This document relates to the Education and Training (Scotland) Bill (SP Bill 14) as introduced in the Scottish Parliament on 28 April 2000

EDUCATION AND TRAINING (SCOTLAND) BILL

EXPLANATORY NOTES

(AND OTHER ACCOMPANYING DOCUMENTS)

CONTENTS

1. As required under Rule 9.3 of the Parliament’s Standing Orders, the following documents are published to accompany the Education and Training (Scotland) Bill introduced in the Scottish Parliament on 28 April 2000:

   • Explanatory Notes;

   • a Financial Memorandum;

   • an Executive Statement on Legislative Competence; and

   • the Presiding Officer’s Statement on Legislative Competence.

A Policy Memorandum, also prepared by the Scottish Administration, is printed separately as SP Bill 14–PM.
EXPLANATORY NOTES

INTRODUCTION

2. These Explanatory Notes have been prepared by the Scottish Administration in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by the Parliament.

3. The Notes should be read in conjunction with the Bill. They are not, and are not meant to be, a comprehensive description of the Bill. So where a section or schedule, or a part of a section or schedule, does not seem to require any explanation or comment, none is given.

THE BILL

4. The Bill provides a statutory framework for the payment of grants to assist individuals in meeting the costs of undertaking lifelong learning. The Bill enables the Scottish Ministers to make regulations to authorise the payment of grants to or in respect of the education or training of certain individuals. The Bill confers power on the Scottish Ministers to specify in regulations both who is eligible to receive the grants and other conditions regarding the types of education and training in respect of which grants are payable.

Section 1: Grants

5. This section permits regulations to be made by the Scottish Ministers allowing grants to be paid to or in respect of individuals. Grants will be payable to two categories of individuals: those who are parties to “qualifying arrangements”; and those who hold a “qualifying account”. Both the accounts and the arrangements are likely to be referred to as “learning accounts”.

6. Section 2 of the Bill deals with “qualifying arrangements”. It is intended that “qualifying accounts” will be established on a UK-wide basis through the Learning and Skills Bill which was introduced in the House of Lords on 16 December 1999. A clause (currently clause 96) of the Learning and Skills Bill extends to Scotland and will provide the Secretary of State with power to specify conditions to be satisfied in order for accounts based on a tied financial product to qualify for the payment of grants. This is being dealt with in the Learning and Skills Bill because it relates to the reserved matter of financial instruments.

7. In practice, grants are likely to be delivered as financial incentives or discounts on eligible education or training costs. In general it is intended that these grants will
be paid to the provider of the education or training in question rather than directly to the individual.

8. The power in this section will enable the Scottish Ministers to set out conditions relating to the payment of grants to be paid in regulations. In particular the regulations will be able to cover the following matters:

- conditions applicable to the payment of grants, including repayment in specified circumstances (e.g. the course being cancelled or not running);

- the amount of grants and when and how they are to be paid (e.g. levels of grant for particular types of learning activity);

- how the grants system will operate (e.g. providing for grants to be paid directly to providers of education and training and specifying who has authority to pay the grants where they are not to be paid directly by the Scottish Ministers);

- that a person who qualifies for a grant by being party to an arrangement which qualifies under section 2 of this Bill and by holding an account which qualifies under the Learning and Skills Bill cannot receive a grant under both in respect of the same period of time; and

- the type of education and training eligible for grants and the providers that can offer such eligible education and training.

Section 2: Qualifying Arrangements

9. The intention is that “qualifying arrangements” will operate along the lines of a membership scheme. By joining the scheme an individual will enter into arrangements which qualify under this section.

10. This section enables the Scottish Ministers to set out, by regulations, the conditions arrangements must meet in order for persons who are party to them to qualify for the payment of grants under section 1. These conditions may specify:

- who is eligible to be a party to arrangements (which may include criteria related to minimum age, employment or benefit status);

- how the arrangements will be made and conducted;

- the body or type of body with whom arrangements can be made;
• that an individual cannot be party to more than one set of arrangements at any
given time. (An individual may, however, undertake more than one course of
education or training at a time, or in succession, under the same arrangements
provided that he remains within the limits of grant available to him in that
period); and

• the name by which “qualifying arrangements” are to be known.

Section 3 Regulations

11. Section 3(1) provides for regulations to be subject to the negative resolution
procedure. This means that the regulations will be laid before the Scottish Parliament
after being made, but only debated if a member seeks such a debate.

FINANCIAL MEMORANDUM

INTRODUCTION

12. The principal costs of implementing the provisions of the Bill and related
regulations will fall on the Scottish Executive but the funding will be channelled,
initially, through the Enterprise Network (i.e. Scottish Enterprise and Highlands and
Islands Enterprise).

13. All those in receipt of grants will be expected to contribute towards the cost of
their education and training to some extent and employers may, on a voluntary basis,
also contribute to such costs.

COSTS ON THE SCOTTISH ADMINISTRATION

14. The Bill will permit the payment of grants for education and training. Based
on the initial policy intentions regarding levels of grant, it is estimated that the cost of
grants over the first two years of operation will be in the region of £16,500,000.

15. It is intended that a body (a “Customer Services Provider”) will be appointed
to run the system under the national framework and to provide administrative support.
The Customer Services Provider is likely to deal with matters such as customer
enquiries, payment administration and the issue of information packs, applications
and other such material. It is currently estimated that the cost of customer services
provision could be in the region of £4,000,000 over the first two years of operation.
However, this cost will be established more fully during the procurement of these services which is currently underway.

16. There will be associated costs in areas such as marketing, research, evaluation and other administrative expenses. Costs related to marketing will be dependent on levels of take-up. It is estimated that the over the first two years of operation such costs will amount to approximately £2,500,000.

17. Current estimates are that the total cost of paying grants, running the system and undertaking an appropriate level of marketing and research will be around £23,000,000 over the first two years of operation including some one-off development costs. The ongoing costs will be dependent on demand and the results of some recent Scottish research are under consideration.

18. Staffing within the Scottish Executive is likely to remain at its current level and there are no plans to increase it in consequence of the Bill.

COSTS ON LOCAL AUTHORITIES

19. It is not expected that local authorities will incur any additional costs in consequence of the Bill.

COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES

20. In the case of individuals there will be no additional costs imposed as a result of the Bill. However, anyone who is entitled to receive a grant will be expected to contribute to some extent towards the cost of their education and training. The amount may vary from a minimum of £25 up to 80% of the cost of such education and training.

21. Employers, whether commercial companies or from the public or voluntary sector, may voluntarily contribute towards the cost of any such education or training undertaken by their employees. In many cases such organisations already assist their employees in undertaking education and training and it will be for them to consider whether to continue or extend such assistance to employees under the scheme. It is intended that the Finance Bill 2000 will make employer’s contributions tax free to both employers and employees (provided certain conditions intended to safeguard lower paid employees are met).

22. Providers of education and training may be faced with some additional costs in marketing the availability of grants but these should be offset by the additional business that is expected to be generated.
23. There are no financial implications on any other bodies and the Bill has no other material administrative, compliance or other costs.

EXECUTIVE STATEMENT ON LEGISLATIVE COMPETENCE

24. On 27 April 2000, the Minister for Enterprise and Lifelong Learning (Henry McLeish) made the following statement:

“In my view, the provisions of the Education and Training (Scotland) Bill would be within the legislative competence of the Scottish Parliament.”

PRESIDING OFFICER’S STATEMENT ON LEGISLATIVE COMPETENCE

25. On 27 April 2000, the Presiding Officer (Sir David Steel) made the following statement:

“In my view, the provisions of the Education and Training (Scotland) Bill would be within the legislative competence of the Scottish Parliament.”
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