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Dear Education Scrutiny Panel,

I have been involved with the Student Loan Support Group since last year. Many parents in the group who have problems funding are unable to speak out due to their jobs, in the public sector, fear because of the proposed job cuts mean they keep their heads down.

Fear also because they worry about the additional stress caused to their children by raising their concerns in public, and for some they don't want to openly show what their financial position actually is.

This group is unlike the nursery funding parents. Parents funding Higher Education are towards the end of their working lives, are facing costs that cover at least three years and the amounts are circa £60,000 and upwards for each student they have to fund.

Yet the threshold level for grants is nowhere near the one suggested for the nursery parents why is that?

It seems the problem of funding gets passed around from Education to the Treasury and back again, with no actual solutions found. What was asked for was fair and equal access for all students who have the ability and desire to study to be able to do so.

What we have does not do that, it fails miserably. It does not address the students right to education, put unrealistic pressure on families, and on the teachers.

Higher education funding, failure to adequately fund this area of education means it is much more likely we will need to import people with graduate skills.

If we import more people to fill the skill gap, what do these young people then do?

If we import skills what are the cost to the island of doing so?

Housing cost,
Health care cost
Educational costs
Environmental cost.

If there is a supposed need to import more people to support an ageing society, what happens when those people get old, surely that is just perpetuating a cycle of increasing our population? If graduates are more likely to be earning higher incomes, surely it would be more beneficial to the island to encourage that? Higher incomes, higher tax take?

There is no Higher Education strategy. Why is that?

We have a declining GVA which suggests we are not making the best use of those already in the island, we are not being as productive as we could be.

I can't see how we can achieve the strategic goals if we don't invest in higher education.

In particular in SG5 lifelong learning, by not adequately funding higher education, and we know numbers are dropping the island has already failed, and has been failing for a long time the goal of lifelong learning.

SG5 Provide a first class education service, supporting the development of skills, creativity and lifelong learning.

SG3 Help people in Jersey achieve and maintain financial independence and safeguard the most vulnerable in our community.

Parents are finding funding their children's Higher Education extremely difficult, they are spending their savings, they are using their pension pots, they are borrowing, and they are downsizing and selling their homes.

They are borrowing from extended family or being given money from extended family, and in the worst cases are telling their children that Higher Education despite the ability that it is not an option that can be afforded.

SG4 Champion a proper supply of housing of all types, promote affordability, improve housing standards and build strong communities.

We are increasing the numbers of people moving to the island who will put further pressure on our housing stock as the need for graduate skills increase. Those people will need to live somewhere.

Parents who do sell homes to finance their children's higher education are then in the rental market, increasing pressure and increasing rental cost due to increased demand.

SG6 Increase the performance of the local economy, encourage economic diversification and improve job opportunities for local people.

Unless we provide access to all of our bright able local islanders to gain the higher education we limit their job opportunities. If parents are spending so much of their incomes on Higher education they are not spending in our local economy.

SG9 Protect and enhance the Island's natural and built environment.

Increasing the numbers of imported people with skills will put more pressure on our built environment and the need to use green spaces increases.

SG10 Provide attractive and well maintained public spaces, protect the environment from the impact of waste products and develop public transport, road and cycle networks that meet the needs of the community.

The pressure to build more homes will not help traffic, will increase waste.

If it is deemed to be a good idea to raise the standard of education in primary and secondary, why isn't it a good idea to maximise the potential of those going on to higher education and supporting them to do so.

If we have a strategic goal of lifelong learning why has our grant system not been updated for 15 years?

Surely we need a Higher Education strategy if we are to fulfil that goal? Why hasn't one been put in place?

What work has been done to assess the impact of local student not having the opportunity of access to Higher education?

The current grants system and funding system of Higher education is based on parental income, even with the proposed increase it still leaves a great deal of Higher Education funding the responsibility of parents.

Attached is a spreadsheet showing the current system. The proposed MTFP and what it would look like adjusted in line with inflation since 2001, RPI used from the statistics unit's calculator.

The proposed threshold amount using the statistics units calculator based on Mar 2001 to Dec 2007 give an amount of £34,619 an increase of 29.4%. The new proposed threshold limit mentioned is £34,500.

Bearing in mind the last review into Higher Education was in 2006, and again it was parents pushing for an adjustment to cover top up fees when the NatWest student loan was introduced (not updated since that time).

This proposal is although welcome is not addressing the 56.5% rise that it needed to have done just to put the system in line with local costs.

The loan updated would now be £2,347

This of course does not take into account, the rise in fees to £9000 the cost of accommodation in the UK which has risen 18% - 2012-15. Figs from NUS survey.

<http://www.nusconnect.org.uk/resources/nus-unipol-accommodation-costs-survey-2015>

There has been a recent judicial review in Scotland, has the panel seen this, and does Education think that our grant system here complies with A2A1?

It seemed from the Chief Ministers response in the states recently that not all of our laws have been looked at that closely in relation to ECHR included in the Human Rights Law Jersey. 2000.

<https://ukhumanrightsblog.com/2016/06/01/restriction-of-student-loans-in-scotland-to-under-55s-deemed-to-be-unlawfully-discriminatory/>

<https://www.scotcourts.gov.uk/search-judgments/judgment?id=25d714a7-8980-69d2-b500-ff0000d74aa7>

Having made a few FOI requests recently to help the group fill in the gaps of information on HE funding, having been asked last year that the group did not do this as if we wanted information, we should just ask.

However despite asking for a copy of the HE report before it was published so we could have some input we were told no.

Of the first workshop information, that was also slow to materialise, and we did not get advised of progress.

My personal view is it has been a one way street. We offered to help but found our help to find a solution wasn't wanted.

Of the requests made and some did but require work, all except one sent to education have had to have an extra extension of two weeks. The others I should receive within the timescale.

Loan Scheme HE Report

Suggestions of a loan scheme were dismissed, yet we did not provide an idea of a scheme that would mean parents would most likely be dead by the time it was repaid, as the one suggested by the department in their HE report.

The report seemed to have been put together without any thought for who would pay it, by asking those who would be paying it what they thought, or if the amount suggested was the figure that people would need to borrow!

How can you possibly work out a system without asking the people who would be responsible for paying it?

This suggests to me there was and is not any appetite at all to address this problem, but what really troubles me if this is ignored the cost to island in terms of importing skills has not been looked at either.

Just what is that cost?

Looking at those students who have been and will be disadvantaged by the current system, what are their choices?

What do they do for work?

Having gained good A levels or IB grades what are their choices?

What support will they need?

How much does it cost the Advance to work scheme to skill these islanders?

How many are unemployed?

How many will need the services of the Prince's trust at a later date because they have lost confidence and need help?

As mental health is topical at the moment, what are the effects on the mental health of the students and their parents and teachers?

After having worked so hard to gain good grades?

The pressure of trying to finance Higher Education for parents, the difficult financial choices they have to make?

Students asking their teachers well why I should bother what is the point.

Teachers dealing with the dilemma of trying to persuade students to work hard, yet at the same time knowing that some will not be able to use their efforts into a career that they choose.

How far do they push the idea of university to some but not all?

The HE report did nothing more than list the ideas given at the workshops, the only different ones in it were ones about making cuts, which appear in the MTFP. Without the annex it's difficult to know how this will work.

Parents however will be sending students off this September, (if they can afford to) another cohort that will be underfunded, and next year what happens then?

The uncertainty for parents having to fund such significant amounts is unhelpful, students do not know if the work they are putting into their studies is a waste of their time, and anyone who has teenage offspring will understand the pressure of keeping them motivated towards the end of A levels.

My other concerns are this.

With the current prospect of job cuts, will any redundancy money be included in the gross family income or not? It seems to me that it should not be as many parents would be in the age group that may find finding employment more difficult due to their age, and will need redundancy money to cover costs of their rents or if they have a mortgage to cover repayments.

The system allows for a recalculation if income drops by 20% however, many families are already struggling and even a very small drop in income could be very difficult to manage.

To address the concerns of defaulting in the HE report it doesn't seem that there is or has been a problem to date.

Student Loan Guarantees Faced with increasing tuition fees and increased numbers of local young people seeking entry to higher education, the Education Sport and Culture Department has worked with local banks to offer a loan facility valued at up to £1,500 per year to all students attending programmes of higher education in the UK. The introduction of this facility helps to spread the costs of tuition by enabling the student to take responsibility for part of the costs. The interest rate is set at 1% above base rate and young people taking up the offer commence repayments one year after graduation. The States of Jersey has given guarantees against these loans to the banks. As at the year end the value of the loans amounted to £2.7 million (2014: £2.6 million). There is no experience of default in the Jersey Scheme, and the equivalent scheme in the UK experiences

defaults on approximately 1% of the total balance each year. Using a simplified analysis of the guarantees this would suggest that the current value of total expected outflows under the scheme will be very low (less than £50,000) and so no amount is recognised on the balance sheet for these guarantees.

2015

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20States%20of%20Jersey%20financial%20report%20and%20accounts%202015%2020160614%20DS.pdf>

- Education Sport and Culture spent £1.7 million less than budgeted mainly due to underspends on Higher Education grants reflecting a downward trend in students accessing higher education off-island in recent years.
- Departments have carried forward £19.1 million of these underspends of approved expenditure into 2016 for projects and other spending pressures with the remaining £5.9 million returned to the States' current account.

2014

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Annex%20to%20Financial%20Report%20and%20Accounts%202014%2020150609%20AM.pdf>

Higher Education university grant payments are dependent on a combination of factors including the number of students opting to attend university, courses and universities chosen and financial considerations including the level of household income. The underspend of £2.4 million against budget reflects **favourable changes** in these factors as well as a significant saving from the UK government's decision in 2012 to cap tuition fees at £9,000 per annum for UK universities, which has remained in place for three successive years. The MTFP provided for fee growth of £1.5 million in 2014 in anticipation of the relaxation of this cap which is next due for review at the end of 2015.

2013

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Annex%20to%20financial%20report%20and%20accounts%202013%202014514%20JMB.pdf>

The net underspend of £1.3 million against Final Approved Budget represents saving on Higher Education £0.9 million due its dependence not only on the number of students attending university but also the universities and courses chosen which can vary in cost. Highlands College was also underspent as a result of increased income on the degree courses offered locally with more student enrolments than budgeted.

2012

<http://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Annex%20to%20financial%20report%20and%20accounts%202012%202010617%20JMB.pdf>

Further and Higher Education savings reflect savings on university grants to students due to a year delay in the significant UK fee increases to September 2012. Whilst student numbers attending UK universities has remained constant at c.1,400 there has been a notable increase in the number of students (from 44 to 95) opting for the comparatively cheaper (fees capped at £4,500pa) alternative being offered by the University Centre at Highlands College. The underspend for the year will be used to meet increased tuition fees in 2013 avoiding the need for a growth bid in the MTFP

This sums up for me the attitude towards Higher Education funding, it seems it is favourable that student numbers are dropping and that they choose cheaper options.

What I would like to know is where does this underspend go, seems it goes back into the current account or spent elsewhere meanwhile parents struggle, students take 'cheaper options' not necessarily the choice of subject they want, is that right?

It seems to be roughly the same amount over the past few years as that which has been lauded as 'spending extra money' in Higher Education in this MTFP, when in actual fact for the past few years numbers of student have been declining the department is saving money, and having underspends.

Yet parents and students say they need more funding, surely it is obvious people are not taking funding because the system has not kept pace with inflation and they don't qualify for it any longer.

This in my view is not extra money at all. It is money that parents should have had access to for the past few years, and perhaps student who had taken the cheaper options would not have done, and would have had the opportunity to fulfil their ambitions.

As it is many are disillusioned, they do not value their island as they don't feel their island values them.

I could go on, but will leave it at this point, the group has a survey underway, what we are not sure is if we should now run it with the MTFP proposals in, that had still to be decided.

I know the group will share the results with you.

I really believe that this should have been the job of the Education department because how else can you design a funding system without knowing what the users needs are?