

## **Explanatory Memorandum to the Assembly Learning Grant (Further Education) Regulations 2008**

This Explanatory Memorandum has been prepared by the Student Finance Division and is laid before the National Assembly for Wales

### **Description**

1. These Regulations are intended to replace the existing Assembly Learning Grant Scheme 2007. The Regulations do not introduce changes to the existing Scheme other than purely technical changes included within the roll-over and enhancement of the scheme. A copy of the Instrument is submitted with this Memorandum.

### **Matter of special interest to the Secondary Legislation Committee**

2. These Regulations follow the Negative Resolution procedures and are of a routine nature.

### **Legislative Background**

3. The powers enabling the Regulations to be made are contained under the Teaching and Higher Education Act 1998. The functions of the Secretary of State under section 22 of the Teaching and Higher Education Act 1998 were transferred to the National Assembly for Wales by section 44 of the Higher Education Act 2004. The functions of the National Assembly for Wales were transferred to the Welsh Ministers by virtue of paragraph 30 of Schedule 11 of the Government of Wales Act 2006 (c.32).

### **Purpose and intended effect of the legislation**

4. These Regulations provide for financial assistance to persons aged 19 or over in post compulsory education who are ordinarily resident in Wales taking eligible further education courses. The Assembly Learning Grant (Further Education) of up to £1,500 is means tested and paid in respect of an academic year to help meet the costs of studying. The conditions of payment of grant are set out in these Regulations.
5. The Regulations also incorporate a number of technical changes managed within the roll-over and enhancement of the scheme including:
  - An inflationary increase of 2.5 per cent to the income thresholds to provide a consistency of approach.
  - Any changes to residency and nationality categories included in line with Department for Innovation, Skills and Universities (DIUS)

### **Implementation**

6. It is intended that this Instrument will come into force on 1 April 2008. The Regulations need to be in force before the start of the 2008/09 academic year to enable the revisions such as the changes to the income threshold to be used in assessing a student's entitlement to be granted an award in 2008/09.

## Consultation

7. A seven week consultation with stakeholders was completed between 08 October to 26 November 2007. Seven responses were received from further education colleges and local authorities. In summary, the stakeholder consultation did not propose any significant changes however comments were received in relation to the differing qualifying income thresholds to that of the Education Maintenance Allowance Scheme.

## Regulatory Impact Assessment

### Options

8. Details of the proposed changes are set out in the *purpose and intended effect of the legislation* section. The options of making or not making the Regulations are:
9. **Do nothing** – If these Regulations are not made, there would be a lack of clarity for delivery partners administering the scheme on the areas where the technical amendments are required. Furthermore the Welsh Ministers would not be able to meet its obligations under the Assembly Government's aim of widening participation in further education.
10. **Make the legislation** –Implementing these Regulations will enable the revised technical amendments to be taken into account during the assessment of a person's entitlement for an award in 2007/08.
11. **Benefits** - By making the Regulations students will benefit from the technical arrangements introduced within the scheme. The scheme itself specifies who can be deemed eligible to receive an award, the income thresholds have been uplifted by inflation within the new legislation which is consistent with that applied across the suite of legislation supporting the student support system in Wales.

## **Costs**

12. The costs associated with the inflationary uplift (income thresholds only, not levels of Grant awarded) for full and part-time are based on applying a 2 per cent growth in student numbers. The direct implications of the specific policy changes for AY 2008/09 result in additional costs on the ALG BEL of £120k across the academic year. This equates to around £80k in the 08-09 FY and around £40k in the 09-10 FY. Support for the ALG FE Scheme is covered by the Assembly Learning Grant BEL (No 4704) which has a budget of £6.2 m. However, there is a forecast cash pressure of £6m against this BEL for 08-09, due to pressure on the HE ALG.
13. If the recommendations contained in this submission are agreed, any financial implications arising will be met from within the Student Finance baseline.
14. Therefore there are no additional Financial Implications arising for the DCELLs MEG or Welsh Ministers

## **Competition Assessment**

15. The making of these Regulations will have no impact on businesses, charities and/or the voluntary sector.

## **Consultation**

16. Stakeholders and the delivery partners have been advised that new Regulations will be made and they have had the opportunity to consult on them.

## **Post implementation review**

17. There is an ongoing process of continual review of the Regulations to ensure they reflect future policy developments and any new European requirements.

## **Summary**

18. The making of this instrument is cost neutral to the Welsh Assembly Government and these Regulations will ensure that eligibility criteria align across the student support system in Wales.