

4th January 2018.

Following the announcement of proposition by the Treasury Minister of a new grant scheme, there are a few areas which we would like to comment upon.

Firstly, the lack of detail available of the scheme causes a few problems. Respondents are asked to provide their views yet they do not have sufficient details to be able to do this adequately. Had this proposition been announced when it had been expected to be, there would have been more time to provide details?

In answer to the panel's question.

1. Do you think that the proposed model of student financing meets the needs of young people and their families?

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.

Whilst the minister has said that everyone will be better off with this scheme, we have received emails and messages from parents that this is not the case for the low income groups. They will in fact be worse off. See an example below.

Example of Gross income household £40,000 now				Example of Gross income household £40,000 new system			
	Will receive over three years		£37,605		Will receive over three years		£47,250
	plus tax allowance of £2340x4 +NW loan £1500x 3		£13,860		No tax allowance or NW loan		0
	Total		£51,465		Total		£47,250
divided over three years			£17,155.00	divided over three years			£15,750.00

For this group who were already finding funding difficult before and because of the lack of disposable income they would be further disadvantaged.

The lack of the Nat West loan provision does mean for them the opportunity to spread the cost as it starts after the degree has finished, has also been lost as has the option to top up any shortfall.

Comments too on the level of threshold up to £150,000 before fees are cut have been commented on and questions asked as to why it was this figure. We have no idea and asking at the same consultation event for the reasoning none could be given.

One parent who contacted us did say, despite it being quite high those parents will still be having to find the majority of the cost, and they will be paying much higher taxes than other lower down.

Of course so will those still in the maximum fee grant under that threshold still be making sizeable contributions. A household of £100,000 income will still need to fund approx. another £10,750 per year, so just over half of the cost.

A household over the limit is £65 a year better off.

Example of Gross income household £100,000 now				Example of Gross income household £100,000 new system			
			£1,155				£27,750
	plus tax allowance of £2340x4 +NW loan £1500x 3		£13,860		No tax allowance or NW loan		0
	Total		£15,015		Total		£27,750
divided over three years			£5,005.00	divided over three years			£9,250.00
Example of Gross income household £150,000 now				Example of Gross income household £150,000 new system			
			£0				£13,875
	plus tax allowance of £2340x4 +NW loan £1500x 3		£13,680		No tax allowance or NW loan		£0
	Total		£13,680		Total		£13,875
divided over three years			£4,560.00	divided over three years			£4,625.00

There are peculiar spreads of income bracket and uneven step changes, without any reason given for why that is. Asking at one of the arranged public consultation why this was, they were unable to give any reason for it either. Perhaps it is to do with cost of the scheme and the number of students in particular brackets?

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 £1000 drop and multiplied over 3 years that is £3000 the incentive to not be 'upfront' exists. A sliding scale would avoid this problem.

Last year there were changes to the maintenance grant, a drop in the funding for on island students, increases in maintenance for condensed courses, different amounts paid for Nursing, and Paramedic courses etc. We understand that the new proposal would mean that there will be one amount of £6500 paid to cover all the various courses. There will be some UCJ students that will gain significantly circa. £3513 a year if family income is £49,999 or below for example. Perhaps this has been done for ease of running this new

	"Course	Amount
1.	Any course other than a course falling within items 2 to 6 of this column	£6,000
2.	A paramedical course	£6,554
3.	A 2 year degree course equivalent to a 3 year degree course that consists of a period of study of not less than 39 weeks per academic year undertaken – (a) in Jersey by a dependent student (b) outside Jersey by a dependent student (c) in Jersey or elsewhere by an independent student	£3,632 £7,295 £7,295
4.	Any course in medicine, dentistry or nursing that consists of a period of study of not less than 48 weeks per academic year	£9,620
5.	A course for an advanced diploma or degree in nursing that consists of a period of study of not less than 45 weeks per academic year	£8,325
6.	A degree course that consists of a period of study of not less than 32.43 weeks per academic year undertaken in Jersey by a dependent student	£2,987"

scheme?

How many parents have realised that there will be £6500 for all of kinds of courses is unknown.

There has been no adjustment made for the extra costs incurred in higher cost areas like London.

We know from our early discussions with the Education department that 'manipulation' of income had always been an issue, we can't see that this stepped system will help improve that.

Divorced parents.

This new scheme is likely to make a difference when you have one parent of a child not making any contribution to the cost of the student's education just because they are no longer living with them. Often leaving the other parent frequently the mother if living as a single parent and usually on a lower income to fund the cost. This does not promote harmony between the estranged parents and the student.

When divorced and a parent with the student remarries and the other partner has children that they are funding the cost is far beyond what either could have financially planned for, the decision process as to which of each parent's children gets the opportunity does not make for a happy family life. The government see it as the new family 'units' responsibility. The parents are likely to see it very differently depending on who is the one paying.

Better funding is likely to make a big difference to this particular group. Though why some parents can just exclude themselves from this responsibility is a question that needs addressing, some are very highly paid yet make no contribution to the cost of education that every other family has to. Perhaps when parents' divorce that this area should be included in any settlement.

It certainly gives more opportunity to more students who would have not been able to have the opportunity of Higher Education. It does redistribute the cost across taxpayers, by removing the rising cost that parents have been funding for many, years who do all benefit from having educated people in our society, in every aspect of their daily lives. If these people with a higher level of education move to the island, someone, most likely taxpayers somewhere paid for that education.

Jersey by improving its funding is then paying its way. Rather than relying on taxpayers elsewhere.

Many countries do not charge fees for Higher Education including Scotland and EU countries, and Wales subsidises the cost heavily, and they also have provision for funding the difference available. Only England charges the full fees, but they have a student loan scheme, and it was designed so the majority of students will never pay this off.

They also have scholarships and bursaries for low paid families to access.

Funding for two or more students at university will be fairer under the new system as each student will receive the same amount of funding.

If you disregard the low income families who are now worse off. It does mean that those families paying the higher taxes who received the least amount of help now have students who can access the same level of education that they could not before. There had been comments about this being unfair under the old scheme.

2. What changes, if any, would you like to see to the proposed model that would greater assist young people in achieving their ambitions?

The low income family problem still exists, and has worsened, this could be addressed by increasing the maintenance grant aspect up to the limit whereby they are in a better position. Addressing the tax allowance may be another way but perhaps more difficult to do?

The course fees for some are higher at some universities in certain subjects, this needs to be watched carefully, and students and parents need to be made aware that this is happening, music and dance spring to mind for dance these students access courses at a much younger age, yet there appears to be nothing in the existing system or the proposed system however the cost of their normal A level and sometimes even at GCSE education will not be paid by the Jersey taxpayers but by the taxpayers in the place they attend their course in the UK. Perhaps that saving could be used towards those costs.

Funding for postgraduate level courses remains very poor this area still needs to be addressed.

We would like assurances that this scheme if introduced will be kept up to date and not allowed to slip as the current one has done. Or else, just as now and was the case in 2006

parents will be in a similar position, and yet another group of students will be disadvantaged. It would be useful to have an annual review of funding levels.

It is a great pity that when the group started in early 2015 that the issue was not addressed quickly then; as now there have been more students who have lost the opportunity to study, and a lot of parents who have made irreversible financial decisions to aid their children to access a higher level of education.

As mentioned by our group on many occasions there has been considerable underspends in the higher education budget because an increasing number of parents gradually became outside of the existing grant parameters. Why this was allowed to continue to exist without questions being asked is a mystery, but had questions been asked perhaps more students would not have lost out. This is a failure not just of the existing ministers, but historic ones too.

In many ways it is a very good example of why using the family income on a way to decide the level of funding is not ideal, and why the Human Right to Education exists to ensure that it is the student who has the right, and parental income is unfortunately still a barrier, something which the student has no control over at all. We still seem to retain the situation where if a parent/s decides not to fund the difference, that a student will still not have access to higher education; until such time as they can afford to fund the difference themselves this problem must be addressed in order that the system is fair to all students and ensure that they have an equal right to education, and are able to access higher level education at the same time as their peer group.

Jersey Student Loan Support Group, Jersey.