

Student Loan Support Group Jersey – 8th August 2022

Dear Panel,

It was a concern to our group that no help at all has been provided in the 'mini budget' for students.

The current situation is:

The only additional help provided at all for students since 2018 in the student grant regulations is 2.9% to maintenance.

The previous minister Scott Wickenden referred to the 2.9% as a significant increase.

That could not be further from the truth if one considers; it is covering 2018 - August 2023.

This does not reflect at all the RPI here or that of the U.K. where most students study.

Which has been a rise between 16- 16.9% till this June since the current INTERIM scheme started.

We won't know what our September rate will be, or up until September 2023, the forecast by the Bank of England are c. 13%, other think tanks in recent days suggesting nearer 17%.

What has further impacted students and their families is

The previous assembly did have in their government plan that a review would happen, and that any changes would be for 2023, that we'd see the review by the end of Qtr 1. 2022.

It never happened. Further, every attempt to contact the minister and officers as to what was going on, or where it was for several months received no response in the case of the Minister, and from officers, all we got was 'will get back to you'. Disappointingly the scrutiny panel didn't take the missing review forward or ask questions as far as we know.

The only time the Minister did reply, (after significant efforts) on the missing review was in October 2021, when he said he was taking it to CoM the next week. Nothing thereafter ever appeared.

In the latest government plan 2022-25 on page 56 it says.

"In 2022, the Government will also develop the detailed implementation for the new Student Finance Scheme that comes into effect from the autumn term 2023".

We have not seen any details of any review, don't know anything about the 'new student finance scheme' or if a review took place, parents have not been consulted on anything.

Of note too that even when the interim scheme started in 2018, the max level of maintenance available to students was roughly the same as now, and had not changed much for several years before that. Except on island student were roughly half.

Current pressures.

Off island students need to be looked at differently, they receive exactly the same amount of grant as a student on island does. The costs though even in normal times are very different. To those (mainly parents) who have to fund the cost of living of a student away, it is effectively two households they are running. Two lots of rent, or mortgage and rent. Two lots of energy bills, travel costs, insurance.

The economies of scale are also very different.

A one person 'household' (students share but they usually don't food, personal items, but do bills). Is more costly they often can't afford to bulk buy, and usually don't have the space either for volume purchases, or fridge freezer space. A shelf or half a drawer in a freezer is common.

We know that the increase in U.K. student accommodation costs is higher than that for non student lets.

In addition consideration of the rising U.K. energy costs, the rise in the caps, (substantially higher than ours here) also need to be taken into account, and when rents are inclusive of bills, the financial help provided by the U.K. government goes to the landlord and may not find its way to the tenants.

It is a concern students and tenants in the U.K. have raised. Similarly when the assistance was given via reduction in council tax as it was earlier this year, full time students do not pay council tax so missed this help unless they were able to apply under a different scheme.

Question is did they know this was an option?

We do not see any targeted support or information from government to our students.

Overtime our group has become the only source for them and we do our best to promote anything that helps them save money, or if passed on to us or we spot it, opportunities for graduate jobs, bursaries etc.

With the base rate rise on the 4th August, pressure will be for rent rises by landlords, but also for parents or those whose income is used to determine grants that have mortgages will have that additional loss of available funds to help with additional living costs.

It was therefore a surprise that students living cost pressures have been missed off by the Chief Minister in her 100 day plan, and nothing in the mini budget helping them. Not all students get a grant, and the stepped income thresholds cause a lot of problems, and will in some cases mean students this year receive much less if parental incomes on a border of a threshold even rise by 1p, of around £1500 less.

The urgency needed for a review which ought to have been completed (as voted and accepted by the assembly in 2018) to be done by 2021 would have at least given the opportunity of highlighting the threshold issue, the grants for on and off island being the same.

It was this lack of urgency and knowing how long a review can take is a huge concern, it needs proper scrutiny to occur, and not as the last one was done, without sufficient time where consequences as mentioned but also the removal of the higher tax allowance meant: Some parents of students in certain years of study lost a year of tax relief due to academic years and tax years being different and the effect of PYB taxation.

For those on postgraduate courses where they have no funding at all, the tax allowance removal was an extra cost burden.

Incidentally the postgraduate bursary has not been reviewed since it started in 2000. There are no regulations for it at all either. That needs to be addressed, it is after all public funds.

The postgraduate students not on a bursary or under the 'professional courses' have no help at all not even the 2.9% uplift.

Students working.

Opportunities for students to study and work whilst away are more limited, as one student pointed out to us, employers often want students who can work both term time and holidays, and they can't do that.

Due to type of courses studied some on placements are further restricted in being able to work.

On island students.

They receive the same grant based on the same incomes as those away do.

They do not have two rents or mortgage/ rent to cover.
We have a far cheaper energy bills, no extra wifi costs.
Food buying, cooking etc can be done as a family.

The opportunity to work is all year round.

What happens now?

We don't know. Frustratingly we are no further forward with that than we were in 2018, but the rising costs for students and families are likely to start impacting how many can afford to study at all. It's a Groundhog Day scenario.

The Social Work course not running at UCJ last year.

The current Nursing courses run by Health with Uni of Chester, no longer running in September, (only those currently on a course can complete) and no date given as to when they will restart these or who the Uni partner will be.

UCJ deciding to not run the Social Science course, a pathway to many other careers, but reinstated after much furore by students.

These are all skilled key worker shortage areas in our island.

Students like certainty that a course will run, and be able to complete it.
If they don't have that, they will look elsewhere for it. Usually the U.K.

The rising costs mean for some they won't study, or they'll leave the island where at least after a year or so can access funding, U.K. levels of funding is now better than ours here, though it's a loan basis for most devolved nations.

We are running two surveys one for students and one for parents.

We have asked new students and their parents to delay completion until they have their grant award letters later in August (if there are no delays in the student finance grant system)

Having had a look at the results in so far on what actions they need to take to support their student.

35% of parents will need to borrow money.

16% will take money out of pensions.

12% think of leaving the island

23% will need to take on extra work.

Other options are no need to take action, and remortgage these were much smaller%.

Of those borrowing 68% are very worried or concerned about how they will repay (this was before the base rate rise)

76% are very worried about the energy price rises.

For students one area they were asked about was travel and to get to placements. They ranked that almost as high as rent concerns.

Car insurance is much higher, and the rise in fuel costs.

Travel by bus, train etc often not possible due to hours worked and or location.

As an example one student I'm aware of has a car journey of an hour each way to get to a placement.

Students who need to do placements are in the main studying Teaching, Nursing, or others allied to Health, like Paramedics, Doctors, Dentists and Vets.

Once our surveys have finished later in September we will share the results as we have in the past.

I hope this information will help the panel understand the particular issues students face, and the reason why they need extra support from government during this very challenging financial crisis.

Had the review occurred when it ought to have done they might not be in the perilous position many are now having to face.

Simply 2.9% was never enough even before the crisis occurred.

Unfortunately students are out of sight and out of mind, just as they were during covid.

We had hoped a new government would have been different, sadly it seems not.