

EXECUTIVE NOTE

The Education (Student Loans for Tuition Fees) (Scotland) Regulations 2006 S.S.I. 2006/333

1. The above instrument is made in exercise of the powers conferred by sections 73(f), 73B and 74(I) of the Education (Scotland) Act 1980. The instrument is subject to the negative resolution procedure.

Policy Objective

2. The purpose of the instrument is to allow Scottish Ministers to provide non-means tested loans for tuition fees to eligible higher education students undertaking designated courses in England, Wales and Northern Ireland from academic year 2006-2007.

3. The policy intent is that eligible students studying in the rest of the United Kingdom (RUK) will be able to access loans to enable them to meet the increased fee liability in RUK from academic session 2006-07. The categories of eligible students are specified in Schedule 1 and correspond to those to whom support is available under the existing Scottish student support regime. Loans for tuition fees will be available to new students who start their courses on or after 1 September 2006. Loans for tuition fees will also be available to some students who transfer to designated courses from courses for which they are currently receiving support for tuition fees.

Consultation

4. The then Deputy First Minister and Minister for Enterprise, Transport and Lifelong Learning announced the planned introduction of the new tuition fee loans in Parliament on 24 June 2004.

5. There was consultation during 2004-2005 through the Implementation Advisory Group which considered a range of proposals for a package of measures to support Scottish students in respect of the introduction of variable fees in RUK from 2006-07

Finance

6. Provision has been made within the Scottish Executive SR2004 baseline budget allocation to meet the cost of tuition fee loans, with an estimated budget requirement of £3 million in 2006-07 rising to £6 million in 2007-08. Costings assume support for all eligible Scottish students studying outside Scotland in the rest of the UK up to a maximum £3,000 fee loan per annum.

General

7. Designated courses, as per Schedule 2, are principally undergraduate and some other specified courses. Students attending initial teacher training courses at postgraduate level will be eligible for loans.

8. The maximum tuition fee loan is not specified. Students will be able to access loans up to the level of their maximum fee liability, which for RUK institutions is set for the academic session 2006-07 at £3,000 per annum.

9. Tuition fee payments will be made once per year, directly to institutions by the Student Awards Agency for Scotland (SAAS).

10. Interest and insolvency measures in regard to loans for tuition fees are consistent with the existing provisions in relation to student loans under the Education (Student Loans) Regulations 1998 (as amended)

Tom Kelly
SEETLLD
June 2006