

Monday 8 January, 2018

Deputy L Doublet  
Chair – Education and Home Affairs Scrutiny Panel  
The States of Jersey  
Halkett Place  
St Helier  
Jersey  
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Dear Deputy Doublet

### **Student Finance Proposals**

I hope that you find the following questions, comments and observations helpful prior to this Friday's Education and Home Affairs Scrutiny Panel meeting on the Student Finance Proposals

1. What is the problem or problems this policy looking to solve? For example, is the proposal seeking to address the issue of the affordability of undergraduate education, or is it designed to contribute to the development of a skilled local workforce. Or is it both?
2. Is there any research evidence which confirms or otherwise, whether the proposal will solve the specific problem or problems identified?
3. What is the anticipated total gross additional cost of the scheme in each of the financial years 2018, 2019, 2020, 2021 and 2022?
4. What is the anticipated net additional cost of the scheme in each of the financial years 2018, 2019, 2020, 2021 and 2022?
5. Is the scheme financially sustainable beyond 2022? If so, on what basis?
6. Over the last 10 years, what proportion of the Y13 cohort have progressed onto higher education? What is the underlying trend and are there any 'evidenced' explanations for these trends?
7. Are there any particular groups of students who now appear to be more or less likely to progress onto higher education?
8. What is the projected range of increased up-take of higher education – low, middle and high – as a result of these proposals?

9. If the proposed scheme leads to more Jersey students becoming graduates, what is the projected additional cost per extra 'graduate' i.e. how much will be the extra cost be for the scheme per year divided by the number of additional graduates per year. Does this represent value for money, and if so, on what basis?
10. What is the additional cost per graduate returning to the Island?
11. What are the current trends for graduate employment on the Island, and where are these graduates recruited from?
12. For the next five to ten years, are there any reliable and valid projections of the number of 'new' graduates that the Island will need to enter the workforce?
13. Is there any evidence that the students who will now be encouraged to undertake higher education will be of a suitable 'quality' to reduce the number of off-island graduates being recruited? If so, what are the numbers involved per year?
14. Are there likely to be any negative unintended consequences? For example, by making off-Island undergraduate education more affordable, will this encourage even more young people to leave the Island for their higher education experience, and who subsequently do not return. If so, are there any estimates of the numbers involved?
15. Given that majority of new graduates would appear not to immediately return to the Island, if at all, what consideration has been given to using the available funds to increase the productivity of those young people who remain on the Island at 18?
16. How will this proposal impact on financial services and other firms who recruit A level students? In other words, will this mean that some local firms now find it more difficult to recruit local students, who instead choose to go to university?
17. Has a formal cost-benefit analysis of the proposal been undertaken? If so, can it be made available for critical appraisal?
18. What other options were considered for the use of the additional funds? If so, what were they and were they subject to cost-benefit analysis.
19. Has any thought been given as to how the available funds could be used instead to support Islanders' take-up of post-graduate education, on the condition that they return to the Island? If so, what was considered, and why was it rejected?
20. Given the relative underperformance of the Jersey education system compared to the very best local education authorities in England, what consideration has been given to using these funds to support education opportunities on the Island for 4 -18 year olds – particularly in the non-fee paying sector primary schools, the four 11 – 16 non-fee paying schools and Highlands College?
21. What is the specific source of financial support for this proposal, in other words, in what ways are the States of Jersey's finances in a healthier position than previously predicted?
22. Was one of the factors taken into account when the financial position of the States was considered, the apparent improved health of the Social Security Fund?
23. Are there any individuals and families who may be potentially worse off under the scheme?
24. Which households and individuals potentially benefit most from the changes in the scheme?
25. For families in each quintile of the Island family income household distribution – how much better off will these families be, net of changes in taxation.

26. How does the income tax change lead to an increase in funds for the Education Department (I thought income tax was not specifically assigned to individual departments, plus the changes in tax allowance for children in higher education was made prior to the proposed changes in student financial support)
27. Are there any ethical and social justice issues to be taken into account?
28. Why has the proposal come from the Treasury Department rather than the Education Department?
29. How 'strong' is the proposal? Do the benefits clearly outweigh risks, with consistent supporting evidence, which has no major limitations.? Or is the proposal weak – in that it is not clear that the benefits outweigh the costs, with the supporting evidence being limited?

As such, given the information available it is very difficult to make any kind of judgement as to whether the proposals provide value for money for the Jersey taxpayer. The proposal certainly appears to provide additional benefits for those Islanders (and their families) who are yet to go to university or are in the first or second year of their studies, with students from wealthier households gaining a disproportionate amount of the benefits.

Whether this proposal is the best way of spending an unspecified amount of money for unspecified benefits, is open to doubt. On the other hand, there is no doubt that the proposal will win favour with a certain group of voters at the next election, and could be summarised as 'good politics, though bad policy'

I trust you find these questions and comments helpful.

Yours sincerely

Dr Gary Jones