



Department  
for Education

# **Consultation on postgraduate doctoral loans**

**Government consultation**

**Launch date: 4 November 2016**

**Respond by: 16 December 2016**

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# 1. Executive Summary

At Budget 2015, the Government announced its intention to review how to broaden and strengthen support for postgraduate research and subsequently published a consultation on support for postgraduate study<sup>1</sup>. This consultation sought views and evidence on support for postgraduate study, including on whether to offer income contingent loans for doctoral level degrees, of up to £25,000 over the lifetime of the degree.

The consultation generated over 400 responses and the Government published an external analysis of these responses in November 2015<sup>2</sup>. This analysis showed strong support for the introduction of a new loan scheme for postgraduate doctoral students where this complements existing funding mechanisms and supports excellent research. Respondents were keen to ensure that support is maintained for existing funders that serve postgraduate research, such as through the Research Councils.

The Government response to the consultation on postgraduate study<sup>3</sup> was published in November 2015. The Government confirmed its commitment to introduce income contingent loans for doctoral study and its intention to offer these loans in addition to grant funding. At Budget 2016<sup>4</sup>, the Chancellor announced the Government's intention to launch a technical consultation on the detail.

The key terms of the proposed loan are as follows:

- Eligible individuals would be able to borrow up to £25,000.
- The maximum course length would be six years.
- The loan is intended as a contribution to the cost of study, rather than to specifically cover tuition fees or living costs.
- The loan would be available to individuals studying any Level 8 doctoral qualification.
- The loan would be available to eligible students who are not in receipt of a Research Council studentship<sup>5</sup> (including fees only awards).

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<sup>1</sup>[Consultation on Support for Postgraduate Study, March 2015](#)

<sup>2</sup>[Analysis of Responses to the Consultation on Support for Postgraduate Study, November 2015](#)

<sup>3</sup>[Government response to the Consultation on Support for Postgraduate Study, November 2015](#)

<sup>4</sup>[Budget 2016](#)

<sup>5</sup> A studentship is funding given to a student by a research organisation to undertake postgraduate training. Some studentships include funding for fees as well as a stipend for maintenance, whereas others are fees only.

- The loan will not be available until academic year 2018/19. It is intended that the loan would be available to eligible UK nationals ordinarily resident in England and other students that meet the loan's eligibility and residency requirements in place at the time. Full details of eligibility will be published in advance of the Student Loans Company opening applications for academic year 2018/19.
- Eligible students ordinarily resident in England would be able to take their loan to any UK university offering a doctoral programme.

The Government's objectives in introducing doctoral loans are to:

- Support take-up in doctoral study by providing access to finance to those not currently in receipt of a Research Council studentship.
- Broaden and strengthen the UK's research base.
- Benefit the economy by increasing the supply of workers with the high level skills needed to meet demand from employers and the research base, and to stimulate an innovation-led economy.

This consultation seeks views on the specific details of the proposed income contingent loan for doctoral study, focusing on loan terms, eligibility and implementation.

Higher Education provision is a devolved matter for Scotland, Wales and Northern Ireland and therefore individuals ordinarily resident in those countries would not be eligible for the loan. However, since the loan is portable to UK HEIs we also welcome the views of interested stakeholders from around the UK.

We will consider all responses and use these to inform the design of the doctoral loans.

## 2. About the consultation

### 2.1 Respond online

To help us analyse the responses please use the online system wherever possible. Visit <https://www.gov.uk/government/publications> to submit your response.

This is a public consultation and is open to anyone to respond. We would particularly welcome views from existing and prospective students, higher education institutions, as well as the research community and their representative bodies, and employers and their representative bodies.

A list of stakeholders with whom this consultation has been shared is set out in Annex 2. We would welcome suggestions of others who may wish to be involved, and would ask that you draw their attention to this consultation.

When responding, please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear whom the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

### 2.2 Other ways to respond

If for exceptional reasons you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, you may download a word document version of the form and email it or post it.

Email to: [Postgraduatedoctoralloans.CONSULTATION@education.gov.uk](mailto:Postgraduatedoctoralloans.CONSULTATION@education.gov.uk)

By post to:

Doctoral Loans Consultation  
Department for Education  
Abbey 2, 5th Floor  
1 Victoria Street  
London  
SW1H 0ET

You may make printed copies of this publication without asking permission.

### 2.3 Issue date and deadline

The consultation was issued on 4 November 2016 and will close on 16 December 2016.

## 2.4 Enquiries

If your enquiry is related to the policy content of the consultation you can contact the team on:

[Postgraduatedoctoralloans.CONULTATION@education.gov.uk](mailto:Postgraduatedoctoralloans.CONULTATION@education.gov.uk)

If your enquiry is related to the DfE e-consultation website or the consultation process in general, you can contact the DfE Ministerial and Public Communications Division by email: [consultation.unit@education.gov.uk](mailto:consultation.unit@education.gov.uk) or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).

## 2.5 Additional copies

Additional copies are available electronically and can be downloaded from [GOV.UK DfE consultations](#).

## 2.6 How responses to this consultation will be used

A wide range of views from stakeholders and interested parties are being sought through this consultation process. We also invite stakeholders to share any research undertaken and published that they consider relevant to the issues raised and to your response. Responses to this consultation will contribute to the evidence and advice that informs the final design decisions for Doctoral Loans. Annex 2 sets out the list of stakeholders who may have an interest and wish to contribute to this consultation.

## 2.7 What happens next

The consultation will close on 16 December 2016. This will inform further development of the policy for Doctoral Loans. The Government response to the consultation will be [published on GOV.UK](#) in due course.

## 2.8 Confidentiality & Data Protection

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide, to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

## **2.9 Devolved Administrations**

Higher Education is a devolved matter in Scotland, Wales and Northern Ireland. This consultation relates to Higher Education policy in England only, as will the Government response. The consultation does not commit any of the Devolved Administrations of the United Kingdom to any UK-wide actions or a policy position in this respect.



## 3. About doctoral education

### 3.1 The doctoral education landscape

#### 3.1.a What is a doctoral degree?

A doctoral degree is classified as a Level 8 qualification in the Quality Assurance Agency's Higher Education Framework for Higher Education Qualifications<sup>6</sup>. These include Doctor of Philosophy qualifications, usually abbreviated as PhD or DPhil, as well as professional doctorates, such as Doctor of Education (EdD) and Doctor of Business Administration (DBA).

The most common form of doctorate in the UK is the PhD or DPhil, despite the emergence of professional doctorates which have evolved in response to the needs of different professions.

The main focus of a doctoral candidate's work is their contribution to existing knowledge in their subject discipline through original research or the original application of existing knowledge or understanding.

#### 3.1.b What is a professional doctorate?

HEFCE research shows that professional doctorates differ from other doctoral programmes, particularly PhDs, in respect of their purpose and research focus<sup>7</sup>. Professional doctorate programmes aim to develop the capacity to make a significant, original contribution to professional practice through research, and are a research based element of professional training and the development of practitioners. The research within a professional doctorate programme is rooted in the professional practice of the candidate and should have a significant impact on their professional practice.

#### 3.1.c What is the value of doctoral level skills?

The economy needs a highly skilled, research-driven workforce to enable businesses to grow and for innovation to thrive. Employers value doctoral graduates' deep specialist subject knowledge, excellent research and analytical skills, their capacity for forward thinking, and ability to bring fresh perspectives to problem solving. These skills enable

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<sup>6</sup> [Doctoral Degree Characteristics, QAA, December 2014](#)

<sup>7</sup> [Provision of professional doctorates in English HE institutions, Report for HEFCE by the Careers Research & Advisory Centre \(CRAC\), supported by the University of Brighton, January 2016](#)

doctoral graduates to innovate and develop new or improved goods, processes or ways of working.

A doctorate is the first step towards a career in research, and doctoral students are vital to the higher education sector through their contribution to original research and also as researchers of the future. The UK's position as a global research leader is dependent on the quality of its university-based research and UK higher education institutions are crucial contributors to the domestic research base as a whole<sup>8</sup>.

Doctoral students provide critical mass within research groups, and are seen as engines of innovation, undertaking higher risk projects. These students also help foster innovation through collaboration and engagement with industry.

### **3.1.d How does our doctoral research performance compare to other countries?**

The UK has a strong foundation in research that has made it one of the best global performers in the achievement of doctoral level qualifications, and the Government is committed to increasing the strength of this world class research base. The UK is the fourth largest producer of PhD graduates globally; of the research-intensive countries, the US, China, and Germany each produced more PhD graduates than the UK in 2011. The growth in PhD graduates for the UK is within the range of those seen across most research-intensive countries.<sup>9</sup>

In science and innovation, the UK is a world leader and has the most productive science base in the G7. The UK has overtaken the US to rank first amongst comparable major research nations for Field Weighted Citations Impact (FWCI)<sup>10</sup>. With only 0.9% of the global population, 4.1% of researchers and 3.2% of R&D expenditure, the UK accounts for 6.4% of research articles, 11.6% of citations and 15.9% of the most highly-cited research articles.

The UK also has a high rate of return for our investment in science and research - at 20%. In addition, £1 of public expenditure leverages an average of £1.36 private investment which generates even greater returns for the UK<sup>11</sup>.

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<sup>8</sup>[The Funding Environment for Universities 2013, Research and Postgraduate Training, Universities UK](#)

<sup>9</sup>[International Comparative Performance of the UK Research Base, Elsevier, 2013](#)

<sup>10</sup> Field-weighted Citation Impact indicates how the number of citations received by an entity's (in this case, the UK's) publications compares with the average number of citations received by all similar publications.

<sup>11</sup>[What is the relationship between public and private investment in science, research and innovation? Economic Insight, April 2015](#)

## **3.2 Funding doctoral study**

The complexity of funding postgraduate research, including doctoral study, was highlighted in the responses to the Consultation on Postgraduate Study. Funding for university research is currently delivered through the 'Dual Support System'. Dual Support combines project funding for excellent research proposals, which is forward-looking and assessed through peer review (delivered by the Research Councils), with formula based quality-related research funding that rewards performance retrospectively based on peer review and proven impact from the research (delivered by HEFCE). The system sustains a dynamic balance between research that is strategically relevant and internationally peer reviewed, and research which is directed from within institutions.

Doctoral students can be funded by Research Councils, by their institutions, or from a number of other sources, but it is hard to be definitive on the finance options currently available to doctoral students. In general, funding for doctoral programmes is likely to come from six main sources:

1. Research Council studentships and support;
2. University studentships, grants and support;
3. Industry supported scholarships and awards;
4. Charities and non-profit organisations ;
5. Employer support; and
6. Self-funding by the student.

## **3.3 Rationale for government intervention**

### **3.3.a Addressing employer demand for high level skills**

The economy needs a highly skilled, research-driven workforce to enable businesses to grow, and for the UK to be the best place to innovate. However, the costs and length of time it takes to secure a doctorate make most employers understandably reluctant to invest upfront despite their desire to recruit doctoral students.

Employers value doctoral students' deep specialist subject knowledge, excellent research and analytical skills, their capacity for forward thinking, and ability to bring fresh perspectives to problem solving. These skills enable doctoral graduates to innovate, develop new or improved goods, processes or ways of working. Research

from the Research Councils found that three quarters of employers who took part said their loss would have a business critical or significant impact on operations<sup>12</sup>.

### **3.3.b Unmet student demand**

The Government already invests actively in the development of the doctorate population through the Dual Support System because of their contribution to the research base and high level skills. However, the Government is confident that even with this investment there is still unmet demand for places on doctoral programmes:

- Research Council studentships are highly contested, suggesting that more students would take up doctoral places than are currently able to do so.
- Students meeting Research Council residency requirements are eligible for a Research Council studentship that includes a maintenance stipend. In 2014/15, around 37% of students beginning doctorates who met the residency requirements for such a maintenance stipend received one.<sup>13</sup>

### **3.3.c Addressing demand from HEIs**

There is also demand for doctoral students from Higher Education Institutions. HEIs see doctoral students as strategically important to their research capacity and output. They provide critical mass within research groups where they support innovation and higher risk projects, and are also instrumental in building international and inter-sectoral collaborations as well as delivering industry-funded research. Many institutions regard them as integral to, and supportive of, the culture of being a university.

Over the longer term, institutions also see postgraduate research students as important in contributing to institutional Research Excellence Framework (REF) performance and underpinning REF publications. Because of this, institutions particularly target doctoral growth in areas of existing research excellence. In addition, institutions recognise the importance of doctoral students as a potential pipeline of high-quality researchers for their future research capacity.

### **3.3.d Broadening and strengthening the research base**

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<sup>12</sup> [The impact of doctoral careers: Overview, CFE Research, November 2014](#)

<sup>13</sup> There were 15,190 such students beginning doctorates in 2014/15, of whom only 5,611 (37%) received a studentship with a maintenance stipend. This is taken from a breakdown of published HESA figures and data provided by Research Councils, taken from annual reports.

The Government wants to build on its existing strength in research, to broaden and strengthen the research base. We recognise that the UK is a world leader in science and innovation and has the most productive science base in the G7; the UK has overtaken the US to rank first amongst comparable major research nations for Field Weighted Citations Impact (FWCI)<sup>14</sup>. A PhD is the first step towards a career in research and doctoral graduates are vital to the higher education sector through their contribution to original research and also as researchers of the future. The UK's position as a global research leader is dependent on the quality of its university-based research and UK higher education institutions are crucial contributors to the domestic research base as a whole<sup>15</sup>.

The provision of doctoral loans, which institutions can use to create packages of support for doctoral students, will allow a broad range of institutions to strengthen their research programmes.

### **3.3.e Closing the finance gap for individuals**

Research organisations and higher education institutions in the UK are not regulated in terms of the fees they charge for PhD programmes. Fee levels vary across universities, but the RCUK indicative fee level for doctoral study in 2016/17 is around £4,000 per year<sup>16</sup>. Variation in the total cost of a PhD or doctoral degree can come from both the course fees, which may vary by institution or subject, and the location of study.

The cost of living during doctoral study is strongly dependent on the location of the university. For example, Oxford<sup>17</sup> and London<sup>18</sup> are at the top end of living cost, at around £14,000 per year. The cost of living in cities such as York<sup>19</sup>, Sheffield<sup>20</sup> or Aberystwyth<sup>21</sup> is lower, at around £11,000 per year. In these cities the total cost over a three year course, assuming the indicative fee level of £4,000, would be around £45,000.

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<sup>14</sup> Field-weighted Citation Impact indicates how the number of citations received by an entity's (in this case, the UK's) publications compares with the average number of citations received by all similar publications.

<sup>15</sup> [The Funding Environment for Universities 2014, Research and Postgraduate Training, Universities UK](#)

<sup>16</sup> [Research Councils UK Doctoral Stipend Levels and Indicative Fees for 2016](#)

<sup>17</sup> [Oxford Living Costs](#)

<sup>18</sup> [Imperial College London Living Costs](#) ; [King's College London](#)

<sup>19</sup> [York Living Costs](#)

<sup>20</sup> [Sheffield Living Costs](#)

<sup>21</sup> [Aberystwyth Living Costs](#)

We therefore estimate that average cost of study at doctorate level could range from £45,000 (for a three year degree in lower cost location) to £73,000 (for a four year degree in a higher cost location).

The loan amount would cover around a third to a half of the total costs of a doctorate, and is intended to be a contribution towards the costs of pursuing doctoral study. It is not intended to cover all the associated costs of studying at this level. We consider this balances the incentives, to ensure students will continue to make considered and informed decisions about pursuing further study at this level.

We welcome the funding Higher Education Institutions, charities and employers already offer doctoral students, and would encourage them to consider how these funding packages can be used alongside doctoral loans. The additional source of funding provided by doctoral loans also presents HEIs with an opportunity to develop new, innovative packages of funding.

## 4. Key principles of the new doctoral loan

The policy objectives: The Government's objectives are to support take-up of doctoral study by providing access to finance to those not currently in receipt of a Research Council studentship; to broaden and strengthen the research base; and to benefit the economy by increasing the supply of workers with the high level skills needed to meet demand from employers and the research base and stimulate an innovation-led economy.

Affordability and value for money: The proposed terms of the loan are designed to achieve the policy objectives detailed above, whilst being affordable and offering value for money for the taxpayer.

Income contingent: As a safeguard for individuals and to ensure repayments are achievable and affordable, repayments must be based on income - similar to the principle applied in the undergraduate and master's student loans models.

Contribution towards costs: The intention is to make finance available as a contribution to the costs of pursuing doctoral study, including fees and living costs. The Government is not seeking to provide finance to cover all the costs associated with undertaking a doctorate. This is similar to the approach adopted for the master's loan. We consider this contribution approach provides the right balance of support for students while ensuring they continue to make considered decisions about pursuing education at this level. The Government also wishes to reduce the risk that employers will withdraw existing support from their employees wishing to study at this level.

Better than commercial rates or on better terms: The Government intends to structure the loan product so that it is exempt from consumer credit regulation. Where the loan is made in accordance with regulations under Section 22 of the Teaching and Higher Education Act 1998, they will be exempt from regulation under the Consumer Credit Act 1974 and the Financial Services and Markets Act 2000 pursuant to section 8 of the Sale of Student Loans Act 2008. According to Section 22, the loans must have interest rates falling below those prevailing on the market, or no higher than those prevailing on the market but with more favourable terms for the borrower. The existing undergraduate student loans are structured to fall within this exemption. The terms for this new loan will be designed to ensure it also adheres to this exemption. This will also secure compliance with the United Kingdom's obligations under the Consumer Credit Directive.

Non duplicative: The proposed scheme has been designed to avoid duplicative funding - two different streams of public money being used to fund the same outcome.

The Government wishes to develop a doctoral loan model that meets all these principles. It is against that backdrop that we are asking for respondents' views. The consultation seeks to provide sufficient information, through this and other sign-posted

documents referenced within it, to allow respondents to provide considered and informed views.



## 5. The doctoral loan proposal and consultation questions

### 5.1 Features of the proposed doctoral loan

The features of the proposed doctoral loan product are listed below:

- Eligible individuals would be able to borrow up to £25,000.
- The loan is intended as a contribution to the cost of study, rather than to specifically cover tuition fees or living costs.
- Eligibility would not be based on a means test.
- The loan would be available to individuals studying any Level 8 doctoral qualification.
- The loan would be available to eligible students who are not in receipt of a Research Council studentship (including fees only awards).
- The loan will not be available until academic year 2018/19. It is intended that the loan would be available to eligible UK nationals ordinarily resident in England and other students that meet the loan's eligibility and residency requirements in place at the time. Full details of eligibility will be published in advance of the Student Loans Company opening applications for academic year 2018/19.
- Eligible students ordinarily resident in England would be able to take their loan to any UK university offering a doctoral programme. Higher Education provision is a devolved matter for Scotland, Wales and Northern Ireland and therefore individuals ordinarily resident in those countries would not be eligible for the loan.
- The proposed loan would be available to individuals aged 59 and under (on the first day of the first academic year of the programme of study).
- Our intention is that the maximum programme of study length would be six years.
- Payments would be in tranches across the number of years of the doctoral programme, up to a maximum over the training programme of £25,000.
- The loan interest would be calculated at RPI+3% commencing when payment is issued to the student.
- Repayment of the doctoral loan would be income contingent and in line with the repayment threshold of the undergraduate and master's loans, currently set at £21,000 until April 2021.
- The intention is for doctoral loan repayments to be calculated at 6% of income above the income threshold. This is pending a final policy decision which will be informed by this consultation, and made on the grounds of affordability, feasibility and value for money. Repayments would be made concurrently alongside repayment of any outstanding undergraduate loan.
- For those students with a master's loan, the intention is for repayment to be taken through one single postgraduate loan repayment of 6% of income above

the repayment threshold, covering both master's and doctoral loan balances. The repayment rate for those with only a master's loan would remain at 6%.

- Any outstanding doctoral loan balance would be written off 30 years after the point a borrower becomes liable to begin repaying a loan.
- Our current intention is that the first doctoral loans would be issued to students beginning programmes of study in academic year 2018/19.
- The loan would be administered by the Student Loans Company (SLC).

The consultation questions have been designed to invite views on the specific detail of the proposal whilst recognising the Government's aim of developing a loan model that meets all of its key principles, and its rationale for intervention.

Respondents should note that amending one eligibility criterion of the proposed loan may need to be balanced by making at least one other criterion or term less favourable to the borrower, in order to meet the principle of affordability and value for money.

The evidence and responses from this consultation will be used to inform the final design and terms of the proposed doctoral loan scheme.

## 5.2 Consultation questions

### 5.2.a Respondent information

**Q1. Are you answering on behalf of an organisation, or as an individual?**

- On behalf of an organisation (please state the name of your organisation below)  
.....
- As an individual

**Q2. If you are answering on behalf of an organisation which of the following stakeholder groups do you/your organisation belong to?**

- Not answering on behalf of an organisation
- Research Councils
- Research institutes
- Public and private research bodies
- University representative groups
- Confederation of British Industry
- Universities
- Industry
- SMEs
- Students
- Student representative bodies
- Individual researchers from universities, research institutes or industry
- National Academies
- Learned Societies
- Other (please state which group):  
.....

**Q3. If you are answering as an individual are you a current or a prospective student?**

- Current
- Prospective
- Neither

**Q4 What is the highest educational qualification you have obtained?**

- Doctorate (e.g. PhD or professional doctorate etc)
- Master's degree or equivalent (e.g. MSc, MA etc)
- Bachelor's degree or equivalent (e.g. BSc, BA etc)
- Diploma of higher education or equivalent
- Certificate of higher education or equivalent
- A-Levels or equivalent
- GCSEs or equivalent

- Entry level qualification**
- No qualifications**
- Other**

## 5.2.b Individual eligibility

**The proposed loan would be available to individuals aged 59 and under (on the first day of the first academic year of the course).**

The Equality Act 2010 prohibits direct discrimination on the grounds of age (section 13 (1) EA 2010). However, a person (A) does not discriminate against another person (B) on the grounds of age if A can show that treating B less favourably than others is a proportionate means of achieving a legitimate aim (section 13(2) EA 2010).

The Government is aware that some doctoral students pursue their studies purely for personal interest and without any particular intention to return to the workplace, or in some cases, to complete the programme of study. Whilst these doctorates may be valuable in themselves, it is not the purpose of the loan to facilitate their uptake. This may be a particular issue amongst older cohorts, both those in retirement and those approaching retirement. We believe that this risk may be exacerbated by a loan whose repayment is income contingent. For those who are nearing the end of their working life, they may rightly calculate that they would not have to repay any of the loan, if they expect their income to remain under £21,000. Whilst the Government acknowledges that doctoral research has value irrespective of the age of the student who produces it, it also has a duty to ensure value for money for the taxpayer when dispensing public money.

An age restriction may therefore be important in mitigating the risk that the loan is disproportionately taken out by older students, who might be incentivised by the loan to pursue a doctorate, and are unlikely to repay the loan in full. Current numbers of doctoral students aged 60 and above are small; in 2014/15, there were 175 England domiciled entrants to UK HEIs and EU domiciled entrants to English HEIs aged 60 or older, studying towards doctorates .

Were large numbers of older students to take out the loan and to have a low level of repayment, this would increase the amount of the loan which the Government does not expect to be repaid, and would reduce value for money for the taxpayer.

A doctoral course usually takes a minimum of three years to complete, and the proposal is for the loan to be provided for courses up to six years. This means that older students would have a limited number of working years in which their skills would be available to the economy. As one of the objectives of the policy is to increase high level skills for the economy, there is a value for money argument to be made for targeting the loans to those earlier in their working life.

The Government is currently of the view that making the loan available only to those aged 59 and under would reduce the risk of the loans offering low value for money for the taxpayer. This would mirror the age eligibility criteria of the master's loan.

**Q5. Restricting the availability of the loan to those aged 59 and under is intended to tackle the potential problem of low value for money, associated with lending large amounts of public money to cohorts of students who are unlikely to enter repayment. Do you think that an age eligibility restriction is a proportionate way of mitigating this risk?**

- Yes
- No

**Please explain your answer and give evidence where possible:**

**Q6. The government is aware that some doctoral students may undertake study purely for personal benefit, with no particular intention to undertake further employment or research. A £25,000 income contingent loan may particularly incentivise this in older cohorts, as they are less likely to enter repayment. Whilst we recognise the value of doctoral study in and of itself, there is a risk that funding students who have no intention to undertake further employment or research would offer low value for money to the taxpayer. In your view is this loan likely to incentivise this kind of study?**

- Yes
- No

**Please explain your answer and give evidence where possible:**

**Q7. Other than an age eligibility restriction, can you propose any other ways of mitigating the associated value for money issues?**

**Please explain your answer and give evidence where possible:**

**Q8. We are intending to make the loan available for doctoral courses that last up to 6 years, and the older the doctoral student, the fewer the number of years they would have to repay the loan. In your view, which of the age eligibility restrictions below would best achieve the government's aims - broadening and strengthening the research base and addressing employer demand for high level skills - whilst also providing good value for money for the taxpayer?**

- An age eligibility restriction of 59 and under
- An age eligibility restriction of 49 and under
- An age eligibility restriction of 39 and under
- An age eligibility restriction of 29 and under
- Another age eligibility restriction (please explain below)
- No age eligibility restriction

**Please explain your answer and give evidence where possible:**

## 5.2.c Possible additional eligibility requirements

We are also considering an alternative to a demand led product which would make the loan available only at institutions that had been allocated a capped number of doctoral loan places. The number of loans allocated to HEIs would be made according to an existing metric. One option for such an allocation would be to allocate loan places to HEIs in proportion to HEFCE's allocation of Research Degree Programme (RDP) supervision funding, with the allocation capped at a maximum number of places, for instance 300 per institution, with any allocation over the cap being re-distributed to other HEIs. Student eligibility and terms would remain unchanged, but this would introduce an additional institutional eligibility requirement. Institutions would decide which of their students to offer loan places to, and would need to remain within their allocation.

**Q9. Do you have any views on using this metric as the basis for such an allocation, or on the level at which allocations to institutions should be capped?**

**Please explain your answer and give evidence where possible:**

**Q10. Do you have any views on such a condition on institutions' eligibility in which loans would only be available to students wishing to study at HEIs that have been allocated a capped number of loan places?**

**Please explain your answer and give evidence where possible:**

## 5.2.d Course length

**The intention is for the maximum course length to be six years, with students stating in advance how long they intend to take to complete.**

Full-time doctoral courses are typically three or four years in length, but we also recognise that there is value in allowing people to study part-time over a longer period. A six year course length restriction strikes a balance between enabling part-time study, whilst incentivising students to complete their doctorates within a set period of time, so that they take their skills into the labour market more quickly.

Undergraduate and master's courses link eligibility for loans to intensity of study. However, we believe that this may be difficult to measure for doctoral students, where study is independent and not course-based. Instead of limiting loans to part-time study of a certain level of intensity, we think it would be more appropriate to set an upper boundary on the length of time that students can study for, and still receive funding.

The Government also recognises that it can be difficult for students to predict at the outset of their course how long it will take to complete. This poses a challenge, as the Government has a duty to manage public money appropriately, by ensuring that payments to students are made in step with, rather than in advance of, need.

Doctoral study involves the submission of a thesis, which a student is usually then examined on orally, often called a viva voce. They may then be passed without corrections, asked to make corrections, or to resubmit their thesis, or may be given an alternative lower qualification. HEIs usually specify a maximum time within which a student must submit their thesis, but the actual completion of a doctorate comes only once the thesis has been passed, and any necessary corrections made.

**Q11. Does making the loan available for courses of up to 6 years, give a sufficient amount of time to enable part-time study, whilst also incentivising students to complete their doctorates within a set period of time?**

- Yes
- No

**Please explain your answer and give evidence where possible:**

**Q12. The Government has a duty to ensure that payments to students are made in step with, rather than in advance of need. What can be done to ensure that students in receipt of a loan, who set out to complete their courses in a set period of time actually do so, so that payments are not made in advance of need if students take longer than intended, or longer than the six year completion limit?**

**Please explain your answer and give evidence where possible:**

**Q13. Should the limit on course length refer to the submission of the thesis, or use another benchmark for completion?**

- Submission of thesis
- Another benchmark (please specify below)

**Please explain your answer and give evidence where possible:**

**Q14. In your view, what is the main factor that impacts completion of doctorates?**

- Poor supervision
- Loss of interest
- Financial difficulties
- Personal difficulties
- Unable to balance demands of study with other commitments
- Other

**Please explain your answer and give evidence where possible:**

## 5.2.e Course eligibility

The proposed loan would be available to all Level 8 doctoral degrees, including professional doctorates (e.g. DBA etc).

**Q15. Do you have any views on the course eligibility for the loan?**

**Q16. The intention is that eligibility for the doctoral loan would depend on the exit qualification expected from any course of study. Doctoral loans would be available where the expected exit qualification is a doctorate, and we would expect students to state their intended exit qualification at the outset of their course. If a student's intention from the outset is to exit with a doctorate they would be eligible for a doctoral loan to cover the course, even if it includes a period of master's level study, e.g. an MRes. A student in this scenario would not be eligible for a postgraduate master's loan.**

**Are there any practical implications of the interaction of the two loan products that we should consider with regard to course eligibility?**

- Yes
- No

**Please explain your answer and give evidence where possible:**

## 5.2.f Other sources of funding

The proposed loan amount is intended to be a contribution to the costs of pursuing doctoral study and is not intended to provide finance to cover all the associated costs of study.

The Government believes that the responsibility for doctoral finance should be shared between the Government, individuals, HEIs and others. Providing a contribution to costs balances the desire to incentivise students to study at doctoral level, whilst ensuring students continue to make considered and informed decisions about pursuing study at this level.

**Q17. What current sources of finance do other bodies provide that might enable students to meet the costs of pursuing doctoral study (i.e. on top of the doctoral loan)?**

**Please explain your answer and give evidence where possible:**

**Q18. How might HEIs and others provide new and innovative packages of support to help meet the costs of study not covered by the loan?**

**Please explain your answer and give evidence where possible:**



## 5.2.g Duplicative funding

**The proposed loan would only be available to students who do not receive a Research Council studentship (this includes fees-only awards).**

This is to avoid two different streams of public money being used to fund the same purpose. Additionally, an objective of the loan is to support take-up of doctoral study by those not currently in receipt of public finance (not to supplement or replace existing Research Council funding).

**Q19. Apart from Research Council studentships and fees only awards, how should other sources of public funding be treated when considering whether to offer a loan (e.g. funding for professional doctorates from other sources)?**

**Please explain your answer and give evidence where possible:**

## 5.2.h Repayment terms

The proposed repayment terms are:

- **£25,000 maximum loan amount;**
- **The loan interest would be calculated at RPI+3% commencing when payment is issued to the student.**
- **Repayment of the doctoral loan would be income contingent and in line with the repayment threshold of the master's loans, currently set at £21,000 until April 2021.**
- **The intention is for doctoral loan repayments to be calculated at 6% of income above the income threshold. This is pending a final policy decision which will be informed by this consultation, and made on the grounds of affordability, feasibility and value for money. Repayments would be made concurrently alongside repayment of any outstanding undergraduate loan.**
- **For those students with a master's loan, the intention is for repayment to be taken through one single postgraduate loan repayment of 6% of income above the repayment threshold, covering both master's and doctoral loan balances.**
- **Any outstanding doctoral loan balance would be written off 30 years after the point a borrower becomes liable to begin repaying a loan.**

The repayment terms have been modelled and chosen based on a number of key principles, including affordability and value for money. Another key principle is that the loan must be income contingent. This should ensure repayments are always achievable and affordable. Unlike Professional and Career Development Loans, repayments would be adjusted accordingly. For example, if an individual's earnings decreased or they stop work, repayments would be reduced or stopped as appropriate.

**Q20. Are there any potential impacts of students taking out a doctoral loan on top of a master's loan, which we may not have considered?**

- Yes
- No

**Please explain your answer and give evidence where possible:**

### **5.2.i Other considerations**

**Q21. Is there anything else we should take into consideration in the practical implementation of the doctoral loan product?**

- Yes
- No

**Please explain your answer and give evidence where possible:**

### **5.2.j Public Sector Equality Duty**

The proposed loan does not make any distinction regarding the Public Sector Equality Duty protected characteristics, with the exception of age in determining eligibility. The protected characteristics include: age, gender, gender reassignment, disability, race, marriage and civil partnerships, pregnancy and maternity, sexual orientation, religion and belief. Please note the Government introduced primary legislation in May 2016 which will, subject to Parliament, allow the Secretary of State to offer alternative student finance, consistent with the principles of Islamic Finance, alongside her current powers to offer loans and grants. Work on the alternative student finance model is on-going and this will include consideration of an alternative student finance product equivalent to the doctoral loan in due course.

**Q22. Are there other issues Government should be aware of, which would impact on the take-up of this proposed loan by those with any of the protected characteristics, and what steps might Government take to mitigate any negative impact?**

- Yes
- No

**Please explain your answer and give evidence where possible:**

### **5.2.k Impact on employers and business**

*This section has been specifically designed for views from employers and business.*

One of the key principles is that the loan will be income contingent. Employers currently collect income contingent student loans and apply one repayment rate to employee salaries over the income threshold for individuals with an undergraduate student loan and in future, for postgraduate loans. In the future, it is possible an employee could have an undergraduate student loan and/or a separate combined master's and doctoral loan account.

We would welcome views from employers and business on the best way of designing the scheme to minimise the burden on employers and business.

### **5.2.k.i Balance of benefits**

**Q23. In which of the areas below does the proposed new loan offer advantages to employers?**

- Increased supply of high level skills**
- Increased employability**
- Increased innovation**
- Increased supply of specialist knowledge**
- No benefits to employers**

**Q24. If administered through payroll, what difficulties, if any, do employers think this new loan scheme would present for them?**

**Please explain your answer and give evidence where possible:**

**Q25. How might the Government mitigate these challenges?**

**Please explain your answer and give evidence where possible:**

### **5.2.k.ii Contribution to costs**

**Q26. Based on the contribution to costs principle, are there features of the proposed loan scheme that you feel could be changed or enhanced that would encourage you as an employer or business to contribute to your employees undertaking a doctoral training programme?**

- Yes**
- No**

**Please explain your answer and give evidence if possible:**

## Annex 1: Consultation principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

### Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

Doctoral Loans Consultation  
Department for Education  
Abbey 2, 5<sup>th</sup> Floor  
1 Victoria Street  
London  
SW1H 0ET  
E-mail: [Postgraduatedoctoralloans.CONULTATION@education.gov.uk](mailto:Postgraduatedoctoralloans.CONULTATION@education.gov.uk)

## **Annex 2: List of stakeholders**

A list of stakeholders we believe may find the consultation of particular interest is set out below. We would welcome suggestions of others about who may wish to be involved, and we would be happy for you to draw their attention to this consultation.

- Research Councils
- Research Institutes
- Public and private research bodies
- University representative groups
- Business representative groups
- Universities and other Higher Education providers
- Small and medium sized businesses
- Students
- Individual researchers from universities, research institutes or industry
- National Academies
- Learned Societies

All individuals and organisations are welcome to respond.



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write to Information Policy Team, The National Archives, Kew, London, TW9 4DU

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