

Annual
Business Plan

2021-22

Business Plan



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01

Chief Executive's
Foreword

After a remarkable year – in which SLC processed more applications and paid more students than ever before while the vast majority of colleagues pivoted to home-working – I am delighted to introduce SLC's Business Plan for the financial year 2021-22. While we continue to manage the impacts of the pandemic, our focus is on continuing our steady progress towards building a modern, responsive and sustainable organisation.

For a second year, it is likely that we will continue to be a predominantly home-working organisation. We also anticipate another year of significant increases in student finance application volumes, continued volatility in student/applicant behaviour and, the potential need to prepare for changes to future admissions cycles – all of which indicate that 2021-22 is likely to be at least as challenging a year from an operational perspective as its

predecessor was. But we will not let these challenges get in the way of the important and necessary changes that we have planned.

As a company we are transforming. We are delivering a change agenda to improve the quality of service to our customers. This includes an integrated and seamless digital customer experience through modernised and more customer-intuitive systems and processes. We are building new technology while maintaining and modernising the foundation technology on which our business rests. We are doing this because we aim to be a responsive, customer-focused organisation. We don't always get it right just now, but the changes we are making will help us improve and when mistakes are made, will enable us to put things right quickly.

The coming year will see the first tangible outcomes of our Customer Engagement Management (CEM) programme. We will enable customers to self-serve and proactively keep them informed on the status of their application. CEM will also increase SLC's capacity to support customers with more complex and challenging needs via a case-management approach. And we are putting particular focus on the customer experience of vulnerable students and those claiming Disabled Students Allowance (DSA) to ensure that all our customers have equality of choice and access.

Delivering CEM supports our goal to become a leaner, more cost-effective organisation via 'Operations 2.0', a substantial upgrade to our Operations Directorate which will benefit customers and colleagues. We will exploit the new technology SLC has invested in to deliver a better customer experience – and one that we simply cannot deliver with current systems. New operating models across the business will not only deliver efficiency in 2021-22

but lay the foundations for a truly efficient and effective service in future years.

Improvements in technology, CEM and Operations mean that we will generate data that we can use to drive further improvement and strategic insights. Our Excellence in Data workstream will help build the technical capability to deliver data insights, enabling us to identify priority areas of focus based on value and feasibility.

At the centre of all of this change are our people – colleagues across three UK locations who continue to meet the challenges presented by the pandemic and our growing and evolving business. We will deliver on a strategic workforce plan this year and we will see the introduction of career pathways which will support colleagues to develop and progress their careers. And SLC will continue to focus on staff wellbeing in the context of the post-pandemic return to the office, with colleague safety being the number one priority. It is one of my key areas of focus and will remain so throughout the year.

Right now, there is an urgent need to rebuild the pandemic-impacted economy and skills must be at the centre of that. SLC exists to enable people to invest in their futures through further and higher education. The Government has set out its ambition for a new approach to learning via a 'lifelong loan entitlement,' with the potential for significant change for SLC in years to come. A challenge for sure, but an opportunity too, to tackle some of the complexity within the student finance system. Given the scale of change that we delivered last year, I am confident that SLC will be up to the mark for changes yet to come.

Paula Sussex
Chief Executive Officer

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The Business Environment



SLC is a UK public sector organisation established to provide student funding (in the form of loans and grants) to over two million new and returning students and learners annually, in colleges and universities across England, Northern Ireland, Scotland and Wales. We are a non-profit making limited company which is Government-owned. In total, we have 8.5 million customers and manage a nationally significant loan book worth £156.5bn (as of 31 March 2020)¹. The four UK Government Administrations are our shareholders.

SLC plays a central role in supporting the higher education (HE) and further education (FE) sectors. We do this by making timely and accurate payments of maintenance loans to students and learners and tuition fee loans on their behalf to HE and FE providers. Moreover, we are taking an increasingly active role in helping to shape student finance in the future.

In detail, we:

- manage the full end-to-end ‘apply, assess, pay and repay’ process for undergraduates in England and Wales and provide the payment and repayment parts of this service for Scotland and Northern Ireland; we also maintain the assessment systems and online portals used for applications and assessments in Northern Ireland

- manage a range of FE and postgraduate products and services that are tailored to the differing requirements of Government Administrations, alongside various ‘targeted support’ grants to enable people to overcome barriers to participation in FE and HE
- administer bursary payments on behalf of many UK HE providers
- work with HMRC to collect repayments through PAYE and self-assessment systems while directly collecting from borrowers outside the UK tax system or those nearing the end of their repayment term

We employ more than 3,000 staff across four sites: in Glasgow (city centre and nearby Hillington), Darlington and Llandudno Junction.

We have six Directorates:

- Product, customer and external relations (PCER)
- Operations
- Repayment and Customer Compliance (R&CC)
- Technology Group (TG)
- Chief Financial Officer (CFO)
- People

SLC’s Executive Leadership Team (ELT):



Paula Sussex
Chief Executive



Product, Customer and External Relations (PCER)
David Wallace
Deputy Chief Executive and Chief Customer Officer



Operations
Derek Ross
Executive Director, Operations



Repayment and Customer Compliance (R&CC)
Bernice McNaught
Executive Director, Repayment and Customer Compliance Directorate (R&CC), and Senior Responsible Owner for Evolve



Technology Group (TG)
Stephen Campbell
Chief Information Officer



Chief Financial Officer (CFO)
Jacqui Smillie²
Chief Financial Officer and Executive Director for Finance, Commercial, Estates and Enterprise Risk & Compliance



People
Morven Spalding
Executive Director, People

Introduction

SLC's business plan outlines our objectives for the financial year 2021-22, set in the context of our three-year **Corporate Plan**. The business plan also defines how success will be measured.

Each year on behalf of all shareholders, the Department for Education (DfE) sets out the Government shareholders' key priorities for SLC and agreed funding in the Annual Performance and Resource Agreement (APRA) letter.

The APRA letter also sets out shareholders' priority performance measures and associated targets ('APRA targets') for the year ahead, which form a subset of SLC's Key Performance Indicators (KPIs).

SLC's Mission

Our mission is to enable people to invest in their futures through further and higher education by providing trusted, transparent, flexible and accessible student finance services.

Lenses

SLC is a complex business with many different customers, products and stakeholders. To create alignment and clarity - both internally and for external audiences - we report on our business performance via three perspectives or views that we call 'lenses'. We view our overall objectives and measure progress against these lenses:



The Frontline Services Lens

Through each academic cycle, we will ensure existing products are delivered securely, effectively, sustainably and efficiently to our customers. We will also increase repayment compliance, administer the loan book effectively and efficiently, and deliver post loan sale obligations.



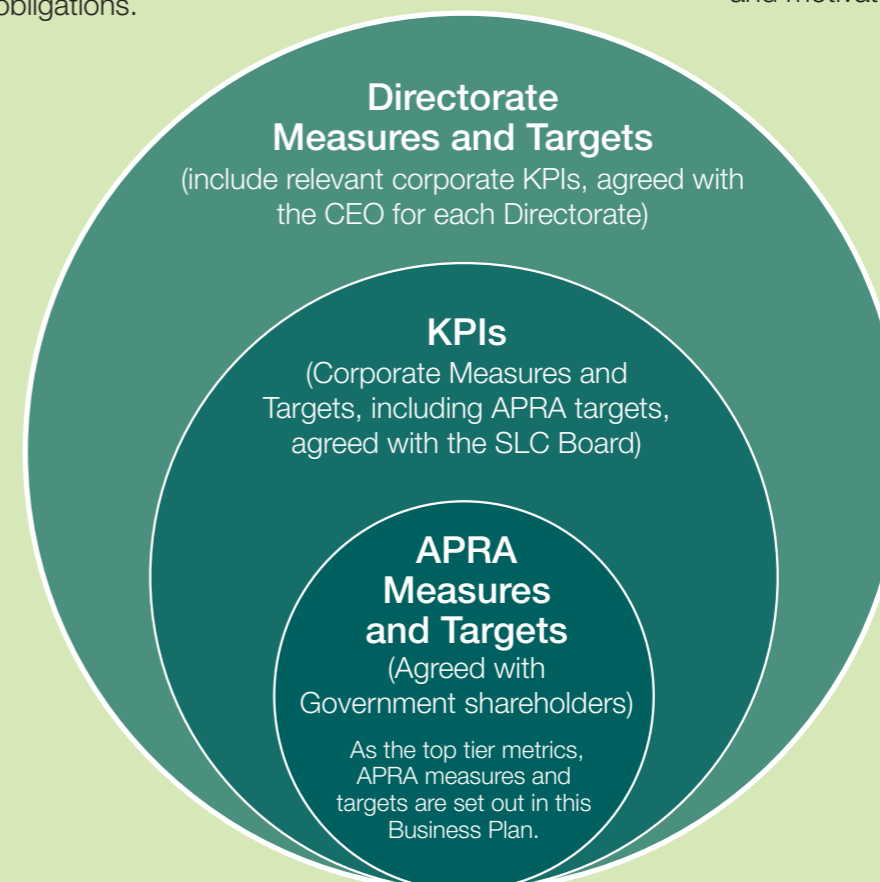
The Customer Lens

We will provide a great customer experience, helping customers to invest in their futures by providing an intuitive, supportive and trusted service.



The Corporate Lens

We will manage change projects in a timely manner, balancing lowest practical cost with the need for achieving quality outcomes and agreed benefits. SLC will also improve financial management and compliance with Government and other controls, through a well-managed, skilled, engaged and motivated workforce.





3.1. The Frontline Lens

Our frontline service is the face of SLC for our customers and comprises of two areas – our Apply-to-Pay operational teams and our Repayments teams.

Apply-to-Pay

We are committed to delivering the ‘business as usual’ academic cycle of processing applications and payments to the high standards that we set for ourselves in collaboration with DfE and the devolved administrations, while also transforming our frontline business. This is no small undertaking when we expect around a 10% increase in new applications for student finance and as we continue to manage our business and serve customers remotely.

Deliver the Academic Cycle

Despite the scale of planned change in Apply-to-Pay Operations during the year, we will continue to focus on ensuring that applications are processed accurately and on-time, and that customers’ enquiries are handled efficiently. Paying the right customers the right money at the right time remains our overall priority and will therefore continue to be our focus.

Implementation of Customer Engagement Management (CEM)

CEM is a key component of the Evolve transformation programme which will substantially improve customer service. It shifts SLC from a task-based model of customer engagement to one which focuses on customer outcomes through case management. It is supported by the Salesforce system which provides clear, concise and integrated data that, in due course, will be shared directly with customers through online self-service or by notifications through a variety of channels including email and SMS.

CEM will support SLC to move to online processing wherever feasible and provide intuitive online capability for customers and real time data that either enables customer self-service or enables SLC to provide a ‘right first time’ service.

This level of integrated service – which customers have rightly come to expect from service providers – is simply not possible with our current systems.

‘Operations 2.0’

As we see more efficient and effective engagement with customers through implementation of better customer systems, we need to ensure that alongside this we have the right structures and skills, and improved processes. This will also ensure more meaningful work for our staff.

Operations 2.0 provides that structure and is the new operating model to which SLC will transition during 2021-22. The new model will provide greater flexibility through the creation of the Student Finance Officer role, which will see colleagues skilled across different SLC services, and is supported by the implementation of career pathways which will enhance our employee experience and deliver customer benefit. These changes will also benefit the taxpayer through efficiency savings of 8% against the 2020-21 baseline, which we expect to realise from the final quarter 2021-22.

Coupled with CEM, Salesforce and other improvements, Operations 2.0 will create the basics that will ensure we more easily deliver a digital service that will allow our customers to self-serve. This level of change, coupled with anticipated increases in application volumes and continued homeworking will, however, add pressure to our contact centre during the 2021-22 cycle. While we have put a range of mitigating actions in place, such as increased customer service capacity and more focus on assessments, we anticipate that, unfortunately, customers may need to wait longer than normal to speak to us.

Performance Management

The two APRA measures and associated targets agreed with Government for the Assess to Pay part of the Frontline Lens, and which are both related to quality, are:

- 92% or more of applications assessed should meet the ‘right first time’ Quality Assurance (QA) criteria; and
- 92% or more of customer telephone calls handled by SLC staff should meet the ‘right first time’ QA criteria.

Additionally, we will also carefully monitor and report monthly progress against both the expected and the actual volume of applications and enquiries.

Priority	Milestones
Implementation of CEM	<ul style="list-style-type: none"> ■ The initial launch of our new customer service system went live in February 2021. The Salesforce system enhances the information presented to our contact centre staff to enable them to more efficiently answer customer questions, and provides the capability to track and manage customer issues effectively. ■ Further releases are planned throughout Q2 2021 with a continued commitment to improve the experience for the teams within SLC and for our customers. This will be achieved by integrating more of our customer information into the Salesforce system and expanding the functionality to manage the customer experience. We will train our teams to use the new system and scale our capability in advance of August 2021 (i.e. before the peak of the academic cycle). ■ From Q2 we will also introduce digital Self Service and Notifications capabilities, initially for small groups of test customers with the intention of providing a comprehensive Self-Serve capability from November 2021. Notifications will automatically keep our customers informed and assured of progress through the key stages of their applications, relieving them of the need to call us.

Repayments

SLC's Repayments and Customer Compliance Directorate's key goal is to ensure that funds are returned to the UK taxpayer: by ensuring that customers who are due to repay comply with their terms and conditions; that we prevent and respond to fraud and error; and that we effectively manage post loan book sale servicing.

SLC works in partnership with HMRC to collect repayments through PAYE and self-assessment and collects repayments directly from those borrowers outside the UK tax system. We also provide a direct-debit option for customers, and actively encourage 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 incorrect PAYE deductions which could otherwise result in customers over-repaying their loans.

SLC and HMRC service the entire Income-Contingent Repayment (ICR) loan-book, which is partly owned by Government and partly owned by private investors.

The key priorities for 2021-22 include:

Technology Enhancements

SLC's new Online Repayment Services (ORS) was launched in July 2020, receiving positive feedback from borrowers. This was our first major deliverable for enabling greater customer self-service: borrowers can now see

up-to-date information such as their loan balance, interest rate and repayment options without the need to telephone us.

While CEM will be the major deliverable for our Assess to Pay operations during 2021-22, we will also maintain the good progress made in terms of the development of the repayments service. This will include:

- Enhancing the ORS service by providing additional self-service opportunities for end of loan processes and receiving refunds; and
- Replacing our outdated collections system and introducing self-service for customers in arrears by the year-end.

Excellence in Data

SLC's Excellence in Data project is a key strand in Evolve. The successful delivery of our customer service and of our collections efforts relies on the quality and integrity of our data, and it is vital that this is accurate and consistent. This project focuses primarily on building quality, governance, integrity and accuracy in our data to deliver a better customer experience, a better user experience and to enhance the value of loan repayments.

SLC will develop an enterprise-wide approach to data quality and governance during the coming year through the Evolve Excellence in Data Programme and the creation of a Data Centre of Excellence.

Collect Every Pound Due

Some of SLC's proactive collections and arrears management activities were paused during 2020 as part of our response to the pandemic. We transferred resources focused on collections to our apply-to-pay operations in order to maintain our application service. By doing this we ensured that students and institutions were paid on time.

While SLC has recently restarted collections activities, we are mindful that the economic fallout from the pandemic will have affected many of our borrowers. We are therefore making it a priority to ensure that all collections activity is fair and supportive. At the same time, and consistent with Managing Public Money, we are ensuring that those borrowers who do earn above the income threshold - and should be making repayments - are compliant with their obligations.

Performance Management

The APRA measure and associated target agreed with Government for repayments is that:

- 90% or more of borrowers in repayment are fully compliant with their repayment obligations.

Additionally, we will measure, and report monthly on:

- A recoveries target – meaning the money we receive directly from borrowers - of £71.25 million for the year, and
- A quality assurance target of 92% or more.



3.2. The Customer Lens

Helping customers to invest in their futures by providing an intuitive, supportive and trusted service is at the heart of our business. Through CEM and Evolve we will be making it easier for customers to engage with SLC via an omni-channel strategy that will mean seamless 'right channel, right time' service.

Customer Interactions



Eliminate

The best service is no service.

Customers would prefer to interact directly to apply for their student finance, and have their interaction dealt with fully automatically and as close to immediately as possible.



Self Serve

Help our customers to help themselves.

Where a customer does want or need to interact with us, we will provide them with access to the information and services they need to allow them to do so easily and in their own time.



Optimise

When customers contact us with an issue, we address it quickly and efficiently.

Where a customer needs to contact us they can do so through the channel of their choice, and their issue is resolved immediately or referred to someone who can. The customer is kept informed, and advised when the issue is resolved.



Support

Where our customers have more complex needs and need to navigate the process, we assign someone to guide them.

Where we identify that a customer is facing challenges with the process, we assign a case owner to guide them efficiently and supportively.

Customer Experience (CX)

As part of our ongoing transformation, SLC is creating a pivotal customer experience strategy that will deliver insight-led improvements to the end-to-end customer journey. Our new Student Finance Customer Panel, made up of prospective, current and former students, will be key in building insights and puts our customers at the centre of this new strategy. We will formally establish the CX function, create new metrics that focus on customer experience rather than customer service, reduce customers' need to contact us through enhanced self-serve functionality, and baseline and improve customer satisfaction scores.

The opportunity presented is significant and the CX strategy will have reach and impact across the organisation. We will steer this impact through fully integrated customer, colleague, stakeholder and partner communications which will improve the reach and effectiveness of our customer communications.

Vulnerable Customers

Through our CX work, we will focus on improving the experience of our most vulnerable customers to ensure that SLC is accessible to everyone. This will include reforming the Disabled Students Allowance (DSA) delivery model and service proposition to ensure that customers in receipt of DSA are better able to receive the support they deserve. These reforms will also increase transparency of pricing and increase competition thus limiting the potential for any anti-competitive behaviour, following the recent concerns expressed by the Competition and Markets Authority.

'Modular' approach to learning entitlement³

Against the backdrop of transformation in the ways that we engage with and serve our customers, we are looking to the future and helping to shape implementation of the Government's HE and FE reform agenda. The impact of reforms will result in significant change for SLC in terms of our systems, processes and technologies – and, potentially, in how we work with other organisations in the sector. Given the complexity of student finance, we will use our experience to drive simplicity and rationalisation wherever and whenever possible.

Performance Management

The two APRA measures and associated targets that have been agreed with Government for SLC customer satisfaction during 2021-22 are that:

- Applicant, student and sponsor satisfaction will be at least 75%
- Borrowers in Repayment satisfaction will be at least 62%

Additionally, we will look to measure, and report monthly on:

- The pre-application satisfaction rate
- The number of applications completed with no incoming telephone call
- The average number of telephone calls per application

Further metrics will be developed in-year, including ones which will help us measure and analyse customer effort scores. In addition, we will also develop metrics around customers' use of alternative (non-telephone) contact channels during 2021-22, and our understanding of the quality of their experience with alternative channels. This will underpin our evolving channel strategy and help us to provide customers with a frictionless experience wherever possible.



3.3. The Corporate Lens

The Corporate Lens describes the critical ‘infrastructure’ that keeps SLC functioning – this lens includes managing our change programmes, building and maintaining technology, managing public money, governance and people.

Although our transformation will be felt most readily in the Frontline and Customer lenses, the functions described within the Corporate Lens are the engine rooms of change. From CEM, our new customer engagement platform, to a comprehensive updating of our technology base and people policies that will increase fairness, transparency and career progression, this coming year will see an unparalleled change in SLC.

Managing Change

SLC is a technology-enabled company and in the coming year we will leverage technology to improve customer experience, update legacy systems and make sure we are fit for the present and future. Over one third of our budget is geared to technology expenditure which underlines the importance of technology to our operations. SLC’s change programme for 2021-22 comprises of five portfolios, each of which depends on underlying technology change to deliver outcomes:

- Policy
- Evolve, our transformation programme
- Technology
- Operations
- Repayments

We will measure and report monthly on the RAG-status of each portfolio (as assessed by its respective Portfolio Board or equivalent).

Additionally, we have agreed with Government shareholders that two of these, the RAG-status of the Policy and Evolve portfolios, will constitute the APRA measures and associated targets (these will be validated by the Joint Quadrilateral Committee, which is chaired by DfE and by the Evolve Oversight Committee, chaired at SLC Board level, respectively).

Our policy and process simplification work will continue and will take account of the opportunities presented by the wider policy reforms that have been announced by the UK Government.

We will complement this year’s key focus by improving our planning and forecasting accuracy across all the portfolios.

The Policy Portfolio

While the major initiatives for four of the five portfolios are set out in the relevant sections throughout this document, those for the Policy Portfolio are specified here. This portfolio is responsible for the delivery of the Governments’ student finance policy changes and annual (academic year) service updates to systems and processes. This is critical work as it is required to support the launch of the next relevant academic year application cycle in respect of the relevant loan and grant (student finance) products.

Key deliverables for 2021-22 include:

Updates to Student Finance regulations: <ul style="list-style-type: none"> ■ Undergraduate loans ■ Part Time loans ■ Postgraduate loans ■ Educational Maintenance Allowances (Wales and NI) ■ Welsh Government Learning Grants ■ Advanced Learner Loans (England) 	Allow new and returning students to access student funding support
Disabled Student Allowance (DSA) reforms	Implement DSA reforms, increasing transparency and competition, to deliver a new service which offers customers with certain common conditions the choice and ability to self-serve and receive a standard package of support
Engagement with Government on their longer-term FE/HE reforms agenda	These reforms are likely to have strategic implications for SLC, and include the design of a new Lifelong Loan Entitlement product
Residency Changes	Various residency changes across UK domiciles, including changes arising from UK exit from the EU, and checks on statuses granted through the EU Settlement Scheme
Scottish Repayment Plan 4	Repayment threshold changes


FE and HE Reforms

During this year, we will work closely with DfE on the design and development of products to support the important FE and HE policy reforms that were announced by the Prime Minister in 2020 and, in more detail, in a Government ‘Skills for Jobs’ White paper in January 2021.

These include:

- A new Lifelong Loan Entitlement (LLE)
- A review of Post-Qualification Admissions
- Other policy initiatives announced as part of the Government’s interim response to the Augar Review

Lifelong Loan Entitlement



SLC’s processes and systems are fundamental to the success of the LLE reforms and we will therefore work with DfE and No 10 to develop and co-design the policy required to deliver LLE.

This will allow learners to get a loan as easily for modular learning (i.e. short courses) as for a full university degree and will be based on a flexible lifelong loan entitlement that learners can use across both FE and HE.

This flexibility will enable the FE and HE sectors to tailor provision to the needs of the economy and support learners to gain new skills and qualifications over their lifetime for the future jobs market.

We will look wherever possible to streamline the student finance system as we move to a more unified model that works in a way which is fundamentally different to the loan products currently available across FE and HE.

SLC Technology Strategy

Technology is a key enabler of our corporate strategy and supports us to deliver against our customer, HE and FE provider and colleague expectations. Implementation of our Technology Strategy will deliver a sustainable and resilient architecture and form a strong,

efficient and enabling technology foundation upon which SLC can ultimately deliver outstanding customer service.

The Technology Strategy is comprised of four distinct programmes, namely: Transform, Simplify, Remediate and Enable.

- ✓ **Transform:** We will deliver new strategic capabilities to transform the customer and colleague experience with a seamless and streamlined application-to-repay system, providing access through multiple, linked channels when required and enabling our colleagues to service our customers with access to the right data at the right time.
- ✓ **Simplify:** We will simplify and consolidate our existing platforms and de-couple the architecture to reduce Total Cost of Ownership (TCO) and enable long term sustainability and greater flexibility.
The resulting Service Oriented Architecture will reduce the cost and complexity of change and enable a joined-up customer and Further/Higher Education Provider experience.
- ✓ **Remediate:** We will de-risk our platforms by improving supportability, security and disaster recovery.
- ✓ **Enable:** We will deliver enabling technology capabilities, including cloud computing, Software as a Service (SaaS) and Commercial Off-The-Shelf (COTS) solutions to provide agile and cost-effective technology services.

Our priorities for Technology for 2021-22 include:

Strategic Partner Procurement

In response to recommendations contained within the SLC's most recent Tailored Review, we are increasingly using outcome-based contracts, with a smaller number of strategic partners working within a blended resource model. Implementation of this strategy is due to complete in Q3/Q4 of 2021-22 and is complemented by initiatives within our People Strategy that aim to provide capability development, new ways of working and address recruitment and retention challenges in technology roles that SLC faces.

Improved Disaster Recovery (DR) Capability

SLC implemented a number of key technology enablers for DR during 2020-21, culminating in a successful shut down and re-start of services which enabled us to examine the constituent parts of our IT estate and our ability to safely recover these. This year the focus will be to build upon that work with continued and increased testing, creating an enduring DR capability for the long-term. Key milestones, to embed DR into BAU operations, are in Q3 and Q4 of 2021-22.

Technology Operating Model

This year, we will create a new operating model for our Technology Group directorate, aligned to and informed by the Strategic Partner Procurement Strategy and the Government Digital Service (GDS)'s Digital, Data and

Technology (DDaT) Framework. The directorate's priorities will be defined in Q1, then implemented in phases throughout the remainder of the year.

Modernised and Simplified Technology Platforms

We continue to work to stabilise and enforce our Enterprise Architecture Governance, simplifying and consolidating our existing platforms and decoupling the architecture to reduce TCO and to enable long term sustainability.

Cyber Security and Data Protection

The security of our customers and their data is of critical importance, and we will continue to monitor and upgrade our cyber-security as new threats emerge. Home-working arrangements could mean that organisations are more exposed to the risk of cyber-crime. While we have already taken steps to mitigate this risk, we will remain vigilant and alive to the ever-changing threat landscape. While we have already made significant progress, we will also continue to take the necessary steps in respect of GDPR compliance.

Performance Management

The APRA measure and associated target agreed with Government for SLC's Technology Group is that at least 87% of days should be 'green service days' (that is, days on which our systems estate suffers no outage or priority incident).

Managing Public Money

SLC has a one-year funding settlement agreed through the APRA letter from DfE for 2021-22. Although cognisant that the Government cannot commit to a multi-year funding settlement at this time, the company drew up detailed financial plans for the medium-term, in its most recent three-year Corporate Plan which is underpinned by our longer term Evolve transformation programme. These plans are underpinned by a five-year financial model which includes assumptions on customer volumes, benefits projections from the Evolve programme, and assumptions regarding the cost of delivering a steady state policy change and other SLC-led change programmes.

This year's capital investment, (mainly on technology costs within Evolve), will lay the foundations for significant savings from 2022-23 onwards.

Our Enterprise Risk and Compliance team will continue to modernise SLC's risk management arrangements in line with their Roadmap. In the next financial year this includes continuing the roll out of the new policy and Governance, Risk and Compliance system, providing better risk reporting that will allow quicker identification of emerging themes, building metrics for each of the new risk appetite statements and strengthening compliance arrangements.

Key financial and commercial priorities for 2021-22 are:

- Improve financial forecasting and planning including analysis and insight
- Implementing new operating models:
 - For Commercial Services (by end Q2)
 - For Finance (in stages, by end of Q4), to help drive efficiency with skilled, engaged and motivated people organised to support both internal and external stakeholders, delivering timely, accurate and transparent reporting supported by the right tools, processes and structure.
- Replacing and extending a number of key technologies that will strengthen and enhance our controls and reporting capability
- Refreshed Estates Strategy by end of Q1
- A 5% saving on accommodation costs

Performance Management

Our APRA measures and associated targets, agreed with Government for managing the 2021-22 budget are:

- Administration expenditure to be between 0% overspend and 5% underspend
- Programme expenditure to be between 1% overspend and 5% underspend
- Capital to be between 5% overspend and 5% underspend

Financial Plans

SLC's overall budget for the financial year 2021-22 (excluding HE reform) is set out in Table 1:

Table 1: Overall APRA Budget:

	Admin	Programme	Capital	Total 2021-22	Total 2020-21
	£m	£m	£m	£m	£m
Cash	40.2	169.2	58.8	268.2 *	252.4
Non-Cash	11.0	35.8	0.0	46.8	38.1
Total	51.2	205.0	58.8	315.0	290.5

* Includes £36.7m minimum spending on Evolve

Following an underspend in 2020-21, DfE have held back £0.5m of Admin in reserve for 2021-22, which will be released at the Q2 review if SLC can demonstrate that is required to deliver the Business Plan.

Additionally, SLC and DfE are discussing a potential additional c.£2m - £4m programme funding to progress some HE Reform initiatives in 2021-22. There is also a potential additional £0.5m programme funding in relation to higher technical qualifications. These additional funding allocations would be subject to HMT approval.

The cash budget by SLC business segment is set out in the Table 2:

Table 2: Cash Budget

	Admin	Programme	Capital	Total 2021-22
	£m	£m	£m	£m
Operating Expenditure	37.5	138.7	6.7	182.9
Change	2.8	27.6	19.5	49.9
Evolve	3.0	16.2	25.1	44.3
Total Delegated Budget	43.3	182.5	51.3	277.1
Central Adjustment	-2.6	-13.3	7.5	-8.5
Total Company Cash	40.7*	169.2	58.8	268.6

* Admin Budget is £0.5m above funding in APRA, due to the element withheld until Q2

There are 45 new projects with a budget of £50.8m that have not yet commenced Discovery and Inception (D&I) included in the Change and Evolve budgets in Table 2. As a result, the £50.8m total and classification split is subject to confirmation during 2021-22. The sequence of the projects is illustrated in Table 3, including the quarter in which the D&I processes are currently scheduled to commence. These start dates are based on initial plans and are subject to further capacity reviews through SLC's Change Council.

Table 3: Change and Evolve New Project Scheduling

Project Start Quarter	No of Projects	Admin	Programme	Capital	Total 2021-22
		£m	£m	£m	£m
Q1	26	2.5	10.1	17.5	30.1
Q2	13	0.4	5.3	6.5	12.2
Q3	6	0.0	5.9	2.6	8.5
Total	45	2.9	21.3	26.6	50.8

Governance

As a public body, we adhere to the provisions of the Cabinet Office Code on Corporate Governance. We are committed to maintaining sound governance, internal control and risk management that supports our policies, aims and objectives while safeguarding public funds and assets, in accordance with the responsibilities set out in DfE's Framework Document with SLC.

Framework Document

We are currently working with DfE to draft a new and refreshed Framework Document which will establish more relevant and proportionate governance arrangements. This should allow SLC more autonomy to make decisions that will reduce unnecessary bureaucracy and allow change to move at a greater speed while, critically, also ensuring that SLC remains compliant with HMT and Cabinet Office guidance.

People Strategy

While much of the focus of our People Strategy in 2020 rightly shifted to the challenges posed by the pandemic - and the need for most staff to work from home – our ambition to be a great place to work continues unabated. Our People Strategy sets out our plans to be an employer of choice not only for existing colleagues, but for new ones as well.

The pandemic will continue to shape our thinking, with the post-pandemic return to the office being one of the biggest challenges in the coming year. Our focus is on planning a return to the office that is safe, that colleagues can trust and that ensures the operating environment is conducive to productivity.

Alongside this our People Strategy will focus on:

- Pay and Grading
- Strategic Workforce Plan
- Career Pathways
- EDI
- Employee Engagement

Pay and Grading

Over the next twelve months, we will be concentrating on the implementation of the Government Digital Service's Digital Data and Technology (DDaT) framework, which recognises common skill sets and career pathways for certain digital, data and technology roles, enabling the recruitment, development and retention of colleagues. SLC operates in a highly competitive market for technology skills and while the public sector cannot compete with the private sector on pay alone, we aim to be a great place to work by offering an overall package which is compelling. As such, the structure is a building block for career pathways which will provide clarity for colleagues and support both cross- and up-skilling and mobility across SLC.

Strategic Workforce Plan

Given the scale of change already outlined in the Business Plan, it is vital that we make sure we have the right people with the right skills in the right roles. Through the Strategic Workforce Plan we will redesign our workforce in line with future operating needs and build the associated models to meet those needs. Over the course of this year, significant focus will be placed on 'Our Workforce' with the delivery of phase one of the Strategic Workforce Plan. This phase will focus on the benefits SLC can realise from CEM, Operations 2.0 and the Excellence in Data project, as described earlier in the document.

Career Pathways

To be a more agile organisation we need to harness the skills of our people and both create and optimise opportunities for them. Through new career pathways, we are creating routes for colleagues to progress within SLC – whether by moving to more senior roles within the same functional area or by moving laterally to augment their skills and experience. As well as signposting opportunities for colleagues, our career pathways are future-facing and support our vision of the skills and competencies that we will require in the years ahead.

Equality, Diversity and Inclusion

We are committed to sustaining a positive, supportive and inclusive workplace where everyone is treated fairly. We respect the diversity of all who work at SLC and want everyone to achieve their full potential, to contribute fully and to gain maximum benefit from the opportunities available.

Our commitment to embedding equality and fairness across SLC was recently recognised by the National Centre for Diversity (NCD) when we were awarded Investors in Diversity accreditation.

Supported by ARCUS, SLC's staff group representing LGBT+ colleagues, we will establish a Diversity Taskforce to take forward recommendations made by the NCD.

Employee Engagement

We aim to ensure that colleagues feel engaged and listened to and monitor employee engagement through an annual staff survey, which we complement with regular 'Pulse' surveys. Over the last year, pulse surveys included questions on wellness and mental health as part of SLC's response to the pandemic. We will engage staff carefully as we consider

how best to manage our return to the office following the pandemic. We will continue to assess how colleagues feel, and work to understand impacts on health and wellbeing and how these can be alleviated.



The annual Employee Engagement survey for 2020-21 highlighted an overall engagement score of 7/10 across the organisation. This is an increase of 0.7 compared to the previous year and demonstrates the impact of driving engagement and supporting colleagues through the COVID-19 pandemic.

Colleagues also told us:

"I have the opportunity to do challenging things at work" (up 0.9 to 7.1)

"The overall business goals and strategies set by senior leadership are taking Student Loans Company in the right direction" (up 0.7 to 7.0)

"My manager communicates openly and honestly with me" (up 0.6 to 8.4).

Whilst pay and reward remains the lowest scoring theme, questions on this area have shown an improvement over the last two years, mainly due to the successful implementation of the business case to improve low pay in 2019.

Our APRA measure and target, agreed with Government for 2021-22 is:

- Employee Engagement score is to match or better the score recorded as part of the 2020-21 staff engagement survey.

Additionally, we have metrics in place to monitor attrition, sickness absence, people establishment and delivery of employee training.

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Risk

The principal risks and issues that SLC has identified and is actively managing are:

- The COVID-19 pandemic and its impact on SLC's ability to deliver its core services.
- Handling and processing of data which may lead to a breach of legislative or regulatory requirements.
- The ability of SLC's Disaster Recovery arrangements returning critical services in line with business requirements.
- A successful cyber-attack that may lead to data loss and business disruption.
- Software that is no longer supported by software vendors and the potential impact on SLC's ability to deliver service, remain secure and meet compliance requirements.

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Conclusion

SLC is an organisation that enables student opportunity, and which will strive to deliver an outstanding customer experience. Our 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.



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