EXPLANATORY MEMORANDUM TO

THE EDUCATION (STUDENT FEES (AMOUNTS), LOAN REPAYMENT AND SUPPORT ETC.)(AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2021

SR 2021 No. 260

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for the Economy to accompany the statutory rule (details above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under Articles 4(8) and 14(4) of the Higher Education (Northern Ireland) Order 2005 and Article 3 and 8(4) of the Education (Student Support)(Northern Ireland) Order 1998. It is subject to the negative resolution procedure.

1.3 The Rule will come into operation in accordance with Regulation 1.

2. Purpose

2.1 These Regulations amend the Student Fees (Amounts) Regulations (Northern Ireland) 2005 (S.R. 2005 No. 290) by increasing the basic and higher amounts of tuition fees that may be charged to full-time undergraduates in respect of an academic year beginning on or after 1st September 2022.

2.2 The Student Fees (Amounts) (Amendment) Regulations (Northern Ireland) 2020 (S.R. 2020 No. 98), which will come into operation on 1st September 2021, will increase the higher amount to £4,530, the basic amount to £1,785, the half-rate higher amount to £2,250 and the half-rate basic amount to £870 for an academic year beginning on or after 1st September 2021.

2.3 This Rule will amend regulation 3 of the 2005 Regulations to further increase the higher rate to £4,630 and the basic rate to £1,825 in respect of an academic year beginning on or after 1st September 2022. It also amends regulation 4 of those Regulations to increase the half-rate higher and basic amounts that apply in respect of specific courses to £2,300 and £890 respectively, also with effect from 1st September 2022.

2.4 This Rule also makes an amendment to the Education (Student Support) (No.2) Regulations (Northern Ireland) 2009 (the Student Support Regulations) so that full-time students who were being paid the London or outside London rates of loan for living costs and, where applicable, long courses loan for the academic quarter ending on 31 March, will continue to qualify for that rate of loan for the academic quarters from 1 April to 30 June and 1 July to 31 August 3 respectively, which cover the

summer term period for the 2020/21 academic year, unless they ask to be reassessed for the parental home rate of loan for living costs.

2.5 This Rule also amends the Student Support Regulations to correct errors of omission in previous drafting which should have been included in The Education (Student Support, etc.) (Amendment) Regulations (NI) 2021 (SR 2021/50) which were made on 4th March 2021 and in The Education (Student Fees and Support) (Amendment) (No. 2) Regulations (NI) 2021 (SR 2021/85) which were made on 29th March 2021.

2.6 This Rule also amends the Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009 (the Repayment Regulations). Under the Repayment Regulations the repayment thresholds for borrowers living overseas are calculated annually based on World Bank data to ensure that student loan repayments will remain income contingent wherever in the world the borrower lives. Before this Rule came into force, the Repayment Regulations allowed the Department to determine that the applicable threshold or fixed instalment for a borrower was to be that for a country other than the borrower's present country of residence. However, the methodology for this calculation has been updated since these Regulations were put in place, with the result that the Department will only need to determine the applicable threshold where there is no World Bank information about a country. This Rule amends the Repayment Regulations to reflect this.

3. Background

3.1 Article 4 of the Higher Education (Northern Ireland) Order 2005 ("the Order") enables the Department for the Economy to impose a condition in relation to any grant made to the governing body of any Higher Education Institution (HEI) in Northern Ireland.

3.2 The Order provides that HEIs in Northern Ireland which have an access plan approved by the Department for the Economy may charge variable fees not exceeding the level approved in their access plan, and which cannot exceed the higher amount specified in Regulations. HEIs in Northern Ireland which do not have an access plan may only charge fees up to the level of the basic amount. The higher and basic amounts are set out in regulation 3 of the Student Fees (Amounts) Regulations (Northern Ireland) 2005 ("the 2005 Regulations") (as amended).

3.3 In the case of certain prescribed courses, HEIs are only allowed to charge a reduced, or "half-rate" higher or basic amount. These amounts and courses are set out in regulation 4 of the 2005 Regulations.

3.4 The Student Fees (Amounts) (Amendment) Regulations (Northern Ireland) are made annually, and increase the maximum basic and higher tuition fee rates for students on higher education courses in line with inflation rates used by the Department for Education in England which have been

provided by the Treasury. The All Items Retail Prices Index Excluding Mortgage Interest Payments (RPI-X) is used as the basis for these inflationary uplifts.

3.5 The 2021 Regulations set out the student support arrangements for the 2022/23 academic year and will come into operation on 1st September 2022. However, those amendments in relation to the Student Support Regulations and the Repayment Regulations will come into operation on the date specified in the Regulations.

4. Consultation

4.1 The Department published a public consultation on the future policy of higher education tuition fees and student finance arrangements in Northern Ireland in March 2011. This consultation ran for 12 weeks and sought views on a range of issues, including tuition fees. The former Employment and Learning Minister announced the way forward in a statement to the Northern Ireland Assembly on 12 September 2011.

5. Equality Impact Assessment

5.1 A full draft and subsequently a final Equality Impact Assessment was published as part of the public consultation on the future policy on higher education tuition fees and student finance arrangements. It was found that in light of the decisions announced (including capping tuition fees at existing levels for Northern Ireland students (and excepted others) studying in Northern Ireland, subject to annual inflationary increases), there was no evidence to suggest that the policies would adversely impact the equality of opportunity or the promotion of good relations on any Section 75 category.

6. Regulatory Impact Assessment

6.1 A Regulatory Impact Assessment has not been prepared for this rule as it has no adverse impact on business, charities or voluntary bodies.

7. Financial Implications

7.1 The financial implications of the changes have been costed and have been included as annually managed expenditure within current budgets.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Departmental Solicitor's Office has confirmed that the making of this Rule complies with Section 24 of the NI Act.

9. EU Implications

9.1 The fee levels will also apply to EU nationals part way through their higher education courses or those who started in AY 2020/21 for the rest of their

course.

From academic year 2021/22 EU students with 'protected rights' under the Withdrawal agreement with 'pre-settled' or 'settled' status under the EU Settlement Scheme and RoI students (who are not required to apply under the EU Settlement Scheme) will continue to fall into one of the following two main categories:

- EU/ROI nationals who have lived in the UK and Islands for three years before their course starts are eligible for 'home' tuition fee charges, fee loans and maintenance support on a similar basis to present.

- EU/ROI nationals who don't have three full years residency in the UK and Islands but have been living somewhere in the territory comprising the UK/EEA/Gibraltar/ Switzerland for three years before their course starts are eligible for 'home' tuition fee charges and fee loans on a similar basis to present

They will also apply to other more 'niche' categories of EU nationals and certain others starting courses in academic year 2021/22, these amendments were made to the Student Fees (Qualifying Courses and Persons) Regulations (Northern Ireland) 2007 by the Education (Student Fees and Support) (Amendment) (No.2) Regulations (Northern Ireland) 2021.

10. Parity or Replicatory Measures

10.1 From academic year 2012/13 there has been significant changes in tuition fee levels across the United Kingdom. In England, Wales and Scotland, higher education institutions are able to charge eligible students higher fee levels of up to £9,250 if they can demonstrate commitments to widening access. The majority of institutions have charged this higher amount.

11. Contact

11.1 Siobhan Martin at the Department for the Economy, Tel: 028 90 257 469 or email: siobhan.martin@economy-ni.gov.uk can answer any queries regarding this Rule.