

**WRITTEN QUESTION TO THE MINISTER FOR EDUCATION, SPORT AND
CULTURE BY DEPUTY J.H. YOUNG OF ST. BRELADE
ANSWER TO BE TABLED ON TUESDAY 20th NOVEMBER 2012**

Question

Will the Minister advise the Assembly whether his consideration of the likely effects of the proposal to amend the Education (Discretionary Grants) Order, took full and careful account of the following issues -

Whether the imposition of an additional financial liability for the education of a child of a single parent upon a new partner, whether married, cohabitee or civil partner, is consistent with Jersey's family and other legislation;

Whether the liability of a natural parent to contribute to the maintenance of their natural children, including the cost of education until age 25, is proposed to become an optional liability in future:

In the event of either a natural parent or new partner declining to contribute to the cost, the availability of alternative student loan finance.

If the Minister did take account of the foregoing, would he provide the Assembly with the rationale for his proposal in respect of each issue, and if not, provide his proposed solutions to ensure that the further education of young people whose natural parents are either divorced or separated, is not unreasonably prejudiced in the future and his proposal does not have divisive unintended effects on their families?

Answer

It is vital that we support our students to go to university but this must be achieved within the funds allocated to ESC for that purpose. Funding for university is a partnership between the States, the student and the family.

The rationale for this change is based on creating a system that is fairer overall for the majority of people who would wish to apply for a States grant. The aim is to achieve a more equitable balance between parents who struggle financially to support their children through a university education and those who can afford to make a greater contribution.

The change in policy does not exclude natural parents. Although the first point of assessment will now be the household, the divorced or separated natural parents can still opt to have their income taken into account. If they choose to do this, the department will use the biological parents' income even if it is lower than the household income. The majority of people (approximately 62%) who apply for a grant do live with their natural parents and will therefore see no change.

The complexity of family relationships means that no system of income assessment will cover every eventuality. However, the move to household income is regarded as a pragmatic solution that will create the greatest equity for the largest number.

The decision to base grant assessment on household rather than parental income was taken after consideration of other options and research from other jurisdictions. Using parental income has proved harder to administer and less likely to be reliable or successful because of the difficulty of tracing absent parents. The Isle of Man abandoned the parental income method for higher education grants after a year and the UK Child Support Agency was unsuccessful in pursuing a parental income system and was dissolved.

The Minister's decision is consistent with existing legislation on household income, which bases any financial assistance on the calculation of this figure. The Social Security Department uses household income in their assessment of need. The Income Support (General Provisions)(Jersey) Order 2008 Paragraph 5(1) defines household as:

A person who normally occupies the same dwelling as his or her principal residence as another person is treated as being a member of the same household as that other person for the purposes of Article 2(2) of the Law if –

- (a) they are married to each other (unless they are living separately in the dwelling under a formal agreement) or are in a marriage-like relationship (whether or not both persons are of different sexes);
- (b) they live together as part of a family unit and the circumstances set out in paragraph (2)(a) or (b) apply; or
- (c) one of them is a child and the other has parental responsibility for, or otherwise cares for, him or her as part of a family unit.

Further consultation will take place with the Law Draftsman to ensure that amendments to the Grants Order are in line with existing legislation.

The grant is discretionary. Parents can choose to apply and if they do not provide the necessary information they are regarded as maximum contributors for the purposes of the grant assessment and will not receive States funding. The department has the ability to exercise discretion in the application of the funding formula to ensure a fair solution that is in the students' best interests. Every applicant has the right of appeal if their individual circumstances mean that the application of the policy could result in them being unable to attend their higher education course.

A loan of £1,500 for Jersey is currently offered through commercial banks. They have been reluctant to extend the current scheme because the take-up has been limited and the scheme, a non-standard service, is an administrative burden for them. The UK government's student loans scheme is under financial pressure because of the level of default and long repayment period. Requests for Jersey to join have been turned down.

Initial research with the Treasury indicates it would be difficult to create an extended government student loans scheme that would be affordable for Jersey. The cost of underwriting the scheme and the level of repayments needed from graduates are likely to be prohibitive. There is also concern that it could deter graduates from returning to the Island.