

SL(6)375 – The Education (Student Loans) (Repayment) (Amendment) (No. 2) Regulations 2023

Background and Purpose

These Regulations amend the Education (Student Loans) (Repayment) Regulations 2009 (“the 2009 Regulations”), which make provision for the repayment of income-contingent student loans in England and Wales.

Regulation 2 makes provision for a temporary reduction of the interest rate on undergraduate loans specified in regulations 21A and 21C, and postgraduate degree loans specified in regulation 21B, of the 2009 Regulations. The interest rate is set at 7.3% for the period beginning with 1 September 2023 and ending with 30 November 2023 and, in practice, applies to Plan 2 and Plan 3 borrowers. After that date, the interest rate will revert to the original rate specified in the 2009 Regulations, unless further regulations are brought into force.

The Explanatory Memorandum explains (at paragraph 4.2) that, without intervention, loan interest rates would increase to between 12.91% and 15.91% for Plan 2 borrowers, and to 15.91% for Plan 3 borrowers.

Procedure

Composite Negative.

The Regulations were made by both the Welsh Ministers and the Secretary of State, before being laid before both the Senedd and the United Kingdom Parliament.

The Senedd can annul the Regulations within 40 days (excluding any days when the Senedd is: (i) dissolved, or (ii) in recess for more than four days) of the date they were laid before the Senedd. The United Kingdom Parliament can also annul the Regulations, in accordance with the rules for annulment that apply to the United Kingdom Parliament.

Technical Scrutiny

The following point is identified for reporting under Standing Order 21.2 in respect of this instrument.

1. Standing Order 21.2(ix) – that it is not made or to be made in both English and Welsh

These Regulations have been made as a composite instrument, meaning the Regulations have been: (a) made by both the Welsh Ministers and the Secretary of State, and (b) laid before both the Senedd and the United Kingdom Parliament. As a result, the Regulations have been made in English only.

The Explanatory Memorandum explains that:



“The 2009 Regulations were made as composite regulations by the Welsh Ministers (in relation to Wales) and the Secretary of State. They govern repayments of student loans by borrowers who have taken out income-contingent loans for courses which begin on or after September 1998. The 2009 Regulations contain provisions (not devolved to the Welsh Ministers) which are made by the Secretary of State in relation to England and Wales which concern the tax system operated by Her Majesty’s Revenue and Customs (HMRC). Some other provisions are made by the Welsh Ministers in relation to Wales and the Secretary of State in relation to England.

As the Regulations will be subject to UK Parliamentary scrutiny, it is not considered reasonably practicable for this instrument to be made or laid bilingually. Therefore, the 2023 Regulations are made in English only.”

Merits Scrutiny

No points are identified for reporting under Standing Order 21.3 in respect of this instrument.

Welsh Government response

A Welsh Government response is not required.

Committee Consideration

The Committee considered the instrument at its meeting on 11 September 2023 and reports to the Senedd in line with the reporting point above.

