

2015.03.10

4.2 Deputy S.Y. Mézec of St. Helier of the Minister for Education, Sport and Culture regarding student loans:

Could the Minister update the Assembly on what progress, if any, has been made in investigating the feasibility of introducing a new student loan scheme for students undertaking higher education?

Deputy R.G. Bryans of St. Helier (The Minister for Education, Sport and Culture):

I met with the Community Savings Bank to discuss the potential for their involvement in any larger student loan scheme some weeks ago. The Community Savings Bank confirmed that they would be willing to participate but they saw their role as administrators of the scheme. The money would have to come from Treasury but loans would be underwritten by E.S.C. (Education, Sport and Culture) who would need to make provision in their budget. A meeting subsequently took place on 3rd March between officers from Treasury, E.S.C. and the Community Savings Bank. The Treasury will now revisit the model which was used in the previous discussion of student loans in 2006/7 to ascertain the impact of increasing the size of the loan and introducing a different repayment model. In particular, they will consider the size of the States liability, the amount of money that would need to be put aside annually to cover defaults - this obviously would impact on our budget - the level of debt for individual students, the structure of the repayment schedule and the impact on graduates returning to the Island. A further meeting between officers is planned as soon as these new calculations have been completed.

4.2.1 Deputy S.Y. Mézec:

I am sure the Minister is regularly getting concerned parents contacting him about the subject and it is quite topical. Given his previous answer, could he give an indication of which year or which academic year coming forward he believes would be the one where the new potential loan system would be in place for?

Deputy R.G. Bryans:

I think in the scheme of things of where we are now it would probably be in 2016. But we have, just in reference to the fact that parents are extremely worried, the Deputy and I attended the question time event at St. Clement and at that event there were several concerned parents who have formed a group. We are meeting with that group tomorrow.

4.2.2 Deputy G.P. Southern:

Notwithstanding his answer on the potential for student loans, is it not the case that the fundamental problem with our higher education system is that the grant itself has been left to wither and, in particular, the thresholds at which eligibility for grants are applied have been static for many years and that the value of the grant has been reduced over time by negligence on the part of previous Ministers? What does he intend to do about the level of the grant?

Deputy R.G. Bryans:

The level of the grants is always reviewed on an annual basis. There are some elements of what the Deputy says is true. I think there is a concern that for some reason we have not increased the grant for some time. But that was not anything to do with negligence. That was just a series of considerations made by the previous administration of which I was an Assistant Minister, where we found ourselves in a difficulty with regard to what we could apply through the budget.

4.2.3 Deputy G.P. Southern:

Supplementary, if I may. Will the Minister commit himself now to addressing the issues raised in the most recent report commissioned on the level of grants and report back to this House?

Deputy R.G. Bryans:

Yes, we are doing that and that is partly the consideration that we made when we meet with Treasury.

4.2.4 Deputy J.A. Hilton of St. Helier:

I had the great pleasure yesterday of talking to some Victoria College 6th form students and one question that came up repeatedly among the group that I was talking with was the question of student grants and I pointed out to the students at Victoria College that the States Assembly were under increasing pressure as far as budgets were concerned and that in my personal opinion I did not believe that the grants would be increased any time in the future. Is that a comment that the Minister would agree with?

Deputy R.G. Bryans:

I think everything is up for consideration. At this point in time we feel - this is really top of my agenda at the moment - parents are under some pressure, particularly with the situation they find themselves that there is a possibility of fees going up in the U.K. (United Kingdom), so it is something we will always look at, we will continue to look at and we will be meeting with Treasury to see what we can do to alleviate the problem.

4.2.5 Deputy J.M. Maçon of St. Saviour:

Given that the loan scheme in the U.K. is looking to be an abject failure with the billions of pounds not being paid back to the U.K. Exchequer, can the Minister explain why they are going down a loans-based scheme and not looking at something in the taxation system?

Deputy R.G. Bryans:

Everything is up for consideration. It is not that we are going down a loan-based scheme. I think you are quite correct that this is a broken model in the U.K. The debt is up to £46 billion considerably at the moment, and would increase to about £100 billion by the year 2020. So it is not that we are going down the U.K. model. We are looking at what we can achieve with the budget that we have got.

4.2.6 Deputy L.M.C. Doublet of St. Saviour:

Could the Minister tell me: is he more in favour ideologically of using funds to increase grants for individuals to study off-Island or would he rather use the money to increase the courses that are on offer at Highlands and perhaps develop a Jersey University on the Island?

Deputy R.G. Bryans:

I think it is a balance between the 2. I think I mentioned in the Assembly last time I was asked about this, that in 2006 we had one degree course. This year we have 13 degree courses. So we are always trying to achieve a balance between what we can afford to offer here on the Island and what we would do with regard to the U.K. It is, from my perspective, as a Minister for Education, using the word "ideology", that I would wish every student every opportunity to go to the courses that they desire.

4.2.7 Deputy M. Tadier:

We know that on occasions when it suits the Council of Ministers there is some form of collective responsibility and group thinking. Given that other departments are considering using charges which are ring-fenced to fund things such as sewage possibly, could it be worth looking at ring-fenced charges for higher education, perhaps via a progressive tax system, so that more money can be put into the pot to educate the Island's children without necessarily having to scabble around for loan systems which we know are not going to work anyway?

Deputy R.G. Bryans:

Consideration has not been made for ring-fencing at this point in time as far as I am aware, but once again all of this sort of stuff goes into consideration when we sit with the Treasury to discuss the matter as we move forward.

4.2.8 Deputy S.Y. Mézec:

Following on from the questions from Deputy Southern and Deputy Hilton, does the Minister accept that when he is under pressure to find potentially up to £10.7 million savings a more comprehensive loan scheme would provide perfect justification for undermining the grants even further? Does he not agree that it is a bad thing for young people to be put into such extensive debt to become educated properly?

Deputy R.G. Bryans:

I would not wish for any student to be put under that pressure. In fact that is one of the considerations why we are looking at the U.K., as Deputy Maçon has already said. Consideration that you load up a student with £50,000 worth of debt and then try to reclaim that at some point, we see it particularly as a disincentive for students of ours going to the U.K. to come back to Jersey at that point. So we are going to look at it in great detail. It is high on my agenda. We will speak with Treasury within the next week.