

SL(5)198 – The Education (Student Loans) (Repayment) (Amendment) Regulations 2018

Background and Purpose

These composite Regulations are made under sections 22 and 42 of the Teaching and Higher Education Act 1998 (c. 30) and amend the Education (Student Loans) (Repayment) Regulations 2009 (S.I. 2009/470) ("the 2009 Regulations").

The 2009 Regulations make provision for the repayment of income-contingent student loans in England and Wales. These Regulations will make changes to the repayment and interest rate thresholds for borrowers with undergraduate loans taken out after 2012 ('post-2012 loans'). The changes will apply to those who have already taken and those who will take out such loans and are summarised as follows:

1. Interest rate on post-2012 loans
 - a. The lower interest rate threshold will increase from £21,000 to £25,000 and the higher interest rate threshold will increase from £41,000 to £45,000;
 - b. The Regulations will also provide for these thresholds to be adjusted annually in line with average earnings for the year ending 5 April 2020 and years thereafter. The measure of average earnings will be taken from the Office for National Statistics Average Weekly Earnings EARN01 dataset.
 - c. Provision will also be made to update both the lower and higher interest threshold bands for borrowers overseas in line with borrowers who are resident in the UK.
2. Repayment thresholds
 - a. The repayment threshold will increase from £21,000 to £25,000. The Regulations will also provide for this threshold to be adjusted annually in line with average earnings for the year ending 5 April 2020 and years thereafter. As for interest rate thresholds, the measure of average earnings will be taken from the ONS dataset.
 - b. The Regulations will make similar changes for overseas borrowers making income-related payments in line with borrowers who are resident in the UK.

Procedure

Negative.

Technical Scrutiny

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

1. This is a composite statutory instrument. The Explanatory Memorandum notes the following:
"Given the composite nature of the 2009 Regulations and that no routine Parliamentary processes exist by which to lay bilingual regulations before Parliament, these Regulations will be made in English only".



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

Merits Scrutiny

The following point is identified for reporting under Standing Order 21.3 in respect of this instrument.

1. Regulation 6 (inserting new Regulation 29(8A) in the 2009 Regulations) provides that the repayment threshold in relation to postgraduate master's degree loans will remain at £21,000, notwithstanding that the repayment threshold for post-2012 loans will be increasing from £21,000 to £25,000.

[Standing Order 21.3 (ii) – that it is of political or legal importance or gives rise to issues of public policy likely to be of interest to the Assembly.]

Implications arising from exiting the European Union

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

Government Response

A government response is required.

Legal Advisers

Constitutional and Legislative Affairs Committee

14 March 2018

