

EXPLANATORY MEMORANDUM TO
THE FURTHER EDUCATION LOANS (AMENDMENT) REGULATIONS 2017

2017 No. 336

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Education and is laid before Parliament by Command of Her Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

- 2.1 The purpose of the instrument is to make amendments to the Further Education Loans Regulations 2012 (S.I. 2012/1818) (“the 2012 Regulations”). This instrument sets out in law the maximum amount of loan available to a student for a designated course starting on or after 1st August 2017.
- 2.2 The instrument also amends the Long Residence category in Part 2 of Schedule 1 to the 2012 Regulations.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 The instrument substitutes a new Long Residence category into Part 2 of Schedule 1 of the 2012 Regulations in order to correct a syntactical error that was identified by the Committee last year, when the category was first inserted into the 2012 Regulations. In its response to the Committee’s comments, the Department said that it would bear in mind the Committee’s points when relevant Regulations are next amended. The Department has decided to take the opportunity to correct this error in this instrument.

Other matters of interest to the House of Commons

- 3.2 As this instrument is subject to the negative procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

- 4.1 This instrument amends the 2012 Regulations. The 2012 Regulations introduced, for the first time, income-contingent repayment loans for students studying eligible provision. The amendments introduced by this instrument will come into force for the 2017/18 academic year, commencing 1st August 2017.

5. Extent and Territorial Application

- 5.1 The extent of this instrument is England and Wales.
- 5.2 The territorial application of this instrument is England.

6. European Convention on Human Rights

- 6.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

What is being done and why

- 7.1 Section 22 of the Teaching and Higher Education Act 1998 enables the Secretary of State to make regulations to provide financial support for students undertaking higher or further education courses. Such financial support is to be provided in accordance with regulations made by the Secretary of State. Paragraph 7.2 sets out the changes to the 2012 Regulations.

Consolidation

Changes to the 2012 Regulations

- 7.2 This instrument amends Regulation 16 of the 2012 Regulations by including in law the funding matrix used to calculate the maximum loan amount available for eligible students in respect of a further education course beginning in the period beginning on 1st August 2017 and ending on 31 July 2018. The matrix was also published by the Skills Funding Agency in March 2017 in the document entitled Maximum Loan Amounts for Advanced Learner Loans Designated Qualifications 2017 to 2018. The document is available from the GOV.UK website at <https://www.gov.uk/government/collections/sfa-funding-rates> or from the Skills Funding Agency, Cheylesmore House, Quinton Road, Coventry CV1 2WT.
- 7.3 The matrix has been expanded to accommodate maximum loan amounts for smaller technical qualifications at Level 4 or above that are 45 to 149 guided learning hours and meet additional criteria to ensure quality. This will enable relevant technical qualifications at these levels to be funded with loans to support entry to an occupation, reskilling and upskilling. It may also support greater flexibility in delivery.
- 7.4 This instrument also amends the Long Residence category of eligibility in Part 2 of Schedule 1 to the 2012 Regulations in order to correct a syntactical error in the drafting of this provision that was identified by the JCSI after this category was inserted into the 2012 Regulations last year.

8. Consultation outcome

- 8.1 Government has not conducted any formal consultation about these specific changes.

9. Guidance

- 9.1 The Department is working with the Skills Funding Agency to support the relevant institutions to continue to deliver Advanced Learner Loans, and will enhance the information, advice and guidance with regard to these changes as appropriate.

10. Impact

- 10.1 There is no impact on business, charities or voluntary bodies.

10.2 There is no impact on the public sector. Maximum loan amounts are set by the Skills Funding Agency annually, taking account of the size of qualifications and the sector subject areas they are in.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to activities that are undertaken by small businesses.

12. Monitoring & review

12.1 The Regulations will be kept under review. The next scheduled change would relate to any policy changes for the academic year 2018/19.

13. Contact

13.1 Paul Robinson at the Department for Education (Telephone: 07880 474849 or email: paul.robinson@education.gov.uk) can answer any queries regarding this instrument.