

EDUCATION (GRADUATE ENDOWMENT AND STUDENT SUPPORT) (SCOTLAND) ACT 2001

EXPLANATORY NOTES

THE ACT

Section 1: The graduate endowment

7 This section establishes the graduate endowment by requiring payment by certain graduates who are as specified in regulations, in respect of the higher education benefits they have been afforded. Liable graduates will also have to meet certain other qualifying criteria which are to be set out in regulations made by the Scottish Ministers. The regulations will specify that the graduate endowment is payable in respect of the first full-time degree undertaken by an individual after 1 August 2001, unless that degree is part of a continuous programme of study (which will also be defined in regulations) commencing before that date. The regulations will also include provisions dealing with the length of time to be spent on the degree before liability arises and residence conditions.

8 This section also empowers the Scottish Ministers to make regulations:

- **setting the amount of the graduate endowment (subsection (2)):** the amount of the graduate endowment will be set at £2,000 for new entrants to higher education in academic year 2001-02 and in subsequent years the amount may be set by reference to this amount as increased by inflation;
- **exempting individuals by reference to age (subsection (3)(a)):** the intention is that mature students will be exempt. It is intended that the regulations will specify that in order to be exempt individuals must be aged 25 or over at the start of their studies for their degree;
- **exempting further classes of individuals as specified (subsection (3)(b)):** the intention is that those who satisfy the criteria for independent status as regards allowances and loans for living costs at the start of the degree; those who are in receipt of Lone Parent Grant; and those who are in receipt of the Disabled Students' Allowance during the course will be exempt. These categories will be defined in the regulations;
- **making provision for payment (subsection (4)(a)):** the regulations will make provision enabling those liable to pay the graduate endowment to make payment directly to the Scottish Ministers or to take out an income contingent loan under the current student support arrangements to meet their liability. They will also specify a date by which payment must be made. It is intended that those who wish to take out an income contingent loan to pay the graduate endowment will do so on the same terms as students who take out an income contingent loan to cover living costs. The intention is that individuals and academic institutions may be required to provide certain information;
- **exempting certain courses that are listed in section 38 of the Further and Higher Education (Scotland) Act 1992 (subsection (6)):** liability will arise in connection with first degree courses or equivalent and the regulations will exempt all the other courses listed in section 38 of the 1992 Act, namely courses at a higher level in preparation for a

*These notes relate to the Education (Graduate Endowment and Student Support)
(Scotland) Act 2001 (asp 6) which received Royal Assent on 3 May 2001*

higher diploma or certificate; courses for the education and training of teachers; courses of post-graduate studies; courses at a higher level in preparation for qualification from a professional body; and all other higher level courses not being first degree courses.

9 The statutory instrument containing the first set of regulations made under this section will be required to be approved by a resolution of the Scottish Parliament. Thereafter, instruments will be subject to the negative procedure.