

Annual Business Plan

2024-25



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01

CEO's Introduction

**Chris Larmer** Chief Executive

I am delighted to introduce SLC's annual business plan for the financial year 2024-25 in which we set out our plans to deliver our purpose to enable opportunity for all students. When the General Election was called, we paused publication of this plan to allow us to ensure alignment with the Government's agenda. I'm pleased to say that our plans for FY24-25 do align with the mission led focus of the new Government, with the missions to break down the barriers to opportunity and securing sustained growth for the UK being key to what SLC does.

As a unique Department for Education (DfE) body serving all four nations of the UK, we will continue to support all students to invest in their futures through the provision of trusted, supportive and intuitive student finance.

Last year we delivered:

- Another 'above target' academic cycle in which we paid c£23bn to over 2 million customers and supported or directly collected repayments of over £5bn.
- A 'one stop shop' service for our Disabled Students Allowance (DSA) customers;
- Higher than ever engagement with our digital services; and
- Significant cashable benefits to DfE and HMT

In the year ahead, we plan to build on these foundations. We will, however, continue to make difficult priority calls as we determine how to deploy our budget to deliver the best possible outcomes. I'm confident that we will make the right choices for our customers and shareholders because of the knowledge, skill and dedication of SLC's colleagues.

For customers - both individuals and higher education providers - we will safely deliver the academic cycle. While we will not be able to improve academic cycle performance this year due to the financial climate and our funding levels, we will aim to maintain existing levels of service – including against the performance measures set by our government shareholders which are detailed in this Business Plan.

We will continue our transformation of the DSA service and work with the sector to make applying for student finance easier for our customers who need us most. As always, we remain committed to delivering the best outcomes we can.

For our shareholders – the UK government administrations of England, Scotland, Wales and Northern Ireland - we will continue our efforts to create a more sustainable SLC, removing cost through technology and digitisation aligned to the UK Government's digital agenda. This also means protecting taxpayer money and data through prevention of financial crime, enhancing cyber security and effectively managing data. For DfE, we continue to progress delivery of the Lifelong Learning Entitlement.

And for our colleagues, through an updated People Strategy, we will accelerate our 'Great Place to Work' ambitions by improving our colleague experience. Much of this will be led by our people through a focus on SLC's culture and our colleague-led networks which demonstrate the inclusive and caring approach of Team SLC.

Perhaps most importantly, because it delivers for customers, shareholders and colleagues, we will develop a transformational business case to enable SLC to create greater value, efficiency and sustainability. As a Trusted Delivery Partner, we want to be in the best position possible to set and deliver a refreshed Corporate Strategy, to deliver Government priorities and continue to provide the best outcomes for our customers, shareholders and colleagues.

Chris Larmer

Chief Executive



02

SLC's Priority and Performance Focus for 2024-25



SLC plays a critical role in the further and higher education sector. Not only do we assess and pay maintenance and tuition loans and collect repayments, but we have a significant role in supporting the security, stability and integrity of the student finance system as a whole. Through this important work, we fulfil our purpose of enabling opportunity.

This document sets out our priorities for the year ahead but as the final annual plan supporting our current Three-Year Corporate Plan, it is also pivotal in establishing the building blocks for our next Corporate Plan. Alongside our 'business as usual' of delivering the academic cycle with a 'right channel, right time' customer experience, providing a Great Place to Work for colleagues and delivering shareholder priorities as a Trusted Delivery Partner, we are working to create greater efficiency and sustainability so that SLC is in the best position possible to set and deliver a refreshed Corporate Strategy. Over the coming year we will therefore create the business case for the investment SLC needs to further progress our ambition to be a simpler, digital, data-led, technology enabled business. In line with the new Government's budgetary timetable, we will submit our Business Case as part of the spring 2025 spending review.

We have already developed a longer-term Strategic Blueprint which identifies the tactical and strategic steps we need to take as an organisation across the key areas of customer, organisation, people, and technology and data to meet our vision. This includes, for example, digitising all customer journeys aligned to government ambitions for digital service delivery and creating a Strategic Workforce Plan as we have detailed in our Customer and Colleague Lenses in this Business Plan. Although we continue to make positive progress, delivering this scale of ambition requires multi-year investment that goes beyond our current funding envelope.

Like all public sector organisations, it is incumbent on SLC to deliver best value for taxpayer money. This includes creating efficiency where we can but also investing where necessary to protect money and data. With flat funding for FY2024-25, SLC will have to continue to make tough prioritisation calls on where and how we spend our budget – making sure that we deliver the best possible customer, colleague and shareholder outcomes whilst accepting that we cannot deliver everything we want. This plan sets out how we will deliver the best outcomes possible through our priority deliverables in the coming year.

We set out our plans and measure our performance through 3 lenses, customer, shareholder and colleague. Each lens contains a hierarchy of measurement and performance targets. This plan sets out the highest-level measures and targets, as agreed with our Board and set by shareholders in the Annual Performance and Resource Agreement (APRA).



Customer



Colleague



Shareholder





03

The Customer Lens



We are continuing to optimise our full range of service channels with a focus on our online services and our self-serve customer proposition. SLC has two digital services in the government 'Top 75' - our Apply for Student Finance and Manage my Balance services. As our digital journey progresses, we will increasingly align with the UK government's strategy for digital service delivery.

The ambition of the SLC channel strategy is to guide the vast majority of customers into a fully automated self-service experience, with, over time, increasingly assistive support available across a range of channels for those who need it most.

Customers' ability to self-serve online continues to be enhanced incrementally, aligned to available funding. We are making it easier for customers to complete their applications and make repayments online, reduce customer effort and provide a range of online resources for customers to get answers and the help they need without having to get in touch.

In the academic cycle for 2024-25 we anticipate a similar pattern to the last academic year within the region of 1.43million full time undergraduate applications. Repayment customers numbers are anticipated to peak at over 7million, with the total loan book exceeding £260billion. We also anticipate growth in complex applications and from customers who need additional support which necessarily require greater colleague interaction. This is why it is so important to invest in a digital service that enables the majority of our customers to self-serve. This allows us to free up resources to help those who most need our assistance, as we set out in our Customer Charter.

Delivering the Academic Cycle

Delivery of the academic cycle, for our customers and for the institutions they attend, is our leading priority each year and is core to our purpose of enabling opportunity for all.

This year, we have brought our customer-facing Apply-to-Pay and Repayments Directorates together under the leadership of our Executive Director of Operations to reinforce our focus on the end-to-end customer journey, harmonise the service we offer and align delivery to reflect the Lifelong Learning Entitlement when customers may be in study and repayment throughout their working lives.

We will also realise opportunities to up- and cross-skill our customer-facing teams, which will enable us to better manage periods of peak activity in the cycle. We will continue to invest in colleague training and engagement and in driving continuous improvement.

We are expecting the academic cycle to be challenging in 2024-25 given the flat cash settlement and the need to absorb inflation. This means we will not be able to deliver better outcomes as we have in previous years, but will aim to maintain service levels, bring consistency across customer journeys and deliver the best service we can.

We will:

- Deliver more consistent standards of service across the end-to-end customer journey for applicant and repayment customers, guided by our Customer Strategy and Customer Experience service standards
- Continue to ensure our customers are paid in time to start their studies
- Maintain levels of quality customer outcomes and customer satisfaction
- Maintain the number of customers repaying their student finance

Channels

Year on year, we are seeing more customers engage with SLC's digital channels by applying and managing their applications and accounts online, digitally uploading evidence and using our knowledge base and assisted service Live Chat function to answer questions.

We will continue to guide customers to the right channels at the right time, with a focus on digital service delivery, aligned to our Strategic Blueprint.

To further improve our digital service with the funding available we will:

- Continue to enhance our digital offering by enhancing Live Chat which is our customers' channel of choice
- Help customers to complete their end-to-end journey online, by reducing and eliminating issues which interrupt a customer's digital journey such as login and password problems
- Remediate when we see unfair outcomes, such as ensuing prompt and effective customer refunds when over-repayments have been made.

Transform the service we provide to disabled students

Last year we published our Charter for customers who need **additional support** and implemented additional support indicators within our systems so that our frontline teams can identify customers who may need help.

We also delivered on our commitment to provide disabled student customers with a 'one stop shop' single point of contact for all elements of the service, enabling a simpler and smoother application process. Having established this critical milestone, we will work to bed in the new systems and processes and then further enhance this service and realise the benefits that the new service will offer for customers, shareholders and, ultimately taxpayers.

This year we will:

- Introduce a new commercial framework which will make our DSA grant spending more efficient, saving taxpayer money
- Start the work to integrate SLC and DSA supplier systems to enable automated data sharing so that customers only need to provide information once and do so in a safe and secure way

Key Performance Targets for the Customer Lens

- Assess-to-Pay (A2P) Customer Satisfaction to be $\geq 75\%$.
- Repayment Customer Satisfaction to be $\geq 62\%$.
- Ease and Efficiency, which measures digital engagement to be $\geq 92\%$.
- Quality Outcomes, which measures how effectively SLC is delivering the right outcomes for customers and taxpayers, to be $\geq 92\%$.



04

The Colleague Lens



Our colleague-focussed strategic goal is to make SLC a great place to work. Our people are the foundation of our business - we are proud of what each individual colleague does to help customers invest in their futures.

We need to work hard to make SLC work for our people too. We want colleagues to be able to grow their careers with us, to take advantage of quality training and development opportunities and be strong advocates for SLC.

Ensuring workforce sustainability

To ensure that SLC is sustainable and able to deliver our purpose of enabling opportunity, we need to be able to attract and retain talented and skilled colleagues. SLC's pay has fallen behind other public sector bodies and this impacts our ability to deliver the colleague, customer and shareholder outcomes that we want.

Improving our pay position has been a long-held ambition and a key priority for SLC. Last year, we submitted a Pay Flexibility Case to help SLC remain sustainable. The case was approved in March 2024, enabling SLC to start to implement the new pay structure ahead of the start of the current financial year.

Developing our People Strategy

As we prepare for a refreshed Corporate Strategy, we are laying important foundations in our People Strategy: we will develop a Strategic Workforce Plan and create a new SLC culture programme aligned to our Strategic Blueprint. Both are multi-year undertakings which are intended to support future organisational needs while developing a healthy culture.

This year we will:

- Develop a Strategic Workforce Plan which will deliver the future capacity and capability needs our organisation will require over the next 3-5 years
- Revise the SLC values and behaviours to ensure they are engaging and colleague-led, and lay the foundations for a broader culture programme from FY2025-26

In parallel we will continue to make SLC a great place to work by:

- Continuing with our Aspiring Leaders Programme to develop the next generation of managers and leaders
- Supporting career development through our Career Pathways programme
- Promoting self-led development via personal performance plans and meaningful performance development
- Launching our Leap of Faith programme where colleagues have the opportunity to broaden their knowledge by 'leaping' into another role for a day
- Growing and developing the emerging talent programme which focuses on graduate trainees, apprenticeships and interns

Promoting Equality, Diversity and Inclusion (EDI)

We published a new EDI strategy in 2023 which focuses on embracing the diversity of our workforce and ensuring that no person feels excluded or treated less well than others. We have also increased workplace flexibility, supported an increase in colleagues feeling comfortable to share their equality data and established seven new Colleague Networks. These colleague-led Networks aim to be a positive space for change, giving colleagues the opportunity to share lived experiences, put forward ideas, offer peer-to-peer support, identify barriers and find solutions to driving cultural change at SLC.

Through our EDI strategy we are also seeking to address equality issues which persist in SLC including a gender pay gap and a lack of diversity in senior leadership roles.

This year we will:

- Support Colleague Networks to become fully active. Networks span LGBT+, Green Matters, Mental Health, Disability, Ethnicity, Carers, Menopause, Neurodiversity, Women's Development, and Wellbeing
- Continue to ensure gender diversity is reflected in recruitment processes
- Work to address the gender pay gap, recognising that this is a multi-year undertaking
- Support more women into senior roles, particularly in technology

Improving Colleague Engagement

SLC's Employee Engagement Survey (EES) allows us to gain broad insight into colleagues' experiences and views of working at SLC - what they feel is going well, and where they think we can make improvements. Results are used to help inform and enable our progress in making SLC a great place to work. We have increased our survey rhythm to include quarterly pulse surveys in addition to the annual survey.

We are disappointed that our EES score has declined over the past two years, but with a key driver of dissatisfaction now being actively tackled through the approval of our Pay Flexibility Case, we hope we can start to make positive progress. We know that we have to work hard to repair engagement, and this is reflected in our performance target for this year.

Colleagues continue to tell us what's great about working at SLC too – colleagues feel connected to their teams, understand how they contribute to achieving SLC's goals and are excited about the future of SLC.

In the coming year, we will:

- Implement colleague-led engagement improvement plans
- Improve senior leadership visibility and engagement through 'leaning-in' activity where our Board, shareholders and Executive team spend time learning about the roles of different teams
- Accelerate and amplify the involvement of our colleagues in activity to make SLC better for customers, for shareholders and for themselves.
- Introduce an employee engagement index measure

Key Performance Target for the Colleague Lens

Employee Engagement to be **≥ 6.2**.



05

The Shareholder Lens



The 'shareholder lens' provides focus for the policy and change priorities we deliver for our government shareholders, aligned to the funding they provide SLC.

SLC's key role in delivering for shareholders is to pay loans and grants to students and fees to education providers, on their behalf. Enabling students to fund their education costs via reliable and trusted financial support enables opportunity and removes a burden on providers and students in having to arrange direct fee systems. The collaborative approach between SLC and institutions generates mutual benefit to their students and our customers.

We are also responsible for collecting every pound due from customers once they are earning and due to repay their loans. The value of the loan book is now over £260 billion and this represents a significant UK Treasury asset. While SLC is not directly responsible for this asset, we are responsible for collecting repayments due on it, for ensuring its integrity and for the customer data that underpins it. Linked to these responsibilities, the shareholder lens also includes our approach to our physical and IT estate, activities to drive change within SLC, our finance, commercial and risk functions, and legal, governance and communications.

The strategic goals which we deliver through this lens are: Trusted Delivery Partner, Enabling Opportunity; and, Leaner, Better Doing More for Less. As well as our ongoing commitment to deliver our shareholders annual policy priorities, this year we are prioritising the design and delivery of the Lifelong Learning Entitlement in England aligned to our target-state technology strategy, working to increase operational excellence and efficiency, protecting taxpayer money and data and making progress in our net zero ambitions.

Technology transformation aligned to delivering LLE

Given the scale of SLC, and the demographics of our customer base, it is vital that we drive transformation through technology. Most recently, we laid important foundations for customer-focused transformation through the Evolve programme which delivered our Customer Engagement Management platform, digital channels, robotics and increased automation. We were delighted that Evolve was recognised as innovative and rated 'green' twice by the Infrastructure and Projects Authority.

SLC is making further progress as we move to align our technology strategy with our approach to implementing the Lifelong Learning Entitlement policy for Student Finance England.

LLE

From 2026-27 LLE will provide individuals with a loan entitlement to the equivalent of four years of post-18 higher education to use over their lifetime. It will be available both for modules and for full years of study at higher technical and degree levels (levels 4 to 6). This will facilitate flexible study – allowing individuals to space out their studies, transfer credits between FE and HE institutions, and take up more part-time study.

SLC is responsible for the application and assessment service that will enable LLE delivery. We are working in partnership with DfE and other stakeholders, following user-centred design principles, to deliver an efficient and effective student finance system that will support LLE.

Our approach, will align to our future-state technology strategy moving us more quickly to a lower cost, lower risk technology estate while delivering on a key shareholder priority.

SLC has a large product base, developed to meet shareholder requirements and the needs of different customer groups. Our IT estate correspondingly has a number of legacy systems and software which support this product base. Aligning with the UK government's ambition for a 'Modern Digital Government', we aim to tackle legacy IT but require significant and multi-year investment to do this. We know that a simplified technology architecture will ensure we reduce operational risk, remove cost and improve SLC's ability to offer the experience expected by our customers and required by our stakeholders.

This year, as well as creating the business case for transformational investment, we will make tactical progress towards this future, and will:

- Work with DfE following our established co-design approach as we move into detailed planning and delivery of LLE
- Manage and ensure effective business readiness and stakeholder engagement to successfully deliver SLC's role in LLE
- Set out a multi-year refresh of the technology strategy aligned to the UK government's digital service ambitions and LLE
- Define, design and plan for the implementation of a new Technology Target Operating Model, in line with the future-state SLC Blueprint, and Strategy
- Continue to evaluate and invest where appropriate in our Cyber Security control environment by refreshing existing technology that protects our business

Operational excellence and efficiency

Delivering value for money for our shareholders is an ongoing commitment. Work commenced last year to establish an operational excellence and efficiency programme – Catalyst – which will start to deliver benefits this year. This is a vital programme which will help us to create a more sustainable organisation and deliver better outcomes for customers, shareholders and colleagues.

We conducted a review of how we manage change in 2023. One outcome was to develop a Strategic Blueprint which is guiding our progress in FY2024-25 and lays the foundation of the transformational business case we will need to deliver a refreshed Corporate Plan.

At present, we are not able to implement new systems that will increase collection of repayments, but recognise the opportunities to maximise the return on the loan book. We will put forward 'Invest to Save' proposals to DfE and HMT setting out what SLC could deliver in terms of repayment yield with additional investment. In addition, we are aligning all activity to the Strategic Blueprint to ensure we are in the best position possible to deliver our purpose and priorities this year, and transformative activity beyond FY2024-25.

This year we will:

- Increase availability and functionality of self-serve channels to support channel shift which will deliver cashable cost savings to at least the equivalent of funding
- Increase RPA and automation to reduce cost, improve processing time and reduce errors
- Drive simplification by removing waste and duplication in processes
- Deliver on our plans to implement a Change Target Model to reshape and improve how SLC delivers change for customers, shareholders and colleagues
- Work with partners in DfE to progress our Invest to Save proposals to improve repayment customer verification rates, improve data quality to increase verification and yield and look at options to apply stronger sanctions to customers not adhering to the terms and conditions of their student finance repayments

Protecting Taxpayer Money and Data

As a Trusted Delivery Partner, SLC operates a robust Three Lines of Defence risk model, committed to protecting taxpayers' money and data. Over FY2023-24 we made great strides in detecting and preventing fraud and financial crime – both by building capability within SLC and by working with our DfE and Office for Students partners where we have identified and tackled issues in the student finance system as a whole.

SLC holds a significant amount of data and keeping that safe is a role for both our 1st and 2nd lines of defence across the organisation. We continue to deliver on GDPR commitments and have made considerable progress with the erasure of data that should no longer be held.

Current funding has a direct impact on the extent to which SLC can progress the activities we know will deliver tangible benefits, but we remain committed to delivering the best possible outcomes.

In the coming year, we will:

- Continue our work with education providers and partners to monitor attendance information, identify issues and take action to improve the timeliness, completeness and accuracy of information from providers.
- Refine our financial crime intelligence model to deliver greater fraud savings and fewer losses
- Seek investment from our shareholders to allow us to deploy industry technology and data interrogation techniques as they evolve to improve the efficiency and effectiveness of financial crime prevention
- Expand the capabilities and services that our Data Centre of Excellence provides and exploit our data to improve the customer and colleague experience and deliver greater shareholder benefits
- Progress a refresh of our Cyber Security data encryption
- Progress GDPR data minimisation requirements

Progressing towards Net Zero

During late 2023 we relocated our Glasgow head office, where over 1,500 colleagues are based, to a new purpose-built office at Clyde Place on the south bank of the River Clyde, which is part of the Government hub for the city. The new office is helping us progress our net zero ambitions by reducing our carbon footprint.

Financial Plans

Across the public sector, finances are constrained and there is a requirement for all public sector organisations to drive the best value for money possible while delivering the best possible outcomes. As this plan shows, SLC is committed to playing its part in reducing cost and managing risk, and delivering the best outcomes possible for customers, colleagues and shareholders.

The overall funding provided to SLC by DfE is detailed below. (SLC's capital requirement for FY2024-25 has reduced significantly from previous years. This is primarily due to the delivery approach for LLE and our core business building fewer assets within projects and technology.)

£m	Admin	Programme	Capital	Total
DfE Confirmed funding for FY24-25	42.4m	232.1m	21.6m	296.1m

Governance and Communication

Corporate Governance

Legal, Information and Assurance together with Governance and Planning will continue to provide high quality advice and support across SLC, seeking to increase quality, engagement and alignment to help meet SLC's strategic goals.

Communications

What people think of SLC as an organisation matters to us and to our shareholders. We have a strong social purpose, and we want to convey that.

We will continue to protect and enhance the reputation of SLC through strategic engagement with shareholders, stakeholders, the media and the wider sector to ensure SLC is recognised as enabling student opportunity, delivering an outstanding customer experience and being a great place to work.

Key Performance Targets for the Shareholder Lens

Variance from approved Administration budget is to be between **2% (underspend) and 0% (overspend)**.

Variance from approved Programme budget is to be between **5% (underspend) and -1% (overspend)**.

Variance from approved Capital budget is to be between **5% (underspend) and -5% (overspend)**.

Technology Service Experience to be **≥ 87%**.

Repayment Efficiency to be **>90%**.

Fraud savings **6:1 savings to investment**.



06

Risks and Issues



SLC has a comprehensive and maturing Three Lines of Defence Model in place with companywide risk assessments, key controls, risk appetite and associated key risk indicators supporting risk-based decision making and prioritisation.

This year, we will focus on management of risks that stem from the following:

- Building an effective employee proposition that attracts and retains required expertise, with the approved pay case as the foundational building block;
- Managing and prioritising a complex change environment including LLE;
- Strengthening defences against financial crime and cyber risks whilst building strong and sustainable third-party relationships; and
- The handling and processing of data.

SLC will continue to manage risks as effectively as possible within the near-flat cash settlement but do anticipate that available funding will exacerbate existing challenges and risks. While we manage interconnected risk across the business, we are looking to the future and to ensuring the sustainability of SLC as a trusted delivery partner. This means a sustainable approach to funding, via a transformational business case, which will increase investment in SLC to allow us to reduce costs, reduce risk and increase agility to deliver for shareholders and Ministers.



07

Further Information



SLC is a UK public sector organisation established to provide student funding (in the form of loans and grants) to approximately two million new and returning students annually in Higher and Further Education across England, Northern Ireland, Scotland and Wales. The company is wholly in public ownership; the four UK Government Administrations are its shareholders and since April 1996 SLC has been classified as an executive non-departmental public body (NDPB).

SLC has arrangements in place to ensure good corporate governance, and the 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, and the remit of the two standing Committees – the Audit and Risk Committee (ARC) and the Remuneration Committee (RemCo).

The Responsible Minister accounts for SLC's business in the Parliament of the United Kingdom. The Sponsor Department, acting on behalf of the devolved administrations, is responsible for appointing the SLC Chair and Non-Executive Directors and determining their terms and conditions. Appointments are made for a period of three years and comply with the Code of Practice for Ministerial Appointments to Public Bodies. The Sponsor Department, acting on behalf of the devolved administrations, also approves the Board's appointment of the Chief Executive.

Details about SLC's executive and non-executive teams can be found at www.gov.uk/slc along with the addresses and contact details for our offices.



Student Loans Company

SLC is established as a company limited by shares under the Companies Act with its registered office at Memphis Building, Lingfield Point, McMullen Road, Darlington, DL1 1RW