



Teaching and Higher Education Act 1998

1998 CHAPTER 30

PART II

FINANCIAL PROVISION FOR HIGHER AND FURTHER EDUCATION

CHAPTER I

ENGLAND AND WALES

Student support

22 New arrangements for giving financial support to students.

- (1) Regulations shall make provision authorising or requiring the Secretary of State to make grants or loans, for any prescribed purposes, to eligible students in connection with their [^{F1}undertaking]—
 - (a) higher education courses, or
 - (b) further education courses,which are designated for the purposes of this section by or under the regulations.
- (2) Regulations under this section may, in particular, make provision—
 - (a) for determining whether a person is an eligible student in relation to any grant or loan available under this section;
 - (b) prescribing, in relation to any such grant or loan and an academic year, the maximum amount available to any person for any prescribed purpose for that year;
 - (c) where the amount of any such grant or loan may vary to any extent according to a person's circumstances, for determining, or enabling the determination of, the amount required or authorised to be paid to him;
 - (d) prescribing categories of attendance on higher education courses or further education courses which are to qualify for any purposes of the regulations;

Status: Point in time view as at 14/01/2006.

Changes to legislation: Teaching and Higher Education Act 1998, Cross Heading: Student support is up to date with all changes known to be in force on or before 20 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (e) for any grant under this section to be made available on such terms and conditions as may be prescribed by, or determined by the Secretary of State under, the regulations, including terms and conditions requiring repayments to be made in circumstances so prescribed or determined;
 - (f) requiring the making of payments in respect of any such grant to be suspended or terminated in any such circumstances;
 - (g) prescribing requirements or other provisions, whether as to repayment or otherwise, which are for the time being to apply in relation to loans under this section (including requirements or other provisions taking effect during the currency of such loans so as to add to, or otherwise modify, those for the time being applying in relation to the loans);
 - (h) authorising grants in respect of fees payable in connection with [^{F2}attendance on] courses to be paid directly to institutions charging the fees;
 - (i) requiring prescribed amounts payable to eligible students under loans under this section to be paid directly to institutions [^{F3}to whom those persons are liable to make payments];
 - (j) modifying any enactment or instrument (whenever passed or made) so as to provide for the treatment, in connection with any calculation with respect to the income (however defined) of persons to whom grants or loans are made under this section, of amounts due from or payable to such persons under such grants or loans;
 - (k) for appeals with respect to matters arising under the regulations (including provision for determining, or enabling the determination of, the procedure to be followed in connection with appeals).
- (3) The provision which may be made by virtue of subsection (2)(g) in relation to loans under this section includes provision—
- (a) for such loans to bear compound interest at such rates, and calculated in such manner, as may be prescribed from time to time;
 - (b) for such loans to be repaid in such manner, at such times, and to such person or body as may be prescribed from time to time;
 - (c) for the payment, in respect of amounts overpaid by borrowers, of interest at such rate, and calculated in such manner, as may be determined by the Secretary of State from time to time;
 - (d) for a borrower not to be liable to make any repayment in respect of such a loan—
 - (i) during such period as may be prescribed from time to time, or
 - (ii) in such circumstances as may be so prescribed,
 including provision for the cancellation of any further such liability of the borrower in any such circumstances;
 - (e) with respect to sums which a borrower receives, or is entitled to receive, under such a loan after the commencement of his bankruptcy or the date of the sequestration of his estate.
 - [^{F4}(f) with respect to the effect of bankruptcy upon a borrower's liability to make repayments in respect of such a loan (whether the repayments relate to sums which the borrower receives, or is entitled to receive, before or after the commencement of the bankruptcy).]
- (4) In relation to loans under this section—
- (a) the rates prescribed by regulations made in pursuance of subsection (3)(a)—

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- (i) shall be no higher than those which the Secretary of State is satisfied are required to maintain the value in real terms of the outstanding amounts of such loans, and
 - (ii) shall at no time exceed the specified rate for low interest loans; and
 - (b) such regulations may make provision, for the purpose of calculating the interest to be borne by such loans, for repayments by borrowers to be treated as having been made or received on such date or dates as may be prescribed by the regulations.
- (5) Regulations under this section may also make such provision as the Secretary of State considers necessary or expedient in connection with the recovery of amounts due from borrowers under loans under this section, including provision for—
 - (a) imposing on employers, or (as the case may be) such other persons or bodies as may be prescribed, requirements with respect to—
 - (i) the making of deductions in respect of amounts so due (or, in any prescribed circumstances, amounts assessed in accordance with the regulations to be so due) from emoluments payable to borrowers,
 - (ii) the collection by other means of such amounts,
 - (iii) the transmission of amounts so deducted or collected to the Secretary of State in accordance with directions given by him;
 - (b) imposing on employers, or such other persons or bodies as may be prescribed, requirements with respect to the keeping and production of records for such purposes as may be prescribed;
 - (c) imposing on borrowers requirements with respect to—
 - (i) the provision of such information, and
 - (ii) the keeping and production of such documents and records, relating to their income as may be prescribed;
 - (d) requiring the payment, by persons or bodies to whom requirements imposed in pursuance of any of paragraphs (a) to (c) apply, of—
 - (i) penalties in cases of non-compliance with, or otherwise framed by reference to, such requirements, and
 - (ii) interest in respect of periods when such penalties are due but unpaid;
 - (e) requiring the payment by borrowers, in respect of periods when amounts due under their loans are unpaid, of—
 - (i) interest (applied to such amounts at a rate calculated otherwise than in accordance with subsection (4)(a)), or
 - (ii) both such interest and one or more surcharges (together with further interest in respect of periods when such surcharges are due but unpaid);
 - (f) enabling the Secretary of State to require the reimbursement by borrowers of costs or expenses of any prescribed description incurred by him in connection with the recovery of unpaid amounts;
 - (g) applying or extending with or without modification, for purposes connected with the recovery of amounts under regulations made by virtue of this subsection, any of the provisions of the Taxes Acts or of [F⁵PAYE regulations];
 - (h) determining the priority as between deductions falling to be made by virtue of paragraph (a)(i) and deductions falling to be made, from emoluments payable to borrowers, by virtue of other enactments (whenever passed).
- (6) In subsection (5)—

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- (a) “employers” means persons who make payments of, or on account of, [^{F6}PAYE income], and
- (b) “the Taxes Acts” has the same meaning as in the ^{M1}Taxes Management Act 1970.

^{F7}(7)

(8) For the purposes of subsection (4)(a) ^{F8}... the Secretary of State shall have regard to such index of prices as may be specified in, or determined in accordance with, regulations under this section.

(9) In subsection (4)(a) “the specified rate for low interest loans” means the rate for the time being specified for the purposes of any exemption conferred by virtue of section 16(5)(b) of the ^{M2}Consumer Credit Act 1974 (exemption of certain consumer credit agreements by reference to the rate of the total charge for credit).

[^{F9}(10) Interest required to be paid, by virtue of subsection (5)(d), by regulations under this section shall be paid without any deduction of income tax and shall not be taken into account in computing any income, profits or losses for any tax purposes.]

Textual Amendments

- F1** Word in s. 22(1) substituted (1.10.2000) by 2000 c. 21, s. 146(2)(a); S.I. 2000/2559, art. 2(1), **Sch. Pt. I**
- F2** Words in s. 22(2)(h)(7) omitted (1.10.2000) and expressed to be repealed (1.10.2000 for E. and 1.1.2001 for W.) by 2000 c. 21, ss. 146(2)(b), 153, **Sch. 11**; S.I. 2000/2559, art. 2(1), **Sch. Pt. I** and S.I. 2000/3230, art. 2, **Sch.**
- F3** Words in s. 22(2)(i) substituted (14.1.2006) by Higher Education Act 2004 (c. 8), ss. 43(2), 52(2); S.I. 2006/51, art. 2
- F4** S. 22(3)(f) inserted (1.7.2004) by Higher Education Act 2004 (c. 8), s. 42(1)(5), 52(1)
- F5** Words in s. 22(5)(g) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, **Sch. 6 para. 236(a)** (with Sch. 7)
- F6** Words in s. 22(6)(a) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, **Sch. 6 para. 236(b)** (with Sch. 7)
- F7** S. 22(7) repealed (14.1.2006) by Higher Education Act 2004 (c. 8), ss. 43(3), 52(2), **Sch. 7**; S.I. 2006/51, art. 2
- F8** Words in s. 22(8) repealed (14.1.2006) by Higher Education Act 2004 (c. 8), s. 52(2), **Sch. 7**; S.I. 2006/51, art. 2
- F9** S. 22(10) inserted (with effect in accordance with s. 147(5) of the amending Act) by Finance Act 2003 (c. 14), s. 147(3)

Modifications etc. (not altering text)

- C1** S. 22: transfer of functions (7.7.2005 for W.) by Higher Education Act 2004 (c. 8), s. 44(1)(6), 52(3); S.I. 2005/1833, art. 4(b) (with art. 6)
- C2** S. 22 functions made exercisable concurrently (7.7.2005 for W.) by Higher Education Act 2004 (c. 8), s. 44(2)(6), 52(3); S.I. 2005/1833, art. 4(b) (with art. 6)

Marginal Citations

- M1** 1970 c. 9.
- M2** 1974 c. 39.

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23 Transfer or delegation of functions relating to student support. E

- (1) If the Secretary of State so determines, any function exercisable by him by virtue of regulations under section 22 shall, to such extent as is specified in his determination, be exercisable instead by such body as is so specified which is either—
 - (a) a local education authority for the purposes of the ^{M3}Education Act 1996, or
 - (b) the governing body of an institution [^{F10}with] which eligible students (within the meaning of such regulations) are [^{F11}undertaking] courses.
- (2) A body by whom any function is for the time being exercisable by virtue of subsection (1) shall comply with any directions given by the Secretary of State as to the exercise of that function.
- [^{F12}(3) Where any function is so exercisable by a local education authority, the functions shall be taken to be a function of that authority for the purposes of—
 - (a) in the case of an authority which is not operating executive arrangements, section 101 of the Local Government Act 1972 (arrangements for discharge of functions by local authorities),
 - (b) section 70 of the Deregulation and Contracting Out Act 1994 (contracting out of functions of local authorities), and
 - (c) in the case of an authority which is operating executive arrangements, section 13 of the Local Government Act 2000 and accordingly—
 - (i) if, or to the extent that, that function is the responsibility of the executive of that authority sections 14 to 16 and any regulations made under sections 17 to 20 of that Act shall apply; or
 - (ii) if, or to the extent that, that function is not the responsibility of that executive section 101 of the Local Government Act 1972 shall apply]
- (4) The Secretary of State may make arrangements for any person or body specified in the arrangements to exercise on his behalf, to such extent as is so specified, any function exercisable by him by virtue of regulations under section 22 (including any such function in relation to appeals).
- (5) Any arrangements made under subsection (4) shall not prevent the Secretary of State from exercising the function in question himself.
- (6) The Secretary of State may make provision for enabling appeals—
 - (a) to be made with respect to such matters arising out of the exercise by any person or body of any function by virtue of subsection (1) or (4) as he may determine, and
 - (b) to be so made to a person or body appointed by him for the purpose.
- (7) The Secretary of State may pay to any body or person by whom any function is exercisable by virtue of subsection (1) or (4)—
 - (a) such amounts as he considers appropriate for the purpose of meeting expenditure incurred or to be incurred by that body or person—
 - (i) in making grants or loans under section 22, or
 - (ii) by way of administrative expenses,in, or in connection with, the exercise of that function;
 - (b) in a case where the function is exercisable by virtue of subsection (4), such remuneration as he may determine.

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- (8) Any payment under subsection (7)(a) may be made subject to such terms and conditions as the Secretary of State may determine; and any such conditions may in particular—
- (a) require the provision of returns or other information before any such payment is made;
 - (b) relate to the use of the amount paid or require the repayment in specified circumstances of all or part of the amount paid.
- (9) The Secretary of State may pay to any person or body appointed by him under subsection (6) such remuneration or administrative expenses (or both) as he may determine.
- (10) In relation to any function which, by virtue of subsection (1) or (4), is exercisable to a specified extent, references in any other provision of this section to the exercise of that function are accordingly to its exercise to that extent.

[^{F13}(11) In this section “executive” and “executive arrangements” have the same meaning as in Part II of the Local Government Act 2000.]

Extent Information

- E1** This version of this provision extends to England only; separate versions have been created for Wales only and Scotland and Northern Ireland only

Textual Amendments

- F10** Word in s. 23(1)(b) substituted (1.10.2000) by [2000 c. 21, s. 146\(3\)\(a\)](#); S.I. 2000/2559, art. 2(1), [Sch. Pt. I](#)
- F11** Word in s. 23(1)(b) substituted (1.10.2000) by [2000 c. 21, s. 146\(3\)\(b\)](#); S.I. 2000/2559, art. 2(1), [Sch. Pt. I](#)
- F12** S. 23(3) substituted (E.) (11.7.2001) by [S.I. 2001/2237, arts. 2, 34\(a\)](#)
- F13** S. 23(11) inserted (E.) (11.7.2001) by [S.I. 2001/2237, arts. 2, 34\(b\)](#)

Modifications etc. (not altering text)

- C3** S. 23(7)(8) functions made exercisable concurrently (temp.) (7.7.2005 for W.) by [Higher Education Act 2004 \(c. 8\), s. 44\(5\)\(6\), 52\(3\)](#); S.I. 2005/1833, art. 4(b) (with art. 6)

Marginal Citations

- M3** [1996 c. 56](#).

23 Transfer or delegation of functions relating to student support. W

- (1) If the Secretary of State so determines, any function exercisable by him by virtue of regulations under section 22 shall, to such extent as is specified in his determination, be exercisable instead by such body as is so specified which is either—
- (a) a local education authority for the purposes of the ^{M9}Education Act 1996, or
 - (b) the governing body of an institution [^{F14}with] which eligible students (within the meaning of such regulations) are [^{F15}undertaking] courses.
- (2) A body by whom any function is for the time being exercisable by virtue of subsection (1) shall comply with any directions given by the Secretary of State as to the exercise of that function.

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- [^{F16}(3) Where any function is so exercisable by a local education authority, the functions shall be taken to be a function of that authority for the purposes of—
- (a) in the case of an authority which is not operating executive arrangements, section 101 of the Local Government Act 1972 (arrangements for discharge of functions by local authorities),
 - (b) section 70 of the Deregulation and Contracting Out Act 1994 (contracting out of functions of local authorities), and
 - (c) in the case of an authority which is operating executive arrangements, section 13 of the Local Government Act 2000 and accordingly—
 - (i) if, or to the extent that, that function is the responsibility of the executive of that authority sections 14 to 16 and any regulations made under sections 17 to 20 of that Act shall apply; or
 - (ii) if, or to the extent that, that function is not the responsibility of that executive section 101 of the Local Government Act 1972 shall apply]
- (4) The Secretary of State may make arrangements for any person or body specified in the arrangements to exercise on his behalf, to such extent as is so specified, any function exercisable by him by virtue of regulations under section 22 (including any such function in relation to appeals).
- (5) Any arrangements made under subsection (4) shall not prevent the Secretary of State from exercising the function in question himself.
- (6) The Secretary of State may make provision for enabling appeals—
- (a) to be made with respect to such matters arising out of the exercise by any person or body of any function by virtue of subsection (1) or (4) as he may determine, and
 - (b) to be so made to a person or body appointed by him for the purpose.
- (7) The Secretary of State may pay to any body or person by whom any function is exercisable by virtue of subsection (1) or (4)—
- (a) such amounts as he considers appropriate for the purpose of meeting expenditure incurred or to be incurred by that body or person—
 - (i) in making grants or loans under section 22, or
 - (ii) by way of administrative expenses,in, or in connection with, the exercise of that function;
 - (b) in a case where the function is exercisable by virtue of subsection (4), such remuneration as he may determine.
- (8) Any payment under subsection (7)(a) may be made subject to such terms and conditions as the Secretary of State may determine; and any such conditions may in particular—
- (a) require the provision of returns or other information before any such payment is made;
 - (b) relate to the use of the amount paid or require the repayment in specified circumstances of all or part of the amount paid.
- (9) The Secretary of State may pay to any person or body appointed by him under subsection (6) such remuneration or administrative expenses (or both) as he may determine.

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(10) In relation to any function which, by virtue of subsection (1) or (4), is exercisable to a specified extent, references in any other provision of this section to the exercise of that function are accordingly to its exercise to that extent.

[^{F17}(11) In this section “executive” and “executive arrangements” have the same meaning as in Part II of the Local Government Act 2000.]

Extent Information

E2 This version of this provision extends to Wales only; separate versions have been created for England only and for Scotland and Northern Ireland only

Textual Amendments

F14 Word in s. 23(1)(b) substituted (1.10.2000) by 2000 c. 21, s. 146(3)(a); S.I. 2000/2559, art. 2(1), **Sch. Pt. I**

F15 Word in s. 23(1)(b) substituted (1.10.2000) by 2000 c. 21, s. 146(3)(b); S.I. 2000/2559, art. 2(1), **Sch. Pt. I**

F16 S. 23(3) substituted (W.) (1.4.2002) by S.I. 2002/808, art. 33(a)

F17 S. 23(11) inserted (W.) (1.4.2002) by S.I. 2002/808, art. 33(b)

Marginal Citations

M9 1996 c. 56.

24 Supply of information in connection with student loans.

- (1) This section applies to any information which is held—
 - (a) by the Commissioners of Inland Revenue, or
 - (b) by a person providing services to those Commissioners and in connection with the provision of those services.
- (2) Information to which this section applies may be supplied to—
 - (a) the Secretary of State or the Department of Education for Northern Ireland,
 - (b) any person or body acting on behalf of the Secretary of State or that Department under the delegation of functions provisions, or
 - (c) any authority or governing body by whom any function of the Secretary of State or that Department is for the time being exercisable to any extent by virtue of the transfer of functions provisions,

for the purpose of enabling or assisting the recipient to exercise any function in connection with the operation of the student loans scheme.
- (3) Information supplied under subsection (2) shall not be supplied by the recipient to any other person or body unless it is supplied—
 - (a) to a person or body to whom it could be supplied under that subsection, or
 - (b) for the purposes of any civil or criminal proceedings arising out of the student loans scheme.
- (4) Subsections (2) and (3) extend only to the supply of information by or under the authority of the Commissioners of Inland Revenue.
- (5) This section does not limit the circumstances in which information may be supplied apart from this section.

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(6) In this section—

- (a) “the delegation of functions provisions” means section 23(4) of this Act or section 73A(3) of the ^{M4}Education (Scotland) Act 1980;
- (b) “the transfer of functions provisions” means section 23(1) of this Act or section 73A(1) of that Act; and
- (c) “the student loans scheme” means the provisions of—
 - (i) regulations under section 22 of this Act so far as having effect in relation to loans under that section, or
 - (ii) regulations under section 73(f) of that Act made with respect to loans;and in this subsection any reference to a provision of this Act includes a reference to any corresponding Northern Ireland legislation.

Modifications etc. (not altering text)

C4 S. 24 restricted (7.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\), s. 53\(1\), Sch. 2 para. 15](#) (with s. 22); S.I. 2005/1126, art. 2(1)

Marginal Citations

M4 1980 c. 44.

25 Transitional arrangements.

(1) Regulations may make provision—

- (a) for any function which is or may be conferred under or by virtue of a relevant enactment—
 - (i) to transfer to, or otherwise be exercisable by, the designated person or body, or
 - (ii) to be replaced by such function exercisable by the designated person or body as is specified in the regulations,to such extent as is so specified;
- (b) for any function exercisable by the designated person or body by virtue of paragraph (a)(i) to be exercisable in such modified form as is so specified;
- (c) for the transfer to the designated person or body of rights or liabilities arising under or by virtue of any relevant enactment;
- (d) for any such enactment to have effect with such modifications as are so specified;
- (e) imposing on persons or bodies of any description so specified requirements with respect to the transfer and preservation of records.

(2) In this section “the designated person or body” means the Secretary of State or such other person or body as may be designated for the purpose by regulations under this section.

(3) In this section “relevant enactment” means any enactment contained in—

- (a) the ^{M5}Education Act 1962,
- (b) section 3 of the ^{M6}Education Act 1973, or
- (c) the ^{M7}Education (Student Loans) Act 1990,

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so far as that enactment continues in force by virtue of any savings made, in connection with its repeal by this Act, by an order under section 46(4).

- (4) The Secretary of State shall, not later than six months after the passing of this Act, appoint an independent body to review the arrangements for England and Wales relating to the payment of grants in respect of fees payable in connection with attendance on the final honours year of first degree courses at higher education institutions in Scotland.
- (5) The Secretary of State shall invite—
- (a) the Scottish higher education principals,
 - (b) the Committee of Vice-Chancellors and Principals, and
 - (c) such other bodies as he considers appropriate,
- to make representations to the body established under subsection (4); and the report of that body shall be laid before each House of Parliament not later than 1st April 2000.
- (6) If that body recommends that the arrangements referred to in subsection (4) should be modified in accordance with this subsection, the Secretary of State may modify those arrangements so as to secure that they are no less favourable than the arrangements made by regulations under section 73(f) of the ^{M8}Education (Scotland) Act 1980 for the payment of allowances in respect of fees payable as mentioned in subsection (4).
- (7) In subsections (4) and (6) any reference to the arrangements for England and Wales is a reference to arrangements made either under the Education Act 1962 or under section 22 of this Act.

Marginal Citations

- M5** 1962 c. 12.
M6 1973 c. 16.
M7 1990 c. 6.
M8 1980 c. 44.

Status:

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Changes to legislation:

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