

STATES OF JERSEY

Education and Home Affairs Scrutiny Panel Student Finance Review

FRIDAY, 13th JANUARY 2017

Panel:

Deputy J.M. Maçon (Chairman)
Deputy T.A. Vallois of St. John
Deputy S.Y. Mézec of St. Helier
Mr. B. Bekradnia - Panel Adviser

Witnesses:

The Minister for Education
Chief Education Officer
Director of Resources and School Support

[11:04]

Deputy J.M. Maçon of St. Saviour (Chairman):

Welcome to this hearing of the Education and Home Affairs Scrutiny Panel. We will be looking at the matter of student finance today with the Minister for Education. Again, just for the benefit of the public and the media, I hope you are just aware of our protocols. The media will be here but again just filming the opening 5 minutes of our hearing. Also again, if I could remind everyone to put their mobile phones on silent, if they have not done so already. So for the benefit of the transcript I just ask everyone to introduce themselves. So I am Deputy Jeremy Maçon of St. Saviour, chairman of the review into student finance.

Deputy S.Y. Mézec of St. Helier:

Deputy Sam Mézec from St. Helier No. 2, a member of the panel.

Deputy T.A. Vallois of St. John:

Deputy Tracey Vallois of St. John.

Scrutiny Officer:

Mick Robbins, Scrutiny Officer.

Panel Adviser:

Bahram Bekradnia, adviser to the panel.

Chief Education Officer:

Justin Donovan, Chief Education Officer.

The Minister for Education:

Deputy Rod Bryans, Deputy for St. Helier No. 2, the Minister for Education.

Director of Resources and School Support:

Christine Walwyn, Director of Resources and School Support at the Education Department.

Deputy J.M. Maçon:

Hello and good morning, and Happy New Year to all of you.

The Minister for Education:

Happy New Year to you.

Deputy J.M. Maçon:

Can I just ask and confirm that you have read the health warning?

The Minister for Education:

I have indeed.

Deputy J.M. Maçon:

Brilliant, thank you very much. We have got quite a few questions. I think we are scheduled for about an hour and a half this morning. Many of them are quite political questions so we will be expecting the Minister hopefully to be answering in that regard. I wonder ...

Chief Education Officer:

Fine by me, Chairman.

Deputy J.M. Maçon:

Yes, thank you. I wonder if we could just kick off with the Minister. What is the Minister's main principles on higher education?

The Minister for Education:

A very good question. I think principally ... I am quoted as saying that I want as many students no matter from what background and what situation to go to college and receive tertiary education or higher education as possible. I think that is the first principle, I would say.

Deputy J.M. Maçon:

Thank you.

The Deputy of St. John:

Can I ask: when you say "as possible", what constraints do you place on that, if any at all? Should we be placing constraints on it?

The Minister for Education:

There are constraints on it because of the way we operate our budgetary situation here in Jersey. So there are certain constraints. I think it is probably worth exploring the concept that when I first came in, what you do as any Minister is look at your current situation. So where are we at? You ask yourselves several questions. Where are we now, where do we need to be and what are the ways of getting there? In particular, the one that probably we struggle the hardest with is the relationship between how we provide funding for higher education in the best way that we possibly can. The constraints are really mainly budgetary constraints and has been mentioned several times. I know we had a brief meeting with the Professor yesterday where we were displaying the detail of some of that.

Deputy S.Y. Mézec:

Who do you see as the chief beneficiary of providing higher education as in is it student, is it business, is it society as a whole? Who is the primary beneficiary of your department providing support for higher education? Who should it be?

The Minister for Education:

I think it is kind of a blending of the 3 to a great extent. Certainly students who have gone through. One of the things we set out as far as principles right at the beginning my term of office was to raise standards across the education spectrum landscape and we have done that. We are working still on that. We are quite focused on that certainly for the rest of my term of office. That is beginning

to bear fruit. If you are doing that you have to say that one of the ideas of that progression would be to make sure that students have a notion that they can move beyond that into higher education and follow up from leaving school, moving into universities or colleges or whatever. So principally, to answer your question, students would benefit. Then society, from a Government's perspective, we understand that this funding is not necessarily just funding for students to go away to college. It is an investment in the future of the Island.

Deputy J.M. Maçon:

Do you believe the system as it is set out at the moment achieves all of that?

The Minister for Education:

Probably not. I mean in the context of where we started from it has got better. We have recently put £2 million extra funding into that, which ...

Deputy J.M. Maçon:

With a bit of encouragement.

The Minister for Education:

Yes, absolutely. This is an Island-wide problem. This is not just necessarily sitting at our door. I see it as a problem for both the Government. I see it a problem for the students obviously and a problem for the parents. I see it as a problem for the Island as a whole, which is why we have opened up and welcomed any ideas from right across the board.

Deputy J.M. Maçon:

If we could just look at some of the confines that are around students at the moment. How do you, as Minister, feel towards students, for financial reasons, having to perhaps do courses which are not necessarily appropriate for their career paths, not necessarily ... or having to restrict themselves to studying on Jersey.

The Minister for Education:

That is a really interesting question. In fact, later on this afternoon I will be meeting with a young lady who contacted me, one of 3 actually - all females - and said: "We have a particular take on it. Are you willing to have a conversation with us?" and I said: "Yes." Her situation was that she had been through ... I cannot remember which school it was now, whether it was Beaulieu or J.C.G. (Jersey College for Girls) and had had to, through the situation she found herself in with regards to the finances of her parental situation, understand that she could not go to the U.K. (United Kingdom) when in fact that is what she had always felt she wanted to do. Subsequently had defaulted to Highlands, had then gone to Highlands and found it was fantastic. In fact, the blame she laid at my

door was I was not telling enough people how good the situation was at Highlands. In fact those 3 people represented the same point of view. So I set her a task, which is why she is coming back to see me this afternoon, to start to build up things like a student union body and begin to help put out that message and communicate to the Island the facilities we do have here on Island.

The Deputy of St. John:

If I could be a bit more specific. What about students, for example, who want to go away and do a medical degree? I mean we do not have that type of facility on the Island. Very doubtful that we will have that type of facility on the Island. So they choose not to be a doctor and end up having to do maybe a social science or a finance degree or something along those lines, and end up going in a completely different path that maybe they necessarily did not want to do, which would probably come about with all other different issues. Is that right? Preventing a future doctor, considering the issues we have coming up with health and all those problems; is that right?

The Minister for Education:

In the context of what you describe, no, it is not right. In fact I would say that we are constantly looking at new ways to furnish that. As you are aware, we offer a nursing degree here on-Island and we are looking to advance that to some degree. But what we are trying to do, and equally I do not think you are right. I think one of the considerations for the new hospital was there would be a training facility behind that, is one of the kind of little threads that has been aerated within the discussions about the new hospital. So there is consideration for that. It is certainly something that is in the back of our minds when we are discussing the current situation with Guernsey. It is one of those places where we feel we can begin to open up new ideas. But going back to your point, I think it is about choices. I think it is about choices that people make. I think the Professor is probably aware, because I have certainly read it in lots of reports that I read, and I have certainly read one of this reports, where 50 per cent of students that come out of universities never follow up their degrees that they have trained in. So choices are being made all along the way, whether it is a financial choice or it is a personal choice with relation to what we do. But going back to your question. I do not think it is right. I would like to resolve that situation.

Deputy J.M. Maçon:

Okay, thank you. Do you feel that there is enough participation in higher education in Jersey?

The Minister for Education:

Right across the board I give you ... do you want to be more specific? Where do you feel in? In the students?

Deputy J.M. Maçon:

Coming to that cohort in making that choice. So when we finish our A levels do enough of the Jersey population go and do higher education?

The Minister for Education:

I think we have a unique Island situation, which probably is worth articulating, is that certainly back in the day, back when my 2 children were going through this situation, my daughter elected to go to college and got a degree. My son chose to go through the process of going through Trident, found himself in a bank and said: "Dad, that is what I want to do." Both had gone to Hautlieu. Both had been all the way through the state schooling. The choices they are making at that point in time is: "What is relevant to me?" and I think finance and accountancy in particular has been very good now at picking up A level students right at that point and saying: "We will look at you with regard to providing bursaries" or whatever, and so some of those students are now going offline and are not going to the universities that we might have predicted to do. So finance has been very good as it has been growing over the last couple of years, picking up students at a much earlier point. But there has been a slight dip in the number of students going through to college.

Deputy J.M. Maçon:

How do you think that impacts on things like economic diversifications in the Island?

The Minister for Education:

It has an impact, without a doubt. I do not know if it is a significant impact but it does have an impact.

Deputy J.M. Maçon:

Are we done with question one? Question 2.

Deputy S.Y. Mézec:

You will struggle to find people who will not support the idea of expanding on U.C.J. (University College Jersey) and making it as good a facility as it possibly can be. But do you have any concern that because of financial constraints that some young people and their families might have that a proportion of those may risk opting to study on-Island purely on a financial basis rather than attending a university in the U.K. which could be considered a very prestigious university that offers a specialism in something that they might be talented in and do not have that opportunity because of finances? Do you worry that U.C.J. could become a default option for students from poorer backgrounds rather than providing an ability for them to study wherever?

[11:15]

The Minister for Education:

Yes. I do worry that that becomes a default situation. I mean we do a great deal. We work very closely with the director of the college. In fact again we met yesterday with the Professor to talk about some detail. It is a continuing conversation. In fact my chief officer might want to articulate some of his thoughts with regard to what we are doing. One of the things that I was concerned about, having worked quite closely with Highlands in the past for all sorts of different reasons, is that we had assimilated ourselves with colleges that probably could have been more higher in the Russell Group or could have been more prestigious in terms of what they were offering on the Island. I know that the director has gone some way to try to resolve that situation but found it quite difficult. So the answer is, yes, I am worried about it but I do think it is a focus that we have to maintain here on the Island. We have to look at expanding that because the solution that we are looking at or the solutions that we are considering at the moment seems to be a blend of all the things that we want to do.

Chief Education Officer:

The straight answer from me is, yes, I would like to see more young people going off to higher education. I think the rate is lower than it should be for 2 reasons. One, we are going to change but our overall standards need to be higher, particularly G.C.S.E. (General Certificate of Secondary Education) so when they go through there are more young people who qualify to go. Those who do qualify to go, I would like to see more of them going. We have got no evidence other than common sense but we are assuming that the cost of going to university without a loan is obviously a deterrent. So my own view would be we need to get more people into higher education if we possibly can. I am on record as saying that since arriving.

Deputy J.M. Maçon:

I wonder, Minister, do you feel within Jersey's society that there is a culture of snobbery towards Highlands College, University College Jersey?

The Minister for Education:

Yes, I think there is. I think the situation I reflected on earlier with the 3 young girls that came to see me. They all reflected that kind of notion themselves and what they were saying was: "We had no idea we would go to Highlands" and I think this is a historical thing. So the answer to your question quite simply is yes. But I think what the College has done now with its rebranding, and with hopefully working with this girl this afternoon, to go back and work through the students rather than the top down is to begin to spread that message and let people know how fine a college it is.

Deputy J.M. Maçon:

Do you think that culture exists within a lot of the secondary schools?

The Minister for Education:

I could not comment. I think it just exists. I am not sure it is specific to secondary schools.

Deputy J.M. Maçon:

We know that there is a push in a lot of our secondary schools towards university education. Do you feel that Highlands or University College Jersey is given the same amount of encouragement as other establishments?

The Minister for Education:

I think there is a transition point from where it was to where it wants to be and its aspirations and vision that the director has, and we have just to a greater degree, and I think we are on that journey. So I think it is beginning to change. One of the things, I was at a day when they were handing out degrees to the students, they are all there in cap and gown. The sort of things that never really happened before. What was astonishing was - and this is one of the messages that is coming out quite clearly - that the students that get degrees here on the Island of which are an example - it has been said several times but it is true - are now ... I think the rate for moving straight from a college into an occupation from Highlands College or U.C.J. is about 85 per cent, which is fantastic really. That shows another element of what we have been trying to do in education, which is work more closely with the private sector.

The Deputy of St. John:

Can I ask: do you accept that going away to university provides more than just a qualification? That there is a view from many, and not just parents, from society in general, that it creates an independence, it creates a different cultural experience, and allows the individual to become more themselves rather than staying on Jersey?

The Minister for Education:

Yes, I do.

The Deputy of St. John:

What difference do you think that makes to employability skills?

The Minister for Education:

Well, it is one of the considerations ... I think you are aware we have been looking not just at the U.K. but looking at various European destinations for colleges and we had an excellent Skype call with Cannes just before Christmas and raised several issues that were embedded with the moral issue we do not pay taxes in their particular country, why would they want to have our students. They were quite explicit about it because they feel students gained from that experience, not just as they would in the U.K., but from a global experience. So the highest levels ... they have 6 campuses

in Cannes. They have a considerable number of degrees. The only sort of barrier to the entry is something we are working on, which is you have to be proficient in French to a certain degree. So they are offering a one-year course if that is what is necessary. Either a summer school or a one-year course where students can take it. That is the only bit that is costed for; so 800 euros a semester, of which I think there are 2 semesters. So we are looking to run a pilot with regard to that to see if we can test that out. Once you have got past that and you were at that level then those 3 years at Cannes University, or whatever the degree is you are taking, is free. The only thing you have to pay for is your accommodation. So the notion of having 2 students ... and one of the things we have said in particular, if you have 2 students that have come back, one from the U.K., one from Cannes University or even Maastricht or one of the other ones that we have looked at, and you have got somebody that is now knowledgeable in different languages and is mixed with global students then you may have a different offering.

Deputy J.M. Maçon:

Just because it would be a concern I think for various people. Those arrangements that we are making, it is definitely Jersey making them and something like Brexit would not impact upon those types of negotiations?

The Minister for Education:

We have asked the question. We asked the question of Cannes and of some of the other various universities we have been in touch with and they said no. Explicitly no.

Deputy J.M. Maçon:

Jolly good, okay. Question 3.

The Deputy of St. John:

You mentioned before, Minister, that their investment is in the future of the Island in terms of higher education. So can I ask then: if it is viewed as an investment rather than a cost should it therefore be regarded differently to other forms of public expenditure?

The Minister for Education:

Possibly. I mean the big discussion that we have had between the director, and again it arose talking to the Professor yesterday, is that in the U.K., in particular, the costs for higher education is a completely separate matter and is off the books and things. There was a question that the chief officer had the other day, when he was talking to the Chamber of Commerce lunch, directly from the actual college itself: could we revisit the way in which it is funded because we have the fund effectively within Education's remit? Is there another way of considering that? Is there another way

of doing it? We would love to be able to take it off the books and even take responsibility in some area for it away from us because it is a consideration to do with funding.

Panel Adviser:

Just for the record, may I say what I think I meant to say, if I did not say it, was that a Government borrowing to fund a student loan scheme in England is off the books to the extent to which it can be shown as an income stream to pay for that. So it is not the higher education as a whole is entirely off the books, but just that part of it. The other part of it I agree.

The Minister for Education:

Thank you for your clarification.

Deputy J.M. Maçon:

Let us talk about budgets. Is there any problem in the way the States currently budgets for higher education?

The Minister for Education:

Is there a problem? I mean I think there always ... I think I have been accused by yourselves, as a panel, that I have not fought strongly enough to change the budget or to move the budget or to increase the budget, which I would refute. I think people who know me and have witnessed, including my chief officer here, when we have been in discussions with Treasury that has been one of the contingency points, is could we do this in some other way? Is there some other way to look at it? Both of my officers here, even without my attendance, have equally fought in the same way to change it to some degree or to make it much more effective in the way it is used.

Deputy J.M. Maçon:

Perhaps a slightly misguided question from me. I meant more in kind of the way that the annual budget for Education works compared to the annual budget for the rest of the States. Is there a problem in just the bureaucracy of having to go back to Treasury in order to get the funds that have already been allocated to the department?

The Minister for Education:

Absolutely. We would wish for something like a 3-year budget. It gives us much more opportunity to make decisions in the future in advance, but again it works in a different way.

Chief Education Officer:

If I might just add to that. I think the key problem from the department's point of view is we operate on an academic year not a financial or calendar year. So we have an annual problem of looking as

if we are over or under spending but we are not, we are just managing our budget, but based on an academic year a great majority of our staff turnover happens in May to September. So that is an issue for us on an annual basis.

Deputy J.M. Maçon:

What work has been done with Treasury in order to try and resolve that?

Chief Education Officer:

At the moment what we do is work within the system itself and convince on an annual basis that this is money which is committed because we are yet to complete an academic year. We have not got any further than that.

Deputy J.M. Maçon:

But surely Treasury must know that and it is just going round in circles with the department and wasting a lot of time.

Chief Education Officer:

I think the problem is we are one of the biggest spending departments. We spend over £100 million out of the £700-or-so million. So to give us a different financial year would be problematic for the States of Jersey as a whole.

Deputy J.M. Maçon:

Question 4, I think. Given the Jersey context, how does the Minister view the relative priority that should be attached on the one hand in keeping public expenditure and therefore taxation low and, on the other, to enable all Jersey students to maximise their education potential? Because at the moment it seems they are in conflict.

The Minister for Education:

I think behind your question you are asking should we change the tax situation in Jersey, is that ...?

Deputy J.M. Maçon:

Is there a complex, to begin with?

The Minister for Education:

To some extent I think there is. Again, it was heard yesterday in discussion, whilst we maintain that is there enough funding coming in to produce the kind of effect that we would wish to have; probably not. So the context is: can we look at the new tax regime? To somebody again that is a Treasury matter for us although we can raise our - and we do - voices in that direction to say: "Listen, you

know, this is the situation we find ourselves in.” I would say there are 2 things really that are relevant to that. One is that we have ... I think you are aware but if you are not I will just remind you, that we formed a subcommittee to particularly look at higher education funding, which now consists of myself, the Chief Minister, the Minister for Treasury and Resources, and my Assistant Minister, Deputy Pryke, and I will go on to it if it is relevant. We had our first meeting last Monday.

Deputy J.M. Maçon:

Can you just tell us when that was formed?

The Minister for Education:

That was formed ... a discussion about when it should have had a formation I think was just before Christmas in a Council of Ministers’ meeting. The reason for the meeting on Monday was that we had been ... I suppose this is a newsworthy item but been approached by a philanthropist on the Island who has a consideration of producing scholarships somewhere else in the world and came with a kind of a loan concept that we have kind of looked at already, but he came with a couple of other things that were different from what we had heard before. Not dissimilar from Deputy Lewis’s concept of a loan. He had worked on a website that he created putting in various parameters that people could access and it was based on the brightest and the best effectively, and so could they ... and it is something we have been looking at in the background to do with bursaries. So when his opportunity to meet came along we said: “Great, okay, that could be the first meeting of the subcommittee.” Unfortunately Deputy Pryke could not attend but I attended along with the Chief Minister and the Minister for Treasury and Resources and my 2 officers. I met with this individual and he then told us about this situation and would we be happy to look and work with him and the answer to which was: “Yes, of course we would.”

Deputy J.M. Maçon:

But just to go back, I mean you have to the Treasury Department said quite clearly that you have a concern about higher education funding and that there is not enough money going into support our students?

The Minister for Education:

Yes, we have had those conversations.

Deputy J.M. Maçon:

You have said that to the Minister for Treasury and Resources?

The Minister for Education:

Yes.

Deputy J.M. Maçon:

Thank you. Anything?

Deputy S.Y. Mézec:

Do you think that that point is being communicated to the public effectively ?

The Minister for Education:

Probably not. I think one of the problems that we have come across, and it is worthy of saying that Scrutiny, I suppose, has highlighted this because it came up when we were talking about summer babies and a couple of other things that we have had under review, is perhaps the communication and the way we operate could be better. As somebody that is really keen to be more open and transparent and communicate on a much higher level, we need to do that. I think we need to keep looking at that. One of the problems we have within Education, I am sure the director can again amplify this, is that we have a massive agenda. We have a presentation to be made to States Members on 30th January, I think, at the Société, to let people know what the context is and where we are with everything and what we have achieved so far. In that context we are quite a lean team effectively and so all of this takes up a lot of time. Sometimes when you have got your head down and you are working as hard as you can you should get together and let people know what you have been doing.

The Deputy of St. John:

Just in summary then: basically what you are saying is that you do not have the sufficient number of resources to support what the public are demanding?

The Minister for Education:

In the context of communication we are just very busy is the point. I do not know if you want to amplify that?

[11:30]

Chief Education Officer:

The resources we have in higher education, it depends who you are. With the current system about a third of young people at university get a full grant and support with their accommodation costs, they are very happy with the current system. Their view would be the system works. About a third of students get a little bit of support, they are less happy. And about a third get no support at all, they are very unhappy. So the system we currently have, whether you think it is a good system or not will depend on how it touches your life. We have looked and looked and looked at different ways

of using the current system to get to more and more students but I think in the end there is a limit and if we had more funding available we could get to more students.

The Deputy of St. John:

I think I was talking in the context of the demands that the Minister for Education was talking about, that there is only so much that you can do because there is a lean team. There is huge public demand in various different areas when it comes to education. It is a hugely emotional subject so my question was: do you have the sufficient resources to meet the public demand?

Chief Education Officer:

Over time, yes. So all departments you talk to will say: "We had a plan, we are working through it, and we are prioritising and working flat out on that plan." If we take resource away from, for example, raising standards in schools, away from the Jersey premium, away from creating a proper assessment framework and all the other things we do, then those would have to fall. So what we do is we have a batting order and we are working our way through it.

The Deputy of St. John:

But understanding that point of view, so go back to the Minister, under the business plan there is no key action in the business plan about higher education but yet before the elections there was a demand from the public that this issue was dealt with, so why was not it put in the business plan?

The Minister for Education:

That is a good question. I think initially we took it up ... we took it on, as we do with everything with regard to education. I said before, we are deeply passionate about what we provide for the students and how we deal with our education. I think if it was missing in the context of what we could be doing, I think it was just such early days for us at that point to give it that due consideration and put it into the plan. I think we were still dealing with understanding ... the concept that we had when we first got it was: "Where are we now? Where do we need to be? What are the ways of getting there? What is the best one for us right now?" Sometimes the connections are not made. So we have got another business plan coming up within the next few months and certainly that would be in there.

Panel Adviser:

In respect to your question, sorry, Chief Officer, you said one-third get a full grant, one-third get partial grant and one-third get no grant.

Chief Education Officer:

Very roughly speaking.

Panel Adviser:

Is that of the people who applied to you or is that of the total higher education student population in Jersey?

Chief Education Officer:

It is of the people who we absolutely know are in the system. There will be some people who do not approach us.

Panel Adviser:

According to the Higher Education Statistics Agency about a third of the ... there are about 30 per cent more students on their books in England than you have recorded as having applied to you. So that would suggest that there is considerably more that do not get ...

Chief Education Officer:

I am talking to those we know about.

Panel Adviser:

It suggests to me though that half of those students from Jersey get no support at all.

Chief Education Officer:

I am not suggesting it is not an issue.

Panel Adviser:

No, I am just trying to get the numbers. I am not making a political point here.

Chief Education Officer:

There is an issue and it is one we would love to solve but the point I am making is whether you think the current system is good or bad or indifferent it depends on whether you do ...

Panel Adviser:

I am sure that is true.

The Minister for Education:

Of course, you get the other side of the coin, and I have had discussions with several of these individuals, where they would not approach us in the first place because they are wealthy and do not feel that it is right that they pay for their children's education.

Deputy J.M. Maçon:

Yes. Just because it has been mentioned, looking at that one-third that gets the full grant - and it was just mentioned now that they are very happy - we have been receiving evidence, for example, to say that even though people get the full grant, when they come to look at costs, that still means that they are £6,000 short. Of course, we are talking about some people who are the lowest income earners in the Island, and certainly I think there are 2 issues: would you accept that even those getting the full grant still struggle to send their children to university?

The Minister for Education:

Yes.

Deputy J.M. Maçon:

Thank you for that. In which case, we have heard that a lot of parents who have understood that what they get is the full grant, to them it comes as quite a shock, having this bill, because in the sense it is not a full grant because all the fees will not be paid for. It is an issue of semantics, and we have been getting evidence from parents how it has been a shock to them, how when they receive the full grant it turns out it is not a full payment. Has that also been the experience of the Education Department?

The Minister for Education:

I think you are right. I do not think it is semantics. I understand what you are saying, but I think it is more a communications problem, to some extent, that we do. Remember what we have here, and it was quite well-articulated in the *Evening Post* the other day in 2 columns, one either side of each other. You have a situation where now we have lifted the parameters up and we have tried to encompass more students by the extra £2 million that has gone in, and people welcome the fact that the majority of that money is paid for, so the full tuition fees and the full £5,000 and the additional £1,500 they can take as a loan. There is a concept of all of that, but I think from my perspective - and I have said it and I am quite happy to repeat it - it is a very complex situation that we do not explain fully.

Deputy J.M. Maçon:

Thank you for that. I wonder if you could inform us: what effects do you believe the current system of funding will have on students over the next 10 years?

The Minister for Education:

Sorry, could you just ...

Deputy J.M. Maçon:

Yes, no problem. What effects do you believe the current system of funding will have on students over the next 10 years?

The Minister for Education:

I think there are parameters that are beyond our ability to do anything about, which is the situation we found ourselves in right at the beginning back when it all changed around 2012, that the costing of education principally went up treble, and we caught a cold in that situation. We had not accommodated for it. We did not realise it was going to happen. I think most people understood that. Then we have spent some time trying to catch up with that in terms of how we deal with it. Now, it seems to me - and I am sure the Professor could make comment on it - England is going to get more and more expensive. In the reports I have read, there are lots of concerns about the way it is done. In fact, the report I have from Dr. Ruth Thompson about the situation they had in the U.K., in particular with the loan situation, is it is not working and they need to relook at it and things. All of that context is out of our hands. In terms of what we are funding and how we are dealing with it at the moment - which is why we are looking at a blended solution across the board, and we do not think it is one particular solution, and we think it is several ways of solving it - it is that it will exacerbate and get worse.

Deputy J.M. Maçon:

In that aspect, I wonder if you could tell us: what impact does the current system have on our immigration system?

The Minister for Education:

I think what you are reflecting is the comment that has been made that we should be sending more children away to university so that we do not have to have as many immigrants. Is that the context of what you are suggesting?

Deputy J.M. Maçon:

I am just asking what your view is.

The Minister for Education:

Okay. I think there is an element of truth in that, but this is one of the things that have been quite exciting to me from an educational ministerial point of view. People have begun to explore all of the concepts that relate to higher education, and what is the value of higher education? What does it mean to us as a community, the kinds of things you are discussing? The more children we can get into higher education, wherever it may be, get back to the Island and working in this community, the better, which then obviously reduces the need for immigration.

Deputy J.M. Maçon:

Thank you. Then, how will that affect our society in general?

The Minister for Education:

Again, taking the point you made earlier that if students go off-Island and learn about the rest of the world, and in fact I think the phrase was used yesterday that they “grow up” at that point in time, whether it be in the U.K. or whether it be in Europe and everything else, of course that benefits society because they have learned what happens in the world, and that is of great benefit to entrepreneurial things and the innovations and everything that we want to happen here on the Island.

Deputy J.M. Maçon:

Would it be very key that in order to achieve very much of the other States strategic goals, the Education Department is at the centre of that?

The Minister for Education:

We are always part of it. When we started off on the journey, there were 3 real principles everybody was looking at of the initial journey: education, health and the environment, or the economics of the Island. I do not think that has dissipated, hence the reason for the subcommittees so that we get more validity to the decisions we make. I think very much if you had looked at the Strategic Plan and the way they build it around Education, it is there.

Deputy J.M. Maçon:

Next question.

The Deputy of St. John:

Minister, you mentioned raising standards as one of your biggest priorities.

The Minister for Education:

Yes.

The Deputy of St. John:

It is in your business plan and it is something that I think regularly comes up at most hearings that we have. If we are going to put pressure on schools and students to improve their standards and create better people for the future, what is the point if they cannot finance themselves? What is the point if we do not have a system that supports them in their choices?

The Minister for Education:

Yes, I understand that, and that has been articulated several times that there is the constrict, once we get to that point in time, what good the decisions that are made, not particularly based upon academic ability but on whether this could be financed or not, which is one of the reasons that we had started to do some work - I think it has been passed to you - with Treasury over the notion of bursary, so creating bursaries for students, working with the business community as well, to say to students: "Don't worry about the financial side of it." We will have 2 ways of dealing with that, going back to the point the Professor was making about the top third. That is where the problem lies, or at least between the second third and the top third, where middle-income individuals, professional individuals, whether they be in hospitals or teachers or whatever, all of those people are feeling the brunt of what is happening out there in the community and are finding it very difficult to find the funding. Is there some way in which we can then readdress that and say to students: "Look, if your ability transcends that [and this is now going back to the point you were making earlier about immigration] is this a very necessary occupation that we are doing? Is there some way in which we could increase our offering to you?" Hence the reason for the bursary. "Can we do something about that?" That was why we were delighted to welcome in the philanthropists, who seem to have come up with some kind of notion about that.

Deputy J.M. Maçon:

Thank you for that. Sam.

Deputy S.Y. Mézec:

Has there been any discussion or consideration on just the concept of human rights here, when there is a funding mechanism which can prevent some young, intelligent and capable people from being able to benefit from the appropriate level of education for them, simply on the basis that they cannot afford it? Does the concept of human rights feature in your discussions and deliberations on this?

The Minister for Education:

It has been raised several times. I do not think we breach human rights in terms of the way the conventions have been written. It goes back to the same point you were making earlier: do I, as a Minister, wish for more children to go to university or to remove some of the barriers for them to do that, whether it be financial or whatever? Yes, of course I want as many students as possible to go to university. This is the point we have been making to everybody on the way we never give up on this, and hopefully we can move towards a better solution over the next year. I do not think we are contravening human rights at this point in time.

Deputy J.M. Maçon:

I wonder if I can ask. A point that has been put to us through the evidence that we have had is a frustration that students feel. Again it is on this rights issue, which is students feel they are treated unfairly because their access, their right to education, is determined on their parents' income and their willingness or not to support them. We heard, for example, last night that there is an issue in that if the parents do not support a student in perhaps the choice that they want, the course that they want to go on, and the parents do not support them, effectively, it gives the parents a veto over the student in how they want to progress their lives. Is that the best situation we can have?

The Minister for Education:

It is a question that has been asked several times of us: where does the responsibility lie? Or the question that was asked earlier: who benefits most from the higher education? Certainly students see that as the barrier. That notion of choice has always been there, even when my 2 children were going through. You have to sit down and have those conversations. I, at the time, had to find loans for my first child, and to some degree I was fortunate that my second child decided not to go because I would have equally borne the burden for him as well. I think it is going back to the point you are making about the human rights thing. We try to do the best we can in removing as many barriers as we can. Have we got it right at the moment? I do not think we have, but we will continue along the course of trying to resolve that issue.

[11:45]

Deputy J.M. Maçon:

Okay. Anything further? Okay. Yes. I wonder, since the production of the report in May last year, has the Minister developed the policy thinking to ensure that all young people with the aptitude that desire higher education are able to do so? Since the production of your report last year, what action has been taken in order to allow more students to attend higher education?

The Minister for Education:

I think the first example would be the increase, that the extra £2 million that has gone in there has exercised ... but my finance officer in particular might want to make comment on it. Once we were aware of that, once that became something we can accommodate for, the question then was how can we utilise that funding to accommodate the biggest number of students that we can get, increase going to college? Do you want to expand on the £2 million?

Director of Resources and School Support:

Yes. We wanted to use the £2 million to both help out people on the lower incomes and expand the number of people going, so we increased the threshold and we increased the maintenance, rather

than just doing one measure, all the others, so we can hit a broader number of people with the additional money.

Deputy J.M. Maçon:

What is the anticipated uplift that that will create?

Director of Resources and School Support:

The uplift on the maintenance goes from £5,500 to £6,000, and the threshold goes from the £26,750 to about £34,000.

Deputy J.M. Maçon:

I meant in participation. Yes, participation.

Director of Resources and School Support:

I do not have those figures to hand but I can let you have them later.

Deputy J.M. Maçon:

Yes, okay. Thank you.

The Deputy of St. John:

I think something that has been raised time and time again by submissions and by workshops that we have had is the report was all well and good, and it showed some possible ways of dealing with the situation, but there was no real set direction from you as the Minister. Do you now have a specific direction in which you are going to take student financing?

The Minister for Education:

I think I mentioned before the notion of a blend of solutions. I think that is where we are. It does not matter who you are as a Minister, it does not matter what your department is; you have your budget, you have the tools that are necessary that you can utilise. I am very confident about the competency of my finance officer and the relationship with my chief officer, how we will operate with Treasury in particular. I think what we have been working on is trying to resolve that situation, like I said before, taking stock of where we are, what are the ways of getting there, and what can we do? I have been quite happy to take on board any suggestions as we have gone along. As I said before, this is an Island-wide problem; it is not just one that we have to deal with. We have to look at everybody. We have spoken to as many people as we particularly can, which is again why we welcome the philanthropist's views on it, and I welcome Deputy Lewis's notion of a loan situation. What we are careful about, I guess, is that we have the situation, even though it is not perfect, where we do produce a finance situation that is of benefit to students. The grant that we give out, we do not have

clawbacks, so nobody comes back in terms of the grants that we give out in relation to debt, so there is no debt on the student with regard to that. If they take further loans out or they find, as you have examined before, that there is extra cost in the course, they incur those extra costs. We want to preserve to some degree what we already have in place if that is possible, but then look to other areas to do it rather than move from a complete transition from what we have to a loan system, which is what we have been asked for fairly recently.

Chief Education Officer:

Do you mind if I add to that? I know you are keen to listen to the Minister talking. That report had 5 key ways forward, and our view is that 3 of them sit fairly and squarely within the Education Service, expanding, developing and reviewing the current system. We are doing that, putting the extra money in. More people will benefit from it. That is our business. Secondly, opening up Europe. We have been in touch with those universities. Pilots will run this coming September. We are on to that. Thirdly, expanding Campus Jersey. We are working with that. One thing we are looking for, for example, is to relocate the university site so that it is not part of college, so that when people go there, they feel as if they go to university, not an extension of the F.E. (Further Education). We are already looking at sites, so we are on to that. Savings and loans. The Education Department does not have the expertise to set up savings and loans schemes. We would love savings and loans schemes in place. We are not finance people. I have been to the Bankers' Association and spent time with them. We have been to the loan company in England. We have done I think what we can do as an Education Department, but of those 5 solutions, I am not sure within the Education Department we are in a position to ... we have looked at them but we do not have the expertise of the Finance Department. Those are the elements, and we have focused on the 3 which sit fairly and squarely in our camp, and we are very happy to do what we can to support the other 2, but I am not sure in the Education Department we can set up a loan scheme or a savings scheme.

Deputy J.M. Maçon:

We will definitely be coming on to those areas in just a minute.

Panel Adviser:

Sorry. Perhaps you would like to wait. I wanted to ask about the discussions with the banks.

Deputy J.M. Maçon:

We will get there. Yes, we will definitely get there. Yes.

The Deputy of St. John:

Respecting and understanding that specific situation that you find yourselves in, and the reason why we have a Treasury Department is you have the expertise within there to deal with that, I have the

difficulty when I am sitting here knowing that the report was issued last year. You only set a subcommittee up in December. Why?

The Minister for Education:

I cannot speak for why the Chief Minister would want to do it in the particular way that he did, but from our perspective we were working quite closely with both Treasury and the Council of Ministers. They were informing them as we went along what our requirements are, what we could achieve and what we had been doing. I think there has been a slight shift in perspective, particularly from Treasury, from the difficulties that we all felt when we got in as politicians with the structural deficit and all the stuff we had to do to relieve that situation. As we have started to work through it now, as more and more information has come forward, and particularly the discussions between ourselves and Treasury, the Treasury has realised that - and to some degree, partly, that is to do with the public coming forward and talking to us in one way or another - we need to get to the heart of this and force some real, weighty decisions to be made between ourselves. I think that is the reason for the coalition of that idea at that point in time. In essence, what I am saying is we were working along, we thought we were doing as best we can, but I think there has been the consensus that we needed some heavyweight concern on it.

Deputy J.M. Maçon:

It is interesting you say that, because obviously we have had the Minister for Treasury and Resources before us on this subject. Again, with reference to the report that was produced in May, it was quite clear that the tax side of it was not included. I think it would be fair to say from the panel's perspective it was hard to see the Education and Treasury Departments working together as such a key element, the tax credits aspect of it, was not included in the review. From the hearing with the Minister for Treasury and Resources, he said quite clearly he felt that this was an education issue and that if Education came forward with a scheme, then that is something for the Treasury to consider. Can you explain to us, given all of that evidence and in light of what you have just told us about the partnership you seem to be having, why it just does not seem to be connecting up?

The Minister for Education:

I think from a political standpoint the difficulty is, as has been highlighted by the chief officer - this is where it becomes complex - you have these 2 parameters. One is the desire from us in terms of an educational outlook and what we are trying to achieve to get as many students through, and then we are budgeted to the kind of budgetary pressures that we have. Those discussions have been, I guess, round and round the table a million times over and quite constant, and in fact the reflection, looking back over it now, the private meetings that we had with the Minister for Treasury and Resources, sometimes with my officers and sometimes with the Chief Minister, was that constant going back and saying: "Is there another way to do this? Is there another way to resolve this issue?"

It is that perspective you work from as a politician in your particular area that you see it with your own eyes. Maybe I am not articulate enough or convincing enough to change the argument, but in those times it would always be: "What is it that Education wants to achieve?" This is from the Minister for Treasury and Resources' point of view. "What can we do to help them?" I think there was a dislocation. I think that has been worked through now and I think there has been a change of heart.

The Deputy of St. John:

Can I just ask on that how many times higher education has been taken to the Council of Ministers, being an agenda on the Council of Ministers, for all Ministers to talk about?

The Minister for Education:

I could not give you an actual figure. The Council of Ministers meets in so many different ways, obviously within the Council of Ministers, on its books, which is recorded. I could not say. I do not know. Anywhere between 4, 5, 6, 7 times. In terms of the discussions relating to higher education, we were constantly meeting almost weekly on that basis to see what we could do and to work with them in one way or another. In fact, my officers have worked tirelessly. The Finance Department does not stop. We do not stop. We have never done it. My officer here was saying - just as an aside - how much work they have done in visiting the student loan group in the U.K. and all of this, working with the Business and Skills Department. Do you want to just mention that?

Director of Resources and School Support:

Yes. At the end of December we went with the Isle of Man and Guernsey officers, and we all went and spoke to the Student Loans Company to have another go, see if our students would be entitled into the U.K. student loans system. It was very clear: "No, it is not in U.K. legislation. Your students are totally ineligible under the law. The only way you could possibly get involved is to rewrite the U.K. law," which obviously is not a very easy task. It should be done. While they were there and spoke to us, it was very clear: "No, at this point in time we are not going to admit your students into our scheme." We did try, and we went with Guernsey and the Isle of Man to try to have more clout than just going on our own. Then we had discussions again with Guernsey and the Isle of Man on what they are doing and what we can try to do on a tri-island basis as well.

The Minister for Education:

In fact, we have a meeting coming up shortly, now that the situation has resolved in Guernsey, to go to Guernsey and look at their situation. One of the problems we have is always politically, when you get to a new setting, we have reset and reiterate some of what we have done. Fortunately the chief officers behind it have remained the same. They were very much looking to see what we were doing. We were looking to see what they were doing. One thing that we did learn - which I have mentioned before but it is worth mentioning again - is the concept that the Isle of Man have, which

is to try to keep their students on-island for at least 2 years of a 3-year course, and they take them off for a year so that they have the best of both worlds. The benefit was obviously they kept the students at home or that the costs of them were quite low.

Deputy J.M. Maçon:

Which, of course, Jersey has had the capacity to do for quite some time.

The Minister for Education:

Yes.

Panel Adviser:

Sorry. Just a factual point. When you spoke to the Student Loans Company, I can understand very well why they said that Jersey students are outside the U.K. scheme. Did you talk to them about whether they would be prepared to administer the scheme on your behalf or the payment?

Director of Resources and School Support:

We did talk to them, and they said that we would have to go to the Department for Education, but because the loans are issued under the Chancellor and he has a power to then collect the loans, if we issued the loans from our money, they would not have the power to collect them, so we would have to change power there as well.

Panel Adviser:

Even for Jersey students living and working in England?

Director of Resources and School Support:

Yes.

Deputy J.M. Maçon:

Thank you. Question 11.

Deputy S.Y. Mézec:

I feel like we might have covered this to a degree anyway, but the Minister for Treasury and Resources has advised that there are no constraints being placed on your department to come up with an appropriate solution. The question has to be asked then: what is the problem?

The Minister for Education:

That is a charming concept, is it not, that there are no constraints? Of course there are constraints. I am quite well known for being a creative individual. We do a lot of talking around this issue and a

lot of wondering about where we can go next and what is the best solution for the situation we find ourselves in. Of course, when we come up with those solutions and when we have in the past with Treasury gone and said: "Look, what about this?" and I have been joined by Deputy Lewis in particular - whom I know is sitting in the room - and taken some of these things out, they are quite willing to sit and have that discussion and then subsequently the situation could change, and a budgetary matter arises and then we are back to square one in terms of what we do. Of course they encourage us to do that thinking, and we do it on a daily basis anyway.

Deputy S.Y. Mézec:

Where is the light at the end of the tunnel then?

The Minister for Education:

I think there are several little things that have happened over the last few months which give me a feeling that we may be reaching some sort of situation that is different from what we have had, which is, as I said, this blended solution in that we have these opportunities that have already been mentioned by the chief officer. I originated the idea of the Campus Jersey and beginning to get together with all of the other agencies around the Island in terms of who are related to higher education and say: "What more can we do for you guys? What more can we bring on? How can we work?" To be fair to them, each of them have been doing their own work anyway. That is one aspect.

[12:00]

The other aspect is: could we use the monies that we have within our budget in a better and more economical way? The push for and the resolution and the partial answer to your question is that that is where the £2 million came from, whereas we started to go back and say: "Look, we do not feel it is right as a department that we have not kept up with the inflation, we have not kept up with the situation with the U.K." and the pressure on that and the understanding of that group, so that advanced itself. I think we are now moving to a situation. As I say, we met with the subcommittee. I think that is a move in the right direction. I think the meeting with the philanthropist in particular gave us another feeling of an issue that we were dealing with, which is the notion of bursaries and working with the local business community, so they added a greater validity to some of those areas that we were dealing with.

Deputy S.Y. Mézec:

If you are a young, intelligent and talented person who is looking forward some years now in the future, 3 or 4 years, to go to university in the U.K. because there is a specific area that cannot be accommodated in the Island that they are aspiring to go and study, and this person is looking at the

current funding structure and says: "No, this is not good enough for me, this will not enable me to go and do that," what hope are you offering that person that in the next few years things will get better and there are chances of them being able to benefit from a funding structure to enable them to achieve their aspiration? What hope are you giving them that there is light at the end of the tunnel and that there will be a solution found to enable that person to go? You spoke about Campus Jersey. If you are an individual who is talented in a particular area that simply cannot be accommodated in Jersey, that is not much hope for them. What they need is a funding structure that allows them to go to the place, whether that is in the U.K. or another country, that is best suited for what they are aspiring to. What hope do the people in those situations have right now?

The Minister for Education:

That is quite a convoluted question but I think I understand it. I think where it would be accommodated is in the bursary situation, so the academic prowess. It is interesting to relate how your mind works around these things. I was contacted by a lovely woman who said: "My husband is quite a wealthy individual who works as an investment manager. I just want you to know we have put our 4 children through education. It has cost us an absolute fortune" because some of them have gone on to be doctors and lawyers and various things. One I think was a vet, I am right in saying. "We got nothing from the state. We do not think that is right, and we think our children had some sort of academic prowess, that if there was something in there that that could be addressed." That stuck with me, and I was listening to various options that we were talking about, which is really the notion of a bursary and aligning that with an academic qualification of some kind or at least allowing students, the kind that you are describing, who have got those aspirations in sight, and we should do as much as we can to make sure that that dream, if you like, is accommodated.

Deputy S.Y. Mézec:

It could be a significant number and it costs money, so how feasible and reasonable is it that for that cohort of young people, who in the next 3 or 4 years will be aspiring to go for higher education outside the Island, something will be put in place so that they can be accommodated?

The Minister for Education:

It is quite interesting. One of the reasons I say again - using your word - I have hope. When I met with the chap, he had put together the notion of what he was doing, which is not dissimilar from both an idea that the Minister for Treasury and Resources had and myself at the same sort of time, this idea of bursaries and working with academic prowess, to when he had come across it, although his is slightly different in that it is a scholarship scheme, put together the website and all the work requirements within 6 weeks. What he has offered us is the facility to use that same website and to build upon his acumen and knowledge and to help progress the ideas that we were already

formulating. I think there is some way to go but I think we could have something up and running within quite a short space of time.

The Deputy of St. John:

You have referred to a philan ...

The Minister for Education:

Philanthropist.

The Deputy of St. John:

That is the one, you have referred to him many times.

The Minister for Education:

Yes.

The Deputy of St. John:

We are not aware of whatever has come forward ...

The Minister for Education:

No, I am being hesitant, I am not naming the individual at this point.

The Deputy of St. John:

But it would be really useful, as a panel, to know what it is, as part of our review, all these things that you are looking at and they are being offered.

The Minister for Education:

Yes, of course.

The Deputy of St. John:

If you could forward details on to us ...

The Minister for Education:

It was new to us at that point, sorry, yes.

The Deputy of St. John:

Yes. No, but if you could forward details on to us as part of our review, it would be really useful.

The Minister for Education:

Yes.

Deputy J.M. Maçon:

Some form of briefing; that should be useful, yes. Okay, thank you. Just again on this point, we have heard from the Minister for Treasury and Resources again that there should not be any constraint on the Education Department. There was a review done by the Education Department. Your chief officer said in our previous hearing with the Minister for Treasury and Resources it was very much an Education Department document but also, at the same time, acknowledged that the expertise, in order to perhaps look at the modelling of the debt, looking at loans and things, while they are within the department but we know they exist within the Treasury Department. Again, going back to this that we are working together, why do you, as Minister, not demand it from Treasury in order to have those expertise because, again, there seemed to be, when you look at the documents, more of a silo than the working together that you are alluding to?

The Minister for Education:

Yes, I mean I have demanded. We have had those discussions and the way in which Ministers operate I think sometimes we do not get down into the details, perhaps we should and then reverse these, sometimes we do when we should not. I think the discussions that we have had with Treasury in trying to use that financial acumen in those kind of modellings and details, they have reached us because they have been asked for by my finance officer, who is constantly in Treasury discussing these matters. But perhaps the illustration and the communication of that has not been apparent.

Deputy J.M. Maçon:

Thank you. Anything further? No, okay. Again, looking at the R.51/2016, we note in the report, again, I think it is looking at the loan section, it says: "Students have told us that this high level of debt would be a deterrent." It is on page 4. I wonder if we could ask you, where have you got the evidence in order to support that statement?

The Minister for Education:

It comes from lots of discussions that I have had with students all over the place. Students are very forthright in coming forward to me and telling me what their situations are. I can give you an illustration of 2 young ladies that came, one of them came with her father to say to me I did not do enough as a Minister for Education to tell people the alternatives to a university education. What she was articulating there was the need to go away from education for a while to have a gap year, and it was quite cute to have the father there who was quite willing to pay. He had come along on his daughter's volition to tell me these sort of things. It is quite a complex situation that students find themselves getting into. I have had several discussions with groups of students where they have said to us: "One of the things we are concerned about ..." because they pick up the same information

that we do and the same sort of information that the Professor has written about into the report, that they see the levels of debt at being around £44,000, I think is the median average of debt that the student comes out. The contemplation of having to pay that back themselves is a deterrent before they have even considered college. It is not something we impose on them; it is something they have reached themselves. People have told that to me, so all I can say is that it is not particularly minuted or anything but it is in conversations I have had with students.

Deputy J.M. Maçon:

Because the interesting point is while I do not disagree with that sentiment being out there, of course, we have evidence to say the others from the opposite side that many students would be quite happy taking on some form of a loan scheme. Again, as Scrutiny gives in evidence the base process, that is very much what we are looking for.

Chief Education Officer:

I think the issue is one of choice. If you are in England you can choose to take on the debt or not. Our students do not have the same level of choice, I think is the issue.

Deputy J.M. Maçon:

Okay, did you want to come in there?

Panel Adviser:

No, but just as a matter of fact, I think all the evidence in England is that whatever students might have said, and I do not have any evidence about that, the fact is that the process in higher education was not affected at all by the loan introductions alone. It does not seem to have an apparent effect and in fact even what we said might have been ...

Deputy J.M. Maçon:

Although, at the same time - not to argue with you - that was when we had a recession and we know that in those times education levels will go up.

Panel Adviser:

Yes, will go up and we do not know what the ...

Deputy J.M. Maçon:

Yes.

Deputy S.Y. Mézec:

In fairness and in the interests of the discussion itself, but I think what was interesting about that fact was that low-income families ... it did not have deterrents some people, including me, thought it would have on low-income families, which I think was the really interesting outcome.

Deputy J.M. Maçon:

Yes, okay. I think we have covered 13(i), so shall we go to 14?

Deputy S.Y. Mézec:

What discussions have you had with banks about the idea of setting up a Jersey loan scheme? What is it exactly that they have said in terms of why it may be a good idea or why it may be a bad idea?

The Minister for Education:

Can I answer first and then I will ask my officers who have been equally in contact with the banks as I have? I remember before we had the open discussion, I cannot really recall it now but the open debate on higher education within the States, one of the senior bank managers on the Island had rung me up and I said to him: "What are we getting into, from your perspective? What do you think? Can you just give me your views on all of this?" He said: "I think you are doing exactly the right thing." I said: "Why? Are you guys not going to step up to the crease? Do you know, do you?" He said: "Rod, our levels of risk now are so bottomed there is no element I can consider where we would increase our loans in one way or another or even provide loans." This is with the bank that did not provide loans at the moment. Just remember, we have gone through a situation where we only have one now. He said: "What you have is not perhaps the best solution but it is the best I can see that is around in terms of what you do." At that point in time it was a heartfelt discussion and he really did reiterate he felt that we were doing the right thing in the context of what you just mentioned before, that we should not be loading up students with debt. He saw it from his perspective as a deterrent for students coming back to the Island for all sorts of reasons and he just simply reiterated: "From our perspective, as a bank, I do not see 2 things happening" because this is before we went off to talk to the Students Loan Group in the U.K., he said: "You will not get any purchase with the Students Loan Group. I talk to them all the time in various ways. I cannot see them saying, yes, your situation is certainly ... we have no appetite for the risk." Do you want to just ...

Director of Resources and School Support:

Yes, we have spoken on an individual basis to different banks asking them whether they would be interested in the scheme and they have basically said: "There is no property, it has no margin, it is a big overhead and even that corporate social responsibility would not stretch to doing that." I also know, Justin, you have spoken as well since, have you?

Chief Education Officer:

I have. We had 3 banks, of course, providing what is currently a very small loan and we are down to one now, the other 2 have pulled out. We have approached that bank, NatWest, and asked them if they would increase it and they have said no. The Treasurer and I, we did go to departments, went to the Jersey Bankers Association and they made us very welcome and we spoke for about an hour; it was very interesting, that conversation. They understood the point but in the end what they have said that there is absolutely no way they would set up a commercial loan scheme here because the risk would be too high. The defaults, while probably lower than England for all sorts of reasons, would, nevertheless, be very significant and they would be looking to be writing off loans for considerable money. They were concerned about linking loans to parents' assets because they did not want to get into the business in such a small community of taking assets away. It was a very interesting conversation but they were adamant that this door is closed. They would not look to open up a commercial loan scheme here in Jersey.

Deputy S.Y. Mézec:

Under any circumstances whatsoever.

Chief Education Officer:

What they did say was they could look at it more sympathetically if the States undertook to cover any defaults and losses, so it would have to be loans. The line, I think it was summarised but I forget which bank it was, said: "Why would we give £40,000 to a teenager who has not yet got a job?" It is a fair point, a starting point, so we would have to tie it in. We would have to be a guarantor and what they said was: "The States would have to underwrite any defaulting position". Even then they would not guarantee it but they would look at it more sympathetically then.

Deputy S.Y. Mézec:

Have you offered to speak more about that as a concept?

The Minister for Education:

We never closed the door and we have had several conversations with ... again, it is one of those things that when we get the opportunity if there is a new influx of thinking or that there is a new manager on the site. In fact there is a situation there at the moment in the offering but I cannot go into the detail, where there is a bank suddenly changing its position we have new opportunities to walk in the door and do it. I think what happens is that when you get situations, as an example, where you move from a manager that has come over from the U.K., his sole perspective is a U.K. perspective, is different when you get somebody that is localised or an immigrant that has children on the Island and they go through ... as Chris says, it changes their mind sets on what ... We constantly go back and do that and in fact on the back of talking to the banks we then went out to

the loans groups around the Island and asked them the same sort of question and the same answer came back, that if we did offer guarantees from the Government's point of view they would be more than happy to accommodate a loan situation.

Chief Education Officer:

What they did say was they would be very interested in a long-term savings scheme for higher education, especially if it had some tax benefits attached to it, such as the I.S.A. (Individual Savings Account) in the U.K. and certainly would like to talk to us about it. As you know, in our report that is one of the suggestions we are making.

The Minister for Education:

It is probably worth amplifying as well because this is the public, that situation that we did go back to the people that provide the loan at the moment, the £1,500, and say: "Would you accommodate a greater expense in that offering?"

[12:15]

Their answer was: "Yes, but we would take the guarantee away from that contacting ... we would have the opportunity to stop doing that, if circumstances prevailed." We said we could not take that guarantee away, we wanted to keep that and maintain that situation. That is why we have not been able to increase the actual offering of the £1,500.

The Deputy of St. John:

When you have been to the banks and asked them: "Can we increase the current loan that we have?" They have said no on the basis of what exactly?

Chief Education Officer:

Risk.

The Minister for Education:

Risk.

The Deputy of St. John:

That is because the States will not guarantee it.

Chief Education Officer:

What they are saying is the loans are so small over such a period of time there is no commercial reason for doing it. What they are saying is the current scheme basically costs, it does not meet

administrative costs of the scheme. The last bank standing, if you like, is doing it out of a commitment to Jersey as a community and it does it very efficiently and very well but would not look to extend it in any way because it does not cover the administrative costs.

Director of Resources and School Support:

But the States do guarantee the whole £1,500 at the moment.

Deputy S.Y. Mézec:

At the moment anyway.

Chief Education Officer:

Yes.

The Minister for Education:

Yes. I have some sort of history in the background of looking at this kind of situation some years ago when there was another Chief Minister, Senator Walker at the time, I was responsible for looking at the pension situation on the Island and we had had 14 pensions on the Island but by the time I contacted the Chief Minister we had 3. It did not take the minor size of a planet to work out it was going to be a situation that we would reduce to one and then eventually somebody would leave and turn the lights out, which is exactly what happened. I then turned to the working group to put in a personal pension back on this Island, which is now why you have a retirement annuity trust scheme, so that preservation of that £1,500 is really important to us.

Chief Education Officer:

I think perhaps important, for the record, at the meeting, I would not want to put the Bankers Association in the dock here. They were very sympathetic. They gave us a very good hearing and we got the impression, both the Treasurer and I, is they would like to help us but in their commercial interests found they could not. We got a fair hearing as well.

The Deputy of St. John:

Can I just ask: do you not accept though that the arguments about lending in terms of having parents guaranteeing their houses and those types of arguments that have been made as to the reason why having student loans is to help students to go university, is a dead argument? Because they secure their properties when they have a mortgage and the States take parents to court for not paying tax. The argument is completely dead, is it not?

Chief Education Officer:

Sorry, I do not quite follow.

The Deputy of St. John:

You made the argument that it will not secure a loan against somebody's assets because they do not want to be taking parents to court or because we live in a small community you do not want that kind of problem. But it happens on a day-to-day basis anyway, mortgages are secured against properties. If you do not pay your tax the States take you to court, so it is happening anyway, so it is a dead argument, is it not?

Chief Education Officer:

I can only report back what happened in the meeting.

The Deputy of St. John:

No, but I am asking you your opinion, it is a dead argument.

Chief Education Officer:

I do not know. I think if you take on a mortgage and do not repay the mortgage, losing your house, I think that is fine but if your kids go off to university and default on a loan and you leave your house so that ... I think that is a different matter.

The Deputy of St. John:

But is that not up to the parents to decide whether they want to take that risk?

Chief Education Officer:

In the sense they can already, people can, if you like, and do remortgage houses and take out loans and create loans commercially.

The Deputy of St. John:

If they have sufficient equity.

Deputy J.M. Maçon:

We know many of them are.

Chief Education Officer:

If they can and some parents go to those extreme ends. In the sense, you are right but I think it is different borrowing money to send your children to university. There is something slightly different in that than borrowing money to buy a house or to buy a property.

The Deputy of St. John:

Can I just explore this, the loan side of things, a little bit deeper because I am still not absolutely clear as to why it is that the banks will not help? Is it just purely because of guaranteeing ...

The Minister for Education:

Risk.

The Deputy of St. John:

Just the risk.

The Minister for Education:

Just the risk, yes.

The Deputy of St. John:

That is it.

The Minister for Education:

Yes, just ...

The Deputy of St. John:

But if we guarantee that is still too much of a risk ...

Chief Education Officer:

No, if we were to come back and say: "We will guarantee the defaults", then the banks may look more sympathetically on it. They would not say: "We will do it" but they would look more sympathetically on the scheme.

Deputy J.M. Maçon:

On the point: what work has been done with the Minister for Treasury and Resources to flesh a scheme like that out?

Chief Education Officer:

As I say, we are an Education Department, it is not something we have worked out ...

Deputy J.M. Maçon:

Yes, but you are supposed to be working together.

The Minister for Education:

The point you were making was the Treasurer went along with the Chief Executive to the banks and heard that discussion.

Deputy J.M. Maçon:

On the point that ...

The Minister for Education:

We did not do it in isolation.

Deputy J.M. Maçon:

Am I to understand that on that point then no work has been done while together?

The Minister for Education:

We have raised the issue with regard to guarantees but the Minister for Treasury and Resources has made it quite clear that he finds that difficult to produce that guarantee in terms of the figures that we have been able to work up, that is difficult. Like I say, we did not do it in isolation; we took the Treasurer with us to that meeting, so they fully understood what the situation was.

Deputy J.M. Maçon:

Okay. Therefore, no work has been done since.

Chief Education Officer:

Not that we are aware of.

The Minister for Education:

No.

Deputy J.M. Maçon:

Okay, thank you. Okay, have you done 15?

The Deputy of St. John:

No.

Deputy J.M. Maçon:

Okay, could ...

The Deputy of St. John:

In the case of not having the banks or any third party managing a loan scheme as such, would you support a concept of Government meeting the administrative costs of a loan scheme?

The Minister for Education:

You have put me back in the Treasurer's position again. Again, this has been mooted as to what we could and could not do because I think if you are talking about using the tax set up that we could take the monies back through the tax situation, is that what you are trying to articulate?

The Deputy of St. John:

If we have no other option but to go for student loans and the banks will not support them and there is no third party that would do the administration side of things ...

The Minister for Education:

Okay, all right. Yes, I think I ...

The Deputy of St. John:

Would you support it having to be run in the public sector?

The Minister for Education:

There are a couple of things that have to be taken into consideration, one is that with the situation that we have now, people are committed to that 3-year run if nothing else ... it is probably 3, 4, 5. In other words, if we make the decision through discussion with Treasury to move from the situation we are in now to the sort of one you have just outlined, there would have to be a transitory period where we are almost like running 2 schemes. One is where we finish with this one with all the commitments that we have and the other one is starting with the brand new one. I think that is extremely difficult and I think it is extremely expensive because that was discussed, has it not?

Director of Resources and School Support:

Yes, I think the cost of administrating it is going to be significant and I think it is going to be quite difficult to getting the ways of getting the repayments from the U.K. tax system and people are still staying in the U.K. after their degrees and get no payments back in. I think even if a third party took it on they would expect the States to pay the cost of administrating it anyway. One of the real things that sort of came across to me from the banks is there was no commercial benefit to the banks to run a loan scheme, so it is not just the risk, it is not just this underwriting it but they get nothing out of it. They could use their resources to be more profitable, particularly in times of recession at the moment for the banks as well.

The Deputy of St. John:

Do we have any idea, ballpark figure of administration costs for any type of loan scheme? Because, of course, if we set up a loan scheme it can be different requirements within this loan scheme but a rough ballpark figure on how much administration would cost.

Director of Resources and School Support:

No, I did ask the Student Loans Company that question but they were unwilling to give me that information.

The Deputy of St. John:

Okay.

Deputy J.M. Maçon:

Anything else? No, okay. I think we have touched on it but I will just ask for the record and you can say we have covered it: other than Jersey-based banks, have there been discussions with others about possibly establishing some sort of another scheme? I think you talked about the investment.

The Minister for Education:

Yes, we have been all over the place trying to ... the beauty of this Island is accessibility and we meet these people all of the time. What has been fortunate for us in the high level of discussions in the sort of heat that everybody has raised here is that we get people who approach us to put their points of view forward before we even ask them. In the way that the Chief Officer has just reflected, most of the time they are saying to us: "Do not even come to us because we just cannot contemplate what that would be." Going back to the point I was making about the pension situation, that pension situation was a pan-Island one, particularly Norwich Union was the last people to leave. They were quite explicit about it. We are seen as such a small cost event for a risk equivalent that they just were not willing to deal with it. That was on a different matter but just reflected the same sort of thinking behind it.

The Deputy of St. John:

Can I just very, very quickly follow up: you are talking about the Student Loans Department in the U.K. and the officers have been to meet the Student Loans Department, have you politically met with the politicians in the U.K. about the student loan scheme?

The Minister for Education:

No.

The Deputy of St. John:

Okay.

Deputy J.M. Maçon:

Why not?

The Minister for Education:

That is a good question but I have not. The relevance to me is really related to the detail of what was ... the ability for us to access it but working with a U.K. politician has not been something that I felt probably would have advanced our cause in any direction because we have such a different way of working but it is a good point.

Deputy J.M. Maçon:

Thank you. Do you want to move to 18?

The Deputy of St. John:

Not 17?

Deputy J.M. Maçon:

Have we done that one?

The Deputy of St. John:

I do not know, have we?

Deputy J.M. Maçon:

We think so, so 18.

The Deputy of St. John:

Okay. Is the Minister aware of any plans to develop a university in the Channel Islands with Guernsey?

The Minister for Education:

The Guernsey situation has arisen several times and, as it was related to me, it was private individuals who had felt they had a facility and they wanted to work with it. We asked Guernsey at the time to keep us aware of what was going on. I do not know that anything has happened since that point. I asked earlier before Christmas what point they had reached and there was a complete blank. I think they were in a bit of a *conscience temps* anyway, the recent sort of noises with regard to the situation with the Guernsey Education Department had clouded that issue. I have not seen any advance of that as a notion.

The Deputy of St. John:

Okay. If there was a willingness to co-operate and work ...

The Minister for Education:

We have always tried to co-operate and work and in fact one of the things we have tried to do is, particularly not necessarily with Guernsey but with the Isle of Man, the Chief Officer and I went across on one of these meetings and were absolutely surprised to see in one of their education fairs a high engineering degree that was being offered that we do not offer over here. They were very proud of it because they build engines for aircraft on the Isle of Man and would we be willing to send students over there? Then when they got to know about the nurses offering over here, could we ... and I said absolutely could we do that. Those discussions ... we were hoping to have those discussions prior to Christmas but we now have to wait until after the Guernsey situation.

The Deputy of St. John:

Can I just slightly play devil's advocate on that because you are talking about the co-operation and working tripartite on different islands?

The Minister for Education:

Yes.

The Deputy of St. John:

But going back to the loan scheme side of things, what appetite do you think, yourself and the Minister for Treasury and Resources or even the Council of Ministers would have if a loan scheme was to develop for Jersey students to share that with Guernsey and Isle of Man?

The Minister for Education:

It is a good point. I am right in saying, and, again, the Chief Officer might correct me, that the Isle of Man was changing their systems to some degree, piloting an idea with regard to loans or something but they were flying blind. Even in those discussions we realised that they were not very confident about what the situation would be. But going back to your point, I think all of these things we try to get to a point when we are recognising what is the best solution for this situation that we find ourselves in at the moment. I think if there were an opportunity to work between us, certainly from the close partnership we have developed even further now since the Brexit situation, I think there would be a hearing for that.

Chief Education Officer:

Yes, we have had some very brief conversations about that but the Isle of Man and Guernsey have the same experience as we do in that lots and lots of people saying: "You really ought to get a

scheme together and there should be no reason why you cannot.” But not providing the basis of a scheme and when they do provide the basis of a scheme it simply does not add up. It is either against our financial law or the money is not there. But certainly if one of the islands is able to crack this very difficult nut and somebody does come forward with a suggestion where we were able to develop a scheme, I am sure the other 2 islands would love to co-operate. But they have had the same experience, they have had lots of pressure on the Education Departments: “You really ought to have a scheme” but people not coming forward with practical worked-up affordable, sustainable suggestions. As I say, as an Education Department, we have looked and looked and looked and we have not come up with one ourselves. We would love to grab something if somebody came forward with something that worked. If any of the 3 islands came up with something, I am sure the other 2 would jump at the chance. But very brief conversations and none of us has got over the first step yet.

Deputy J.M. Maçon:

I wonder if I can just ask again, going back to you, the report that was produced and, of course, there is some modelling looking at student loans and how much the debt exposure could be to the States, et cetera, can I just ask: was that looking at students taking up £60,000 over a 3-year period? Is that where the figures come from when you were doing the calculations?

The Minister for Education:

There were 2 separate scenarios, was there not?

Director of Resources and School Support:

Yes, there are 2 separate; the biggest scenario was taking out the £9,000 fee, as it was then, the first £9,000 for maintenance costs.

[12:30]

Effectively, a student would need £18,000 a year for 4 years, so it is a 4-year course.

Chief Education Officer:

We also modelled it with just the fees.

Deputy J.M. Maçon:

There was not an approach to say: “We acknowledge we may not be able to fund the whole 3 years” but was there an approach to say perhaps: “We might be able to extend the loan scheme perhaps to only £20,000 per student” or something like that? Was that approach ever taken?

Chief Education Officer:

No, we certainly did not restrict it to not the whole course because I think to launch into a higher education course you would need the funding right through the whole programme. We just took those 2 scenarios and also we were quite clear that we took worst case scenarios, so that was maximum people taking the scheme, so that is the worst case scenario, those figures. We just took a very simple model, if all of the students who went to university decided to take a loan on the tuition costs it would cost X or it would be outwards of that being X and if they also took on the maintenance grants would be one, the actual reality would be somewhere between the 2.

Deputy J.M. Maçon:

That was going to be my next question, we know that there has been some criticism about the figures in the report and my question was, how realistic are the figures that have been produced?

Chief Education Officer:

They are models. Lots of people are critical that have not really come back with a better model. We could model in lots of different ways but we decided to illustrate the cost by taking those 2 scenarios. We could have chosen a dozen others. In the end you have to come down ...

The Deputy of St. John:

There is a specific model that keeps coming up and I think in various submissions or in workshops that I have heard in terms of the tuition fees are paid for through a loan, which is jointly paid for by the parents and the student, so it would start being paid back right at the beginning by the parents, then the maintenance grant is means tested, so that would be the States responsibility. Have you modelled for that type of scenario?

Chief Education Officer:

There are 101 scenarios and we have probably modelled 30 or 40 and so you will always come up with a scenario we have not modelled for because there are so many of them. In the report there are only so many scenarios you can put in otherwise it becomes a very long report. The point we are making in there is that whatever model you come up with, if you are going to lend young people enough money to make a difference, and to pick up on the point that Deputy Mézec was making, and make things accessible, then you have to have that and so they can make those choices you have to make quite a lot of money available. There is then a vulnerable debt that is out there and the States of Jersey has to manage. You can reduce that, the money, by restricting how much you lend and restricting who you lend it to. The point of that section of the report was simply to make the point we are talking about large sums of money.

The Deputy of St. John:

You are highlighting risks.

Chief Education Officer:

Yes, highlighting the risk but, as I say, you could put lots of different scenarios in and the report would be 1,000 pages if we modelled more.

Panel Adviser:

Sorry, just one quick point of clarification, the model of a full loan, those grants and maintenance, assume no public investment in higher education. The entire cost would be met by the student.

Chief Education Officer:

Yes.

Panel Adviser:

Right, so that is the absolutely worst case and ...

Chief Education Officer:

Exactly, worst case scenario, yes.

Deputy J.M. Maçon:

Thank you. I am just conscious of time, so I will get into our last question. Do you have another 5 minutes?

The Minister for Education:

Yes, of course.

Deputy J.M. Maçon:

Yes, okay, thank you. Again, it is looking at the Education Law, in particular section 5 from schedule 2, which looks at higher education and we just wonder whether it is the Minister's opinion that the Education Law is fit for purpose.

The Minister for Education:

I would have to refresh myself with that particular thing but I mean we are looking at the Education Law again, as we have done it in relation to how we build a business plan, the next business plan that we are doing. We are looking at the Education Law at this moment in time. It is under the ...

Deputy J.M. Maçon:

Okay, thank you. I suppose the point that we kind of want to get to is, again, looking at our P.51 - that should be R.51, quite a typo here - where it talks about higher education as optional. We also know that, in a sense, higher education funding has been seen as discretionary. Can we just confirm that at the moment what is meant by that is it is non-statutory?

The Minister for Education:

It is non-statutory, yes.

Deputy J.M. Maçon:

Yes, okay.

The Deputy of St. John:

Can I ask from overall, from the workshop we had last night there were some very poignant points made about adult education as well and post-graduate, there are issues with that as well because I think there are only 12 offers across the Island through our system that we currently have? I would just like your views, as Minister, as to in terms of going forward with the way that the world is moving, the changing of skills, diversification of economies, ageing population, all the issues that we are facing coming forward, the fundamental need with that higher education, whether you are already working or not, that support, does it need to be there now or can we wait another few years?

The Minister for Education:

Again, that is a good question. I think the transition from where we were to where we are now has been quite fast. We have been very fortunate in the new Director of Highlands who has wanted to get to do all of those kinds of things as a consideration. Equally, the joining together of Campus Jersey and beginning to explore and discuss because they had never met before as different sets of people, has really exacerbated that situation and made it much more reflective about it. We took on the responsibility and I think it has been reflected, the sort of times it has been mentioned, that, as a Government, 1,001 Days, so we are pushing our educational concepts right down to the point of conception. I have always said that the important thing that I would like to do is for the populace to have more access or greater access to higher education, although the access to greater learning up until the point of death, if that is what is necessary. I have seen so many great examples of it and it is something we have progressed through the library and various other opportunities, hence the one element that is fresh in everybody's minds is the Eagle Lab. We will come up with as many kind of concepts as we can with that. In fact quite often people will ask us, why have you gone away to China and all of these kind of places to learn? What is the point of those journeys? It is to learn from them. I remember sitting with the Minister for Education in Shanghai and he was giving us a complete rundown of all the things they were doing there and he put in this very small thing that asked him to go back and amplify. One of the things that we have learnt as educationalists that to

really substantiate learning, if you teach you underline that learning. What he was getting his students to do was to teach retirees for G.C.S.E.s and qualifications. It was a fantastic thing, so through libraries in various places in China they are asking their students to reinforce their own learning through the examinations that they have to take to teach other people. That sort of thing is very illustrative of where we would like to go to use some sort of creative thing. The full answer to your question is I would love to expand and make sure that everybody on this Island, whether they are students or people who are trying to access adult education, have every opportunity to do that.

The Deputy of St. John:

Just, finally, on that point, in terms of the post-graduate side of things we have heard that there is more of a demand from businesses in particular for Masters degrees, postgraduate degrees and all those types of things and that the funding or the support that we have is wholly insufficient for the demand that is being placed on the students. What have you got to say about the postgraduate system?

The Minister for Education:

I can send you a letter that I got just before Christmas from a postgrad student who has gone all the way through receiving grants from ourselves in higher education, to the point when he came to us on appeal to look for funding for his M.A. (Master of Arts); he has now got that. He has done extremely well and he is now looking for a PhD in Harvard and I will pass on that letter to you. That reflected something that I was not expecting and said: "Thank you very much, you have done an extremely good job." We are addressing it where we can. It is not a large number, I think, with regard to it. I have had discussions with my finance officer in relation to this because we have some fine people coming through and it is right across the board who are looking to expand their knowledge in that area and we want to support them.

Deputy J.M. Maçon:

Any other questions? No, okay. One final question from me then, again, looking at the report R.51 that describes higher education as optional, I will give you a second and ask for your view in that, the way that the job market is going, the rate that the technology is going, higher education is becoming less and less of an option and more and more of a requirement, do you see that?

The Minister for Education:

I see it in different areas. Like I said earlier, I think there are much greater discussions being had now about what education represents in the first place and then what higher education represents. I think there is a very valid case, which I think has been made by the Professor in his report, that any student that goes away and goes on a degree course is going to come back and have better income and a better understanding and is going to help, as you have described before, the economic

benefits of the Island. I think we are, as a department, focused on making sure that we remove as many barriers as possible and try to get as many students where we can into the situation where their learning can expand and they come back to this Island of real benefit. That investment is inherently always in our minds.

Deputy J.M. Maçon:

Thank you. Winding this hearing to the end, as always just to give you an opportunity if there is anything you think we have missed, anything that you would like to say on this subject, just to give you that opportunity now.

The Minister for Education:

I do not think so, I think we have covered everything.

Deputy J.M. Maçon:

Okay, brilliant. In which case I should like to bring this hearing to a close. Many thanks for the interest from the media and the public. As part of our protocols I ask that they clear the room.

[12:41]