

Request Reference: 119-17

Date of Response: 25/07/2017

Request

“Number of plan 2 loans (to calculate proportion charged NCR).”

“How much profit did the SLC make last year?”

“How much money was added to total debt last year?”

Response

Question 1

Please note that the non-compliance interest rate (“NCR”) only applies to plan 2 student loan borrowers who have become liable to repay their student loan and who do not respond to correspondence from the Student Loans Company Limited (“SLC”) or provide evidence. The earliest NCR was applied was April 2016.

As NCR is not charged to plan 2 borrowers who have not become liable to repay their student loan, then the overall number of plan 2 borrowers would not allow you to accurately calculate the proportion of plan 2 borrowers who have been charged NCR.

I can confirm that at the end of financial year 2016-17, there were 2,246,300 plan 2 borrowers, 504,700 of whom had become liable to repay their student loan. Please note the following:

- 1) these figures have been rounded to the nearest 100;
- 2) some plan 2 borrowers also have other loans;
- 3) the figures include England and Wales domiciles and EU students studying in England and Wales;
- 4) the borrower numbers relate to the plan 2 balances in Table 1 of the Statistical First Releases for England and Wales published in June 2017 (available through <http://www.slc.co.uk/official-statistics/student-loans-debt-and-repayment.aspx>); and
- 5) the figures exclude borrowers with a zero balance.

Question 2

This information is held by SLC, but exempt from disclosure under section 22(1) of the FOIA as the information is intended for future publication.

SLC is non-profit making, however as confirmed in the 2015-16 Annual Report and Accounts, profits may arise from the administration contracts for services to third parties and the bursary administration services provided to universities and colleges. Grant-in-Aid is accrued to maintain the operating result for the year as “nil” with any balancing entry falling into the “Balances with Central Government Bodies”

within debtors or creditors depending on the nature of the timing difference, with the exception of any impacts relating to future dilapidation provisions.

SLC's 2016-17 Annual Report and Accounts is currently in the process of being finalised, and must be laid before Parliament before it is published and filed at Companies House. The 2016-17 Annual Report and Accounts will confirm any profit (or loss) made by SLC in the last financial year.

As section 22 is a qualified exemption, consideration must be given to whether the public interest in maintaining the exemption is greater than providing the information.

Arguments in favour of disclosure include openness and transparency. Arguments in favour of withholding the information and maintaining the exemption are that it is in the public interest to permit public authorities to publish information in a manner and form, and at a time, of their own choosing. It ensures the effective conduct of public affairs that general publication of information is a planned and managed activity within the reasonable control of public authorities.

As the information in the 2016-17 Annual Report and Accounts is draft, and subject to review and amendment, the public interest in withholding the information at this time is greater than disclosing it. The 2016-17 will be available in due course at <http://www.slc.co.uk/about-us/remit/annual-report.aspx>.

Having considered the arguments both for and against disclosure of information contained within the 2016-17 Annual Report and Accounts, I have concluded that the public interest in favour of maintaining the exemption outweighs the arguments in favour of disclosure.

Question 3

This information is held by SLC, but exempt from disclosure under section 21(1) of the FOIA as the information is considered reasonably accessible to you by other means. Interest added to student loan debt is published in our Statistical First Release ("SFR") publications on student loan debt and repayment. These can be found on our website at <http://www.slc.co.uk/official-statistics/student-loans-debt-and-repayment.aspx>. The SFR for each UK domicile can be accessed by clicking on the relevant domicile down the left hand side of the page. The latest SFRs were published in June 2017 and cover financial years 2012-13 to 2016-17. Please refer to Table 1 of each publication, specifically the line "*Amount of interest added to loans during the financial year*". Please note that the publication for England has Table 1A (for Higher Education loans) and 1B (for Further Education loans"). Both tables have the same line.