



**Student**  
Loans Company

## **CORPORATE PLAN**

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**2009-10**

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# 1 Chairman's Foreword

In my first year as Chairman, it is with great pleasure that I introduce the Student Loans Company's Corporate Plan for 2009-10.

Over the past year, the Company has continued to make great strides, building on the firm foundations established by my predecessor. In particular, we have further cemented relationships with our valued key stakeholders and delivery partners. Working together, we are firmly on track to achieve the delivery outcomes laid down by the Government Administrations in our three year Delivery Strategy.

I am pleased to report that our Lingfield Point facility in Darlington is now fully operational, providing a high quality service to support students in England.

As we move through the period covered by this plan, we will continue, by implementing cost-effective and state-of-the-art technology, to both engage our customers and streamline our back-office processes to increase efficiency and reduce unit cost. As a result, we will minimise risk to the taxpayer and respond quickly and accurately to the needs of our growing and diverse customer base.

As an organisation, we value the integrity, commitment and contribution of our employees. During this increasingly challenging and stimulating operating period, I am certain that individuals' skills development and resourcefulness will continue to be of huge importance. Through an empowered, motivated and responsive workforce, key targets will continue to be met and our relationship with customers strengthened.

As an organisation, we remain firmly committed to maximising opportunities for our customers to achieve cherished dreams and ambitions through access to Government-funded financial support for Further and Higher Education. By working together and embracing a culture of openness, honesty and trust, we are continuing to help customers fulfil their potential.

**John Goodfellow, Chairman**

## 2 Introduction

The Student Loans Company (SLC) is specifically responsible for undertaking certain delegated statutory functions in relation to student loans and grants as specified by the Responsible Minister and Devolved Ministers and to perform related activities to assist in achieving the Departments' policy objectives.

Ministers have confirmed what they want us to deliver over the three years to March 2011 in a Strategic Commission which was issued on behalf of the four Government Administrations. We have set out how we will deliver this agenda in our Delivery Strategy 2008-11, which was agreed by Ministers in September 2008. This Corporate Plan details the specific activities we will undertake in the forthcoming financial year and how these support our Delivery Strategy.

Key delivery milestones for these activities are summarised in Appendix F. Our success will be measured against a Balanced Scorecard (Section 7), which is going live in April 2009.

### 2.1 *Our task*

Our task, on behalf of Ministers, is to provide customers with the services they need to access the financial support provided by the State for their education journeys, paying the right amount of support to the right people at the right time and ensuring correct, timely repayment. We must operate in an efficient and effective way that balances cost, good customer service and other considerations.

Our core functions, confirmed in our Strategic Commission, are to:

- Deliver financial support to eligible students pursuing Higher Education in accordance with the student support regulations and relevant public policy objectives. In Scotland, this is done in partnership with the Student Awards Agency for Scotland (SAAS);
- Deliver appropriate information, advice and guidance to all customer groups at the right time and in the right form;
- Pay to Higher Education Institutions the public contribution towards tuition fees for England, Wales and Northern Ireland;
- Work in partnership with HM Revenue & Customs (HMRC) to ensure repayments are collected on time from all those due to repay under the Income Contingent Repayment Loan Scheme, and to manage the direct collection of voluntary additional repayments in respect of these loans;
- Manage the direct collection of repayments for loans granted under the former Mortgage Style Loan Scheme;
- Use technology and improved business processes to streamline the student finance system, make service improvements and improve the customer experience;
- Undertake specific tasks for individual Devolved Administrations, such as payment of Education Maintenance Allowances, and administer on behalf of the private sector, any sold portfolios of Income Contingent Repayment loans

### 2.2 *Our operating context for FY 09-10*

While all Administrations require their student support services to be delivered at a cost which represents outstanding value for money, this need has become increasingly acute following changes in the economic environment. We shall be working closely with the Administrations as

they address stringent value for money targets being sought by HM Treasury for public sector bodies, without reducing key service levels. As well as delivering improved value for money in 09-10, we are already revisiting our Value for Money programme to identify scope for significant additional efficiency gains that can be delivered in FY 10-11 and this will be a central theme for us this year.

We anticipate continued strong demand for student support in FY 09-10. The number of UCAS applicants for 2009 full-time undergraduate places as at January is well ahead of last year's figure and, while it is difficult to predict precisely the impact of changes in the economy on our workload, it is possible that we may see an increase in the number of applicants seeking means-tested support or reassessment. We expect the number of customers in repayment to rise steadily through (and beyond) the timeframe of this plan, underlining the need to maximise collection efficiency.

This year, as we roll out the centralised application and assessment service for Student Finance England, we shall be releasing the first components of a service that will be simpler for customers and more efficient. This will require us not only to deliver process and technical changes successfully but also to develop new skills to support the improved service, particularly around provision of information, advice and guidance. During the year we will be planning or introducing further significant improvements to transform the service.

For SLC, transfer of responsibility for setting student support policy to the Devolved Administrations in Scotland, Wales and Northern Ireland has created an environment where we need to be able to react rapidly to changing policy and build the flexibility to deliver against an increasingly diverse set of requirements. Section 3.4.2 details our plans to review our ability to react with a dynamic Change Programme. The catalogue of change initiatives that are either committed, intended, under consideration, yet to emerge as the result of Ministerial reviews, or already underway, is extensive. For example:

- for England, transformation of student finance delivery through the Customer First programme
- for Scotland, the consequences of abolition of Graduate endowment and part-time loans and consultation on plans to reintroduce grants
- for Wales, the review of Further and Higher Education student support policy
- for Northern Ireland, creation of the new Education and Skills Authority and transfer of "apply and assess" functions from the five Education and Library Boards

Alongside these initiatives, SLC will continue its own internal transformation, through a series of process and infrastructure improvements, and its Organisational Development programme.

## 3 Our Aims

The sections below set out our four Delivery Strategy aims and describe the specific actions we will take in FY 09-10 to achieve them. The key milestones are summarised in Appendix F.

Our success in achieving these aims will be monitored by the SLC balanced scorecard, the details of which are in Section 7.

### 3.1 *Meet the needs and expectations of our customers*

**Through tracking our customers' subjective experience of the service – how they perceive and respond to it – we will be able to measure their satisfaction with all elements of the service. The data from this will also help us identify opportunities to improve the design and delivery of the service and provide feedback to Government Administrations.**

#### 3.1.1 Driving up customer satisfaction

We will deliver two main initiatives during FY 09-10 as follows:

- A strategic customer satisfaction survey will be delivered by an external market research agency - FDS. The survey has been redesigned to allow us to gain incisive feedback on each step of the new customer journey, as well as on specific service values and drivers of satisfaction. The reporting framework of this is already established and will present overall customer satisfaction levels as a rolling average split into the three main sample groupings of: sponsors; repayers; and receivers. Individual targets have been set for these groups which are reliant upon appropriate customer service resourcing and potential constraints. Monthly reporting commences in April 2009. The results will be evaluated to help identify those service failures that have greatest impact on the customer experience and service delivery cost, and which are therefore highest priority for resolution through our service improvement process.
- The annual SLC benchmarking survey will be covered by a mid-summer survey of customers of SLC and other corporate bodies (including other public sector bodies, financial services providers, utilities etc) to establish where we sit with regard to a number of important service delivery attributes. Involvement with this survey commences in March 2009. Delivery of results is expected in early autumn 2009 and will reflect customers' perceptions based on the service offered by us in FY 08-09. We do not expect the results to show material change at this point. However, they will provide a firm basis for quantifying the change we should expect to see in the autumn 2010 outturn as a result of service changes being introduced in the current financial year. Moreover, the benchmarking survey provides an up-to-date snapshot of changing customer expectations driven by service experience with other organisations. This information will be analysed in conjunction with the monthly customer satisfaction survey and other "in-process" feedback mechanisms to develop a holistic view of key customer priorities and opportunities for improvement.

### 3.2 *Deliver an operationally excellent service*

**We want to provide an efficient and effective service which is accessible and easy-to-use; joins up services from our partners (rather than expecting customers to do the joining-up); minimises the amount of time customers have to spend getting what they need and reduces the amount of unnecessary contact. We will strive for a service which, measured**

**against objective criteria, is accurate, consistent and timely and which is continually improved. This will also provide better value for money for the taxpayer and create more satisfying jobs for our staff.**

**In FY 09-10, we will do this by:**

### **3.2.1 Delivering Information, Advice and Guidance (IAG)**

IAG performance for FY 09-10 will be managed using an overarching IAG plan which will be monitored to ensure successful delivery and that we meet our key drivers of clarity, accuracy, reach, timeliness and consistency. The first step to identifying the details within this plan will be the annual Ministerial communications submission, which is scheduled to be lodged by the end of April 2009.

It is important that we support our IAG delivery partners as they are an integral part of our IAG strategy. This strategy outlined our commitment to work with delivery partners who are currently providing services to students including information, advice and guidance on student financial support. We are committed to support and facilitate the delivery of a consistent IAG message in relation to student finance and will measure our performance by asking our support partners to take part in a survey. In FY 09-10 we will focus on designing and undertaking the survey, analysing the feedback and using this feedback to baseline targets for FY 10-11.

### **3.2.2 Processing applications**

The new centralised application process and assessment unit in Darlington has been set up to process applications for student support in a cost-effective and timely manner. In its first year of operation we expect circa 400,000 new applications to be received and processed and circa 300,000 re-assessments to be undertaken on behalf of those students who wish to change the details of their place of study or financial circumstances. The arrival profile of new applications from customers has been modelled based on our best estimates of customer behaviour in relation to deadlines, i.e. we believe there will be noticeable spikes in volumes during the year. A key challenge for the management teams in Darlington will be to read the early warning signs of queues building up and to act appropriately in redeploying resources from across the Customer Services Directorate.

Visibility and accountability for ensuring students receive the correct amount of funding on time is built into every management layer right down to assessor level. Information boards have been introduced for every team along with visible productivity and performance targets that are reviewed and discussed and actioned on a daily basis.

Enhancements to systems and processes are scheduled to come in throughout the year. We will validate the identity of customers through the highly secure exchange of data with the Identity and Passport Service. The first phase of this project will be completed in April providing a browser checking facility and the second phase is due for completion in June providing an automated checking link to the Passport service. A key component in improving the efficiency of our internal processes will be the introduction of document scanning technologies which will mean that from April all documents in support of a customer's application will be sent to Hillington, scanned and then stored in work queues to be viewed by processing teams in Darlington. These enhancements will reduce the burden on our customers to send passports and will reduce the time to process applications for student support.

### **3.2.3 Enhancing Income Contingent Repayment (ICR) loans**

To deliver our objectives for ICR we have three main initiatives underway in FY 09-10 which should positively impact the service we provide. By August 2009 we plan to deliver new services

that better facilitate the repayment of loans from customers living overseas. In September 2009 we will introduce a new Repayment Booklet to replace the current suite of leaflets that are issued at various points in the year. The booklet will incorporate views and needs of the customers, which are being gathered through a series of Customer Engagement workshops. Finally in December 2009 we will deliver a product to avoid loan over-repayments. This initiative will allow us to assist customers in avoiding over-repaying their loans when they approach the end of their agreement.

### **3.2.4 Collecting Mortgage Style (MS) loans**

To reduce the number of MS borrowers in arrears we will offer eligible customers the opportunity to defer repayment of their loan, subject to agreement of a repayment plan to clear their arrears. This will also provide relief to customers who might otherwise struggle to fulfil their loan commitments and should be implemented by the end of August 2009.

To improve customer service and reduce unnecessary cost we will undertake a review of all letters issued in relation to MS loans to ensure that they are simple and straightforward. The first (highest opportunity) tranche will be completed by the end of June 2009, with the remainder by the end of December 2009. We will also undertake a rolling programme of improvements to our telephony and ICT systems to promote self-service and simplify complex operating processes through FY 09-10. We will work in partnership with DIUS during this period in developing new solutions to support customers in financial difficulty and continue to focus on how our services can be delivered more efficiently.

### **3.2.5 Implementing data sharing initiatives**

We are undertaking a series of key enabling projects to allow SLC to improve customer service, increase efficiency and reduce fraud risk through using electronic means to check identity and verify income. The two primary projects are with the Identity and Passport Service (IPS) and HMRC supported by existing processes such as DWP National Insurance number check and complementary processes such as name/address checking, birth index etc. The outcome is to provide an on-line application process that negates the need for paper evidence for the vast majority of customers. The time scales for delivery are detailed in the Customer First Programme plan.

### **3.2.6 Developing a channel strategy**

We will deepen our understanding of existing customer channels in order to develop an effective multi-channel contact strategy. An effective channel strategy will assist SLC channel/customer migration decisions and enable Customer Services to proactively plan, optimise, manage and deliver an effective multi-channel service to our customers reflecting a balance between channel of choice for our customers, value for money of our operation and the need to ensure we do not discriminate against those customers with limited or no access to modern technologies. The strategy will be developed collaboratively with DIUS colleagues and submitted to the SLC Main Board in August 2009. This will allow us to establish appropriate future targets and a programme of change to deliver against them. At present, however, it is unlikely that any new initiatives here requiring material ICT change can be undertaken before FY11-12.

### **3.2.7 Delivering customer-focused contact services**

Following a review of Contact Services delivery in the last quarter of FY 2008/09, a programme to ensure the delivery of a consistent, customer-focused service to our customers will be designed and delivered. This programme will ensure best-practice contact management approaches are introduced across our Contact Services locations. This programme will improve the experience our customers have during their interactions with us and will address opportunities to significantly improve the operational efficiency of Contact Services. This project will be funded via the Value for Money Programme.

### **3.2.8 Managing fraud**

We are continuing to take forward the Fraud Management Strategy, with a number of initiatives planned for the coming year. These include the proposed introduction of a bureau service to provide a robust regime for verifying the identity of students and confirming household income. It is planned that through using this service, which we hope to launch by May 2009, higher risk Student Finance England applications will be subjected to follow-up checks by us to seek further corroborative evidence. In addition, the data sharing initiatives outlined at 3.2.5 above will assist in bearing down on fraud. We believe that collectively these approaches will provide a cost-effective method of helping to prevent and detect fraud, whilst not making the application process onerous for the generality of honest applicants.

We have also recruited a Fraud Manager to take the lead in fraud prevention, detection and deterrence across all SLC areas of activity. The appointment is at Senior Management level and the appointee will be in place from April 2009. In addition, we are developing a number of fraud measures as part of our Balanced Scorecard, to enable us to start reporting the level of fraud and error in the system by the end of June 2009.

### **3.2.9 Resolving complaints**

In February 2009 we launched a revised complaints management process, with the aim of providing a clearer, more streamlined service for all of our customers. This was timed to coincide with the launch of the new centralised service for Student Finance England, as we are now responsible for resolving complaints arising from our administration of the assessment and approval process for first time student support applications. It is expected that this revised complaints process will provide our customers with an improved service, with the aim of resolving their complaint as quickly and effectively as possible.

To assist in determining how successful the new service is in effectively resolving complaints, and also to assess how the information gained through this process assists in the continuous improvement of our services, in April 2009 we will start reporting against a range of revised measures and targets as part of the Balanced Scorecard. We are also developing a range of additional management information to help establish: “when” the complaint arose, “what” happened to trigger the customer’s dissatisfaction, “why” they were unhappy and “how” we resolved their complaint. In addition, we are working to develop a qualitative measure of customer satisfaction with the complaints process itself.

SLC and DIUS have been working together on a recruitment exercise to identify suitable candidates for the position of Independent Assessors, who will undertake an external independent review of complaints (and appeals) that we fail to resolve to the satisfaction of the customer. Appointments to these positions received Ministerial approval on behalf of all the Government Administrations and were made at the beginning of April 2009 allowing the new Assessors to commence their duties during April 2009.

### **3.3 Provide operational delivery insight and expert advice to Government Administrations**

We want to help Government Administrations decide what they wish to improve or change by drawing on different forms of intelligence that we possess and providing high quality data flows, informed commentary and sound feasibility advice about how policy outcomes can best be delivered. By sharing what we know about customers (and prospective customers), we can provide insight into policy and delivery outcomes on the ground. We will strive to anticipate and respond quickly to new or emerging demands.

#### **3.3.1 Delivering management information**

Our FY 09-10 Service Level Agreement for the delivery of management information to Government Administrations covers the same service as FY 08-09 but is different in a number of key areas. It specifies the expectations that go beyond the standard delivery of data, i.e. the interpretation of data, the highlighting of caveats and the need to identify data-based insights and behaviours that will support better working together.

Initial steps have already been taken in FY 08-09 to improve the performance of the service:

- The management information department has been restructured to create a dedicated team for Government Administrations
- A new protocol has been developed for dealing with Parliamentary Questions
- Face-to-face meetings are taking place with DIUS analysts at least once a month
- An exercise to review and rationalise the standard reports has begun
- SLC has started to flag up data-based insights for investigation

Further steps will continue in FY 09-10 with a particular focus on increasing capacity and capability:

- An extra analyst will be sought in FY 09-10
- If the recruitment begun in March 2009 is successful then there will be a secondee analyst from Government working within the MI department so that we can learn from how they use their statistics and operational research skills to support and advise policy colleagues
- The analytical and quality assurance skills (using statistical techniques) of the team will be developed through training and mentoring
- We will implement the action plan arising from a workshop to be held with DIUS in April on management information capability issues.

#### **3.3.2 Forecasting loans and grants**

In order to ensure SLC has sufficient funds within its bank accounts to pay students and HEIs on time, we undertake monthly forecasting of loans and grants requirements. We provide these forecasts to stakeholders to allow them to monitor forecast expenditure against their budgets. To enhance our forecasting, an action plan was developed and implemented during FY 08-09. This included improving the input information we receive by extending the period covered by our future instalment reports and widening involvement through additional internal board reporting. We also increased internal departmental liaison and took up membership of the DIUS-led Student Support Forecasting Challenge Group. This has also been supplemented by frequent additional ad hoc reporting to and communication with stakeholders as requested as the financial year-end has approached.

This is an area where we will maintain focus during FY09-10 and seek further enhancements to increase the accuracy of our forecasting, such as considering additional input information available and increasing the resource spent in this area by 0.5 FTE of a qualified accountant. A scorecard measure has now also been included for FY 09-10 to measure the accuracy of our forecasting which is based on providing additional specific forecasts to stakeholders at key dates for their expenditure monitoring.

### **3.4 *Provide Government Administrations with a student finance delivery capability that is flexible and fit for purpose***

**To remain fit for purpose we need to deliver policy changes and process improvements that Government Administrations have commissioned in as agile a way as possible; provide value for money; offer innovative solutions and ensure we have the capacity and capability to support the student finance system as it develops in the longer-term.**

#### **3.4.1 Delivering the Value for Money (VFM) programme**

As part of our commitment to VFM we are presently constructing a programme that will deliver substantial financial savings in FY 09-10, FY 10-11 and FY 11-12. In order to deliver future savings we will need to invest upfront to deliver process changes that will generate the savings. Our VFM Programme will consider how we can make substantial savings in how we manage our operations and deliver our services. It is envisaged that we will scope these projects for discussion with stakeholders by June 2009 with a view to deliver the VFM initiatives over the next three years which will reduce our ongoing running costs in an agreed trajectory. The savings made will need to match the available funding to invest in the change and we plan to clarify this with stakeholders by June 2009.

We will undertake the following key actions as per our Value for Money Strategy, which was approved at the Board meeting in October 2008:

- Embed a VFM assessment framework by September 2009
- Review our in house ICT Function and agree report with Administrations by September 2009
- Maintain high level process model and link cost model to it by agreeing the weighted average unit costs with each domicile over a one year and three year timeframe by November 2009
- Develop contact strategy to deliver value for money and agree it with Board and Administrations
- Optimise contact centre in the short term and agree actions with Board and Administrations by June 2009
- Repeat benchmarking study by September 2009 and report to Board on action plan to move towards the upper quartile for all benchmarked services and processes by FY 11-12
- Embed value for money culture on an ongoing basis

#### **3.4.2 Delivering change**

We are currently reviewing our change processes with a view to enhancing our ability to respond quickly to the demands of the four Government Administrations. Working with consultants, and supported by DIUS and the other Administrations, we are also reviewing our ability to more rapidly expand or contract our capacity, especially within ICT, to react to a dynamic Change Programme. We expect to implement the outcomes of the reviews during FY 09-10.

We will ensure that we understand policy changes requested by the four Government Administrations and will advise Ministers and officials of their impact. The Programme Office will, on behalf of our stakeholders, provide effective and flexible programme and project delivery ensuring focus on cost, scope, quality and timely delivery. Section 6 below and Appendices B to E detail the current list of proposed projects that are to be undertaken in FY 09-10.

## 4 Our Enablers

To achieve the aims set out in Section 3, we will strengthen the following six key organisational enablers, as described in the Delivery Strategy, through the steps set out below.

### ***4.1 Develop deep customer insight and engagement***

**This enabler is required to help us gain deep insight into the customer experience to identify opportunities for service improvements that will meet customers' needs more closely and eliminate needless cost, time and effort on the part of the customer; and so that we can inform Government Administrations about what customers need and how they understand/respond to their policies.**

#### **4.1.1 Engaging with customers**

We have recently established a Customer Insight function to gather customer and non-customer feedback around awareness of student finance, financial support available and student finance policy. We will put the voice of the customer at the very heart of our decision-making. We will also set up a customer-oriented improvement mechanism and process for the company. These initiatives are scheduled to be in place by April 2009. A customer engagement and research strategy will be developed in consultation with DIUS and the Devolved Administrations. This engagement strategy will be available for review and consultation by May 2009. This will be supported by a master project plan (expected issue date June 2009), detailing specific initiatives to be undertaken, subject to agreement and commitment of finance, together with relevant timescales.

### ***4.2 Develop effective and efficient delivery management***

**We want to deliver our services in ways that make the best use of customers' time and resources, ensuring that however and whenever they choose to transact with us, they will receive a service that is responsive and effective. We will do this by improving our understanding of demand and ensuring we have the right technologies and the right frontline people in the right place, at the right time, doing the right thing; maintaining high-performing channels, business and ICT systems, and putting in place the building blocks that will allow the call on our customers' time and resources to be reduced in future.**

#### **4.2.1 Managing contact centre supply and demand**

We will develop operational models that accurately identify drivers of demand and contact centre models that accurately predict Information, Advice and Guidance staffing demands by September 2009. Significant progress has been made by the newly formed Customer Insight team working with the Hub Services team to develop a rolling "top 10 reasons for customer contact". This insight is leading to actionable plans to eliminate avoidable contact and to inform options around channel-shift in the Multi-Channel Contact Strategy taking value for money into account where appropriate. We will implement strategies to manage peak volumes through the targeted reduction of average handle times from March 2009 onwards. Shift patterns will also be reviewed to ensure they are more aligned to our forecast demand patterns, supported by a more focused use of outsource resource from March 2009 onwards.

## **4.2.2 Maintaining ICT security**

We will use the Government Security Policy Framework as a baseline tool to provide the Board with assurance around the control, processing and sharing of data and will work with DIUS Information Assurance to provide confidence to Stakeholders. We will gain and maintain the accreditation of the GSI connection as it develops, with more government data sharing services being added throughout the year.

## **4.2.3 Enhancing business continuity**

As part of the new arrangements being introduced for the delivery of student support in England we have reviewed our current Business Continuity arrangements and intend to migrate to Workplace Recovery for all our sites. In practice this means that if we invoke recovery we will be able to move an agreed number of staff from the affected site to the recovery site, which will be within one hour's drive.

We expect to conclude negotiations shortly with a national provider and are considering ICT solutions that will allow us to connect to the new recovery sites. We envisage having the new arrangements in place by September 2009 and will revisit our test programme at that point.

## **4.2.4 Reducing service failure**

We will undertake the following two initiatives to further improve our customers' satisfaction with the service we provide:

- We will measure our contact performance to assess the resolution rate of first time contacts as a percentage of contacts sampled to give an overall view of our customers' experience, including identifying levels of repeat contact. This will cover the major contact and customer experience channels for our customers and is scheduled to commence at the end of March 2009.
- We will develop a prioritised view of key points in the customer experience, the "moments of truth" – "apply", "assess", "pay" and "repay" that confuse our customers, drive unnecessary contacts into the contact services teams and add to the workload of the processing services teams. For example an opportunity may exist to examine the effectiveness of our outbound communications requesting financial evidence to be provided in support of a student's application as we currently experience significant percentage of customers whose application is put on hold pending further evidence.

A plan to develop the prioritised list and the processes to develop future targets on service failure reduction will be developed by the end of May 2009.

We anticipate that service failure reduction will also capture and consider evidence from other sources, including Customer Insight research and intelligence, operational service delivery metrics, selected "moments of truth" along the customer journey and feedback from our own customer service staff to identify high priority improvement opportunities. We propose to measure progress in implementing improvements and success in reducing prioritised service failures.

### ***4.3 Engage with Government Administrations and establish strong relationships with key delivery partners and stakeholders***

For our services to perform effectively, existing student finance delivery partnerships must operate well and fulfil their objectives, and new partnerships will need to be developed where these have the potential to play a key role in student finance delivery in the future. For all parties to achieve their respective service targets we require strong relationship management that not only secures effective delivery across the service end-to-end but also ensures that Government Administrations and partners are satisfied and are prepared to act as advocates, both for the service and for our organisation.

#### **4.3.1 Delivering through partners**

The Framework defines the service development and service management activities undertaken with business partners, by which the end-to-end delivery of student finance is supported and enhanced. Between August and November 2009, arrangements will be put in place for establishing and managing service agreements, monitoring service partners' performance, creating development plans for future service improvements and joined-up communications and enquiry management.

#### **4.3.2 Measuring and improving partner satisfaction**

A mechanism will be implemented for gathering and assessing delivery partners' satisfaction with the partnership arrangements by September 2009. An improvement programme to respond to any issues will commence by November 2009.

#### **4.3.3 Managing funding authority satisfaction**

A new method for measuring the quality of our relationships with Government Administrations will be developed and implemented by June 2009. We will use the feedback from this measure to identify how we can jointly improve the way we work together.

#### **4.3.4 Engaging and communicating with stakeholders**

The Stakeholder Engagement and Communication Strategy will be reviewed by autumn 2009 leading to an enhanced programme of activities.

### ***4.4 Manage organisational capacity and capability***

**We will ensure that we have the capacity and capability to deliver what the Government Administrations need. Specifically: that the right people are in the right place at the right time with the right skills, knowledge and behaviours; that we have the right business process, systems and technology support; that change capacity is managed effectively to meet the Administrations' needs; and that resources are aligned with priorities, achieving value for money throughout business operations.**

#### **4.4.1 Implementing the outcomes of the current consultancy exercise**

SLC has laid firm foundations in the first phase of its Organisational Development programme by implementing a wide-scale programme with its employees to embed new customer-focused values and behaviours and to address cultural change. In addition, a number of areas have been identified where DIUS will progressively delegate responsibility to SLC and HMRC to manage delivery and adopt a more strategic position, moving away from detailed scrutiny of change and operational management.

Moving forward, we are working with consultants and DIUS to determine how to further embed the cultural changes and behaviours, and to map out how to ensure that we have the capacity and capability to fulfil the functions required of us by the different Government Administrations. Once this work has been completed, we will have a number of prioritised Organisational Development implementation plans and function-specific intervention plans to take forward.

#### **4.4.2 Positioning and developing our ICT capability**

We will develop and execute an ICT Strategy that will underpin the delivery of the SLC corporate vision, mission, objectives and values for our stakeholders. A direction of travel update on the ICT Strategy will be presented to the Main Board in April followed by full sign off at the July Board meeting. The strategy will set out the size, shape and nature of ICT capability needed to support our organisation over the next three years and how it will be led, managed, developed and governed.

Key FY 09-10 deliverables, which will be released in line with AY10-11 service timescales, are the implementation of a new Imaging and Scanning solution, the upgrading to a new Storage Area Network provided by IBM, the implementation of data links between UCAS, IPS and HRMC, the acquisition of a second Data Centre to provide a robust Disaster Recovery solution, and finally the implementation of advanced Contact Centre technologies to provide agents with tools to address customer enquiries and give our customers better self-service facilities and an improved experience when dealing with us.

#### **4.4.3 Optimising our accommodation**

The Accommodation Strategy is split into two segments, the medium term and the long term. The medium term strategy is centred on our Bothwell Street Refresh Project which will deliver a new interior design concept and layouts to all of our office floors in Bothwell Street. The fully open plan concept will allow the co-location of business units that are currently located within different areas of the building. We will also address a number of "green issues" with new recycling and waste management systems being adopted. The layouts will be similar to what we have introduced at Lingfield Point which have been well received by all employees.

We are starting the physical refurbishment in March 2009 and aim to complete it by March 2010.

The long term accommodation strategy is focused around what happens when the leases of our two Glasgow buildings expire in 2013-14. A working party was set up to look at the various options available and this arrived at three main options to be investigated in depth. An information paper on this was presented to the Main Board in January 2009 and the approach was agreed. Our property consultants will now start the process of analysing the three options with a view to delivering a report by mid-year. We intend to be in a position to recommend a way forward by December 2009.

## **4.5 Maintain high levels of employee engagement and enable our people to excel**

We aim to maintain high levels of employee engagement and enable our people to excel by embedding our corporate values and behaviours, developing our corporate culture, offering strong leadership across all sites, investing in skills and knowledge, providing high quality tools and maintaining a performance management framework that incentivises achievement.

### **4.5.1 Developing our organisation**

Through our Organisational Development strategy, we will ensure that all Organisational Development enablers and mechanisms are clear, mutually-reinforcing and consistent across the organisation:

- sustain a clear direction, develop strong leadership and embed our values throughout the organisation to enable us to deliver for our customers' futures
- ensure that our organisational structure remains appropriate and fit for purpose
- ensure that work flows smoothly across organisational boundaries, within and beyond SLC
- invest in our people, giving them the opportunity to develop their skills and knowledge
- ensure that, across all sites, employees recognise and are recognised for, their role in contributing to the success of SLC.

Throughout the year we will be continuing with our Leadership and Management Development Programmes. We will undertake the Best Companies survey in April 2009 and hope to achieve Best Companies one star accreditation by April 2010. A skills and capacity gap analysis will commence in April 2009 and continue throughout the year. The results of a cultural review within the Customer Services Directorate will be available in April 2009. The programme will then be rolled out over the next two years. A detailed plan will be available in May 2009 for the OD Phase 2 – transfer of knowledge – which will be delivered throughout the year.

### **4.5.2 Extending our Corporate Social Responsibility**

In FY 09-10 we will pursue initiatives in three areas:

- **Our Workplace:** we will introduce the *Healthy Working Lives Scheme* in Scotland and *Investors in Health* in England. The preparatory work has already been completed including a company-wide survey and agreed action plan. We hope to be assessed for the Bronze standard in both schemes in the summer of 2009
- **Our Environment:** we are in the process of measuring our carbon footprint and this work will be completed by May 2009. We will then set carbon reduction targets for the rest of the year and put actions in place to start achieving those targets. We are also measuring waste levels with a view to setting targets to reduce and better manage the amount of waste being generated by the Company. FY 09-10 will be used to establish best practice and a measurement baseline
- **Our Community:** over the coming year we will support a range of local charities recently selected by employees in all three sites. Many fund-raising activities are already planned including Summer Balls, Burns Suppers and Charity Weeks. We will also build on our strong tradition of volunteering to work with and support our local communities.

## **4.6 Embed strong corporate governance and public service values**

**As an Executive NDPB, we are publicly accountable for our use of the resources entrusted to us. We will ensure that public funds are managed prudently, with regularity and propriety, fulfil our public body responsibilities and uphold public service values at all times.**

### **4.6.1 Maintaining governance and assurance**

As a result of the revised external governance arrangements, which are contained within the new Framework Document, we intend to undertake an annual assessment by the Finance & Governance Board on the effectiveness of our internal Governance and Assurance Framework, with particular emphasis on financial controls; supported by a quarterly assessment of how well the Company uses the internal Framework to proactively manage risk. This will advise and support the Accounting Officer's Statement on Internal Control.

It is intended that the Audit Committee will oversee this process, and also that it will advise the Main Board on reports relating to this measure to provide independent assurance on the effectiveness of the internal corporate governance arrangements.

As part of these revised external governance arrangements, the Main Board will be asked by the Government Administrations to play a larger role in holding our management to account for the performance of the Company. To assist in this process, a new Balanced Scorecard has been developed (see section 7). We will assess the effectiveness of this Balanced Scorecard in supporting these new governance arrangements through obtaining structured feedback from the various Scorecard review forums: the Executive Team, the Main Board, and Government Administrations.

## 5 Risk Management

We have an established Risk Management process. In line with our Risk Management policy, the strategic and corporate risk registers are formally reviewed throughout the year by our Management Boards (monthly), Executive Team (quarterly), the Audit Committee (quarterly) and Main Board (six-monthly).

Strategic risks are those that are related to the achievement of our long term strategy. Operational risks are those that are related to day-to-day issues that need to be addressed in order to meet the our objectives. Corporate risks are operational risks that have been escalated for the attention of and management by, the Management Boards.

An annual Executive Team strategic risk workshop is held. The workshop in May 2008 was an integral part of the process adopted for the production of the our Delivery Strategy. The objectives from the draft Delivery Strategy were adopted as the framework for conducting the strategic risk workshop and the output from the workshop was used as an input to the “Risks” sections of the Delivery Strategy. As the final stage of this iterative process, the Risk register was aligned with the published Delivery Strategy.

The risks below represent the principal risks that may significantly affect the execution of the plan (extracted from the risk register presented to the Audit Committee in March 2009):

- Without sufficient awareness/monitoring of the political climate, there is a risk that Government Administrations’ long term objectives/priorities cannot be identified appropriately, which may result in SLC being unable to plan effectively and meet objectives
- Without sufficient capability in areas being transferred from DIUS to SLC, there is a risk that this ownership cannot be effectively migrated, which may result in SLC being unable to meet its objectives
- Without effective control of resource and system demands of the Customer First programme, there is a risk that the development of other services and “business as usual” cannot be maintained, which may result in a loss of customer, stakeholder and public confidence in SLC
- Without adequate management of awareness of the ICR process, there is a risk that customers fail to fully understand the service, which may result in a loss of customer, stakeholder and public confidence in SLC
- Without sufficient consensus between SLC and DIUS, together with an insufficient Value for Money (VfM) measurement framework, there is a risk that SLC cannot meet DIUS’s VfM expectations, which may result in SLC being unable to provide the service in line with DIUS expectations
- Without effective forecasting and capacity planning, there is a risk that we do not have appropriate allocation of resource (“right people in the right place”), which may result in SLC being unable to provide adequate services and meet objectives
- Without sufficient funding for internal tools development, there is a risk that processes cannot be implemented or improved, which may result in front line staff being unable to deliver products/services as required to meet customer requirements
- Without sufficiently validating the identity of customers on-line, there is a risk that operational costs are increased, which may result in SLC being unable to achieve financial benefits targets and provide services within budget.

In addition, the Chancellor’s Budget of April 2009 sets the scene for a tight financial environment for the public sector, affecting the resources available to the company in the coming years.

## 6 Portfolio of Change

The Strategic Commission sets out the priorities of each of the four Government Administrations – contained at Appendix A. Each Administration's priorities include planned changes and improvements, which require the Company to make changes to its systems and procedures. The changes are delivered via a programme of projects that are undertaken on behalf of individual stakeholders or in some cases, shared between them. Projects undertaken in FY 09-10 will relate to AY 09/10 (committed projects) and AY 10/11 (funded projects). A range of Projects will also be undertaken under a Programme of Improvements.

A short summary of each of the projects to be delivered in the coming year is detailed below. The value of the portfolio of change for FY 09-10 is £37,133k. This includes £20,947k of running costs for Customer First.

### 6.1 Committed projects

There were a number of Business Cases that were agreed during FY 08-09, relating to AY 09/10, which require development in FY 09-10. A table is included at Appendix B.

### 6.2 Funded mandatory projects

Representatives from the Company have met with each of the four Government Administrations to agree a portfolio of change requests to meet the priorities set out in the Strategic Commission. A short explanation of each proposed project is included below. A summary table is included at Appendix C.

#### 6.2.1 England

**Customer First** – Successful delivery and roll out of the Customer First Programme in line with the requirements in the Blueprint and Blueprint response and “scenario 2” cost model: realisation benefits as set out in the benefits model

**Abolish Parent's Learning Allowance** – Removal of the Parent's Learning Allowance for new students from 2010/11

**Fraud Prevention – Under Declaration of Income** – Undertaking additional measures to identify cases where there has been an under-declaration of income.

**Overseas Borrowers – International Direct Debits** – to enhance the repayment and trace process

**HE Guarantee** – The HE Student Support Guarantee will be redeemable for the first time in 2010/11

**Student Loan Sales Programme** - The Student Loan Sale (SLS) Programme has been put on hold in view of current economic conditions. SLC have identified and provided a Business Case, for requirements that can potentially progress during the SLS “freeze” subject to SLS/DIUS authorisation and funding approval. The SLS Programme “freeze” duration and “restart” date are

subject to market conditions. Costs are estimated at £476k for FY 09-10. As they will be met from a separate budget, the value in this plan is NIL

**SFIP 10/11** – Annual rollover changes.

## 6.2.2 Scotland

**Review of Student Support** – Support the review of student support in Scotland to reflect the Government's intention to minimise the burden of debt

**Review of Data Exchange between SLC and SAAS** – Changes in the data exchange between SLC and SAAS to reflect the move of HEI interfaces to web-based services. Discussions are underway as to the requirements for the project. No financial value is assigned to the proposal and any cost will need to be agreed outwith the financial planning process.

## 6.2.3 Northern Ireland

**SFIP NI 10/11** – Annual rollover changes

**Creation of the Education and Skills Authority** – Education Library Boards transfer to new education authority

**Review of Tuition Fees** – Support the review of tuition fees in Northern Ireland

## 6.2.4 Wales

**HE Student Support Guarantee** – Support through the FE to HE journey

**SFIP Wales 10/11** – Annual rollover changes

**Review of Higher Education in Wales** – The outcomes of the Merfyn Jones report including removal of the Tuition Fee Grant and changes to ALG for Higher Education

**Implementation of Outcomes of Delivery Review** –no funding estimate is included at this time. Any agreed work will require a separate funding allocation

**ALG 10/11** – Annual rollover changes and enhancements

**Part Time Students, Automated Assessments** – Automating assessment of applications from part time students (currently undertaken manually at LA's)

**Debt Relief Scheme for Students in Wales** – introduction of a debt relief scheme for student in Wales

**Provision for Other Policy Proposals** – a contingency fund for any policy changes occurring post agreement of the financial plan.

## 6.2.5 Shared projects

**Remove Special Provisions for ITT Students** – Removal of special provisions (including the guaranteed grant) for certain Initial Teacher Training students.

**FE Part Time to Honours** – Amendments required to rectify an anomaly which prevents some part-time students who are holders of degree qualifications below Honours degree level “topping up” to Honours degree level.

**EMA 10/11** – Annual rollover changes

**Ongoing Service Improvements** – the costs associated with the UK wide improvements consistent with the DIUS led Customer First Programme

**IPS Identity Checking** – Use of the Passport Service to check the identities of FE Support applicants

**FE to HE Transition** – to streamline the FE to HE customer journey.

## 6.3 *SLC Improvement Programme*

The company faces increasing pressures year on year accompanied by reducing budgets. A programme of Efficiency and Effectiveness initiatives has been devised to address the issue whilst having no adverse impact on the service provided to customers. A table summarising the Programme is included at Appendix E.

**Value for Money** – a value for money framework will be in place for FY 09-10. We are reviewing options for VFM initiatives to reduce ongoing running costs of the company over the next three financial years. For the coming financial year, we are forecasting that the initiatives will deliver savings of £800k.

It is envisaged that this programme will make substantial reductions to running costs in future years, however it is recognised that investment needs to be made upfront to achieve these savings.

**Infrastructure enhancements** – the Company is very highly reliant on the effectiveness of its IT Systems. To maintain the integrity of the systems, essential enhancements are required to the IT infrastructure on an ongoing basis.

## 7 Balanced Scorecard

The SLC Balanced Scorecard has been developed in conjunction with the SLC Delivery Strategy. It will replace the Key Performance Indicators with effect from 1 April 2009.

The SLC Balanced Scorecard contains 32 “Measurement Areas” listed below. These are aligned to the four strategic aims and six strategic enablers described in the Delivery Strategy. It should be regarded as the prime performance management tool, for use in different ways by different people / forums, i.e.

- by the SLC Executive Team, in order to review overall performance, both historically and with a forward-looking view against the three-year Delivery Strategy
- by the SLC Main Board, as an “oil warning-light”, giving them the information they need on performance risks and issues and associated mitigating actions driven by the Executive Team
- by Government Administrations’ sponsorship teams, to facilitate performance reviews with Ministers.

Each of the measurement areas listed below contains one or more “component measures”. Each component measure is defined in detail in a separate “Technical Note”. Targets are agreed for each component measure. Overall performance against each measurement area is assessed on a GREEN, GREEN/AMBER, RED/AMBER, RED basis, in consideration of performance against each of the component measures, which are weighted appropriately.

For the measures relating to the strategic aims, targets (and weightings of component measures) have been negotiated and agreed between SLC and DIUS (on behalf of the Devolved Administrations). The SLC Main Board is responsible for agreeing the measures relating to the strategic enablers, targets (and weightings of component measures). Thus Government Administrations’ sponsorship teams and Ministerial reviews will focus primarily on the strategic aims measures (which will be contained in the APRA letter). It is expected that performance reviews conducted by the SLC Main Board will also focus on the strategic enablers measures.

Details of the measures, targets and milestones are contained within Technical Notes available at [www.slc.co.uk](http://www.slc.co.uk).

<b>AIMS</b>	<b>MEASUREMENT AREA</b>
Meet the needs and expectations of our customers	Customer satisfaction
Deliver an operationally excellent service	Information, advice and guidance (IAG)
	Applications / payments - timeliness
	Applications assessment accuracy
	Fraud / error
	Repayment (ICR)
	Repayment (MSL)
	Channel usage
	Customer complaints
	Services for Devolved Administrations & other stakeholders
Provide operational delivery insight and expert advice to government administrations	Business Intelligence and Management Information
Provide government administrations with a student finance delivery capability that is flexible and fit for purpose	Value for money
	Change delivery
<b>ENABLERS</b>	<b>MEASUREMENT AREA</b>
Develop deep customer insight and engagement	Customer insight
Develop effective and efficient delivery management	Supply v demand
	Contact performance
	Systems availability and performance
	ICT security
	Systems development
	Business continuity
	Service failure reduction
	Data sharing technical interfaces
Manage organisational capacity and capability	HR planning
	ICT strategy milestones
	Capability - transfer of responsibilities
	Capability - change management
	Accommodation
Maintain high levels of employee engagement and enable our people to excel	OD strategy
	Employee engagement
	Corporate social responsibility
Embed strong corporate governance and public service values	Governance

## 8 What It Will Cost

The Company receives its funding from four key stakeholders (Department for Innovation, Universities and Skills in England, Scottish Government, Department for Employment and Learning Northern Ireland, Department for Children, Education, Lifelong Learning and Skills for Wales) and the Higher Education Institutions.

The Company's funding is split into three Annual Performance Review Agreement (APRA) categories:

- Recurrent (Near-cash) resource
  - This funds pay and non-pay expenditure
- Capital Resource
  - This funds the Capital/Fixed Asset expenditure
- Non-cash Resource
  - This funds Cost of Capital and Depreciation.

The cash funding available to the Company is made up of Recurrent and Capital resources only.

Our total budget for FY 09-10 split by APRA category and stakeholder is set out in the table below. It should be noted that a financial year straddles two academic years and the project work associated with them.

£000s	UK TOTAL	DIUS (England)	Scottish Government	DELNI (NI)	DELNI EMA	DCELLS (Wales)	DCELLS EMA	HEIs
<b>Recurrent (Near-Cash) resource</b>								
Pay	57,692	47,160	2,522	1,700	908	3,890	1,220	292
Non-pay	33,124	26,705	1,837	1,181	316	1,868	453	764
Receipts	(1,377)	(255)	(33)	(16)	0	(17)	0	(1,056)
	<b>89,439</b>	<b>73,610</b>	<b>4,326</b>	<b>2,865</b>	<b>1,224</b>	<b>5,741</b>	<b>1,673</b>	<b>0</b>
<b>Capital Resource</b>								
Capital Resource	4,355	3,636	268	194	0	257	0	0
Capital Slippage	0							
	<b>4,355</b>	<b>3,636</b>	<b>268</b>	<b>194</b>	<b>0</b>	<b>257</b>	<b>0</b>	<b>0</b>
<b>Non-cash Resource</b>								
Cost of Capital	(1,061)	(833)	(80)	(44)	(16)	(55)	(22)	(11)
Loss on Disposal of Fixed Assets	1,400	1,103	107	59	19	59	37	16
Depreciation	3,983	3,357	223	123	39	154	60	27
	<b>4,322</b>	<b>3,627</b>	<b>250</b>	<b>138</b>	<b>42</b>	<b>158</b>	<b>75</b>	<b>32</b>
<b>Total Resource</b>								
<b>TOTAL</b>	<b>98,116</b>	<b>80,873</b>	<b>4,844</b>	<b>3,197</b>	<b>1,266</b>	<b>6,156</b>	<b>1,748</b>	<b>32</b>
<b>Supporting Cash (Grant-in-Aid)</b>	250			200	50			
<b>SUPPORTING CASH</b>	<b>93,794</b>	<b>77,246</b>	<b>4,594</b>	<b>3,259</b>	<b>1,274</b>	<b>5,998</b>	<b>1,673</b>	<b>0</b>

Detailed analysis of the funding is contained within a separate Financial Plan for each domicile.

For comparison purposes the FY 08-09 APRA funding is shown below. The separate Financial Plans include commentary on key movements between the two years.

£000s	UK TOTAL	DIUS (England)	Scottish Government	DELNI (NI)	DELNI EMA	DCELLS (Wales)	DCELLS EMA	HEIs
<b>Recurrent (Near-Cash) resource</b>								
Pay	44,796	34,593	2,648	1,634	861	3,432	1,168	460
Non-pay	44,521	38,498	2,262	1,214	162	1,748	271	366
Receipts	(5,306)	(3,695)	(600)	(171)	0	(14)	0	(826)
	<b>84,011</b>	<b>69,396</b>	<b>4,310</b>	<b>2,677</b>	<b>1,023</b>	<b>5,166</b>	<b>1,439</b>	<b>0</b>
<b>Capital Resource</b>								
Capital Resource	2,045	1,845	110	35	0	55	0	0
Capital Slippage	0							
	<b>2,045</b>	<b>1,845</b>	<b>110</b>	<b>35</b>	<b>0</b>	<b>55</b>	<b>0</b>	<b>0</b>
<b>Non-cash Resource</b>								
Cost of Capital	(540)	(441)	(78)	(21)	0	0	0	0
Depreciation	1,180	942	102	47	7	55	10	17
	<b>640</b>	<b>501</b>	<b>24</b>	<b>26</b>	<b>7</b>	<b>55</b>	<b>10</b>	<b>17</b>
<b>Total Resource</b>								
<b>TOTAL</b>	<b>86,696</b>	<b>71,742</b>	<b>4,444</b>	<b>2,738</b>	<b>1,030</b>	<b>5,276</b>	<b>1,449</b>	<b>17</b>
<b>Supporting Cash (Grant-in-Aid)</b>								
<b>SUPPORTING CASH</b>	<b>86,056</b>	<b>71,241</b>	<b>4,420</b>	<b>2,712</b>	<b>1,023</b>	<b>5,221</b>	<b>1,439</b>	<b>0</b>

# APPENDIX A – Funding Authorities Priorities for SLC

## Student Finance England – priorities for SLC to 2011

### Business as usual

- Efficient and effective payment and collection each year
- Promotion of student finance support and delivery of appropriate IAG to all customer groups at all stages of the customer journey

### Planned changes and improvements

- Successful delivery and roll out of Customer First Programme for each Academic Year in line with the requirements in Blueprint and Blueprint response and “scenario 2” cost model; realisation of benefits as set out in the benefits model (AY **2009/10- 10/11**)
- 5th July 2007 policy changes and smooth delivery of all other annual policy changes
- Debt sale programme - SLC will need to develop the capability to take responsibility for servicing sold loans and ensuring the satisfaction of debt owners, supporting the Government in being ready to make sales of student loans when market conditions allow
- Simplification of systems and processes
- Strengthening of systems to combat fraud

### Value for money / efficiency

- 5% year-on-year reduction on agreed efficiency baseline
- VfM drivers and performance measures in place

### Opportunities for further improvement

- The SLC Executive Directors will be required to support DIUS, to help it evaluate opportunities for strategy and policy development and propose options for operational improvement by contributing advice, relevant data and analysis to support this activity **(from April 2008)**.

## **Scottish Government – priorities for SLC to 2011**

### **Business as usual**

- Work closely with the Student Awards Agency for Scotland on issues relating to higher education student support in Scotland.
- Efficient and effective loan payment and collection each year

### **Planned changes and improvements**

- Consequences of the abolition of the Graduate Endowment Fee in terms of loans required for those students still eligible (primarily postgraduate deferrers)
- As required, support the Scottish Government consultation on plans to reintroduce grants in Scotland and to relieve the burden of student debt repayment
- Applying forthcoming secondary legislation on Scottish students who have been sequestrated
- Work closely with SAAS to share information that will help to minimise fraud and take action on identified fraud.

### **Value for money / efficiency**

- 5% year-on-year reduction on baseline
- VfM drivers and mechanisms in place

### **Opportunities for further improvement**

- The Scottish Government may require development of new products arising from new policies. Such changes would be identified and commissioned through the Higher Education and Learner Support division and/or SAAS who will involve the Company to help evaluate opportunities for strategy and policy and propose options for operational improvement.

## **Wales – priorities for SLC to 2011**

### **Business as usual**

- Efficient and effective payment and collection each year
- Support promotion and delivery of Student Finance Wales services and products for further and higher education

### **Planned changes and improvements**

- Implement changes to part-time support in response to Graham Review
- Successful delivery and roll out of the required elements of the new Student Finance Service from **AY 2009/10**
- Enable a seamless transfer of customers from Further to Higher Education
- Support the Consultation and Implementation Programme' of work which is managing the Welsh Assembly Government's policy change proposals in response to Phase 1 of the Review of Higher Education in Wales, including planning and implementation of any agreed policy changes for new students from AY 2010/11
- Successful delivery and roll out of AY 2010/11 services in line with agreed timescales on UCAS alignment
- Support the review of Student Support Policy (FE) in Wales and ensure smooth implementation (remit and timetable to be confirmed)
- Support the review of Student Finance Delivery in Wales and ensure smooth transition to the preferred option as appropriate
- Extension of the bilingual services across all products, including repayment services, offered to Welsh domicile customers to place SLC as model organisation in the delivery of bilingual (Welsh/English) services

### **Value for money / efficiency**

- 5% year-on-year reduction on baseline
- VfM drivers and mechanisms in place
- Implementation of any changes emerging from the planned reviews

### **Opportunities for further improvement**

- The Welsh Assembly Government may require development of new products arising from any policy changes, particularly arising from Policy and Delivery Reviews. Such changes would be identified and commissioned by the Department for Children, Education, Lifelong Learning and Skills who will involve the SLC to help evaluate opportunities for strategy and policy and propose options for operational improvement.

## **Northern Ireland – priorities for SLC to 2011**

### **Business as usual**

- Efficient and effective payments and collections each year

### **Planned changes and improvements**

- Successful development and roll-out of enhanced student finance service, including simplification agenda, with year on year increased on-line uptake
- Development of on-line service for data validation with relevant stakeholders enabling seamless transition from secondary and further education (EMA) to higher education student finance
- Implementation of the outcome of the review of variable tuition fees and wider student finance arrangements due to commence in **AY 2008/09**
- Implementation of the review of the Education Maintenance Allowance (EMA) scheme provisionally planned to commence in **AY 2009/10**
- Creation of the new Education and Skills Authority by 1 January 2010, following the Review of Public Administration, and implications of the transfer of student finance “Apply and Assess” functions from the five Education and Library Boards

### **Value for money / efficiency**

- VfM drivers and mechanisms in place
- Implementation of any changes emerging from the planned reviews

### **Opportunities for further improvement**

- The Department for Employment and Learning may require development of new products arising from any policy changes, particularly arising from the aforementioned reviews.

## APPENDIX B – Committed Projects

Academic Year 09/10 Project Programme		FY 09-10 £000s	Slippage £000s	TOTAL £000s
<b>Committed Projects</b>				
BAU Scanning Solution	E	131	68	199
BAU Scanning Solution - Change Request	E	154	0	154
Loan Repayments for Overseas Borrowers Phase 2	E	565	0	565
SFIP 08/09	E	0	119	119
RTL	E	0	40	40
BAU Scanning Solution	S	11	6	17
BAU Scanning Solution - Change Request	S	13	0	13
Loan Repayments for Overseas Borrowers Phase 2	S	78	0	78
Fraud Prevention - Hunter Replacement	S	0	3	3
Monthly Borrower Rematch - Change Request	S	4	0	4
BAU Scanning Solution	NI	6	3	9
BAU Scanning Solution - Change Request	NI	7	0	7
Loan Repayments for Overseas Borrowers Phase 2	NI	25	0	25
SFIP 08/09	NI	0	5	5
Fraud Prevention - Hunter Replacement	NI	0	2	2
Monthly Borrower Rematch - Change Request	NI	2	0	2
EMA 09/10	NI	134	0	134
BAU Scanning Solution	W	7	4	11
BAU Scanning Solution - Change Request	W	8	0	8
ALG 09/10	W	228	0	228
Loan Repayments for Overseas Borrowers Phase 2	W	39	0	39
SFIP 08/09	W	0	8	8
Welsh Part Time Review (PR 1083)	W	0	5	5
Fraud Prevention - Hunter Replacement	W	0	2	2
Monthly Borrower Rematch - Change Request	W	2	0	2
EMA 09/10	W	125	0	125
<b>Total Committed Programme Costs</b>		<b>1,539</b>	<b>264</b>	<b>1,803</b>

Academic Year 09/10 Project Programme		FY 09-10 £000s	Slippage £000s	TOTAL £000s
<b>Committed Projects</b>				
BAU Scanning Solution		155	80	235
BAU Scanning Solution - Change Request		182	0	182
ALG 09/10		228	0	228
Loan Repayments for Overseas Borrowers Phase 2		707	0	707
SFIP 08/09		0	132	132
RTL		0	40	40
Welsh Part Time Review (PR 1083)		0	5	5
Fraud Prevention - Hunter Replacement		0	7	7
Monthly Borrower Rematch - Change Request		8	0	8
EMA 09/10		259	0	259
<b>Total Committed Programme Costs</b>		<b>1,539</b>	<b>264</b>	<b>1,803</b>

## APPENDIX C – Funded Mandatory Projects

Academic Year 10/11 Project Programme		FY 09-10 £000s
<b>Funded Specific Projects</b>		
Abolish Parent's Learning Allowance	E	200
Fraud Prevention - Under Declaration of Income	E	600
Overseas Borrowers - International Direct Debits	E	500
HE Guarantee	E	500
Student Loan Sales Programme	E	0
SFIP 10/11	E	484
Review of Student Support	S	30
Review of Data Exchange between SLC and SAAS	S	0
SFIP 10/11	NI	26
Creation of the Education and Skills Authority	NI	100
Review of Tuition Fees	NI	60
HE Student Support Guarantee	W	250
SFIP 10/11	W	145
Review of Higher Education in Wales	W	300
Implementation of Outcomes of Delivery Review	W	0
ALG 10/11	W	350
Part Time Students - Automated Assessments	W	500
Debt Relief Scheme for Students in Wales	W	500
Provision for Other Policy Proposals	W	100
<b>Sub Total</b>		<b>4,645</b>
<b>Funded Shared Projects</b>		
Remove Special Provisions for ITT Students		50
FE Part Time to Honours		300
EMA 10/11		516
Ongoing Service Improvements		500
IPS Identity Checking		360
FE to HE transition		100
<b>Sub Total</b>		<b>1,826</b>
<b>Total Funded Programme Costs</b>		<b>6,471</b>

## APPENDIX D – Customer First

<b>Workstream</b>	<b>Implement' Costs £000s</b>	<b>Running Costs £000s</b>
Core Student Finance Services - Customer	1,283	372
Core Student Finance Services - Business	1,120	98
Customer Communications	850	515
HEI Services	528	137
Repayment Services	1,995	430
Repayment - Overpayment		1,000
Central Unit Set Up and Transition	69	11,724
Scanning and Imaging	104	0
IAG Marketing and Comms	69	2,765
Organisational Development	176	520
Benefits Management	88	0
Programme Management	292	0
Separation of Service	0	416
<b>Total</b>	<b>6,574</b>	<b>17,977</b>
		<b>24,551</b>

<b>Category of Funding</b>	<b>Implement' Costs £000s</b>	<b>Running Costs £000s</b>
HMRC Data Sharing (Validating Household Income)	450	
HMRC Data Sharing (Dual Running)	262	
Delay in Launch incl Contingency		1,512
Economic Downturn		215
Increased HE Availability and Placement		993
	<b>712</b>	<b>2,720</b>
		<b>3,432</b>

## APPENDIX E – SLC Improvement Programme

<b>Funded Improvement Programme UK</b>	<b>FY 09-10 £000s</b>	<b>Savings FY 09-10 £000s</b>	<b>Savings FY 10-11 £000s</b>	<b>Savings FY 11-12 £000s</b>
Value for Money	1,000	800	800	800
Infrastructure Enhancements	500			
<b>Total Funded Improvement Programme</b>	<b>1,500</b>	<b>800</b>	<b>800</b>	<b>800</b>

Table 13 - Improvement Programme

## APPENDIX F – Key Delivery Milestones

Section	AIMS	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<b>3.1</b>	<b>Meet the needs and expectations of our customers</b>				
3.1.1	Results from annual benchmarking survey		✓		
<b>3.2</b>	<b>Deliver an operationally excellent service</b>				
3.2.1	Annual Ministerial communications submission	✓			
3.2.3	Delivery of Loan Repayment for Overseas Borrowers II		✓		
	Introduction of new repayment booklet		✓		
	Delivery of prevention of loan over-repayment			✓	
3.2.4	Implementation of repayment plans for customers in arrears		✓		
	First tranche - review of letters for MS customers	✓			
	Completion of review of letters for MS customers			✓	
3.2.6	Publish Channel Management strategy		✓		
3.2.7	Launch of bureau service for ID and income checking	✓			
	Appointment of Fraud Manager	✓			
3.2.8	Independent assessors commence work	✓			
<b>3.3</b>	<b>Provide operational delivery insight and expert advice to government administrations</b>				
3.3.1	Recruitment of addition MI analyst				✓
	Recruitment of secondeed analyst from Government	✓			
3.3.2	Recruitment of additional 0.5 FTE Qualified Accountant	✓			
<b>3.4</b>	<b>Provide Government Administrations with a student finance delivery capability that is flexible and fit for purpose</b>				
3.4.1	Completion of VFM Assessment		✓		
	Complete review of in-house ICT		✓		
	Agree weighted average unit cost targets with Stakeholders			✓	
	Agree contact strategy for VFM with board and Stakeholders				✓
	Repeat benchmarking study		✓		
<b>ENABLERS</b>					
<b>4.1</b>	<b>Develop deep customer insight and engagement</b>				
4.1.1	Launch of customer engagement initiatives	✓			
	Launch of customer engagement and research strategy	✓			
	Issue of customer engagement plan	✓			
<b>4.2</b>	<b>Develop effective and efficient delivery management</b>				
4.2.1	Develop models for identifying drivers of demand		✓		
	Develop models for predicting IAG staffing demand		✓		
4.2.3	New business continuity arrangement in place		✓		
<b>4.3</b>	<b>Engage with Government Administrations and establish strong relationships with key delivery partners and stakeholders</b>				
4.3.1	Establishment of partner service agreements			✓	
	Commence partner satisfaction survey		✓		
	Partner satisfaction improvement programme			✓	
	Funding authority satisfaction survey	✓			
	Review of Stakeholder Engagement and Comms strategy			✓	
<b>4.4</b>	<b>Manage organisational capacity and capability</b>				
4.4.2	Launch of ICT Strategy	✓			
<b>4.5</b>	<b>Maintain high levels of employee engagement and enable our people to excel</b>				
4.5.1	Undertake Best Companies survey	✓			
	Commence skills and capacity gap analysis	✓			
	Results of cultural review within Customer Services	✓			
	Launch of plan for OD Phase II - Transfer of Knowledge	✓			
4.5.2	Completion of Bothwell Street refurbishment				✓
	Recommendation for Glasgow office base			✓	
4.5.3	Assessment for Healthy Working Lives Scheme in Scotland and Investors in Health in England			✓	
	Completion of assessment of SLC's carbon footprint	✓			
<b>4.6</b>	<b>Embed strong corporate governance and public service values</b>				
4.6.1	Quarterly assessment of how well the Company uses the internal Framework to proactively manage risk	✓	✓	✓	✓