

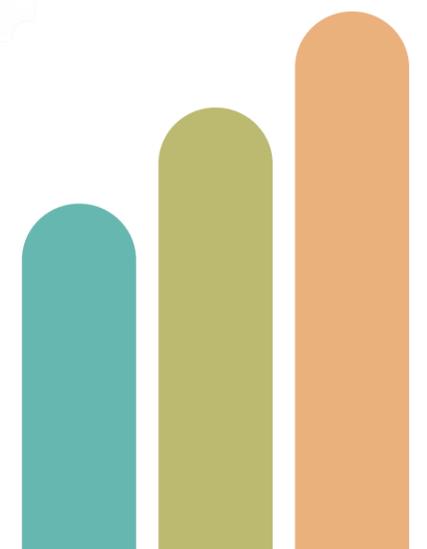
Corporate Strategy



Enabling student opportunity
and **delivering** an outstanding
customer experience

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01

Chair's Statement



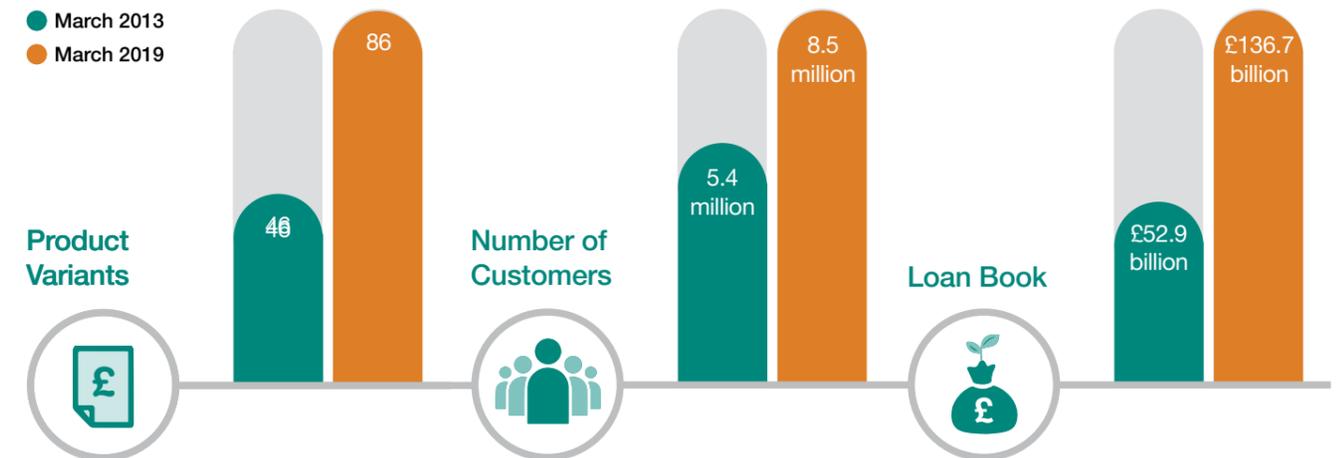
It is a pleasure to introduce SLC's Corporate Strategy for the financial years 2019-20 to 2021-22. I trust that the following pages will make it clear that our acute focus remains very much on the users of our services – in short, on the needs of our customers.

We aim to provide students with seamless, digital access to application, assessment, payment and repayment services, and by doing so enable them to invest in their own futures and by extension to invest in the country's future economic success.

In providing these services as efficiently and effectively as possible – based on an increased digital offering and enhanced self-service capability – we also aim to provide the best possible value for money to the taxpayer. At the same time, fairness to both

students and taxpayers underpins our approach to reducing the number of those borrowers who fail to meet their repayment obligations.

While maintaining a clear focus on serving our customers, we also embark upon a journey to re-shape our organisation to meet future challenges. In the current UK environment SLC must plan within a context of uncertain and ongoing changes that have interlinked political, economic, social, technological and legal dimensions. The Department for Education (DfE)'s Tailored Review into SLC was published in July and contains detailed discussion and recommendations for the future evolution of the company. The independent panel report to the Review of Post-18 Education and Funding has also recently been published, and the



Government will respond to its recommendations in due course. New political and economic realities may arise as a result of UK-wide or devolved processes, or from the performance of the global economy as a whole and its impact on labour markets or interest rates. This strategy sets out how we intend to respond to our changing environment and cement our position as a trusted partner in the efficient and agile delivery of Government policy – by providing student finance reliably and securely, helping customers invest in their futures and supporting the long-term growth of the UK economy.

In late 2018, SLC took time to refresh its transformational strategy, to build upon the success of the work of projects already completed or underway and to enhance the company's capacity to deliver for our shareholders over future years. This document introduces the revised transformation programme, Evolve, and shows how it supports our strategic goals.

As I prepare to step down at the end of my term in 2020, I would like to reflect on the significant growth that SLC has experienced in that time. When I became Chair, SLC offered approximately 46 product variants, had 5.4 million customers and managed

a loan book of £52.9 billion. At the end of the last financial year (March 2019) those figures were 86 product variants, 8.5 million customers and a loan book valued at £136.7 billion. These significant rates of growth provide important context for the strategic changes we must now make, as outlined in this document.

Finally, I would also like to highlight one of the company's major achievements during my time as Chair – SLC's role in helping to deliver two successful sales of tranches of the Government's student loan book, which have resulted in £3.6bn being returned to HM Treasury. We look forward to working with Government on future sales, as well as to working closely with HM Revenue and Customs (HMRC) to administer loan repayments and to ensure continued value for money for the UK taxpayer.

Christian Brodie



02

Chief Executive's Foreword



Since I joined SLC as CEO last September, I have been pleased to discover an organisation that has committed, energetic and conscientious staff; and a track record of delivering excellent results.

But we have much to do to build the capacity in our technology and workforce that will guarantee our ability to meet the challenge of rising policy complexity and change in the education sector. Our three year Corporate Strategy enables us to do just that. And alongside our one-year Business Plan will enable us to achieve the goals we have set ourselves for our stakeholders: our customers, shareholders and staff.

A simple yet crucial goal is to provide an outstanding customer

experience. Whether applying for student finance or repaying, our customers expect us to deliver intuitive, seamless services.

To achieve this we need to work with our partners to ensure that students have access to trusted student finance expertise; our systems must provide clear, comprehensive and easily accessible information and our online application and repayment services must allow customers to interact with us and self-serve in a fully informed way. If they have to contact us they should be able to do so easily through their channel of choice and should have their query resolved by experts with full access to all the required information.

It is also important that we have our shareholders' confidence: as a trusted partner in the delivery of Government policy, we aim to support shareholders in overhauling the policy commissioning process and in simplifying and rationalising the existing set of products wherever possible, in order to better align policy intent with efficient delivery. It is important that SLC and the four Government administrations' policy teams work more closely together. Jointly, we will align policy commissioning with a customer and user centric design to better balance customer, shareholder and business needs.

Over the years ahead, I also want us to do more to explain the company's important role in the delivery of the UK's higher and further education services, and to get better at communicating with our customers, especially in helping them to fully understand at the outset how the loans and repayments parts of the student finance system work. We should be recognised as a trusted and competent enabler of student opportunity, delivering strong social value by helping customers invest in

**“
A simple yet crucial goal is to provide an outstanding customer experience.
”**

their futures and supporting the long-term growth of the UK economy.

Finally, it is critically important to me that SLC becomes a great place to work and to develop. Our comprehensive new People Strategy aims to create a more skilled, motivated and engaged workforce, aligned to current and future organisational needs. We will further develop simple, fair and consistent policies alongside fair and attractive reward and recognition for our people. Coupled with an improved employer brand and a stronger external reputation we aim to be able to attract and retain more good people. Tailored skills development and career progression will be core components in building our talent, so that we can better serve our customers.

Paula Sussex



03

The Business Environment

3.1 About SLC

SLC is a UK public sector organisation established to provide financial services (in the form of loans and grants) to over 1.5 million new and returning students annually, in colleges and universities across England, Northern Ireland, Scotland and Wales.

SLC is a non-profit making organisation. SLC was incorporated in 1989 as a company limited by shares under the Companies Acts and is wholly in public ownership; the four UK Government Administrations are its shareholders. Since April 1996 SLC has been classified as an executive non-departmental public body (NDPB).

SLC operates from five offices: there are two in Glasgow city centre, one in nearby Hillington, and two further offices in Darlington and Llandudno Junction.



SLC's Chief Executive leads a team of six Executive Directors – her Executive Leadership Team (ELT) – each heading up a directorate with a mix of employees from across SLC's offices in Scotland, England and Wales.

Six Directorates

- Product, Customer and External Relations
- Operations
- Repayments and Counter Fraud
- Technology Group
- Chief Financial Officer
- People

The Board

SLC's Board is responsible for setting the strategic aims and objectives of SLC, consistent with the policy, resources and overall strategic direction determined by Government shareholders. In summary, the Board's key responsibilities are to:

- Establish strategic aims and objectives and monitor performance against these
- Ensure that effective governance is in place around the use of public funds
- Regularly review financial information concerning the management of SLC
- Appoint, with the Minister's approval, the CEO and set their objectives.

Non-Executive Directors of the Board are appointed by the Secretary of State for Education. The Board is charged with ensuring that SLC adheres to the UK Corporate Governance Code and the appropriate governance requirements of the Central Government Departments Code of Good Practice.

Corporate Governance

SLC has arrangements in place to ensure good corporate governance and its Framework Document, which can be found at www.gov.uk/slc, provides comprehensive detail of the roles and responsibilities of executives, board members and shareholders. Additionally, the document stipulates that the company must have robust risk management arrangements in place and sets out standards and controls with which the company must comply – HM Treasury's Managing Public Money underscores many of these.

DfE's Tailored Review of SLC was published in July and contains detailed discussion and recommendations for the future evolution of the company. The aim of these regular reviews is to ensure that public bodies remain fit for purpose, are well governed and properly accountable. The report informs SLC's future trajectory and planning, and is published at www.gov.uk/government/publications/tailored-review-of-the-student-loans-company. Several links between the company's strategic goals and specific Tailored Review recommendations are outlined within the main body of this strategy.

SLC's Mission Statement

**“
We enable people to
invest in their futures
through further and
higher education by
providing trusted,
transparent, flexible
and accessible
student finance
services.
”**

The Mission Statement is more fully developed and articulated in the company's Annual Business Plan, which can also be found at www.gov.uk/slc.

3.2 Core Services

SLC is one of HM Government (HMG)'s key delivery partners and DfE's largest partner organisation by headcount. HMG relies on the company to assess applications from over 1.5 million new and returning students each year; to make accurate and timely payments to both students and their learning providers; to manage a growing loan book (worth £136.7 billion at 31 March 2019); to work in partnership with HMRC to collect repayments; and to manage a total customer base of 8.5 million individuals.

Applicant and Student Services (“Apply-to-Pay”)

UK higher and further education policy is devolved, and different systems operate within each nation. Therefore, SLC provides a range of different products and services for students in accordance with the requirements of each of the four Government shareholders.

For England and Wales, SLC manages the full, end-to-end “apply, assess, pay and repay” process for undergraduates studying on a full-time and part-time basis. SLC provides elements of the payment and repayment services for Scotland and Northern Ireland. Additionally, Northern Ireland's Education Authority uses SLC-developed systems for assessing their students' applications.

In recent years, England, Wales and Northern Ireland have each developed varying finance products for postgraduate students, covering both Masters and Doctoral degrees. These have added to the mix of services delivered by SLC.

SLC also manages a growing range of products for students in further education. Again, these are tailored to the differing requirements of individual Government administrations – Advanced Learner Loans in England; the Welsh Government Learning Grant; and the Educational Maintenance Allowance in Northern Ireland and Wales.

SLC also administers various targeted support grants designed to enable people with disabilities, childcare responsibility, adult dependants or other needs to overcome barriers to participation in higher and further education.

Additionally, SLC pays bursaries to students on behalf of many UK education providers.

Repayment Services

SLC administers repayment services on behalf of all four UK administrations.

SLC services a growing loan book of “income-contingent repayment” (ICR) loans, works in partnership with HMRC to collect repayments through PAYE and self-assessment and directly collects repayments from those borrowers outside the UK tax system.

SLC also provides a direct-debit option for all customers, and actively encourages those borrowers who are nearing the end of their repayment term to use this facility, as it allows the company to manage the remaining balance in real-time and thus removes the risk of additional PAYE deductions that can result in customers over-repaying.

SLC and HMRC service the entire ICR loan-book, which is partly owned by Government, and partly owned by private investors. SLC will continue to work with UK Government Investments (UKGI) to facilitate the sale of further tranches of the loan book to investors, in line with Government priorities.

Technology and Data Services

In order to support the provision of the four administrations' student policy and products, SLC purchases, designs, builds and maintains software, databases and web-interfaces. These systems underpin the increasingly digital application, assessment, payment and repayment services used by both customers and delivery partners. SLC is moving increasingly towards cloud-based solutions, and has recently adopted IBM's Enterprise Design Thinking as a method to ensure that the company fully understands users' needs and puts the customer at the heart of all design and build work.

Partners

SLC works closely with a range of Government departments, education providers and other bodies – the latter category including for example the Office for Students (OfS), HMRC, Universities UK (UUK) and the Universities and Colleges Admissions Service (UCAS) – to provide joined-up, secure and reliable services.



04

Strategy

4.1 Introduction – the Need for Change

Managing Complexity and Growth

SLC operates in a complicated and ever-changing policy landscape, which has seen the number of products and services offered by the company almost double in the last six years alone. The four UK Governments' regulations associated with student finance are detailed and complex. Different loan and grant products can each have distinct eligibility criteria; there are often complex entitlement rules as to the amount of financial support available; and different repayment terms, income thresholds and interest rates are in force. Customers can be repaying more than one loan at the same time, and these may be on different terms.

Delivering each administration's policy priorities – whether to provide new or to refine existing services – is a core part of SLC's remit. It seems unlikely that Ministers across the four UK Government administrations will demand less of SLC in the years to come. The independent panel of the Review of Post-18 Education and Funding led by Philip Augar has recently reported its recommendations; if the Government chooses to take any of these forward, SLC could be required to free up significant capacity in its future change programmes to deliver them.

SLC has comparable size and complexity to a small to medium retail bank; however, unlike a bank SLC cannot pick and choose between market segments, rather, it is responsible for a universal service for all customer groups (subject to the eligibility rules set by each administration). For several years SLC has built new systems to manage the near annual introduction of new products and regulations. This usually requires significant development work to challenging deadlines, against a backdrop of year-on-year increases in the numbers of both applicants and repayers and further diversification of shareholders' policy requirements.

Technology

There has been historic underdevelopment of many legacy systems, often because the organisation has needed to prioritise the delivery of each year's new policy changes ahead of the internal investment in time and manpower required to upgrade core systems. Consequently, systems have often evolved in a tactical piecemeal manner, with multiple interdependencies that increasingly complicate the process of developing new products and services and of maintaining the existing estate.

This technical debt, combined with a customer base that is increasingly digitally fluent means that the company now needs to put major effort into upgrading its applications and associated technologies, in order to bring them up to the standard that today's customers expect and to make the technology sustainable. The scale and sensitivity of the customer data that the company processes also means that it is critical that SLC maintains a focus on, and continues to invest in, cyber security.

In the past, SLC was successful in recruiting and retaining staff of sufficient experience and skill to be able to keep pace with the growing demands of the UK's student finance system. But this has become increasingly difficult over recent years. Rates of pay for SLC staff have fallen behind both public sector and private sector comparators, leading to the cost of 20% turnover per year and the loss of experienced staff with valuable corporate knowledge. This has been clearly demonstrated as a major factor in surveys of employee engagement and organisational health, and has emerged as one of SLC's most significant corporate risks.

Communications

In the past SLC has not always been successful in communicating its valuable role within the wider UK economy, nor its continued success in meeting Government performance targets. This has sometimes led to less positive perceptions of the company gaining traction, and its competence being questioned.

Additionally, both the recent Tailored Review and the independent panel report of the Review of Post-18 Education and Funding have noted that "communication of the student finance system, including by Government departments and agencies, should be significantly improved and updated"; further that the "language of loans and debt is deeply embedded in public discourse about the student finance system" and that re-naming the organisation and its associated brands should be considered.

However, both reports also note that re-branding could be a complex undertaking with legal implications, partly relating to the primary legislation that underpins the student finance system. Notwithstanding the difficulties, this will be an area of further focus.

Political, Social and Economic Considerations

The company may have to change course in response to new political and economic realities: these could arise as a result of UK-specific processes, such as spending reviews, Brexit, general elections or a possible second Scottish independence referendum; or from the performance of the global economy as a whole, and its impact on labour markets or interest rates. Demographics and new modes of learning and employment may all interact with these factors. SLC has commissioned detailed planning and workforce modelling for a number of macro environmental scenarios as part of its People Strategy.

4.2 SLC's Vision

SLC's response to the challenges outlined above is articulated at high level within its Vision Statement, which is that:

“ SLC is widely recognised as enabling student opportunity and delivering an outstanding customer experience in the efficient delivery of the four UK Governments' further and higher education finance policies ”

As well as the statement above, the vision is underpinned by five themes. These are the foundations of this strategy – the company's key, longer-term strategic goals:

An Outstanding Customer Experience

We will deliver intuitive, seamless and transparent services aligned to the relevant part of the customer journey.

We will work with partners to ensure that students have access to trusted student finance expertise, providing clear, comprehensive and easily accessible advice.

We will maintain a strongly-engaged and collaborative relationship with higher and further education providers to support SLC's commitment to providing the best possible customer experience over the whole student life-cycle.

Our systems will ensure that clear and accessible information and application / payment interfaces are available allowing customers to interact with us and self-serve in a fully informed way. If they have to contact us they will be able to do so easily through their channel of choice and will have their query resolved by experts with full access to all required information.

Enabler of Opportunity

We will be recognised as an enabler of student opportunity, delivering strong social value on behalf of our shareholders. This will continue to be based on a clear understanding of our objective to provide student finance reliably and securely, helping customers to invest in their futures and supporting the long-term economic growth of the UK economy. In executing that core mission, we will be viewed as competent, especially in our responsibility to maximise use of and safeguard the taxpayer pound.

Leaner, Better, Doing More for Less

We will deliver student finance services safely through flexible, sustainable, and inherently secure technology solutions. Emerging opportunities, driven by advances across the technology sector will be exploited to optimise delivery, provide a lower total cost of ownership and help protect SLC from cyber-attacks.

We will have confidence in the accuracy and integrity of our data, aligned to the customer and user needs. Real-time understanding of our consolidated data will improve operational efficiency and performance and enable the creation of new KPIs based on key outcomes.

Across SLC we will develop our culture of continuous improvement through lean, straight through, standardised processes. We will automate or outsource high volume, low complexity activity while moving SLC to become a smaller centre of excellence to manage more complex work. In Repayments, we will have improved collection performance through optimised coverage, minimised leakage and tailored, segmented debt management strategies.

A Great Place to Work

SLC will be a great place to work and to develop. Implementation of a comprehensive People Strategy will create a more skilled, motivated and engaged workforce, aligned to current and future organisational needs. An improved employer brand, underpinned by a stronger external reputation will help us to attract and retain good people. We will have robust morale and organisational health.

Our mission and vision will be delivered through the 'SLC Way', built on simple, fair and consistently adhered to policies and processes, and fair and attractive reward and recognition for our people. Tailored skills development and career progression will be core components in building our talent. A career at SLC will be rewarding to support attraction, retention and equality. People will feel proud to work for SLC.

Trusted Delivery Partner

Our shareholders will see us as a trusted partner in the efficient and agile delivery of Government policy and taxpayers will trust us with their money. We will support shareholders in simplifying and rationalising the policy landscape wherever possible, better aligning policy intent with efficient delivery and proven, tested user needs. SLC and policy teams in DfE and the devolved administrations will work in a joined up way, underpinned by robust governance of the policy development and commissioning process tied to clearer, achievable delivery timelines.

4.3 SLC's Strategic Goals

The five strategic goals outlined in the Vision Statement above are:

- **Provide an outstanding customer experience**
See section 4.4
- **Be an enabler of opportunity, both to students and to the wider economy**
See section 4.5
- **Be leaner, better, doing more for less**
See section 4.6
- **Be a great place to work**
See section 4.7
- **Be a trusted delivery partner for shareholders**
See section 4.8

The company has developed a refreshed strategic transformation programme, Evolve, to achieve these goals within a timeframe stretching up to five years ahead. Evolve is designed to enable the company to react quickly to the uncertainties in the wider political and economic environment in which it operates. SLC has also defined key business objectives covering just the year ahead, (see the company's one-year Business Plan for these).

SLC will achieve these goals in an incremental way, building upon past successes, in an open and transparent way, engaging the company's workforce on the journey.

4.4 An Outstanding Customer Experience

SLC's first strategic goal is "to provide an outstanding customer experience". The company aims to deliver intuitive, seamless and transparent services to its customers, throughout each stage of their journeys from applicants through students to repayers.

SLC's detailed plans to digitise key business processes, as part of a wider upgrade and modernisation of its technology estate are a key prerequisite for this. The end-goal of ensuring that clear and accessible application, payment and repayment interfaces are available, allowing customers to self-serve in a fully informed way, demands significant investment. This is a key focus of the technology programme within Evolve and this programme makes up the majority of the cost and effort of the programme as a whole.

One of the key components of the technology programme is the Customer Engagement Management (CEM) workstream. The goals of CEM are for online processing wherever feasible; intuitive online capability for customers; a consolidated customer engagement system for users; and real time data that either enables self-service or enables staff to provide a "right first time" service, eliminating avoidable contact. Recommendations in the recent Tailored Review closely align to this.

The improved digital self-service for customers will greatly reduce incoming contact by telephone and mail. Specifically, SLC aims to enable a significant reduction to the 6 million telephone calls that customers made during 2018-19, particularly within the 4.6 million that related to applications rather than to repayments. Two key performance indicators that will help the company to monitor progress in this area over the years ahead are: increasingly stretching annual targets for the number of applications completed without a need to call; and for the average number of calls per application.

During 2018-19, customers made over 2 million of their 4.6 million application-related telephone calls to SLC during just 3 months of the year – the peak months of August, September and October, coinciding with start of term for most courses. Flattening down this annual peak in workload will also lead to a reduction in SLC operating costs, and changes to how the company is structured and resourced.

Significantly, this realignment of demand to resources will also enable a clearer focus on the quality of the service that SLC offers throughout the year to all of its customers, including more vulnerable students or those with more complicated circumstances. When customers do wish to contact the company, they will be able to do so easily through their channel of choice.

Additionally, in order to deliver quick benefits and implement improvements and fixes to longstanding defects that have been identified by frontline staff, the Accelerated Service Improvements programme will combine Lean best practice and process automation with the existing business optimisation programme.

Upgrading SLC's core IT architecture and customer-interfaces will improve the customer experience for both applicants and repayers. SLC expects to see this reflected in further improvement in its key customer satisfaction metrics, which stood at 83% for applicants and students, and 73% for repayers in 2018-19.

4.5 Enabler of Opportunity

SLC provides student finance reliably and securely, helping customers to invest in their futures and supporting the long-term economic growth of the UK economy. By increasing repayment compliance, administering the loan book effectively and efficiently, delivering post loan sale obligations, and supporting future sales the company helps to maximise the use of the taxpayer pound.

To continue to be recognised as a competent and trusted enabler of opportunity in future years, SLC needs to significantly modernise its IT systems. Re-imagining and implementing new data and systems architecture is fundamental to this. As well as making it easier to deliver efficient and well-functioning online services to customers, this will also allow the company to quickly respond to shareholders' new policy requirements, and provide a lower cost to serve. Through the Evolve programme, SLC will continue to modernise the IT estate: moving to cloud-based, "software as a service" solutions wherever feasible is an important feature of this; alongside further encryption of systems, the decommissioning of old data centres, stabilisation of existing systems and increased use of mobile computing for staff and contractors. Individual components of this target architecture will be more easily changed in isolation, with a corresponding reduction in the cost of change.

Better data management with embedded cyber security at the beginning of the customer journey – that is, in the application process – will naturally lead to improvements later in the journey – for former students entering repayment. Higher data quality and automated fraud checks will also increase the core value of the loan book and increase repayments compliance (87% of borrowers were fully compliant during 2018-19, and this is expected to rise to over 90% in the years ahead). Several Tailored Review recommendations are aligned to this goal.

Governance, Risk and Compliance with Government Controls

SLC is committed to standards of good corporate governance and to adhering to the requirements of its Framework Document, which can be found at www.gov.uk/slc.

A newly constituted single team will take forward responsibility for risk management, compliance across SLC and managing the contract with Government Internal Audit Agency. The aim is to educate and raise awareness of risk, and of areas where SLC is required to comply with financial and commercial controls, with particular focus on Public Procurement Regulations (PCR2015) and Cabinet Office expenditure controls. By default, SLC operates with a 'cautious' appetite for risk, taking its customers' data and security extremely seriously, alongside its responsibilities to HMRC and the taxpayer in line with Managing Public Money.

The company will build upon the significant improvements it has already made to risk reporting and monitoring, and commits to a process of management and escalation that is workable for risk owners while providing assurance to shareholders and the Board. This is a company-wide objective that pertains to both BAU and change activity and is underpinned by continuous improvement and feedback. SLC will share risk registers regularly with DfE and will escalate emerging risks in good time, while maintaining a continued focus on "horizon scanning" and strategic issues that may affect its delivery. This is also in accordance with a Tailored Review recommendation.

SLC takes seriously its responsibility to operate in an environmentally aware and sustainable manner, and will continue to develop its policies and practices in waste minimisation, emissions reduction, climate change adaptation, biodiversity action planning and sustainable procurement. For example, SLC has eradicated the use of single use plastic cups at water coolers, and has purchased reusable water bottles and hot liquids flasks for every member of staff. The company will continue to monitor how its processes could contribute to climate change and take preventative action wherever possible. SLC is also committed to sustainable procurement principles, and ensures that environmental, social, fair-trade and whole life cost impacts are taken into consideration in the assessment of value for money.

4.6 Leaner, Better, Doing More for Less

The strategic goal to be "leaner, better, doing more for less" will partly be enabled by the delivery of the Evolve technology and data programmes. A culture of continuous improvement using Lean principles and standardised processes will complement the automation or outsourcing of high volume, low complexity activity, and will have a profound impact on SLC's organisational requirements.

The automation of routine processes, the facilities for customers to self-serve and the reduction in incoming telephone contact will especially free up resources within frontline services, allowing SLC staff to focus on higher-value, more rewarding work. This will also allow the company to provide a better quality service to those customers who still need to interact with SLC by telephone – for example vulnerable students or applicants with complex circumstances. Being "leaner" is only one part of the strategic goal, providing a better service to customers is also crucial.

Any reduction in headcount will be managed by reduced reliance on contractors and attrition; while the company will become smaller, the workforce will become more highly skilled.

SLC will also reduce the cost of running its technology on a like for like basis. As well as the focus on cloud-based technologies, the new modular target architecture simplifies the process of delivering new policy requirements for shareholders (both of these are fundamental elements of Evolve).

SLC's developing Vendor Strategy will also contribute, by moving increasingly towards more outcome-based contracts, over longer-periods, with a smaller number of strategic partners. SLC currently engages over 100 third-party technology suppliers. The majority of this procurement is resource / input based, with over 500 service third-party staff operating within mixed delivery teams which the

company manages and directs in its own offices; in the current situation SLC owns all the cost, overhead and risk.

The Vendor Strategy will drive greater efficiency into the company's partner model, while transferring delivery risk from SLC to strategic partners in the process. There have been a number of pilot activities in this space already for example exploring elements of outcome-based offsite working. The future model will see SLC continue to own key functions such as product and programme management, architecture design, service management and vendor management; this core set of in-house functions will direct a set of partners who will be responsible for delivery against a set of agreed metrics on a fixed price basis.

Focusing on a smaller number of key strategic technology partners is also a recommendation in the Tailored Review. Work on the Vendor Strategy is advanced and SLC has recently appointed a new permanent Chief Information Officer, and plans will develop further during the course of the next year.

Success in meeting its strategic goals will also gradually reduce SLC's requirement for office space over the years ahead - for instance through fewer technology contractors working onsite or fewer staff answering incoming telephone calls. Increases in flexible working will also contribute.

Existing leasehold arrangements allow the company some flexibility, for example giving up floors in existing buildings. While SLC expects to maintain its offices in Glasgow, Hillington, Darlington and Llandudno Junction over the period covered by this plan, in line with the recommendation of the Tailored Review, the company will work with the Government Property Agency to explore viable options for its longer-term accommodation needs.

4.7 A Great Place to Work

The strategic goal that SLC should be a great place to work and to develop is underpinned by the implementation of a comprehensive People Strategy as part of Evolve to create a higher skilled, motivated and engaged workforce, aligned to current and future organisational needs. An improved employer brand, with a stronger external reputation will help the company attract and retain good people. This also addresses another key recommendation of the Tailored Review.

SLC will have robust morale and organisational health, built on simple, fair and consistently adhered to policies and processes; and fair and attractive reward and recognition for its people. Tailored skills development and career progression will be core components in building talent.

SLC's staff will understand and be committed to its mission and vision and will feel proud to work for SLC.

People Strategy

The People Strategy aims to create a sustainable organisation of the optimum size with the correct capabilities, skills and tools to improve wellbeing and engagement, reduce attrition and increase attraction. Four key strands of the strategy are: reward, skills, workforce and brand.

Reward

Fair pay, reward and progression are fundamental to attracting valuable skills and retaining valued employees. Salary is key, but other factors are also important to employees.

SLC aims to have:

- Market-linked salary ranges
- Transparency around pay positioning which reflects competency and capability
- Clarity around promotion and progression

In March 2019 the company was able to reach a significant early milestone in its effort to find ways to enhance reward following a sustained period of public sector pay restraint. HM Treasury's approval of SLC's Low Pay Business Case enabled SLC to bring all employees up to at least the Real Living Wage for 2018-19 (as defined by The Living Wage Foundation).

The associated costs and benefits of implementing a new pay and grading structure will be included in the 2020-21 SLC pay remit, which will need to be agreed with Government.

Skills

The company will develop targeted and tailored programmes to promote a positive learning culture, enabling people to develop relevant skills and experience at every stage of their career with SLC. Key aspects of this approach are:

- Emerging talent programmes for apprentices, interns, graduates and returners to work
- Leadership and management programmes
- Structured Career Pathways

Workforce

Transformation will bring changes to the shape of SLC. The company will:

- Enable and encourage more flexible working patterns
- Source more apprentices, including through collaboration with the education sector
- Build a graduate programme across all directorates
- Build a 'Returners to Work' programme, focusing on people who are seeking flexible working, or differing opportunities later in their careers

Enhanced strategic workforce planning will provide SLC with a longer-term view of labour supply and demand, better scenario-planning and a method of producing strategic workforce plans that are flexible and responsive to strategic goals and changing business objectives.

Brand

SLC aims to be an employer of choice. The company will engage in communities to seek to improve the reputation of the company in the recruitment space to attract and retain the workforce of the future.

For SLC's current workforce, becoming an employer of choice means helping staff to better understand the benefits of working at SLC, so they can continue to make a positive contribution and take pride in being a part of Team SLC.

Equality, Diversity and Inclusion

SLC has an established commitment to equality, diversity and inclusion (EDI), and this will continue to develop. The company already has made substantial progress in this area, with a range of EDI policies, practices and initiatives in place; for example, SLC has trained mental health first-aiders in each of its offices, regularly takes part in LGBT+ events such as Pride and now employs as many females as males at executive levels. The company also publishes an EDI Annual Report, alongside the statutory gender pay gap report; both can be found at www.gov.uk/slc.

4.8 Trusted Delivery Partner

It is crucial that shareholders continue to see SLC as a trusted partner in the efficient and agile delivery of Government policy, and the company is committed to finding ways to engage and collaborate more closely with policy teams across Government.

Policy Commissioning (including Product Rationalisation and Simplification)

SLC recognises that it primarily exists to turn policy from each of its four shareholders into deliverable products that benefit consumers and the Exchequer. Further, the company recognises that there may be significant policy changes arising from the Post-18 Review of Higher Education or from Brexit, focusing on the nation's investment in skills and education post-Brexit.

SLC has two complementary goals: firstly, to support and encourage shareholders in simplifying and rationalising existing products wherever possible; secondly, to work closely with shareholders to redesign the policy commissioning process, to allow the company to engage and advise much earlier in the development of new policy.

Student finance policy has become increasingly complex, presenting considerable administrative and technical burden and affecting the level of service provided to customers. For example, there are currently 19 distinct eligible residency categories that SLC is required to assess applications against; this is due to rise to 22 in the next academic year. Further, there are at least nine different combinations of these 19 categories in use across SLC's product set. The Tailored Review noted that policy rationalisation will drive down cost, risk and error.

The Tailored Review further noted that "it is essential that the policy commissioning process is transformed to support sustainable change and BAU capacity, giving enough space for vital transformation activity as well as the time to develop high quality products and reduce manual workarounds and annual carry over of in flight projects". It made several recommendations that align to these goals, and the Policy Commissioning and Product Rationalisation Programme within Evolve has been designed to take this work forward.

The aim of the programme is to design a more timely end-to-end engagement and delivery model that delivers policy effectively and efficiently and with greater certainty, and provides 'space' for SLC to deliver much needed transformation. The programme will seek to improve multilateral discussion between DfE, the devolved administrations and SLC enabling earlier policy decisions and discussions and a better understanding of capacity and capability. The work will nurture joint ownership of policy delivery from conception to service launch; and alignment of regulations and policy build out while also simplifying and rationalising historical policy. All of which will result in more effective service delivery with fewer manual workarounds and lower costs of delivery.

External Affairs

SLC will also develop and implement a proactive external affairs strategy; this aims to:

- Better support shareholders' priorities
- Allow the company to better understand and influence its operating environment
- Enable SLC to be better understood by key external stakeholders
- Enhance SLC's reputation and build reputational capital

Financial Planning

SLC has financial planning in place for the next three years, which incorporates the HM Treasury requirements of a one-year plan at the current time. This is based on a set of underpinning assumptions for its administration, programme and capital expenditure. The base position is the 2019-20 Annual Performance and Resource Agreement (APRA) between DfE and SLC, and the future trajectory is based on DfE projections for the growth in the number of customers. Key base assumptions include that annual policy-driven change demand remains at a similar level, and that there are not significant changes in the operating environment arising from regulatory or Machinery of Government changes. However, SLC has scenario planning in place to mitigate against a range of events.

SLC will continue to strengthen financial management skills alongside internal assurance, control and compliance arrangements. In order to ensure that all budget holders have a strong understanding of HM Treasury guidance, as well as Cabinet Office spending controls, the company will continue to deliver training that will ensure that staff have the necessary skills and knowledge.

4.9 Enabling Student Opportunity and Delivering an Outstanding Customer Experience

SLC's overall aim is to become an organisation that will thrive on the new challenges and opportunities of future years – one that will consistently deliver quality and value to all of our stakeholders: customers, shareholders and staff.

SLC's five strategic goals will enable us to do this by acting as guiding principles to which everyone in the organisation can relate their day-to-day activities, and will help inform our decisions and priorities over the years ahead.



SLC

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