

Explanatory Memorandum to the Education (Student Finance) (Amounts) (Miscellaneous Amendments) (Wales) Regulations 2024

This Explanatory Memorandum has been prepared by the Higher Education Division and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister for Education and Welsh Language's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Education (Student Finance) (Amounts) (Miscellaneous Amendments) (Wales) Regulations 2024.

Jeremy Miles MS

Minister for Education and the Welsh Language

26 January 2024

Part 1

1. Description

1.1 The Education (Student Finance) (Amounts) (Miscellaneous Amendments) (Wales) Regulations 2024 (“the 2024 Regulations”) amend:

- the Education (Student Support) (Wales) Regulations 2017;
- the Education (Student Support) (Wales) Regulations 2018; and
- the Education (Postgraduate Doctoral Degree Loans) (Wales) Regulations 2018.

1.2 The 2024 Regulations amend existing student support regulations to adjust the amounts of undergraduate and postgraduate doctoral student support in line with established policy.

2. Matters of special interest to the Legislation, Justice and Constitution Committee

2.1 None.

3. Legislative background

3.1 The 2024 Regulations are made under sections 22(1)(a), 22(2)(b) and (c) and 42(6) of the Teaching and Higher Education Act 1998 (“the 1998 Act”).

3.2 Section 22 provides the Welsh Ministers with the power to make regulations authorising or requiring the payment of financial support to students studying courses of higher or further education designated by or under those regulations. This power enables the Welsh Ministers to prescribe, amongst other things, the amount of financial support (grant or loan) and who is eligible to receive such support.

3.3 The functions of the Secretary of State in sections 22(1)(a) and 22(2)(b) of the Teaching and Higher Education Act 1998 were transferred to the National Assembly for Wales, so far as they relate to making provision in relation to Wales, by section 44 of the Higher Education Act 2004 (c. 8). Section 44 of that Act also provided that the function in section 22(2)(c) of the Teaching and Higher Education Act 1998 was to be exercised by the National Assembly for Wales concurrently with the Secretary of State, so far as it relates to making provision in relation to Wales. The Secretary of State’s function in section 42(6) of the Teaching and Higher Education Act 1998, in so far as being exercisable in relation to Wales, was transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999, article 2 and Schedule 1 (S.I. 1999/672). The functions of the National Assembly for Wales

were transferred to the Welsh Ministers by virtue of section 162 of, and paragraph 30 of Schedule 11 to, the Government of Wales Act 2006 (c. 32).

3.4 The 2024 Regulations are being made under the negative resolution procedure.

4. Purpose and intended effect of the legislation

4.1 The Welsh Ministers make regulations to provide the basis for the system of financial support for students ordinarily resident in Wales, and certain other students studying in Wales, who are taking designated courses of higher education in the UK.

4.2 The 2024 Regulations amend existing student support regulations to adjust the amounts of undergraduate and postgraduate doctoral student support in line with established policy, as outlined in paragraphs 4.3 – 4.12.

Maintenance support

4.3 For students who began their undergraduate courses on or after 1 August 2018, to increase the amount of maintenance support in line with the forecast value of the National Living Wage. This policy applies to full and part-time students, who are the majority of current undergraduate students.

4.4 The amount of maintenance support will increase by 3.7% between 2023/24 and 2024/25 academic years. The loan element of support is increased accordingly; the grant element is fixed.

4.5 For full-time students who began their undergraduate courses on or after 1 August 2012 and before 1 August 2018, to increase the amount of maintenance loan by a measure of RPIX.

4.6 The amount of maintenance loan will increase by 0.9% between 2023/24 and 2024/25 academic years in line with the estimates of forecast inflation as measured by RPIX in the year to Q1 2025 and published by the OBR in March 2023. Support is a mixture of grants and loans and is dependent on household income.

Other support grants

4.7 For all eligible students, to increase the amounts of Grants for Dependents, including the Childcare Grant, by RPIX. These grants will increase by 0.9% between 2023/24 and 2024/25 academic years, in line with the estimates of forecast inflation as measured by RPIX in the year to Q1 2025.

- 4.8 For all eligible students, to increase the amount of Disabled Student's Grant by RPIX. This grant will increase by 0.9% between 2023/24 and 2024/25 academic years, in line with the estimates of forecast inflation as measured by RPIX in the year to Q1 2025.

Fee support

- 4.9 For full-time students who began their undergraduate courses on or after 1 August 2012 and before 1 August 2018, to decrease the amount of fee grant and increase the amount of fee loan by RPIX. Overall fee support is unchanged, but the grant amount will decrease and loan increase by 0.9%, in line with the estimates of forecast inflation as measured by RPIX in the year to Q1 2025.

Postgraduate – Doctoral

- 4.10 For doctoral students who begin a course on or after 1 August 2024, to increase the amount of support by RPIX. The maintenance loan will rise by 0.9%, in line with the estimates of forecast inflation as measured by RPIX in the year to Q1 2025.

5. Consultation

- 5.1 There is no statutory requirement to consult on these regulations and no consultation has been undertaken. A consultation was not deemed necessary as the 2024 Regulations are being implemented to uphold the established policy for annual adjustments to undergraduate and postgraduate doctoral student support.

Part 2 – Regulatory Impact Assessment (RIA)

- 6.1 In line with the policy set out in the Welsh Ministers' code of practice for carrying out regulatory impact assessments for subordinate legislation, an RIA has not been produced. The reasons for this are contained within the exceptions stated within the code:

- *Where the subordinate legislation simply increases a statutory fee, tax rate, payment, grant or allowance by a predetermined formula.*

The 2024 Regulations amend undergraduate and postgraduate doctoral student support rates. Changes to student support rates is based on long established policy. Student support rates are adjusted in line with the forecast value of the National Living Wage and the forecast rate of inflation. The Low Pay Commission determines the National Living Wage rate and the Office of Budgetary Responsibility produces the forecasts for RPIX.

