

## **Explanatory Memorandum to the Assembly Learning Grant (Further Education) Regulations 2009**

This Explanatory Memorandum has been prepared by the Student Finance Division and is laid before the National Assembly for Wales in accordance with Standing Order 24.1

### **Description**

1. These Regulations replace the existing Assembly Learning Grant (Further Education) Regulations 2008 which cease to apply at the end of academic year 2008/09. The Assembly Learning Grant (Further Education) Regulations 2009 will provide for a means tested grant to eligible persons aged 19 and over taking certain further education courses in academic year 2009/10. There are no significant changes to the scheme operating in academic year 08/09. As in previous years, certain eligibility criteria have been updated.

### **Matter of special interest to the Subordinate Legislation Committee**

2. None.

### **Legislative Background**

3. The powers enabling the Regulations to be made are contained in the Teaching and Higher Education Act 1998. The functions of the Secretary of State under section 22 of the Teaching and Higher Education Act 1998 were transferred to the National Assembly for Wales by section 44 of the Higher Education Act 2004 and the Higher Education Act 2004 (Commencement No. 2 and Transitional Provision) (Wales) Order 2005 (S.I. 2005/1833 (W.149)(c.79)) as amended by the Higher Education Act 2004 (Commencement No. 2 and Transitional Provision) (Wales) (Amendment) Order 2006 (S.I. 2006/1660 (W.159)(C.56)). The relevant functions of the National Assembly for Wales in the Teaching and Higher Education Act 1998 were transferred to the Welsh Ministers by virtue of paragraph 30 of Schedule 11 to the Government of Wales Act 2006 (c.32). These regulations follow the negative resolution procedure.

### **Purpose and intended effect of the legislation**

4. These Regulations provide for financial assistance to persons aged 19 or over in post compulsory education who are ordinarily resident in Wales taking eligible further education courses during academic year 2009/10. The Assembly Learning Grant (Further Education) of up to £1,500 is means tested and paid in respect of an academic

year to help meet the costs of studying. The conditions of payment of grant are set out in these Regulations. Subject to a student meeting eligibility criteria, the grant is available to students studying in Wales or elsewhere in the UK.

Eligibility Criteria: Inflationary increase to income thresholds

5. The eligibility criteria in the regulations follow, as far as possible, the policy principles set out in the main Higher Education student support regulations for academic year 09/10, namely the Assembly Learning Grants and Loans (Higher Education) (Wales) (No.2) Regulations 2008.
6. In each of the previous years an inflationary uplift in line with Retail Price Index (RPI) has been applied to income threshold bands. The uplift applied for academic year 2009/10 is 2.6%. The uplift applies to the income threshold bands only and does not apply to the level of Grant awarded.
7. The table below provides an illustration of the levels of Assembly Learning Grant (Further Education) support depending upon household income.

		<i>Household income</i>		
<i>Cumulative contact hours</i>		<i>£0 - £5,895</i>	<i>£5,896 - £11,790</i>	<i>£11,791 - £17,700</i>
<i>275-499</i>	<i>Part time</i>	<i>£750</i>	<i>£450</i>	<i>£300</i>
<i>500+</i>	<i>Full time</i>	<i>£1,500</i>	<i>£750</i>	<i>£450</i>

**Implementation**

8. It is intended that this Instrument come into force on 31 August 2009. There is no parallel legislation being made in relation to England. The Regulations need to be in force before the start of the 2009/10 academic year as they will enable the revisions to the eligibility criteria to be used in assessing a student's entitlement to be granted an award in 2009/10. If these regulations are not made, there will be no regulatory basis for the payment of Assembly Learning Grant (Further Education) to persons aged 19 and over who are studying in academic year 09/10. The regulations currently in force apply only in relation to academic year 08/09.

**Consultation**

9. There is no statutory requirement to consult prior to making the Assembly Learning Grant (Further Education) Regulations 2009. However stakeholders were invited to comment on the proposed technical changes for academic year 2009/10 through a web consultation of 6 weeks.

## Regulatory Impact Assessment

### Options

10. Details of the proposed changes are set out in the *purpose and intended effect of the legislation* section. The options of making or not making the Regulations are:
11. **Do nothing** – If these Regulations are not made, there would be no regulatory basis for the payment of Assembly Learning Grant (Further Education) in academic year 2009/10. This would result in a lack of clarity for delivery partners expecting to administer the scheme and have an adverse impact upon those further education students who would otherwise receive support under the regulations. Furthermore the Welsh Ministers would not be able to meet its obligations under the Assembly Government's aim of widening participation in further education.
12. **Make the legislation** – Implementing these Regulations will enable the payment of Assembly Learning Grant (Further Education) in academic year 09/10 and enable revised eligibility criteria to be taken into account during the assessment of a person's entitlement for an award in 2009/10.

### Benefits

13. Not making these regulations will have an adverse impact on further education students studying in 2009/10 as the current regulations only apply in relation to academic year 2008/09 (and as such there would be no regulatory basis in 2009/10). In making the regulations, students will benefit from the fact that there is a regulatory basis to the payment of grants. Increases to income thresholds will also benefit students.

### Costs

14. It is possible that extending the eligibility criteria could have some additional costs but the likelihood is negligible and in any case can be accommodated within existing budgets.

### **Competition Assessment**

15. The making of these Regulations have no impact on businesses, charities and/or the voluntary sector.

### **Consultation**

16. Stakeholders were invited to comment on the proposed technical changes. Stakeholders and the delivery partners have been advised that new Regulations will be made.
17. There were only two responses to the consultation document one noting the up-rating of income thresholds for 2009/10 in line Retail Price Index (RPI) measure of inflation. The second response commented that there has been no up-rating of the grant levels. The emphasis in relation to the Further Education Assembly Learning Grant is placed on up-rating income thresholds in line with inflation in order to sustain eligibility levels rather than increasing grant levels. The issue of childcare was also commented on by the second respondent; the Further Education Assembly Learning Grant meets the costs of studying generally and is not designed specifically for childcare. Students have additional support options, in cases of hardship, with access to Financial Contingency Funds which are administered by Further Education Institutions.

### **Post implementation review**

18. There is an ongoing process of continual review of the Regulations to ensure they reflect future policy developments and any new European requirements.

### **Summary**

19. The making of this instrument is cost neutral to the Welsh Assembly Government and these Regulations enable the payment of Assembly Learning Grant in the 2009/10 academic year.