



Llywodraeth Cymru
Welsh Government

TO: Adrian Crompton, Auditor General for Wales, Audit Wales

FROM: Huw Morris, Director Skills, Higher Education and Lifelong Learning

Your ref: PA317/MM/hcj

17 December 2021

Dear Mr Crompton

Auditor General for Wales review of the administration of Welsh student finances - recommendations

I am pleased to respond to the recommendations made by the Auditor General for Wales following their review of the administration of Welsh student finances. In Wales, we are proud of what is the most generous student support package in the UK and the service provided to our Welsh customers by the Student Finance Wales service.

We are grateful for the comments made by the Auditor General in recognition of our work in this area and our response to each of the recommendations is set out below.

Performance monitoring

Recommendation 1 *We recommend the Welsh Government improves its monitoring of SLC performance by regularly reviewing Wales-level data relating to all annual measures, and by routinely reporting a comprehensive picture of SLC performance upwards through the Welsh Government's governance structure. This should inform broader considerations of whether the package of financial support is achieving its long-term aims for students and higher education.*

Response: Accept

The Welsh Government recognised that there was no one place that recorded the overall performance of the SLC against the targets set out in their annual priorities and resource letter (APRA) and have worked with the SLC over the last 12 months to develop a new SLC reporting dashboard. This dashboard enables officials to scrutinise Wales-level data relating to all annual performance measures as set out in the APRA, and provides the functionality to drill-down into the underpinning data as

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necessary. SLC present the dashboard data at both SLC company level and domicile level to the SLC Board; senior Welsh Government officials attend that Board. Additional functionality to toggle domiciles on the dashboard enables cross-domicile performance comparisons and monitoring of trends.

To improve the monitoring of Wales level data, and to ensure appropriate reporting upwards through the Welsh Government's governance structures, these dashboard reports and any relevant Board papers will be discussed routinely at the quarterly Welsh Government Student Finance Directors Board (SFDB); the SFDB Terms of Reference have been updated to reflect this addition. The channel to escalate concerns to the Welsh Government Audit, Risk and Assurance Committee (ARAC) as necessary, will remain.

A new measure, 'monitoring SFW's performance to provide a right first time, customer centred process', has been added to the Welsh Government Business Information Reporting Tool (BIRT). This tool provides a simple and consistent means of recording, monitoring and reporting against commitments and priorities to all levels of the Welsh Government.

The dashboard and new reporting mechanisms will not replace the reviews and performance meetings held at an operational level. Officials will continue to monitor the day to day operational matters, escalating concerns using the above mentioned governance structures where necessary. This allows the service to be proactive and take early action when needed.

Furthermore, the SLC have implemented a number of reforms for Wales in recent years. The most significant and substantive changes to the student support offer were introduced following the Diamond Review; student support finance packages resulting from which were made available to students in academic year 2018/19. We maintain a benefits realisation plan and have established processes to monitor and update the plan to ensure the changes introduced are having the impact anticipated. We also published a Peer Review of the proposals for evaluation of the Diamond Student Support Reforms; the evaluation will allow us to understand whether the changes have achieved the longer-term aims for students and higher education. Work on the formal evaluation is due to commence later this year. We will continue to model the financial needs of students on an annual basis to ensure our financial package is fit for purpose.

Sustainable development

Recommendation 2 *We recommend the Welsh Government reflects on whether it can do more to apply the five ways of working expected under the Well-being of Future Generations (Wales) Act 2015, to improve the administration of student finances and its oversight of SLC. For example, the Welsh Government should consider how it can involve students earlier in the decision-making process,*

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and how it will keep its relationship with SLC under review to ensure the model of administration remains sustainable in the long-term.

Response: Accept

The Framework document, within which the SLC must operate, reflects a number of the ways of working expected under the Well-being of Future Generations (Wales) Act 2015. Combined with the demands of our annual APRA and SLC Chair's letter, we are confident that SLC are working in accordance with our sustainable development principles. However, it is important to regularly review how SLC can contribute more.

Drawn out specifically in the recommendation is the involvement of students in the design of decision-making processes. SLC have recently established a Student Finance Customer Panel, which aims to do just this. The panel consists of 16 members with representation from all domiciles, includes prospective students, existing students and those currently in repayment and will work across both higher and further education. The work of the panel will enhance SLC's understanding of the customer journey and will inform, shape and challenge SLC's customer experience strategy as the Company strives to deliver on its ambition of providing an outstanding customer experience.

We have also been working with SLC to redesign the customer experience and satisfaction surveys to ensure the feedback we receive helps inform and design changes in administration processes, the information available to support those processes and the service by which we deliver our financial products. Customer surveys are issued at each stage of the customer journey to ensure a broad view of experiences are collected. Streamlining the questionnaires has also seen an increase in customer participation and a more qualitative data being received.

Where significant changes to our student support packages, policies and or underpinning regulations are considered, it remains our policy to conduct a public consultation. When we launch a new consultation, not only is it published on our website but we actively reach out through our stakeholder groups across the organisation to encourage responses; the customer panel at SLC creates a new point of access directly to the students for whom we seek improvements and change. We look forward to the opportunities this customer panel will bring. Prior to any policy or change being implemented, an impact assessment is conducted to ensure we are fulfilling, and where possible excelling at, our commitments towards Sustainable Development in accordance with the Well-being of Future of Generations Act.

We work very closely with our partners in the Welsh NHS and across our Schools and Curriculum business areas to ensure the focus of any Welsh Bursary support, administered by SLC, is capturing the current and emerging priority subject areas

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and is meeting the needs of those students who choose to work in such a demanding sector.

We will be reflecting on the benefits brought to Welsh students by the SLC Evolve programme as the transformation work draws to a close in the coming years; seeking at all times to ensure we provide a high quality service to administer the support students need. More specifically, the plans around the evaluation of the Diamond student support reforms will consider how Sustainable Development and the wider well-being goals of the Future Generations can be highlighted.

Succession planning and resilience

Recommendation 3 *We recommend the Welsh Government reviews working practices, succession planning and vacancies within its SLC Sponsorship Team, to manage risks associated with the reliance on a small number of staff.*

Response: Accept

The structure of the SLC Sponsorship Team will be reviewed in the next twelve months to ensure sufficient and appropriate staffing levels, and knowledge transfer arrangements, are in place. It is however, important to note that the work to effectively deliver and monitor our student support packages and SFW service does not rest solely within this team. It is acknowledged that a small number of staff engage daily with the SLC on student level operational matters through established and excellent shareholder arrangements; but there is a wider Divisional, and Group level structure that undertake analysis, compliance, regulatory and policy reviews with more senior SLC colleagues on a regular basis. Despite the small team and the challenges brought about by remote working arrangements during this last year, the accessibility of those intrinsic to the delivery of the SFW service and SLC's aims and objectives has improved and continues to do so. There will be opportunity to bring together other experienced areas of the Welsh Government to support and grow the Sponsorship Team as necessary.

Kind regards



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Director

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