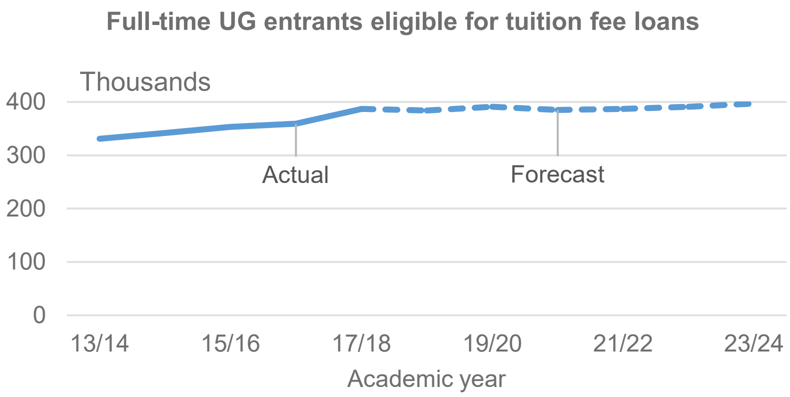
Student loan forecasts, England: 2018 to 2019

27 June 2019

This publication presents forecasts of higher education student numbers, student loan outlay and student loan repayments in England for financial years 2018-19 to 2023-24 and academic years covering the same period. Statistics on historical student loan outlay and repayments are published by the Student Loans Company.

Full-time UG student entrants are forecast to grow slightly from 2017/18 to 2023/14

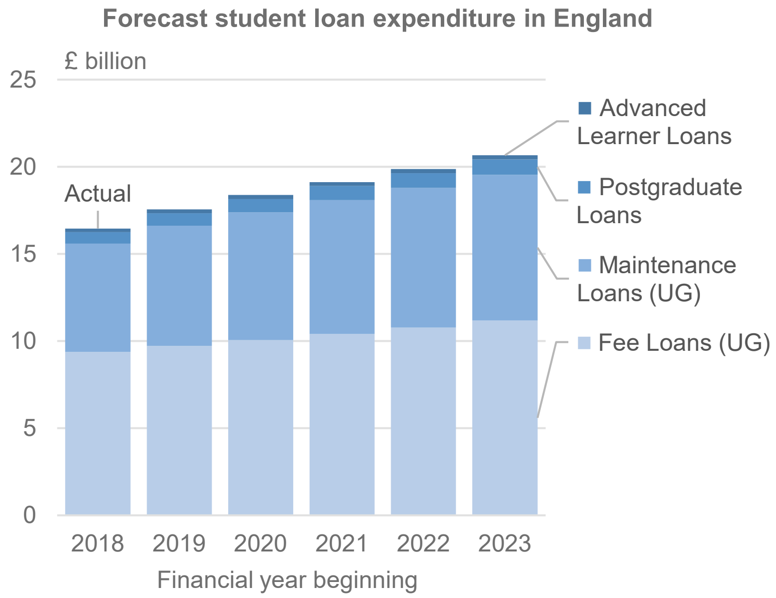


Full-time undergraduate (UG) entrants eligible for tuition fee loans are forecast to fall 0.8% in 2018/19 to 384,000, before growing 1.8% in 2019/20 to 391,000.

Due to a projected decline in the 18 to 20-year-old population, these entrants are then forecast to fall 1.4% to 385,000 in 2020/21.

Thereafter, growth is expected to resume, with these entrants forecast to grow 2.9% from 385,000 in 2020/21 to 397,000 in 2023/24.

Total student loan outlay is forecast to increase from £16.5 billion in financial year 2018-19 to £20.7 billion in 2023-24, in nominal terms.



The largest annual increases in student loan outlay are expected to be in financial years 2019-20 and 2020-21, with 7% and 5% increases (in nominal terms) respectively. The majority of these increases are a result of Government policies, which increase either the number of entrants eligible for student loans or the size of loan they're entitled to.

After that growth is expected to slow as student numbers fall slightly, although there will continue to be growth due to inflationary increases in the loan amounts borrowers will take out and the continuing effects of new policies.

The estimated RAB charges for student loans issued in financial year 2018-19 are:

- Plan 2 full-time higher education loans: 47%
- Plan 2 part-time higher education loans: 41%
- Advanced Learner Loans: 52%
- Master's loans: 0%

The **Resource Accounting and Budgeting (RAB)** charge is the proportion of loan outlay that is expected to not be repaid when future repayments are valued in present terms. It is subject to a high level of uncertainty as it involves forecasting repayments 30-40 years into the future.

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About this release

This statistics publication provides forecasts for higher education and further education student loans in England. These include forecasts of student numbers, student loan outlay and student loan repayments. Only income contingent student loans issued to English domiciled students studying in the UK or EU domiciled students studying in England are included. The forecasts are based on models developed by the Department for Education (DfE), details of quality and methodology are provided in the technical notes accompanying this publication.

This is the second in an annual series of statistics publications on student loan forecasts. It covers forecasts produced during the 2018-19 financial year, primarily covering the period 2018-19 to 2023-24. This is the same period for which the Office for Budget Responsibility produced forecasts in its most recent Economic and fiscal outlook (EFO) in March 2019.

These forecasts are based on the March 2019 economic forecasts by the Office for Budget Responsibility, which include provisional adjustments to account for the possible impact of Brexit assuming that the UK makes an orderly transition to a new long-term relationship. Any changes to economic forecasts could affect the student loan forecasts presented in this publication. Following OBR practice given Brexit and the uncertainty of student finance eligibility for EU domiciled entrants, EU domiciled entrant forecasts have been assumed flat from 2020/21 onwards.

The Government is currently carrying out a review of post-18 education and funding; the independent panel has recently published a report setting out their findings and policy recommendations for government consideration. Any changes to student loan eligibility, quantum or terms and conditions, if implemented by Government, could affect the forecasts presented in this publication.

In this publication

The following tables are included in an Excel file accompanying this publication:

- Table 1: Historical student loan outlay and forecast student loan outlay, by loan product
- Table 2a: Forecast number of students receiving loans, by loan product
- Table 2b: Forecast number of student entrants receiving loans, by loan product
- Table 3: Forecast student loan outlay, repayments, capitalised interest accrued by loan borrowers and cancelled loans, by loan product
- Table 4: Resource Accounting and Budgeting (RAB) charge and stock charge, by loan product
- Table 5: Forecast percentage of borrowers expected to fully repay student loans, by loan product
- Table 6: Forecast number of student loan borrowers liable to repay and number earning above repayment threshold, by loan product
- Table 7: Sensitivity of Resource Accounting and Budgeting (RAB) charges and stock charges to key economic and policy inputs
- Table 8: Projected long term student loan outlay, repayments, capitalised interest, cancelled loans, nominal face value and real terms face value of ICR student loans, by loan product
- Table 9: Forecast number of full-time higher education undergraduate course entrants, by domicile

The accompanying Technical notes document provides information on the models, their data sources and the methodology and assumptions used in producing the forecasts.

Feedback

We welcome feedback on this publication and the forecasts presented within it at he.modelling@education.gov.uk.

1. Student loan outlay forecasts

The DfE student loan outlay model and Advanced Learner Loans model forecast the amount that the Department for Education expects to lend to students taking out loans via the Student Loans Company (SLC). The SLC manages a number of different loan products which are available to students studying different types of qualification. The following loan products are available:

- **Plan 1 loans** – the loan system for students that started courses before September 2012 that are eligible for undergraduate student support funding, consisting of fee loans and maintenance loans.
- **Plan 2 full-time higher education loans** – the loan system for students on full-time courses that started since September 2012 that are eligible for undergraduate student support funding, consisting of fee loans and maintenance loans.
- **Plan 2 part-time higher education loans** – the loan system for students on part-time courses that are eligible for undergraduate student support funding. These first became available in September 2012, consisting of a tuition fee loan. Since August 2018 maintenance loans are also available to some part-time students.
- **Advanced Learner Loans** – a fee loan available to further education learners who meet the eligibility criteria. These were introduced in August 2013 and are on the Plan 2 repayment system.
- **Postgraduate master's loans** – loans available to master's students to help cover fees and living costs. They were introduced in August 2016 and are on the Plan 3 repayment system.
- **Postgraduate doctoral loans** – loans that became available to doctoral students in August 2018 to help cover fees and living costs. They are on the Plan 3 repayment system.

Table 1 shows the student loan outlay forecast by loan product for the financial years 2018-19 to 2023-24.

Table 1: Forecast student loan outlay, by loan product
Borrowers who received loans as English domiciled students studying in the UK or as EU domiciled students studying in England, financial years 2018-19 to 2023-24

£ million

Financial year	2018-19[1]	2019-20	2020-21	2021-22	2022-23	2023-24
Plan 1 loans	6	0	0	0	0	0
Of which fee loans	*2*	*0*	*0*	*0*	*0*	*0*
Of which maintenance loans	*4*	*0*	*0*	*0*	*0*	*0*
Plan 2 loans						
Higher education loans	15,577	16,620	17,385	18,080	18,785	19,535
Of which fee loans	*9,376*	*9,720*	*10,050*	*10,410*	*10,780*	*11,185*
Of which maintenance loans	*6,201*	*6,900*	*7,335*	*7,675*	*8,005*	*8,350*
Advanced Learner Loans	210	220	225	230	235	240
Plan 3 postgraduate loans						
Master's loans	655	675	710	745	780	810
Doctoral loans	11	35	55	65	70	75
All loan products	**16,458**	**17,550**	**18,380**	**19,125**	**19,870**	**20,660**

Source: SLC Student Loans in England 2018-19 publication, DfE student loan outlay model and Advanced Learner Loans model

[1] Figures for the financial year 2018-19, the latest year for which loan payments data are available.
https://www.gov.uk/government/statistics/student-loans-in-england-2018-to-2019

Total student loan outlay is forecast to increase from £16.5 billion in 2018-19 to £21 billion in 2023-24, in nominal terms. The largest annual rises in loan outlay are expected to occur in 2019-20 and 2020-21, with increases of 7% and 5% respectively on the previous financial year.

The majority of this forecast increase is as a result of several changes made to the student loans policy by Government. In particular, maintenance grants were replaced with maintenance loans for new entrants from academic year 2016/17, and new nursing, midwifery and most allied health entrants from 2017/18 became eligible for student loans for financial support in place of receiving NHS bursaries. These changes will lead to increases in loan outlay each year until the new policy applies to students in all course years. The introduction of master's loans in 2016/17, and doctoral loans and maintenance loans for part-time higher education students in 2018/19 are also expected to lead to further increases[2]. No Plan 1 loan outlay is forecast after 2018-19 as these loans are only available to students who started courses prior to September 2012 and the model assumes all students receive a maximum of 6 years of support from when they start their course.

It is assumed that the maximum loan amounts that students can take out will increase each academic year by forecast RPIX inflation measure, as forecast by the Office for Budget Responsibility (OBR). Because the majority of borrowers take out the maximum loan available to them, it is assumed that the average loan amount take-out will also increase by this amount. The exception is that in academic year 2019/20, higher education tuition fee maximums have been fixed at the same level as in 2018/19. Instead a smaller increase in average outlay is assumed to allow for providers increasing fees on courses for which they are not already charging the maximum (see quality and methodology information document for more information on the model assumptions).

The increase in the forecast from 2020-21 to 2023-24 is driven by the increase in the Plan 2 loans based on the assumption that fee and maintenance loans will increase by forecast RPIX inflation. This increase is larger than the impact of the decrease in the forecast of student entrants during that period.

Plan 3 postgraduate loans are forecast to increase year-on-year due to projected growth in loan take-up by current and additional students over this period.

Advanced Learner Loans outlay is forecast to increase from £210m in 2018-19 to £240m in 2023-24. The annual increases are driven by the assumption that fees will increase by forecast inflation, but borrower numbers are expected to remain steady.

[2] Complete information on the student finance arrangements in England can be found at: https://www.practitioners.slc.co.uk/policy/

2. Student loan repayment forecasts

The DfE student loan repayment model and Advanced Learner Loans model forecast the future repayments that DfE expects borrowers to make on loans taken out under the English student loan system, which are used to value total student loan balances in the DfE annual accounts. Future repayments can also be presented as relative measures of Government subsidy, which includes the Resource Accounting and Budgeting (RAB) charge and stock charge.

The Resource Accounting and Budgeting (RAB) charge and the stock charge

The RAB and stock charges are the estimated cost to Government of providing a subsidy for the student finance system. They are the proportion of loan outlay (the RAB charge) and of the total outstanding loans (the stock charge) that are expected to not be repaid when future repayments are valued in present terms.

See the quality and methodology information document accompanying this publication for more information.

Table 2 shows the forecast stock and RAB charges in financial years 2017-18 to 2018-19. These cover loans issued to English domiciled students studying in the UK and EU domiciled students studying in England. There is a significant level of uncertainty around these forecasts as they rely on earnings and repayment forecasts for the next 30-40 years. Forecasted RAB charges up to 2023-24 can be found in Table 4 of the accompanying Excel tables.

Table 2: RAB and stock charges, by loan product

Borrowers who received loans as English domiciled students studying in the UK or as EU domiciled students studying in England, financial years 2017-18 to 2018-19

	Stock charge		RAB charge	
	2017-18	2018-19	2017-18	2018-19
Plan 1 loans[3]	31%	30%	:	:
Plan 2 loans				
Higher education full-time loans	45%	45%	45%	47%
Higher education part-time loans	39%	38%	40%	41%
Advanced Learner Loans	52%	55%	50%	52%
Plan 3 postgraduate loans				
Master's loans[4]	0%	0%	0%	0%

Source: DfE student loan repayment model and Advanced Learner Loans model

Since the last release, in June 2018[5], there have been revisions to the data, economic assumptions, policies and modelling methodology used within the student loan repayment and earnings models. These changes will all contribute to varying degrees to any changes across time in our forecast of figures such as RAB charge, stock charge and percentage of borrowers expected to fully repay their student loans. This should be borne in mind when comparing changes between the 2017-18 and 2018-19 RAB and stock charges. For 2018-19 the key results are:

- The RAB charge for Plan 2 full-time higher education loans is 47%. While most borrowers will repay at least some of their loan, the income contingent nature of the loans means that the majority of these loan borrowers are not expected to fully repay their whole loan balance. This is because of the combination of the size of their initial loan amounts, the level of the earnings threshold above

[3] Plan 1 loans include unsold, retained and loans sold at both sale 1 and sale 2. For more information on the loan sales, go to:
Sale 1: https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-12-06/HCWS317/
Sale 2: https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-12-04/HCWS1137/
[4] RAB and stock charges cannot be negative as they measure the level of government subsidy to the student loan system. Without this rule, the master's loan figures produced by the student loan repayment model using the HMT discount rate would be -6% for the stock charge and -5% for the RAB charge.
[5] https://www.gov.uk/government/statistics/student-loan-forecasts-england-2017-to-2018

which borrowers are required to make repayments (£25,725 in 2019-20) and the interest rate on the loans that varies between RPI and RPI+3% depending on a borrower's income and whether they are still studying.

- For part-time higher education students, the RAB charge is 41%. Part-time students generally take out smaller loans than full-time students, meaning they are more likely to repay a higher proportion of their loans. Maintenance loans were only extended to part-time students in 2018/19 to on-campus, degree level borrowers only. Distance learners and on-campus, sub-degree borrowers were eligible for tuition fee loans only.
- The Advanced Learner Loans RAB charge is 52%. While borrowers typically take out smaller loan amounts, Advanced Learner Loan borrowers are expected to have lower future earnings than higher education loan borrowers. A proportion of the loans are also written off early, as students that receive a loan while studying for an Access to Higher Education Diploma will have their loan balance written off if they go on to complete a higher education course.
- Master's loans have a RAB charge of 0%, meaning that it is expected that the overall net present value of borrowers' future repayments will be at least as high as their initial loan outlay. Compared to the other loan products, master's loan borrowers generally receive smaller loan amounts and are expected to have higher earnings. They also have a lower repayment threshold than Plan 2 borrowers (fixed at £21,000 until 2020-21) and a higher interest rate of RPI+3% that will result in many of them repaying a higher amount.
- The Plan 1 stock charge is 30%. This covers loans issued to students that started courses between academic years 1998/99 and 2011/12, which have not been repaid in full by the start of 2018-19. It is lower than the Plan 2 higher education stock charge as these borrowers took out smaller loans and have a lower repayment threshold (£18,935 in tax year 2019-20). This is despite Plan 1 having a lower interest rate and entrants from 2006/07 having their loans cancelled 25 years after they become liable to make repayments compared to after 30 years under Plan 2. Note that these figures do not provide a direct comparison of the overall level of Government subsidy provided to the higher education sector under each system, as the Plan 1 system also involved a higher level of teaching and maintenance grants than the current Plan 2 system[6].

The RAB and stock charges are sensitive to the assumptions used in the models, so Table 7 in the Excel tables accompanying this publication illustrates the type of impacts that varying several economic and policy parameters would have on these measures.

Figure 1: Forecast percentage of borrowers expected to fully repay student loans
Borrowers who received loans as English domiciled students studying in the UK or as EU domiciled students studying in England, entrants in 2018/19 academic year

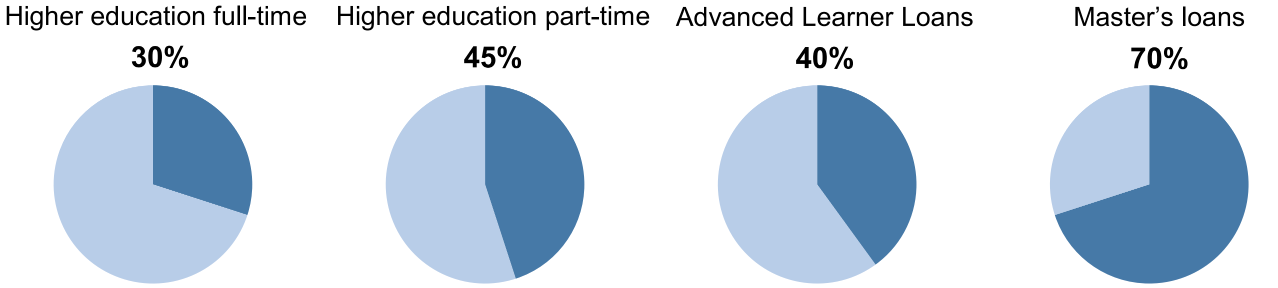


Figure 1 shows the proportion of students starting courses in the 2018/19 academic year that are forecast to fully repay their loans. This is lowest for full-time higher education borrowers at 30% as they will largely have the highest loan balances. The remaining 70% of borrowers will generally repay part of their loan balance, with some almost fully repaying. Therefore, the higher education full-time RAB charge is closer to

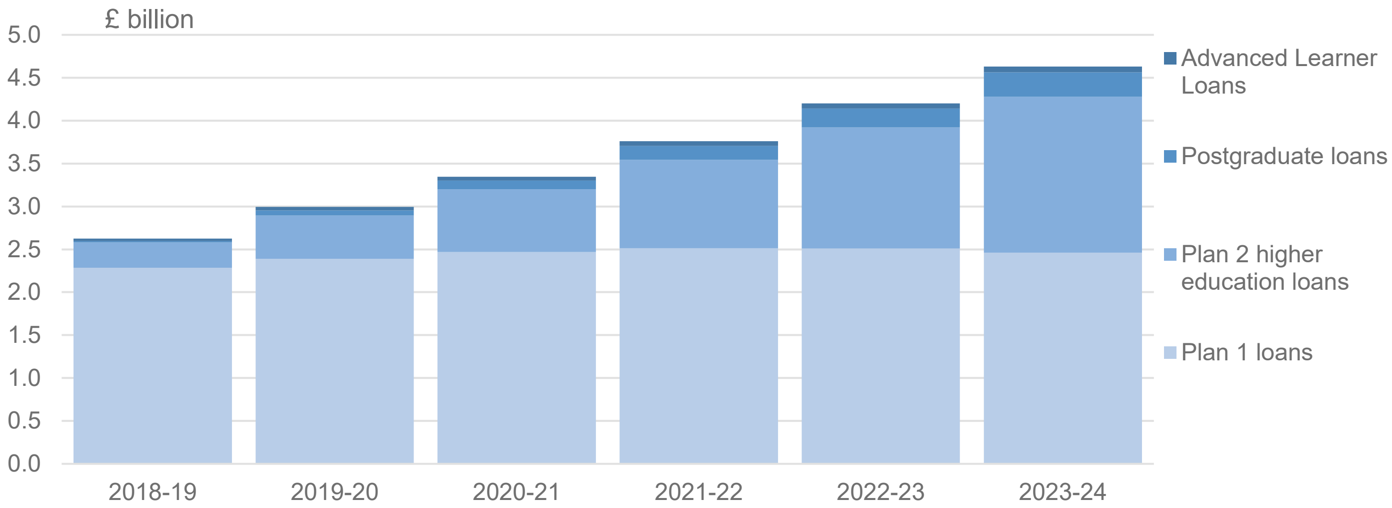
[6] A comparison of how the balance of contributions between taxpayers and students has changed over time under different systems can be found here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805104/ANNEX_Estimating_the_changing_cost_of_HE.pdf

that of part-time higher education borrowers and Advanced Learner Loan borrowers, despite the lower proportion that finish repaying their loans.

Despite the 0% RAB charge, around 30% of master's loan borrowers are not expected to fully repay their loan during their 30-year repayment term. Like the full-time higher education borrowers, these master's loan borrowers will still generally repay part, or most, of their loan balance. In addition, these borrowers have interest rates fixed at RPI+3% which may mean some borrowers' discounted repayments meet or exceed the total outlay provided to them but will not fully pay off the interest accrued on the loan before the end of their repayment term.

Figure 2 shows the amount of student loan repayments forecast to be made each year from 2018-19 to 2023-24. They are expected to rise steadily over this period from £2.6 billion in 2018-19 to £4.6 billion in 2023-24. The rise is largely a result of increasing numbers of Plan 2 borrowers becoming liable to make repayments over this period, whereas the amount repaid by Plan 1 borrowers flattens out. It is expected that the number of student loan borrowers liable to make repayments will rise from 3.9 million in 2018-19 to around 6.6 million in 2023-24.

Figure 2: Forecast student loan repayments, by loan product
Borrowers who received loans as English domiciled students studying in the UK or as EU domiciled students studying in England, financial years 2018-19 to 2023-24



3. Student loan projections

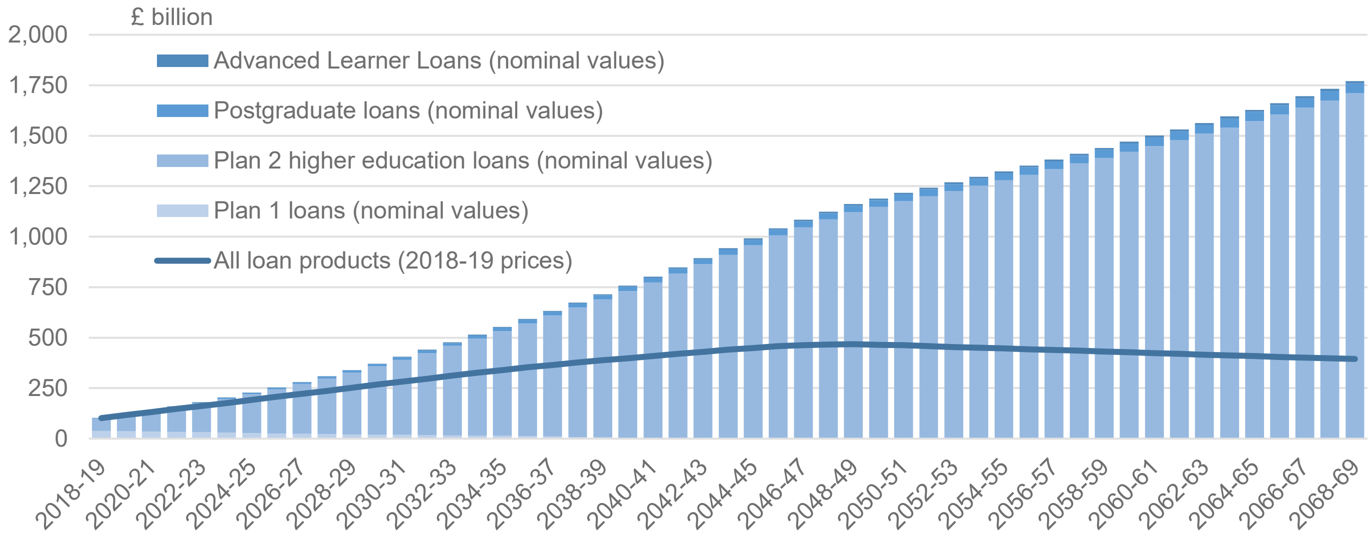
Figure 3 shows a projection for the outstanding balance of student loans over the next 50 years. These are highly uncertain and are very dependent on the assumptions used, but give an indication of how student loans could grow if current policies and trends continue. This long-term projection is derived by extending the following assumptions from the short-term model (up to 2023-24) over the next 50 years:

- Average student loan outlay per borrower increases each year in line with forecasts for RPIX from the Office for Budget Responsibility's (OBR) March 2019 Economic and fiscal outlook[7].
- Loan borrower entrant numbers vary in line with the Office for National Statistics (ONS) 2016-based principal population projections, weighted to the age profile of new entrants for each loan product.
- Future entrants are assumed to have the same distribution of characteristics, loan amounts (uprated by RPIX) and earnings (uprated by OBR average earnings growth forecasts) as the 2023/24 entrants in the DfE student loan repayment and Advanced Learner Loans models.
- No changes to student loan policies are assumed, other than annually uprating maximum loan amounts, repayment thresholds and interest thresholds as appropriate.

Under these assumptions the outstanding balance on student loans will reach a peak of around £470 billion in 2018-19 prices in the late 2040s, at around the time that the first few cohorts of Plan 2 loan borrowers reach the end of their 30 year repayment terms and have any remaining loan balance cancelled. At this time, the nominal face value of the student loans would be approximately £1.2 trillion.

OBR publishes comparable long-term projections for student loans in its Fiscal Sustainability Report[8], where it presents them as a percentage of GDP. The OBR projections use the DfE student loan models. However, OBR assumes that average loan outlay increases in the long term in line with average earnings growth each year, whereas this publication assumes it increases by forecast RPIX in line with the usual policy for uprating maximum loan entitlements each year. Average earnings growth is assumed to be higher than RPIX in the long term and means the outlay projections are higher, leading to the OBR forecasts of the face value of future loans being greater than DfE's forecasts.

Figure 3: Projected long-term face value of student loans in nominal and real terms
Borrowers who received loans as English domiciled students studying in the UK or as EU domiciled students studying in England, financial years 2018-19 to 2068-69



[7] OBR Economic and fiscal outlook – March 2019: https://obr.uk/efo/economic-fiscal-outlook-march-2019/
[8] OBR Fiscal sustainability report – July 2018: https://obr.uk/fsr/fiscal-sustainability-report-july-2018/

4. Student entrants forecasts

The DfE student entrant model forecasts the number of full-time undergraduate entrants to higher education institutions (HEIs) by domicile. Specifically, the forecast includes English domiciled entrants to UK HEIs and EU domiciled entrants to English HEIs. As a subset of these entrants, the model forecasts eligible loan entrants, which are those entrants eligible to receive tuition fee loans from the Student Loans Company (SLC).

Since 2017/18, nursing, midwifery and allied health profession (AHP) entrants have been eligible to apply for student loans support for tuition fees and maintenance costs. This funding policy change means that these eligible loan entrants are also forecast alongside English and EU domiciled eligible loan entrants.

Table 3: Forecast number of full-time undergraduate entrants to HEIs, by domicile
Full-time undergraduate entrants and eligible tuition fee loan entrants to HEIs, academic years 2017/18 to 2023/24

		Percentage change on previous year/Number					
Academic year	2017/18[9]	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
18 to 20-year-old population growth	-0.8%	-2.2%	-1.8%	-2.3%	-0.7%	1.1%	2.4%
Total entrant growth	-0.2%	-1.5%	1.6%	-1.8%	0.1%	1.0%	1.3%
English-domiciled growth	-0.2%	-1.9%	1.4%	-1.9%	0.1%	1.1%	1.4%
EU-domiciled growth	0.7%	4.2%	5.5%	0.0%	0.0%	0.0%	0.0%
Student entrants of which:	397,000	391,000	397,000	390,000	390,000	394,000	399,000
English-domiciled	371,000	364,000	369,000	362,000	362,000	366,000	371,000
EU-domiciled	25,000	26,000	28,000	28,000	28,000	28,000	28,000
Eligible loan entrants	360,000	354,000	360,000	354,000	354,000	358,000	362,000
Eligible loan entrants inclusive of nursing, midwifery and AHP entrants	387,000	384,000	391,000	385,000	387,000	391,000	397,000

Source: DfE student entrants model and ONS population projections

Overall, full-time undergraduate entrants eligible for tuition fee loans are forecast to grow slightly from 2017/18 to 2023/14.

Of the 397,000 full-time undergraduate entrants in 2017/18, it is forecast that 360,000 of these were eligible for tuition fee loans (not inclusive of nursing, midwifery and AHP). These eligible loan entrants are forecast to fall 1.5% in 2018/19 to 354,000, before returning to 360,000 in 2019/20 (growth of 1.6%).

Due to a projected 4.8% decline in the 18 to 20-year-old population from 2018 to 2021[10], from which the majority of full-time undergraduate entrants are drawn, eligible loan entrants are forecast to fall 1.8% in 2020/21 and grow only marginally by 0.1% in 2021/22 (354,000 for both academic years). Thereafter, when

[9] The latest year for which entrants data is available. Although 2017/18 student entrants are drawn from historical HESA data, 2017/18 eligible loan entrants are part forecast as the proportion of entrants eligible for tuition fee loans has been assumed constant from the proportion of eligible loan entrants of 2016/17 entrants.
[10] ONS population projections

growth in the 18 to 20-year-old population is expected to resume, these entrants are forecast to reach 358,000 in 2022/23 (+1%) and 362,000 in 2023/24 (+1.3%).

From 2020/21 onwards, this trend in decline and growth in eligible loan entrants is dominated by English domiciled entrants because EU domiciled entrant forecasts have been assumed flat from 2020/21 onwards. This assumption follows OBR practice given Brexit and the uncertainty of student finance eligibility for EU domiciled entrants[11].

Nursing, midwifery and AHP entrants are forecast to grow by 1,000 entrants per year. The forecast is based on the total clinical places funded by the Department of Health and Social Care since the funding policy change, and a judgement made by the OBR on the take-up of these clinical places to produce its March 2019 forecast.

[11] At the point of production of the forecast, student finance was confirmed only for EU domiciled entrants up to 2019/20 for the duration of their course. Funding has since been confirmed for EU domiciled entrants in 2020/21 also.

5. Definitions

Academic year	The year from 1 August to 31 July. Throughout the publication this is denoted in the format '2012/13' to describe the year from 1 August 2012 to 31 July 2013.
Advanced Learner Loan (ALL)	A fee loan payable to Further Education (FE) providers on behalf of FE learners who meet the eligibility criteria and started a FE course on or after 1 August 2013.
Cancelled loans	The borrower no longer has any liability to repay as provided for in the loans regulations. A borrower's liability is cancelled: • On the death of the borrower; • On reaching the age or length of time cancellation criteria for their loan (which varies by loan product); or, • If borrower is in receipt of a disability related benefit and permanently unfit for work.
Capitalised interest	The interest accrued on student loans is added to a borrower's loan balance, rather than requiring repayment at the time it is accrued.
Doctoral loan	Loans issued to students on doctoral courses, on the Plan 3 repayment system. They are paid directly to students and can be used to cover fees or living costs.
Domicile	The usual residence of a student in the period prior to commencement of study. The financial support available to students from Government can vary for students from different domiciles. This publication includes forecasts of entrant numbers for English and EU domiciled students. Wherever 'EU domiciled' students are referred to this includes students domiciled in countries other than the UK that count as EU domiciled for funding purposes.
Entrants	Students in their first year of study. Defined as those starting a course in the academic year who have not been active at the same broad level of study at the same provider in either of the two previous academic years.
Face value	The total outstanding balance on student loans. This will include all previous loan outlay and accrued interest, less any repayments or loan cancellations.
Financial year	The year from 1 April to 31 March. Throughout the publication this is denoted in the format '2012-13' to describe the year from 1 April 2012 to 31 March 2013. Some aspects of the student loan system are based on tax years (the 12-month period starting on 6 April), but as a simplification the student loan models assume that this is the same as the equivalent financial year.
Fully repaid loan	The borrower has repaid the loan in full during their repayment term without it being cancelled.
Higher education full-time loan	Loans available to students on full-time higher education courses, including first degrees, sub-degrees and certain postgraduate courses (e.g. Postgraduate Certificate in Education or PGCEs) that are eligible for the undergraduate loan system

Higher education part-time loan	Loans available to students on part-time higher education courses with an intensity of 25% or higher.
Income Contingent Repayment (ICR) loan	Loans for which the required repayments are based on the borrower’s income. The type of student loan that has been available to students since 1998.
Liable to make repayments	The borrower has a remaining loan balance and has reached their Statutory Repayment Due Date (SRDD).
Maintenance loan	Maintenance loans are loans to cover living costs, paid directly to the student.
Master’s loan	Loans issued to students on master’s courses, on the Plan 3 repayment system. They are paid directly to students and can be used to cover fees or living costs.
Plans 1, 2 and 3	The ICR loan scheme has been separated into different repayment arrangements called Plans 1, 2 and 3. While they operate in a similar manner, they differ in some ways such as the repayment thresholds, interest rates and the length of borrowers’ repayment terms. Plan 1 is the loan system for undergraduate students that started courses before September 2012, Plan 2 the system for undergraduates since September 2012 and for Advanced Learner Loans, and Plan 3 the system for postgraduate loans introduced in 2016.
Resource Account Budgeting (RAB) charge	Used in the DfE annual accounts, this is the proportion of loan outlay that is expected to not be repaid when future repayments are valued in present terms.
Repayment term	The period for which a loan borrower is liable to make repayments based on their income. At the end of a borrowers’ repayment term any remaining loan balance is cancelled.
Repayment threshold	The annual income threshold above which borrowers are required to make repayments on any eligible income. Plan 1 and Plan 2 loan borrowers are required to pay 9% of any earnings above the threshold and Plan 3 borrowers will be required to repay 6%.
Statutory Repayment Due Date (SRDD)	The point a borrower becomes liable to begin repaying a loan, normally the start of the tax year (6 April) after graduating or otherwise leaving their course. After the SRDD borrowers are required to make repayments if their income is above the repayment threshold.
Stock charge	This is the proportion of the total outstanding face value of loans that is expected to not be repaid when future repayments are valued in present terms.
Tax year	The 12-month period starting on 6 April. As a simplification, the student loan models assume that this is the same as the equivalent financial year running for 12 months from 1 April. Repayment thresholds are fixed for the duration of each tax year and borrowers’ SRDDs are at the start of the tax year after they graduate or otherwise leave their course.
Tuition fee loan	Tuition fee loans are loans to cover all or part of the cost of tuition. They are paid directly to the learning provider.
Voluntary repayment	A borrower can at any time choose to repay some or all of their loan balance early, in addition to any repayments they are liable to make based on their income.

6. Accompanying tables

The following tables are available in Excel and OpenDocument format on the department's student loan forecasts collection page (https://www.gov.uk/government/collections/statistics-student-loan-forecasts):

- Table 1: Historical student loan outlay and forecast student loan outlay, by loan product
- Table 2a: Forecast number of students receiving loans, by loan product
- Table 2b: Forecast number of student entrants receiving loans, by loan product
- Table 3: Forecast student loan outlay, repayments, capitalised interest accrued by loan borrowers and cancelled loans, by loan product
- Table 4: Resource Accounting and Budgeting (RAB) charge and stock charge, by loan product
- Table 5: Forecast percentage of borrowers expected to fully repay student loans, by loan product
- Table 6: Forecast number of student loan borrowers liable to repay and number earning above repayment threshold, by loan product
- Table 7: Sensitivity of Resource Accounting and Budgeting (RAB) charges and stock charges to key economic and policy inputs
- Table 8: Projected long term student loan outlay, repayments, capitalised interest, cancelled loans, nominal face value and real terms face value of ICR student loans, by loan product
- Table 9: Forecast number of full-time higher education undergraduate course entrants, by domicile

7. Official Statistics

These are Official Statistics and have been produced in line with the Code of Practice for Statistics. This can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as Official Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

The Department has a set of statistical policies in line with the Code of Practice for Statistics.

8. Technical information

A quality and methodology information document accompanies this publication. This provides further information on the models, their data sources and explains the methodology and assumptions used in producing the forecasts.

9. Get in touch

Media enquiries

Press Office News Desk, Department for Education, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.

Tel: 020 7783 8300

Other enquiries/feedback

Peter Wrixon, Higher Education Analysis, Department for Education, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT.

Email: he.modelling@education.gov.uk

Department for Education

About this publication:
Enquiries: Peter Wrixon, Higher Education Analysis, Department for Education, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT.
Email: he.modelling@education.gov.uk
https://www.gov.uk/government/statistics/student-loan-forecasts-england-2018-to-2019

Reference: Student loan forecasts, England: 2018-19