This is still being assessed.

## Appendix B

	<u>Title of ESC Review and Terms of Reference</u>	Date for Reference to Scrutiny	Planned Completion Date
<b>1</b>	<p><b>Funding of Primary and Secondary education</b></p> <ul style="list-style-type: none"> <li>- A strategic review of the funding arrangements for education in Jersey looking both at the system for allocating resources to the Department from the States and the systems used by the Department to allocate resources to institutions.</li> <li>- Consideration will be given to whether the arrangements are fit for purpose in the light of challenges that can be envisaged over the next ten years, including demographic changes, the economic downturn and changing patterns of participation.</li> <li>- The review will also consider the funding arrangements for fee paying schools.</li> </ul> <p style="text-align: center;"><b>Review of Education Funding</b></p> <p><i>DESC wishes to commission a strategic review of the funding arrangements for Education in Jersey looking both at the system for allocating resources to the Department from the States and the systems used by the Department to allocate resources to institutions. It will consider whether the arrangements are fit for purpose in the light of challenges that can be envisaged over the next ten years including demographic changes, the economic downturn and changing patterns of participation. It will consider specifically the funding arrangements for fee paying schools.</i></p> <p><i>The work will be undertaken through a mixture of desk research, analysing documentation supplied by the DESC and Treasury and interviews with key stakeholders. The full extent of stakeholder interviews will be determined in consultation with the Department but as a minimum will include senior DESC officers and staff from the Treasury. It will be undertaken primarily in April and May 2009 with a report in early June.</i></p> <p><i>The terms of reference for the review are:-</i></p> <ol style="list-style-type: none"> <li><i>1. To describe the arrangements by which DESC receives funding from the Treasury including the timetable applied, the data used and any formulae or explicit principles involved.</i></li> <li><i>2. To describe the various mechanisms by which DESC allocate resources to institutions with a specific focus on public and private schools and the college.</i></li> </ol>	May 2010	September 2010 (PR)  <i>Mick Fletcher (see Consultancy documents)</i>

3. *To identify issues of concern to stakeholders about the current operation of the arrangements and their operation in future.*
4. *To assess how far and in what ways the arrangements might need to be changed to promote transparency, equity and efficiency in the Departments operations now and in the future.*
5. *To consult stakeholders on possible options for change.*
6. *To provide a written report with recommendations.*

**Review of Education Funding Phase 2**

*In 2009 DESC commissioned a strategic review of the funding arrangements for Education in Jersey looking both at the system for allocating resources to the Department from the States and the systems used by the Department to allocate resources to schools. Its aim was to help identify whether the arrangements were fit for purpose in the light of challenges that could be envisaged over the next ten years including demographic changes, the economic downturn and changing patterns of participation. The review was to consider specifically the funding arrangements for fee paying schools.*

*The first stage of the review:-*

1. *Described and assessed the arrangements by which DESC received funding from the Treasury including the timetable applied, the data used and any formulae or explicit principles involved.*
2. *Described and assessed the various mechanisms by which DESC allocated resources to institutions including both public and private schools and the issue of fees.*
3. *Identified issues of concern to stakeholders about the current operation of the arrangements and their operation in future.*

*The second stage will now:-*

1. *Work with representatives from schools and the Department to develop, cost and assess proposals for changes to the way in which schools are funded.*
2. *Take into account the reports of the Inclusion Review, the 14-19 curriculum review, the review of the structure of secondary education and the demographic review being undertaken concurrently*
3. *Reflect the new funding context for the Department which identifies specific annual cuts and uncouples funding levels from demographic change*
4. *Prepare recommendations for a revised funding method for consideration by DESC in June 2010*

## Appendix B

	<p>There are currently a number of reviews being carried out within the Department and, in light of demographic changes and the economic recession, there is some urgency to this review. In particular, an independent opinion is sought from an individual who will have considerable experience of funding arrangements in the United Kingdom. The output will be produced for the States of Jersey.</p>		
<b>2</b>	<p><b>Secondary education – a review of options for the Island’s secondary education system</b></p> <ul style="list-style-type: none"> <li>• The review will bring together the findings of a number of reviews: vocational provision for 14-19 year olds; review of demographic trends; school funding and social inclusion and will consider the options for secondary education in Jersey which will enable the service to improve and broaden its curriculum offer to students in a cost effective and efficient way.</li> </ul>	April 2010	June 2010 (ML/DG)  <i>Amalgamation of external reviews)</i>
<b>3</b>	<p><b>Vocational provision for 14-19 year olds</b></p> <ul style="list-style-type: none"> <li>• A review of vocational provision for 14-19 year olds in Jersey.</li> <li>• A number of previous studies have concluded that students would benefit from a broader curriculum offer which includes vocational options.</li> <li>• Part of this review will be completed within the work described in (2) above. Additionally however, the Skills Board in 2010 will be making recommendations regarding improvements to existing apprenticeship arrangements.</li> </ul>	April 2010	June 2010 (DG)
<b>4</b>	<p><b>Highlands College – a review of Fees Policy.</b></p> <ul style="list-style-type: none"> <li>• The review will follow on from a review of funding methodologies conducted during 2009.</li> <li>• A review of the basis upon which the College sets fees for tuition.</li> <li>• During 2010 the two reviews, allied to work undertaken on funding, governance and quality standards, will be collated into a single document describing policies and procedures for determining funding, fees and quality of Further Education provision under the headings of learning, organisation, relationships and achievement.</li> </ul>	April 2010	June 2010 (DG)  <i>Mick Fletcher – Highlands College funding methodology review and fees policy)</i>

## Appendix B

<b>5</b>	<p><b>Review of current arrangements for the financial support of students following programmes of higher education</b></p> <ul style="list-style-type: none"> <li>• A full review of the current arrangements for financial support, taking account of changes in the overall level of support since 2001.</li> <li>• The review will also examine potential changes to university funding by the U.K. Government which may have an impact on local arrangements.</li> </ul> <p><i>Following a review of the money being spent on undergraduate grants there was a recognition that:-</i></p> <ul style="list-style-type: none"> <li>a) <i>the balance of spending on higher education has shifted between the States and other parties, and</i></li> <li>b) <i>the level of funding has been fixed for three years.</i></li> </ul> <p><i>The net result has been an increase in the numbers of people who are having problems in meeting the cost of higher education.</i></p> <p><i>The review will use real data from the past 3 years to create a costed model for the provision of student awards that will consider possible scenarios based on:-</i></p> <ul style="list-style-type: none"> <li>• <i>Changing the level of the income threshold below which a student would be eligible for a “full” grant. Currently £26,750;</i></li> <li>• <i>Changing the maximum payment that ESC makes towards living costs. Currently £5,000;</i></li> <li>• <i>Changing the percentage rate that is applied to gross income when calculating the award. Currently 20.25%;</i></li> <li>• <i>Changing the level of the student loan.</i></li> </ul>	October 2010	December 2010 (DG)  <i>Dave Cochrane (See Consultancy documents)</i>
<b>6</b>	<p><b>Data and Information Management:</b></p> <p>A review of current provision of data and management information across the ESC service, with the principal objectives including the following:</p> <ul style="list-style-type: none"> <li>• To develop a comprehensive projection database including school admissions &amp; transfers;</li> <li>• To produce policy guidance for schools on the management of school budgets;</li> <li>• To assess appropriate performance indicators developed across the service.</li> </ul>	n/a (See Note 1)	December 2010 (JH)  <i>See Project Initiation Document</i>

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<b>7</b>	<p><b>Review of Impact of demographic trends</b></p> <ul style="list-style-type: none"> <li>A review of the impact of demographic trends on the primary and secondary education sectors in the period up to 2020, including catchment areas.</li> </ul>	April 2010	July 2010 (JH/JW) <i>Internal ongoing review (see attached)</i>
<b>8</b>	<p><b>Social inclusion:</b></p> <p>To take stock of inclusive educational practice in Jersey:-</p> <ul style="list-style-type: none"> <li>What has been the impact of our policy and investment?</li> <li>Is our inclusion strategy right?</li> <li>Is our inclusion strategy realistic?</li> <li>How far is it being implemented?</li> <li>What is the day to day school experience of our vulnerable pupils?</li> </ul> <p>The Review will:</p> <ul style="list-style-type: none"> <li>clarify and restate the Department's policy, to reflect the definition of inclusion adopted as part of the Inclusion Funding Review and the criteria for successful deployment of the resources allocated to schools to support the delivery of inclusive practice;</li> <li>consider how the Department, schools and agencies work together to implement the inclusion agenda;</li> <li>encompass stakeholder views, exemplar school practice, and the school experience of vulnerable children/young people;</li> <li>identify strengths and good practice for generalizing across Education, as well as development points for the Department, schools and agencies.</li> </ul> <p>The review will be conducted over the course of 2009, with a view to the resultant recommendations being implemented from 2010.</p>	April 2010	June 2010 (ML/ Jo Forrest)

<b>9</b>	<p><b>Review of Jersey Library Service:</b></p> <ul style="list-style-type: none"> <li>Development of next four year strategic plan for the Library Service, taking account of the work on the ESC Strategic Plan.</li> <li>The Library Service's strategic plan will take account of developments in library services in the UK and</li> </ul>	October 2010	December 2010 (DG/ Pat Davis)  <i>Review not yet commenced</i>
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	<p>elsewhere.</p> <ul style="list-style-type: none"> <li>In addition to setting out a programme for the next four years, the strategic plan will develop a vision and roadmap for the Library Service for the period up to 2024.</li> </ul> <p><b><i>Detailed Terms of Reference to be agreed with the Comptroller and Auditor General.</i></b></p>		<p><i>, to be carried out by Comptroller and Auditor General)</i></p>
<p><b>10</b></p>	<p><b>Review of management structure across the ESC service</b></p> <ul style="list-style-type: none"> <li>An external review of the management structure of the ESC Department, including the management structure of the Youth Service.</li> </ul> <p><i>To conduct an external review of the management structure of the ESC Department, including the management structure of the Youth Service (Ref JMEH/13.1.10) in consultation with the Director of ESC for presentation to the Minister and Assistant Ministers for Education, Sport and Culture.</i></p> <p><i>The Process will include the following stages: an introductory visit; an evaluation of current ESC reviews; agree a draft statement on context and challenges; verify, amend and amplify draft review in light of interviews with Minister, Headteachers and staff in ESC and other States Departments; finalise and present review to Senior Management.</i></p>	<p>February 2010</p>	<p>April 2010 (ML)</p> <p><i>Roy Pryke (see Consultancy documents)</i></p>

<p>11</p>	<p><b>Review of Cultural Strategy</b></p> <ul style="list-style-type: none"> <li>• A review of progress in implementing the objectives of the Cultural Strategy, adopted by the States in 2005.</li> <li>• This review will take account of changes since 2005 with a view to developing a new vision and strategy to cover the period up to 2015.</li> <li>• The review will also identify the total projected costs of implementation.</li> <li>• This review will be progressed in two parts: the first will take the form of a report and proposition (to be lodged by the end of January 2010) setting out options for the future development of the Jersey Heritage Trust, and the second (to be presented to the States by the end of April 2010) will address the wider aspects of the Cultural Strategy and its implementation.</li> </ul> <p style="text-align: center;"><b>Jersey Heritage Trust Financial and Business Review</b></p> <p><i>BDO Alto have been engaged by ESC as follows:-</i></p> <p><i>“... to undertake a Financial and Business Review on the Jersey Heritage Trust (‘JHT’) in advance of, and to support, any further monies being provided to JHT by way of grant or otherwise.</i></p> <p><i>The over-riding objective is to review the current financial position of JHT, financial forecasts and business plans as well as governance arrangements and to enable Education, Sport and Culture (‘ESC’) to develop a deeper understanding of the position of JHT, as well as its medium to longer term operating and financial opportunities and risk ...”.</i></p> <p><i>Specifically BDO Alto has:</i></p> <ol style="list-style-type: none"> <li><i>1. Undertaken detailed due diligence on Jersey Heritage Trust, and in particular have reviewed the financial condition of the Trust and the financial governance and reporting arrangements in place;</i></li> <li><i>2. Facilitated detailed dialogue between the ESC Ministerial team and the Directors and Trustees of Jersey Heritage, to determine a forward looking plan; and</i></li> <li><i>3. Presented findings of the diligence process to both</i></li> </ol>	<p>n/a (See Note 2)</p>	<p>April 2010 (DG/RMcL)</p> <p><i>BDO Alto (see Consultancy documents)</i></p>
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	<p style="text-align: center;"><i>the ESC Ministerial team as well as the Directors and Trustees of the Trust.</i></p> <p><i>Following the presentation of the detailed review findings to the Ministerial Team and BDO's subsequent meeting with the Jersey Heritage Chairman, Director, Finance Director and Honorary Financial Adviser, the engagement has entered a second phase – being the identification and actioning of immediate cost saving opportunities.</i></p> <p><i>This document is to form an Addendum to the original terms of engagement, in respect of Phase II and to confirm BDO's engagement to undertake the following specific tasks:</i></p> <ol style="list-style-type: none"> <li><i>1. Utilising knowledge and information developed during Phase I of this review, to identify and facilitate (through meetings between ESC and Jersey Heritage) the actioning of immediate cost saving opportunities;</i></li> <li><i>2. To prepare a summary report to the Minister to set-out the savings identified, actioned and the total normalised operating cost of the Trust as a result (this report may need to be disclosed or made public at a future point in time);</i></li> <li><i>3. The summary report should deal with other significant matters, and specifically the capital requirements of the Trust (based on management's best estimate); and</i></li> <li><i>4. The summary report referred to above will support the Minister's intended proposition to the States of Jersey.</i></li> </ol> <p><i>This Phase II engagement to take effect following the presentation to the ESC Ministerial team on 29 January 2010.</i></p>		
<b>12</b>	<p><b>ESC Property Portfolio Review</b></p> <ul style="list-style-type: none"> <li>• A review of ESC property requirements, to be conducted in cooperation with the Property Holdings Department, to support the long-term requirements of the ESC service</li> </ul>	n/a (See Note 3)	<p style="text-align: center;">June 2010 (JH)</p> <p style="text-align: center;"><i>Internal review – not yet commenced</i></p>

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Note 1: This review encompasses a range of operational projects relating to data and information management, and should further improve the ESC Department's ability to collate, interrogate and analyse data, both for reporting purposes and for forward planning.

Note 2: This review will be presented to the States by April 2010, in line with the States decision of September 2009 on the States Annual Business Plan 2010.

Note 3: This is a review of the operational requirements of the ESC service, and any projects needing capital funding will be subject to the approval by the States as part of the States Annual Business Plan.

**Education, Sport and Culture  
Savings Allocated**

	2011 Direct Budgets Before Savings			2011 Original	2011 New	2012	2013	2014-2016	Total Savings	% of Net	% of Gross
	Gross Exp	Income	Net								
<b>Direct Service Areas</b>											
E11 - Pre-School Education	3,552,600	(29,000)	3,523,600		(138,000)	(276,000)			(414,000)	11.7%	11.7%
E12 - Primary Education	21,727,000	(50,000)	21,677,000		(70,000)		(300,000)		(370,000)	1.7%	1.7%
E13 - Secondary Education	22,387,500	(165,000)	22,222,500		(75,000)			(1,625,000)	(1,700,000)	7.6%	7.6%
E14 - Fee Paying Provided Schools	13,695,000	(8,905,000)	4,790,000	(80,000)	(367,000)	(1,091,000)	(755,000)	(240,000)	(2,533,000)	52.9%	18.5%
E15 - Fee Paying Non-Provided School	5,005,000	-	5,005,000		(424,000)	(1,272,000)	(847,000)		(2,543,000)	50.8%	50.8%
E16 - Special Education Needs and Sp	7,909,200	(50,000)	7,859,200	(165,000)	(9,000)		(250,000)		(424,000)	5.4%	5.4%
E17 - Instrumental Music	858,600	(135,000)	723,600		(26,000)	(84,000)	(50,000)	(40,000)	(200,000)	27.6%	23.3%
<b>Total - Schools &amp; Colleges</b>	<b>75,134,900</b>	<b>(9,334,000)</b>	<b>65,800,900</b>	<b>(245,000)</b>	<b>(1,109,000)</b>	<b>(2,723,000)</b>	<b>(2,202,000)</b>	<b>(1,905,000)</b>	<b>(8,184,000)</b>	<b>12.4%</b>	<b>10.9%</b>
<b>Culture &amp; Lifelong Learning</b>											
E31 - Further, Vocational and Tertia	10,965,400	(2,500,000)	8,465,400	(210,000)	(10,000)			(1,125,000)	(1,345,000)	15.9%	12.3%
E32 - Public Libraries	1,696,000	(55,000)	1,641,000		(2,000)		(32,000)	(60,000)	(94,000)	5.7%	5.5%
E33 - Youth Service	1,965,800	(510,000)	1,455,800	(50,000)	(11,000)		(100,000)		(161,000)	11.1%	8.2%
E34 - Higher Education	8,385,200	-	8,385,200						-	-	-
E35 - Careers Jersey	678,400	-	678,400						-	-	-
E36 - Day Care	192,200	-	192,200						-	-	-
E41 - Jersey Child Care Trust	171,800	-	171,800						-	-	-
E42 - Heritage	2,439,200	-	2,439,200						-	-	-
E43 - Culture	1,754,500	-	1,754,500				(59,000)		(59,000)	3.4%	3.4%
<b>Total - Culture &amp; Lifelong Learning</b>	<b>28,248,500</b>	<b>(3,065,000)</b>	<b>25,183,500</b>	<b>(260,000)</b>	<b>(23,000)</b>	<b>-</b>	<b>(191,000)</b>	<b>(1,185,000)</b>	<b>(1,659,000)</b>	<b>6.6%</b>	<b>5.9%</b>
<b>Sport &amp; Leisure</b>											
E51 - Sports Centres	4,029,800	(2,850,000)	1,179,800		(73,000)	(76,000)	(214,000)		(363,000)	30.8%	9.0%
E52 - Playing Fields and School Spor	1,801,100	(700,000)	1,101,100		(15,000)	(80,000)			(95,000)	8.6%	5.3%
E53 - Sports Development	656,900	(85,000)	571,900	(60,000)					(60,000)	10.5%	9.1%
E54 - Grants and Advisory Council	316,000	-	316,000			(160,000)			(160,000)	50.6%	50.6%
E55 - Activity Clubs and Outdoor Edu	338,900	(155,000)	183,900			(80,000)			(80,000)	43.5%	23.6%
E59 - Minor Capital Expenditure	100,000	-	100,000						-	-	-
<b>Total - Sport &amp; Leisure</b>	<b>7,242,700</b>	<b>(3,790,000)</b>	<b>3,452,700</b>	<b>(60,000)</b>	<b>(88,000)</b>	<b>(396,000)</b>	<b>(214,000)</b>	<b>-</b>	<b>(758,000)</b>	<b>22.0%</b>	<b>10.5%</b>
<b>Overheads</b>											
E71 - Director	182,400	-	182,400						-	-	-
E72 - Support Serv - Sch & Colleges	2,125,400	(180,000)	1,945,400	(358,000)					(358,000)	18.4%	16.8%
E73 - Support Serv - Culture & LLL	181,400	-	181,400						-	-	-
E74 - Support Serv - Sport & Leisure	1,395,000	(408,000)	987,000	(37,000)					(37,000)	3.7%	2.7%
E75 - Policy and Planning	2,529,400	(2,500)	2,526,900						-	-	-
E76 - Finance	1,247,700	(125,000)	1,122,700	(33,000)					(33,000)	2.9%	2.6%
E77 - Reserves	1,062,500	-	1,062,500		(75,000)				(75,000)	7.1%	7.1%
<b>Total - "Overheads"</b>	<b>8,723,800</b>	<b>(715,500)</b>	<b>8,008,300</b>	<b>(428,000)</b>	<b>(75,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(503,000)</b>	<b>6.3%</b>	<b>5.8%</b>
<b>Grand Total</b>	<b>119,349,900</b>	<b>(16,904,500)</b>	<b>102,445,400</b>	<b>(993,000)</b>	<b>(1,295,000)</b>	<b>(3,119,000)</b>	<b>(2,607,000)</b>	<b>(3,090,000)</b>	<b>(11,104,000)</b>	<b>10.8%</b>	<b>9.3%</b>