EXPLANATORY MEMORANDUM TO

EDUCATION (STUDENT SUPPORT) (No.2) REGULATIONS (NORTHERN IRELAND) 2009 (AMENDMENT) (No. 2) REGULATIONS (NORTHERN IRELAND) 2014

SR No. 309

1. Introduction

1.1 This Explanatory memorandum has been prepared by the Department for Employment and Learning ("the Department") to accompany SR 2014 No. which is laid before the Northern Ireland Assembly.

1.2 The statutory rule is made under Articles 3 and 8(4) of the Education (Student Support) (Northern Ireland) Order 1998 and is subject to the negative resolution procedure.

1.3 The rule will come into operation on 8th January 2015.

2. Purpose

This rule provides for support for students taking designated higher education courses in respect of the academic year beginning on or after 1 September 2015 and make amendments to the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009 ("the 2009 Regulations"). The effect of the rule is to:

a. increase the amounts of grants for tuition fees (for those students still eligible for such grants) and student loans for tuition fees in line with inflation for the 2015/16 academic year for full-time students;

b. grants and loans for living costs for academic year 2015/16 will be maintained at 2014/15 levels for full-time students and freeze grants for fees, course grants and disabled students' allowances for part-time and full-time distance learning students;

c. disabled students' allowances for postgraduate students for academic year 2015/16 will be maintained at 2014/15 levels; and

d. introduce minor policy and technical changes required to tighten up existing policy.

3. Background

The rule makes provision for support available in relation to an academic year beginning on or after 1st September 2015 and amends some of the provisions in the 2009 Regulations.

The policy and technical changes effected by this rule are;

3.1 Eligibility to the Childcare Grant.

Full-time students who are eligible for student support and who have dependant children may apply for the childcare grant (CCG) which provides an income assessed contribution of up to 85% of the actual childcare costs subject to a maximum grant of £148.75 per week for one child only or £255 per week for two or more children. Some students will have student partners who are eligible for an NHS bursary and are therefore entitled to apply for childcare support through the NHS bursary scheme. This amendment to the 2009 Regulations will prevent a student from receiving childcare grant if that student's partner has elected to receive childcare support through the NHS bursary scheme.

3.2 Clarification to Definition of "taxable income".

For most students attending full-time courses, the household income assessment for means-tested grants and loans for living and other costs is based on the taxable income of a student's parents. This instrument amends the definition of taxable income in the Student Support Regulations 2009, to make explicit that this definition is the same as the definition of 'total income' in the Income tax Act 2007 i.e. the sum of the amounts of income on which the taxpayer is charged to income tax for the relevant tax year. This makes it clear that most deductions and exemptions such as personal allowances and trade losses are deducted from 'total income' by HMRC to calculate liability for income tax for a tax year are not deducted from 'taxable income' which is used to calculate household income for student support.

The same change is made to the definition of taxable income which is used to calculate a dependant's income when determining a student's entitlement to dependants' grants (adult dependants' grant, childcare grant and parents' learning allowance).

3.3 Redundancy payments and taxable income.

Most deductions and exemptions from taxable income which are taken into account by HMRC for tax purposes are not made when calculating household income for student support purposes. In line with this, the whole amount of a redundancy payment (including the first £30,000 which is not taxed) is taken into account in the household income assessment for student support.

This amendment to Schedule 5 of the 2009 Regulations amends the definition of taxable income so that it includes the whole amount of a redundancy payment in the financial assessment for student support. The same change is made to the definition of taxable income which is used to calculate a dependant's income when determining a student's entitlement to dependants' grants.

3.4 Amendment to the list of higher education institutions in ROI within Schedule 6.

Schedule 6 of the 2009 Regulations lists the relevant institutions of higher education in the Republic of Ireland. Students attending courses at institutions mentioned on this list are eligible for student financial support. Montessori College (AMI) Mount St Mary's Dublin and St Nicholas Montessori College, Dun Laoghaire, Co Dublin are private higher education institutions and therefore have been removed from this list.

4. Consultation

There is no statutory requirement to consult on these Regulations as they do not give effect to policy changes but facilitate policy implementation.

5. Equality Impact Assessment

A Section 75 Equality of Opportunity Screening exercise has been carried out and it is our view that the proposals will not have an adverse impact on any of the Section 75 categories.

6. Regulatory Impact Assessment

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

The financial implications of the student support package for academic year 2015/16 have been costed and take into account the financial restrictions in the current CSR period.

8. Section 24 of the Northern Ireland Act 1998

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

9. EU Implications

Not applicable.

10. Parity or Replicatory Measures

Historically, our Regulations were made in broad parity with England and Wales but following the wholescale changes that were implemented in England and Wales from academic year 2012/13 as a result of the Browne Review; this is no longer the case.

11. Additional Information

Not applicable.

12. Contact

John Neill at the Department for Employment and Learning, Tel: 028 90 257712 or email: john.neill@delni.gov.uk can answer any queries regarding this Rule.