

# Student finance through the pandemic

Despite the pandemic, the Student Loans Company is committed to paying students and universities on time this year.

Not the most ambitious of corporate objectives, I'll be the first to admit. But when we entered lockdown on 23 March it was not a given that we could turn this supertanker around (so to speak) before the third term tuition fee payment of £4.9 billion was due on 6 May.

For me, the early days of the pandemic were in part spent providing assurance that, of course, SLC would be maintaining our core payment and application services.

I understand why there were doubters. For many historical reasons, SLC'S reputation is not one of an organisation that can weather every crisis effectively. But when I started as CEO just over a year and half ago, I found an organisation that was robust beyond its reputation. I think our response to Covid has demonstrated our inherent competence.

## **Loaning from home**

The last four months have not been without challenge. To start with, less than a third of our 3,500 staff were equipped to work from home, so the initial challenge was to provision secure home-working capability at scale and in haste.

We pay around £20 billion to students, universities, and colleges annually. To continue this, we needed to be sure our staff could work securely from home.

We also needed to continue to process applications as they came in, preventing a backlog. Lockdown came just four weeks after we launched our 2020-21 full-time undergraduate application service for England and Wales. We receive and process more than two million student finance applications every year and any backlog, even early in the application cycle, has the potential to snowball as we get closer to term start.

With making payments and processing applications our priorities, we took the decision to close our customer contact channels for two weeks during our home-working rollout. I know that this was a considerable annoyance for students, prospective students, and their sponsors (usually parents) – and it wasn't a decision we made lightly. But we needed to prioritise the right functions for the longer-term continuity of our service and stability to students and the sector.

## **Next year – online, and on time**

Lockdown has made our multi-year transformation programme more difficult to deliver, but we've not forgotten our plans to improve the customer

experience. Key among these is the new digital evidence upload service, which went live in May. This means that unless we are required to see the originals, customers can now upload evidence instead of posting us paper copies. And this month we will launch our new Online Repayment services. By providing repayments with 24/7 access to up-to date balance information, we will make it easier for them to manage their accounts and avoid over-repaying as they reach the final stages of their loan.

Like the rest of the sector, we've been carefully watching application volumes and trying to understand student/applicant behaviour. For SLC, the risk is that a late surge in student finance applications creates a processing backlog just before term start. This would not be a good situation for us, students, or universities.

Application volumes for all customer groups were considerably behind last year throughout March and April. For new students, volumes began to normalise in early May and at the time of writing, applications for new students are now ahead of last year. But for returning students it was a different story – applications remained considerably behind last year throughout May and into June. My own opinion is that returning students may have been waiting for their universities to confirm teaching arrangements before starting to commit to returning to study. Numbers started to increase at the same time as universities shared more detail (and as we reminded students through every possible channel that they needed to apply early to get their funding before term start!). In mid-to-late June, returning student applications began to increase significantly and are now tantalisingly close to the same point last year.

Four weeks on saw over 90 per cent of our staff working from home, and customer contact channels were back up and running. However, some of our core functions simply can't be done at home – most notably opening, scanning, and returning customers' original identity evidence, which we are required to verify as part of eligibility checks. So we now have around 10 per cent of our staff working at our offices in Darlington, Glasgow, and Llandudno Junction, meaning we've need to ensure these workplaces and processes are Covid-secure.

As lockdown begins to lift we've successfully launched the remainder of our applications services, including full-time undergraduate applications for Northern Ireland; Advanced Learner Loans; and postgraduate and part-time applications for England, Wales and Northern Ireland.

And we've accelerated our plans to improve customer experience. To ensure we could continue to speak to our customers while we set up our call-handling staff to operate effectively from home, we increased resources for our social media teams. SLC has been providing full customer service over our social media channels since December 2017, but we've increased by 73 per cent the number of customers served over social media in lockdown compared to the same period last year.

## The future

SLC hasn't lost sight of the broader context of HE policy, or the need to respond to Ministerial imperatives. We worked with Ministers and the sector to achieve a reliable solution for reprofiling tuition fee payments for 2020/21, and we stand ready to work with our four shareholder governments on any further changes to student finance that might follow as part of a skills-led recovery.

There remain ample risks and challenges that might yet trip us up. We're carefully considering how an increase in deferrals, transfers or withdrawals around term start would impact our operational capacity. We're also anticipating a significant increase in current-year income assessment applications as people come off furlough and have a better understanding of their financial position.

So we remain cautious about what will undoubtedly be a challenging new academic year for us. But it does feel like SLC now has the stable foundation to deliver even in the face of a significant national emergency. We are ready to be the provider of trusted, transparent, flexible and accessible student finance services that the sector and the nation deserve.