

EXPLANATORY MEMORANDUM

THE EDUCATION (STUDENT LOANS) (AMENDMENT) (ENGLAND AND WALES) REGULATIONS 2007

2007 NO.1630

1. This explanatory memorandum has been prepared by the Department for Education and Skills and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 The Education (Student Loans) (Amendment) (England and Wales) Regulations 2007 (the “Regulations”) amend the Education (Student Loans) Regulations 1998 (the “1998 Regulations”). The 1998 Regulations provide support for students attending higher education courses who began their courses before 1st September 1998, as well as certain students who started their courses after that date.

2.2. These Regulations increase the maximum amounts of loan for maintenance available to students who will continue to receive support payments under the 1998 Regulations during the 2007/08 academic year. The Regulations also amend the eligibility criteria for these loans.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 The 1998 Regulations were made under the Education (Student Loans) Act 1990 (“the 1990 Act”) and make provision for payment of mortgage style repayment loans to students in higher education.

4.2 The 1990 Act gave the Secretary of State the power to make arrangements to enable eligible students to receive loans towards their maintenance. The 1990 Act was repealed in 1998 but transitional and savings provisions were made to enable the Secretary of State to continue to make loans to students who, in very general terms, began to attend courses of higher education before 1st August 1998. Students who started courses after that date are generally eligible for income contingent loans under the Student Support Regulations made each year under the Teaching and Higher Education Act 1998.

4.3 These Regulations increase the maximum amounts of loan for maintenance for the academic year 2007/08 in line with forecast inflation.

4.4 The Regulations also make amendments to the criteria that students must satisfy in order to be eligible for a loan, to enable students who are children of Turkish workers and undertaking designated higher education courses to potentially qualify for a loan. This is being done to comply with Article 9 of Decision No. 1/80 of the Association Council of 19 September 1980 on the development of the Association between the European Community and Turkey, following the judgment of the

European Court of Justice in the case of *Gaye Gurol v Bezirksregierung Koln* (C-374/03).

4.5 The Association Council was created by the agreement establishing an association between the European Community and Turkey which was signed in Ankara on 12 September 1963.

5. Extent

5.1 This instrument applies to England and Wales

6. European Convention on Human Rights

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

7. Policy background

7.1. These Regulations increase the maximum amounts of loan for living costs, available to students who will remain eligible for mortgage style student loans payments under the 1998 Regulations in respect of the academic year beginning on or after 1st September 2007. The increases to all maximum amounts are in line with forecast inflation.

7.2. Students must satisfy certain eligibility criteria to potentially be eligible for a loan. These criteria have been amended in order to comply with Article 9 of Decision No. 1/80 of the Association Council of 19 September 1980 on the development of the Association between the European Community and Turkey.

7.3. Article 9 of Decision 1/80 provides that Turkish children residing legally in a Member State of the Community with their parents who are or who have been legally employed in that Member State, shall be admitted to courses of general education, apprenticeship and vocational training under the same educational entry qualifications as the children of nationals of that Member State.

7.4. The changes made by these Regulations accordingly enable the children of Turkish migrant workers in the United Kingdom who started first degree courses prior to 1 September 1999 and who go on to do a postgraduate course of initial teacher training in or after September 2006 to be potentially eligible for a mortgage-style student loan in respect of their second course, provided that they meet the standard eligibility criteria.

7.5. Such students who are due to complete their course in the 2006/07 academic year must submit their application for a mortgage-style student loan to the Student Loans Company before the final day of their course. Such students who will be continuing their courses into the 2007/08 academic year, or who will be attending a course of initial teacher training in the 2007/08 academic year, must submit their application for a student loan by not later than 16th July 2008.

7.7. Such students who take out a 2006/07 loan after the completion of their current course will be required to start repaying that loan in April 2009. Such students who take out a 2006/07 loan after they have taken out a loan in respect of a further course of study will not be required to start repaying the 2006/07 loan until they start to repay the loan taken out in respect of that further course.

8. Impact

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

8.2 The impact on the public sector is minimal.

9. Contact

Kathryn Symms at the Department for Education and Skills in Darlington Tel: 01325 391187 or e-mail: kathryn.symms@dfes.gsi.gov.uk can answer queries regarding Article 9 of Decision 1/80 of the Association Council of 19 September 1980. **Diana Sibbald** at the Department for Education and Skills in London Tel: 020 7925 5586 or email: diana.sibbald@dfes.gsi.gov.uk can answer queries regarding the uprating of the maximum amounts of loan.