

Highlands College Scrutiny Review Written Submission



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| Title | Student Financing for Higher Education |
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Questions the college has been asked to address

1. In what respects does Highlands College consider that the current system of student financing meets or fails to meet the needs of young people and their families in Jersey?
2. In the opinion of Highlands College, whose responsibility is it to finance university education?
3. What changes, if any, would Highlands College, like to see to the current system that would greater assist young people in achieving their ambitions?
4. Are students attending degree courses in Jersey rather than elsewhere for financial reasons?
5. Highlands has University Partners, are other universities being considered?
6. How does Highlands identify the needs of Jersey's young people?

Context

The funding of Higher, Tertiary or University Education is a complex issue and relates to courses and qualifications at undergraduate level (levels 4, 5 and 6) for students aged 18 and over. In the UK, as in most of Europe, entry to Higher Education has been largely based on merit rather than on ability to pay. This was enshrined in the Robbins Report (1963) into Higher Education which established the notion of widening participation and an expansion of Higher Education in the UK; it rejected the idea of student loans and recommended the retention of a grant aided system. In 1962, the participation rate in HE was 7% of the UK population (this had doubled since 1950) and the Robbins Report recommended a further expansion of 10% over the subsequent 5 years. At this point in time there was also a clearer distinction between Universities and Polytechnics or Colleges of Higher Education. Universities were largely established along the lines of Cardinal Newman's (1854) idea of scholars following a liberal arts education for no other external purpose than learning for learning's sake, with the notable exceptions of engineering, medicine and law. Polytechnics and Colleges of Higher Education had a much more technical and vocational focus with work-related goals in mind. Thirty years later the demarcation between universities and polytechnics had become distinctly blurred and the Further and Higher Education Act (1992), incorporated all institutions previously under local authority control and enabled them to use the title University.

The Dearing Report (1997) into Higher Education proposed a further expansion of higher level qualifications and skills to meet the demands of the economy and the introduction of 'top-up fees' to help fund it. In 1998, a top-up fee of £1,000 per year was introduced. The government set a target to expand the number of university places by 2010 to 50% of 18 to 30 year olds participating in higher education, by 2011/12 participation rates were at 49%. The Higher

Education Act (2004) introduced variable fees which started at £3,000 and set up the Student Loan company. The Browne Review into Higher Education (2010) recommended a fuller introduction of tuition fees and the subsequent Higher Education Act allowed universities to set their own market-driven fees of between £6,000 and £9,000. The student loans system was changed so that there was no up-front payment and repayments would not start until the individual started earning more than £21,000. Repayments are designed to be affordable, are a percentage of earnings and any outstanding amounts are written off after 30 years. The system is equitable in the sense that it is not means tested and anyone resident in England for at least 3 years prior to starting university is eligible for a full tuition and maintenance loan. From this point on, the government in England has only committed to spend public money on Higher Education to support higher cost science, technology, engineering and maths (STEM) subjects, widening participation initiatives and small specialist institutions (£12.1 billion in 15/16).

It is important to recognise that, since the devolution acts in Scotland, Wales and Northern Ireland in 1998, all of the post-Dearing recommendations and subsequent legislation related to Higher Education only applies to England. Only students resident in England have access to the Student Loans systems but they have to pay tuition fees if they attend university in one of the other UK countries (and EU countries that charge fees), whereas residents of Northern Ireland, Scotland and Wales have their tuition fees paid by their home country. None of the above legislation or regulation applies to residents of Jersey of course, but the effect of these changes means that Jersey students do not have this more favourable access to funding as their UK counterparts.

In fact residents of the Channel Islands have been an attractive proposition for English Universities in the past as they have effectively been treated as additional overseas income and have sat outside any number controls or tuition fee restrictions. Currently, the three UK off-shore islands have a special arrangement, with the majority of UK universities, and are charged the upper limit of the UK tuition fee rather than the overseas rate which is typically 25% higher. Funding of Higher Education, both tuition fees and maintenance fees, for Jersey resident students is therefore a local issue and the responsibility for policy making on this issue rests with the Government of Jersey.

Jersey has a different approach to funding education than the UK which can be characterised by the higher proportion of secondary aged pupils who receive a substantial subsidy to be educated privately and that there exists a means-tested grants system for HE of around £8 million. An 11-16 year old in Jersey can access a private education if they meet the entry requirements, can afford the relatively modest tuition fees or gain a scholarship but only those students who can afford to self-finance a university education or those whose household income falls below £53,900 (for tuition fees) or £26,750 (for fees and £5,500 grant) can access a university education even if they have the grades to progress. All students have to pay or take out a loan for the first £1500 in Jersey and have to be resident for 5 years to be eligible, whereas in the UK eligibility is 3 years residency. This is counter to the culture of the rest of the UK which has a declared commitment to both widening participation and social mobility through Higher Education. Higher Education in the UK is an option open to all citizens on merit with a clear recognition that a degree increases social and economic benefits. In Jersey, Higher Education appears to be viewed as optional, "*supporting children to achieve their aspirations through optional education to become independent earners*" (see p7 of the Higher Education Funding report to the States on 10/5/2016) rather than as a democratic right to enable all its citizens to achieve their educational potential on merit to maximise their contribution to society.

1. In what respects does Highlands College consider that the current system of student financing meets or fails to meet the needs of young people and their families in Jersey?

In simple terms, the current system meets the needs of those whose household income falls below £53,900 (for tuition fees) or £26,750 (for fees and £5,500 grant) and, who can afford to find the first £1500 in Jersey, and the associated living costs. The annual cohort of school leavers in Jersey is around 1000 young people which, extrapolated across a typical 3-year degree course, is a cohort size of 3000. In 2015/16, 155 students are studying HE on island (5%), 948 in the UK (32%) and 30 elsewhere (1%); this suggests that 38% of potential HE learners are studying at this level from Jersey compared with the UK average of 49%. The Sutton Trust research indicates that young people and families from lower income families are risk-averse when it comes to accumulating debt associated with education and this may well apply to families in Jersey, especially where cost of living expenses are higher. Having a grants system is therefore a far more desirable option compared with a student loans system but, in order for it to meet the needs of young people and their families, the funding pot would need to be greater (probably twice the size), the means tested thresholds would need to be higher for fees and grants (with the grant maximum being raised to around £10,000 for off-island accommodation) and the tuition fee only threshold lower and applied pro-rata where there is more than one family member at university.

There is capacity on-island to at least double the number of students attending Higher Education and this could be incentivised by using around £5 million to fund a University of Jersey (this could include Health Education, the Institute of Law and University College Jersey) where islanders could receive a virtually free HE education (as is the case with Malta) and anyone wanting to study a course elsewhere when it is available on island would have to be prepared to cover the costs. There would need to be exceptions where financial viability in subject areas such as medicine and engineering would still require students to attend off island institutions. To ensure an enriching HE experience for islanders, the option of attracting students from off-island, as well as visiting academics and researchers, would need to be part of the discussion and development of a Jersey University. Attracting students to Jersey would also bring further economic and social benefits that do not currently exist.

2. In the opinion of Highlands College, whose responsibility is it to finance university education?

This is an ideological question. Within the British Isles, there is already an ideological divide between the three countries that have devolved powers for education and that of England: the former believing that it is the States' responsibility to fund university education and the latter whose policy it is to provide the initial finance but with the expectation that individuals will repay the State investment in their education over time. The English system is the typical British compromise of the State having overall responsibility for Higher Education but shifting some of that responsibility from all taxpayers to the individuals who will directly benefit from a university education. On current estimates, no more than 50% of student loans will be recouped, meaning that in 30 years' time, the taxpayers of future generations will be left to deal with the debt burden: the "put off until tomorrow what you could have done today" approach. This approach is not a viable option in an island economy like Jersey.

The straightforward answer to the question, is that it is society's responsibility to finance university education, so it depends upon how you position the individual citizen in relation to the

institutions and governmental structures of our society. One of the fundamental principles of our society must be fairness. Is it fair, therefore, that an individual with high net worth who has achieved the grades to enter a university can do so with relative ease, whereas an individual without the financial means, but with the same or even better academic credentials, is unable to do so?

Another consideration is the role of the employer. The Apprenticeship Levy in England is going to change the landscape of higher education because large employers who are providing the State with income for training will want to recoup that money by providing their own graduate training programmes. Highlands College, for example, as an employer, is paying for one of our interns to take a degree as part of their training and there are contractual means to ensure that the employer, as well as the employee, can benefit from this investment in Higher Education. This is a model that could be explored further within the States and with island-based employers.

The idea of patronage of the young, gifted and talented to support a university education through the philanthropy of high worth individuals, estates and trusts is also an avenue worth further exploration.

3. What changes, if any, would Highlands College, like to see to the current system that would greater assist young people in achieving their ambitions?

This is largely covered in the answer to Q2, but in summary this is Highlands' vision in response to this question.

1. The establishment of a Jersey University that brings together all the opportunities for on-island study under one partnership or management board. This is effectively a suggestion to implement the recommendation of the Goldstein Report into Higher Education that reported to the States on April 12th 2005. One of the main recommendations was to establish a Higher Education Academy and for the on-island provision to be expanded. This outcome has never been achieved and the lack of any co-ordinated approach for HE development, recommended by Dr Michael Goldstein, has resulted in the fragmented HE offer that currently exists in Jersey. HE provision is currently distributed across 6 different institutions: Nursing and Health Education through University of Chester based at the hospital; Business and Finance degrees at Jersey International Business School through the University of Buckingham; Law at the Institute of Law, through University of London, a range of work-based degrees at University College Jersey (Highlands) through the Universities of Plymouth and London South Bank and post-graduate degrees proposed by Digital Jersey in Cyber Security and the Jersey International Centre for Advanced Studies (JICAS) in Island Conservation Studies. Greater economies of scale, a more homogenous higher education study environment for students and a closer academic community could be achieved if the States was to make a strategic decision to create a single University institution. The Goldstein proposal was to create a university that focussed solely on the skills needs of the island's industries with work-based learning at its core. A lot has happened since 2005 and the concept of a Jersey University would need to embrace at least some elements of a more liberal and research-based curriculum.
2. Make Higher Education study on island free for all students at undergraduate level who have not already obtained an undergraduate qualification and only providing funding for courses and qualifications that are not available on island.

3. Retain the means-tested grant-aided scheme as opposed to implementing a student loan system. This would require greater investment, the raising of the means tested threshold for living expenses and the lowering of the means tested threshold for tuition fee payments.
4. Work with local employers to provide funded or assisted places on Higher Education courses related to the training needs of the business.

4. Are students attending degree courses in Jersey rather than elsewhere for financial reasons?

There is no clear evidence that students are staying in Jersey to study for financial reasons since the numbers have remained static over the last three years and the subject provision has remained the same.

Anecdotally, students have said they prefer to stay in Jersey to study for personal and family reasons and that they can gain employment locally while studying and not having to accrue a large debt. The main reasons given are more about the quality of the provision and the likelihood of them being able to walk straight into a job after finishing their degree.

5. Highlands has University Partners, are other universities being considered?

Highlands has two significant University Partners but the relationship with each is different. The relationship with the University of Plymouth is one where the university acts as the awarding body and has responsibility for quality assurance but the teaching and assessment is done solely by University College Jersey (Highlands) staff. The University charges the college examination and accreditation fees and in return students have full access to the on-line facilities of the University of Plymouth and the university confers the degrees. The relationship with London South Bank is different in that their university staff teach and assess a significant proportion of their degrees and students are tutored locally by Highlands' staff. In addition to paying for examination fees, accreditation and quality assurance processes, Highlands also pays the University for a significant proportion of the teaching.

Other universities have been considered but UK universities are not exactly queuing up to become partners in Jersey because there is not a great deal in it for them financially. Working in partnership with a UK university also has the potential of reducing the 400 or so students who currently apply to UK universities still further. Compared with the fee income a university gets from a student, the income from a franchised degree is only around 7% of this figure and the university also loses out on income from student accommodation.

The University of Plymouth has a strategic commitment to partnership working in the south-west of England, including the Channel Islands, which its near neighbour, Exeter University, for example, does not. Highlands' partnership with Plymouth University is robust and continues to develop into a true partnership where the university has become more responsive and flexible in its approach to supporting the needs of our students and employers.

There have been discussions in the past regarding whether a UK university might develop an offshore campus where the university would retain the full funding for students but this has not been pursued since the publication of the Goldstein Report in 2005.

There are other possible options for the future worth exploring:

- (a) Working with the University of London External Examinations department as the Institute of Law already does. This is an option for subject areas such as humanities, economics and sciences but the degrees are designed for an overseas market and are entirely examination based.
- (b) Since Jersey is not part of the UK jurisdiction for Higher or University education it could set up its own University with its own degree awarding powers using the UK quality assurance process as a model. This would be a long-term project and it would take time to develop a reputation and credibility. The University of Malta, for example, has its own degree awarding powers as does the University of Gibraltar for its post-graduate awards.
- (c) Re-kindling the relationship with the Open University and using their accreditation service to develop degrees that meet local needs.

6. How does Highlands identify the needs of Jersey's young people?

Highlands has a strong partnership with the island's 11-16 secondary schools and can gather information about young people's needs through the career's service and the college's own transition team. It is also important to consider the island's economic and skills needs and to prepare young people for the jobs that are available. Increasingly, young people need to be more enterprising and flexible in their approach to work and learning as they will inevitably change careers more times in their lifetime than previous generations. The important factor in relation to Higher Education is to ensure that young people have progression routes and employability skills and can self-market themselves. Whatever the subject matter of a degree and the motivational interest that hooks young people in, there also needs to be a focus on how to work and progress within an island community and economy.

Highlands also carries out research and runs focus groups with other 16-18 providers to gather data about young people's interests and needs. From this exercise, for example, a new degree is in development for a 2017 start in Psychology and Criminology. A degree in Social Work is in development for 2018 because it has been identified within Children's Services that there is a need to support Jersey's young people by having more locally based and trained social workers for the future.

Higher Education is not just limited to full-time degrees but can be through part-time study or through a Higher Apprenticeship. The first evidence of this approach to higher education will be seen in partnership with Trackers and the Hospitality Industry when the Higher Apprenticeship in Hospitality Management is launched in 2017.