

## **EXPLANATORY MEMORANDUM TO**

### **EDUCATION (STUDENT SUPPORT) (No. 2) (AMENDMENT) AND EDUCATION (STUDENT LOANS) (REPAYMENT) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2017**

#### **SR 2017 No. 7**

#### **1. Introduction**

- 1.1** This Explanatory memorandum has been prepared by the Department for the Economy (“the Department”) to accompany SR 2017 No. 7 which is laid before the Northern Ireland Assembly.
- 1.2** The Statutory Rule is made under Articles 3 and 8(4) of the Education (Student Support) (Northern Ireland) Order 1998 and is subject to the negative resolution procedure.
- 1.3** The rule will come into operation on 28<sup>th</sup> April 2017.

#### **2. Purpose**

This rule provides for the introduction of a package of tuition fee loans for students taking designated distance learning undergraduate, part-time undergraduate and certain types of postgraduate higher education courses in respect of the academic year beginning on or after 1 September 2017. It amends the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009 (“the Principal Regulations”), and makes consequential amendments to the Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009 (“the Repayment Regulations”). The effect of the rule is to:

- a. introduce a non-means tested tuition fee loan from the beginning of academic year 2017/18, of up to £3,022.50 per year, for eligible students on full-time designated distance learning courses;
- b. introduce a non-means tested tuition fee loan from the beginning of academic year 2017/18, of up to £3,022.50 per year, for eligible students on designated part-time undergraduate and designated part-time distance learning courses;
- c. introduce a non-means tested tuition fee loan from the beginning of academic year 2017/18, of up to £5,500 per course, for eligible students commencing certain types of postgraduate courses;
- d. extend disabled students’ allowances for eligible part-time students undertaking designated part-time undergraduate courses to up to four times the time taken to complete the full-time equivalent;

- e. extend disabled students' allowances for eligible postgraduate students undertaking designated postgraduate courses on a part-time basis to up to three times the time taken to complete the full-time equivalent;
- f. clarify that undergraduate support will continue to be available to students on certain courses following postgraduate intercalation; and
- g. clarify that students will become eligible to make income contingent repayments of the distance learning undergraduate fee loan and part-time undergraduate fee loan from the start of the following tax year beginning 6<sup>th</sup> April after they complete or withdraw from their course, or the start of the following tax year beginning 6<sup>th</sup> April after the fourth anniversary of the course start date, whichever is the earlier.

### **3. Background**

The rule makes provision for support available in relation to an academic year beginning on or after 1st September 2017 and amends some of the provisions in the 2009 Regulations.

The policy and technical changes effected by this rule are:

#### **3.1 Introduction of tuition fee loans for eligible distance learning students on designated distance learning undergraduate courses**

Part 10 of the Principal Regulations currently provides that eligible full-time distance learning students on designated distance learning courses can access non-repayable means tested tuition fee grants of up to £1,230, and course grants of up to £265 towards books and travel. However, the grants do not always cover the full cost of course fees, and as they are means-tested not all distance learning students are eligible to receive them.

This rule amends Part 10 to provide that from academic year 2017/18, eligible distance learning students may also apply for a non-means-tested top-up tuition fee loan.

The loan, is up to £3,022.50 per year and students in receipt of tuition fee grants will see their tuition fee loan level reduced accordingly. It is intended that the maximum distance learning tuition fee loan will track 75% of the maximum full-time undergraduate tuition fee loan for Northern Ireland domiciled students attending courses in Northern Ireland (£4,030 for full-time undergraduate students in academic year 2017/18).

#### **3.2 Introduction of tuition fee loans for eligible students on designated part-time courses**

Part 11 of the Principal Regulations currently provides that eligible part-time students on designated part-time courses and designated part-time distance learning courses can access non-repayable means tested tuition fee grants of up to £1,230, and course grants of up to £265 towards books and travel. However, the grants do not always cover the full cost of course fees, and as they are means-tested not all part-time students are eligible to receive them.

This rule amends Part 11 to provide that from academic year 2017/18, eligible part-time students may also apply for a non-means-tested top-up tuition fee loan.

The loan, of up to £3,022.50 per year, will be available in respect of courses completed in up to four times the full-time equivalent duration or less. Students in receipt of tuition fee grants will see their tuition fee loan level reduced accordingly. It is intended that the maximum part-time tuition fee loan will track 75% of the maximum full-time undergraduate tuition fee loan for Northern Ireland domiciled students attending courses in Northern Ireland (£4,030 for full-time undergraduate students in academic year 2017/18).

### **3.3 Introduction of tuition fee loans for eligible students commencing certain types of postgraduate courses**

The majority of postgraduate students from Northern Ireland currently have no access to the student loans system, or to any student finance beyond the Disabled Students' Allowance, to help with course costs.

This rule inserts a new Part 13 into the Principal Regulations, which provides for a non-means tested tuition fee loan for students commencing Postgraduate Certificate, Postgraduate Diploma, or Taught or Research Master's courses from academic year 2017/18.

The loan, of up to £5,500 per course, will be available in respect of courses completed in three academic years or less. Courses may be studied on a full-time or part-time 'in attendance', or a full-time or part-time 'distance learning' basis.

All students meeting these criteria will be eligible to apply for one postgraduate tuition fee loan, regardless of whether or not they hold an equivalent or higher qualification.

The loan will be added to the balance of a student's undergraduate loan, and students will become eligible to make repayments once their income exceeds the repayment threshold (currently £17,495). The repayment rate will be 9% of any earnings over £17,495, which reflects the current 'Plan 1' Northern Ireland repayment policy for undergraduate loans.

### **3.4 Repayment of the distance learning undergraduate fee loan and part-time undergraduate fee loan**

Student Loans provided to Northern Ireland domiciled students are administered under the 'Plan 1' repayment policy. As such, students become eligible to make repayments once their income exceeds the repayment threshold (currently £17,495), the repayment rate will be 9% of any earnings over £17,495, and any loan remaining after 25 years will be written off.

Regulation 11 of the Repayment Regulations provides that students are not required to repay any part of their student loan before the start of the following tax year commencing on 6<sup>th</sup> April after they complete or withdraw from their course.

For students with distance learning fee loans or part-time fee loans, repayment might not therefore commence until as much as 16 years after the course started (for 4 year courses studied at 25% intensity).

This rule amends regulation 11 of the Repayment Regulations to provide that distance learning fee loans and part-time fee loans will become repayable from the start of the following tax year commencing on 6<sup>th</sup> April after they complete or withdraw from their course, or from the start of the following tax year commencing on 6<sup>th</sup> April after the fourth anniversary of the course start date, whichever is the earlier.

Eligibility to commence repayment will nevertheless continue to be subject to the student's income exceeding the repayment threshold (currently £17,495).

#### **4. Consultation**

There is no statutory requirement to consult on these Regulations as they do not give effect to policy changes but facilitate policy implementation.

#### **5. Equality Impact Assessment**

A Section 75 Equality of Opportunity Screening exercise has been carried out and it is our view that the proposals will not have an adverse impact on any of the Section 75 categories.

#### **6. Regulatory Impact Assessment**

A Regulatory Impact Assessment has not been prepared for this rule as it has no adverse impact on business, charities or voluntary bodies.

#### **7. Financial Implications**

The financial implications of the student support package for academic year 2017/18 have been costed and take into account the financial restrictions in the current CSR period.

**8. Section 24 of the Northern Ireland Act 1998**

The Departmental Solicitor's Office has confirmed that the making of this rule complies with Section 24 of the NI Act.

**9. EU Implications**

Not applicable.

**10. Parity or Replicatory Measures**

Historically, our Regulations were made in broad parity with England and Wales but following the wholesale changes that were implemented in England and Wales from academic year 2012/13 as a result of the Browne Review; this is no longer the case.

**11. Additional Information**

Not applicable.

**12. Contact**

Linda Meldrum at the Department for the Economy, Tel: 028 90 257424 or email: [linda.meldrum@economy-ni.gov.uk](mailto:linda.meldrum@economy-ni.gov.uk) can answer any queries regarding this Rule.