

2018.02.20

6 Senator S.C. Ferguson of the Minister for Treasury and Resources regarding the long-term strategy for funding higher education grants: [OQ.29/2018]

What is the long-term strategy for funding higher education grants?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

A bit of déjà vu here. As I have said already, this extra investment in our students has been identified from within existing resources - underspends in other words - for the remainder of this Medium Term Financial Plan period covering 2018 and 2019.

[10:30]

For the longer term, there is a commitment to announce the removal of the higher rate child allowance in the next Budget. This allowance is currently worth approximately £3.5 million and this money will go directly towards funding student grants from 2020 onwards. Beyond this, additional funds estimated at up to £2.5 million per annum that is assuming all eligible students choose to pursue higher education - will have to be prioritised in the next Medium Term Financial Plan process, which will ultimately need to be agreed by this Assembly.

3.6.1 Senator S.C. Ferguson:

This is not much of a long-term plan, this is merely a short-term fix. Why does the Minister think this is sustainable?

Senator A.J.H. Maclean:

Because, as I have already said, it is simply as long as we are able to plan in terms of agreement by this Assembly. Clearly forecasting, as I mentioned earlier this morning, in terms of income and expenditure is looked at in the longer term, but plans and approved expenditure can only be made in the constraints of the Medium Term Financial Plan and ultimately, as I have said, approved by Members of this Assembly.

3.6.2. Deputy T.A. Vallois of St. John:

Can I ask the Minister for Treasury and Resources how he envisages the latest announcement of the U.K. Government with regards to revising the higher education university loans and whether or if he believes that there is a position for Channel Islands and the Isle of Man to have a discussion while they are undertaking that review with them?

Senator A.J.H. Maclean:

I have been watching, as I am sure other Members will have been, with interest to developments in the United Kingdom and the review that they have announced they are undertaking. The fact that they have currently frozen the tuition fees... and there is some talk that these could even in the future be reduced. The implications for Jersey are again unclear at this stage. I know colleagues within the Education Department have also been watching the matter and will indeed be looking at opportunities for discussions with the U.K. to see how Jersey's position will be managed and what implications may result from the outcome of the review.

3.6.3 Deputy G.P. Southern:

What consideration has his department given to Reform Jersey's plan to introduce a single rate of tax, which produces an extra £6 million, which might be used for higher education funding in the future and in the longer term?

Senator A.J.H. Maclean:

I am not sure it is particularly relevant although the Deputy did his best to weave it into this particular question. I think the matter was dealt with in the Budget 2018 when proposals were brought forward by Deputy Southern and his colleagues in the Reform Jersey party. We have and are currently in the process of undertaking a review of personal taxation and it would be premature to consider anything further until that review has been completed.

Deputy G.P. Southern:

Always the unit of time, when is that review likely to be completed?

Senator A.J.H. Maclean:

The intention is that the review will be completed to align with, broadly speaking, the new computerisation system being introduced into the Taxes Department, which helps, as the Deputy knows, with data that is needed to ensure that the outcomes are as robust as possible and so I would anticipate that by the end of 2019 those details should be available.

3.6.4 Senator S.C. Ferguson:

Yes, it is necessary to consult, but relying on underspends in a department is not sustainable. When will the Minister publish a genuine long-term strategy to meet the costs of education for our youngsters? Not good enough, these woolly suggestions, when will he give us a proper strategy?

Senator A.J.H. Maclean:

With the greatest of respect to the Senator, there is nothing woolly at all. I have been absolutely clear, the use of underspends is a short-term measure and I have made it clear that is exactly what it is, to deal with 2018 and 2019, which is the only pragmatic, and in fact the only way we can manage the additional costs of this much-needed higher education proposal to allow our students to be able to access additional funding for 2018, for this year - for September this year. I might add that a loan scheme would have been impossible to introduce and access for students any earlier. In fact it would have been September 2019 before that would have been a possibility, which was one consideration we had. As far as the long term is concerned, a proposal will come to this Assembly in order to remove the higher-rate tax allowance that is £3.5 million to fund that. The shortfall of £2.5 million, as I have said numerous times this morning, will be a matter for priority of the next Council of Ministers and approval of this Assembly in the proper process that we operate, which is the Medium-Term Financial Plan. I can say from the figures that I have seen to date, the forecasts that I have seen, I am comfortable that what is being proposed for higher education funding is sustainable in the long term and I would be very disappointed if Members do not agree with that, but it is a matter for this Assembly on 10th April when it is debated.

The Deputy Bailiff:

Very well, question 7 having been withdrawn, we will come on to question 8 that Deputy Tadier is to ask of the Chief Minister. Deputy Tadier is not in the Assembly. I anticipate he may simply have not realised that question 7 had been dropped away so, subject to any observation of the Assembly, I propose to list his question at the end of the list and proceed with the next one after that.