

EXPLANATORY MEMORANDUM TO
THE FURTHER EDUCATION LOANS (AMENDMENT) REGULATIONS 2015
2015 No. 181

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

2. Purpose of the instrument

2.1 The purpose of the instrument is to make two minor amendments to the Further Education Loans Regulations 2012 (S.I. 2012/1818) (“the 2012 Regulations”). First, this instrument clarifies the maximum amount of loan available to a student for a designated course starting on or after 1st August 2015. Secondly, this instrument clarifies the date by which an application for support must be made.

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

3.1 None.

4. Legislative Context

4.1 This instrument amends the 2012 Regulations. The 2012 Regulations introduced, for the first time, income-contingent loans for students who are 24 years old or over beginning Further Education courses at Level 3 or above from 1st August 2013. The amendments introduced by this instrument will come into force for the 2015/16 academic year, commencing 1st August 2015.

5. Territorial Extent and Application

5.1 The instrument applies to England only.

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

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. Paragraphs 7.2 and 7.3 set out the changes to the 2012 Regulations:

Changes to the 2012 Regulations

7.2. Regulation 16 of the 2012 Regulations sets the maximum amount of a fee loan available under the 2012 Regulations for designated courses which are also eligible for public

funding. In recognition that some designated courses in future may be ineligible for public funding, for courses starting on or after 1st August 2015, we are amending Regulation 16 of the 2012 Regulations to cover this scenario. Regulation 4 of this instrument amends Regulation 16 of the 2012 Regulations to refer to the funding matrix in the document published by the Skills Funding Agency on 5th February 2015 entitled “Funding rates for 24+ Advanced Learning Loans designated qualifications 2015 to 2016, Version 1” as one basis for establishing the maximum amount of a fee loan in respect of a further education course beginning on or after 1st August 2015. The document is available from the GOV.UK website at <https://www.gov.uk/government/publications/funding-rates-for-24-advanced-learning-loans-designated-qualifications-2015-to-2016> or from the Skills Funding Agency, Cheylesmore House, Quinton Road, Coventry CV1 2WT. The funding matrix contains maximum loan amounts available for designated qualifications and the amounts in this matrix will be the maximum loan amount available for designated courses for the purposes of Regulation 16. As well as clarifying the maximum amount available, we expect this amendment may in turn influence provider fee-setting to the benefit of the learner.

7.3 Regulation 11 of the 2012 Regulations provides that an application for support must reach the Secretary of State within the period of eligibility for the relevant further education course. Regulation 3 of this instrument amends this limit to provide that a student must apply for support before they complete the relevant further education course as well as being within the period of eligibility. We are making this amendment to ensure that students starting courses from 1st August 2015 only apply for funding before or while they are still studying a designated further education course. As in some cases a course may be completed before the period of eligibility expires.

8. Consultation outcome

8.1 We have not conducted any formal consultation about these specific changes, although the sector has been made aware, during loans consultation events, that the Department was exploring a wider range of courses to be in the scope of loans.

9. Guidance

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

10. Impact

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

11. Regulating small business

11.1 The legislation does not apply to small businesses.

12. Monitoring & review

12.1 The Regulations will be kept under review.

13. Contact

Paul Wilson at the Department for Business, Innovation and Skills (Tel: 0207 215 5145) can answer any queries.