



FALKLAND ISLANDS GOVERNMENT

WHITE PAPER TO ESTABLISH THE PRINCIPLE OF PARENTAL CONTRIBUTIONS TO THE FUNDING OF FURTHER EDUCATION.

APRIL 2009
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Additional copies of this White Paper can be obtained from the Education Department.

Forward

- 1.1** The history of Further and Higher Education in the Islands is one of increasing efforts to provide equal opportunities across all sectors of the Falkland Islands community. Prior to the 1982 conflict opportunities were largely through the British Council as part of the 'grant in aid' system. Access was largely limited to one or two scholarships a year. In addition farm managers and other significant members of the community had education for their children written in to their employment agreements. There were others who could afford to send their children to boarding school and would see little of them through their childhood and adolescence.
- 1.2** For the vast majority of Falkland Islanders this was not an option and many left the Islands for the sake of their children's education and future prospects.
- 1.3** Post 1982 a period of relative prosperity resulted in significant investment in education. An important element of this investment was the philosophy that all youngsters in the islands should have equal access to education. The late John Cheek and Mrs Rendell, the then Director of Education, stated that Falkland Islanders should not be consigned to the roles of hewers of wood or carriers of water. It was also considered important that young people had the opportunity to experience life outside the Islands.
- 1.4** Initially GCSE requirements for those wishing to attend Further Education courses were set quite low (5 C grades) to encourage the widest participation and in the belief that educating one generation would have a cascade effect in expectations of and by the next. This has been largely vindicated and over the last two decades the criteria have been set ever higher as the focus has moved from social considerations to achievement, and value for money.
- 1.5** The cost of provision in the UK has steadily climbed, partly as a result of increased participation and partly as a result of increasing course fees for students from overseas (including the Falkland Islands). It was recognised that the high cost of education overseas meant it was out of reach without the support of FIG. It is ironic that major savings were made a few years ago when Falkland Island students were recognised by the UK as home students which meant no tuition fees for Further Education and fixed rates of £3145, per annum, for Higher Education.
- 1.6** Not for the first time costs are a matter of debate and policy options have to be considered. The Medium Term Financial Plan necessarily questions the high cost of provision and imposes a review which seeks possible alternatives that take into account developments over the past decade.

2. Introduction

2.1 The Green paper on funding for Further and Higher Education was published in November 2008 and was discussed at a public meeting in December of the same year. Comments were invited from the general public and the consultation period closed at the end of January 2009. The paper was published to encourage debate on options for sharing the financial burden of Further and Higher Education whilst recognising the differing financial circumstances of families.

The primary objectives are to;

- (a) reduce the costs to Government.
- (b) Share, with parents and the wider community, responsibility for supporting students in post-16 education.

3. Background

3.1 In September 2008, The Falkland Islands had;

- 35 Students in Further Education overseas
- 33 Students in Higher Education overseas

Unlike most students around the world these are funded almost entirely by the Government.

3.2 In the current year the Falkland Islands expects to spend in the region of £680,000 on Further and Higher education overseas. A further breakdown shows that Higher Education accounts for £331,000 whilst Further Education accounts for the remaining £349,000.

3.3 Over the years FIG has maintained a comparatively light touch with regard to courses studied and where. The only significant change has been to increase the selection criteria for eligibility for funding for Further Education from 30 points in the 1980s to 42 points for 'A' level studies or 35 points for vocationally based studies. There are long standing partnership arrangements with both Peter Symonds 6th Form College and Chichester College of Further Education which the majority of students attend.

3.4 Student grants have always been comparatively high and have remained relatively unchanged over the last two decades.

	Tuition	Accommodation	Flights	Maintenance Grant	Travel	Total
FE	£0.00	£8200.00	£1541.00	£2000.00	£180.00	£11,921
HE	£3145	£6900.00	£770.5	£0	£0	£10,815.50

Figure 1. Breakdown of moneys paid to Further and Higher Education students.

3.5 Parents are not expected to contribute to funding unless the institution of choice costs more than Peter Symonds, in which case the family are expected to pay the difference. No account is taken of household income which, in the academic year 2008/9 ranged from approximately £8000 per annum to £108,000 per annum with an overall average of £39,880.

4. Consultation Responses

4.1 Although twenty-seven written responses were received which were informative and thoughtful this was a disappointing response to the process. The Falkland Islands often provides small statistical samples which make it difficult to draw conclusions. This is complicated by inconsistent approaches to how the responses were made and which questions were in fact answered. However the range of responses from the questionnaire did appear to reflect the range of responses at the public meeting. The responses were analysed and were:

1. 27 responses were returned of which 59% were from parents, 7% from students and 33% from other interested parties.
2. 81% of respondents felt FIG should continue to fully fund Further Education whilst in a later question asking whether parents should contribute the result was more evenly split with 41% in favour.
3. 63% of respondents were opposed to any attempt to support only students studying courses that contribute to the economic future of the Islands.
4. Among the comments it was emphasised by parents that they already have to make contributions for laptops, telephone and travel.
5. 55% of respondents felt FIG should continue to fully fund Higher Education. In response to a similar question 54% of respondents felt that parents should make a contribution where able.
6. 58% felt that the current Maintenance grant was about right, 60% were opposed to a loan system or means testing.
7. Asked if parental contribution/means testing would discourage parents from sending their children away for Further Education 25% said it would, 41% did not respond and 33% said it would not.

5. The Options

Further Education

- 5.1 Students from the Falkland Islands attending Further Education have to travel overseas whilst in most of the countries researched the six-form colleges are located within travelling distance. Six-form students will normally be living at home with families providing accommodation and food. The UK Government provides a means tested Education Maintenance Allowance of up to £30 per week and, where required, assistance with transport. Receipt of this allowance is also dependent on attendance on courses.
- 5.2 Students attending Further Education courses overseas are still within the care of FIG and as such have a right to expect their welfare needs to be paramount. For this reason flights were felt to be an essential expenditure. Accommodation may be considered a legitimate source of parental support but at a later date when the principles are established.
- 5.3 **If the students were at home parents would incur costs and the ‘pocket money’ element of Further Education grants is proposed as a legitimate source of parental support.**
- 5.4 Members expressed the expectation that that principle should be applied on the basis that different financial circumstances applied to different students and their families and so contributions should be on a ‘means tested’ basis. The Retail Price Indexed (RPI) ‘basket of goods’ identified by the Policy Unit is proposed as the threshold from which point parent contributions may be expected. This figure, calculated as the amount a family needs to meet its needs, is currently £15,500 and is easily updated on a regular basis. The RPI basket of goods in force after the first quarterly review of the chronological year would be used to calculate the thresholds and this would link with the administrative cycle for funding students in Further Education.
- 5.5 It is proposed that the mechanism for calculating parental contributions should be kept as simple as possible and be directly linked to the RPI, A family income of less than the RPI basket of goods would attract a full grant for ‘pocket money’ which has been set at £40 per week, or £1600 per annum. The pocket money would be decreased as household income increased (see Figure 2 below) Households could be expected to self certify their income with random monitoring as proposed for other means tested allowances with randomized monitoring through the Treasury.

Household Income	Formula	FIG grant for pocket money	Contribution per week
Less than £15,500	Less than RPI	£1600	£40
£15,501 - £31,000	RPI x 2	£1200	£30
£31,001- £46,500	RPI x 3	£800	£20
More than £46,500	RPI x 3+	0	0

Figure 2. Calculations for relating FIG 'pocket money' grant to household income.

5.6 The proposal will be applied to all students in Further Education as from September 2009 regardless of whether they are in their first, or their, second year. Estimated savings will be in the region of £30000-60000 The initial saving can only be estimated because data on household income is not available to the Education Department.

6. Higher Education

6.1 Students in Higher Education are predominately adults and it is harder to place the onus on parents and options are considered that place students at the heart of the process. The preferred option is a loans based system similar to that operated in other countries. This is clearly dependent on the capacity to administer the loans and repayments.

6.2 Higher Education costs £10,045 per annum for a Falkland Island students studying and accommodated in the UK. Over a three year degree course a student could accrue a debt of £30,135.

6.3 Recovery of these loans may well be beyond the capacity of the Falkland Island Treasury and approaches have been made to the Student Loan Company (SLC) and Standard Chartered Bank. Bearing in mind that these approaches were made almost ten months ago the responses were positive. The Student Loan Company was keen to explore the possibilities although there may be less enthusiasm of late, possibly due to direction from the Department of Universities Innovation and Schools who feel that the SLC should focus more precisely on their core activities. The Standard Chartered Bank have expressed an interest but would want tighter control over their investments, returns and ability to pay. Both these organisations will have been influenced by recent events in the financial markets and interest will be integral to how loans are managed.

6.4 Students will need to know the funding arrangements prior to applying for Higher Education Courses. (Students considering Medicine or Veterinary Science will need to take into account the fact that they may well incur debts in the region of £60,270.) It is therefore too late for the 2009/10 academic year.

6.5 It is proposed that FIG pursues further the practicalities of introducing a system of loans for students undertaking Higher Education courses. **In the meantime it is proposed that no contributions are sought to meet living costs. Students studying at Higher Education do not receive 'pocket money'.**

7. Summary of Proposals

7.1 The proposals contained within this paper are summarised below:

- a. That the 'pocket money' element of the grant paid to students in Further Education should be means tested with the expectation that parents should contribute where able.
- b. Where students may qualify for this element of the grant, households will be expected to 'self certify' income.
- c. That FIG will continue to investigate the possibility of establishing a loan system for the funding of students in Higher Education.

On the 1st May 2009 the Director of Education was instructed by members to make some amendments to the document and to arrange for its publication.