

# STATES OF JERSEY



## UPDATE OF HIGHER EDUCATION FUNDING (P.12/2024) – AMENDMENT

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Lodged au Greffe on 12th March 2024  
by the Minister for Education and Lifelong Learning  
Earliest date for debate: 19th March 2024

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STATES GREFFE

UPDATE OF HIGHER EDUCATION FUNDING (P.12/2024) –  
AMENDMENT

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**1 PAGE 2 –**

After the words “Lifelong Learning” insert the words “, following consultation with the Chief Minister and Council of Ministers as appropriate,”

**2 PAGE 2, PARAGRAPH (a) –**

For the words “fund all” substitute the words “explore new additional funding options for”; and

Delete the words “to the same level as in-person courses, following the same funding application process and criteria”.

**3 PAGE 2, PARAGRAPH (b) -**

For the words “classify a student who has been, and continues to be, living financially independently of their parents or guardians for at least 1 year before the first academic year of the student’s course as” substitute the words “review the classification criteria for”; and

After the words “an independent student” insert the words “, taking into account the criteria elsewhere in the British Isles, and consider the implementation of changes that would deliver enhanced targeted support”.

**4 PAGE 2, PARAGRAPH (c) –**

For the word “include” substitute the words “consider the inclusion of”; and

After the words “clinical component grant” insert the words “, if appropriate”

**5 PAGE 2, PARAGRAPH (d) –**

For the words “implement guidance to ensure that” substitute the words “work with the Minister for Health and Social Services to review the scope for”;

For the words “captures, but is not limited to,” substitute the words “including consideration of”; and

After the words “following areas” insert the words “, if appropriate”.

**6 PAGE 2, PARAGRAPH (e) –**

After the words “to implement” insert the words “any outcomes of”;

After the words “if adopted,” insert the words “subject to the necessary funding being allocated,”; and

After the word “September” for “2024” substitute “2025”.

**7 PAGE 2, PARAGRAPH (f) –**

After the words “inflation and relative earnings” insert the words “in a sustainable and affordable way, subject to the necessary funding being allocated”.

**8 PAGE 2, PARAGRAPH (g) –**

For the word “introduce” substitute the words “research and consider introducing”.

**9 PAGE 2, PARAGRAPH (h) –**

After the words “if adopted,” insert the words “subject to the necessary funding being allocated,”.

**10 PAGE 2, PARAGRAPH (i) –**

After the word “2018” delete the words “with a view to increasing the threshold of relevant assets for those families where their only income is from rental of secondary properties”; and

After the word “December” for “2024” substitute “2025”.

**11 PAGE 2, PARAGRAPH (j) –**

For the words “undertake a consultation into making student loans available to Island students” substitute the words “assess the long-term financial viability of any student loan scheme for Island students and undertake a consultation if appropriate”.

**MINISTER FOR EDUCATION AND LIFELONG LEARNING**

**Note:** After this amendment, the proposition would read as follows –

**THE STATES are asked to decide whether they are of opinion –**

to request the Minister for Education and Lifelong Learning, following consultation with the Chief Minister and Council of Ministers as appropriate, to

- 
- (a) agree to explore new additional funding options for distance learning courses;

- (b) review the classification criteria for an independent student, taking into account the criteria elsewhere in the British Isles, and consider the implementation of changes that would deliver enhanced targeted support;
- (c) consider the inclusion of 'related subjects' as eligible for a clinical component grant, if appropriate;
- (d) work with the Minister for Health and Social Services to review the scope for the clinical course allowance for 'related subjects', including consideration of the following areas, if appropriate –
  - (i) Paramedic science;
  - (ii) Pharmacy;
  - (iii) Occupational Therapy;
  - (iv) Podiatry; and
  - (v) Physiotherapy/Chiropractic/Osteopathy;
- (e) bring forward the necessary legislative changes to the Education (Grants and Allowances) (Jersey) Order 2018 to implement any outcomes of the preceding paragraphs, if adopted, subject to the necessary funding being allocated, with such changes to take effect from the start of the academic year in September 2025;
- (f) update thresholds for means tested funding in line with inflation and relative earnings in a sustainable and affordable way, subject to the necessary funding being allocated;
- (g) research and consider introducing a sliding scale for the amount of tuition fees that may be awarded;
- (h) bring forward the necessary legislative changes to the Education (Grants and Allowances) (Jersey) Order 2018 to implement paragraphs (f) and (g), if adopted, subject to the necessary funding being allocated, with such changes to take effect from the start of the academic year in September 2025;
- (i) review the threshold for relevant assets detailed within Article 12A of the Education (Grants and Allowances) (Jersey) Order 2018, and to report back to the Assembly on the findings and recommendations of such review no later than December 2025; and
- (j) work with the Minister for Treasury and Resources to assess the long-term financial viability of any student loan scheme for Island students and undertake a consultation if appropriate.

## REPORT

### Introduction

As Minister for Education and Lifelong Learning I am committed to ensuring all Islanders have an equal opportunity to realise their potential through access to higher education.

The current scheme when compared to other jurisdictions appears generous as it already allocates grants for tuition fees up to a family income of £199,999 and a grant for maintenance for students with a household income less than £90,000. The total spend is circa £15 million per year on around 1,400 students.

The proposition has proposed a wide-ranging set of changes to the Education and Grants Allowances Order which would reset the parameters for how Government funds Higher Education for students and as a result increase the cost of the scheme.

I am proposing to amend the following elements of the proposition as set out below which will enable the Ministerial team to have a proper opportunity to get a comprehensive understanding and assess the benefits or otherwise of any changes.

### **Paragraph (a) distance learning**

Enhancing financial support for distance learning offers benefits, including improved access to a wider array of subjects not available on island, greater flexibility, and potential cost savings by allowing students to stay in the family home. It could also offer an alternative means of access for individuals for whom an on-campus learning environment is not suitable.

As institutions continue to diversify their educational offerings, it is crucial that relevant laws are regularly reviewed and updated to align with these changes. This ensures they remain effective in the evolving educational landscape.

Currently, the law adopts an either-or stance, classifying courses as either distance learning or in-person. This poses challenges in addressing hybrid or blended courses, which are expected to become increasingly common as more institutions aim to broaden their program offerings. This issue needs to be considered as part of a wider review of the financial support for courses which are solely delivered online.

New educational delivery methods introduce new risks particularly in the less well-regulated online environment. The Minister is concerned that not all providers undergo the same rigorous accreditation process overseen by regulated qualifications. Further work is required to assess the extent of this risk and incorporate appropriate protections into any changes in the law to safeguard students from substandard provision.

For comparative purpose, a summary of the funding approach taken elsewhere is provided below.

**Guernsey** The grant is calculated as a percentage of the course fee. The percentage applied is determined by the student's relevant income. The maximum grant (90% of course fee) is available to those whose income is £23,000 or less. Those whose income

is over £51,000 are eligible for a grant of 10% of the course fee. No grant is available to those who hold assets exceeding £750,000.

There is no explicit provision for a maintenance grant for distance learning.

**England** Distance learning courses are addressed under financing for part-time students. Students are eligible for a tuition fee loan of up to £6,935 per year depending on their income and provided their course intensity is 25% or more of that of a full time course.<sup>1</sup> Course intensity is determined by reference to the number of credits gained in an academic year. Maintenance loans are only available to those who are unable to attend a course in person because of a disability.

**Isle of Man** Tuition grants are calculated as a percentage of the course fee determined by income. The maximum grant available is £6,750. Those with an income of £36,499 are eligible for a grant amounting to 75% of the course fee.<sup>2</sup> No tuition grant is offered to those with an income of £46,500 or more. No maintenance grant is available for students undertaking a course through distance learning.<sup>3</sup>

### **Paragraph (b) independent students**

Estimated additional cost of introducing this change: £180,000 - £2,200,000 per year.<sup>4</sup>

The proposed amendment aims to allocate more funding to students in need of extra financial assistance, especially in cases where parental support is lacking.

However, there may be a risk of more generous rules being exploited for example, students taking a gap year could potentially qualify for higher funding without genuine financial independence.

Moreover, there are doubts on the effectiveness of a system requiring students to move out of the family home, particularly considering high rental costs in Jersey.

The requirement to live independently could deplete student savings that could be preserved by continuing to reside in the family home.

It is important to note that a lack of willingness to financially support a child through higher education does not necessarily signify an irreparable breakdown in the relationship. For such cases, the current law already provides a mechanism to consider a disregard of parental income when assessing grant entitlement.

Article 4 permits the disregard of a parent's income if they are untraceable, contacting them is impractical, or it would be unjust not to disregard their income. This achieves a similar outcome to that where a student is deemed independent.

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<sup>1</sup> <https://www.gov.uk/student-finance/parttime-students?step-by-step-nav=18045f76-ac04-41b7-b147-5687d8fbb64a>

<sup>2</sup> <https://www.gov.im/categories/education-training-and-careers/student-awards/advice-for-part-timedistance-learning-students/>

<sup>3</sup> [https://legislation.gov.im/cms/images/LEGISLATION/SUBORDINATE/2019/2019-0220/2019-0220\\_3.pdf](https://legislation.gov.im/cms/images/LEGISLATION/SUBORDINATE/2019/2019-0220/2019-0220_3.pdf) Article 15 (2) (iii)

<sup>4</sup> Based on a range of the average number of successful appeals to disregard parental income (10) and average of 5% (122) of new student finance applicants aged under 25 years fulfilling independent student criteria. 5% derived from 2021 census data of those aged under 25 years who were employed full-time.

Article 2 specifies that those who are or have been in care are deemed to be financially independent.

While the amendment aims to deliver targeted support, changes to the scheme must address potential unintended consequences to achieve the objective of the amendment.

Exploring mitigating approaches, such as requiring evidence of full-time employment or an absence from full-time education for a specified period, could better identify genuinely independent students. I am keen to thoroughly assess the extent of this issue and consider all viable options for improving the provision of support.

A comparative summary is provided below of the approach taken in England and other crown dependencies. All, with the exception of Guernsey, outline specific provision for those who are/have previously been in care.

### **Guernsey**

Students are designated independent student status if they are either:

- Aged 25 years or over, or;
- Over the age of 22 years with 3 years of full-time work or supporting themselves<sup>5</sup>

### **England**

There are a number of criteria<sup>6</sup> which infer independent status however, for comparative purposes, the age and financial independence criteria are:

- Student is aged 25 years or over
- Student is under 25 years of age and has financially supported themselves for at least 3 years
- Student is deemed as ‘estranged’ by having had no contact with their parent(s) for over a year.

### **Isle of Man<sup>13</sup>**

Students are designated independent student status if they:

- Are aged over 25 years or;
- Have not been in full-time education for at least 3 years or;
- Are deemed estranged by having had no contact with their parent(s) for over a year

### **Paragraphs (c) and (d) clinical course allowance**

Estimated additional cost of introducing this change: £66,000 per year.<sup>7</sup>

The application of Article 14 is confined to funding tuition fees, reflecting historical variation in fees charged by UK institutions, particularly evident in medical-related programs. These historically carried significantly higher fees, especially prior to the extension of home-fee status for students from the Crown Dependencies in 2021.<sup>8</sup>

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<sup>5</sup> <https://www.gov.gg/studentfinance>

<sup>6</sup> <https://www.gov.uk/apply-for-student-finance/household-income>

<sup>7</sup> Based on average number of students (56) enrolled on specified courses since 2021.

<sup>8</sup> <https://www.gov.uk/government/publications/student-finance-eligibility-2021-to-2022-academic-year/eligibility-rules-for-home-fee-status-and-student-finance-from-the-2022-to->

Article 15 seeks to provide extra help for the additional costs associated with a clinical course; protective clothing, equipment, in some cases a longer course duration. The case made in P.12/2024 for extending the clinical grant to specify particular related courses is that these courses typically involve placements, which add to students' expenses.

Placements are not restricted to the courses listed in the proposal, nor are they limited to courses with a clinical component. Introducing this amendment would have the effect of excluding certain courses from additional funding, despite them having placements. Students on these courses could argue that there was unequal treatment and inconsistencies in supporting only certain students who face these costs.

Additional funding for certain clinical courses in the UK is made available through the NHS Bursary and the NHS Learning Support Fund. This funding is not provided directly through the Student Finance budget. Instead, they are administered by both The Department of Health and Social Care (DHSC) and the Department for Education (DfE), which share responsibility for this funding.<sup>9,10</sup>

Student financial support varies amongst the devolved nations. In comparing the financial support available to Jersey students to those in England, it is important to note:

- The maximum bursary falls short of covering the entire cost of study, necessitating students to take out a loan to cover the remainder. The financial support for Jersey students is entirely in the form of grants, meaning students are more likely to graduate debt free.
- A Jersey Paramedic Science student could qualify for a maximum grant of approximately £17,800 (higher if studying in London), compared to a UK student eligible for a £5,000 bursary.
- In certain instances, those benefiting from the NHS bursary may see a reduction in the maximum maintenance loan available to them, dropping from around £13,000 to £3,600.
- The bursaries provided consist of a blend of means-tested and non-means-tested funding, meaning not all students will meet the criteria for the maximum bursary.
- An inflationary uplift to the Jersey maintenance grant amounts will be applied in September this year. All eligible students will see an increase in their maintenance grant.

Further work is needed to scope an affordable and coordinated funding model to address these specific costs. I am open to collaborating on a strategic approach with the Minister for Health and Social Services if increased funding is considered essential to tackle the challenge of recruiting locally.

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[2023-academic-year-onwards#:~:text=home%20fee%20status,-.Students%20living%20in%20the%20Crown%20Dependencies,the%20UK%20or%20the%20Islands.](#)

<sup>9</sup> <https://assets.publishing.service.gov.uk/media/64f60ac99ee0f2000db7be83/NHS-bursary-rules-12th-edition-2023-to-2024-accessible.pdf>

<sup>10</sup> <https://www.gov.uk/government/publications/learning-support-fund-7th-edition-2023-to-2024/nhs-financial-support-for-health-students-7th-edition-nhs-learning-support-fund>



### **Paragraph (e) timeline for implementation of paragraphs (a) to (d)**

Deputy Gardiner has anticipated that funding will be available to implement paragraph (a) to (d) from September 2024, but this is not the case. To clarify, the Annually Managed Expenditure (AME) caters for changes in the number of students and an annual uplift in maintenance grants, it does not cater for changes to the scheme which materially change entitlement and increase expenditure. Agreement for additional funding will need to be allocated in 2025 - 2028 meaning the earliest opportunity to implement any such change would be September 2025.

### **Paragraph (f) update thresholds**

The Minister agrees with the principle of raising the income threshold. However, there is a need for further analysis to ensure fairness and to ensure the sustainability and affordability of such funding. This might entail a more focused strategy, directing enhanced funding initiatives towards the lowest-income households rather than a blanket increase for all.

Since 2018, average earnings have increased by an average of 3.3% each year while real-time earnings have decreased by 4.6% in the last 3 years.<sup>11</sup> The Minister acknowledges that this means an increasing proportion of students are eligible for a lower grant relative to real term earnings.

The Minister also acknowledges the significant work undertaken by the previous Minister for Children and Education to improve the targeted financial support provided to students and their families to meet the costs of higher education<sup>12</sup> including:

- Introduction of a 10% uplift to the maintenance grant provided to students studying in London
- An increase in the bursary for care leavers who enrol in higher education from £3,000 to £3,429
- An increase of 10.1% in the maintenance grant for the 2022-2023 academic year in response to the increased cost of living.
- An increase in the amount of the clinical component grant awarded to students studying medicine, dentistry, nursing or veterinary science
- A move of the Student Finance budget to Annually Managed Expenditure which means the maintenance grant amount can flex with inflation in a timely manner.

### **Paragraph (g) sliding scale for the amount of tuition fees that may be awarded;**

The Minister will review the previously scoped work on introducing a sliding scale calculation for tuition fees and research the benefits and costs of introducing this policy. The previous work to introduce a sliding scale for the maintenance grant was not cost neutral and the Minister will need to be assured that the parameters used will benefit those most in need of support.

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<sup>11</sup>

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Average%20Earnings%20June%202023%2020230825%20SJ.pdf>

<sup>12</sup>

<https://statesassembly.gov.je/assemblyorderpapers/2023/2023.07.04%20consolidated%20order%20paper.pdf>

### **Paragraph (i) threshold for relevant assets**

Article 12A mandates that students with assets worth £500,000 or more are considered to have a £200,000 income, making them ineligible for tuition fee, maintenance, or clinical component grants.<sup>13</sup>

Assets include various holdings, with the primary residence excluded. The student finance application form only requires a simple 'yes' or 'no' regarding asset ownership over £500,000, without specifying types or values. Consequently, there is no reliable record of the type or value of assets owned by applicants to identify trends that could inform amendments to the Order nor reliably estimate impact of any such changes. Between 2021 to 2023, four appeals were made to disregard the value of an asset.

In earlier public consultations on the subject, opinion was equally divided on whether the threshold should be increased or reduced.<sup>14</sup>

Historically, government has aimed to reduce the threshold, with a reduction from £750,000 to £500,000 in 2014 due to its perceived high level.<sup>15</sup> A further reduction to £200,000 was proposed in 2016 though not progressed.<sup>16</sup>

By way of comparison, Guernsey reduces grant entitlement as a percentage (2.1%) of assets valued at £100,000 or more<sup>17</sup>, while Student Finance in the Isle of Man and England do not explicitly consider asset value.

Certain life events such as a recent inheritance or parental separation can create complications and temporarily inflate the value of assets held. However, this may not accurately reflect the true long-term financial position. The Minister will review the threshold for all assets and consider if adjustments are needed to allow for flexibility.

This also provides an opportunity to consider alignment with means-tested funding approaches used in other areas of government, such as income support entitlement which factor in the market value of an asset when determining entitlement.<sup>18</sup>

### **Paragraph (j) student loans**

A loan scheme, underwritten by the States in partnership with local providers, was previously available to Jersey students.<sup>19</sup> The maximum loan amount was relatively low at £1,500.

All loan partners subsequently pulled out of the scheme citing lack of profitability and administrative costs.

Subsequent work to revisit the concept was undertaken in 2016.<sup>20</sup> This concluded that a loan offer would be very challenging to administer in Jersey, with costs of

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<sup>13</sup> <https://www.jerseylaw.je/laws/current/Pages/10.800.37.aspx>

<sup>14</sup> <https://statesassembly.gov.je/assemblyreports/2006/22143-16076-20122006.pdf> “Should the £500 000 capital assets figure be altered and, if so where in your view should the level be set?”. Of those who felt it should be changed, 50% felt it should be higher (due to inflation) and 50% felt that it should be lower

<sup>15</sup> <https://statesassembly.gov.je/assemblyorderpapers/2014/2014.09.09%20order%20paper.pdf>

<sup>16</sup> <https://statesassembly.gov.je/assemblyreports/2016/r.51-2016.pdf>

<sup>17</sup> <https://www.gov.gg/CHttpHandler.ashx?id=166801&p=0>

<sup>18</sup> [ID Income Support Policy Guidelines.pdf \(gov.je\)](#)

<sup>19</sup> <https://statesassembly.gov.je/assemblyreports/2016/r.51-2016.pdf>

<sup>20</sup> <https://statesassembly.gov.je/AssemblyPropositions/2018/P.33-2018.pdf>

approximately £1,000,000 per year to administer such a scheme. A worst-case scenario estimated an approximate £500,000,000 shortfall between the loan scheme and budget after 20 years.

There are lessons to be learned from previous loan initiatives introduced in Jersey and elsewhere, particularly around the ability to enforce repayment of debt as well as the high costs of administration.

This would place a strain on the public purse which is required to carry the burden of unpaid debt. In the UK, only around 30-40% of those obligated to repay their loans actually made repayments in the 2022-23 financial year.<sup>21</sup> The risk of unpaid debt is likely to be higher for Jersey given many students opt to remain in the place where they undertook their studies. There is no mechanism for Jersey to enforce a repayment of debt by those living in the UK or elsewhere.

Consultations have been conducted previously and while there was general support for a loan scheme there was no consensus on the approach to be taken such as the amount, repayment period or level of student debt that was deemed tolerable. Additional commentary indicated that loans should only be provided as a last resort.<sup>22</sup>

Concerns remain regarding the financial strain placed on young people due to accumulating student debt, with students in England accruing an average of £45,000 in debt upon graduation and around £15,000 in Scotland where financial support is more generous.<sup>23</sup>

There are concerns on the potential disincentive for students to return to Jersey due to the ability to avoid repayment by staying away. Additionally, there are signs that high debt levels may discourage entrepreneurial activity among graduates who are reluctant to take on further debt.

## **Financial and staffing implications**

The below provides a summary of high level estimated financial impact on the student finance budget.

Some estimates provide a range based on a best/worst case scenario.

Estimates provided indicate the additional cost on an annual basis for each new cohort of applicants.

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<sup>21</sup> <https://www.gov.uk/government/statistics/student-loans-in-england-2022-to-2023/student-loans-in-england-financial-year-2022-23#income-contingent-loan-borrower-repayment-status>  
<https://www.gov.uk/government/statistics/student-loans-in-scotland-2022-to-2023/student-loans-in-scotland-financial-year-2022-23#income-contingent-loan-borrower-repayment-status>  
<https://www.gov.uk/government/statistics/student-loans-in-wales-2022-to-2023/student-loans-in-wales-financial-year-2022-23#income-contingent-loan-borrower-repayment-status>  
<https://www.gov.uk/government/statistics/student-loans-in-northern-ireland-2022-to-2023/student-loans-in-northern-ireland-financial-year-2022-23#income-contingent-loan-borrower-repayment-status>

<sup>22</sup> <https://statesassembly.gov.je/assemblyreports/2006/22143-16076-20122006.pdf>

<sup>23</sup> <https://www.gov.uk/government/statistics/uk-comparisons-to-financial-year-2023/uk-comparisons-to-financial-year-2023>

The ongoing annual cost will be higher as it will include the cumulative costs of all students at varying stages of their course.

#### **Paragraph (a) distance learning courses**

Estimated Additional Cost: £200,000-£440,000

Based on a range of the average number of distance learning students who receive financial support and the average number of enquiries made for financial support for a distance learning course. This includes those whose applications were cancelled or rejected.

#### **Paragraph (b) independent students**

Estimated additional cost of introducing this change: £180,000 - £2,200,000 per year.

Based on a range of the average number of successful appeals to disregard parental income (10) and average of 5% (122) of new student finance applicants aged under 25 years fulfilling independent student criteria. 5% derived from 2021 census data of those aged under 25 years who were employed full-time.

#### **Paragraphs (c) and (d) clinical component**

Estimated additional cost of introducing this change: £66,000 per year.

Based on average number of students (56) enrolled on specified courses since 2021.

#### **Paragraph (f) update thresholds**

Estimated additional cost £400,000

Assumes the same number of students in receipt of financial support as in previous years. Estimate includes the 4% inflation increase in the maintenance grant due to apply in September 2024. Income thresholds have been increased by 4% in this scenario.

#### **Paragraph (g) sliding scale for the amount of tuition fees that may be awarded;**

Estimated additional cost £142,000

Assumes all students will receive the same or more than they would receive under the current income bands. This is the methodology that was used to implement the sliding scale for maintenance fees.

#### **Paragraph (i) threshold for relevant assets detailed within Article 12A**

Further principles need to be determined in order to model financial impact.

Potential costs will be based on scenario assumptions yet to be determined such as: the type of asset, determination by gross value or net of any debt liability i.e. a mortgage, or a change in the asset threshold set which is currently £500,000.

### **Paragraph (j) student loans**

Estimated additional cost £1,000,000 to £500,000,000

Previous work on this concept was undertaken in 2016. This concluded that a loan offer would be very challenging to administer in Jersey, with costs of approximately £1,000,000 per year to administer such a scheme. A worst-case scenario estimated an approximate £500,000,000 shortfall between the loan scheme and budget after 20 years.

### **Children's Rights Impact Assessment**

A Children's Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.