

26th September 2024
Response to CEHA.

Thank you for your letter dated the 9th September inviting our group to provide our views on the Proposed Budget 2025-28, particularly in relation to revenue expenditure growth allocated for “Investing in Lifelong Learning and Future Skills Provision”.

The section Investing in Lifelong Learning and Future Skills Provision is sparse in its detail including no figures in relation to Student Finance. It says ‘This investment will meet the cost of enhancing grants to students both in distance learning and in person learning’ it gives no details of the amount this investment will be or the % split, if any, between distance learning and in person learning.

(We know now from hearing on the 19th September it will not include changes to postgraduate funding, for this AY or next).

It does say ‘This priority will focus on re-shaping the lifelong learning and future skills provision’

How?

It’s unclear to us if the re-shaping of lifelong learning if or how this includes increases to Student Finance.

Turning to R.33/2024 in the hope that might provide some clues as to where the Minister might be directing his spend, there are three areas where Student Grants might be in the figures.

Page 17 the Service Level Analysis has expenditure lines for Skills and Student Finance,

With amounts that increase in 2026 then decrease for 27 and 28.

There is no breakdown of the different areas. It could be that Student Finance will have increased funding for all years, but variable amounts for Skills or vice versa or a mix.

Turning to other pages in this report are two other possibilities.

Social Benefits, and Grants and Subsidies.

For Social Benefits there is an increases in 2026 but a drop in the the other following years.

For Grants and Subsidies an increase in 2026 with following years remaining the same.

None of the amounts in these two lines match up with the figures on page 17.

In the paragraph headed Lifelong Learning and Future Skills Provision the last line says 'and the Minister will bring forward proposals in this Budget Period.

Unfortunately that's not of much help without a date, but it would seem from the hearing on the 19th that is now by the end of October.

We had requested from the Minister's private secretary the figures, and after not receiving a response, made a second request. (CEHA chair has been copied into these requests). We received a reply on the 24/9, with an apology, 'I will liaise with our finance team and get back to you asap'. Nothing has been forthcoming, we have run out of time to send to you but also to upload the document in case our members have comments they might like to make direct to you.

It appeared from what the Minister said in the hearing that they are still working on what changes they are making, which raises the question? Is the budget figure decided and then changes then made to fit it, rather than what changes are needed, and then funds identified to provide it?

We had noted that the Minister in previous hearings and the assembly etc has said he'd be bringing proposals regarding Student Finance by September why has it now slipped to October?

Due to not having any detail for the budget figures specifically relating to Student Finance we could not reply or comment as we would like to, to the question you asked us.

In view of not having any detail or figures, we thought it might be best if we highlight to the panel areas our members have made comments on this last year.

Some of these have been ongoing from previous years and we had hoped they would have been addressed before.

We are as you know, running a survey and we are able to view the comments received so far of 148 responses to date, that number will include some who did not qualify to do the survey as they are not current students and the survey does not allow them to continue, as the purpose is to collect view from those who are students now and the support they do get.

It's disappointing that the Minister has not endeavoured to find out from the users and or potential users of the scheme of what their needs are. We expect he must have informed himself of areas via the number of appeals and where they raise queries and from staff who advise him?

That would not gather information from those who find the information and simply do not apply because the scheme doesn't meet their needs, or find they are ineligible.

Ineligibility is a particular problem for people moving here and not understanding the residency requirements of our scheme, and they then discover that eligibility for a U.K. loan has excluded access to. Does this factor in imported staff returning? How much work is done by government employing staff to inform them?

Our members report and have identified these areas as issues that need to be solved.

A main area of complaint is the thresholds, both the lower and upper thresholds that are used for incomes. These have not altered since 2018 when the current scheme started. In that time RPI has changed by 36.1% (March 2018-June 2024).

It would mean that

£50,000 would be £ 68049.07

£100,000 would be £136098.13

£200,000 would be £272196.26

For any pay increase parents or an independent student receives means the amount of maintenance the student gets will be reduced on a sliding scale.

When it comes to fees, bands of income are used. We noted a member of the panel in the previous hearing thought it was generous that there was a level of £200,000 for fees.

Currently that level of income would give a student a total grant (fees and maintenance) of £925.

That is not generous it likely covers just the cost of travel for a year.

If the bands had been revalued, that student whose parents earns £200,000 would now be in the band to receive £5550 in fee funding nothing for maintenance.

The original maximum maintenance basic grant figure in 2018 was £7,500 for students regardless of the place of study.

Revalued using Jersey RPI it now ought to be £10,207.36.

Instead the amount for 2024 is £8,915 representing an 18.87% change since 2018 for a dependent student studying outside of the island or if they are classed as independent.

It is £8,331 this year (£8,011 the previous AY) for those that study in the island, it's difficult to understand the Ministers argument that 4% U.K. CPI was being used because that's where the majority of our students study.

June to June the Jersey RPI increase was 5%.
So that's yet another 1% cut to all students on top of all the other 'cuts' since 2018.

This means in Jersey RPI terms the grant maintenance amount has had a cut of 18.87% which either students and or their parents are having to make up the difference to cover costs to be in the same position as students were in 2018.

Former Dep. Scott Wickenden did the first increase during Covid.
Dep. Inna Gardiner made that one off Covid increase permanent and added to it, in addition to several other changes. Removing the bands for maintenance which had caused a lot of problems as the panel are aware has been helpful.

Dep. Rob Ward increased some of the amounts of the scheme by 4%.
Others are left unchanged.

<https://www.gov.je/News/2023/pages/changesinhefunding.aspx#:~:text=In%20line%20with%20the%20recent,will%20be%20announced%20before%20September.>

R&O 20/2024 <https://www.jerseylaw.je/laws/enacted/PDFs/RO-020-2024.pdf>

R&O 47/2023 <https://www.jerseylaw.je/laws/enacted/PDFs/RO-047-2023.pdf>

R&O 61/2023 <https://www.jerseylaw.je/laws/enacted/PDFs/RO-061-2023.pdf>

R&O 96/2022 <https://www.jerseylaw.je/laws/enacted/PDFs/RO-096-2022.pdf>

R&O 62/2022 <https://www.jerseylaw.je/laws/enacted/PDFs/RO-062-2022.pdf>

R&O 5/2022 <https://www.jerseylaw.je/laws/enacted/PDFs/RO-005-2022.pdf>

R&O 22/2021 <https://www.jerseylaw.je/laws/enacted/PDFs/RO-022-2021.pdf>

Other U.K. nations.

It should be noted that Scottish students studying in Scotland do not pay fees.

Fee funding is not means tested in the U.K. only maintenance is. There is no asset limit, and it is just those who the student lives with whose income is used, and there are disregards in those systems that we do not have in ours.

The maximum funding amounts other U.K. nations have access to is much higher than our students have, and our students do not have the option of commuting from home to a leading university as many U.K. students do.

Our students have a lot of additional costs example travel, excess baggage costs.

Their parent/s are living in an island whose living costs, and housing is that of the highest areas of the U.K. their disposable income to assist their offspring is based on Jersey cost of living, not that of the U.K.

The Minister's reasoning for using U.K. CPI 4% for an increase seems peculiar and at odds with all other ministers before him.

What will the 2025 academic year be based on?

If the UK rate in future is above ours will the minister apply this same logic and apply a higher rate for all our students?

The U.K. is mainly a loan system and the Minister is correct other countries tried it and changed back.

Most EU countries are fee free.

The people who have lost out with our scheme since 2018 are often the students who are having to work to cover the differences in the amount of fees, but also the amount of maintenance grant they receive.

The panel and the Minister need to consider that not all parents regardless of wealth support their student. The student has no control over what their parents earn, what they spend, or any of their finances.

Further, the family may have more than one student at university at the same time.

The scheme pre 2018 made provision for this.

The problems then were these;

It was difficult for parents to explain to one sibling why they receive less than their younger sibling/s!

However, the parents most likely 'evened up the score' according to costs to bring a level of fairness.

It is understandable for several reasons that it changed. It is the student to whom the grant is awarded, for them to use on their fees and living costs. It is not the parent's grant.

This area is one that crops up every year. It's understandable why, it's difficult enough but with thresholds left as they have been untouched and RPI not applied every year since 2018, mortgage rates doubling, rents increasing, it is making this current scheme more out of date with what it's trying to cover the cost of each year.

We warned in 2018 that the scheme needed to be kept up to date for the very reason the last scheme wasn't and the effect was a declining number of students who could afford to study.

This included key skill areas where government now have issues recruiting, are having to pay golden handshakes, relocation costs, free subsidised housing, and spend more on training and agency fees.

Had the previous scheme been kept up to date we would have the possibility of more qualified experienced locals who could be working in these areas who know their island, are far less likely to go back when they discover living here isn't cheap.

Whilst parents pre 2018 had cheap mortgages and loans available and we note the Minister had said he'd remortgaged to pay for his children's education, for parents now it's a very different picture isn't it, with mortgage rates doubled, and as reported recently Jersey mortgages are not offered with the cheaper U.K. rates or the level of choice.

Parents have the cost of living here not the cost of living in the U.K. so the use of a U.K. CPI 4% for an increase to the student grant when the expectation is that parents will cover any difference is particularly unhelpful!

The other area which gets frequent comments is the use of two incomes when parents are no longer together.

This is an extremely difficult area. There are many sides to this argument.

Whose responsibility is it to support the student for any gap in funding? When parents divorce they do not divorce their responsibility as the parent of their children.

Does the legal profession advising parents take into account the cost of Higher Education and make provision for those potential costs? It seems they don't always. Does government discuss with the legal profession this type of problem?

Is it the fault of the student that one parent no longer will or wants to contribute to the costs, but their income is taken into account?

The outcome can be a student can't study at all.

Parents who are together see it in a different way, when only one income is used, when the parent the student no longer lives with has a very good income and does support from a distance and the student gets a higher grant than their child does because that income for whatever reason has been discounted.

This had been the practice for a few years but the error of application of the order was discovered and now both incomes are required, as it had been in the years before the error, unless there are reasons not to include these are checked out by CLS and the Minister has discretion that can be applied to disregard any income via appeal. It's unclear to us if parents are aware of this potential disregard and of the appeal system.

The stress and difficulty of this process where students can be left in positions of not knowing if they can afford to study at all very close to start date of a course until this process is completed should not be underestimated.

No changes to Allowances.

We note that the travel allowance for a course interview is still £258 this has largely remained unchanged for decades! It's only available for those whose income is below £50,000. Only one allowance can be claimed.

There have been no changes to any of the allowances again this year. These include the Skills Bursary, Disabled Student Allowance, Field Trip or Vacation Study these have all remained unchanged since 2018.

Care leavers.

As the panel is aware it took a considerable amount of effort to track down who was responsible to get the information updated for this group of students. It was eventually done but just before the increase this year.

We note that this information has not been updated. It states £8572 as maintenance. In the quarterly hearing on the 19th September this out of date was referred to.

According to the published information now Care Leavers get a bursary of £900 a year, an additional £3303 a year, Help and support with accommodation during the holidays. In addition for completing a degree an additional £2000. Information mentions weekly money, but gives no mention of how much that is, but elsewhere mentions this stops at 18. They can claim income support. Care leavers can have up to five university trips funded to choose a course with an appropriate adult. Computers laptops costs are also covered.

What % has the Minister applied to funding for this group for this AY or was what he mentioned accurate, and these students have not received the 4%?

As corporate parents states members need to get this information updated in a timely fashion, regardless if these care leavers have a PA or not.

It is the responsibility of parent/s to help and encourage our young people to become responsible adults, and to take care of themselves, so they learn to be able to source information not on others to do it for them.

The information for this group in particular should not be out of date.

The comments to the panel about Longterm care being included for the purposes of the Student Grant was brought to the attention of the Minister many months ago in our meeting with him. We'd certainly be very glad to see the removal of this from this benefit from the order as soon as possible, we'd hope in the meantime that the Minister would apply his discretion to disregard it until such time as it is.

Four year courses

This is an area where constant issues arise. Yes it urgently needs much clearer information and consistency in its application.

Has Student Finance contacted all of those students who have been on four year courses and reworked their grants? How far back have they gone?

Postgraduate funding.

We have consistently raised this area and we're glad to see it had some focus on the 19th. It is fundamentally an unfair system.

Whilst professional courses are funded when it's a requirement for a profession, it is not recognising that they are careers where people unless they have a higher degree would be able to compete with others that do have them.

Every year there has been a problem with students having to prove that a course is a requirement for a particular career path.

This year Pharmacy, last year it was Speech and Language therapy, the year before Occupational Therapy, previously, Engineering, and Architecture too.

Some instances where some were accepted and others not.

Clarity is absolutely needed.

The Jersey Bursary amount max of £10,000 is as it was in 2000 when the Bursary first started. It would now with a (Jun-Jun) RPI increase of 133% be worth £23,300.

When the current scheme started in 2018, the tax allowance that could be claimed was removed in order to better fund the scheme we have now.

However the Jersey Bursary was never adjusted. This means that on top of the 133% cut our postgraduate students have never had any benefit of this tax allowance removal. This particularly is for those that are unsuccessful in gaining the very limited Jersey Bursary and are ineligible for professional courses funding or who are not studying one of the medical type courses who do get funded.

The children's tax allowance for Higher Education for marginal relief was £9000 worth £2340 in 2018, and £6000 on 20% £1200.

Due to tax system not aligning with the academic year for a student doing a one year Masters course meant they tax allowance being given for two years.

In 2019 only the additional allowance remained of £4500 for those in single income households. That's is now £5550 for 2024. That is a 23.33% increase.

There needs to much greater awareness that students who do not get funded but have to rely on the possibility of a bursary that's inadequate to cover costs even if successful, or, that they can manage to apply within the very strict date range, (it tends to suit taught Master programmes) can decide to remain away in order that if they break their reason for being in the U.K. for study purposes, and work which can then mean they qualify for a U.K. student loan.

Distance learning

The Minister seems to be very focused on this area of funding, in particular quality. Without any details published we can't comment if he will address the problems of how students are paid back for these courses. It seems unfair for students to have to pay upfront and then reclaim funds, the only others that do this are those studying outside of the U.K. for their fees, but not their maintenance grant.

These type of courses are often taken by students part time, in order they can work and still increase their skills and gain qualifications, some will be of limited means and not able to afford upfront payment of fees, is there a particular reason why the providers of distance learning courses can't be paid direct, rather than the student needing to claim the fees back?

Future Skills Provision

Checking the government webpages there is nothing currently advertised to attract our students back. Information on some webpages are out of date giving dates of 2023.

Sadly some are government opportunities with application dates for early this year still in situ.

Early in Careers has nothing listed, internships mention it is closed now for 2024.

It's not an inspiring offer.

We trust our comments will be of assistance, it's a pity we did not have the detail we needed, and has meant our response is more lengthy than it might have needed to be.

Once the plans have been published we'd be very happy to pass on to the panel the views of our members, and we will encourage them to contact the panel direct.

We have mentioned many times to our members that they can always contact your panel, or their States Member/s.

If the panel would like the survey results to date please let us know and we can forward those to you. We normally leave our survey open till about 7/8th October.

Nicki Heath.

Student Loan Support Group Jersey.