

STATES OF JERSEY

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REVIEW OF HIGHER EDUCATION: THE NEXT STEPS

**Presented to the States on 12th April 2005
by the Education, Sport and Culture Committee**

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**REVIEW OF HIGHER
EDUCATION**

FINAL REPORT

BY

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1. EXECUTIVE SUMMARY

- 1.1 This review of Higher Education has been prompted by a variety of factors, including the changing economic environment in which Jersey operates, strategic positioning and policy development by the States, the future impact of the ageing population, and the effects of new Higher Education policy in England. The essential message is that Jersey will in the future need to make more of the talents of its own people, rather than rely as much as hitherto on importing skills and intellectual ability from other countries.
- 1.2 Higher Education has a crucial role to play in responding to the Island's needs in this regard. As well as developing high level knowledge, skills and aptitudes in its young people, and preparing them for employment and professional work in areas of direct relevance to Jersey's future needs, it offers those in employment opportunities for personal development, and employers the means to improve performance and competitiveness. Higher Education is a facilitator for the establishment of new enterprises, and potentially new employment sectors, as well as being a potential focus for on-going support to micro- and small-businesses. It is a driver for innovation, creativity and the transfer of new knowledge and insights. More generally, it is of major cultural and social impact. Higher Education should thus be seen as a necessary and critical component of a strong Jersey economy and of a dynamic Jersey society.
- 1.3 The approach adopted in this review has been to analyse each of the different types of need for Higher Education on the Island, and identify ways in which they might best be met. Options for a more general solution are then explored. In this way, each of the recommendations stands on its own, or can be taken in the round.
- 1.4 The current provision for young people to undertake degree-level studies off-Island is highly regarded and universally deemed to be beneficial to the individuals concerned. However, deregulation of U.K./E.U. student tuition fees in England will present greater financial barriers than hitherto, even at the 'capped' fee level of £3,000 a year (for U.K./E.U. students – Jersey students are already charged significantly more than this). The immediate impact will be for the entry year 2006/07, for which applicants will be considering their options from early 2005. There is therefore an urgent need for the States to agree with the U.K. Universities' representative body, Universities U.K., the level of fees to be charged to Jersey students from 2006/07, and then to determine States policy as to the impact on student support. The decisions should seek to take account of the effect of further increases in U.K./E.U. tuition fees, which can be expected to arise if (as seems to be inevitable) the 'cap' is raised or removed in the future.
- 1.5 The increased costs of studying in England will give greater weight to the argument that more opportunities to study full-time first degrees should be provided in Jersey. But there are in any case strong arguments for developing degree courses on the Island in generic subject areas related to Jersey's future employment needs. Highlands College has experience of successfully working in partnership with U.K. Universities towards this end. It is thus well-placed to develop further along these lines, and should be encouraged and facilitated so to do. This will require active marketing of programmes to Jersey young people and their families. It will also be necessary to place the funding of the College for such work on a longer term and more secure basis, and to ensure that financial support for students is comparable with that which they would receive if studying off-Island. There would be recurrent savings to the States if a greater proportion of its young people studied on- rather than off-Island, although there would need to be some initial capital injection to ensure that the quality of the provision was acceptable.
- 1.6 Development of more full-time first degree courses on the Island would also increase the opportunities for part-time study (on the assumption that the developments would be based on modular course structures). However, there would be benefit notwithstanding to enter into a strategic relationship with the Open University, given the relatively high numbers of Jersey residents who currently choose to study with the O.U. The historic funding arrangement with the O.U. will first need to be re-negotiated; part of those negotiations could involve seeking a role for Highlands College in providing an element of support to such students.
- 1.7 There is an important need to enhance provision and take-up of employee development programmes

which enable the range of existing workforces better to respond to new demands and prepare for the future. This need covers all sectors of employment, including the States itself, and all sizes of employers. A means to co-ordinate and pro-actively develop on-Island opportunities should be sought, which would also serve to stimulate demand amongst smaller businesses, and to improve certification and progression. This could be achieved by creation of a new development entity such as a ‘Management Training Centre’, or by charging a re-formatted Jersey Business School with the task. There would be advantages in adopting the former approach, particularly so as to be seen to be making a clean start and avoiding some of the associations with difficulties in this area in the past. However, the Jersey Business School model would likely be more cost-effective and would avoid confusion in the market that would arise from creation of another brand. In any event, it would be timely to review States policy on the funding for such provision, and to bring together those with responsibilities for Economic Development and Education policy and funding in planning the way forward.

- 1.8 The new Foundation Degrees, recently introduced into the U.K. Higher Education system, offer exciting opportunities for Jersey to develop intermediate vocational qualifications at the technical and associate professional levels directly relevant to the Island’s future needs. They would provide a route for a wider range of Jersey people than hitherto to achieve a recognised Higher Education qualification with a work-based or work-related curriculum, directly relevant to Jersey’s emerging employment needs. Foundation Degrees would be particularly appropriate for those in work who need to up-grade their knowledge and skills, through structured employee development programmes towards graduate standing, as well as for those school- and college-leavers who do not proceed directly into full-time Higher Education. The potential for such programmes needs to be explored by means of a partnership between Highlands College, employers, representative bodies, the validating University(ies), the Department of Economic Development, and the Department of Education, Sport and Culture.
- 1.9 There is widespread and well-founded support across Jersey for building a strategic relationship with a well-established and internationally high ranking Business School to support the future development of the financial services sector on the Island. Actions have already been taken towards this goal, and these should be pursued as a matter of priority. There will need to be serious market testing, and high levels of commitment (of time, expertise and money), both by key employers and by the States, in order to achieve the longer term aspiration of establishing an International Business (or Management) School on Jersey. This would be different to that created on the Isle of Man, which has an alternative focus to the one envisaged for Jersey. Realisation of this ambition would also facilitate the transfer of new ideas, innovation and research findings into the Island’s economy in a cost-effective manner.
- 1.10 The proposal for a ‘Jersey College of Law’ offers prospects not only to improve the training of Jersey lawyers but also to create an international centre for the study and promotion of comparative law. Current contacts should be explored, and support from the Jersey law community sought. Other opportunities to develop professionally focussed Higher Education on the Island have been identified, and should also be pursued. In each case it would be helpful to identify an individual or organisation to act as ‘champion’, and to provide support and reporting mechanisms.
- 1.11 The States’ Strategic Plan identifies clear commitment to encourage entrepreneurship and the creation of new businesses, and this is also seen in the Island’s Cultural Strategy. There is an important role for Highlands College, in partnership with Jersey Business Venture, to provide the training and development of individuals, and their on-going support, which are so crucial to start-up business success and the growth of micro-businesses. The provision of uncubator units on the Island should be actively explored.
- 1.12 The growth and developments outlined in the foregoing amount to a total student population of about 600 full-time equivalent (F.T.E.) students at the steady state, which might over time and with strong marketing grow to 650 or even 700 F.T.E. This is not sufficient to sustain an academically and financially self-standing multi-Faculty University, given the spread of subjects and levels involved. To achieve a minimum student population of about 2,000 F.T.E. would require augmentation by some 1,400 students recruited internationally (i.e. 70% of the total student population), which does not appear to be realistically attainable, even if it were deemed desirable. Moreover, a reasonable analysis shows that such a University would require capital investment of over £40 million, and incur a recurrent deficit of abou

£2.5 million (i.e. over £4,000 per F.T.E. of Jersey students). The suggestion that the Island should create a ‘University of Jersey’ is thus discounted.

- 1.13 A more gradual development towards creation of a ‘University of Jersey’ by building upon the strengths of Highlands College is also discounted, because of the combination of disadvantages and risks. However, as indicated throughout this report, the College nonetheless has an important role to play in increasing the extent of Higher Education delivered on the Island.
- 1.14 It is therefore concluded that rather than create a University on the Island, each of the Higher Education needs identified should be pursued as valid and necessary developments in their own right. There would, however, be advantage in refining this strategy by bringing together the various elements under a common structure and brand, perhaps named ‘The Jersey Higher Education Academy’ and possibly as a new legal entity. The concept is that of a ‘shopping mall’, in which the various Higher Education activities on the Island would operate in a managed partnership mode. The principal components of the ‘Academy’ would be Highlands College, the Open University, other Universities (such as currently work in Jersey), a Management Training Centre (if this role is not to be performed by Jersey Business School), business start-up and support services, and the proposed Jersey College of Law. The ‘Academy’ would also usefully include appropriate means to make available relevant information, advice and guidance, and a market intelligence service provided by the Training and Employment Partnership. The ‘Academy’ would be the means to allow development of provision in a progressive manner, and would enable initiatives to be undertaken which might otherwise be non-viable or too risky as separate entities. More especially, the ‘Academy’ would provide the necessary strategic overview of the Higher Education needs of Jersey, and (by advising the States) help to fill the policy vacuum that currently exists. Note that the proposed International Business/Management School would not be part of the ‘Academy’ as it would not be helpful to dilute or subsume the brand of a leading Business School partner.
- 1.15 Some of the opportunities identified would likely benefit from strategic collaboration with Guernsey. These include the development of Foundation Degrees, the proposed ‘Jersey College of Law’, and specialist provision for professional bodies and associations.

2. CONTEXT

- 2.1 Jersey is experiencing substantial change, both internally and externally generated. Radical reform of its governance structures, and globalisation of its traditional and critical economic sectors, all have very significant implications for the Island. In the context of the present study, the following are key factors to be taken into account in review of Higher Education provision.
- 2.2 The States of Jersey Strategic Plan 2005 to 2010 provides the essential background for the present review. It provides a clear exposition of the vision for the Island, and its aspirations. Its 9 Strategic Aims and associated objectives present realistic and compelling challenges for the future.
- 2.3 Key factors that are especially pertinent to this review relate to the changing employment market, and the need for the education sector (Higher Education in the present context) to respond. Particular aspects are as follows.
- (a) The agriculture sector on the Island has declined due to the effect of globalisation of food and other agricultural supply. The effect of investment by developing countries, advances in agricultural technology, the huge purchasing powers of supermarkets, reduction in international transport costs and lead times, have all contributed to Jersey’s agricultural products losing competitive advantage. The single act of Spain joining the European Union had a devastating effect on tomato exports from Jersey.
 - (b) Tourism has badly suffered from the availability of easier, low-cost travel to other locations that are able to offer a wider range of experiences, climate advantage, and lower costs.
 - (c) The financial services sector has suffered from the ending of the ‘dotcom’ boom and the effects of

international terrorism –

- Annual profits fell by 4% in 2003 but have now stabilised.
- The sector now provides processing operations from low labour economies such as India, and has contracted its workforce considerably. There was a net loss of some 500 full-time equivalent staff between 2002 and 2003 (-4%); new recruits within the net retained figure were just 75 F.T.E. in 2003, compared with about 275 F.T.E. per annum in recent years.
- Globalisation is also affecting some middle-level functions such as Human Resources services. One consequence is that career pathways have been eroded.
- Rationalisation of offices and locations has also had an impact, with duplication amongst off-shore locations being eliminated.

- 2.4 As a consequence of the foregoing, there are now far fewer low-skilled jobs available for school and college leavers. Information available to the Careers Service indicates that only 62 of the Island's 900+ cohort of young people aged 16+ entered employment in 2003 (mainly in the retail sector). This year, new enrolments of young people at Highlands College have increased substantially (now taking 34% of the year 12 cohort, viz 350 students), as those young people who do not proceed direct to University seek to obtain further or better qualifications to help them in the job market. It remains to be seen whether or not their strategy will pay off, at least in the short term, or whether they will merely be deferring their unemployment.
- 2.5 Recent research commissioned for the Department of Education, Sport and Culture focussed on the impact of Jersey's ageing population. Particularly relevant to the present report is the realisation that in the future Jersey will need to rely on fewer of its population in employment. This means that to sustain the quality of life on the Island, those in employment will need to be more productive and efficient, and achieve higher added value. Higher Education clearly has a key role to play in achieving this.
- 2.6 Intense competition for location of key sector employers, such as in the financial services sector, means that Jersey must provide compelling benefits for the financial institutions to develop, let alone stay, on the Island. This requires, *inter alia*, access to a workforce that is of high quality, skilled, adaptable, and motivated. It is evident that such workforce is not currently available to the extent required. Retention is also a problem for some employers in the sector. Employers express disappointment at the local supply of graduates and non-graduates, and look off-Island for the solutions, as well as for development opportunities for their staff. At the same time, there is a need to ensure commitment and loyalty of the major employers to the Island's future. This sector is critical to the future prosperity of Jersey, comprising some 75% of the economy. It needs a consistent and reliable supply of world class people.
- 2.7 The decision to reduce Corporation Tax to zero will create a large gap in revenues, requiring overall economic growth. The target of 2% annual growth in real terms is challenging, but is seen to be the most important imperative for the future wellbeing of the Island. It can only be achieved through the high value-added sectors, particularly but not exclusively the financial services sector, and by making more of the latent talents of Jersey people. There must be greater emphasis than in the past to enable and encourage Jersey people to develop the skills, especially the graduate skills, for the jobs of the future. This requires investment in the education service, especially Higher Education – taken to include professional and higher skills development, as well as initial formation at the graduate level. It is said that Jersey is 'skills constrained', with the skills gap widening over recent years –

- (a) Employers report that one in five jobs are 'hard to fill'.
- (b) The proportion of 'hard to fill' jobs ascribed to lack of skills amongst applicants appears to be much higher than in the U.K. (77% cf 40%).

- (c) 18% of employers report that at least some of their staff lack the skills needed for their job role (7% in the U.K.).
- 2.8 It is against this background that the States' Economic Development Department commissioned the (U.K.) Learning and Skills Development Agency to develop a Skills Strategy for Jersey. Its report, together with the latest Employers' Survey 2004, will provide an essential guide to future needs, including for Higher Education, and should be fully shared with the Department of Education, Sport and Culture.

3. ORIGIN OF THE PRESENT REPORT

- 3.1 In May 2004 the Education, Sport and Culture Committee received a report on the future implications for Jersey of changes in the Higher Education sector in the U.K. (particularly the future deregulation of tuition fees in England). The Committee decided that a review should be undertaken to consider what provisions for Higher Education might be made on the Island.
- 3.2 Subsequently, an Inter-Departmental Review Group, working under the chairmanship of the Island's Chief Executive and set up to consider the feasibility of a 'University for Jersey', requested that the Education, Sport and Culture review should extend its scope to consider a range of options. This was to include the possible establishment of a complete University on the Island or of a specialist Higher Education institution(s), or alternative options such as a 'virtual' University.
- 3.3 Terms of reference of the Review Group were set as follows –
- (a) to consider the Higher Education needs of the Island;
 - (b) to determine whether these needs can be met by the development of a University in the Island or by the development of one or 2 specialist Schools of Higher Education;
 - (c) to consider the extent to which the costs of local Higher Education provision could be offset by partnership arrangements with existing institutions and the recruitment of students from elsewhere;
 - (d) to consider alternative options for the development of Higher Education within the Island;
 - (e) to advise the Committee on options and costs associated with achieving an appropriate level of Higher Educational opportunities in the Island;
 - (f) to make recommendations for action to the Education, Sport and Culture Committee and the Inter-Departmental Review Group.

- 3.4 The membership of the Review Group was as follows –

Phil Austin:	Chief Executive, Jersey Finance Ltd.
Clive Barton:	Senior Partner Moore Stephens Chartered Accountants; Chairman of Highlands College Board of Governors
Rosie Bleasby:	Soroptimists International, Jersey
Andy Gibbs:	Head of Careers and Work-Related Learning, Education, Sport and Culture
Michael Goldstein:	Consultant (Chairman)
David Greenwood:	Assistant Director, Culture and Lifelong Learning, Education, Sport and Culture
Helen Hatton:	Deputy Director General, Jersey Financial Services Commission
Jenny Hollywood:	Assistant Director, Corporate Training and Development, States of Jersey Human Resources

Gary Jones: Deputy Principal, Highlands College
Chris Kelleher: Student Finance Officer, Education, Sport and Culture.

- 3.5 The timescale afforded to the review group has been quite limited, but nonetheless the Group believes that the present report represents an outcome which could lead to considerable progress for the Island. In addition to the Group's three plenary meetings, considerable consultations have taken place with members, as well as with a wide range of other relevant parties, as set out in Annex 1. A list of documents to which reference has been made is contained in Annex 2.

4. THE SCOPE AND ROLE OF HIGHER EDUCATION

- 4.1 For many people, the image of a University is one where a group of academic staff develop the fundamentals of their subject interests and provide 3-year full-time Honours Degree study for young adults. Such activities do, of course, comprise the bedrock of University provision. But by no means does this represent the sole role and function of a modern Higher Education provider. Indeed, recent evolution and emphasis of Higher Education has been to develop the much wider role in direct support of economic and social development.
- 4.2 Given especially the context and background to this Review, a broad meaning is afforded to Higher Education, to embrace –
- (a) undergraduate programmes at a number of levels (from Foundation Degree, HNC/HND, and initial professional qualifications through to Honours Degrees);
 - (b) post-graduate and post-experience programmes leading to traditional University qualifications at Masters level, as well as higher professional qualifications;
 - (c) shorter experiences which might not be accredited but which nonetheless contribute to higher level skills development and learning.
- 4.3 It is also important to recognise that study and delivery may be by a variety of modes, including part-time, work-based, distance (including by electronic means), and blended learning (a mix of face-to-face and individual learning, usually using electronic delivery). Increasingly, learning opportunities are provided in units or credits, so that students can accumulate experiences and expertise over a period and may combine these towards a recognised qualification.
- 4.4 Higher Education also has a role in supporting learning of so-called ‘mature’ students, those wishing to develop careers later in life, or seeking new career directions. Some will not have experienced post-compulsory education previously, or at least for some time, while others will have need for a new start. They may already be in employment and see Higher Education as a means for personal career advancement, wishing to change their employment, or wishing to get into employment from a period of unemployment (for example, after a period of child-care).
- 4.5 Much modern Higher Education is in close support of employers, working in partnership to meet their emerging needs by developing their workforces for the future. This may involve providing opportunities for workers to develop to graduate level, achieve higher level NVQs, degrees, and full professional status, as well as providing for their continuing professional development to keep up-to-date, meet new demands and contribute to the achievement of competitive advantage. Programmes of employee development at the middle and senior management/leadership levels are often created, delivered, monitored and evaluated by Higher Education Institutions in partnership with employers.
- 4.6 The contribution of Higher Education to more generic economic development often goes unrecognised, but is increasingly important to enable growth of modern economies. Examples are knowledge transfer through development projects, consultancy and advice; close-to-market research; dissemination of best practice; help and support to small and micro businesses. In addition, the provision of programmes to encourage entrepreneurship, the availability of incubator units and other facilities for start-up companies,

and the establishment of on-going business support services for micro- and small companies, all enable the creation of enterprising businesses which provide a necessary dynamic for healthy economies.

- 4.7 It is this broad approach to Higher Education which is taken in the present report in order to reflect the perceived needs of Jersey in this regard.

5. ANALYSIS OF THE CURRENT SITUATION

- 5.1 About 46% of the current cohort of approximately 1,000 school- and college-leavers proceed to full-time Higher Education, very largely in England. On the face of it, this represents a substantial potential source of students for Higher Education provision that might be provided on the Island. However, there are several aspects of this situation which warrant comment.

- (a) There is a strongly-held view by many policy-makers that the vast majority of these students would prefer to study in England even if similar courses were available on the Island. Such opinions might need to be challenged (see paragraph 5.2 below).
- (b) Moreover, most stakeholders (including parents, careers advisers, Education, Sport and Culture personnel *et al*) would positively prefer appropriately qualified school and college leavers to go off-Island to study. Indeed, there is a strong and ubiquitous opinion that it is in the best interests of the Island for its brightest and most promising young people to study in a different environment to Jersey, although there is no research to validate such assertions.
- (c) On the other hand, most such students do not return to the Island until some years after graduating, and many may not return at all (just 62% return within about 10 years). As a consequence, some employers and policy-makers are concerned that there is very limited flow of fresh graduates into the Jersey labour market, especially into the financial services sector, to the detriment of the vitality of the economy.
- (d) The level of participation in degree-level education by Jersey young people is notably high (for example, compared with England), which in many senses is a considerable achievement and is regarded as a success story for the Island. There is the perception that this high participation rate brings long term benefits to the Island, but there are also concerns that –
 - the occurrence of graduates in the workforce is low. Only 11% of the Jersey workforce have degree or equivalent qualifications compared with the average for the U.K. of 16%;
 - 34% of all working adults have no formal qualifications at all (cf 16% in the U.K.);
 - too few graduates study subjects of direct relevance to the local economy. The dominant subjects of study are: Art/Design/Architecture (17%), Humanities (11%), and Social Science/Psychology/Sociology (11%). Only 7% study Accountancy/Finance/Business/Management, while 6% study Mathematics/IT/Computing, 5% study Law, and 4% study Sports/Leisure/Tourism/Recreation;
 - employers generally feel that the quality of the graduates in terms of their immediate employability could be improved.
- (e) Of some considerable concern is the argument that the effect of a high proportion of young people going to University off-Island means that there are inadequate numbers of young people remaining who are of high enough ability to meet the emerging employment needs of Jersey.
- (f) The cost to the States of funding students to study off-Island is considerable. For the 2004/05 academic year the total cost to the Education, Sport and Culture Committee for supporting

students studying in England (fees, maintenance and travel) will be £8.185 million (€7.580 million for undergraduates, £0.605 million for postgraduates). Moreover, there are very serious cost issues to be resolved when E.U. undergraduate tuition fees in England are deregulated from the 2006/07 academic year. While the new policy is directly about students from the E.U., there will be a consequential impact for students from Jersey (and other Channel Islands and the Isle of Man). Although a ‘cap’ of £3,000 will be imposed initially (an increase of some £1,800 per year), this is ‘guaranteed’ only until 2010. If the same increase of £1,800 per annum were to be applied to Jersey students, and the States were to meet all such additional costs at current student volumes, the total additional impact would be close to an extra £2 million a year at the steady state. Furthermore, it seems inevitable that the ‘cap’ will be raised or eliminated after 2010, with the most popular and prestigious Universities in England perhaps charging fees of £10,000 per year or more in some subjects at least. This will inevitably put substantial pressure on parental and States budgets, and is not likely to allow the current arrangements to be sustained in the longer term.

- 5.2 It is, of course, not known the extent to which other school and college-leavers might wish to take advantage of any on-Island full-time initial Higher Education if such were to be available. There are doubtless some potential students who, for a variety of reasons, do not wish or are unable to study off-Island (for example, those of a reserved disposition, those with family or social ties, or those with a disability). Moreover, there would most likely be some positive feedback if suitable provision were to be available. A survey of current Year 13 students in Jersey schools and Highlands College (433 responses representing about half of the age range or two-thirds of those in education), conducted as part of the present Review, posed the question: “If appropriate high quality university education in the subject you wished to study was available locally would you consider staying on the Island?”. The responses were –

consider staying	yes:	33.3%
	no:	39.5%

not sure:	22.2%
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not answered:	5.1%
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Whilst too much weight should not be placed on these actual figures, there is at least a case for consideration. The Isle of Man International Business School attracts 9-12 young school/college leavers to its full-time BA courses in Business Studies/Administration each year (plus 6-8 mature students). More importantly, whatever might be the detailed effect of fee deregulation in England, it can only be to increase the demand for on-Island based degree courses, unless the States is able to meet the whole of the additional costs without any reduction in the numbers of students supported.

- 5.3 There would appear to be significant demand for initial Higher Education from older people (‘mature’ students, taken to be aged over 21 years on entry). Evidence for this comes from 2 sources –

- (a) There are currently 428 Jersey residents registered on Open University (part-time) courses. This number of such students seems to have been growing slightly over recent years, with 124 new registrations in 2004. Nearly 70% of the current total are in the age range 25-45; 62% are women; the majority for whom data are available are in employment, many in professional and management roles. The range of courses studied is very wide, and many students study only to Certificate or Diploma levels. In the period 2001-2004, there were 273 qualifications awarded, 84 being full first degrees (BA/BSc/LLB), and 15 full Masters' degrees (MA/MSc/MEd/MBA). The rate of production of first degrees is equivalent to about 30 new enrolments a year on 3-year full-time degree courses, more than currently enrol at Highlands College [see paragraph 5.3(b) below]. These O.U. data are relevant also to the needs or professional development opportunities on the Island, as discussed later in this report.
- (b) Highlands College offers a number of degree programmes in association with English Universities, as detailed (for recent years) in Annex 4 hereto. Of particular note is the full-time Combined Social Sciences Programme in partnership with the University of Plymouth, directed at mature students. The first 2 years of this programme are taught by the College under a franchise agreement, while the final Honours year is delivered by Plymouth staff as 'Flying Faculty'. Enrolments have been much more encouraging since the full degree qualification has been available on the Island. The experience of the College would suggest that the demand from mature students to study at first degree level on a full-time basis is for general Higher Education experience rather than for directly vocational, career-focussed qualifications (as indeed is the case for the full-time HE taken by young people off-Island). There is some interest also in part-time mature students availing themselves of this programme, and a small number of school and college leavers have also enrolled (although the availability if the programme has not been deliberately marketed to such students).
- 5.4 All commentators point to the need to enhance provision and take-up of employee development programmes that enable the existing workforce to respond to (and prepare for) new demands, whether these be from new legislation (employment law, data protection *et al*), from technological developments, or from the general need for enhanced business competitiveness. The States itself has a substantial need to equip its approximately 1,000 managers (from charge-hands to senior professionals) with the means to deal with the vision for the Island over the next few years: leadership, change management, strategic planning, customer focus, risk management, and the like. Although there is a particular context, these needs are not atypical of the needs of the rest of the Island's workforce, both in terms of sectors and employer size. Current provision is largely made by the employers (usually contracted out), as there are issues concerning the extent to which States funding should be deployed for such purposes. As a consequence, provision by Highlands College (see Annex 4), through its Jersey Business School, is perhaps under-developed. Moreover, as a result, much of the management development is not accredited or quality assured through certification.
- 5.5 The new Foundation Degrees, which are intermediate, vocational Higher Education qualifications, offer particular opportunities to address the skills deficit which Jersey, as other western economies, is experiencing. Foundation Degrees are designed to fill the qualifications gap at technical and associate professional level, and are expected to come into greater demand in the light of 14-19 curriculum reforms in England following the Tomlinson report (which is also being addressed by Jersey). They are 2 years full-time in duration, or the equivalent of part-time study, and have as their defining characteristic involvement of employers in their design and delivery, with a core role for work-based accredited learning. Highlands College has recognised the potential of such programmes and has converted its art and design foundation course into a Foundation Degree (with the University of Plymouth), and is considering the likely demand for other courses at this level. The particular value to Jersey would seem to be full engagement of employers (including the public sector), many of whom have often not turned to the College for their manpower needs.
- 5.6 There are strong views amongst both Government and employer bodies regarding the need for development opportunities at the more senior executive post-graduate/post-experience/professional level,

although again it is difficult to determine with any precision the extent of demand. However, there is no doubt that many employers spend substantial amounts on such development activities for their staff, the vast majority of which is taken off-Island. There are particular concerns surrounding the needs of the financial services sector, and while this is by no means the sole area for full attention, given the dominance of this sector in the Island's economy, and its importance to the Island's future, it is crucial that this demand be addressed. The needs are not restricted to the provision of personal development programmes, with or without such qualifications as the MBA, but embrace the much deeper and wider engagement of the sector on the Island with knowledge development and transfer. This realisation has lead to the consideration by the Policy and Resources Committee's 'University Working Party' of the prospect of establishing an International Business School on the Island in association with an appropriate high-ranking Business School from the U.K. or the U.S. The key considerations would appear to be –

- (a) the finance sector needs top-level management development at leading edge international standards;
- (b) it is important for the Island to facilitate the necessary provision;
- (c) the focus should be on the specific needs of Jersey and its unique selling points as a destination for the finance sector;
- (d) there should be significant spin-off from the close interaction between the academics and the sector, for example in terms of research, knowledge transfer and innovation;
- (e) a high quality facility would be attractive to (modest numbers of) international students and employers, thus (without detracting from the prime objectives of the proposal) –
 - aiding the financial viability of such a venture;
 - adding to the international reputation and standing of Jersey;
 - providing some (modest) direct contribution to the economy;
 - enriching the experience of the Jersey-based students;
 - providing useful benchmarks for practice;
 - making the venture more attractive to the partner Business School.

5.7 It was with similar considerations in mind that an International Business School was set up a few years ago on the Isle of Man. However, in practice this has developed somewhat differently to the concept envisaged for Jersey in that it fulfils a more mainstream Business School role. Thus over half its students (about 60 out of a total of 107 F.T.E. in 2004/05) are on standard undergraduate B.A. Business Studies/Business Administration programmes, and the majority of its delivery is by its own staff operating under a franchise from Liverpool John Moores University. While it is perhaps arguable that the Isle of Man International Business School has in any case yet to achieve its full potential, it seems to be generally accepted that success of such a venture depends critically on the following.

- (a) Identifying an established, leading University partner is a pre-requisite. In the particular context of Jersey's aspirations, to establish a high reputation for the Island as a serious international player in this area, would require close partnership with a world class Business School.
- (b) The venture requires considerable front-end loaded investment. For example, it is understood that the Isle of Man International Business School required £5 million capital for premises, as well as major financial support during the formative period.
- (c) Long lead times must be planned to achieve even modest student numbers, challenging the academic viability of programmes. The Director of the Isle of Man International Business School was appointed in 1999, and the first (small number of) students were admitted about 18 months later; in 2004/05 the School expects a total of no more than 107 full-time-equivalent students to be enrolled. The Director of the School believes that a further doubling of the student population

is required to approach self-sufficiency.

- (d) Substantial underwriting is essential for some years. After 4 years of enrolling students, the Isle of Man International Business School continues to receive a £700,000 subvention from the Manx Government (about half of which is used to service loans for capital), and has still recorded an annual deficit (the accumulated deficit is about £1 million). Putting aside the repayment of bank loans for capital, the recurrent per capita cost to the Manx Government for tuition of Isle of Man students is perhaps approaching £8,000 per annum, to which must be added the cost of maintenance grants.
- 5.8 Some concerns have been expressed that the training for lawyers competent in Jersey law is not adequately structured and quality assured. Previous arrangements with the University of Caen have fallen into abeyance. This has led to the call for creation of a ‘Jersey College of Law’, in association with suitable University partners. Currently there are about 40 people studying to qualify in Jersey law at any one time.
- 5.9 Other areas of professional training at Higher Education levels might be better developed on the Island. Attention is drawn to existing, planned and possible examples –
- (a) Highlands College offers a part-time BSc in Construction Management in association with London South Bank University. This is delivered on a largely distance-learning basis, and is end-on to the College’s HNC in Building Studies. Although it is modest in its enrolment levels (15 new enrolments in the last 3 years), it meets a real professional employment need for the Island in a cost-effective manner. Funding for this provision is via Economic Development (the Training and Employment Partnership) rather than Education, Sport and Culture.
 - (b) Highlands College will in future manage and contribute to the delivery of the on-Island Post-Graduate Certificate of Education, in association with the Institute of Education London and Bradford College. The Island’s annual requirement is up to 10 secondary teachers and up to 5 primary teachers to be trained by this route in the foreseeable future. At present, the graduate intake is recruited from off-Island (a few from Jersey residents returning to the Island), but in future an important source could also be those graduating from Highlands College’s degree courses (such as the Combined Social Sciences programme with the University of Plymouth).
 - (c) Highlands College offers courses leading to qualifications of the Securities Institute, but no provision is apparently made on the Island for professional updating activities for this body, even though between them Jersey and Guernsey provide nearly all the membership of the Institute. A collaboration between Guernsey and the Securities Institute to offer such programmes on Jersey would seem to be an obvious development, providing savings in costs (including time) and giving better profile to the Island. Collaboration with Guernsey is further considered in paragraph 9.2 below.
- 5.10 As indicated in paragraph 4.6 of this report, Higher Education has a key role to play in the generation of a culture of enterprise and entrepreneurship. In particular, it has the potential significantly to support the creation of new businesses, to help sustain them and to enable their growth. In the past, with high levels of employment and an over-riding migration policy, there has been little need for such facilitation, but times have changed significantly, and the need to encourage diversification of the economy is now recognised. The States’ Strategic Plan identifies –
- ‘Aim 1.2: Encourage enterprise, innovation and diversity – particularly in high added-value sectors’.
- ‘Aim 1.2.2: Encourage the development of new enterprises and companies with high value-added potential and which contribute most to the economy’.

One example of how this new commitment is being translated into specific action is to be found in the States’ Cultural Strategy, which identifies a number of objectives, including the following –

‘Objective 2.10: To work with Highlands College and other interested bodies to examine the feasibility of establishing a ‘College of Culture’’.

‘Objective 3.5: To support individual artists, across all the arts and crafts and cultural workers in furthering their careers and/or in developing a stronger economic base for their cultural activities, and in helping to support a market for their works and activities’.

Jersey Business Venture provides sterling and highly creditable front-of-house services, but it is a small operation with only occasional links to Jersey Business School and its training opportunities in business skills and development. It is now opportune to review the extent and level of such provision, including the availability of supported space for start-up businesses.

6. “A UNIVERSITY FOR JERSEY”?

6.1 The identification of the needs outlined above would seem to add support to an earlier suggestion that consideration should be given to establishing a University on the Island for Jersey people. This was especially prompted by a report prepared for Highlands College by Prof Malcolm Johnson of the University of Bristol, and presented to the Policy and Resources Committee earlier in 2004. The notion generated considerable interest, and some excitement on the Island (see, for example, the headline article in the Jersey Evening Post for 27th September 2004). However, a more rational analysis is set out below.

6.2 The needs identified in section 5 of this paper have been quantified in Annex 3 hereto. While the data are estimates, it is evident that the needs of Jersey students alone will not of themselves be sufficient to sustain the creation of a full-blown, multi-Faculty University. As shown in Annex 3, the total indigenous student population arising from these needs might be approaching 600 F.T.E. (full-time equivalents) at the steady state. With vigorous marketing, including product development, this might grow to perhaps 650 or even 700 F.T.E., but it is crucial to realise that the student body this embraces is extremely diverse in terms of educational level and subject spread. Thus, whilst 600 F.T.E. might be argued to be academically and financially viable for a specialist Art College or a postgraduate Business School, it would not be so for an institution seeking to cater both for a broad subject spread (fine art, social sciences, law, business and management, et al), and for a wide range of entry points (from mature entrants with no formal entry requirements to experienced executives working towards MBAs).

6.3 The question therefore arises as to whether financial and academic viability for such a facility might be achieved by extending the potential student body through deliberate marketing on an international scale. This possibility was addressed (albeit not in marketing terms) in the Malcolm Johnson report, which also set out the possible economic benefits of such a development (including in terms of prestige and identity), especially as a new income stream and employment sector for the Island. However, there is significant reluctance to take this further, on the basis that –

- (a) to achieve viability, the focus would need to be on incoming students (to the extent that about 70% of the student body would be from outside the Island – Annex 3 refers). However, there are major doubts that Jersey could be attractive enough on this scale in relation to international competition, in terms of both cost and reputation;
- (b) the impact on the Island of a large number of international students, and addressing their social needs, would likely be adverse, and could more than outweigh the benefits;
- (c) trends in the international student market are increasingly towards postgraduate and high added-value programmes, which generate substantial infrastructure and maintenance costs. These are not compatible with current Higher Education demands of Jersey residents;
- (d) the capital costs (in excess of £40 million, and probably over £45 million) would be unacceptably high;

- (e) an annual deficit of perhaps £2.5 million (i.e. over £4,000 per Jersey student) would have to be sustained;
 - (f) the project would therefore be of unacceptably high risk in terms of both finance and reputation.
- 6.4 It is possible to consider a more modest and evolutionary approach for development of a University on the Island as an alternative to the establishment of a free-standing institution in its own right from the start. That is, to base the activity in an existing organisation – thus allowing a more controlled development, mitigating risk, and reducing some fixed costs. The most obvious candidate for such progressive growth is Highlands College, because –
- (a) the College leadership has strong ambitions in this direction;
 - (b) Higher Education is one of ten ‘Key Issues’ set out in its approved corporate strategy (“A Strategy for the Future 2003-2008”);
 - (c) the College has experience of a range of Higher Education provision (Annex 4);
 - (d) it potentially has the academic, physical and human infrastructure for a controlled development of Higher Education;
 - (e) it stands up well in relation to quality of general Further Education provision in England.

Whether or not the College should further engage in Higher Education development is an important policy matter for the States. But there are additional factors that militate against it being the focus for the full range of work identified in section 5 of this report –

- (f) there is the danger of ‘mission drift’, which could adversely affect the other work of the College, arguably just as crucial in the context of the changing employment structure of the Island;
- (g) there is a historical perception questioning whether the College is able to deliver significant Higher Education which meets the needs of employers. This perception is based on experiences which are now out-of-date, and on views which should no longer be valid, but it nonetheless represents an inhibiting feature which needs to be recognised;
- (h) to be effective as a high quality, world-class Higher Education provider, especially in the postgraduate/professional areas, requires a culture, ambience and reputation which would be difficult to achieve in what is predominantly a Further Education environment;
- (i) a top quality international Business School would be cautious about locating or delivering programmes within or too closely associated with a Further Education College.

There are thus policy issues about the role of Highlands College as a Higher Education provider, and important funding matters for the College to be resolved. It is, however, evident that whatever the policy for Highlands College in any future prospects for achievement of a University on the Island, it nonetheless has the immediate potential to make a substantial contribution to the Island’s Higher Education needs, as discussed further in this report.

7. OTHER MODELS FOR THE FUTURE – 1: A MULTI-FACET APPROACH

- 7.1 The essential problem to be addressed is how to find a solution which meets the different needs set out in section 5 of this document, given that a full-blown University would not be practical (or necessarily able to meet the objectives recognised).
- 7.2 Clearly, one approach is to take the view that there is no single model that would satisfy all identified and perceived needs. Instead, a multi-facet approach might be appropriate. In this scenario, each of the aspects

of Higher Education provision identified in section 5 of this report would be subject to detailed policy and investment appraisal, a business case prepared complete with implementation plans, targets and method for review and evaluation. The timescales for development of each strand would be different, and each could be subject to separate but co-ordinated project management. The principles for each strand are set out below.

- 7.3 The current off-Island provision for young people is, by all accounts, highly valued and successful, so this should not be changed unnecessarily. However, the impact of higher fees in England for E.U. students will have a knock-on effect for Jersey (and other Island) students, and will need to be seriously addressed in the very near future. Although increases for U.K./E.U. students to £3,000 per annum do not come in until 2006, prospectuses for 2006 entry will begin to appear in February 2005, just a few weeks away. While discussions with the representative body Universities U.K. may lead to some continued dispensation regarding fees (i.e. charges less than those levied on other international students), there will inevitably be increases to contend with. Whatever is then decided in the way of student support, the availability of off-Island undergraduate degree education, with emphasis on supporting those families of lowest means, is seen to be an important priority for Jersey.

Recommendation 1:

The uncertainties surrounding future student support arrangements for Jersey students wishing to undertake undergraduate Higher Education in England from 2006/07 should be resolved as a matter of urgency. This

will depend on the outcome of negotiations with Universities U.K. as to the impact on the cost to Jersey of fee deregulation in England.

7.4 Highlands College should be encouraged and supported in the expansion of first degree work for mature students ('returners') in association with (an) established University(ies). There are several important points to be made –

- (a) The University of Plymouth model as currently applied at the College would seem to be very effective, and plans to diversify the provision with this University offer good prospects for success, for example into the area of Public Services Management.
- (b) Plymouth University is developing a number of its programmes for delivery by blended learning on a consortium basis, for its large 'University of Plymouth Colleges' partnership scheme. Highlands College is well placed to benefit from this development.
- (c) It is likely that the range of degree courses appropriate for delivery on Jersey will need to be modest and generic in nature, placing as much emphasis on development of general graduate skills, employability and personal development (which encourage occupational mobility) as on vocational and occupationally specific skills. In any event, the approach should be demand responsive. Earlier attempts to develop such courses in Business Studies and Computing did not succeed because there was little demand from mature people (when unemployment was very low), and they were not adequately marketed. In particular, there would seem to be no reason why this provision should not also be actively promoted within the Island for school and college-leavers, since this would serve to extend the choice available to students and their families. This will be even more important as the cost of studying in England increases for at least some if not all students when English University fees are deregulated in the future. The experience of the Isle of Man International Business School, as noted above (paragraphs 5.2 and 5.7), shows that there is potentially a viable market for business-related degree courses if young people are included.
- (d) The range of courses should extend to Foundation Degrees (see paragraph 5.5), since these could enable school and college leavers in the middle ability range, and mature returners, to progress at a suitable rate towards graduate levels of achievement. They would also provide routes to degree and professional levels for those in employment. One benefit for employed staff studying part-time is that Foundation Degrees would be a useful staging point in the path to full graduate and professional status, rather than one lasting perhaps 5 years part-time before achieving a qualification (as with the Institute of Financial Services degree course). There seems to be

considerable interest in developing Foundation Degree programmes that prepare young people for the financial services sector, but other options include more general Business Studies, Public Services Administration/ Management, Tourism and/or Hospitality Management, Arts and Heritage Management (re the Cultural Strategy), and Teaching Assistants.

- (e) However, it is crucial to its success of any such arrangements for the funding of the programmes to be placed on a more secure and transparent basis. There are 2 aspects –
 - At present, Highlands College has to bid to the States each year for funding to operate the early years (on franchise) of its Plymouth University provision. This leaves considerable uncertainty as to whether students will have continuity of study, which doubtless has an adverse effect on student recruitment.
 - States funding to Plymouth University does not seem to be based on realistic estimates of costs or any other rational basis. As U.K. Universities move to a more transparent and analytical approach to costing their activities (as they are required to do by the Higher Education Funding Council for England), so there is likely to be an impact on these kinds of arrangements.
- (f) For the purposes of the present report (and Annex 3), it is assumed that the numbers of students or such programmes would rise to 3 times the current level for the Combined Social Sciences scheme (adjusted for steady state). This would seem to be both a plausible target and readily achievable. The financial implications are as follows (data for academic year 2004/05 –
 - Under current arrangements, for the first 2 full-time years of the University of Plymouth programme, the College receives *per capita* recurrent funding from the States which is intended to be equal to that which English Universities receive from the Higher Education Funding Council for England (HEFCE) in respect of the lowest cost-rated

subjects (the HEFCE figure for the English financial year 2004/05 is £3,484).^[*] This is

significantly less than the 2004/05 tuition fee of £4,651 charged by English Universities, by special agreement with Universities U.K., in respect of Jersey (and other Islands') students for the lowest cost-rated subjects. There would therefore be a saving in excess of £1,000 for each full-time student that studied a degree course at Highlands College rather than off-Island.

- For the third full-time year of the Plymouth programme the States pays the University a fixed (notional) sum of £55,000 for up to 16 students (which, at the limit, is approximately the same rate of funding as afforded to Highland College for the first 2 course years). If this arrangement were to continue at three times the current volume level, the expectation would be an increase of some £110,000 a year, again offset by the cost of funding such students for off-Island study. An alternative would be to fund the College at its normal per capita rate, and leave it to negotiate the best deal it can with the University on the basis of there being greater volumes involved.
- Funding of the College for degree work should not be restricted to the lowest cost-rated subjects. If the College successfully develops and recruits to higher cost-rated subjects (such as computer studies and fine art), then the appropriate base funding should be

applied. For computer studies, for example, the basic level of funding in 2004/05 would be £4,529 per F.T.E., compared with the fee charged by English Universities for Jersey students of £6,046. This is the obvious route to funding the BSc in Construction Management (London South Bank University), rather than the very unusual mechanism of using resources of Economic Development (via the Training and Employment Partnership).

- As well as savings in the fees elements, there would also be savings possible in States' financial support to students. The logic here is that students studying on Island would not need to live away from home and therefore would have lesser costs, so would not require the same level of financial support. Moreover, there would be no need to fund students' travel back home from the U.K. It is difficult to quantify the total of such savings to the States, as the total package for most students involves family as well as States' contributions. The average cost of States' support to undergraduates for fees, maintenance and travel is in excess of £6,700 per student, but only part of this would be saved, and not all such students receive support.
 - However the calculations are done, there would inevitably be at least a modest saving to the States in recurrent costs if more students studied full-time in Jersey rather than go off-Island. Moreover, and this is a point often overlooked, all the money would be retained within the Jersey economy, rather than be spent in England.
- (g) On the basis that States funding to Highlands College for its full-time degree work is the same as that paid by the English Funding Council to English Universities, this is deemed also to cover on-going capital needs. There are, however, 2 important caveats.
- In recent years, the English Funding Council has recognised the need for significant injections of capital funding to modernise and enhance the quality of learning resources, and has provided substantial funds, formula allocated against specific evaluated plans, towards this end.
 - There would in any event be some as yet undefined one-off capital costs to support the initial expansion of full-time undergraduate degree work at Highlands College. It is understood, for example, that provision of a top-up Honours Degree programme to the current Foundation Degree in Art and Design is frustrated by lack of suitable space.

Recommendation 2:

Highlands College should be encouraged and facilitated further to develop generic degree programmes, at both

Honours and Foundation levels, with appropriate U.K. Universities. These might usefully be modelled on the

successful collaboration with the University of Plymouth. The programmes so developed should be overtly

offered to Jersey school and college leavers, as well as to mature people. They should also be structure and

offered so as to be available for part-time study. Funding of the College and Universities to deliver these

programmes should be placed on a more secure and transparent basis. Clarity is required as to the policy for

student support to participate in these programmes.

Recommendation 3:

A planning group should be established to facilitate the development of a range of Foundation Degrees at

Highlands College. The process should fully engage relevant employers, representative bodies, the validating

University(ies), and those responsible for funding and policy in both Education and Economic Development.

- 7.5 It is likely that a proportion of the students who study with the O.U. would revert to on-Island provision if that were to be available (in a format which served the particular needs of this student group). But there would always be a significant number of Jersey people whose Higher Education needs were best met by the O.U. In the model given in Annex 3, it is assumed that the conversion to on-Island provision would be 25%, which is perhaps an optimistic figure used to test the ‘University for Jersey’ proposal. This would still leave a significant number of Jersey residents who look to the O.U. for Higher Education. That being the case, there would be merit in entering into a new formal relationship with the Open University, to develop specialist part-time degree-level work for the Island.

There are, however, important funding issues to address. At present, Highlands College provides physical facilities for the O.U. free of charge, and the States makes an annual payment to the O.U. of £15,000. These contributions have kept the registration fees down to those charged to U.K./E.U. students. They are, however, notional and historical, and represent a subsidy that is believed to be significantly less than the full economic balance cost. In consequence, the O.U. might be operating *ultra vires* by subsidising Jersey (and other Islands’) students from funds provided by the English Funding Council exclusively for U.K./E.U. students. Negotiations are in hand to resolve this issue, based on either a substantial increase in the States baseline funding, or an increase in registration fees by up to three times the current rate. Clearly, this matter needs resolution before any strategic expansion of O.U. work can be broached. If the outcome is greatly increased fees, then the development of on-Island provision becomes even more of a

priority.

At present the relationship between the O.U. work and Highlands College is simply that the College provides a location for O.U. tutors to interact with their students. It ought to be possible to engage Highlands College academic staff with student tutorial support, thereby giving a better service to Jersey-based students, providing good development opportunities for College staff, reducing costs, and generating a more organic relationship between the O.U. and the Island.

Recommendation 4:

Robust funding arrangements are required for the provision of opportunities for Jersey residents to undertake

Open University courses. This should lead to a strategic relationship with the Open University to develop

supported provision for Jersey students, in partnership with Highlands College.

- 7.6 Mechanism need to be established to extend and co-ordinate the delivery on-Island of employee development programmes covering broad, generic management and leadership skills development for a range of employers, the States included, from initial professional entry to senior management levels. Whilst this should be demand led, there is also a need to stimulate demand, especially from small businesses. There is a view that the vision described in ‘Imagine Jersey’ will not be realised unless those in supervisory and management roles are enabled to lead; they need to be developed and motivated.

There is already much provision of this kind, but as indicated above it could benefit from better co-ordination, extension to a wider range of employers, and the availability of certification. A system of awarding credits for a greater part of the provision would facilitate progression routes to professional and

degree (including Foundation Degree) awards.

Many employers send staff off-Island for such programmes, not only because there is limited provision on-Island, but also because of the perceived benefits to staff interacting in a learning mode with peers from other sectors. However, this is to a degree self-defeating, since a co-ordinated and developed provision on the Island would indeed bring together participants from the range of Jersey's private and public sectors of employment. Furthermore, it is said that some employees do not take up development opportunities because they are resistant to going off-Island in order to participate in them.

There are a number of considerations as to how this co-ordinated and synergistic provision might be achieved –

- (a) One approach would be to invite an established off-Island provider, such as a Business School, to deliver a wide range of 'open' programmes on the Island (i.e. open to anyone qualified to enrol). This would be extension of the arrangements whereby 'closed' provision for specific employers is out-sourced, for example the out-sourcing of the States own management development programmes to the Centre for Management and Policy Studies (formerly known as the Civil Service College). Whilst this might make a quick impact, it is not clear what would be the benefit to the Island in the longer term. Indeed, Island pride and capacity-building, as well as retaining costs on the Island, would suggest that Jersey-based management and delivery would be desirable.
- (b) An alternative, on-Island solution would be to establish a 'Management Training Centre' on the Island as a new entity, to offer a range of accredited and non-accredited programmes of management development. This would allow a common branding of a portfolio of provision, some delivered by those organisations (public or private) that wished to make their programmes available across the Island, including Highlands College, and some perhaps delivered by itself. The 'Centre' could establish purpose-built facilities for delivery. This would be not unlike the arrangements that exist in Guernsey, where the Guernsey Training Agency has assumed this role (indeed, a wider role – see paragraph 8.1(c) below). It should, however, be noted that the Guernsey Training Agency enjoys significant financial support from Guernsey Financial Services Commission and from the States. Consequently, not only are the overhead, co-ordinating and promotional costs not passed on to the employers or students, but financially viable courses can be offered with low volumes of participants. Guernsey Training Agency is also able to charge fees lower than Jersey Business School for the same programmes, giving it real competitive advantage.
- (c) Perhaps the more obvious option, especially as it would likely involve a lower overhead, would be to charge Highlands College with the key role for development, co-ordination and delivery. To some extent the College already undertakes this function through Jersey Business School, which offers a number of courses and other programmes directed at this (open market) target audience, generally leading to recognised professional qualifications (Annex 4). Indeed, there would seem to be good reasons why Highlands College, through Jersey Business School, should be the focus for junior/middle management development programmes on the Island. It has –
 - the necessary infrastructure;
 - links to and recognition by professional bodies;
 - the ability to meet the standards required for programmes leading to formal, recognised qualifications;
 - expertise in curriculum design and delivery;
 - well-regarded quality assurance regimes;

- an increasingly respected brand in the Jersey Business School;
 - an ability readily to develop its facilities to appropriate standards.
- (d) There are 3 further reasons why Highlands College should be considered as the focus for management development programmes on the Island –
- It would seem to be more cost-effective to do so, because Highlands College is able to achieve economies of scale and absorb some overheads. Jersey Business School costs are estimated to be about £4,800 per F.T.E., whereas the College estimates that on a comparable basis this would rise to about £5,500 per F.T.E. in a free-standing operation.
 - The College has an essential role to play in the development of Foundation Degrees (see paragraph 5.5), which have significant potential to contribute to meeting the higher business and management skills needs of the Island.
 - To bring in an established Business School for this purpose, or to create a new ‘Management Training Centre’ separate from Jersey Business School, could cause confusion in the marketplace.
- (e) It is therefore somewhat surprising at first sight to find that Highlands College is a relatively modest player in this field. It is not the first choice supplier of management development programmes to many Jersey employers (the States included) for a series of inter-related reasons –
- There is no States financial contribution to the direct costs of this provision, even for those courses leading to recognised professional qualifications. The College therefore has to recover such costs entirely from the fee income, but operating in the open market makes decisions as to financial viability critically dependent on take-up, and this is often not apparent until the last moment. As a result, the College often has to cancel courses at short notice, which leaves potential customers (students and employers) dissatisfied with the College’s performance.
 - Better engagement of employers and more aggressive marketing by the College would help, but the narrow financial margins at which the College has to operate at this level encourage a risk-averse approach, particularly as the consequences of failure are severe for a public sector body.
 - Partly for these reasons, and other organisational failings in the past (now overcome), many employers do not naturally look to the College, even under the Jersey Business School branding, as their natural partner in middle management development.
- (f) Whatever model is adopted, there are some important principles which should be considered –
- There needs to be reliable mechanism(s) to ensure that what is provided meets the ongoing needs of employers. This is not a trivial matter, and must go beyond the traditional advisory structures. It should comprise a truly effective partnership, in which the leadership, content, delivery, quality and price of the programmes developed are all fully responsive to employers’ needs, while guaranteeing the academic and professional integrity of the standards of any awards.
 - The Training and Employment Partnership (TEP), based in the Economic Development Department, should have a key role to play in provision of data and analysis of relevant employer needs, as well as supporting the wide promotion of management development for business performance improvement.

- There must be robust and recognised systems for quality control.
 - Highlands College would have a crucial role in certification and quality assurance.
 - The development of the partnership must be seen as a new and significant initiative, not subject to misconceptions or prejudice based on the past.
 - Very careful thought would need to be given to matters of governance of the partnership, in order to satisfy different stakeholder needs while giving appropriate commitment and leadership.
- (g) A significant policy issue that has arisen is whether or not any States funding should be available to support delivery of these programmes. At present, Jersey Business School charges ‘high’ tuition fees to recover its direct costs, and to make a contribution to overheads (overall administration, management and premises costs), in contrast to arrangements for resourcing the rest of Highlands College’s provision. This means that there is considerable risk to Jersey Business School in extending its provision in this important area, especially those programmes that may result in low levels of recruitment. As identified in a recent audit report, the costing model for Jersey Business School is in need of refinement if the School is to achieve true commercial standing. At present, it appears that its infrastructure costs are understated, but any further demands in this regard will seriously challenge the elasticity of the market. Highlands College feels strongly that some States funding should be available to it for this work, and from an educational perspective there is no clear rationale as to why some courses are in Jersey Business School (therefore offered on a cost recovery basis) while others are in mainstream Highlands College (and therefore in receipt of States funding). On the other hand, it would clearly not be practical to consider making States subsidy to all management development programmes on the Island. One possibility would be to support only those programmes that lead to recognised qualifications, but even this constraint might require a significant additional resource.
- (h) If this kind of provision is to be encouraged and better co-ordinated, then it can only be achieved by creating the resources so to do. The option of basing the development on Jersey Business School is likely to be the least costly (and clearest in the marketplace), but even this would not make commercial sense for the College unless there were to be a funding stream to meet the costs. For Jersey Business School to assume the role of co-ordinator for the Island’s management development provision would cost perhaps £100,000 a year (staffing, promotion, publications). For a new, separate body the amount would be somewhat more. In Guernsey the co-ordination and promotion function performed by the Guernsey training Agency is funded by the Guernsey Financial Services Commission, matched pound for pound by States’ support. An alternative for Jersey would be to meet the central costs through a ‘tax’ on the delivery – i.e. by applying a premium to the tuition fees.
- (i) It is possible that these matters would be best addressed by creating the partnership as a separate legal entity, either for a re-formatted Jersey Business School or for a new ‘Management Training Centre’. However, further work is first needed to establish the extent of buy-in by employers and whether either model could sustain a viable business plan.

Recommendation 5:

A feasibility study should be commissioned to identify the best way to co-ordinate, develop, promote, and

stimulate demand for junior/middle management training, to meet the needs of the full range of employers on

the Island (the States included). This could be either by creation of a new entity (a 'Management Training

Centre') or by re-formatting Jersey Business School. This study should include review of States policy on the

funding of such provision, and the benefits of the vehicle being a separate legal entity.

7.7 Quite separately, for reasons outlined above, provision is needed for higher level, top

management/leadership development, which would be the province of the proposed International Business School. It would be essential, at least in the short-medium term, for creation and delivery of this provision to be by one or more high quality, high reputation, established Business Schools which have proven experience of working with employers in an interactive, synergistic way. This would enable relevant expertise to be readily available, and moreover would give immediate credibility and standing. Furthermore, it would enable some programmes to be made available for international participants, particularly on a ‘short course’ basis; this would have a spin-off of supporting the (business and educational) tourism sector.

Considerable progress has already been made by the ‘University Working Party’ under the aegis of the

Policy and Resources Committee^[†]. Discussions with the Cass Business School, part of the City University London, are progressing to the formulation of a Memorandum of Understanding. It is inevitable that the development will be a measured one over a period of time so as to build up confidence in its potential for success. Top Business Schools are very protective of their reputations and brands, and will not wish to risk damaging them through failure. Neither will the States wish to embark upon a high profile venture without a high level of confidence in its success. Critical will be the building of a ‘Development Partnership’ relationship between the parent Business School, employers (especially those from the financial services sector), and the States. Real commitment, demonstrated by financial investment in the partnership, will be essential. Furthermore, it must be recognised that the best Business Schools with international reputations are able to command very high fees, and will wish to maintain such high levels. The business case for such Business Schools to engage with Jersey must therefore be very strong indeed if Jersey is to offer world-class programmes. Notwithstanding these comments, the proposition of an International Business (or Management?) School should be pursued with vigour and determination.

The value of close association with a world class Business School is also to encourage research and development with the employment sector, especially the financial services sector in the present case. This will help cement in relations between the sector and the Island.

Recommendation 6:

Discussions with the Cass Business School (City University London) should be progressed as a matter of high

priority to begin the process of securing on-Island provision of executive level, management/leadership

development programmes. The ultimate goal should be to establish an International Business/Management

School on Jersey. There will need to be serious market testing, and commitment by key employers and the

States to bring this about.

- 7.8 The proposal for a ‘Jersey College of Law’ offers prospects not only to improve the training of Jersey lawyers but also to create an international centre for the study and promotion of comparative law. Contacts have been made with a small number of relevant, high quality Law Schools in the U.K. and Canada, and these have the potential to bring together academics in the field for the benefit of the legal community in the Island. The plan is still in embryonic form, and is being pursued by the Bailiff. A partnership is being considered with Guernsey Training Agency, under which aegis a number of law qualification courses are already offered (such as the Law Society Graduate Diploma in Law, and the Nottingham Trent University LLB by distance learning) or are planned (University of Bournemouth LLM in Intellectual Property Law, University of Southampton LLM in Commercial Law).

Recommendation 7:

The proposed ‘Jersey College of Law’ offers the prospect of creating an international centre of distinction as well as meeting the practical needs of training Jersey lawyers. Given support from the Jersey law community, it should prove to be a notable part of the Higher Education provision on the Island.

- 7.9 Various other initiatives are possible which would make Higher Education more available on-Island. The support from Highlands College for the Post-Graduate Certificate in Education to meet the Island’s needs for school teachers, the BSc in Construction Management with London South Bank University, and others referred to in paragraph 5.9 are examples. These and other such developments should be actively encouraged.

Recommendation 8:

Other areas of potential Higher Education provision noted in this report should be actively pursued. In each case it would be helpful to identify a ‘champion’ to take the proposals forward, and a mechanism for on-going review of progress.

- 7.10 Closer links between Highlands College/Jersey Business School (or any Management Training Centre that might be established) and Jersey Business Venture would enable a fuller service to be provided to start-up and small businesses. This could include greater after-care, and even if possible the availability of supported ('incubator') accommodation at preferential rates to start-up businesses. Particular regard should be given to the encouragement of emerging areas and new economic activity, such as the cultural sector, as set out in the Island's Cultural Strategy.

Recommendation 9:

The provision of support for start-up businesses and their after-care should be reviewed, involving Highlands

College (Jersey Business School) as well as Economic Development. The context is the States' Strategic Plan,

which makes a commitment to encourage such activities, as well as the Island's Cultural Strategy.

8. OTHER MODELS FOR THE FUTURE – 2: AN “ACADEMY”

- 8.1 A refinement of the approach outlined in section 7 above would be to bring together the various elements of Higher Education identified (other than the proposed International Business/Management School – see below) under a common brand and structure. This would mean that Jersey could make a much bigger statement as to its commitment to quality Higher Education than would otherwise be apparent. There are instances of this approach elsewhere, useful reference examples being as follows –
- (a) Yeovil College, with substantial capital support from the University of Bournemouth, has created the “University Centre Yeovil”(UCY), in which the College itself, the University if Bournemouth, and (in the near future) the University of Exeter deliver Higher Education programmes at levels ranging from HNC/D to taught doctorate. UCY provides a good quality teaching environment suitable for Higher Education/postgraduate students, exclusively for Higher Education use, and separate from the College. Its function is largely as a facilities provider, operating through an unincorporated (partnership) management board, but it could be more proactive and strategic.
 - (b) Dubai has created a ‘Knowledge Village’ in the Dubai Technology and Media Free Zone. It is “aimed at building a vibrant, connected learning community that will develop the region’s talent pool and accelerate its move to the knowledge economy”. It is a very large facility (about one million square feet), housing a diverse community of knowledge-focussed organisations. It incorporates a Media Academy, an Innovation Centre, e-Learning institutions, University outreach centres, a multi-media library, corporate training institutions, incubator units for start-up companies in the knowledge field, and testing organisations etc. While it is not suggested that this is a precise model for Jersey, it is perhaps a large scale example of how others are seeking to exploit co-location, and a supporting structure, to generate leading edge developments.
 - (c) Closer to home, Guernsey Training Agency has been established as a Limited Company to promote and co-ordinate a wide range of Higher Education and training provision for Guernsey. It describes itself as ‘facilitator and procurer’, in that it identifies the Island’s needs and contracts with providers (including U.K. Universities and private trainers) to meet those needs. It is not itself a provider. It restricts itself to Levels 4 and 5 work (Higher Education) and part-time modes of study so as not to compete with the Further Education College on Guernsey, which in contrast undertakes only a little Higher Education. As indicated above (paragraph 7.6(a) refers), Guernsey Training Agency derives a significant proportion of its funding from the Guernsey Financial Services Commission, matched by States’ funding. It is mentioned here again as it is an example of how a central body can successfully co-ordinate and add value to the provisions of others, such

provision ranging from part-time post-graduate qualifications (including MBAs) to short courses in basic management skills.

- (d) The Isle of Man International Business School, as well as offering programmes in its own right, provides facilities for other providers to deliver ‘Collaborative Programmes’ (which is really as misnomer as the extent of collaboration is provision of serviced space). The providers include the Institute of Directors, the University of Bradford, the Society of Trust and Estate Practitioners, and the International Compliance Association.
- 8.2 There is considerable merit in considering such an approach for Jersey. The concept is an umbrella organisation (a kind of ‘educational shopping mall’) under which various Higher Education activities on the Island would operate, in a managed partnership mode. Its key features would be as follows –
- (a) It would not be a delivery or awarding body itself, but would have a pro-active marketing role, and commission others (Highlands College, Universities, private providers) to deliver programmes in areas of need for the Island. The Training and Employment Partnership (TEP) would have a crucial role in providing on-going and predictive data analysis of employers’ needs.
 - (b) It would facilitate better co-ordination of programmes (e.g. between O.U. and Jersey Business School portfolios) and progression (e.g. within and between undergraduate and postgraduate provision).
 - (c) It could provide a base for students to access learning facilities in association with established Universities that have proven success and reputation in the use of e-learning to support distance, work-based, and other non-full-time learners.
 - (d) It would contract with the States of Jersey against a rolling business plan, and would rent out high quality, serviced facilities for Higher Education providers (including Highlands College) to deliver their programmes.
- 8.3 This model would not warrant the title ‘University’ as it would not be itself a creator or disseminator of knowledge (although it should be noted that the recently disbanded English ‘NHS University’ and the ‘University for Industry’ are also not Universities in such terms). The term ‘University Centre’ does not convey the standing that is envisaged, but ‘University Academy’ or ‘Higher Education Academy’ might. The term ‘Jersey Higher Education Academy’ is used henceforth in this report, although this should not be taken as a definitive proposal at this stage.
- 8.4 In terms of the current provision and prospects set out in this report, consideration could be given for the Academy to comprise some or all of the elements set out below. Note that these are simply possible components; it would be for each independent body to decide on the virtues or otherwise of being associated with the initiative.
- (a) Highlands College’s own Higher Education provision;
 - (b) The Open University;
 - (c) Other Universities delivering programmes on-Island (e.g. the University of Plymouth);
 - (d) Jersey Business School;
 - (e) A Management Training Centre (if this role is not performed by Jersey Business School);
 - (f) Business start-up and support services (Jersey Business Venture);
 - (g) Jersey College of Law;

- (h) An appropriate information, advice and guidance service.
- 8.5 Most importantly, the model would allow the development of provision in a progressive manner, and would be especially useful where the market for a Higher Education activity was known (or likely) to be of modest size, which would not justify development as a separate entity without considerable risk. The obvious example is that of the proposed Jersey College of Law, which is therefore included in the list above. But other initiatives or existing activities could also benefit from being part of the Academy in order to achieve economies of scale and to benefit from the quality branding and closer working with other partners. Examples are –
- (a) the international training undertaken by the Durrell Wildlife Conservation Trust (some of which is in association with the University of Kent);
 - (b) the services provided (under the Economic Development Committee) to support companies seeking accreditation as Investors in People;
 - (c) the range of courses for compliance and money-laundering reporting officers, involving Central Law Training, the International Compliance Association, the Society of Trust and Estate Practitioners, the International Trust Companies Association, and Finance Sector Advisers. Jersey Business School already provides a location for delivery of some of these programmes as well as offering its own Certificate in Offshore Administration, which is quality assured by the Society of Trust and Estate Practitioners. Note that there are some 148 Trust Companies in Jersey, employing about 3,000 people.
- 8.6 The one area of Higher Education which is specifically identified as not to be part of the Academy is the proposed International Business/Management School. The essential reason for this is that it would not be helpful to subsume the brand of a world-class Business School within another over-arching brand. The Island would benefit most if the high profile and reputation of the partner Business School were as prominent as possible. Being outside the Academy would also ensure that independence was not compromised. That is not to say that the partner Business School would not necessarily also wish to work within the Academy, for example in the provision of undergraduate level programmes, but the high profile International Business/Management School would be outside the Academy.
- 8.7 The model does not require co-location of all the component elements, although this may be desirable for some of them. Rather, it requires common purpose and branding, and more especially a commitment to work together for mutual benefit. It should be noted that Education, Sport and Culture, and Economic Development would both be partners.
- 8.8 It will, however, be important to give careful consideration to matters of governance. Establishing the Academy on a sound legal basis as a corporate entity will have the following benefits –
- (a) it will ensure its independence whilst achieving acceptance and ‘buy-in’ by the various stakeholders;
 - (b) as a separate legal entity it will be seen to be a completely new start and high profile initiative;
 - (c) it will enable it to contract with providers and others in its own right.
- 8.9 The Academy could also become a vehicle for building close relations with partner Universities, thereby providing a mechanism for commissioning of research with trusted and informed partners to support business development on the Island.

Recommendation 10:

Further work should be undertaken to develop the concept of the ‘Jersey Higher Education Academy’ (the ‘educational shopping mall’). This study should cover such aspects as branding, accountability, legal status, governance, centralised or dispersed model, quality control, and the business model.

9. PARTNERSHIPS

- 9.1 A key feature, implicit or explicit, of several aspects of this report is the creation of new partnerships or development of existing ones. Given the limited capacity of Jersey for its own Higher Education provision, this is in many respects self-evident, but needs to be reinforced. Partnership working could be better between organisations on the Island; it is critical for success with organisations off-Island.
- 9.2 In that regard, one partnership which has been inadequately represented in this report is partnership with Guernsey. While recognising historic, competitive and other factors, it remains the case that global employers regard the Channel Islands as one location, and many have rationalised their presence accordingly. There is considerable movement of staff between Jersey and Guernsey, which would seem to require closer working in provision for their training and development. There is already some cross-Island activity in this regard in that Jersey-based students attend some Guernsey-based courses and vice versa, but this is not usually by design or plan. Some of the partner Universities operate in both Islands. Some of the important Higher Education developments advocated in this report would benefit from collaboration that shared the investment needed and reduced the risk, while giving better economies of scale in operation. Specifically, there would seem to be real benefit to be gained from formal collaboration with Guernsey to create a suite of Foundation Degrees (for which Guernsey would not appear currently to be prepared), the proposed ‘Jersey College of Law’, joint specialist provision (courses for the Securities

Institute, the International Compliance Association, *et al*), and possibly also the proposed International Business/Management School. There is already significant co-operation on which to build. For example –

- (a) Jersey Business School and Guernsey Training Agency have a Memorandum of Co-operation;
- (b) Guernsey Training Agency offers programmes on Marketing at Jersey Business School;
- (c) Highlands College offers the University of Southampton Certificate in Education for Guernsey College of Further Education;
- (d) the 2 Further Education Colleges collaborate in quality inspection work.

Recommendation 11:

Opportunities for further active collaboration with Guernsey should be investigated, especially in respect of

Foundation Degrees, the proposed ‘Jersey College of Law’, specialist provision for professional bodies and

associations, and possibly the International Business/Management School.

10. CONCLUSIONS

- 10.1 While it is inevitable that much of Jersey’s needs for Higher Education will necessarily be met by off-Island provision, there is significant demand and considerable need for greater provision to be made on Jersey.

- 10.2 The range of needs is very wide, from broad first degree education for mature entrants on a full-time basis, to work-based professional up-dating at senior executive levels.
- 10.3 Each segment requires a different solution and timescale for response.
- 10.4 The total demand would not justify creation of a full-blown, multi-Faculty University, particularly given the spread of levels and subjects involved. Augmenting the student population by recruitment of international students is not seen to be a viable solution.
- 10.5 There is a strong case for bringing together and enhancing general management training on the Island for all sectors and all employer types. This would preferably be done by drawing on Jersey-based capability, either by creating a new 'Management Training Centre' or developing Jersey Business School to fulfil this task.
- 10.6 Establishment of an International Business/Management School presence on Jersey is considered to be crucial to support the Island's financial services sector. This must be done progressively with a high quality, high reputation provider, but will require substantial commitment and investment.
- 10.7 There would be benefits in bringing together the various strands of Higher Education provision under a common brand and development body, perhaps called the 'Jersey Higher Education Academy'.
- 10.8 A number of policy issues have been identified concerning funding and co-ordination.

11. SUMMARY OF RECOMMENDATIONS

- 11.1 The uncertainties surrounding future student support arrangements for Jersey students wishing to undertake undergraduate Higher Education in England from 2006/07 should be resolved as a matter of urgency. This will depend on the outcome of negotiations with Universities U.K. as to the impact on the cost to Jersey of fee deregulation in England.
- 11.2 Highlands College should be encouraged and facilitated further to develop generic degree programmes, at both Honours and Foundation levels, with appropriate U.K. Universities. These might usefully be modelled on the successful collaboration with the University of Plymouth. The programmes so developed should be overtly offered to Jersey school and college leavers, as well as to mature people. They should also be structured and offered so as to be available for part-time study. Funding of the College and Universities to deliver these programmes should be placed on a more secure and transparent basis. Clarity is required as to the policy for student support to participate in these programmes.
- 11.3 A planning group should be established to facilitate the development of a range of Foundation Degrees at Highlands College. The process should fully engage relevant employers, representative bodies, the validating University(ies), and those responsible for funding and policy in both Education and Economic Development.
- 11.4 Robust funding arrangements are required for the provision of opportunities for Jersey residents to undertake Open University courses. This should lead to a strategic relationship with the Open University to develop supported provision for Jersey students, in partnership with Highlands College.
- 11.5 A feasibility study should be commissioned to identify the best way to co-ordinate, develop, promote, and stimulate demand for junior/middle management training, to meet the needs of the full range of employers on the Island (the States included). This could be either by creation of a new entity (a 'Management Training Centre') or by re-formatting Jersey Business School. This study should include review of States policy on the funding of such provision, and the benefits of the vehicle being a separate legal entity.
- 11.6 Discussions with the Cass Business School (City University London) should be progressed as a matter of high priority to begin the process of securing on-Island provision of executive level,

management/leadership development programmes. The ultimate goal should be to establish an International Business/Management School on Jersey. There will need to be serious market testing, and commitment by key employers and the States to bring this about.

- 11.7 The proposed ‘Jersey College of Law’ offers the prospect of creating an international centre of distinction as well as meeting the practical needs of training Jersey lawyers. Given support from the Jersey law community, it should prove to be a notable part of the Higher Education provision on the Island.
- 11.8 Other areas of potential Higher Education provision noted in this report should be actively pursued. In each case it would be helpful to identify a ‘champion’ to take the proposals forward, and a mechanism for on-going review of progress.
- 11.9 The provision of support for start-up businesses and their after-care should be reviewed, involving Highlands College (Jersey Business School) as well as Economic Development. The context is the States’ Strategic Plan, which makes a commitment to encourage such activities, as well as the Island’s Cultural Strategy.
- 11.10 Further work should be undertaken to develop the concept of the ‘Jersey Higher Education Academy’ (the ‘educational shopping mall’). This study should cover such aspects as branding, accountability, legal status, governance, centralised or dispersed model, quality control, and the business model.
- 11.11 Opportunities for further active collaboration with Guernsey should be investigated, especially in respect of Foundation Degrees, the proposed ‘Jersey College of Law’, specialist provision for professional bodies and associations, and possibly the International Business/Management School.

12. ACKNOWLEDGEMENTS

- 12.1 Thanks are due to many people who gave freely of their time, experience and expertise, as listed in Annex 1 to this report.
- 12.2 Special appreciation is, however, due to members of the Steering Group (paragraph 3.4 refers particularly to Gary Jones (Deputy Principal, Highlands College), who was assigned to support the Review, and to Penny Norman (Secretary to the Assistant Director of Education, Sport and Culture), who managed to cope with the chaotic diary of the author.
- 12.3 Whilst many people contributed to this report, the views, conclusions and recommendations expressed are those of the author.

Michael Goldstein
December 2004

ENDPIECE: ABOUT THE AUTHOR

Michael Goldstein has recently retired from the post of Vice-Chancellor of Coventry University, which has about 17,000 students studying in Coventry plus over 1,000 studying overseas. The University occupies about 35 acres of contiguous City-centre land (plus a nearby 20-acre Technology Park), employs over 2,500 people, and has an annual turnover in excess of £100 million.

He has substantial experience of science education and of Higher Education development, and has made significant national contributions to: the former Council for National Academic Awards (serving as Chairman of its Chemistry Board for six years); the Royal Society of Chemistry (including periods as Chairman of the Education and Qualifications Board, and as President of the Education Division); The Polytechnics and Colleges Admissions System (Deputy Chairman) and its successor, the Universities and Colleges Admissions Service (Chairman); and the Universities and Colleges Employers Association.

Currently, he is –

- Chairman of the education marketing company, Heist
- Chairman Designate of the Council for the Registration of Forensic Practitioners
- Director of the community education development company ContinYou
- Deputy Chairman of Coventry's city-centre management and tourism company CVOne Ltd. (and Chairman of its Nominations Committee)
- Member of the Coventry and Warwickshire Learning and Skills Council (and Chairman of its Adult Subcommittee)
- Chairman of the Search Committee of Solihull College of Further Education
- Chairman of the Coventry Creative Partnership.

He was awarded the C.B.E. 'for Services to Higher Education' in 1997, and received the City of Coventry Ambassadors' Group Godiva Award for 'Outstanding Personal Contribution to Coventry and Warwickshire 2004'.

His main areas of interest are strategic planning, performance management, brokerage and partnership creation, organisational development, and education marketing.

CONSULTATIONS

The following were consulted during this study on a 1:1 basis through correspondence or by interview (face to face, e-mail or telephone), in a few cases on more than one occasion. Some are also members of the Steering Committee and thus made other contributions.

Phil Austin:	Chief Executive, Jersey Finance Ltd.
Bev Anthony:	Acting Chief Officer for Economic Development
Philip Bailhache:	Bailiff, States of Jersey
Mike Berry:	Director of Operations, PriceWaterhouseCoopers, Jersey
Richard Boleat:	Jersey Association of Trust Companies
Chris Brady:	Head of External Relations, Cass Business School, City University London
Gill Bunting:	Course Leader, Combined Social Sciences Degree Programme, Highlands College
Roger Carey:	Director, Isle of Man International Business School
Cliff Chipperfield:	Head of Evaluation and Standards, Education, Sport and Culture
Richard Conder:	Chief Executive, Guernsey Training Agency
Lydia Cook:	Executive Director, Jersey Business Venture
Gary Drinkwater:	Senior Corporate Banking manager, HSBC; President of the Jersey Bankers' Association
Lee Durrell:	Honorary Director, Durrell Wildlife Conservation Trust
Ann Esterson:	Comptroller of Social Security, States of Jersey
Andy Gibbs:	Careers Officer, Education, Sport and Culture
David Greenwood:	Assistant Director – Culture and Lifelong Learning, Education, Sport and Culture
Helen Hatton:	Deputy Director General, Jersey Financial Services Commission
Richard Hocart:	Student Finance Officer for Guernsey
Gary Jones:	Deputy Principal, Highlands College
Chris Keller:	Student Finance Officer, Education, Sport and Culture
Tom McKeon:	Director, Education, Sport and Culture
Terry Melia:	formerly Chief HMI for FE in England
Bill Ogley:	Chief Executive, States of Jersey
Mark Stanley Price:	Chief Executive, Durrell Wildlife Conservation Trust
Sean Pritchard:	Executive Director, Training and Employment Partnership
Simon Radford:	DeLoitte Jersey; President, Certified and Chartered Accountants Jersey
Edward Sallis:	Principal, Highlands College
Christine Swales:	Distance Education International, Cambridge
Ian Tunbridge:	Dean of the Faculty of University Partnership Programmes, University of Plymouth
Mike Vibert:	President, Education, Sport and Culture
Gerald Voisin:	President, Economic Development Committee
Frank Walker:	President, Policy and Resources Committee
Alun Williams:	Lifelong Learning Manager, Education Council, States of Guernsey.

Note: Because of the limited time available, it was not possible to consult more extensively with employers, or with a wider range. However, considerable inputs were provided by representative bodies, as included in the above.

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6. "Jersey Student Survey 2003, Appendix 1. Preliminary Findings", May 2003.
7. "Jersey Graduate Survey 2003, Appendix 2".
8. "A Strategy for the Future 2003-2008": Highlands College.
9. "Severe Emotional and Behavioural Difficulties/Disorders: Final Report December 2003": Cathy Bull; report commissioned by States of Jersey Education, Sport and Culture, Health and Social Services and Home Affairs.
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11. "Highlands College: Appraisal of the Jersey Business School". Report by Dr. Terry Melia CBE, 10th October 2004.
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13. "States of Jersey: Education, Sport and Culture Draft 2005 Business Plan" (4th Draft, 3rd November 2004).
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17. "Lifelong Learning for a World Class Island: Formula for the Future". States of Jersey Education, 2002.
18. "Implementing a Skills Strategy in Jersey". Final report from the Learning and Skills Development Agency to the Jersey Training and Employment Partnership, November 2004.

19. "Foundation Degree Task Force Report to Ministers – a Summary". Report of September 2004.
20. "Index of Courses". Extracts from the States of Jersey draft management development programme for 2005.
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23. "Training and Development Programme 2004-2005". Guernsey Training Agency.
24. "Annual Report 2003/2004". Durrell Wildlife Conservation Trust.
25. "Island Wide Strategy for an Ageing Society Consultation Report". States of Jersey, September 2003.
26. "Review of Commercial Activity at Highlands College Phase II". Report to the Education, Sport and Culture Committee, February 2003.
27. "Jersey Employers Survey 2004". Research Report prepared for Jersey Training and Employment Partnership by IFF Research Ltd., November 2004.
28. "Jersey Finance Sector Skills, Knowledge and Competencies Audit". Presentation of headline findings prepared for Jersey TEP by IFF Research Ltd., November 2004.
29. "Jersey Business Venture Incorporated 2004 Annual Report".

In addition, reference was made to websites of several organisations, including –

- States of Jersey
- Highlands College and Jersey Business School
- Isle of Man International Business School
- Jersey Business Venture
- Foundation Degrees Forward
- Yeovill College
- Dubai Knowledge Village
- Guernsey Training Agency
- Durrell Wildlife Conservation Trust
- University of Plymouth
- Securities Institute
- Central Law Training
- Society of Trust and Estates Practitioners
- Compliance Association
- Cass Business School, City University London

ESTIMATES OF HIGHER EDUCATION STUDENTS AND COSTS**STUDENT NUMBERS*****F.T.E.***

Annual school-leaver cohort:

~1,000

Participation in HE at 46%:

460

Assume 10% p.a. stay on Island:

46 + 39 + 37* = 122

Potential growth from those not wishing or
unable to study off-Island (at 2% of total cohort): 20 + 16 + 14* =

50

Mature entrants at 3 x current rate (i.e. 60 p.a.) $60 + 51 + 48 (+24)^* =$ 183

Other Highlands College HE undergraduate
students not included below (BSc Architectural
Technology, BSc Construction, HNCs, Fd Art
and Design – Annex 4): say $90 \times 0.4^{\dagger}$ loading = 36

Part-time entrants ex-O.U. at (say) 25% of 450 x 0.4 loading: 45

‘Jersey College of Law’, PGCE and other potential professionals, say: 50

Other postgraduate/post-experience: say $300^{\ddagger} \times 0.4^{\dagger}$ loading = 120

Hence total student F.T.E. population from the Island =

~600

Assume ‘minimum’ required =

2,000

Thus international element =

1,400

(70%)

* Assumes attrition by 15% year 1 to 2, and 5% thereafter.

† Assumes each part-time student takes 0.4 of the workload of a full-time student.

‡ Estimate based on 2001 Census data –

- (a) 11,000 employees in financial sector, 11% of which are graduates, viz 1,210, of which say 20% available for business-related general cpd, etc. (i.e. 242);
- (b) 4,527 employed as ‘managers/senior officials/professional occupations’ have first or postgraduate degrees, covering all occupational groups (government, ICT, teaching, business, health, science and technology), of which say 10% available for business-related general cpd, etc. (i.e. 453).

COSTS

Income (based on rounded student numbers from above):

Home students:	¶	600 F.T.E. at £5,000 =	
International students		1,400 F.T.E. at £8,000 =	£3.00M

			£11.20M
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TOTAL RECURRENT STUDENT INCOME:

£14.20M

Expenditure:

Academic staffing (based on 2,000 F.T.E. students, an SSR of 15, and average unit cost of £50K): £6.67M

Support staffing (based on 1.25 x number of academic staff, and average unit cost of £25K): £4.17M

Non-staffing costs (based on total staffing costs being 65% of total): £5.84M

TOTAL RECURRENT EXPENDITURE: £16.68M

Capital

Based on 2000 F.T.E. x 7.5m² per F.T.E. x £1,900 per m² £28.50M

Furniture, fittings, fees, *et al*: £12.00M

Land, preparation, legal, car parking, charges, playing fields, residential accommodation, etc.: Excluded

TOTAL CAPITAL EXPENDITURE: £40M+

¶ This would be income to the institution, which is expenditure for the States.

HIGHER EDUCATION ENROLMENTS IN HIGHLANDS COLLEGE 2001/02 TO 2004/05

Course Title	Mode	Academic Year	New	Current	Total
icate in Child Care & Education	PT	2001	10	0	10
icate in Marketing Practice	PT	2001	5	0	5
undation Studies	F	2001	14	0	14
ational Certificate (Engineering)	PT	2001	3	3	6
l Engineering Unit Based HiNat Certificate	PT	2001	17	1	18
rther & Higher Education	PT	2001	0	9	9
gher Education in Art & Design	PT	2001	11	6	17
te Diploma	PT	2001	6	0	6
1 Science Degree	PT	2001	5	0	5
1 Science Degree	F	2001	13	0	13
Management	PT	2001	24	0	24
irection Programme	PT	2001	4	0	4
Personnel Management	PT	2001	6	0	6
Training & Development	PT	2001	3	0	3
			121	19	140

undation Studies	F	2002	16	0	16
al Technology	PT	2002	3	2	5
n Management	PT	2002	7	6	13
ational Certificate (Engineering)	PT	2002	7	4	11
l Engineering Unit Based HiNat Cert. in	PT	2002	10	18	28
ucation (PCET)	PT	2002	0	11	11
rther & Higher Education	PT	2002	9	0	9
gher Education in Art & Design	PT	2002	10	8	18
1 Science Degree	F	2002	16	7	23
1 Science Degree Part Time	PT	2002	0	2	2
& Development	PT	2002	6	0	6
Education Teacher's Certificate	PT	2002	18	0	18
Management	PT	2002	32	0	32
Direction	PT	2002	10	0	10
Governance	PT	2002	10	0	10
Personnel Management	PT	2002	5	0	5
Procurement	PT	2002	2	0	2
Training & Development	PT	2002	1	0	1
			162	58	220

Diploma in Management	PT	2003	30	0	30
al Technology	PT	2003	3	0	3
n Management	PT	2003	8	0	8
ational Certificate (Electrical/Electronics)	PT	2003	5	15	20
ational Certificate (Telecommunications)	PT	2003	2	0	2
lding Studies	PT	2003	11	12	23
Computing	PT	2003	4	0	4
ucation (PCET)	PT	2003	0	14	14
cial Analyst	PT	2003	9	0	9
Executive Diploma in Management	PT	2003	7	0	7
1 Science Degree	F	2003	13	18	31
1 Science Degree Part-Time	PT	2003	3	0	3
ree in Art & Design	PT	2003	16	19	35
ed Trust & Company Law &	PT	2003	5	0	5

Course Title	Mode	Academic Year	New	Current	Total
- Business Management, Theory & Practice	PT	2003	4	0	4
Level 4 in Personnel Management	PT	2003	2	0	2
Level 4 in Training & Development	PT	2003	1	0	1
			93	78	171

Architectural Technology	PT	2004	0	3	3
Construction Management	PT	2004	0	8	8
HNC Building Studies	PT	2004	11	0	11
HNC in Computing	PT	2004	0	3	3
Level 4 – Diploma in Management	PT	2004	34	0	34
Level 5 – Executive Diploma in Management	PT	2004	9	0	9
Level Social Science Degree	F	2004	28	28	56
Level Social Science Degree Part-Time	PT	2004	2	1	3
Level Degree in Art & Design	PT	2004	6	27	33
Level & Adult Education Teacher's Certificate	PT	2004	17	0	17
Diploma in Company Direction	PT	2004	13	0	13
Element Information Systems	PT	2004	11	0	11
Level 4 in Management	PT	2004	10	0	10
			141	70	211

DEVELOPMENT OF THE JERSEY ACADEMY

Factors to take into account

- (a) There are several aspects of the future development of Higher Education in Jersey which now need to be taken forward. While they are each to some extent free-standing, one benefit of carrying out the comprehensive review was that it created an opportunity to establish a critical and coherent overview of the Island's needs in this regard, and how these were to be met in the future. It would thus be of significant benefit if this overview could be maintained throughout the implementation stage.
- (b) There are also some underlying themes which warrant a co-ordinated approach – issues of funding (of provision and of students), the role of Highlands College, partnership working (within and without the Island), and educational progression routes.
- (c) The creation of the proposed ‘Jersey Higher Education Academy’ requires particular analysis beyond the broad conceptual level.

1. The Proposed ‘Jersey Higher Education Academy’

- 1.1 The proposal to establish an ‘Academy’ is based on the following broad considerations –
 - There is merit in creating a formal mechanism to bring together the key Higher Education funding and delivery agencies so as to maintain a dialogue of partnership and collaboration to enable further development to be achieved which is specifically directed towards the Island’s economic and social needs.
 - Such an over-arching body would demonstrate that the parties involved recognise that Higher Education has a key role to play in the Island’s future. It would also raise the profile of Higher Education on the Island, and thereby stimulate demand.
- 1.2 While considerable further analysis of options is still required, there would appear to be a general consensus that the key features of the Academy would potentially be –
 - a common brand for the programmes offered under its aegis;
 - a formal mechanism which ensures co-ordination of provision so as to minimise duplication and overlap;
 - a commitment to develop recognised progression routes for learners;
 - an information base which facilitates coherent response to identified gaps in provision and emerging needs;
 - high quality, serviced facilities for renting out to Higher Education providers (Highlands College, the Open University and other Universities operating in Jersey, the proposed College of Law, *et al.*).
- 1.3 Various models for the legal and governance structure that most effectively meets its objectives need to be explored. The range of possible structures to consider is wide. At the lowest level, it could be little more than an unincorporated informal committee, with letterhead and website, having no physical presence or permanent staff. At the other extreme it could be an incorporated Company having a Board of Directors, premises, a CEO, and a range of professional and support staff.
- 1.4 Relationships to key funding bodies, employers and providers need careful consideration. In particular the

nature and extent of support by the States, and the business model, need full evaluation.

2. Proposed way forward

- 2.1 Given the considerable amount of work needed to bring the concept of the Academy into reality, it would not be appropriate fully to commit to its existence at this stage, beyond an agreement in principle to move in the general direction it signals.
- 2.2 On the other hand, there is need to maintain the momentum generated by the Review of Higher Education, and the interest this has developed.
- 2.3 Moreover, it is considered important to ensure that the overview that the Review has established should not be lost by individual initiatives without reference back to an overseeing body. A balance needs to be struck between encouraging and facilitating developments along the lines proposed in the Review, and the weakening of the co-ordination which the Review has generated. The individual recommendations of the Review may be self-contained to a degree, but they also have an inter-dependence in policy, strategic and funding terms.
- 2.4 It is therefore proposed that action is taken immediately along the following lines –
 - a group of key partners be convened to take ‘ownership’ of the complete set of recommendations of the Review;
 - the group should identify the person(s)/organisation(s) to take the lead on each recommendation;
 - those individuals/organisations should prepare for the group proposals for implementation, including an analysis of any funding or States policy issues to be addressed, timing, and issues for other Review recommendations;
 - the group should consider, endorse (if considered appropriate), and co-ordinate these proposals, seek regular progress reports, and provide regular overall reports for key stakeholders.
- 2.5 The membership of the group should be fairly ‘tight’ initially so as to achieve more rapid progress. It should be drawn from ESC, ED, Highlands College, and Jersey Finance Ltd., but in due course (see (g) below) could expand to incorporate a nominee of the Bailiff (re the proposed College of Law), partner Universities, and a range of employer representatives.
- 2.6 The group might be called the Higher Education Development Group (HEDG). It should be professionally serviced and have an independent Chairman.
- 2.7 The HEDG should also be charged with the responsibility to develop the concept of the Higher Education Academy, for consideration by the States. In effect, the HEDG would be the “Academy in waiting”. It would, to a degree, be a testing ground for the commitment of the parties involved to engage in a true partnership. It would also provide an on-going and evolving model of practice to inform the decision as to the actual structure to adopt for the Academy, or indeed whether or not to proceed with the concept or to maintain the HEDG as it develops.

[*] Surprisingly, there is considerable confusion as to exactly what is the basis of the funding to the College. The actual figure agreed by both the College and EDC is £3,234 per full-time student in the States' 2004 financial year. This is said by the College to be the base price paid by the Higher Education Funding Council for England (HEFCE) to English Universities. However, the relevant base prices for the English Universities' financial years (1st September to 31st August) were £3,218 (2003/04) and £3,484 (2004/05). EDC regards the figure of £3,234 as derived from a base price of £2,940 plus an added 10% for ‘teaching infrastructure’ (£2,940 + £294 = £3,234). Whatever the detailed technicalities, the basic recurrent funding to Highlands College is not very different to that it would obtain if it were an English University funded

by the HEFCE. It should be noted, however, that the English Universities also receive additional funding for teaching to encourage recruitment and improve retention of students from disadvantaged and lower-achieving backgrounds; for some institutions this can be as much as an extra 15% on top of their basic grants. In recent years, a new annual capital initiative has also been introduced to enhance teaching and learning; this is formula-driven but requires specific plans which need to demonstrate value and support for policy. Funding is also used as a policy driver; for example a funding premium of 10% is applied in respect of Foundation Degree courses to encourage the development of such courses.

[†] *This Working party was wound up on 20th December 2004.*