

EXPLANATORY MEMORANDUM TO THE EDUCATION (STUDENT SUPPORT) (WALES) REGULATIONS 2013

The Explanatory Memorandum has been prepared by the Higher Education Division of the Department for Education and Skills and is laid before the National Assembly for Wales under Standing Order 27.1.

Minister's Declaration

In my view this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Education (Student Support) (Wales) Regulations 2013. I am satisfied that the benefits outweigh any costs.

Huw Lewis AM
Minister for Education and Skills

12 December 2013

DESCRIPTION

1. These Regulations are required in order to underpin the higher education student support system for students who are ordinarily resident in Wales (fee grants, fee loans, maintenance grants and maintenance loans) and are taking designated higher education courses in respect of academic years beginning on or after 1 September 2014. These Regulations replace the existing *Education (Student Support) (Wales) Regulations 2012 No.3097 (W.313)* as amended.

MATTERS OF SPECIAL INTEREST TO THE CONSTITUTIONAL AND LEGISLATIVE AFFAIRS COMMITTEE

2. None

LEGISLATIVE BACKGROUND

3. Section 22 of the Teaching and Higher Education Act 1998 (“the 1998 Act”) provides the Welsh Ministers with the power to make regulations on the payment of financial support to students studying courses of higher or further education designated by the Welsh Ministers. In particular, this power enables the Welsh Ministers to prescribe different categories of student, financial support (grant or loan) and categories of attendance on higher education courses. This provision, together with section 42(6) of the 1998 Act provide the Welsh Ministers with the power to make the *Education (Student Support) (Wales) Regulations 2013*. Each year, a number of functions of the Welsh Ministers in regulations made under section 22 of the 1998 Act are transferred and delegated to Welsh local authorities and the Student Loans Company under section 23 of the 1998 Act.
4. This instrument follows the Negative Resolution procedure.

PURPOSE AND INTENDED EFFECT OF THE LEGISLATION

5. The Welsh Ministers make annual regulations governing the higher education student support system. Generally, each set of regulations relates to a particular academic year. These Regulations will eventually replace the existing legislation governing academic year (AY) 2013/14 which sets out the student support arrangements for students ordinarily resident in Wales and EU students attending Welsh higher education institutions who are undertaking designated higher education courses. These Regulations will govern the 2014/15 academic year and will enable the Welsh Ministers to make awards of grants and loans to eligible students. In amending and replacing the existing legislation, these Regulations introduce a number of policy changes together with some technical drafting amendments.

6. The specific policy changes incorporated within the Regulations are set out below:

a. Changes in the amounts of tuition fee loans and grants

Students who commenced their studies on or after 1 September 2012 will be entitled to tuition fee support to cover the cost of their course or of up to £9,000 per annum, whichever is smaller. The maximum fee chargeable will be frozen at £9,000. This will consist of an entitlement to a non-means tested tuition fee loan of £3685 and a non-means tested tuition fee grant of £5315. Eligible new system students who are continuing a designated course provided by an institution in Northern Ireland, and who began that course before 1 September 2012, will be able to claim an increased non-means tested tuition fee loan of up to £3685 to reflect the increase in the maximum fees applicable there. For other continuing students the fee support package will remain unchanged.

b. Increases in the amounts of loans for living costs

The loans for living costs are increased by 1%. Students who started their studies on or after the 1 September 2012 will be eligible for a maximum maintenance loan of £5,202 (depending on household income) or £7,288 if the student studies in London.

c. Provision for new part-time students commencing in 2014/15

Eligible students commencing part-time courses of over 25% study intensity, will have access to fee loans of up to £2625 if studying in Wales, whether their course is at a private or publicly funded institution. If a part-time student undertakes a Higher Education course in the rest of the UK they will be eligible for a fee loan of up to £6750 at a publicly funded institution, or £4500 if studying at a private institution. This reflects the different part-time fee arrangements in Wales and the rest of the United Kingdom from academic year 2014/15. For continuing part-time students the fee support package will remain unchanged.

d. Disabled students allowances for part-time students

Disabled students allowance will be extended to eligible students studying at between 25 and 49% intensity. This means that provided they are pursuing a course that is taking no longer than 4 times the usual period to complete on a full-time basis, they can apply for this allowance.

e. Attendance confirmation for part-time students

From academic year 2014/15 onwards students must be in attendance for two weeks in every year of their course before their attendance can be confirmed by their Higher Education Institution.

f. Compressed first years

There is now specific provision for supporting students on courses with compressed first years commencing during academic year 2013/14.

g. Students taking time abroad – work or study

New levels of fee support are provided for certain 2012 cohort students who are undertaking a study year abroad or a work placement as part of a designated course. This includes students who are undertaking a work placement or study year abroad as part of a sandwich year or an Erasmus year. A related change to the definition of Erasmus year has also been made.

h. Changes to the administration of the childcare grant

Students claiming the childcare grant (CCG) on or after 1 September 2014, whether new or continuing, will have their claim capped at £115, (or 85% of their expected costs, whichever is less) until the correct details have been provided. Following receipt of the required information the application will be re-assessed as necessary and the balance paid. The intention of the change is to reduce the number of overpayments paid to students in receipt of this grant.

i. Using prior year tax for income assessment for dependants' grants

From 2014/15 onwards partners and other adult dependants will be required to supply gross taxable income data for the prior financial year. This will remove an element of estimation from the assessment process thereby potentially reducing overpayments and the hardship created when reclaiming those overpayments.

j. After an event

Students can become eligible for certain types of support part way through an academic year. From 2014/15 onwards such students will qualify for the relevant support, in respect of the academic quarters following the event which triggers their eligibility.

IMPLEMENTATION

7. This legislation updates the current student support system for academic year 2014/15 and by putting it in place now, it will enable the Welsh Government's delivery partners (the Student Loans Company and Local Authorities in Wales) to implement the system changes in time for the affected students to be paid under the revised system and for the application cycle for academic year 2014/15 to commence early in 2014.

CONSULTATION

8. There is no statutory requirement to consult on these Regulations. However, details of the results of the stakeholder engagement exercise which was open for 12 weeks, are included in the Regulatory Impact Assessment below.

REGULATORY IMPACT ASSESSMENT

9. Options

- **Do nothing** – by not amending the existing Regulations several student groups would be affected.
 - If the fee support were to remain unaltered there would be implications for students attending courses in Northern Ireland where the fees are increasing by £110 per year.
 - In terms of the rises in loans for living costs – if these changes were not made then students would be worse off in real terms as inflation would further erode their ability to meet their expenses.
 - If the changes to the administrative provisions surrounding targeted grants were not made then potentially students would remain more likely to be overpaid and have to have the money recovered.
 - Part-time students would be liable to pay up-front fees for their courses.

- **Make the Legislation** – implementing these Regulations will ensure that the legislative framework is in place for academic year 2014/15. They will also bring benefits to the categories of students outlined above.

BENEFITS

11. By making the Regulations the Welsh Ministers are ensuring that the Welsh student support system has a proper underpinning legal framework. The delivery partners will also benefit from the knowledge that they are acting within the requirements of the Welsh legislation. The groups of students directly affected by this amendment will benefit as explained above.

COSTS

12. The costs to the Welsh Government will be met from existing budgets.

COMPETITION ASSESSMENT

14. The making of these Regulations has no impact on the competitiveness of businesses, charities or the voluntary sector.

CONSULTATION

15. There is no statutory requirement to consult on these Regulations. However, a Student Finance Wales Information Notice relating to the changes outlined above, was issued to all stakeholders and interested parties on 12 May 2013 and was open for twelve weeks. Key stakeholders consulted include:

- All HEIs in Wales
- Higher Education Wales
- Further education colleges in Wales
- NUS Wales
- Student unions
- Local authorities in Wales
- Student Loans Company
- Higher Education Funding Council for Wales
- UCAS
- Children in Wales
- National Association of Student Money Advisers
- Student Finance Officers in local authorities, HEIs and further education colleges.

16. The full list of those consulted is attached at **Annex A**. The consultation period lasted twelve weeks. 3 written responses were received – a summary of the consultation responses is at **Annex B**.

POST IMPLEMENTATION REVIEW

17. The main regulations governing the student support system are made annually and are continually subject to detailed review, both by policy officials and by the delivery partners in their practical implementation of the Regulations.

SUMMARY

18. The making of these Regulations is necessary to establish the basis for, and update aspects of, the higher education student support system for students ordinarily resident in Wales and EU students studying in Wales for the 2014/15 academic year.

Annex A - List of Consultees

Further Education Institutions

Bridgend College of Technology
Cardiff and Vale College
Coleg Gwent
Coleg Harlech Workers Educational Association
Coleg Powys
Coleg Morgannwg
Coleg Sir Gâr
Deeside College
Gower College Swansea
Grŵp Llandrillo Menai
Merthyr Tydfil College Limited
Neath Port Talbot College
Pembrokeshire College
St David's Catholic College
Yale College, Wrexham
Ystrad Mynach College

Higher Education Institutions

Aberystwyth University
Bangor University
Cardiff University
Cardiff Metropolitan University
Glyndŵr University Wrexham
Open University
Royal Welsh College of Music and Drama Limited
Swansea Metropolitan University
Swansea University
University of Glamorgan
University of Wales, Newport
University of Wales: Trinity St Davids

Private Institutions providing designated Higher Education courses

The Academy of Contemporary Music
Academy of Live and Recorded Arts
Bath Spa University
Belfast Bible College
Brighton Institute of Modern Music
City & Guilds of London Art School
Court Theatre
Elim Pentecostal Church
The Institute of Contemporary Music Performance
The Interactive Design Institute
Kaplan Open Learning
London Centre of Contemporary Music

London School of Theology
London Studio Centre
Luther King House Theological College
Mattersey Hall College and Graduate School
Nazarene Theological College
Norland College
Oak Hill College
Open College of the Arts
St Johns Nottingham
University of Greenwich
Wales Evangelical School of Theology

Local Authorities in Wales

Blaenau Gwent County Borough Council
Bridgend County Borough Council
Caerphilly County Borough Council
Cardiff County Council
Carmarthenshire County Council
Ceredigion County Council
Conwy County Borough Council
Denbighshire County Council
Flintshire County Council
Cyngor Gwynedd Council
Merthyr County Borough Council
Monmouthshire County Council
Newport County Borough Council
Neath Port Talbot County Borough Council
Pembrokeshire County Council
Powys County Council
Rhondda, Cynon, Taff County Borough Council
City and County of Swansea
Torfaen County Borough Council
Vale of Glamorgan County Borough Council
Wrexham County Borough Council
Ynys Mon Isle of Anglesey

Organisations

Higher Education Funding Council for Wales
Higher Education Wales
NUS Wales
Student Loan Company
The Universities and Colleges Admissions Service (UCAS)

Annex B

Consultation Exercise

Set out below is a summary of the responses received on the proposals to replace the *Education (Student Support) (Wales) Regulations 2012 No. 3097 (W.313)*, which came into force on 4th January 2013.

Summary

3 responses were received.

Responses to the policy changes to be included in the Regulations for academic year 2014/15:

Levels of tuition fee support

Respondents were supportive overall of the change in levels of tuition fee support. Concerns regarding the Erasmus/non-Erasmus support were noted, the Welsh Government will monitor and review the changes as necessary.

Child Care Grant

Respondents were mostly supportive of the change to how child care grant is paid from AY 2014/15. Issues about possible confusion of a student's entitlement will be addressed within the published information, advice and guidance once the application cycle begins.

Assessment for Dependants' Grants

The proposed simplification of the assessment of income for dependants' grants for AY 2014/15 was mostly welcomed.

Provision for Compressed First Years

The intention to regularise the position for compressed first years for academic year 2013/14, giving these courses a specific mention within the Regulations, was welcomed.