

REGULATORY APPRAISAL

EDUCATION, WALES

THE EDUCATION (ASSISTED PLACES) (INCIDENTAL EXPENSES) (AMENDMENT) (WALES) REGULATIONS 2005

Purpose and intended effect of the measure

1. The Assisted Places Scheme was established in 1980 and allowed the government to assist parents with the cost of fees at independent schools on a means-tested basis. The scheme was abolished in 1997, but pupils were able to complete the specific phase of education.
2. The Education Act 1997, provides for the progressive phasing out of the Assisted Places Scheme (APS) and imposes a duty on the National Assembly for Wales to continue to remit the whole or part of the tuition fees and other incidental expenses (e.g. uniform and travel grants) which parents are required to meet in connection with their child's continuing participation in the APS.
3. Calculation of parental contributions to the scheme is based upon financial criteria set out in the Education (Assisted Places) (Incidental Expenses) (Wales) Regulations 1997. Annual amendments to the Regulations uprate these allowances in line with inflation, normally based on the October Retail Price Index reflecting inflation to mid-year, the income year upon which means-testing is based.
4. These Regulations uplift by 2.1% (in line with the rate of inflation October 2004 Retail Price Index), the tables used to calculate parents' eligibility to receive uniform grant and travel grant available under the APS during the academic year 2005/06.

Risk Assessment

5. Without these amending Regulations;
 - the level at which parents contribute to the cost of their child's place would not reflect increases in inflation and place them at a financial disadvantage to similar parents of participating pupils in England and Scotland;
 - pupils' education could be interrupted as they are no longer able to benefit from the scheme. More than 50% of pupils currently receive full remittance of their fees. Pupils may have to leave the scheme as their parent(s) are unable to contribute or increase their contribution to the child's placement; and
 - these inequalities may leave the National Assembly open to legal challenge.

Options

Option 1: Do Nothing

6. Parental contributions will increase as less favourable support is available than in England the APS operates.

Option 2: Make the Legislation

7. The Education (Assisted Places) (Incidental Expenses) (Amendment) (Wales) Regulations 2005 will ensure that parents of eligible pupils continue to receive equitable treatment under the scheme in line with their counterparts outside Wales.

Benefits

8. Those pupils already participating in the APS scheme will continue to receive financial support to complete the phase of education.

Costs

9. Assembly expenditure on the APS for the 2004/05 financial year totalled £355,641. Forecast expenditure for the current financial year reduces to approximately £350,000 and includes payments relating to the 2004/05 academic year and will be met from the Education and Lifelong Learning Main Expenditure Group. The baseline provision and future assumptions for APS expenditure include a Gross Domestic Product uplifting factor to reflect likely movement in UK inflation. The uplift will be accommodated within the existing Early Years and Pupil Support Budget Expenditure Line.
10. Therefore, the proposed 2.1% uplift of the parental income tables and eligible allowances for the school year 2005/2006 and beyond do not give rise to additional expenditure implications for the Assembly do not place a new burden on stakeholders or parents of eligible pupils.

Consultation

With Stakeholders

11. In accordance with the requirement to consult in section 3(7) of the Education (Schools) Act 1997, the Assisted Places Committee of the Independent Schools Council was consulted, by letter, on 13 July 2005 on the 2.1% increase to the parental contribution tables and the uplift in the dependants allowance. The Independent Schools Council represents the 14 former participating independent schools in Wales which continue to provide assisted places under Section 2(1) of that Act. The Independent Schools Council confirmed on 18 July 2005 that it was content with the proposed uplift, the basis of which is the (October 2004) Retail Price Increase of 2.1%, which reflects inflation to mid financial year 2004/05, the year on which means testing is based

With Subject Committee

12. These Regulations were notified to the Education and Lifelong Learning Committee, via the list of forthcoming legislation on 20 April 2005, and ever

since (ELL2-04-05 (p.11) item no. ELL-37-05). They were not been identified for detailed scrutiny

Review

13. These Regulations will be reviewed in Spring 2006 to determine whether and at what level any subsequent uplift is necessary.

Summary

14. As the governing legislation determines the level of parental contribution, these amending Regulations will ensure that parents of participating pupils will continue to receive equitable treatment under the APS.