

David Wallace and Chris Brodie

Student Loans Company

100 Bothwell Street

Glasgow

G2 7JD

3 February 2016

Dear David and Chris

The Student Loans Company and the Introduction of Postgraduate Loans in Wales

I am writing to ask for clarification on the changes to student loans in England and Wales.

In our Scrutiny Committee meeting of 14 January 2016, Julie James, the Welsh Government's Deputy Minister for Skills and Technology, told us that the Welsh Government is "very concerned" that the Student Loans Company is currently working with the Department for Business, Innovation and Skills to introduce postgraduate loans in England, but is currently not in a position to work with the Welsh Government to introduce postgraduate loans in Wales.

We are also aware that Huw Lewis, Welsh Government Minister for Education and Skills wrote to Jo Johnson MP, Minister for Universities and Science on this subject on 28 September 2015. In that letter, Huw Lewis said that:

- Recent changes to the sponsorship and governance framework within which the Student Loans Company operates has been driven by the interests of the Department for Business, Innovation and Skills at the expense of the Devolved Administrations;
- The four sponsor departments across the UK had reached "a common understanding" that no major policy changes should be implemented until the Student Loans Company had stabilised its delivery capacity and replaced its core systems;
- As a result of the "very considerable" demands made by the Department for Business, Innovation and Skills, the Student Loans Company has been



unable to respond to any of the requests of the Devolved Administrations for academic year 2016/17.

Huw Lewis then went on in his letter to list his assessment of a number of further difficulties including:

- The SLC will implement a postgraduate loan scheme for England but is unable replicate any similar scheme for Wales despite the fact that would be the Welsh Government's policy goal;
- The SLC has been required to redesign the maintenance support package available to English domiciled students but the Company is unable to implement anything except a flat rate increase in maintenance loans for Wales; and
- The SLC will not be able to make any changes to the Wales system of maintenance support.

We are aware that the Welsh Government makes a proportionate financial contribution to the running costs of the SLC. Our concern is whether Welsh students are receiving an equal service compared to their English counterparts and that the Welsh Government is receiving value for money for this expenditure from the public purse.

We would be grateful for your assessment of the situation; your response to these comments; an update on any subsequent developments in respect of introducing postgraduate loans; any discussions about the capacity of the Student Loans Company to support other potential policy changes in future years, for example in relation to the maintenance support package in Wales; and your comments on your collaborative arrangements with the UK Government and the Devolved Administrations.

We have also written to Jo Johnson, Minister for Universities and Science to seek his comments. The Committee is currently writing its Legacy report for this Assembly term (2011-16) and we would therefore appreciate an early response from you.

Yours sincerely,



William Graham AM, Chair

