

EXECUTIVE NOTE

THE GRADUATE ENDOWMENT (SCOTLAND) REGULATIONS 2008 SSI/2008/235

1. The above Regulations are made in exercise of the powers conferred by sections 73(f) and 73B of the Education (Scotland) Act 1980(a).
2. This instrument is subject to the negative resolution procedure.

Background

3. The Graduate Endowment (Scotland) Regulations 2007 specify which graduates are liable to pay the graduate endowment fee, the amount of the graduate endowment fee and when it is to be paid, and make provision for loans to be made available to graduates for the purposes of paying the graduate endowment fee.
4. Currently, under the Graduate Endowment (Scotland) Regulations 2007, liable graduates must pay the graduate endowment fee on the due date (or apply for a loan before the due date). The due date is defined as 1 April immediately following the last day of the academic year of the course of higher education in respect of which the liability to pay the graduate endowment fee arises.
5. There is no power in the Graduate Endowment (Scotland) Regulations 2007 to offer a loan for payment of the graduate endowment fee after the due date. Therefore, graduates in this situation can only settle their liability by paying cash. They cannot legally apply for a student loan for payment of the graduate endowment fee after the due date.

Purpose

6. The purpose of this instrument is to make provision for graduates liable to pay the graduate endowment fee on the 1 April 2005, 2006 and 2007, but who have undertaken further continuous courses of higher education, to apply for a student loan to pay their fee by 1 April following the termination of their last continuous course of higher education.

Policy Rationale

7. Scottish Ministers wish to allow these graduates to have the choice of paying their graduate endowment fee liability by cash or by applying for a student loan by the 1 April following the termination of their last course of higher education.
8. Normal debt collection procedures will apply for those who do not pay by cash or apply for a student loan to settle their graduate endowment fee liability by the 1 April following the termination of their last course of higher education.

Changes

9. The changes being made by these Regulations are to the general benefit of those graduates who are liable to repay their graduate endowment fee on the 1 April 2005, 2006

and 2007, but have immediately chosen to undertake a further course(s) of higher education. The Regulations ensure that these graduates can settle their liability by applying for a student loan as well as by cash.

Financial implications

10. As a result of these provisions, the Student Awards Agency for Scotland (SAAS) will have to keep the current operating system – GRASS (GRants And Student Support) – in place. SAAS have confirmed that the cost of doing this for the financial year 2008/09 can be absorbed within their existing budget. The costs involved in keeping an operating system in place for the next and subsequent years can be managed without the need to call on extra resources.

11. There is likely to be additional costs to the Student Loans Company to keep current IT systems in place for those students who exercise the option of meeting their liability for the graduate endowment fee by applying for a student loan. These costs are expected to be small and capable of being absorbed within their existing budget.

THE SCOTTISH GOVERNMENT

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