



## Accelerated Degrees: Annex B

### Student loans and tuition fees: assumptions and analysis

We have made the following assumptions to support the analysis set out in Tables 1-3 in the consultation document and Tables 5-6 in this Annex.

#### Maintenance Loan

- Values for minimum and maximum awards are based on allowances for 2017/18, adjusted for the student population distribution across SLC term-time address categories for the full-time undergraduate student population. Details are provided below in Table 4.
- We assume the accelerated student population distribution across living situation categories is the same as the full undergraduate student population, in the absence of specific estimates for this population.
- The average maintenance loan award used in our illustrative figures is the SLC estimate for the average maintenance loan award for full-time undergraduate entrants in 2016/17, adjusted to 2017 prices.
- We applied the estimate for entrants (i.e. first year students) to students across all years of study, as 2016/17 is the first year since the change living cost support in 2016.
- We apply this estimate to the student populations of interest, as specific estimates for students on standard three year and accelerated two year degrees are not available.

#### Long Course Loan (LCL)

The tested subjects were the 5 most widely-taught in Europe: biology, chemistry, physics history and geography. Each jurisdiction tested their pupils in 2 of these subjects. In England, these were chemistry and physics.

- We assume the academic year for accelerated study is 45 weeks, and therefore students are entitled to the 52-week allowance for LCL, subject to means-testing.
- Students who only receive the non-means-tested element of the maintenance loan are not entitled to the LCL.
- Maximum maintenance loan awards are based on allowances for 2017/18, adjusted for the student population distribution across SLC term-time address as for maximum and minimum awards for maintenance loans. Details are provided below in Table 4.

#### Tuition Fee Loan

- Accelerated degree tuition fee uplift = 20%

|  | Term-time address category |         |           | Weighted average for English-domiciled student population |
|--|----------------------------|---------|-----------|---|
|  | Parental Home              | London  | Elsewhere |   |
| Full-time UG student population split (1)            | 21%                        | 12%     | 67%       | -   |
| Average entitlement as percentage of the maximum (2) | 67%                        | 67%     | 67%       | -   |
| Minimum LCL allowance per week (3)                   | £0                         | £0      | £0        | £0  |
| Maximum LCL allowance per week (4)                   | £59                        | £116    | £90       | £87   |
| Average LCL allowance per week                       | £40                        | £78     | £60       | £58   |
| Number of weeks for LCL                              | 22                         | 22      | 22        | 22  |
| Minimum LCL per year of study                        | £0                         | £0      | £0        | £0  |
| Maximum LCL per year of study                        | £1,298                     | £2,552  | £1,980    | £1,905  |
| Average LCL per year of study                        | £870                       | £1,710  | £1,327    | £1,277  |
| Minimum Maintenance Loan (5)                         | £3,124                     | £5,479  | £3,928    | £3,945  |
| Maximum Maintenance loan (5)                         | £7,097                     | £11,002 | £8,430    | £8,459  |

**Table 4. Derivation of representative Maintenance and Long Course Loan values**

Notes

(1) Applicants are entitled to different amounts of Maintenance Loan and Long Course Loan depending on their term-time residence. Rates differ for applicants living at home, in London or elsewhere (excluding London). Shares of students across these categories are estimates from DfE internal analysis of Student Loans Company data for 2014/15 cohort of English-domiciled full-time undergraduate students at UK HE providers.

(2) Source: DfE internal analysis of Student Loans Company data for 2014/15 cohort of English-domiciled full-time undergraduate students at UK HE providers.

(3) Students who do receive only the non-means-tested maintenance loan receive no Long Course Loan. Source: [http://www.practitioners.slc.co.uk/media/1206/sfe\\_long\\_courses\\_loan\\_fs\\_1718\\_d.pdf](http://www.practitioners.slc.co.uk/media/1206/sfe_long_courses_loan_fs_1718_d.pdf)

(4) Long Course Loan entitlement is based on the length of the course, a weekly allowance which varies over term-time address categories, and means-testing. Source: [http://www.practitioners.slc.co.uk/media/1206/sfe\\_long\\_courses\\_loan\\_fs\\_1718\\_d.pdf](http://www.practitioners.slc.co.uk/media/1206/sfe_long_courses_loan_fs_1718_d.pdf)

(5) Minimum and maximum maintenance allowances are taken from the Department for Business Innovation and Skills Financial Memorandum on student support for 2017/18, available at <http://www.practitioners.slc.co.uk/media/1158/201718-financial-memorandum.pdf>

|                                   | <b>3-year standard degree</b> |  | <b>2-year accelerated degree</b> |                |
|-----------------------------------|-------------------------------|--|----------------------------------|----------------|
|                                   | <b>No TEF</b>                 | <b>TEF</b>                                   | <b>No TEF</b>                    | <b>TEF</b>     |
| Average maintenance loan per year | £6,067                        | £6,067                                       | £6,067                           | £6,067         |
| Average LCL per year              | £0                            | £0   | £1,277                           | £1,277         |
|                                   |                               |  |                                  |                |
| Average living cost loan per year | £6,067                        | £6,067                                       | £7,344                           | £7,344         |
| Tuition fee loan per year         | £9,000                        | £9,250                                       | £10,800                          | £11,100        |
| <b>Annual Total</b>               | <b>£15,067</b>                | <b>£15,317</b>                               | <b>£18,144</b>                   | <b>£18,444</b> |
| <b>Overall Total</b>              | <b>£45,201</b>                | <b>£45,951</b>                               | <b>£36,287</b>                   | <b>£36,887</b> |
|                                   |                               | <b>2 year Average loan reduction (total)</b> | £8,914                           | £9,064         |
|                                   |                               | <b>Percentage reduction</b>                  | 20%                              | 20%            |
| Total maintenance loan            | £18,201                       | £18,201                                      | £14,687                          | £14,687        |
|                                   |                               | <b>2-year Maintenance loan reduction</b>     | £3,513                           | £3,513         |
|                                   |                               | <b>Percentage reduction</b>                  | 19%                              | 19%            |
| Total Tuition fee loan            | £27,000                       | £27,750                                      | £21,600                          | £22,200        |
|                                   |                               | <b>2-year Tuition fee loan reduction</b>     | £5,400                           | £5,550         |
|                                   |                               | <b>Percentage reduction</b>                  | 20%                              | 20%            |

**Table 5. Maintenance loan and maximum tuition fee rates for standard vs accelerated degree courses at Approved (fee cap) providers with and without a TEF award, Academic Year 2017/18 values (20% uplift)**

|                                   | 3-year standard degree |  | 2-year accelerated degree |                |
|-----------------------------------|------------------------|--|---------------------------|----------------|
|                                   | No TEF                 | TEF                                      | No TEF                    | TEF            |
| Average maintenance loan per year | £6,067                 | £6,067                                   | £6,067                    | £6,067         |
| Average LCL per year              | £0                     | £0                                       | £1,277                    | £1,277         |
| Average living cost loan per year | £6,067                 | £6,067                                   | £7,344                    | £7,344         |
| Tuition fee loan per year         | £6,000                 | £6,165                                   | £7,200                    | £7,398         |
| <b>Annual Total</b>               | £12,067                | £12,232                                  | £14,544                   | £14,742        |
| <b>Overall Total</b>              | <b>£36,201</b>         | <b>£36,696</b>                           | <b>£29,087</b>            | <b>£29,483</b> |
|                                   |                        | <b>2 year Average reduction (total)</b>  | £7,114                    | £7,213         |
|                                   |                        | <b>Percentage reduction</b>              | 20%                       | 20%            |
| Total maintenance loan            | £18,201                | £18,201                                  | £14,687                   | £14,687        |
|                                   |                        | <b>2-year Maintenance loan reduction</b> | £3,513                    | £3,513         |
|                                   |                        | <b>Percentage reduction</b>              | 19%                       | 19%            |
| Total Tuition fee loan            | £18,000                | £18,495                                  | £14,400                   | £14,796        |
|                                   |                        | <b>2-year Tuition fee loan reduction</b> | £3,600                    | £3,699         |
|                                   |                        | <b>Percentage reduction</b>              | 20%                       | 20%            |

**Table 6. Maintenance loan and maximum tuition fee rates for standard vs accelerated degree courses at Approved providers with and without a TEF award, Academic Year 2017/18 values (20% uplift)**