

STATES OF JERSEY

Education and Home Affairs Scrutiny Panel Student Finance Review

MONDAY, 16th October 2017

Panel:

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

Deputy L.M.C. Doublet of St. Saviour

Witnesses:

The Chief Minister

The Minister for Education

Director, Education Department

Director of Treasury Operations and Investments

[14:06]

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

Good afternoon. Welcome to this hearing of the Education and Home Affairs Scrutiny Panel. As it is to do with student finance, I am the lead member for this review. I am Deputy Jeremy Maçon of St. Saviour and with me we have ...

Deputy L.M.C. Doublet of St. Saviour:

Deputy Louise Doublet also of St. Saviour.

Deputy J.M. Maçon:

And our Scrutiny Officer ...

Scrutiny Officer:

Caro Tomlinson.

Deputy J.M. Maçon:

Just for the record, Deputy Vallois and Deputy Mézec cannot be with us today as they are attending another conference today. Just for the record, if I could ask the Chief Minister's team to introduce themselves.

The Chief Minister:

I am Ian Gorst, the Chief Minister. Just before I introduce the others, Deputy Bryans and I unfortunately need to leave at 3.00 p.m. to return to the same conference that your 2 members are at this afternoon, so we thank you for your understanding.

The Minister for Education:

Deputy Rob Bryans, the Minister for Education.

Director, Education Department:

Justin Donovan, Chief Education Officer. My apologies, I have got to get to the airport to catch a flight which means ... I think we are due to finish at 3.30 p.m. I have to leave to get to the airport. You might not find us sufficiently interesting, of course, but if you do, it is not that I am on the run. I am cutting it fine already to catch the flight.

Director of Treasury Operations and Investments:

Simon Hayward, Director of Treasury Operations.

Deputy J.M. Maçon:

Thank you. Unfortunately we do not have quite the health warning that we usually have in front of us but I believe you have all been in front of Scrutiny before. Are you all happy to proceed in that manner? I will take a nod of heads as an affirmation. Jolly good. Right, then we shall crack on. I wonder if the Chief Minister could update us on the progress made by the Student Finance Subcommittee of the Council of Ministers. What is the progress that has been made?

The Chief Minister:

I will do that but I just want to say at the start a lot of the issues being addressed are obviously Education and Treasury focused issues. We set up the ministerial sub-committee just to make sure that there was co-ordination across departments. My role in a way is just ensuring that co-ordination is taking place, and that co-ordination is taking place so it will be of more value for those 2 departments' representatives to talk to the detail. We are at the point, however, of very shortly ... the Minister for Treasury very helpfully said, in answer to questions in the States, that he would have

proposals brought alongside the budget and that is still the intention. I was updated last week on Monday on the 5 proposals that we are doing more detailed work on so that they can be published and consulted on in a timely manner. It will not surprise you to know that the options that will probably come forward in that consultation as preferred options all involve a type of student loan.

Deputy J.M. Maçon:

Thank you. When you say alongside the budget, do you mean lodged at the same sitting as the budget?

The Chief Minister:

I do not think it will be at the same sitting but it will be there on the table so States Members know what is included.

Deputy J.M. Maçon:

Thank you. Education Minister, is there anything you would like to add?

The Minister for Education:

No. I think the Chief Minister's answer covered it. We went through ... I think people are up to speed on ... sorry, I am sucking a throat lozenge as I speak so it sounds a bit strange. We went through a series of different meetings about the aspects of the loan and the concerns about it. We then passed our thoughts to Treasury, which was 9 options at that point in time. The Treasury had one of their own so that increased the figure to 10. During those discussions we have had ongoing, we reduced that down, as the Chief Minister said, to about 5 and there are 2 within those 5 that we are beginning to focus on, so that sort of articulates where we are.

Deputy J.M. Maçon:

Thank you. Louise?

Deputy L.M.C. Doublet:

So there is 5 options and each of them involve loans?

The Chief Minister:

Not all of them because one of the other options that we will keep on the table for consultation is to, in effect, continue with the same scheme but you would require more money. We would have to find from budget more money into the grant system, but you will understand when you look at it and you will know from the detailed work that you have done that although that is an option and it should be consulted upon, to my mind it would not seem to solve the problem that we are trying to address.

Deputy L.M.C. Doublet:

Can you explain in plain terms for the public how either of these options allow families to meet the cost of sending their children to university?

The Chief Minister:

Well, we are still doing modelling about numbers, because what we are trying to do is say if we have got these schemes in place what we hope for is that more people will take up places at university. Trying to model that is quite difficult because what we have seen, and Education will have these numbers, over the last 2 years, I think, is that they have not spent the budget allocated for higher education. One of the reasons is because the fees did not increase in the way that they had been initially projected or forecast and, secondly, fewer people have been taking up the scheme. The challenge that we are just looking at now is how many more people are going to do it, take up the scheme, if we provide a loan scheme on top of what is currently provided for and that is the detail we really are working through. We think that a scheme would need to ... or people need to be able to provide for their fees. We think that the current grant scheme works reasonably well for low income families. Again, it is always those just above that loan scheme and it is looking at a loan scheme to deal with that, one option. Another is to look at a loan for everything. There are some issues that we need to consider about fairness around that particular option as well, but what we are largely trying to do is come forward with a scheme that means that the difficult affordability issues are addressed at the time that people are making a choice to go to university. Of course there are then issues about with a loan scheme how do you pay that back over the medium term.

Deputy L.M.C. Doublet:

Chief Minister, are you confident that there is an option in there that will satisfy the needs of the middle income families? You spoke about the low income. Are you confident that there is something in there that will enable those children from middle income families to go to university?

The Chief Minister:

I am.

Deputy J.M. Maçon:

Thank you. Can I just ask, when you have been doing the modelling, has a distributional analysis been undertaken and, if so, what were the outcomes?

The Chief Minister:

The Treasury are doing that modelling together with the Education figures now. I do not think that there has been a distributional analysis at this point. However, I do know from talking to the

Treasurer that it is those distributional issues that have been in the forefront of his mind. Simon, I do not know if you want to say a little more.

Director of Treasury Operations and Investments:

Yes, I think that is fair. At the moment we have data on how the grant scheme is distributed across the population but I think, as the Chief Minister says, that is something that is at the forefront of our minds in terms of how do we make this distribute fairly across all elements of the population.

Deputy J.M. Maçon:

Therefore, when you go out to consultation will that be included within the background papers?

Director of Treasury Operations and Investments:

Yes.

Deputy J.M. Maçon:

Thank you.

Deputy L.M.C. Doublet:

Just to be clear on the grant, is it possible that there are some who are currently eligible for a grant that when you have revised the scheme will no longer be able to receive a grant?

[14:15]

The Chief Minister:

It depends which of the options you go for. With one of the options that is part of that option but there are other options, as I have just described, which are the loan scheme that maintains the current grant system in place because that is addressing Deputy Maçon's point about distributional income.

Deputy J.M. Maçon:

It depends whether you go for a hybrid model or you go for a pure model, yes.

The Chief Minister:

Yes.

Deputy L.M.C. Doublet:

How likely is it that will happen in terms of have you prioritised those options?

The Chief Minister:

I have an idea of what my preferred option will be but it would not be right for me to ... without them having done the extra modelling work, to be able to tell me and Education how much extra money will be required in the scheme before I am able to make that final choice and ultimately it will be a choice for all the States Members to make.

The Minister for Education:

It is that consideration of fairness that has been the most taxing part of this. The 2 things that have proved most difficult with Treasury in particular was the difference in numbers and articulating that concept. The numbers that we had provided as a department and the numbers you had provided through your scrutiny report were different to some extent so we had to get that right. But also we wanted to maintain the fairness in terms of making sure that we covered the most vulnerable members of our society in the way that we do at the moment but then to address that issue that you both talked about, which is making sure that the middle earners have got some provision in.

Director, Education Department:

If it is helpful, because I know you want to talk with the politicians, but we have taken the 9 or 10 possibilities and done a lot of work involving them. So we took 4 ... we analysed each of those 10 options using 4 basic criteria. The first one is about affordability both to the States of Jersey but also to the individuals involved. The second one is, as your point, Deputy Maçon, about fairness to the taxpayer and looking at the tax system. The third one was the extent to which we would increase the debt of individuals and, therefore, connected to that, the risk of default. The fourth one was how effective we think the schemes would be to encourage further take-up. There are a lot of other considerations as well but we thought if we could come up with a scheme which is affordable for both the individuals and the taxpayers, which does not rack up too much debt, which is fair and also encourages take-up, we will end up with a model that works. We have gone from 10 to 5 and we think we will end up consulting on 2 but we are still doing that work as we speak.

Deputy L.M.C. Doublet:

Chief Minister, what is the proposed timescale for the introduction of any of these new schemes?

The Chief Minister:

I think as we have said in the Assembly that I have been working on the assumption that it would be available for students and families, and you may want to look at it, for the intake next September.

Deputy L.M.C. Doublet:

Next September. Originally I think the understanding was that when the budget was introduced there would be options alongside, so now we are being told it will be introduced on the day the budget is debated. Is that correct?

The Chief Minister:

No, I do not think that is the timescale. I think they are hoping that the paper for consultation will be published in advance of the budget debate.

Deputy L.M.C. Doublet:

In advance, okay. Is there a reason for the delay?

The Chief Minister:

Well, I think Treasury have been busy preparing for the budget. I know that they have been concentrating on health and social services issues and Simon has now taken on the remit with the Treasurer of doing the modelling post the launching of the budget so that now this is your priority work, I think.

Director of Treasury Operations and Investments:

Yes, and it is just the complexity of that modelling, taking into account all the criteria that the Director for Education has just talked about is challenging. Also not only that but as well as making it available to those who are going to university next September, making the scheme available to those who are already at university but perhaps in their second year or their third year to come back to that element of fairness.

Deputy J.M. Maçon:

Can I just ask because, Chief Minister, you will know that in January you then have the beginning of the U.C.A.S. (Universities and Colleges Admissions Service) applications for students, so obviously for students to know whether they can finance it or not and go through that application process they kind of need to know by then. If you are looking at the consultation paper being lodged and something being done after that, it is not going to marry up, is it?

The Chief Minister:

Education will tell us more about it from an education perspective. My view is, as I said right at the start, that the scheme that will come forward will involve some type of loan and I think that members of the public and those that wish to think about their applications, if they are still making them in January ... of course we know that you do not know until you have got your grades and the places are not accepted until later in the year and at that point in the year the decision should be made so

that the individuals and families can act with confidence. But I am of the view that there will be a loan scheme in the future. It is quite which elements that covers, as we said earlier.

Director, Education Department:

We think we can make the consultation pretty swift. We have had a number of public meetings, as have you, and we are very clear what people's views are, so we think before Christmas we should be able to come back to people and say: "This is the scheme we are going for."

Deputy J.M. Maçon:

Thank you. Again, with any of these schemes, if they do require more money in order to support them, is there capacity or scope within the current allocation to be able to do that?

Director of Treasury Operations and Investments:

I think that is part of the modelling to understand whatever the most appropriate scheme is, does it fit within the current budget or do we need to find additional funding to support it. I think, as the Chief Minister said, that will be a decision ultimately for States Members.

Deputy J.M. Maçon:

You have talked about the consultation process. Can you explain what engagement scrutiny will have in terms of reviewing the new funding options? I imagine if it is Treasury, it might be Corporate Services.

The Chief Minister:

I think it should be, with the greatest respect, Chairman, your panel. You did the initial work. You are continuing that work, rightly, and holding us to account, so I would expect that it should fall fairly within your remit.

Deputy L.M.C. Doublet:

Regardless of what ...

The Chief Minister:

I shall leave you to deal with that with the Chairmen's Committee. We did discuss the timing of when we could provide papers. What we had in mind was before we go to consultation with the final options that we can afford, that meet the criteria, and we are confident that we are almost there, literally a few weeks, I think that will be complete. We will brief this scrutiny committee before we release those papers, maybe on the rise of this meeting get that in the diary. We find it is always helpful for us as well. If we have got to have something done by a certain date it does mean we get a wriggle on now and again.

Deputy J.M. Maçon:

Thank you. We shall liaise. Can I ask what progress has been made with regards to phasing out the higher child allowance as accepted by the Minister in response to the panel's report to the Minister for Treasury?

The Chief Minister:

Yes. Unfortunately you did not invite the Minister for Treasury. I am not quite sure why but his official can answer I think.

Deputy J.M. Maçon:

I think it was for you as the lead member of the sub-group, so I do hope no one feels snubbed. It was not the case at all.

Director of Treasury Operations and Investments:

I think it comes back to that question around affordability, so when we are modelling the schemes we are trying to understand the total cost and if the cost of the best available scheme is greater than the current budget then there are other options available like, for example, phasing out the higher tax allowance to help contribute to a new scheme.

Deputy J.M. Maçon:

Has the Treasury Department considered and actively looked into phasing out this particular allowance at this stage?

Director of Treasury Operations and Investments:

The Treasury Department are well aware of the contribution that that allowance would allow us to add to any new scheme and, to be fair, I think the Minister for Treasury and Resources in principle accepted the phasing out of that allowance when he responded to your previous report so you should expect that thinking to continue.

The Chief Minister:

Because it allows for ultimately a greater monetary budget to be put into such a scheme because the more money you can put in reduces the overall exposure of the big loan from the public to students.

Deputy L.M.C. Doublet:

Chief Minister, can you outline what consideration, if any, has been given to extending Article 21, part 3 of the Public Finances (Jersey) Law to allow for the underwriting of any potential student loan scheme?

The Chief Minister:

I am sure they are considering all of the issues that you raised in your very helpful report but Simon will tell us what consideration.

Deputy L.M.C. Doublet:

This might aid you. It has been raised in the Chamber with regards to the future hospital funding.

The Chief Minister:

Yes, it is the limits around the lending. We have not restricted ourselves, just as we did not restrict ourselves in thinking about lending for the hospital by that article. We are legislators and to deliver on policy aims we should appropriately think about changing legislation, so we have not used that to restrict our thinking.

Deputy L.M.C. Doublet:

Is it quite possible that part of the law needs to be amended to accommodate your loan scheme?

The Chief Minister:

It is, yes, although I will just slightly add an accountant's perspective, which you will find odd. If we work with a private organisation to support the lending and you are lending money to students and their families, there is an argument that says your balance sheet shows that as an asset. I discussed this with them at the last committee meeting and they were going to go away and just think about that because then that money - if that is an appropriate accounting treatment and the auditors would need to verify that - we would not then need to deal with that, change that article.

Deputy L.M.C. Doublet:

But you are prepared to do so if necessary?

The Chief Minister:

But we are prepared to do so if need be.

Deputy L.M.C. Doublet:

Chief Minister again, please. Have any political level talks been held with the U.K. (United Kingdom) in relation to any blocks to Jersey students?

The Chief Minister:

The Department of External Relations have communicated with the Universities Minister - so I should just say yes - and at the Conservative Party conference an official from the London office briefly met with the Universities Minister to try and arrange a meeting in the near future to give further consideration to these matters and also to think about any implications when it comes to Brexit to higher education funding. But we do just need to remember that the vast majority of institutions in the U.K. do treat us as "home students" I think is the correct term. It is those handful that do not and some of those are at the higher end of academic achievement in the U.K. that have the foreign student fees and it is that conversation that is being pursued.

Deputy L.M.C. Doublet:

Just to clarify, officers from our External Relations Department have spoken to a U.K. Minister?

The Chief Minister:

The U.K. Universities Minister. These issues fall within his portfolio. Obviously Jersey Ministers have corresponded by letter to the U.K. Minister.

Deputy L.M.C. Doublet:

Are there talks being arranged?

The Chief Minister:

Yes.

Deputy L.M.C. Doublet:

With which Minister from Jersey?

The Chief Minister:

It will be, I think, the Minister for External Relations who is going to lead on it.

The Minister for Education:

Sorry, can I just clarify, Deputy? Are you talking about getting into the loan scheme or are you talking about ...

Deputy L.M.C. Doublet:

About accessing U.K. loans.

The Chief Minister:

Sorry, I am talking about a different issue. I am talking about the overall fees that are charged to Jersey students.

Deputy L.M.C. Doublet:

Well, actually anything.

Director, Education Department:

On that particular point, there are only 2 universities left, Imperial and Cambridge.

Deputy L.M.C. Doublet:

What was the first, sorry?

Director, Education Department:

Imperial College and Cambridge are the only 2 universities left that treat us as overseas students.

[14:30]

The Minister for Education:

We are envisaging a meeting with Cambridge to rectify that.

Director, Education Department:

We met with the Isle of Man the week before last with 3 chief officers and 3 ministers of the Islands.

Deputy L.M.C. Doublet:

Regarding Cambridge?

Director, Education Department:

About Cambridge, not the student loan scheme. They are 2 separate issues.

Deputy L.M.C. Doublet:

Okay. Minister, you said you were envisaging talks with Cambridge. How far are you along that?

The Minister for Education:

That was one of the reasons to go to the meeting with the Isle of Man. We wanted them to verify that they were aligned with us in terms of what we are trying to do and the answer was yes, so we are all going to go over together to talk to Cambridge.

Deputy L.M.C. Doublet:

Okay. So your staff will be attending those?

The Minister for Education:

Yes.

Deputy J.M. Maçon:

We are just going to take a pause here but move on to our section on postgraduate funding as we appreciate the ...

Director, Education Department:

I am okay until 3.30 p.m.

Deputy L.M.C. Doublet:

It was the Chief Minister and the Minister for Education who need to go at 3.00 p.m.

Deputy J.M. Maçon:

I have got my times completely wrong. We will carry on where we are. You have touched briefly about the consultation process that you intend to have with the public but, again just for the record, what timeframe were you envisaging for that?

Director, Education Department:

Next month, November.

Deputy J.M. Maçon:

To conclude the beginning of December?

Director, Education Department:

Yes. We want to complete it before Christmas for the very reason you pointed out. People need to go away at Christmas with a firm understanding of where we think we are going to be in the new financial year.

Deputy J.M. Maçon:

As you will need then to get the views of students who may not be on Island, will the department be looking to do that?

Director, Education Department:

We were going to focus on the students who are here. I think we just need to focus on them. The fact that we are going to extend the scheme to students who are already away at university is

something we have added to the scheme quite recently. Originally we were going to start from scratch but we think the options that we are likely to come up with could be applied to students that are partway through a degree.

Deputy J.M. Maçon:

In which case would it not be sensible to involve them in the consultation process?

Director, Education Department:

Well, that means it will take longer. We are quite keen to get something out into the public quite soon because it has gone on for a long time.

The Minister for Education:

The problem is obviously Christmas holidays and everything that relates to that, the fact that when they come back they come back at different times. So we are just aware of that fact and that is the way we have focused on it.

Deputy J.M. Maçon:

Thank you.

Deputy L.M.C. Doublet:

Chief Minister, during its work has the Student Finance Sub-committee taken into account the implications of income support when addressing funding options?

The Chief Minister:

I do not think that Treasury has directly considered that.

Deputy J.M. Maçon:

When we did our review we had submissions that when income support was analysing fees coming in from that grant scheme, if it affected the benefit system of individuals it might have dissuaded them from pursuing university, which is why in the report we made that recommendation. Is there still scope at this time to bring in opportunities from Social Security to contribute?

The Chief Minister:

There is, because it is a slightly ... it is a rightly made point if people are then ... if it is then being treated as income and they are then struggling otherwise, so I think it is right that it is looked at. I do not think it directly will affect one way or the other the type of scheme that we put in place in the future.

Deputy J.M. Maçon:

But can I have an undertaking from you that you will bring in ...

The Chief Minister:

Yes, because is a loan, is it classed as income, but we will go back and make sure that it does not fall through the net for consideration.

Deputy J.M. Maçon:

Thank you. Chief Minister, you will be aware that obviously we know a local firm, Cherry Godfrey, has produced their form of a student loan. Have you been able to give any assessment or thoughts on the particular scheme they are advancing?

The Minister for Education:

Can I answer that on behalf of the Chief Minister? We have had a meeting with Cherry Godfrey and the issue has been raised by a colleague behind me who is a union representative. Cherry Godfrey is a private sector group of lenders. It does not have a relationship with us in that sort of context. I believe they have been doing some lending previously in Guernsey. They passed us some information for it but it is not something that we have taken on board in relationship to what we are doing with the offer that we are putting together, so it is a completely separate issue. It is a private sector company.

Deputy J.M. Maçon:

In which case it will not stop you from progressing the options you are going to be putting forward?

The Minister for Education:

No.

The Chief Minister:

Perhaps it is important for us to say it is a market initiative, so if families and students are thinking of availing themselves of it, as we would with any financial product, we would encourage them to take appropriate advice not only from the firm providing the product but also independent advice as well, and I think that is quite important.

Deputy J.M. Maçon:

Yes, thank you. Can I ask a bigger question to the Chief Minister as to why the issue of how Jersey students are financed has been unaddressed for so long?

The Chief Minister:

It is a good question and I do not think there is really a good answer to it. It has taken longer than it probably ought to have done to recognise that for some families it was a real problem and they were making decisions that were not necessarily in the best interest of the young people in those families. As is often the case, one hears about a problem. It is easier to say it is only a small cohort, it is only an individual case, rather than looking at a wider cross-section of the community and it is only as we have looked wider that we have recognised that there really is an issue that needs to be addressed.

The Minister for Education:

Can I also add to that that when the Chief Minister offered me the role of Minister for Education, the discussions that we had were in relation to the principles he was putting forward as a new government where education would be one of the top priorities and higher education funding would be a top priority for myself. Those discussions began to coalesce around this subject matter, so what you have seen over the last few years has been us really focusing on resolving that issue.

Deputy J.M. Maçon:

Higher education funding was not specifically addressed in the strategic plan, was it?

The Minister for Education:

No. It has been always something in the background because of the complexity of it and because we had something that was effectively working to some extent, but we have drawn through various discussions and the announcement of the sub-group and we have got to this point now.

The Chief Minister:

Do not be shy, Chairman. Your good report has helped stimulate some of that discussion as well.

Deputy J.M. Maçon:

Yes, I would certainly put a lot of praise on one Deputy Maçon in the political spectrum. Anyway, thank you for that.

Deputy L.M.C. Doublet:

We will move on to postgraduate funding now. Chief Minister, do you feel it is appropriate that there are no regulated guidelines currently in place in relation to postgraduate funding?

The Chief Minister:

We have not been looking at postgraduate funding in the sub-group, so I will say that clearly upfront and I will ask the Minister for Education to talk about postgraduate funding.

Deputy L.M.C. Doublet:

Could we just have an answer on your views on whether you think it is appropriate there are no regulated guidelines available? It is a point-of-view question.

The Chief Minister:

Well, what would those regulated guidelines be, what would they provide that is not currently provided? They would be the questions that I would ask in that regard. Having said that, I understand that the Education Department are considering these issues and reviewing them but, as I say, it is not currently part of the sub-committee's work.

The Minister for Education:

It is probably worth me mentioning that I sat in, and as an Assistant Minister, all of appeals related to the postgraduate funding and it is under review. I have asked for a review of it because I think we do need guidelines. We set up guidelines for other things over the last few years and I think this definitely needs a revisit.

Deputy L.M.C. Doublet:

Could I ask when you came to that decision, please, Minister, that a review was needed?

The Minister for Education:

I came to that decision a couple of years ago. In terms of the process of what we had on our agenda it would have been too much for the department at that point to take on board but now we have got the space and the capacity to deal with it.

Deputy L.M.C. Doublet:

When will that commence, please?

The Minister for Education:

I think it has already commenced.

Director, Education Department:

It has just started.

Deputy L.M.C. Doublet:

It is underway.

Deputy J.M. Maçon:

I think in writing, given time, we will get more details about that from you, please.

The Minister for Education:

That is fine.

Deputy J.M. Maçon:

Has the Comptroller and Auditor General ever looked at this particular area of postgraduate funding, that you are aware of?

The Minister for Education:

I do not think so, no.

Deputy J.M. Maçon:

Thank you. Digging down into the detail a bit, what are the criteria behind the decision that some courses qualify for postgraduate funding and some not?

The Minister for Education:

They have to have a 2-1 to start with. I was asked a question in the States as to why one individual of the ones that we reviewed was not able to receive the funding. At the very point - I think I mentioned it - we were listening to his appeal we were made aware that he had only received a 2-2 and therefore he could not receive this postgraduate funding. The criterion is basically that they had to have a 2-1. They then make an appeal to ... we have a fund of around £100,000 and there is the concept of around 10 students being accepted for that. There is a differential that is quite complex and one of the reasons I have asked for the review is I do not like the complexity that you have funding that relates to previous decisions that have been made. Some students will have funding that goes on for 2 or 3 years; others, if they are doctors or vets or something, can have funding that goes on for 3 or 4 years and eats into that £100,000. I asked last year or the year before last for that to be removed as an issue. Again it is a matter of resource and it is a matter of funding for Treasury, but that is the basic outline and the basic concept.

Deputy J.M. Maçon:

There is also a discrepancy between the type of courses that people want to take. For example, engineering is not given the same weight as legal practice, from what I understand.

The Minister for Education:

That is not strictly true and in fact sometimes there is pressure that appears from ... the panel is made up of myself, an educational expert and an independent and we look at everybody. I think I have mentioned it before but going back through my mind over the last 10 we had something like a volcanologist, an animator, a veterinary surgeon, physiotherapy-type courses. They have been right across the board and there has not been any credence or differential put on particular aspects.

Deputy L.M.C. Doublet:

Can I just clarify something, Minister? You said there is £100,000. Is that allocated to funding postgraduate courses every year?

The Minister for Education:

Yes.

Deputy L.M.C. Doublet:

You said there are some courses that require ongoing funding and that you were going to remove that obstacle as an issue. I was not quite sure what you meant by that.

The Minister for Education:

Basically, for instance if you went back a couple of years and the £100,000 was then ... what you are trying to do is give ... it would be very simple if we said to each student: "Here is £10,000. Just go off and that is it. We are done in terms of the concept of what we do." Most of the time the way it is paid out is the student will receive an amount over a period of time, so if they are on a 2 or 3-year course that £10,000 could be divided up into £3,000 slots or whatever would be necessary. But sometimes that has then gone ... so a student has gone on further than the 2 or 3 years and that funding has eaten into the next year's funding.

Deputy L.M.C. Doublet:

Would you be giving students the funding as a lump sum? Is that what you mean?

The Minister for Education:

No. Well, it has been done but generally the way it is portioned out is depending upon the courses. I can give you detail on it so you have got ...

Deputy L.M.C. Doublet:

Yes, please.

The Minister for Education:

Not a problem.

Deputy J.M. Maçon:

Thank you.

Director, Education Department:

It might be worth saying this conversation has set out why we need some guidelines. It is public money so we need to tighten it up.

Deputy J.M. Maçon:

Not only that, I think for students wanting to apply it is helpful to know where things are.

Director, Education Department:

Frankly, our default position is to try and say yes to just about everybody. We do want people to go away and study but we do need some guidelines.

Deputy L.M.C. Doublet:

Minister for Education, please: are all applications for the Jersey bursary put forward to the panel?

The Minister for Education:

Yes. Not to the panel. It goes before the higher education funding group and what they do is they begin to shortlist it, as it were, because they are the ones that have the expertise and there are certain areas that they can pluck people out and say: "This is not acceptable" or whatever. So by the times it gets to us ... I think last year we prospectively were looking at something like a number of about 13 or something but on the day we got down to about 10.

Deputy L.M.C. Doublet:

That filtering criterion that you speak of, will that be made publicly available in these guidelines?

[14:45]

The Minister for Education:

Again, I can get you information relating to that from the ...

Deputy L.M.C. Doublet:

Will it be available for the public to view?

The Minister for Education:

Yes, it is.

Deputy L.M.C. Doublet:

It is already?

The Minister for Education:

It is, yes.

Deputy L.M.C. Doublet:

Where can the public view that, please?

The Minister for Education:

Well, they just contact the higher education people.

Deputy J.M. Maçon:

Has any research been done as to why the number of applications for postgraduate bursaries has been declining from 2009, from 31 down to 21?

The Minister for Education:

From what to what, sorry?

Deputy J.M. Maçon:

In 2009 there were 31 applications whereas now it is down to 21 applications.

Director, Education Department:

It does vary. They are relatively small numbers and they do tend to go up and down. There has been an overall downward trend though but we have not done any research into that.

Deputy J.M. Maçon:

In reviewing the system, will you be doing that type of work?

The Minister for Education:

That is part of the review.

Deputy J.M. Maçon:

Thank you. Can I ask just in general how are postgraduate bursaries advertised so that people know they are available?

The Minister for Education:

I think we have got some information on the web, I believe. Equally, again what happens is that the students usually approach us and they contact the higher education funding people.

Director, Education Department:

In terms of the higher education activity, it is a relatively small part of what we do, so we do not advertise as well as we perhaps should. We do not actively proactively go out and sell it. I think if we did we might have to increase the budget.

Deputy L.M.C. Doublet:

An honest answer.

Deputy J.M. Maçon:

It would be interesting to know what the demand was then, yes.

Director, Education Department:

It has not been a very high priority for us, to be frank.

Deputy J.M. Maçon:

Will any new funding scheme include postgraduate funding available to all students? Is the scheme just restricted to first degrees or will it go forward?

The Minister for Education:

Yes, it is restricted to undergraduates but we have got the postgraduate under review.

Deputy J.M. Maçon:

When is that review likely to be completed?

Director, Education Department:

I think we have asked them to get back to us by half term after Christmas, so there is about a term's work to do.

Deputy J.M. Maçon:

Then that will be published?

Director, Education Department:

Well, we tend to publish all of our documents. We put everything up on the website so there is no reason why not.

The Minister for Education:

I think we said to you before, certainly what I have tried to do, apart from going back, as the Chief Officer said, to simplify the situation down, is also to make sure that it is transparent and more people

get to know about it. As the Chief Officer has already said, our job is to get as many students through these procedures as we possibly can.

Director, Education Department:

When we brief on the loan scheme, we could then carry out a review and give an update of where we have got to and what we are doing in that same meeting.

Deputy J.M. Maçon:

Thank you.

Deputy L.M.C. Doublet:

I am just wondering about the impact on students from varying backgrounds, some who may be aware that this financing is available, and there does not appear to be much on the website. Chief Minister, how do you think this has affected the makeup of our society over a number of years?

The Chief Minister:

Well, I think we have just heard from the Education Department that they have not done a review to understand why there has been a decline but the reviews that they are undertaking, it would appear to me, will be very helpful in asking some of those questions, who knows about it, how do they know about it, and even asking the question if it had been more widely known about would that have changed people's decisions. I know of individuals here personally who have got funding from other sources to go and do postgraduate courses. So I think it is a good question for us to ask but retrofitting it and asking that question there is probably not an answer to it. We need to think about what are the standards and educational qualifications and levels we want our young people to reach into the future.

The Minister for Education:

I think it is also true to say that when students have been through the procedure of dealing with our department, in particular to do with higher education funding, they have a concept, particularly if they are going on to postgraduate, of where to go to ask those questions.

Deputy J.M. Maçon:

Looking at the report and the response of the Minister, the report identified that Jersey spends less in terms of G.D.P. (gross domestic product) on tertiary education than the rest of the O.E.C.D. (Organisation for Economic Co-operation and Development) countries. The Minister responded to this by saying that G.D.P. is only one measure and looking at it alone could create a misleading impression. Then can I ask: can the Minister explain the reasons for his response and what else should be taken into account?

The Minister for Education:

Sorry, I do not know who you are asking that of.

The Chief Minister:

It is the Minister for Treasury's response. We know, do we not, that the makeup of our economy is influenced greatly by financial services, so if we were going to do a fair comparison we would not just take the O.E.C.D. standard in that regard of G.D.P. because our economy is made up in a different way. This is why the question of access for us is a really important one and when you have looked at this in your report and the information coming out of the department, because we have an economy which is different to others that we might compare ourselves to, it does not tell us that much useful information, but the question about access does give us very useful information for us to make changes.

Deputy J.M. Maçon:

But in our report we look at both G.D.P. and G.V.A. (gross value added) and on both measures it shows that education was under-invested.

The Chief Minister:

Yes, but G.D.P. and G.V.A. are not dissimilar. There is just a slightly different calculation to get from one to the other but G.V.A. does not take out the effect of influences on our economy. It just takes out one small element of it.

Deputy L.M.C. Doublet:

Are you saying that we are spending comparable amounts to the rest of the O.E.C.D. countries?

The Chief Minister:

No, not at all. I am saying that the makeup of our economy is different from the others that we are compared to, which is why for us the question that you have raised and the question that the department are looking at is about access. Are all those who want to access in this instance university education doing so and, if they are not, what can we do to enable them to do so?

Deputy L.M.C. Doublet:

Minister, do you feel that we are investing sufficiently in education?

The Chief Minister:

Do I think that people who want to access university education are doing that, all of them? The answer to that is no and that is why your report says that we should look at other ways to support

that access. That is why Education and Treasury Departments are doing just that. We had an argument, did we not, about the money for education, setting aside the point that this particular review is looking at with the larger scrutiny panel about how much extra money we have put into education over the term of the M.T.F.P. (Medium Term Financial Plan). We did not agree on that. The question I would rather ask going forward is: do I think we are going to have to spend even more on education into the future and in the next M.T.F.P.? The answer to that is, yes, I do, not only on this particular issue but as we see ... we have always known that our natural resource is our people and them being appropriately skilled and educated is really important to our future as a community. The work that the Minister, together with the Education Director, has done I think is first class but I think they would be the first to recognise it is a procession of steps. They have been making those first steps, with the extra money that they have had, but I think they know as well, and I am sure I have had conversations with them in the past, this is just the first steps to improving our education system and providing the very best that we can. Making future steps is going to cost more.

Deputy J.M. Maçon:

That leads us nicely on to the next question.

The Chief Minister:

Music to my ears.

Deputy L.M.C. Doublet:

Chief Minister, but the Minister for Education may wish to chip in, the demand for a graduate workforce is increasing and the number of Jersey students going to university is declining. What plans are there to address this issue in the long term and ensure that the needs of local businesses are met?

The Chief Minister:

The Minister for Education, of course, is best suited to answer this and has said on a number of occasions the different strands of work that they are following in order to do that.

The Minister for Education:

Yes, and I think it was tweeted last week by the head of Digital Jersey that the Minister for Education must have had a really good week last week. He was absolutely right in terms of what we saw was Highlands College with the University College of Jersey with its graduation ceremony at Wesley Grove was fantastic and I think we have a record number of students graduating through that now. The increase of students into that area has been particularly welcome, particularly because it is in line with what the private sector has been asking us to do. We have increased in things like

construction, engineering and the digital sector, so this all has an impact on our economy and the innovation strategy that we put in place. You know the work that we try to do in ... we have been working ... one of the reasons for the meeting trans-island with the Isle of Man in Guernsey was to see if they had any new initiatives and in fact what transpired in that meeting was they are looking to us to take the lead in some respects now. They have a very similar situation to us but I think we are ahead of the game in terms of what we have been doing.

Deputy L.M.C. Doublet:

Minister, are you saying that although the overall numbers are declining of those going to university, the numbers of those returning with perhaps more relevant degrees for the Island are increasing? Is that what you are saying?

The Minister for Education:

Not necessarily returning to the Island. The other thing I was going to go on to say is that at the end of last week we had the schools show on Friday and Saturday, which is directly related to degree students but shows that we are working ... it was the biggest show we have had; 4,000 people went through Fort Regent. That was all about getting closer and closer to the private sector and aligning ourselves, I think for the first time over the last few years - this is the third time we have had a schools show - with what the private sector are expecting in terms of growth in the numbers of students going directly into work. Just to capitalise on that, the University College of Jersey has had a phenomenal success, not just with its graduating students but with those students going almost directly into work post that situation.

Deputy L.M.C. Doublet:

Just going back to that question, although the overall numbers are declining of those receiving a degree, either on Island or off Island, are you aware of the numbers of those receiving Jersey-relevant degrees? What are those levels like, whether they are going off Island to get them or they are staying on Island of the total?

The Minister for Education:

We think there are more students beginning to stay on Island than we had previously, so that number is increasing at Highlands College and U.C.J. (University College of Jersey), but there has been a gradual decline and we have recognised that. I think evidence of that has to be ... some evidence is related to the financial impact.

Deputy L.M.C. Doublet:

Chief Minister, do you want to come in?

The Chief Minister:

I was just going to ask you, Deputy, what do you view as a relevant degree, because I think it is an important academic argument ...

Deputy L.M.C. Doublet:

We are talking about matching skills with the needs of the Island.

The Chief Minister:

... that more and more, if I look at my sector for private practice, it is the ability to study to a degree level and do well that in lots of cases is just as important as the relationship between the subject and the job and that is what employers are looking for more and more. Okay, we might argue that there are areas of degrees which are much less relevant to our economy but I do think it is a difficult argument for us to make that there is this big division because I am not sure that there is, provided it is a good quality institution and the degree is a respected one.

Deputy L.M.C. Doublet:

How do you quantify those skills and how are you matching those to what businesses need?

The Minister for Education:

The notion of Campus Jersey, which we introduced, is to coalesce the offerings on the Island. I think we have about 23 degrees on the Island now being offered across the board, which is in law, in finance through things like the Jersey International Business School. We have now got a nursing degree; numbers are increasing on that. Right across the board we have tried to not just increase the numbers of degrees but actually one of the considerations is now, working with the University College of Jersey, whether we can award degrees here on the Island ourselves.

Deputy J.M. Maçon:

Thank you. I am conscious of time. We have got a few more questions regarding Brexit but we will put them to you in a written format because you did touch on it at the beginning. It was just to give you an opportunity if there was anything further you would like to say to the panel to offer that to you.

[15:00]

The Chief Minister:

No, I do not think there is. I would reiterate what the Director of Education said about over the course of the next few weeks, once we have done this extra work, we can then come back and talk to you about the consultation document and the options that we will be proposing.

Deputy J.M. Maçon:

Thank you. I will bring this hearing to a close but just before I do, again scrutiny was put to the public process and we did have several questions from the public that came in. We would just like to put on record our thanks to the Jersey Student Loan Group who again have come forward with a lot of questions for us and just to thank you for the continued interest in the subject. Thank you again for giving evidence to the panel today. If I could ask members of the media and the public to clear the room in line with our protocols.

[15:01]