States of Jersey
States Assembly

États de Jersey
Assemblée des États

Education and Home Affairs Scrutiny Panel

Tertiary Education: Student Finance Proposals

Presented to the States on 29th March 2018

S.R.5/2018

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1. CHAIRMAN'S FOREWORD

The Education and Home Affairs Scrutiny Panel cautiously welcomes the proposals brought forward by the Council of Ministers as it recognises the needs of many to meet the costs of university as highlighted in our previous scrutiny report.

University is not for everyone; other successful career paths can be chosen and this point is not forgotten by the Panel. The proposed scheme does improve the current support available for those who do have the academic ability.

I'd like to thank all of those who contributed to our review who themselves raised many key and useful points and, in particular, I'd like to thank the Jersey Student Loan Support Group for all of the time and attention given to this topic.

After studying the evidence provided to the Panel, we remain concerned about the long-term funding and sustainability of these proposals, the demand that an improved grant system will generate and whether the improved system truly targets support to where it's needed most.

It's clear that these proposals will be an interim measure which will have to be reconsidered by the next Council of Ministers when formulating the next Medium Term Financial Plan.

It is also worth noting the efforts made by the Education Department in offering a greater choice of degree courses on island as well as pursuing further links with continental universities giving Jersey students more choice.

We commend our report to States Members and the Public.

Deputy J.M. Maçon
Chairman, Education and Home Affairs Scrutiny Panel

2. EXECUTIVE SUMMARY

The Education and Home Affairs Scrutiny Panel (the Panel) undertook a review of the current student finance arrangements in the wake of the in-committee debate on R.51/2016 'Higher Education Funding'. The Panel found that little political will had existed to deal with the issue of student finance for a number of years and many families were struggling to afford to send their children to university. During the review, the Council of Ministers formed a sub-committee to address the issue of student financing and a preferred solution was presented to the States Assembly during the Budget 2018 debate in November 2017.

The original proposals were put out for a consultation, and garnered 3,374 responses in just 4 weeks between December 2017 and January 2018. The consultation responses showed that 88% of people were in favour of proposal, but issues had been identified for further consideration.

A 'Higher Education Funding Proposal' (P.33/2018) was lodged for debate by the Council of Ministers on 15th February 2018 and set out the amended proposals in response to the consultation process. The proposals, if adopted by the States Assembly, would significantly increase the support available to students based on their level of household income.

The Panel appointed Mr. Bahram Bekhradnia of the Higher Education Policy Institute (HEPI) as its expert advisor to undertake a desk-top analysis of the proposals. Whilst the overall analysis was that the proposals were to be welcomed and would address the immediate issue of funding for higher education, Mr Bekhradnia's report highlighted concerns in relation to the model. It was highlighted that the proposals created a significant amount of deadweight by supporting the wealthiest households, the future demand had been underestimated and the proposed model was the most expensive option that had been considered. It was also clear that very little consideration had been given to implementing any form of loan scheme. The Panel addressed these concerns with the Minister for Treasury and Resources and the Assistant Minister for Education and has come to the following conclusions as a result of its work.

The Panel has received conflicting figures in relation to the likely future demand for the proposals. Whilst the Education Department is confident that the figures it has used are at the upper end of the likely demand, the Panel's advisor has suggested this could be even higher. The Panel has acknowledged the difficulty in predicting future demand, and has therefore recommended that an Annual Managed Expenditure (AME) contingency is established to manage any increased demand.

The proposed model appears to offer a significant amount of assistance to wealthier households, and the only public policy that is being furthered is that no student should be denied access to higher education. Whilst this in itself is a fair reason, the Panel believes that further consideration should be given to how the scheme is targeted to help support lower income families. The Panel has therefore recommended that the scheme (if adopted by the States Assembly), is reviewed prior to the end of the current Medium Term Financial Plan to ensure this issue is addressed.

The Council of Ministers' sub-committee that reviewed the issue of student finance considered 10 options (of which the preferred scheme was one), with many of the other options containing loan schemes. There does not appear to be any in-depth analysis to show why a loan scheme has been discounted and the only reason given to the Panel for this not being brought forward is that it would add an increased debt burden to the Island. The Panel believes that further consideration should be given to a loan scheme and therefore recommends that the Minister for Treasury and Resources brings forward detailed costings for a loan scheme by the end of

2018. This will allow the States Assembly to review the current proposals in tandem with the loan scheme.

Whilst the proposal will certainly address the issue of financing students through higher education, questions remain over its long-term suitability. The Panel has concluded that the proposal should be seen as an interim measure, with further work required to create a sustainable funding mechanism for student finance.

Whilst the Panel has identified concerns in relation to the model, the Council of Ministers has brought forward a proposal that will immediately and significantly address the issue of student finance in the Island. Many families and students will benefit from the increased funding, and this can only help to provide a skilled workforce into the future. However, this model should not be seen as a sustainable solution to student financing, and therefore further work must be done to bring forward a long-term scheme.

3. KEY FINDINGS AND RECOMMENDATIONS

KEY FINDINGS

KEY FINDING 1:

The original proposals offered support of £9,250 to households earning up to £150,000 per year, and support of £4,650 to households earning over £150,000. Maintenance would be paid on a sliding scale for households earning up to £95,000 per year.

KEY FINDING 2:

The original proposals would have been funded by the removal of the higher child tax allowance and underspends from the Education Department budget.

KEY FINDING 3:

A further £4 million a year would have been required from the end of the current Medium Term Financial Plan to fund the original proposals.

KEY FINDING 4:

88% of the 3,374 responses to the consultation were in favour of the original proposals.

KEY FINDING 5:

1,173 of the responses to the consultation felt the proposals were fair, whilst 550 felt they were unfair.

KEY FINDING 6:

Many respondents to the consultation felt that the £150,000 per year limit for receiving the full cost of tuition fees was too high.

KEY FINDING 7:

The consultation process undertaken by the Education Department was an excellent piece of public engagement work.

KEY FINDING 8:

The comments received by the Panel through submissions mirrored the key findings of the consultation.

KEY FINDING 9:

The revised proposals lower the threshold for the full cost of tuition fees from £150,000 to £110,000 per year of household income. Likewise, the maintenance threshold has been reduced from £95,000 per year to £90,000 per year.

KEY FINDING 10:

A sliding scale has been introduced for tuition fees costs between £110,000 per year and the final cut off point of £200,000 per year.

KEY FINDING 11:

The lowest income bracket has seen an increase in the maintenance grant from £6,500 per year to £7,500 per year. The Additional Personal Tax Allowance is also maintained to provide additional support to single parents.

KEY FINDING 12:

Assumptions have been made in relation to the figures for student numbers and associated costs.

KEY FINDING 13:

Even with the full grant for tuition fees and maintenance costs, the proposals will not completely cover the full costs of attending university. The Panel has not had any evidence to show that impact sensitivity analysis has been carried out to detail the effects this may have, especially on lower income families.

KEY FINDING 14:

The Panel has found that there is a lack of clarity as to the actual costs of the proposals.

KEY FINDING 15:

It is the opinion of the Minister for Treasury and Resources and the Education Department that no student should be denied access to higher education for financial reasons.

KEY FINDING 16:

The proposed scheme does not directly target financial assistance to those on lower incomes. Families with household income of c£50,000 per year will receive the least benefit from the proposed scheme.

KEY FINDING 17:

The proposed scheme appears to provide a significant benefit to high income households, especially those earning between £90,000 and £125,000 per year.

KEY FINDING 18:

The removal of the NatWest student loan will reduce the upfront cash available to families when sending a student to university.

KEY FINDING 19:

The Panel has received contradictory information as to the number of students who may access this scheme, although this may be in part to do with the unpredictability of the numbers who may access higher education as a result these proposals.

KEY FINDING 20:

The Education Department has expanded the options for students both on and off-island and this is to be commended.

KEY FINDING 21:

The loan scheme considered by the Council of Ministers' Sub-Committee would have created debt to the States of £127 million, with a potential write-off of £64 million.

KEY FINDING 22:

The Council of Ministers has discounted the option of a loan scheme as it would create further debt for the island, additional debt for students and their families and recovering the costs would be problematic if students did not return to the island.

KEY FINDING 23:

The Panel was presented with little analysis to explain the reason for a loan scheme being discounted by the Council of Ministers' Sub-Committee.

KEY FINDING 24:

The underspends that will fund the proposals until the end of this MTFP come from the current higher education budget and not the entire education budget.

KEY FINDING 25:

The proposals will create a deficit of £1.9 million a year by 2021, which the Minister for Treasury and Resources expects to be found by a future States Assembly.

RECOMMENDATIONS

Please note: Each recommendation is accompanied by a reference to that part of the report where further explanation and justification may be found.

RECOMMENDATION 1:

The Minister for Treasury and Resources and the Minister for Education should, by June 2018, bring forward proposals in relation to how the maintenance fees are paid in order to ensure there is flexibility in the system. This should specifically seek to address the issue of upfront costs that many students face in their first term. **[Section 7.2]**

RECOMMENDATION 2:

Due to the unpredictable demand for higher education, a flexible approach should be adopted by the Minister for Treasury and Resources. Therefore, money should be assigned to act as a contingency for the scheme, similar to the Annually Managed Expenditure (AME) contingency assigned in the Medium Term Financial Plan. **[Section 7.3]**

RECOMMENDATION 3:

The Minister for Treasury and Resources should report back to the States Assembly by October 2018 to update it on the number of students accessing the new scheme and the subsequent financial impact. **[Section 7.3]**

RECOMMENDATION 4:

The Minister for Treasury and Resources should, by the end of 2018, provide detailed costings and analysis of a loan scheme for higher education funding to be considered against the current proposals. **[Section 7.4]**

RECOMMENDATION 5:

This proposal should be seen as an interim measure and the Council of Ministers should revisit and review the scheme (if adopted by the States Assembly) prior to the end of the current Medium Term Financial Plan to ensure it is appropriately targeted. If the proposals are not regularly reviewed then the issues which have affected the current system may continue. **[Section 7.5]**

4. Introduction

Context and Background

1. The Education and Home Affairs Scrutiny Panel (hereafter "the Panel") undertook a review of the present arrangements for higher education in 2016, and published its report on 15th March 2017. One of the key findings within the Panel's report was that Jersey students and their families were, in many cases, unable to meet the costs of university.[1] Furthermore, it was identified in the Panel advisor's report that there had been a lack of political commitment to solving the issue of student financing since the introduction of tuition fees in 2006.[2]

2. During the Panel's review, the Chief Minister announced that a sub-committee of the Council of Ministers had been established to review the current arrangements of student financing and bring forward proposals to address the issues that had been identified.[3]

3. The Panel held a public hearing with the Chief Minister on 16th October 2017, where it was announced that 10 options had been considered by the sub-committee, of which 4 had been brought forward for further consideration. During the Budget 2018 speech in November 2017, the Minister for Treasury and Resources announced that a solution had been identified to address the issue of student financing, and presented details to the States Assembly.[4] Shortly after, a public consultation on the proposals was announced that would be undertaken between 11th December 2017 and 12th January 2018.[5]

The Review

4. For the purposes of this review, the Education and Home Affairs Scrutiny Panel appointed Mr. Bahram Bekhradnia, of the Higher Education Policy Institute, as its expert advisor to undertake a review of the proposals. Mr Bekhradnia's report is appended to this report at Appendix one. In order to undertake this review Mr. Bekhradnia was provided with several documents relating to the proposed model and conducted a desk-top examination of the proposals pre and post consultation. The Panel undertook its own work and requested written submissions detailing views on the proposed model from various key stakeholders, including the Jersey Student Loans Support Group (JSLSG). All submissions received by the Panel can be accessed on the review page on the scrutiny website.

5. Mr. Bekhradnia's report put forward key questions on the proposals, which the Panel put to the Minister for Treasury and Resources and the Assistant Minister for Education at a public hearing (details of the public hearing can be found in appendix two). The Panel hopes that this report will assist Members during the debate. The Panel would like to place on record its thanks to Mr. Bekhradnia for his assistance and advice during the course of this review.

[1] S.R.2/2017 Tertiary Education: Student Finance – p.5
[2] S.R.2/2017 Tertiary Education: Student Finance – p.6
[3] S.R.2/2017 Tertiary Education: Student Finance – p.27
[4] Hansard – 28th November 2018 – p.9
[5] https://www.gov.je/news/2017/pages/highereducationfunding.aspx

5. The Proposals

5.1 Original proposal

6. The initial proposal, as announced in the Budget speech, put forward a grant scheme that would cover the total cost of tuition fees (£9,250 per year, as currently set by the UK Parliament) for families with a household income of up to £150,000 year for first time undergraduate degrees only. This was a significant change from the current means tested provision, where the maximum grant available was £13,750 per year. Under these proposals, families earning over £150,000 a year would have been eligible for half the tuition fees to be paid (£4,625 per year).

7. Maintenance fees of £6,500 per year would be paid to families earning up to £50,000 per year under the original proposals, with a sliding scale being introduced up to £95,000 per year household income. The table below, sets out the total amount of support that each income group would receive under the original proposals.[6]

Your Household Income (total/gross)	States grant you could get per year		
	Tuition fees	Maintenance	Total
£0 to £49,999.99	£9,250	£6,500	£15,750
£50,000 to £59,999.99	£9,250	£5,500	£14,750
£60,000 to £69,999.99	£9,250	£5,000	£14,250
£70,000 to £79,999.99	£9,250	£4,000	£13,250
£80,000 to £89,999.99	£9,250	£3,000	£12,250
£90,000 to £94,999.99	£9,250	£2,000	£11,250
£95,000 to £149,999.99	£9,250	0	£9,250
£150,000+	£4,625	0	£4,625

8. It was also confirmed that the following areas would be considered when a student applied for funding through the proposed model:

    - An extra grant would be available for extra fees required on doctor, dentist and veterinarian courses.
    - The grant would still be available for degree courses in Jersey or a recognised qualification at an overseas university.
    - Families with assets (not including the family home) of over £500,000 would receive the same funding as those in the £150,000+ bracket.[7]

9. In order to be eligible for the funding, a student would need to have lived in Jersey for 5 years (or have entitled status), have the necessary qualifications to access higher education (A-Levels or equivalent) and apply through the Student Finance Department. It was also noted that if the student did not complete the course, then the cost of one terms worth of fees and any unused maintenance grant would need to be paid back in full.[8]

[6] Higher Education Funding – Public Consultation
[7] Higher Education Funding – Public Consultation
[8] Higher Education Funding – Public Consultation

10. It was intended that additional costs of the scheme would be covered in two ways. First, underspends from the current higher education budget within the Education Department were expected to cover additional costs up to the end of the Medium Term Financial Plan (MTFP2). Secondly, the proposals included the removal of the higher child income tax allowance ("higher child allowance"). It was expected that the removal of the higher child allowance would create a further £3.5 million under the proposals which would be added to the Education Department's current budget of £10.5 million for higher education.[9] The ongoing cost of the proposal after the end of the current MTFP was estimated at £4 million per year after using the Higher Child Allowance Budget.[10]

11. The proposals were put out to consultation on 11th December 2017.[11]

KEY FINDING 1 – The original proposals offered support of £9,250 to households earning up to £150,000 per year**,** and support of £4,650 to households earning over £150,000. Maintenance would be paid on a sliding scale for households earning up to £95,000 per year.

KEY FINDING 2 – The original proposals would have been funded by the removal of the higher child tax allowance and underspends from the Education Department budget.

KEY FINDING 3 - A further £4 million a year would have been required from the end of the current Medium Term Financial Plan to fund the original proposals.

[9] Higher Education Funding – Public Consultation
[10] P.33/2018 – Higher Education Funding Proposal – p.10
[11] https://www.gov.je/news/2017/pages/highereducationfunding.aspx

5.2 The consultation and results

12. The consultation on the original proposals ran from 11th December 2017 to the 12th January 2018. The timescale was chosen so as to meet a strict timetable to help provide certainty to those students going to university in September 2018. The consultation consisted of an online survey on the proposals, as well as drop-in sessions which were held at the Jersey Library by officers from the Education Department and Treasury and Resources Department.[12] The Panel subsequently received a briefing on the consultation results on Monday 22nd January 2018. A consultation report was produced, and included the following high level statistics from the process:

- There were 3,374 responses to the consultation
- 64% of the response were from parents, 22% from students
- 120 people attended the drop-in events.
- 88% of respondents were in favour of the proposals[13]

13. The consultation was focused on three main objectives in relation to the proposals. These were to inform the public of the plans, seek a mandate from the public in order to bring forward the plans, and to allow Islanders to have the opportunity to submit views on the proposals.[14]

14. Three questions were posed to members of the public during the consultation, which asked what the proposals would mean to the person completing the survey, whether or not they felt the proposals were fair and whether there were any further comments or questions arising from the proposals.[15] The following tables from the consultation response summary highlight the key comments made to each of the three questions:

Question 5 – What would this mean to you? – Response total 2,584

Subject of comment	Response total
Access: My child/ I am now able to go to university	723
Relief: Less stress on family due to debt, remortgaging, selling home	698
Higher tax for all	77
Good for Jersey economy/ workforce skills	72
Why should I pay for other people's children / parents' responsibility	60
Other services need this money (health/ elderly care)	44
Too generous / threshold too high	40
Too late for me – I have already funded my children	37
Fairer for parents/less of a burden, guilt of worry for students	33
Better job prospects/ career I want	23
Can now save for my retirement	17
Some degree courses not useful in Jersey	13
More funding should be available for post-graduate courses	13
Means we can cancel our move back to the UK	12
I can focus on my studies rather than getting jobs	10
Graduates would be encouraged to return to the island.	10
Not enough / low income families need more help	8

[12] Consultation on Higher Education funding proposals: Summary of Response – January 2018 – p.9
[13] Consultation on Higher Education funding proposals: Summary of Response – January 2018 – p.2
[14] Consultation on Higher Education funding proposals: Summary of Response – January 2018 – p.4
[15] Consultation on Higher Education funding proposals: Summary of Response – January 2018 – p.11, 12, 13

***Question 6 – Fairness of the proposals – response total - 2340*[16]**

Subject of comment	Response total
Fair	1,713
Unfair	550
Too generous/ top household income too high/ should be capped	387
Students should be made to return to Jersey	61
Needs more support for lower income families	53
Should be same benefit to all – free tuition regardless of income	49
Should be loan scheme or some repayment of grant	46
Should be tapered rather than stepped	43
Should only fund 'useful' degrees relevant to Jersey eg. medicine	33
Funding if not sustainable	31
Maintenance level and threshold too low	27
Should part reimburse recent students/pay off NatWest loan	18
Should reflect size of family	14
Need more support for apprentices/people who stay here	10
Include arts and vocational courses	7

***Question 7 – Other questions or comments – response total – 1,155*[17]**

Subject of comment	Response total
Positive support / thanks	370
Clarification about details and eligibility eg: post-grad, non UK unis,	141
£150,000 threshold is too high/ should not help rich	91
How will it be funded/ Will tax go up?	65
Students should be made to return to Jersey (or repay if they don't)	58
Should only fund 'useful' degrees relevant to Jersey eg. medicine	55
Just paid for my child and missed out/ will we get financial help?	54
Students should not be made to return to Jersey	33
I feel this is unfair: I pay taxes but get no help/ other services should be better funded eg. Health, care for the elderly/ I don't want to pay for other people's children	37
Should be a loan	30
This is designed to win votes	28
Will it be long-term/sustainable funding	26
This will encourage more students to return	22
Queries about separated families/ more than one child	20
This is not enough. More help is needed esp for low incomes	18
Should support Highlands and local degrees	15
Support also needed for vocational training	12
Parents should save and pay for their own children	11

15. The overall results showed a great deal of support for the proposal, with many comments stating this would allow and encourage more students to attend university. However, upon further examination, concerns were raised by numerous respondents that the level of support being supplied to the highest earning families was too generous, and that there was no answer as to where the funding for this model would come from.

[16] Consultation on Higher Education funding proposals: Summary of Response – January 2018 – p.12
[17] Consultation on Higher Education funding proposals: Summary of Response – January 2018 – p.13

16. The Panel undertook a brief consultation of its own with local businesses and groups to ask whether or not the proposals met the needs of local student and families, and whether any changes would benefit students. The following are examples of the feedback received by the Panel, demonstrating the range of opinions submitted:

> *"Might it be more appropriate to put a cap on the total / gross household income? It seems that those households accessing very high annual salaries (e.g. £250,000?) could be excluded from the proposals;"*[18]

> *"Our survey highlighted that 75% of respondents were in favour of the funding proposals laid out in the 2018 Budget. However, this must be taken in the context that almost two-thirds of the respondents were parents and therefore, further education finance could at some point in their child's future be an important, and potentially costly consideration for them. Therefore, one could suggest that of course, those respondents were more likely to be in favour of such a proposal."*[19]

> *"Another concern was that the funding would make it 'free' to go to university, which they felt may reduce a level of commitment and that there was the possibility a student could drop out without any consequences of their actions".*[20]

> *"We have received a great deal of comments from parents who are very happy, indeed relieved that this new scheme will be extremely helpful for them and solve many of the problems they are coping with now or will be facing"*[21]

> *"The idea seems to be to simplify the system by doing this and making it more understandable, and cheaper to run, however, it could lead to abuse of the system. If a £1 increase in income means a £1,000 drop and multiplied over 3 years that is £3,000 of the incentive to not be 'upfront' exists."*[22]

> *"On the face of it the proposed model of student financing will mean that more students and families will be eligible for funding, as the household income threshold is much higher, which is positive"*[23]

> *"Increased access to these programmes through providing a scheme that meets the fees and maintenance costs for Jersey students also directly addresses a skills and workforce gap for Jersey."*[24]

> *"For Jersey to maximize its return on investment from student financing, it is critical that efforts are made to engage with those Islanders who do study post-*

[18] Written Submission – Jersey Association of Head Teachers – 10 January 2018
[19] Written Submission – Jersey Chamber of Commerce – 23 January 2018
[20] Written Submission – Jersey Chamber of Commerce – 23 January 2018
[21] Written Submission – Jersey Student Loans Support Group – 4 January 2018
[22] Written Submission – Jersey Student Loans Support Group – 4 January 2018
[23] Written Submission – Chief Nurse – 11 January 2018
[24] Written Submission – Chief Nurse – 11 January 2018

secondary education off-island, ultimately working to convince those Islanders to return to Jersey. To achieve this, it is important to understand the underlying which determine their decisions"[25]

"As such, given the information available it is very difficult to make any kind of judgement as to whether the proposals provide value for money for the Jersey tax-payer. The proposal certainly appears to provide additional benefits for those Islanders (and their families) who are yet to go to university or are in the first or second year of their studies, with students from wealthier households gaining a disproportionate amount of the benefits"[26]

17. From the comments received by the Panel, it is clear that there was widespread support for the proposal, however, concerns still existed in relation to the cost of the proposal and how it supported those from wealthier families. In many ways, the comments received by the Panel certainly mirrored the issues that were raised during the consultation process.

KEY FINDING 4 – 88% of the 3,374 responses to the consultation were in favour of the original proposals.

KEY FINDING 5 - 1,173 of the responses to the consultation felt the proposals were fair, whilst 550 felt they were unfair

KEY FINDING 6 - Many respondents to the consultation felt that the £150,000 per year limit for receiving the full cost of tuition fees was too high.

KEY FINDING 7 - The consultation process undertaken by the Education Department was an excellent piece of public engagement work.

KEY FINDING 8 - The comments received by the Panel through submissions mirrored the key findings of the consultation

[25] Written submission – Digital Jersey – 24 January 2018
[26] Written Submission – Dr Gary Jones – 8 January 2018

5.3 The revised proposals

18. On 15th February 2018, the Council of Ministers lodged P.33/2018 *Higher Education Funding Proposal,* to be debated by the States Assembly on 10th April 2018. The proposition asks States Members to agree to the introduction of a new higher education student grant scheme as laid out in the report, the removal of the higher child allowance from the year of tax assessment 2019, and to agree the transitional arrangements as set out in the report.[27]

19. The proposal took into account feedback from the consultation process, and made several changes to that which was initially presented. The following table shows the support that will be provided under the new proposals:[28]

Household Income (total/gross)	States Grant per year		
	Tuition Fees	Maintenance	Total
£0 - £49,999.99	£9,250	£7,500	£16,750
£50,000 - £59,999.99	£9,250	£6,000	£15,250
£60,000 - £69,999.99	£9,250	£4,500	£13,750
£70,000 - £79,999.99	£9,250	£3,000	£12,250
£80,000 - £89,999.99	£9,250	£1,500	£10,750
£90,000 - £99,999.99	£9,250	£0	£9,250
£100,000 - £109,999.99	£9,250	£0	£9,250
£110,000 - £119,999.99	£8,325	£0	£8,325
£120,000 - £129,999.99	£7,400	£0	£7,400
£130,000 - £139,999.99	£6,475	£0	£6,475
£140,000 - £149,999.99	£5,550	£0	£5,550
£150,000 - £159,999.99	£4,625	£0	£4,625
£160,000 - £169,999.99	£3,700	£0	£3,700
£170,000 - £179,999.99	£2,775	£0	£2,775
£180,000 - £189,999.99	£1,850	£0	£1,850
£190,000 - £199,999.99	£925	£0	£925
£200,000+	£0	£0	£0

20. The revised proposals have made several changes as a result of the consultation process. Initially, all income groups up to £150,000 per year benefitted from the full grant for tuition fees. There was feedback in the consultation process that the original proposal was too generous to the wealthier families. Indeed, under the original

[27] P.33/2018 – Higher Education Funding Proposal – p.2
[28] P.33/2018 – Higher Education Funding Proposal – p.3+4

proposals, families earning over £200,000 per year would have benefitted from £4,625 a year. Under the final proposals, household incomes up to £109,999.99 per year would benefit from the full cost of the tuition fees (£9,250), after which a sliding scale is introduced with the cut off at £200,000 per year household income.[29]

21. Furthermore, the maintenance grant has been increased to £7,500 per year for the lowest income bracket (an increase of £1,000 per year from the original proposals) with the cut off being lowered to £89,999.99 per year from £95,000.[30] This was designed to counteract the potential issues that a small group of families would have faced as a result of the removal of the higher child allowance.[31]

22. On top of the changes to tuition fees and maintenance grant eligibility, the following changes have been laid out in the proposition:[32]

Concern	Solution
Household income threshold of £150,000 is too high	Reduce the level at which full tuition fees are paid to £110,000, with a cap at £200,000.
'Cliff Edge' reduction to tuition fees	Taper the reduction of tuition fees between £110,000 and £200,000.
Small number of low-income families could be worse off	Increase maintenance allowance to £7,500 and maintain the Additional Personal Allowance – despite the removal of the HCA.
Overall costs will remain a financial constraint for some households	Increase maintenance allowance from £6,500 to £7,500.
Overall scheme is expensive and no sustainable source of funding	Ongoing cost of the scheme from the MTFP3 reduced from estimated £4 million to £2.5 million.

23. The eligibility criteria for the scheme remains the same as the original proposal and it is intended that the scheme will be reviewed every 5 years if adopted by the States Assembly, although discussion has taken place in relation to holding this review in line with each MTFP.

24. The Panel notes that the revised proposals have an ongoing cost of £2.5 million after the current MTFP has finished.[33] The States Assembly will therefore have to identify this funding during the next MTFP.

25. The estimated total cost and number of students for the next 4 years has been calculated as follows: [34]

[29] P.33/2018 – Higher Education Funding Proposal – p.3+4
[30] P.33/2018 – Higher Education Funding Proposal – p.3+4
[31] Public hearing with the Minister for Treasury and Resources – 12 January 2018 – p.21
[32] P.33/2018 – Higher Education Funding Proposal – p.10
[33] P.33/2018 – Higher Education Funding Proposal – p.10
[34] P.33/2018 – Higher Education Funding Proposal – p.10

Estimated total cost of the proposed scheme by financial year				
	2018	**2019**	**2020**	**2021**
Estimated number of students	1,550	1,600	1,650	1,660
Total cost plus HCA withdrawal	£9,779,700	£11,582,500	£16,111,425	£16,548,200
Current budget plus HCA withdrawal	£9,975,400	£10,500,000	£14,315,000	£14,744,400
Additional resources required	£200,000	£100,000	£100,000	£100,000
Net funding surplus or (requirements)	(£4,300)	(£1,182,000)	(£1,896,400)	(£1,903,800)

Table 3

26. In order to inform the figures in the table above, the following assumptions have been made:

- Student numbers will rise dramatically in year one and more modestly in year 2 and 3
- Assume a small increase thereafter for general population growth
- Course fees have not been inflated past £10,000
- Parental income bands are stable
- Mixture of courses and locations is stable[35]

KEY FINDING 9- The revised proposals lower the threshold for the full cost of tuition fees from £150,000 to £110,000 per year of household income. Likewise, the maintenance threshold has been reduced from £95,000 per year to £90,000 per year.

KEY FINDING 10 - A sliding scale has been introduced for tuition fees costs between £110,000 per year and the final cut off point of £200,000 per year.

KEY FINDING 11 - The lowest income bracket has seen an increase in the maintenance grant from £6,500 per year to £7,500 per year. The Additional Personal Tax Allowance is also maintained to provide additional support to single parents.

KEY FINDING 12 - Assumptions have been made in relation to the figures for student numbers and associated costs.

[35] P.33/2018 – Higher Education Funding Proposal – p.11

KEY FINDING 13 – Even with the full grant for tuition fees and maintenance costs, the proposals will not completely cover the full costs of attending university. The Panel has not had any evidence to show that impact sensitivity analysis has been carried out to detail the effects this may have, especially on lower income families.

6. The Advisor's Report

27. The Panel appointed Mr. Bahram Bekhradnia of the Higher Education Policy Institute (HEPI) as its expert advisor on the higher education funding proposals.

28. Mr. Bekhradnia undertook a desktop study of the proposals both pre and post consultation during January and February 2018. His final report identified areas for further examination by the Panel, as well as key questions to raise with the Minister for Treasury and Resources and the Minister for Education. Mr. Bekhradnia's report can be found at appendix one.

29. Mr. Bekhradnia concluded that the proposal would, in the short term, have an immediate and positive impact on aspiring students and their families, and remove the financial barrier that prevents some from participating in higher education. It was also noted that the proposals had taken into account several of the recommendations that the Panel made during its initial report on the current student finance arrangements.[36]

30. However, notwithstanding the generally positive view of the proposals, Mr. Bekhradnia has identified a number of issues associated with them. These have been identified as follows:

    - The government has chosen the most expensive option that it considered when looking to address the issue of student financing

    - The calculations of the costs of the proposals appear to be based on a level of demand that is only slightly higher than the present number of students and is seriously lower than the demand likely to arise in the future

    - The poorest groups are still left exposed to costs that will be unaffordable

    - There is no discussion of the sources of the additional finance that the proposed option would require, other than the money released by the abolition of the Higher Rate Allowance.

    - Other than the limited documentation provided to the Panel, there does not appear to be any substantial analysis of the other options considered by the Council of Ministers Sub-Committee. No evidence was provided to the Panel to demonstrate that any analysis of the long-term costs of other options had been considered, no analysis of public finance implications had been considered, and no sensitivity analysis of the options had been carried out.

[36] Appendix One – Advisor's Report – p.3

7. Areas addressed by the Panel

31. As a result of Mr Bekhradnia's report, the Panel has undertaken further work on the proposals by questioning the Minister for Treasury and Resources and the Assistant Minister for Education during a public hearing.

32. Whilst the Panel is supportive of the underlying purpose of the proposals, it is important that the issues identified by Mr. Bekhradnia are adequately examined and assessed. What follows is a detailed examination of the following areas:

    7.1 The cost of the proposed approach

    7.2 Deadweight and opportunity cost

    7.3 The future demand of the proposed approach

    7.4 Consideration of the other options

    7.5 Future costs associated with the proposed approach

    7.6 Issues for further consideration

7.1 Cost of the proposed approach

33. The cost of the proposed approach is the first area identified by Mr. Bekhradnia that raises concerns about the model.

34. Within his report, Mr. Bekhradnia identified that there was a lack of clarity over the costs of the proposals, with the figures provided to the Panel prior to the consultation, and figures stated at the public hearing with the Minister for Treasury and Resources on 12th January appearing to differ, although it has been suggested that this would depend on whether the figures have been quoted on an academic or financial year.[37] Furthermore, figures provided in P.33/2018, highlight a deficit which is almost half of the original proposals. This has been questioned by Mr. Bekhradnia and the Panel as well. It is worth noting that the original proposals created a deficit of just over £4 million a year by 2021, however in the figures presented within P.33/2018, the projected deficit is £1.9 million by 2021.[38] It has been suggested that as the original changes produced a saving, the ongoing cost requirements was reduced, and the figures are not comparing like for like.

35. The figures relating to the budget for higher education have been the subject of some concern for the Panel. The original forecast of the proposals (pre-consultation) showed an estimated total cost for 2019 of £14,879,616, however in the public hearing with the Minister for Treasury and Resources a different figure was presented to the Panel:

> **Deputy S.Y. Mézec:**
> *Assuming that your proposal is adopted as it currently stands, how much will be spent by the States on Higher Education Grants?*
>
> **Chief Operations Officer, Education Department:**
> "2018, *£16,786,000, and 2019 it rises up to £17,990,000*."[39]

36. The two figures given for the estimated total cost for 2019 show a difference of just over £3 million. Furthermore, in the estimated costs as laid out in the final proposition (see table 3 on page 10), the total cost of the proposals for 2019 is set at £11,582,500. Mr. Bekhradnia expanded on this point in his report:

> *"It is difficult to understand why the forecast cost has reduced so considerably. The only things in the Government's proposals that have changed since the original are an increase in the maintenance grant (which would have the effect of increasing the deficit, not reducing it) and a reduction in the grant available for the highest-paid (those earning over £100,000 per year). It is possible, but highly unlikely, that this latter change is sufficient to halve the deficit."* [40]

[37] Appendix One – Advisor's Report – p.4
[38] Appendix One – Advisor's Report – p.4
[39] Public hearing with the Minister for Treasury and Resources – 12 January 2018 – p.11
[40] Appendix One – Advisor's Report – p.5

37. The Panel questioned the Minister for Treasury and Resources at a public hearing on 5th March 2018 in relation to this concern and were given the following answer:

> **The Deputy of St. John:**
> *Yes. How much would be spent providing support to people earning up to £200,000 per year?*
>
> **Director of Treasury Operations and Investments:**
> *Our estimation, which is in totality, tuition fees plus maintenance grants and total grants, assuming every single eligible student takes up higher education in 2018 is £15.5 million; 2019 is £16.7 million. Then on average going forward from 2020 onwards is approximately £17.5 million per annum.*[41]

38. It is clear to the Panel from the information it has been provided that there is a significant difference between the figures put forward in the proposition, to those that have been presented during the public hearings. During factual accuracy checking for the report, the Education Department suggested that the figures were updated during the period as clarity emerged over the fees cost from 2018 and the changes to the proposition. The Panel has not received any evidence to back up this claim and, therefore, cannot say whether or not this is the reason for the disparity in the figures.

KEY FINDING 14 – The Panel has found that there is a lack of clarity as to the actual costs of the proposals.

[41] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.4+5

7.2 Deadweight and opportunity cost

39. As the proposals partially fund households with income over £110,000 per year an argument has been put forward from both the consultation and the advisor's report that public money is being used in a sub-optimal way. In his report Mr. Bekhradnia defines this spend as 'deadweight' (i.e. whether the money is being spent where it would have the best effect).[42]

40. The scheme originally proposed would have paid £4,625 per year for all households with earnings over £150,000. This was criticised in the consultation process and led to a change in the current proposal, whereby the level of support for families earning over £110,000 was subject to a tapered approach, with a cut off of £200,000.[43]

41. In his report, Mr. Bekhradnia questioned whether or not this modification addressed this concern adequately:

> *"Despite the modification, it is still proposed to provide significant benefit to those who are best off in society; and if the proposals are, as has been stated, to increase public expenditure in order to 'reverse the decline in the number of Jersey students attending university' then deadweight is an important issue."*[44]

42. The advisor furthered this point by producing a table which showed the percentage gain for household incomes under the final proposals, compared with the current level: of support available:[45]

Table 3: Relative benefit from the proposed scheme accruing to different income groups

Income	Old	New	% gain
£0	13750	16750	22%
£30,000	14920	16750	12%
£50,000	14113	15250	8%
£75,000	7788	12250	57%
£90,000	4750	9250	95%
£125,000	3768	7400	96%
£150,000	3292	4625	40%
£175,000	1876	2775	48%
£200.000	1200	0	N/A

43. From the information provided, it is clear to see that the main groups benefitting from the proposals in the proposition are those earning more than £90,000 per year. Under current higher education grants, funding for standard courses stops at household income of £101,000 per year, however, the Panel would like to state that this

[42] Appendix One – Advisor's Report – p.5
[43] P.33/2018 – Higher Education Funding Proposal – p.4
[44] Appendix One – Advisor's Report – p.5
[45] Appendix One – Advisor's Report – p.6

information was only made available to it after factual accuracy checking. The advisor went on to state that:

> *"If, as is claimed, the principal policy aim of these reforms is to maximise participation, then that is unlikely to be promoted by using taxpayers' money disproportionately to benefit the relatively (and absolutely) wealthy, and paying the fees of those who can afford it and who were doing so anyway"*[46]

44. Although it is acknowledged that the removal of the higher child allowance will affect higher earners the most, it would be offset by the majority of the student's fees being paid by the grant. It is likely that the poorer families (whilst still receiving more funding from the proposed scheme than the current) will still have to find additional sums to enable their children to attend university.

45. The Panel addressed the issue of deadweight in a public hearing with the Minister for Treasury and Resources and the Assistant Minister for Education, and received the following answer:

> **The Deputy of St. John:**
> *What public policy is being promoted by providing a subsidy in this way to the wealthiest people on the Island?*
>
> **The Minister for Treasury and Resources:**
> *I think it goes back to the question that we have - or I have - asked you already, which is that looking at the income distribution survey, the statistics, it is clear that there are families in that category, though some would no doubt say that those income levels for a family are high, they have been a barrier to have the ability for some to send their children to higher education. As a result, we believe that this policy is the right policy.*[47]

46. The Panel felt that this response did not address the key concern as to why the policy would support the wealthiest in society and received the following response to this concern:

> **Deputy J.M. Maçon:**
> *So therefore the underlying philosophy about this policy is not, for example, to address social mobility, it is not looking at about how we can target resource to those most vulnerable families, those types of things, that is not the underlying philosophy?*
>
> **Assistant Education Minister:**
> *I think there are many policies. You have just mentioned there about making sure that children, students, of a lower family income can access higher education, but also those with parents who have a higher income to be able to ... any child or any student that wants to go away now can go away,*

[46] Appendix One – Advisor's Report – p.6
[47] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.10+11

because it is important for our future economy of Jersey that we produce students, whether they are here at Highlands or go away to university, and hopefully sometime in the future that they will come back and participate in the Island and the growth of our economy.[48]

47. During the hearing, the Panel presented the Minister for Treasury and Resources and the Assistant Minister for Education with the figures from the advisor that showed the percentage gain for each income group. Upon suggestion that the proposed scheme was not looking to address the issue of social mobility, the Minister for Treasury and Resources gave the following response:

The Minister for Treasury and Resources:
We looked at the numbers, not just from a financial point of view, but also in terms of student numbers, those accessing higher education, and that is why the scheme was put together in the way it is proposed.[49]

48. The Panel continued its questioning to find out if any evidence had been presented to the Minister as to whether there were any barriers to high income families accessing higher education:

The Deputy of St. John:
Is there any evidence that financial considerations are preventing young people from high income families from attending university?

The Minister for Treasury and Resources:
We know specifically the numbers around who are accessing higher education, but not broken down in various household income bands and what have you, as far as I am aware. Christine, I do not know if you are able to give any more details from an Education point of view on the breakdowns.

Chief Operating Officer, Education:
No. All we know is the numbers from here of the people who are going from Jersey to it. We do not keep numbers of people who cannot go, because we do not hold those figures.[50]

49. A further issue that has been raised in respect of lower income families is that the student loan of £1,500 that has been available through NatWest will be withdrawn from September 2018. Comment has been made by the Jersey Student Loans as to how this would affect low income families going forward:

Deputy S.Y. Mézec:
I was going to ask about this NatWest loan. How do you think that will affect families' ability to get funding upfront which they have the freedom to decide how it is spent? By that I mean with the tuition fees grant you do not get a choice on how that is spent. That goes straight towards paying the tuition

[48] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.10+11
[49] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.12
[50] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.12

fees, whereas with the loan you could decide does that go on funding the ferry with the belongings over there. Is that something you anticipate will cause hardship to people, that they will not have access to that?

Ms. J. Beaumont:
Yes, I think so.

Ms. N. Heath:
The other issue with it is because none of this fully covers the full cost anyway. It does not matter what income you are on, you are still having to fund the difference. Certainly, people that are using that NatWest loan now, particularly on the lower incomes but even some of the middle incomes, and if they have more than one child as well, the NatWest loan allows them to spread some of the cost over a longer period of time, which obviously you are losing as well.[51]

50. The Panel addressed the issue of the NatWest loan with the Minister for Treasury and Resources at a public hearing on 12th January and received the following response:

Deputy J.M. Maçon (Vice-Chairman):
Concerns have been raised about the Nat West Student Loan being removed. I wondered if you could explain what discussions you have had in relation to this.

Minister for Treasury and Resources:
I know Education have had discussions. My understanding is it is a commercial decision by the bank to grant this particular scheme. Having said that, what is being implemented now to is, hopefully, largely to alleviate that particular scheme.[52]

51. It was confirmed that the NatWest scheme offered students £1,500 per year, which over a three year course amounted to £4,500 of extra support. The Panel questioned whether or not this could prove to be problematic in the event that the proposals were not adopted by the States Assembly:

Deputy J.M. Maçon (Vice-Chairman):
A year, okay. So that is £4,500 in total. If the Minister's proposal is not subsequently accepted by the States, Nat West have indicated that they are going to close this facility. That is going to leave a significant funding gap for some of our students, would you not agree?

Minister for Treasury and Resources:
Potentially, yes.[53]

[51] Public hearing with Jersey Student Loans Support Group – 26 February 2018 – p.6
[52] Public hearing with the Minister for Treasury and Resources – 12 January 2018 – p.23
[53] Public hearing with the Minister for Treasury and Resources – 12 January 2018 – p.25

52. Further questioning was undertaken at the public hearing on 5th March 2018. The Panel questioned whether or not the absence of the NatWest loan would have an impact on the one off costs that students usually required support for at the beginning of the academic year:

Deputy S.Y. Mézec:
On the idea of a loan existing to supplement a grant system, with the end of the NatWest loan, do you think that there will be some young people who would be at a disadvantage in not being able to access a particular amount of money upfront at the beginning of a year, where their initial spend in setting themselves up somewhere else is going to be quite high and their day-to-day spend goes down once they are settled in? Do you think lacking at least some ability to have a loan for that purpose is going to cause hardship for some people?

The Minister for Treasury and Resources:
I would certainly hope not. I would not expect that to be the case. In effect, this new system, this new proposal as a whole is more generous. In particular it deals with areas like ... it takes a few years to come into effect, but the tax allowances that are in place where a certain proportion of the community are taxpayers, they will be prior year taxpayers. Having the allowance is one thing, but the reality is the expenses today you are not going to benefit a year later or however the matrix works, so there are swings and roundabouts. I think this is a lot simpler and it does ensure that money is available now. It surpasses, in many respects, the particular need, I would suspect, of a loan scheme.[54]

53. Whilst the Panel acknowledges that there are alternative means for families to access additional funding (i.e. through various loan agencies and overdraft facilities), further consideration should be given to the manner in which the grant (especially for maintenance fees) is paid.

KEY FINDING 15 – It is the opinion of the Minister for Treasury and Resources and the Education Department that no student should be denied access to higher education for financial reasons.

KEY FINDING 16 – The proposed scheme does not directly target financial assistance to those on lower incomes. Families with household income of c£50,000 per year will receive the least benefit from the proposed scheme.

KEY FINDING 17 – The proposed scheme appears to provide a significant benefit to high income households, especially those earning between £90,000 and £125,000 per year.

[54] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.24

KEY FINDING 18 – The removal of the NatWest student loan will reduce the upfront cash available to families when sending a student to university.

RECOMMENDATION 1 – The Minister for Treasury and Resources and the Minister for Education should, by June 2018, bring forward proposals in relation to how the maintenance fees are paid in order to ensure there is flexibility in the system. This should specifically seek to address the issue of upfront costs that many students face in their first term.

7.3 The future demand of the proposed approach

54. One of the key concerns put forward by the Panel's advisor was that the student numbers used to inform the proposed model have been based on minimalist and unrealistic expectation of likely demand.

55. Within P.33/2018, the estimated number of students in 2018 is 1,550, climbing to 1,660 by 2021 (an estimated increase of 110 students over 4 years). The rationale given for these calculations was based on the assumption that 100% of all eligible students would apply for funding from 2018. It then assumed a larger increase in the first year to account for a potential 'backlog' of students who may have been unable to attend university due to financial barriers. Under the new proposals, however, these students would now be eligible.

56. In his report, Mr. Bekhradnia explained that by increasing the accessibility of higher education to more students, the 'backlog' that was expected in the first year, may be far higher than has been estimated by the proposals. The following table contains data from the Higher Education Statistics Agency (HESA) about the number of Jersey-domiciled students in the UK since 2006:[55]

Table 4: Students studying in the UK

Year	Education Department total	HESA total
2006-2007	1375	2075
2007-2008	1328	1686
2008-2009	1286	1551
2009-2010	1252	1499
2010-2011	1196	1465
2011-2012	1196	1534
2012-2013	1201	1476
2013-2014	1137	1409
2014-2015	990	1268
2015-2016	948	1192

57. The figures show that during this period there were roughly 20 – 25 per cent more students in the UK than were registered with the Education Department. This takes into account students who were not registered with the Education Department as they were not eligible for support under the current system, and also any post-graduate students.[56]

58. If these figures were looked at in line with the current UK unregistered percentages, then the following table would be a more accurate reflection of the total number of students: [57]

[55] Appendix One – Advisor's Report – p.8
[56] Appendix One – Advisor's Report – p.8
[57] Appendix One – Advisor's Report – p.8

Table 5: Total Jersey-domiciled student numbers

Year	Education Department total	Total including unregistered students
2006-2007	1538	2321
2007-2008	1427	1812
2008-2009	1338	1614
2009-2010	1307	1565
2010-2011	1304	1597
2011-2012	1338	1716
2012-2013	1369	1682
2013-2014	1330	1648
2014-2015	1170	1499
2015-2016	1133	1425

59. This calculation would place the actual number of Jersey-domiciled students attending university in 2006 at over 2,300. Between 2006-07 and 2015-16 there was a 63% drop in the number of students attending university. [58]

60. According to figures provided by the Chief Statistician, there has also been a steady increase in the number of 18 year olds in the population between 2006-07 and 2016-17 as follows:[59]

Table 6: 18 year olds in the population 2006-07 - 2016-17

2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
1023	1043	1063	1083	1102	1090	1130	1080	1160	1150	1160

Source: Chief Statistician, States of Jersey – privately provided analysis

61. Likewise, from information supplied by the Education Department, there has been a significant increase in the number of Jersey students undertaking A-Levels:[60]

Table 7: Year 13 participation

2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-20117
455	479	484	485	517	510	481	473	532	535	540

62. Mr. Bekhradnia gave the following conclusion as a result of the data he had received:

> *"It is not, of course, possible to be precise about the reasons why qualified young people and others from Jersey fail (and have been failing in increasing numbers) to continue their education in the same way as those elsewhere, nor to be specific about the numbers who would have participated if circumstances had been different. But it is difficult to conclude other than that*

[58] Appendix One – Advisor's Report – p.8
[59] Appendix One – Advisor's Report – p.9
[60] Appendix One – Advisor's Report – p.9

the financial arrangements have contributed to the failure of many young people in Jersey to continue their education beyond A-levels – and that a removal of the financial constraint will stimulate a large increase in demand, both in the number taking A-levels and other secondary school examinations, and in the numbers progressing from these into higher education."[61]

63. In response, however, the Education Department has suggested that the calculation from the advisor inflates the number of students by 50%, which does not take into account the adjustment for post graduate students. It was then suggested that an inflation of 25% on the student finance figures is more realistic and would better reflect the myriad of options available to students (i.e. apprenticeships, Jersey Finance sponsored courses, accountancy firms taking A-Level trainees etc.).[62] The Panel would also like to take this opportunity to note all of the good work that has been undertaken by the Education Department, to expand options for students both on-island and in other countries in Europe.

64. The Panel questioned the Minister for Treasury and Resources and the Assistant Minister for Education on the calculations that were made to reach the estimated student numbers in the proposition:

Director of Treasury Operations and Investments:
We assumed 1,660 eligible students in 2021.

The Deputy of St. John:
Okay, so how did you come to that figure?

Chief Operating Officer, Education:
So there were a couple of different ways we looked at the student numbers. We took the current number of Jersey students taking A Levels, multiplied that by the average course load in the U.K. and that gave us one of the figures. We also looked at the data, the H.E.S.A. (Higher Education Statistics Agency) data, of undergraduates who are studying in the U.K. and multiplied those up. We also looked at the sort of current data that we have, and all 3 figures came to a sort of student population of around 1,600. We then increased it up from 2019 on to 2021 on the basis that our standards are increasing so there would be more election.[63]

65. The Panel tested this answer to ascertain whether access to funding would cause student numbers to rise to the levels in 2006 (as suggested in the advisor's report) and was given the following answer:

Deputy J.M. Maçon:
Then can I also ask, since 2006 we have seen a declining set of numbers, we know that the grants have not been upgraded, that was a challenge for many people. Given that we are now proposing a much more generous system,

[61] Appendix One – Advisor's Report – p.9+10
[62] Higher Education Proposal: Consideration as to the expected level of student numbers
[63] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.27

would there not be a backlog of potential students who would then think: "Now I have finally got this opportunity, which I did not have 5 years ago"? Has any thought been given to factor in what that type of number could possibly be?

Chief Education Officer:
We did factor it in, we did think about that. We thought there would be an increase in the early years and then it would taper off, so we have looked at that, yes. Difficult to judge how many.[64]

KEY FINDING 19 - The Panel has received contradictory information as to the number of students who may access this scheme, although this may be in part to do with the unpredictability of the numbers who may access higher education as a result of these proposals.

KEY FINDING 20 – The Education Department has expanded the options for students both on and off-island and this is to be commended.

RECOMMENDATION 2 - Due to the unpredictable demand for higher education, a flexible approach should be adopted by the Minister for Treasury and Resources. Therefore, money should be assigned to act as a contingency for the scheme, similar to the Annually Managed Expenditure (AME) contingency assigned in the Medium Term Financial Plan.

RECOMMENDATION 3 - The Minister for Treasury and Resources should report back to the States Assembly by October 2018 to update it on the number of students accessing the new scheme and the subsequent financial impact.

[64] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.29

7.4 Consideration of the other options

66. During the development of the proposed model, the Council of Ministers' sub-committee considered 10 different options, of which almost all of them contained some form of loan scheme. However, there does not appear to be any significant documentation to suggest that the sub-committee considered any other options in any great detail.

67. The Panel requested information on the options considered prior to the consultation period, and were presented with two papers; one outlining the preferred option, and the other outlining the four options that were taken forward for further consideration. In his report, Mr. Bekhradnia highlighted the following issue in relation to the other options that were considered:

> *"All of the options (scenarios) considered and rejected for further consideration involve loans and/or guarantees, yet there is no proper discussion, or indeed any consideration – certainly none that has been provided to the Scrutiny Committee in response to its requests for information - of the benefits and disadvantages of a loan scheme as distinct from the public grant scheme proposed."*[65]

68. The Panel questioned the Minister for Treasury and Resources on the level of work that was undertaken when assessing the merits of a loan scheme, or option containing one, at the public hearing on 5th March:

> **Deputy J.M. Maçon:**
> *Certainly coming back from our adviser was the suggestion or feeling that all the issues around student loans really had not been that robustly considered. For example, why follow the British model? The Germans have a model of mutual insurance in order to cover things around default rates et cetera. How robust was the modelling when looking at loan schemes?*
>
> **Director of Treasury Operations and Investments:**
> *I think it would be fair to say we always look to the U.K. because it is close. We also looked at Australia, Singapore and New Zealand, who all have different types of loan schemes and different types of repayment methods as well. Some are mortgage style; some are income contingent. One of the things we do need to be very mindful of is recovery of debt. A lot of these countries recover the debt from the tax system. Clearly a lot of our students do not initially return to Jersey, which makes debt recovery much more complicated, because it cannot be recovered through our own taxation system. You then get into the world of potentially parents guaranteeing debt, which is not something necessarily that we would want to explore. We did look at a number of loan schemes and we looked at the administration of a scheme on-Island. I think in totality, as the Minister has said, we just felt a grant system was a more simple way.*

[65] Appendix One – Advisor's Report – p.12

Chief Education Officer:
It might be worth adding, while we were doing all that work, we had in mind that students through this scheme will not be saddled with a significant debt which they would have to pay back. We thought that was a significant advantage to our young people.[66]

69. It is clear from the response to the Panel that the prospect of a loan scheme has been discounted so as not to increase debt on the student, which in itself could prevent young people from returning to the Island.

70. The Panel questioned what the debt write-off to the Island would be if a loan scheme was taken up, assuming 50% of students do not return to the Island, and received the following answer:

The Deputy of St. John:
Just one last question. On the basis of the students that do go away, the report that was done by the Education Department 2 years ago suggested that approximately 50 per cent come back to the Island. What would the write-off of debt look like if there was a loan scheme for 50 per cent of those students?

Director of Treasury Operations and Investments:
The loan scheme we modelled suggested that the States total debt would be £127 million, so 50 per cent of that, £64 million.[67]

71. The Panel notes that £127 million will fund roughly 7.5 years of the proposed grant scheme and therefore questions why a loan scheme (which has the potential to recoup some of the costs), has not been fully considered.

KEY FINDING 21 – The loan scheme considered by the Council of Minister's Sub-Committee would have created debt to the States of £127 million, with a potential write-off of £64 million.

KEY FINDING 22 - The Council of Ministers has discounted the option of a loan scheme as it would create further debt for the island, additional debt for students and their families and recovering the costs would be problematic if students did not return to the island.

KEY FINDING 23 - The Panel was presented with little analysis to explain the reason for a loan scheme being discounted by the Council of Minister's Sub-Committee.

RECOMMENDATION 4 – The Minister for Treasury and Resources should, by the end of 2018, provide detailed costings and analysis of a loan scheme for higher education funding to be considered against the current proposals.

[66] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.22
[67] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.23

7.5 Future costs associated with the proposed approach

72. The final point that was addressed by the advisor, was the fact that no evidence exists as to how the increased and unbudgeted cost of this proposal will be met.[68]

73. The Panel has held concerns from the outset that the proposed model (and indeed even the model pre-consultation) requires a significant amount of additional revenue in order to operate. As discussed earlier in this report, the projected total expenditure by 2021 in the original model was £18,718,707, whereas the revised model anticipates a total spend of £16,548,200 by 2021.[69]

74. Whilst it is clear that the total amount needed in the budget has decreased, a shortfall still exists in relation to the available budget in 2021. The current estimated budget in 2021 (including the additional funding from the removal of the higher child allowance) comes to £14,744,400, which leaves a shortfall of £1,903,800. It is clear that this funding will need to be identified by the next Assembly in the next MTFP.

75. The Panel questioned the Minister for Treasury and Resources on how the proposals would be funded until the end of the current MTFP (2017 – 2019) and received the following answer:

> **Deputy S.Y. Mézec:**
> *Minister, could you confirm how this policy is to be funded up to the end of this M.T.F.P. (Medium Term Financial Plan)?*
>
> **The Minister for Treasury and Resources:**
> *Yes. It is going to be funded from underspends principally from the Education Department, which in 2017 the budget was £9.9 million, which was underspent by £2.9 million. Some of that money is being reallocated for capital projects around Les Quennevais, but the balance is going to be used towards funding this particular project.*
>
> **Deputy S.Y. Mézec:**
> *Is that the entirety of funding to the end of this M.T.F.P.?*
>
> **The Minister for Treasury and Resources:**
> *2018 and 2019 will be dealt with from the underspends.*[70]

76. Upon further examination it was identified that the underspends were directly related to the higher education budget and not the overall Education Department budget:

> **Deputy J.M. Maçon:**
> *Just on this point, would it be fair to say then the underspends in this particular area are recycling budgets that were already allocated for higher education?*

[68] Appendix One – Advisor's Report - p.15
[69] Appendix One – Advisor's Report – p.4
[70] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.12+13

The Minister for Treasury and Resources:
Correct.

Chief Education Officer:
I would not want you to think the Education Department was underspending; we are not. This is the higher education budget which we keep separate. It is ring-fenced and it is for that purpose.[71]

77. However, one particular concern is that the proposals do not have any certainty beyond the end of the current MTFP. Whilst the Panel acknowledges that no service has any degree of certainty beyond the end of the MTFP, it is concerned that such a generous proposal has been put forward that essentially commits a future Assembly to finding a solution.

78. It was confirmed by the Minister for Treasury and Resources that funding for the next MTFP period was a matter for the next Council of Ministers:

Deputy S.Y. Mézec:
How is it to be funded post this M.T.F.P.?

The Minister for Treasury and Resources:
As we have discussed on a few occasions in the past, that is a matter for both the next Council of Ministers and in particular the States Assembly to approve the M.T.F.P. for the 2020 to 2023 period. As I have said previously, health and education have been priorities in the past. I expect that to be the case in the future. The shortfall that will need to be found, on current estimates, is £2.5 million additional from 2020 onwards, but beyond the taking away of the tax allowance and suchlike.

Deputy S.Y. Mézec:
So the answer to the question is that you do not know?

The Minister for Treasury and Resources:
The answer is that I do not have an agreed funding policy for 2020 for this or any other public expenditure because it is not approved yet in the M.T.F.P., which the States need to approve, ultimately.[72]

79. As stated previously, the Panel understands that no funding can be confirmed after the end of the current MTFP. However, committing a future Assembly to finding £2.5 million a year in the next MTFP should be a key consideration for Members when debating this issue.

KEY FINDING 24 - The underspends that will fund the proposals until the end of this MTFP come from the current higher education budget and not the entire education budget.

[71] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.18
[72] Public hearing with the Minister for Treasury and Resources – 5 March 2018 – p.13

KEY FINDING 25 - The proposals will create a deficit of £1.9 million a year by 2021, which the Minister for Treasury and Resources expects to be found by a future States Assembly.

RECOMMENDATION 5 – This proposal should be seen as an interim measure and the Council of Ministers should revisit and review the scheme (if adopted by the States Assembly) prior to the end of the current Medium Term Financial Plan to ensure it is appropriately targeted. If the proposals are not regularly reviewed then the issues which have affected the current system may continue.

7.6 Issues for further consideration

80. Due to the limited time that the Panel has had in order to carry out its review, it has not been able to fully examine all of the issues that have been raised on the proposed model. The following issues have been raised to the Panel and it is of the opinion that further consideration should be given to them by Ministers and the States Assembly.

Further details required

81. One of the main issues raised by the Jersey Student Loans Support Group was that further detail was required as to how the scheme would be implemented:

> **Deputy S.Y. Mézec**
> *Could I ask, I think to start the conversation, do you have any major concerns about what is being proposed at the moment?*
>
> **Ms. N. Heath:**
> *Not major, other than the fact that there is not any detail, I think. That is the thing that has come out the most from people is they are not quite sure exactly how this will work with the current regulations and which bits of the current regulations will be there and which ones will not because obviously there is no orders. So that is ... we are getting lots of questions like: "Will this happen? Will that happen?" That is the main thing, I think.*[73]

82. The full details of how the model will operate should be made available to students and their families at the earliest opportunity.

Capital assets review

83. Under these proposals, families with assets of over £500,000, excluding their main residence (e.g. properties, shares, stocks etc.) will not be eligible for any assistance.[74] From the proposition, the Panel notes that a review of this level is due to come forward in the next 12 to 24 months[75], however, this concern was initially raised in R.51/2016 'Higher Education Funding' as a recommendation.[76] It has been two years since the recommendation was put forward and the Panel questions why no further work has been done to lower this threshold. This review should be brought forward as soon as possible.

Families with multiple children in higher education

84. Concerns have been raised about the potential impact the proposals could have on families with multiple children attending university/higher education institutions. One such submission to the Panel highlighted the potential risks of this issue:

> *"I spoke to the Student Finance Office today to clarify the situation and was quite horrified to discover that there will be no additional allowance for families*

[73] Public hearing with Jersey Student Loans Support Group – 26 February 2018 – p.2
[74] P.33/2018 – Higher Education Funding Proposal – p.4
[75] P.33/2018 – Higher Education Funding Proposal – p.4
[76] R.51/2016 – Higher Education Funding – p.20+34

on higher incomes who have several children at university. As I understand it, the second child will be assessed on the "same" household income as the first child. If we take for example a household income of £100,000 - if the family has two children at university at the same time, then the "household income per child" is only £50,000; and if the family has three children at university at the same time, then the "household income per child" is only £33,333. Yet you plan to assess each of these children on the same household income of £100,000. How are these parents possibly going to cope?"[77]

85. The Panel has also heard evidence to suggest that there is no clarity as to what the funding means for families with multiple children at university:

The Deputy of St. John:
It is how the policy fits around the funding?

Ms. N. Heath:
Well, yes, but it is questions like what happens if you have 2 students going at the same time. Is it going to be calculated as it currently is or is it going to be each student will have the same amount each? We just do not know. It is questions like that, really.[78]

86. The Panel has been provided with the following example from the Treasury and Resources Department as to how this proposal will impact families:

Household income is assessed once and applied equally to all children. For example, in a household with income between £80,000 and £89,999.99 each child is entitled to a tuition fee grant of £9,250 and a maintenance grant of £1,500 - £10,750 in total. If there are 2 children in the household then the grants paid would be £21,500 (£10,750 x 2), if there are 4 children in the household then the grants paid would be £43,000 (£10,750 x 4).

87. The Panel notes that under the proposed system, all students will be treated on an individual basis and therefore receive the grant that is available to their parents income bracket.

Challenges in recruiting local graduates

88. Whilst the purpose of this review was to assess the appropriateness of the proposals presented in P.33/2018, the Panel has acknowledged the wider concern in relation to recruiting local graduates. The Panel received two submissions from Digital Jersey and the Chief Nurse that highlighted the issues sectors are facing in relation to recruitment and retention.

89. Due to the time pressures faced in completing its review the Panel has not had adequate time to address these issues in detail. However, it is important that consideration is given going forward as to how the funding mechanisms for higher education help to support the Island's sectors and workforce needs.

[77] Written submissions – Spence – 14 March 2018
[78] Public hearing with Jersey Student Loans Support Group – 26 February 2018 – p.2

90. In the submission from Digital Jersey, 6 recommendations (broken down into three areas) were put forward as to how higher education funding could help with this issue:

Graduate Retention Incentives

- *The government should develop a 'diaspora policy' to outline key performance indicators in relation to returnee graduates and industry-learner connectivity.*
- *Efforts should be made to explore the use of fiscal incentives to attract the Island's highly skilled back.*
- *Government should monitor labour market movement and harness student finance data to set reasonable targets for graduate retention.*

Pragmatic approach to funding

- *The criteria determining eligibility for student finance should be amended to provide the following:*
  - *i. financial assistance for students enrolled on 'degree apprenticeships' with local employers*
  - *ii. Student finance works with Digital Jersey and industry to identify and recognise accredited and non-accredited courses delivered online (Distance Learning) that would meet employee needs and should thus be eligible for 'distance learning' funding.*
  - *iii. That the eligibility for 'Skills Bursaries' are broadened to accept applicants up to the age of 25 and that Student Finance works with Digital Jersey and Industry to identify off and on-island courses, accredited or non-accredited that should be applicable for 'Skills Bursaries.'*

Foster post-secondary education in Jersey

- *Student Finance should take steps to proactively foster Jersey's post-secondary education and the role it has in attracting and retaining the Island's pipeline of skills. This could be achieved by:*
  - *i. Working with industry and training providers, both on and off-Island to channel resources into education initiatives that will enhance our post-secondary proposition.*
  - *ii. Steps should be taken to bring complete parity to the maintenance grant available to on-Island students compared with that available to students studying off-Island.*
  - *iii. Student Finance should recognise the commercial realities of Jersey's limited scale by increasing the £9,250 maximum tuition allowance granted to degree programmes taught on-Island.*[79]

91. The Panel is of the opinion that this particular issue is part of the wider 'Skills' debate and should be considered alongside the new Skills Strategy (2017 – 2022). However, it is important to recognise that in order to meet the needs of the local workforce, assisting or providing appropriate funding for students is vital.

[79] Written submission – Digital Jersey – 24 January 2018

8. Conclusion

92. It is clear to the Panel that the issue of higher education funding was not going to be solved quickly, and the fact that it has taken nearly two years since the publication of R.51/2016 for proposals to come forward highlights the difficulty in addressing it. On the face of it, the current proposals will certainly address the immediate issue that many families are facing in relation to the costs of sending students to university.

93. However, as a result of the evidence collected during its review, the Panel has come to the conclusion that the scheme that has been put forward to the States Assembly should be seen as an interim measure to address the cost of students attending university. This is based on certain issues that have been identified during the review.

94. Conflicting information exists in relation to the number of students that are likely to access the scheme. Throughout the review, the Education Department and Treasury and Resources Department have stated that the figures used to inform the model anticipated the 'worst case scenario' in terms of the number of students that may access the scheme. However, figures from the Panel's advisor (taken from HESA) suggest that the level has been underestimated. The Panel has been unable to determine whether or not the figures used by Education are accurate, and therefore has recommended that the Minister for Treasury and Resources assigns appropriate contingency funding (similar to the Annually Managed Expenditure (AME) contingency) to support the model. The Panel also recommends that the Minister for Treasury and Resources reports back to the States Assembly in October 2018 with the actual numbers accessing the scheme and the associated costs.

95. Furthermore, the proposed scheme does not appear to address any public policy, other than to ensure that no student is denied the opportunity to attend university. The support that will be given to the wealthiest families is significantly more than some on lower incomes, and the Panel questions whether this scheme could be better targeted to assist those on lower incomes. To that end, the Panel has recommended that the Minister review the scheme prior to the next MTFP to ensure it is appropriately targeted to those who need the assistance.

96. There is evidence to suggest that a loan scheme has been rejected as it would add extra debt to the Island. However there is no evidence to suggest that a loan scheme has been fully considered by the Council of Ministers, and the Panel therefore recommends that the Minister for Treasury and Resources brings forward detailed plans for a loan scheme to be considered instead of, or alongside parts of, the current proposals.

97. This proposal is by no means the long-term solution to student finance and further work will need to be undertaken by the Minister for Treasury and Resources and the Minister for Education to identify a sustainable solution. However, the proposals do offer the States Assembly the opportunity to significantly increase the support it gives to students accessing higher education and this is to be welcomed, if only as an interim measure. The Panel therefore supports the proposal on the condition that further work is done to identify a more appropriate solution for the long-term.

Review of Government Proposals for the Reform of Student Financing in Jersey

Report to the Education and Home Affairs Scrutiny Panel

undertaken by

Bahram Bekhradnia

President, Higher Education Policy Institute

February 2018

Contents

Student finance in Jersey – analysis of Government proposals

Overview

There is no doubt that the Government has taken the problem of student finance very seriously. Its proposal, if implemented, will have an immediate and positive impact on aspiring students and their families, and will in the short term remove the financial barrier that prevents some from participating in higher education at all and creates serious difficulty for many others.

Undoubtedly also the Scrutiny Panel's work and its focus on this issue was one of the factors that obliged Government to act – as is stated explicitly in the Government's original response to the Scrutiny Panel's report. Moreover, the Government has adopted a number of the Scrutiny Panel's proposals, including the abolition of the Higher Rate Allowance and the ready reckoner for student entitlement to maintenance support.

Notwithstanding this generally positive view, there are a number of serious issues associated with the Government's proposals.

- The Government has chosen an approach that is the most expensive option that it considered – indeed Table 4 of the "Student Finance Options" paper of 18 August 2017 shows explicitly that that is so, as does the undated presentation entitled "Options for the future funding of student finance". The Government should explain why this route was chosen, and the others rejected, in greater detail than is apparent from the very limited analysis that has been made available so far
- The Government's calculations of the cost of its proposals appear to be based on a level of demand that is only slightly higher than the present number of students and is seriously lower than the demand likely to arise in future
- The fact that the Government has considered the cost of maintenance alongside the cost of fees is welcome, and it is good that options which excluded maintenance support were rejected. Yet even as they stand – because the cost of fees is treated more generously than the cost of maintenance – the poorest groups are left exposed to costs many will still find unaffordable, though substantially less than at present; and other potential students – those without conventional school leaving qualifications – are excluded completely
- The policy purpose behind the chosen option is stated in the Government's published proposal as being to "reverse the decline in the number of students opting for university." However, if this is the purpose it will be apparent from what follows below that the option adopted does not promote that objective in an optimal way
- There is no discussion of the sources of the additional finance that the proposed option would require, other than the money released by the abolition of the Higher Rate Allowance.

In passing, it is worth mentioning what, on the face of it, looks like a very perfunctory analysis of the options. In response to a request from the Scrutiny Officer the Treasury and the Education

Departments have said that, other than the very limited documentation which has been provided to the Scrutiny Panel, there is no documentation which the Ministerial Subcommittee considered in the course of its work, and which informed its decision about which option to pursue and which to reject.

There is, for example,

- No analysis of the real long-term costs of the different options (as distinct from the immediate cash cost)
- No analysis of the implications for public finances and the national accounts if the Government were to increase its borrowing in order to create a loan system
- No sensitivity analysis and in particular no consideration of the potential cost, or of the options that would be available to the Government, were there to be a large increase in demand, as is likely to be the case (see below)

Cost of the proposed approach

The cost of these proposals appears to have been underestimated for reasons that are difficult to understand and which are explored further below. Specifically, the number of students likely to require support has been seriously understated, and little account taken of the increased demand that would be generated as higher education becomes more affordable.

However, even the Government's calculations indicate that the proposed new arrangements will require a doubling of the higher education budget within three years. In 2017 the higher education budget for student support was £8.4 million (of which only £6.9 million was spent), and under these new arrangements a budget of over £16.5 million is said to be required by 2021-22 (which itself is very likely an understatement for reasons mentioned above and discussed further below). Some of the additional money is already in the future Education budget, and some will come from the abolition of the HRA, but the proposals are silent about the source of the further funds that will be required. On the face of it the Government has announced a policy which it lacks the resources to implement.

There seems some unclarity about the costs of the proposal. The Government's original estimates are reproduced in Table 1 below (taken from the Government document "Student finance preferred solution", supplied to the Scrutiny Panel and which showed the cost of the Government's proposals rising to £18.7 million by 2021 and, not shown here, over £20 million per year from 2027).

Table 1: Government's original estimates of cost and budget

Original estimate (taken from Student finance preferred solution

	2017	2018	2019	2020	2021
Cost of tuition fees		**£1,869,153**	**£10,560,227**	**£11,370,243**	**£13,995,972**
Cost of maintenance		**£1,416,282**	**£4,317,370**	**£4,525,781**	**£4,720,714**
2017 forecast cost (2 terms)		**£5,918,000**			
TOTAL cost (actual)	**£7,000,000**	**£9,205,453**	**£14,879,616**	**£15,898,045**	**£18,718,707**
Budget (adj for -£1.5m)	**£8,400,000**	**£10,500,000**	**£10,500,000**	**£10,815,000**	**£14,639,450**
Gross Surplus/deficit	**£1,400,000**	**£1,294,547**	**-£4,379,616**	**-£5,083,045**	**-£4,079,257**
Carry forward		**£1,400,000**	**£2,694,547**	**£0**	**£0**

As Table 2 shows, in the proposals now put to the States Assembly the Government's forecasts have changed to the following:

Table 2: Government's estimates of cost and budget as set out in its final proposal

Estimated total cost of the proposed scheme by financial year				
	2018	**2019**	**2020**	**2021**
Estimated number of students	**1,550**	**1,600**	**1,650**	**1,660**
Total cost plus HCA withdrawal	**£9,779,700**	**£11,582,500**	**£16,111,425**	**£16,548,200**
Current budget plus HCA withdrawal	**£9,975,400**	**£10,500,000**	**£14,315,000**	**£14,744,400**
Additional Resources Required	**£200,000**	**£100,000**	**£100,000**	**£100,000**
Net funding surplus or (Requirement)	**-£4,300**	**-£1,182,000**	**-£1,896,400**	**-£1,903,800**

These show a reduced cost of £16.5 million in 2021, and a deficit of £1.9 million per year in 2021. However during his appearance before the Scrutiny Panel on 12 January, the Treasury Minister is reported to have conceded that the proposals would cost £17.9 million in 2019, and more subsequently.

It is difficult to understand why the forecast cost has reduced so considerably. The only things in the Government's proposals that have changed since the original are an increase in the maintenance grant (which would have the effect of increasing the deficit, not reducing it) and a reduction in the grant available for the highest-paid (those earning over £100,000 per year). It is possible, but highly unlikely, that this latter change is sufficient to halve the deficit.

Even an unfunded deficit of nearly £2 million per year is potentially serious, but the Government should explain in detail the reduction of the anticipated cost from its original calculations.

One particular respect in which the proposals appear deficient is that they appear not to be based on any consideration of whether the proposed expenditure of public money is optimal and focused on where it can be used to best effect. And in this context there is no consideration of deadweight – providing public subsidy to those who do not need it and which would not advance public policy. The scheme originally proposed would have paid the entire fee of those whose household income is up to £150,000, and even for those with income over £150,000 it was proposed to pay half their fees. This was criticised during the consultation, and the present proposal has modified this to provide a reduced level of grant support for students from families earning between £100,000 and £200,000 per year and no grants to those from families with annual income of more than £200,000.

Despite the modification, it is still proposed to provide significant benefit to those who are best off in society; and if the proposals are, as has been stated, to increase public expenditure in order to "reverse the decline in the number of Jersey students attending university" then deadweight is an important issue. That is clearly demonstrated in considering the extent to which the new arrangements benefit different income groups. Table 3 below, produced from data contained in the Government's proposal, shows that those earning up to £125,000 per year will be nearly 100 per cent better off as a result of the proposed new system whereas the lowest earners are between just 8 per cent and 22 per cent better off.

Table 3: Relative benefit from the proposed scheme accruing to different income groups

Income	Old	New	% gain
£0	13750	16750	**22%**
£30,000	14920	16750	**12%**
£50,000	14113	15250	**8%**
£75,000	7788	12250	**57%**
£90,000	4750	9250	**95%**
£125,000	3768	7400	**96%**
£150,000	3292	4625	**40%**
£175,000	1876	2775	**48%**
£200,000	1200	0	**N/A**

If, as is claimed, the principal policy aim of these reforms is to maximise participation, then that is unlikely to be promoted by using taxpayers' money disproportionately to benefit the relatively (and absolutely) wealthy, and paying the fees of those who can afford it and who were doing so anyway.

Certainly, the highest earners will lose as a result of loss of the Higher Rate Allowance – and the money to pay for this new scheme will need to be raised from taxation and possibly the better off will pay higher taxes. But that loss is more than offset for most by the fact that their children will have all or part of their fees paid. There is no sign that there has been a proper discussion of this question nor any explanation as to why it has been decided to spend public money to protect the earnings of those who are among the most wealthy in a policy change that is avowedly in pursuit of a social objective. This aspect of the proposal sits uncomfortably with the fact that the Government's proposals will require greatly increased public expenditure.

Among the opportunity costs is that even the poorest will continue to have to find significant sums from their very limited income to enable their children to attend university. While the increase in maintenance grant is very welcome and will help to reduce the burden, it still leaves a serious gap in the finances of the poorest who will have to find over £8,000 on average[1] to see a single child through university in England – a gap which could be bridged if some of the subsidy proposed for the wealthy were reduced or removed, or if some form of loan scheme or hybrid were considered.

One detail in the new proposals that was not explicit previously is that eligibility for support will be limited to those who "have appropriate qualifications: A-levels or equivalent". Widening participation is widely regarded as an important policy aim in higher education, and one that is accompanied by a recognition that higher education opportunities should be available to those who have the ability to benefit but may not have done well at school, for whatever reason. All universities, including the most prestigious, accept students who they judge will benefit from a university education even if they do not possess "normal" school leaving qualifications. It seems anomalous that the Government is proposing to deny support to those whom a university has judged to be capable of benefiting. This may seem like a relatively minor detail, but it is regressive and flies in the face of generally accepted practice, and the Government should be challenged why it has inserted this detail. If it is in the interests of cost saving, then, given the

[1] The Government's proposals state that the maximum maintenance support that will be provided will be £7500, compared to an assumed annual cost of maintenance of £10,000

deficit that it is willing to contemplate and the fact that it continues to be willing to provide benefit to the relatively well-off, it is a detail that it should be encouraged to reconsider.

Sensitivity analysis: increasing demand

The most worrying aspect of the proposals is that the cost appears to have been calculated on the basis of minimalist and unrealistic expectations of likely demand.

The Education Department has addressed my concern that it underestimated the immediate level of demand - whereas in the analysis originally provided to the Scrutiny Panel it stated that its calculations were based on a current population of Jersey-domiciled students of 1260 (whether studying in the UK, in Jersey or elsewhere) it now appears to have redone its calculations based on a present student population of 1480. That figure seems to be about right, and is 36 per cent higher than the number of undergraduate students registered with the Education Department - that is to say that 36 per cent of Jersey undergraduates pay their own fees without applying to the Education Department for support.

But as was discussed in my 2017 report, there is every reason to believe that latent demand is very much higher even than this number. The reasons for believing this are that:

- The number of Jersey-domiciled students has reduced substantially despite a growing, young population
- There appears to be a discrepancy on the one hand between the number of young people obtaining A-levels (or in the absence of information about this, attending year 13 at school), which has increased, and the numbers participating in higher education on the other, which has been declining
- The rate at which young people from Jersey participate in higher education is currently among the lowest in the Western world – which was not the case previously. Unless there are reasons for thinking that young people in Jersey are different from others in their aspirations and abilities then there seems no reason why, if all else is equal, they should not in due course participate at the same rate as others, and indeed at the same rate as they did previously
- The participation of Jersey's population in higher education lags well behind that of England. Given the socio-demographics of the population it would be reasonable to expect a higher level of participation than the English average, not a lower one as at present.

These factors suggest considerable unmet/latent demand. What follows discusses each of these in turn.

Reduction in student numbers despite the stable population

Data were obtained from the Higher Education Statistics Agency (HESA) of Jersey-domiciled students in the UK since 2006. These are shown in Table 4 below, alongside the numbers registered with the Education Department.

Table 4: Students studying in the UK

Year	Education Department total	HESA total
2006-2007	1375	2075
2007-2008	1328	1686
2008-2009	1286	1551
2009-2010	1252	1499
2010-2011	1196	1465
2011-2012	1196	1534
2012-2013	1201	1476
2013-2014	1137	1409
2014-2015	990	1268
2015-2016	948	1192

It will be seen that in every year from 2007 to 2015 there were around 20–25 per cent more students in the UK than were registered with Education; and in 2006 fully 50 per cent more. Those students did not register because they were not eligible for support – the only benefit of registering. It can be assumed also that students who were not eligible for support who attended higher education institutions in Jersey or elsewhere similarly did not register with Education.

Table 5 below shows the total number of students registered with Education since 2006 and alongside that a calculation that increases those numbers by the same percentage as the UK unregistered numbers. So the likely actual number of Jersey domiciled undergraduate students in higher education in 2006 was therefore over 2300 - there was a reduction in the number of Jersey-domiciled undergraduate students of 38 per cent between 2006-07 and 2015-16. Or in other words there were nearly 63 per cent more students in 2006 than in 2015-16.

Table 5: Total Jersey-domiciled student numbers

Year	Education Department total	Total including unregistered students
2006-2007	1538	2321
2007-2008	1427	1812
2008-2009	1338	1614
2009-2010	1307	1565
2010-2011	1304	1597
2011-2012	1338	1716
2012-2013	1369	1682
2013-2014	1330	1648
2014-2015	1170	1499
2015-2016	1133	1425

The data also show a large reduction in Jersey-domiciled students between 2006 and 2007. Although the numbers studying in the UK have continued to decline, the numbers studying in Jersey and elsewhere have increased back to the levels of 2006 and more. The reduction in the number of UK-based students after 2006 is significant and can be explained by the fact that in that year the £3000 fee regime was introduced (since increased to £9000). The reduction in numbers in the UK after 2006 can almost certainly be explained by economic factors – factors that will be removed by the Government's proposals.

On the other hand, Table 6 below shows that there has been a steady increase in the young population of Jersey over the past 20 years – the number of 17-18 year olds recorded in the 2001 census was 20 per cent lower than the number today and the number in 2006 is estimated to have been 13 per cent lower[2]. That means that there were 63 per cent more students in 2006 2007 than in 2015-16 despite a young population that was significantly smaller. Unless there is any reason to think that the appetite for higher education among Jersey's population would have reduced over the past decade if it were not for the financing situation, it would be reasonable to assume that underlying demand would be more than 60 per cent higher than present student numbers – instead of the 1480 students in higher education today there would be more than 2300.

Table 6: 18 year olds in the population 2006-07 - 2016-17

2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
1023	1043	1063	1083	1102	1090	1130	1080	1160	1150	1160

Source: Chief Statistician, States of Jersey – privately provided analysis

Discrepancy between Year 13 participation and participation in higher education

There are other reasons for thinking that, all else being equal, demand today would be even higher than in 2006. The Education Department does not have records of the number of students taking A-levels back to 2006. However, it was able to supply the number of Year 13 students in Hautlieu, JCG, Victoria College, Beaulieu and De La Salle , which it believes will show a trend similar to that of A level participation. As Table 7 below shows, the number of pupils in Year 13 has increased by 18.6 per cent since 2006.

Table 7: Year 13 participation

2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-20117
455	479	484	485	517	510	481	473	532	535	540

An increase of 18.6 per cent over the 2,300 Jersey-domiciled students who participated in higher education in 2006-07 would equate to demand for higher education of 2,750. Interestingly, information from the English Education Department indicates that young participation in England has increased by 27 per cent over the past 10 years. That suggests that if young people in Jersey had behaved in the same way as young people in England then – if all else (notably the financing arrangements) were equal - demand in Jersey would be as high as 2,900.

It is not, of course, possible to be precise about the reasons why qualified young people and others from Jersey fail (and have been failing in increasing numbers) to continue their education in the same way as those elsewhere, nor to be specific about the numbers who would have participated if circumstances had been different. But it is difficult to conclude other than that the

[2] The Statistics Unit are unable to break the population down into age groups before 2012 beyond the information provided in the 2001 census. So in Table 3 equal incremental annual increases have been assumed between 2001 and 2011

financial arrangements have contributed to the failure of many young people in Jersey to continue their education beyond A-levels – and that a removal of the financial constraint will stimulate a large increase in demand, both in the number taking A-levels and other secondary school examinations, and in the numbers progressing from these into higher education.

Internationally low participation rate

The World Bank produces a statistic that permits tertiary education participation to be compared between jurisdictions – the Gross Enrolment Ratio (GER), which is defined as the total number of tertiary students as a proportion of the 18 – 22-year-old age group.

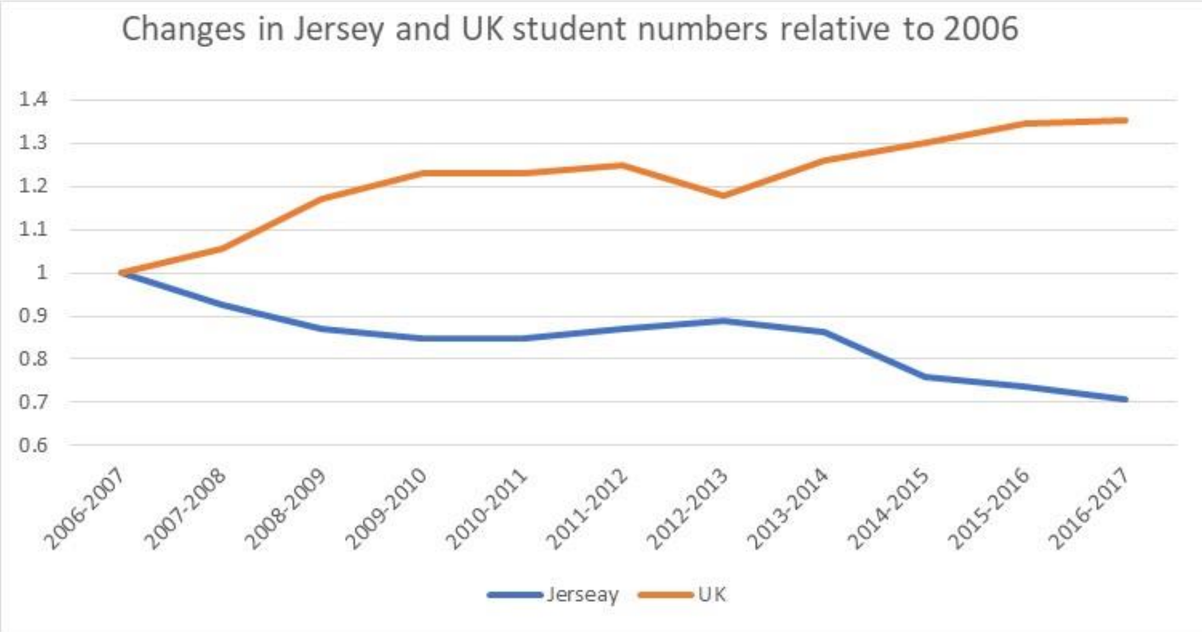
As discussed in my 2017 report, Jersey's Gross Enrolment Ratio of 31.2 per cent compares with that of the UK of 56 per cent and the EU and OECD averages of 65 per cent. The Gross Enrolment Ratio statistic includes postgraduates, who, according to HESA data account for 14 per cent of Jersey students and 20 per cent of UK-domiciled students. Removing these from the Gross Enrolment Ratio calculations leads to a modified Gross Enrolment Ratio for Jersey that is still not much more than half that of the UK's which itself is less than the average for developed countries. There seems no intrinsic reason why Jersey's population should have an enrolment rate so much lower than other advanced Western countries; and indeed until 2006 Jersey's GER – at over 45 per cent - was very much closer to that of the UK.

That supports the assessment that if the student financing hurdles were removed a Jersey undergraduate student population of at least 2500 is quite plausible – nearly 50 per cent more than numbers at present budgeted for. This is not a precise forecast, but it indicates the scale of potential additional demand that may arise if financial considerations do not in future deter young people from pursuing tertiary education.

Comparison with England

Finally, comparing the changes in Jersey since 2006 with those in England, as Figure 1 below shows, in Jersey student numbers have reduced by 38 per cent whereas in England they have increased by 35 per cent. What is more, in Jersey the young population has increased by more than 13 per cent, whereas in England it has reduced by about 6 per cent. If Jersey's student population had changed in step with that of England then we could expect nearly twice as many undergraduate students today than the 1480 believed currently to be enroled.

Figure 1: Changes in Jersey and UK student numbers relative to 2006[3]



Conclusion

So the data show that there were 63 per cent more students in 2006 than in 2016, and they also show a substantial and progressive reduction in the years since then. Both these facts are consistent with what might be expected. The numbers attending higher education from Jersey in 2006 were consistent with a gross enrolment ratio not much different from that of the UK and the rest of Europe. And the reduction from 2006 is consistent with the fact that fees of £3000 per year were introduced in England from that year. The numbers present in 2006 can reasonably be treated as the “normal” demand from Jersey-domiciled students if exceptional financial circumstances had not been a constraint. As a result of the Government’s proposals finance will longer be a constraint and there seems no reason why numbers should not rapidly rise back to this “normal” level.

It is not unrealistic to think that, given the right circumstances, the young people of Jersey will again match the performance of those in other developed countries. Indeed, as the Chief Education Officer, with his vast experience of education in England, will confirm, if Jersey were an Education Authority in England it would be among the wealthiest and the education attainment of its young people should be outperforming England average. There seems to be no reason why that should not be the case over time and perhaps rather swiftly once these new arrangements are in place.

These are not fanciful estimates but are based on statistical fact. However, it should not be for the Scrutiny Committee to provide estimates of demand, but for the Government to show that it has considered these possibilities and to demonstrate why it believes that its own estimate of an increase in demand in the next 5 years of only 170 – and in the next 10 years of only 220 - from its already very depressed level (to a level that is far lower than that of 2006 despite a steady, or even slightly increasing, young population, and which is nevertheless described as being at the

[3] Using numbers recorded by the Education department, which give a reasonable picture of trends.

“upper end of the range”) is correct. And if it does not believe that numbers in Jersey will rise to match those of other countries and the levels previously achieved, it should explain why not.

It seems incontestable that on the face of it a significant and increasing number of young people from Jersey have been failing to take advantage of tertiary education opportunities because of the current financial arrangements. But the corollary now is that the Government’s proposals will reverse that, and higher education will be more affordable: that in turn will mean that young people in Jersey will begin to behave more like their peers in the United Kingdom and elsewhere – and as they did previously.

On the basis of this analysis, in the near future there is likely to be a shortfall in the assumed (increased) higher education budget of as much as 50 per cent. Given that the proposed budget is already nearly double that of the recent past, this implies that to accommodate demand in future will require a nearly threefold increase in expenditure on higher education compared to the recent past.

Given that the budget is inadequate even to accommodate the numbers the Government has planned for, implementation of the present plans will lead to future generations (and not far into the future) being confronted with the problem of how either to ration the budget that is available on the one hand or on the other to increase government expenditure and therefore taxpayer support over and above that presently anticipated. It would have been wise of the Government to have considered the extent to which the selected and other options are future proof.

The future, of course, is unknowable, but in proposing a programme that even on the Government’s own estimates implies more than twice last year’s level of expenditure on student support, one would have expected some quite serious analysis of the implications of different levels of demand. I remain of the view that these proposals, already expensive as they are, will before too long be judged unaffordable, and that serious decisions will need to be taken by future ministers and others about how to ration the funds that are available, how to raise the additional funds that will be required or what new arrangements to introduce.

Alternatives

All of the options (scenarios) considered and rejected for further consideration involve loans and/or guarantees, yet there is no proper discussion, or indeed any consideration – certainly none that has been provided to the Scrutiny Committee in response to its requests for information - of the benefits and disadvantages of a loan scheme as distinct from the public grant scheme proposed. For example, my 2017 report showed that with a hybrid grant and income contingent loan scheme the Government would be able to tolerate a write-off (subsidy) of over 50 per cent of the loans, which would still have made it cheaper for the Jersey taxpayer than the proposed arrangements; and it would have been more future proof in that if demand were to increase beyond that anticipated (which is highly likely), part of the cost would be borne by students themselves after graduating, and moreover the Government could have changed the terms of loans in future to protect the taxpayer against unaffordable costs.

As was stated in my 2017 report, the arguments against loans – that the guarantees that might be required (or the public borrowing if the Government were itself to provide the loans) are imprudent or not possible under current legislation – are essentially political rather than financial or economic: if the political will existed to implement such measures then they could be implemented, as they have been in other jurisdictions.

There appears to have been no extensive discussion of the possibility of loan schemes, and to the extent that there was any discussion these appear to have been limited to mortgage style schemes – no discussion appears to have taken place or modelling undertaken of the kind of income contingent repayment scheme adopted in England, Australia, increasingly in the USA and elsewhere. Such schemes have advantages and disadvantages and may well not have been suitable for Jersey, but it is be surprising that these were not analysed, if only to be rejected. However the Scrutiny Committee has not been provided with any evidence of such analyses having taken place despite its requests – so it must be assumed that none have been undertaken.

On the basis of the Government's own projection of cost, of the options considered the proposed scheme is by far the most expensive for the Jersey taxpayer. According to the document "Options for the future funding of student finance", supplied to the Scrutiny Committee, Option 2, which appears to provide the basis for the option selected for implementation, involves a shortfall in budget of £5.6 million by 2018, reducing to £3.4 million in 2023 and rising again to £4.4 million in 2028. And the reason for selecting this over loan-based or hybrid options that would be cheaper is not discussed. Although the figures have changed since then, those are the estimates on the basis of which the Government's decision was taken.

Option 3, which, along with Option 4, in my view is a more sustainable option given likely future increases in demand, is said to be cheaper and to involve a shortfall in funding in 2028 less than two thirds that of Option 2. Option 2's main advantage over Options 3 and 4 appears to be that it implies a lower level of debt burden. The question of public borrowing to fund student loans was extensively covered in my original report. The extent to which that should be regarded as a decisive factor, particularly when it involves a far lower level of burden on the taxpayer than other options, go to sleep is a matter of primarily political (not economic) judgement. The level of guarantee that would be required (assuming non-government financing of the scheme) is shown in the Government document "Student Finance Funding Options", and there is a single statement that the maximum guarantees that the States are able to provide under present legislation is £693 million, as if that alone provides a reason against loans or guarantees and is an immutable fact.

The published proposals are even more superficial on the question of loan and hybrid based alternatives – stating only that they were rejected "because of the financial implications of the debt burden both for students/parents and for the States of Jersey." And the press notice that accompanied the consultation stated simply that "A loan system has been ruled out because of the burden of debt it would place on students, their families and the island's finances. Student loans would tie up a significant amount of money that could be used for other public services. In addition, loans are complex and costly to administer, especially the repayments. Many students return to the island but a significant number don't and it would be expensive and difficult to collect repayments from people who are not in Jersey." These are assertions, without any indication that any detailed analysis was undertaken of the alternatives.

Nor does there appear to have been consideration of the Government itself borrowing the money and lending it on to students, as has been done elsewhere. Again, the reason for this may be to do with government policy, and one might have expected some discussion of why government policy should not change; or if current legislation stands in the way of such an approach, why legislation should not change. There is no recognition that borrowing to spend (as for the building of a new hospital) is a quite different proposition from borrowing to lend on to students, which itself will produce an income stream and so an asset to set against the borrowing. The arguments against such approaches may be sound, but they appear to have been taken for granted rather than discussed and evaluated against the benefits.

Highlands College

Other than an acknowledgement that the proposal will have an impact on Highlands College there is no discussion of Highlands' future role and its viability. Certainly there can be little doubt that making study in England more affordable will attract some potential students away from Highlands and will potentially damage it. That is not a reason for not pursuing one or other of the options, but it does make consideration of the position of Highlands urgent.

In the course of such consideration it will be important to ensure that because of the gap between what the Government proposes to provide in maintenance support and the cost of studying outside Jersey, Highlands College should not become the last resort of those who could not afford anything else

Conclusion

As stated at the outset, these proposals demonstrate that the Government has taken the concerns of the Scrutiny Panel seriously and has produced proposals which would in the short term very largely dispose of the problems that have arisen recently that affect the ability of young people to pursue higher education. That needs to be recognised and the Government congratulated for taking the question seriously, as should be the Scrutiny Panel for its vigorous pursuit of the matter.

However, there are important issues with the proposals as they stand, discussed above. The most key issues are

- The Government has seriously underestimated possible increases in demand arising from the new much more generous financing arrangements, and has taken a minimalist view of the likely demand that will be generated by the increased very generous support that it proposes should be provided. These new arrangements will stimulate demand, and there seems no reason why the participation of young people in Jersey should not at least match that of 10 years ago, and why it should continue to lag so far behind that of young people elsewhere. Even if the Government does not believe that demand will increase to the extent that the evidence suggests is likely, it might have been expected to undertake some sensitivity analysis of the possible costs of demand beyond its expectation, and the cost and other implications of a greater level of demand. There is no sign that this has been done. I remain of the view that these proposals, expensive as they are, will before too long will prove to be even more expensive than claimed, and will be judged unaffordable - with political, social and economic consequences for future generations
- The scheme that has been proposed is the most expensive that the Government considered and this has been preferred over options which were cheaper for the Jersey taxpayer - largely because the latter involve government borrowing or guarantees and because of the level of 'debt' that graduates would have to repay. Again, no analysis or

rationale for that decision has been given. Nor is there any evidence of serious analysis having been undertaken of the costs and benefits of alternatives, such as loan schemes and hybrids, and the implications of different assumptions or conditions that might be attached to these

- By proposing to extend grants to even the most wealthy, the Government is creating deadweight - taxpayers' funds being used in a suboptimal way which will not further any policy or social aim. Indeed, on the basis of the Government's own analysis, in proportionate terms the largest beneficiaries of the new arrangement will be the most wealthy. The taxpayer support provided to the relatively wealthy could be more effectively used by providing further support to the least well off and to others whom the Government proposes to exclude from support
- There is no evidence of thought having been given – certainly no explanation has been offered – to how the increased and unbudgeted cost of this proposal will be met. As it is, at present it looks as though the Government is making a proposal that it lacks the finance to implement.

10. APPENDIX 2

10.1 Terms of Reference

The Panel's Terms of Reference for the review were as follows;

1. To examine the appropriateness of the preferred Student Finance funding option(s) put forward by the Council of Ministers Sub-Committee in relation to:

   a) local families and students
   b) public finances
   c) States of Jersey manpower resources

2. To establish any other options considered but rejected by the Council of Ministers Sub-Committee and assess the rationale for any such decisions.

10.2 Panel Membership

The Education and Home Affairs Scrutiny Panel comprised the following Members:

Deputy Jeremy Maçon, Chairman

Deputy Sam Mézec, Vice-Chairman

Deputy Tracey Vallois

*Deputy Louise Doublet resigned as Chairman of the Panel during the review and subsequently, Deputy Maçon was elected to the role of Chairman.

10.3 Expert Advisor – Mr. Bahram Bekhradnia

Bahram Bekhradnia has worked in education policy for over 40 years as a senior civil servant, a director of the Higher Education Funding Council for England (HEFCE), and as the Director and now President of a higher education think tank. As the first director of the Higher Education Policy Institute (HEPI), he created an entity that has gone on to become one of the world's most authoritative independent higher education research bodies.

He has also written articles and commented extensively in the written and broadcast media, and has provided consultancy advice to Universities, Parliaments, Governments and Opposition parties in the UK and in more than 25 other countries, in particular concerning the creation of strategies for the development, funding and assessment of their higher education systems and their universities. His most recent research report, published in March 2018, provided an analysis of likely demand for higher education in England to 2030.

Bahram holds Bachelors and Master's degrees from the University of Oxford, honorary degrees from the University of North London, Oxford Brookes University, BPP University and the University of East Anglia and has been a visiting professor at the University of Bath and the London University Institute of Education. Until recently he was on the governing council of the UK Arts and Humanities Research Council, and until it was disbanded he was Special Adviser to the Parliamentary Select Committee responsible for Universities. He is currently a member of the UK Higher Education Commission and of the Pearson World Class Qualifications Advisory Group, and he was an early member of the International Rankings Expert Group. Since 2008 Bahram has been a member of the Editorial board of the Times Higher Education (THE) magazine, and in 2009 chaired the Ditchley Park Conference on

Higher Education. In March 2012 he was appointed by the Irish Government to be a member of the Higher Education Authority of Ireland.

10.4 Briefings

The Panel received the following briefings on the proposals:

Briefing on the original proposals	**Date**
Mr J. Donovan, Chief Education Officer Mrs C. Walwyn, Chief Operating Officer, Education Department Mr S. Hayward, Director of Treasury Operations and Investments Mr K. Hemmings, Head of Decision Support, Treasury and Resources Department	Thursday 7th December 2018
Briefing on the consultation results	**Date**
Mr J. Donovan, Chief Education Officer Mrs C. Walwyn, Chief Operating Officer, Education Department Ms T. Mourant, Executive Officer, Education Department Mr A. Thompson, Project Manager, Education Department	Monday 22nd January 2018

10.5 Public Hearings

Witness	**Date**
Senator A.J.H. Maclean, Minister for Treasury and Resources Mr R. Bell, Treasurer of the States Mrs C. Walwyn, Chief Operating Officer, Education Department Mr S. Hayward, Director of Treasury Operations and Investments	Friday 12th January 2018
Witness	**Date**
Mrs N. Heath, Jersey Student Loans Support Group Mrs F. Sharman, Jersey Student Loans Support Group Ms J. Beaumont, Jersey Student Loans Support Group	Monday 26th February 2018
Witness	**Date**
Senator A.J.H Maclean, Minister for Treasury and Resources Deputy A.E. Pryke, Assistant Minister for Education Mr J. Donovan, Chief Education Officer Ms C. Walwyn, Chief Operating Officer, Education Department Mr S. Hayward, Director of Treasury Operations and Investments	Monday 5th March 2018

10.6 Written Submissions

The Panel received written submissions from the following individuals and organisations:

- Auld
- Jersey Student Loans Support Group (1)
- Jersey Student Loans Support Group (2)
- Syvret
- L'Amy
- Spence
- Gary R Jones
- Clark
- Chamber of Commerce
- Digital Jersey
- Davey
- Nursing Jersey
- Jersey Association of Head Teachers