

3.8 Deputy R.G. Le Hérisier of St. Saviour of the Minister for Education, Sport and Culture regarding policy options relating to the cost of top-up fees for higher education:

Would the Minister outline the policy options that were considered in relation to the extra monies required to meet the cost of top-up fees for higher education and why was the eventual decision not announced earlier?

Deputy J.B. Fox (Assistant Minister for Education, Sport and Culture):

Four policy options were considered regarding the cost of top-up fees. These were; absorbing the entire cost within an overall provision made for student grants; Number 2, adding the new cost to the overall student grants budget and then apportioning the cost to parents according to their income; Number 3, passing on the cost to students supported by a schedule of student loans and Number 4, passing on the full cost to students or their parents. It was the fourth of these options which the Minister proposes. Negotiations with the United Kingdom Universities was concluded in October 2005. In December 2005 a meeting was held between the Minister and officers of the Department for Education, Sport and Culture and Treasury and Resources to consider this and other financial issues. During the same month we were advised by the UK Department of Education and Skills that the scheme for student loans managed by the UK Student Loan Company could not be developed. It was early February 2006 that having considered the outcome of these negotiations the Minister, following further discussions with our Minister for Treasury and Resources, brought forward this proposal. The proposal should have come as no surprise to parents with children seeking admission to university in September 2006.

The Bailiff:

I am sorry you are time expired now.

3.8.1 Deputy G.P. Southern:

Could the Assistant Minister give details of the discussion that has taken place with the Treasury and Resources Minister over the overlap between the new '20 means 20' proposals and this additional burden on middle-earning taxpayers?

Deputy J.B. Fox:

The answer is I would love to but I have not been privy to such detailed conversation. I would be happy to find out the information and relay it to the Deputy, or to the House, if desired.

3.8.2 Senator B.E. Shenton:

Did the Minister make his decision after full consultation with his Assistant Ministers and if not, why not?

Deputy J.B. Fox:

Yes, we had a meeting at the department where the various options were discussed. As a result of that the proposals were taken to the Council of Ministers who arranged an urgent meeting due to the fact that the Minister was going away. Also I understand there was discussion between the Minister and the Minister for Treasury and Resources in relation to this issue. So, yes, we were advised and gave our views as Assistant Ministers to the Minister.

3.8.3 Deputy R.G. Le Hérisier:

Would the Assistant Minister concede that this decision was made precipitously - there was very little forewarning given to parents - and will he now say that he is advising the Minister to withdraw it so a rethink can occur?

Deputy J.B. Fox:

I think the first part of the answer is that in the United Kingdom this question of additional top-up fees has been in the public arena for over 2 years, and certainly has to my knowledge. Certainly in 2005 all parents in relation to their students due to go to university in the United Kingdom in 2006 had information given to them about this potential top-up fee at parents' evenings, given out at higher education fairs in February, and in other supporting documents. As far as the last part of the question - the decision - as far as I am aware it has not been made yet. It is still subject to discussion and will be subject to the Council of Ministers meeting of 8th April when my Minister will be bringing his proposals and his considerations forward. It will be discussed with the Ministers and then, no doubt, my Minister will make a decision. As regards the views of the Assistant Ministers, they have already been given to the Minister as can be confirmed by my fellow Assistant Minister.

3.8.4 The Deputy of St. John:

I wonder if the Assistant Minister could advise as to whether proper consideration has been given to a student loan scheme? He did suggest before that they had difficulties in securing an agreement with a loans company in the UK. We do have substantial funds here in funds such as the student reserve - has it been considered to borrow funds from that on a temporary basis to bring forward more quickly a student loans policy?

Deputy J.B. Fox:

At the current time - since the announcement in February that we would not be able to tap into the existing student loan company scheme in the United Kingdom - the Department of Education, Sports and Culture is negotiating or having discussions with local financial institutions in order to find a way forward as soon as possible in the interests of our students that are going away this September.

3.8.5 Deputy G.P. Southern:

Is it not true to say that in fact the Minister has made his mind up and following making his mind up and making his decision he called his Assistant Ministers in to inform them of his decision?

Deputy J.B. Fox:

Yes, Sir, but I was pleased to see that the Minister listened to his Assistant Ministers and we are now going forward and hopefully will find a resolution within due course.

3.8.6 Deputy R.G. Le Hérisier:

Could the Assistant Minister comment on whether constitutionally it might be very unwise to use a UK government agency, i.e. the Student Loan Company, in order to secure a loan service, albeit one that has now been abandoned? But would he think that was constitutionally a very unwise move? Secondly, would he convey to the public the fact that there is now a rethink going on with education? This was a precipitous decision, and could he give comfort to parents sending their children away

in September that the whole thing is now in suspension and is going to be fundamentally reviewed?

Deputy J.B. Fox:

The answer to the question is that the UK Student Loan Company is already set up and it is accredited and, yes, it might very well have political differences, and therefore may be one of the reasons why it was not permitted to continue. That certainly set us back. It was regretted that this was a tripartite between the Isle of Man and Guernsey - if you recall, from the question 2 weeks ago - and it was a pity that this was not made clear to the tripartite Island legislators and departments so that we could have advanced far more quickly in looking at alternatives that were going. Sorry, what was the second part?

Deputy R.G. Le Hérisier:

Could the Assistant Minister give comfort to parents of students and to students that the whole issue is going to be rethought and that the whole thing was too precipitous?

Deputy J.B. Fox:

The question of the whole of the higher education and funding is currently being reviewed and it is hoped that this review will be published or brought to the States during this year. Certainly on this particular subject, as already stated, the review is taking place and has been since December, and will be subject to the meeting with the Council of Ministers on 8th April. By then, hopefully, we will have a much more positive way forward that we can bring to the House.

3.8.7 Senator J.L. Perchard:

Since Education, Sports and Culture's unacceptably late announcement to pass on costs of student top-up fees to students and their families, the Minister for Treasury and Resources has announced some budget surpluses. Will the Assistant Minister, through his Minister and department, be targeting some of these budget surpluses to solve this unfortunate, immediate short-term problem and situation?

Deputy J.B. Fox:

As far as I am aware, and if I take the minutes of the previous Committee of 25th October, the decision at a meeting then which was looking at costs was that the Committee was mindful that student grants budgets was always a broad estimate and impossible to determine in advance and agreed that urgent discussions should be held with the Finance and Economics Committee to seek retrospective adjustments to the student grants budget similar to that placed for employment and social contributions supplementary budget, and the Act also went to the Economic Development Department. As far as I am concerned this subject is still live. Some decisions, I understand, relating to surpluses were made at the Council of Ministers last week where some of this money was utilised, especially for topping-up shortfalls because of increased students and costs, et cetera, in higher education. I understand - although this is hearsay evidence - that this did not include this top-up fee but that the Council of Ministers have noted the concerns by my fellow Assistant Minister who brought up the subject, and so we await the return of the Minister and the discussions that will take place at this meeting on 8th April.

3.8.8 Deputy G.P. Southern:

May I seek a point of clarification on the Assistant Minister's previous answer to the question did he believe that the action was precipitated? Did his answer mean yes or did it mean no? Which word was he looking for?

Deputy J.B. Fox:

Sorry, you have confused me.

Deputy G.P. Southern:

Your previous answer to "Was the decision precipitated"; were you looking for the word "yes" or were you looking for the word "no?"

Deputy J.B. Fox:

I was looking for the word yes.

3.8.9 Deputy D.W. Mezbourian of St. Lawrence:

The House will be pleased to know that this question requires only a yes or no answer from the Assistant Minister. The question is, will the Assistant Minister assure the House that no students will be precluded from attending university in 2006 due to the introduction of top-up fees?

Deputy J.B. Fox:

I cannot answer that for my Minister. **[Laughter]** But if you want my personal reassurance the answer is a simple yes.

Deputy G.P. Southern:

Can I ask a point of procedure, Sir? When the Assistant Minister stands-in for the Minister does he not speak in the Minister's place, and he can actually answer for the Minister? Is that the case?

The Bailiff:

I hesitated, Deputy, because I thought I saw the Greffier's head shaking. But, in fact, the Greffier's head was nodding, which is the right answer. Assistant Ministers who stand-in for the Minister certainly hold the Minister's portfolio and they reply for him. Now we come next to a question by Deputy Southern of the Minister for Economic Development.