

# The Student Loans Company Ltd: Framework Document December 2018



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## Introduction

1.1. This framework document has been drawn up by the Department for Education (DfE) in consultation with the Student Loans Company Limited ('the SLC') and the relevant Departments of the Devolved Administrations (see paragraph 1.1.1). It supersedes all previous governance documents issued by any Administration from the date of its agreement. This document sets out the broad framework within which the SLC will operate. The document does not confer any legal powers or responsibilities. It is signed and dated by DfE, the relevant Departments of the Devolved Administrations and the SLC. Copies of this document and any subsequent amendments will be placed in the Libraries of both Houses of Parliament, in the equivalent libraries of the Devolved Administrations and made available to members of the public on the SLC's website.

### Definitions

1.1.1. In this Framework:

"the Board" means the Board of Directors of the Student Loans Company Limited and includes any sub-committee of that Board;

"the Departments" means the Department for Education in England ('DfE'), The Directorate for Skills, Higher Education and Lifelong Learning in Wales ('SHELL'), The Advanced Learning and Science Directorate of the Scottish Government, acting on behalf of Scottish Ministers ('ALS'), and The Department for the Economy in Northern Ireland ('DfE (NI)') or their successors;

"Devolved Administrations" means the Scottish Government, the Welsh Government and the Northern Ireland Assembly;

"Devolved Ministers" means the Minister in each Devolved Administration with responsibility for student loans policy;

"Responsible Minister" means the Secretary of State for Education or its successor Department;

"the Sponsor Department" means the Department for Education or its successor.

1.2. This framework document is to be reviewed within three months of the completion of the 2018-19 Tailored Review of the SLC.

## Purpose of the Student Loans Company Limited

1.3. The SLC's role is to support the strategic aims and objectives of the Departments.

1.4. The 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 from time to time. These functions and activities and the relevant authorities for undertaking them are listed by title and brief descriptive summary in a Register of approved activities attached at Annex A. The SLC is responsible for maintaining and updating this Register accurately and the detailed documentation summarised in the Register. The Departments are responsible for ensuring that delegated statutory functions and requests for the SLC to perform related activities are set out clearly in written instructions and, with effect from the date of this document, for ensuring that new requests are approved in accordance with paragraphs 1.4-1.5 below.

- 1.5. The SLC may only undertake new functions and activities where they are jointly agreed by the Departments. In general approval will be given if the new activity has been subjected to an impact assessment and the Departments are content that the resulting analysis provides assurance that the new activity is appropriately funded and will not adversely affect core functions and priorities set by the Responsible Minister and Devolved Ministers. The Sponsor Department will then confirm that such approved functions and activities may be added to the Register.
- 1.6. The SLC may undertake initial feasibility work on potential new areas of activity provided this is consistent with the overall aims set out in section 3 and is properly funded by one or more of the Departments or another stakeholder (as permitted, in each case, by the Departments), but may not take on any function/activity without formal approval as set out in paragraph 1.4.
- 1.7. The SLC's primary roles are to:
  - 1.7.1. pay loans and grants to students
  - 1.7.2. pay tuition fees to colleges, training providers and universities
  - 1.7.3. collect repayments, through HM Revenue and Customs and direct from borrowers
  - 1.7.4. make maintenance payments to school and further education students aged over 16 in Northern Ireland and Wales
  - 1.7.5. pay bursaries and scholarships on behalf of universities and colleges
  - 1.7.6. run all the administration and processing associated with these activities
- 1.8. The SLC's mission and vision statements are as follows:
  - 1.8.1. SLC's mission is to "enable its customers to invest in their futures by delivering secure, accurate and efficient assessment, payment and repayment services".
  - 1.8.2. SLC's vision is: "to be valued as a digital, customer-focused, centre of excellence."

## **Governance and accountability**

### **2. The SLC's legal origins**

- 2.1. The SLC was incorporated in 1989 as a company limited by shares under the Companies Acts and is wholly in public ownership. The constitution of the SLC is set out in its Memorandum and Articles of Association. The SLC was established by the predecessors of DfE, ESLLD and DELNI to administer the loans scheme introduced by the Education (Student Loans) Act 1990 and the Education (Student Loans) (Northern Ireland) Order 1990.
- 2.2. The SLC began operating in 1990 and from 1<sup>st</sup> April 1996 has been classified as an executive non-departmental public body (NDPB). Since the devolution of powers to make higher education loans and grants to Wales in 2006 it also supports the strategic aims of DES.

### **3. Overall aims**

- 3.1. From time to time the Responsible Minister will confirm the SLC's principal delivery priorities for all Departments in writing. In response the SLC will submit for the Responsible Minister's approval its Corporate Plan which will confirm in writing the principal delivery priorities it has agreed with all Departments and will set out how it will deliver its main aims and objectives. Section 15 contains further details on SLC's Corporate Plan.

### **4. Ministerial responsibility**

## Governance

- 4.1. The Responsible Minister will account for the SLC's business in the UK Parliament. The SLC is separately accountable to the Responsible Minister and Devolved Ministers for performance of the functions specifically delegated in relation to performance in their respective jurisdictions. However, for administrative convenience, the Devolved Ministers have agreed that DfE will be the designated Sponsor Department having the primary relationship with the SLC in relation to matters of corporate governance, acting in defined circumstances on behalf of all Administrations, but the Responsible Minister will specifically consult and seek the agreement of the Devolved Ministers in relation to agreed matters of shared strategic interest. This arrangement does not detract from the responsibility and accountability of each Devolved Administration to hold the SLC to account for its activities in the jurisdiction for which they have responsibility and ensure that its own needs are met. Additionally, each Devolved Administration will liaise directly with the SLC on certain bilateral issues. The division of governance responsibilities is set out in a Memorandum of Understanding (MoU) between the Administrations attached at Annex B.
- 4.2. As confirmed in section 1.1.1 above, the Secretary of State for DfE is the Responsible Minister. In practice, the DfE Minister with responsibility for Higher Education may act on behalf of the Secretary of State in discharging the duties of the Responsible Minister outlined in this document. The Sponsorship Team in DfE will ensure that working arrangements are in place to draw relevant matters to the attention of DfE Ministers and officials with responsibility for Further Education.

## Board appointments

- 4.3. The Responsible Minister shall, in accordance with the MoU at Annex B, appoint, remove and determine the remuneration and terms of appointment of the SLC Chair and Non-Executive Directors. Appointments will be made for a period of three years and will comply with the *Code of Practice for Ministerial Appointments to Public Bodies* (<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-20121.pdf>). Only one further period of reappointment is normally permissible, subject to a satisfactory appraisal. The Responsible Minister will also approve the appointment by the Board of the Chief Executive.

## 5. Specific accountabilities and responsibilities of the Accountable Officer in each Department

- 5.1. The Permanent Secretary of DfE, acting in his capacity as the Principal Accounting Officer (PAO) of the Sponsor Department, and acting on behalf of the Accountable Officers of the Devolved Administrations, has designated the chief executive of the SLC as the SLC's Accounting Officer (AO). (The respective responsibilities of the PAO and Accounting Officers for NDPBs and other arm's length bodies are set out in Chapter 3 of Treasury's *Managing Public Money* (<https://www.gov.uk/government/publications/managing-public-money>), which is sent separately to the SLC's Accounting Officer on appointment.)
- 5.1.1. The SLC's Accounting Officer is personally accountable to the UK Parliament, via and alongside the PAO of the sponsoring department, as defined in section 6.1 and 6.2 of this framework.
- 5.1.2. The SLC's Accounting Officer is accountable to the devolved parliaments and devolved administrations, via the Accountable Officers of those administrations, in matters relating to those administrations, as set out in section 6.3 of this framework.
- 5.1.3. The Accountable Officers of the Devolved Administrations having been appointed by the relevant Devolved Minister are as follows:
- 5.1.3.1. The Director of the Directorate for Advanced Learning and Science of the Scottish Government;
- 5.1.3.2. The Director of Skills, Higher Education and Lifelong learning in the Welsh Government;

- 5.1.3.3. The Director of Higher Education at the Department for the Economy at the Northern Ireland Executive.
- 5.2. Each Department's Accountable Officer is also responsible for ensuring arrangements are in place, in accordance with the split of responsibilities as set out in Annex B of this Framework, in order to:
- 5.2.1. monitor the SLC's activities;
  - 5.2.2. in collaboration with DfE as lead sponsor, and other administrations, address significant problems in the SLC, making such interventions as are judged necessary;
  - 5.2.3. periodically carry out an assessment of the risks both to the relevant Department and the SLC's objectives and activities;
  - 5.2.4. inform the SLC of relevant Departmental policy in a timely manner;
  - 5.2.5. bring concerns about the activities of the SLC to the full SLC Board, requiring explanations and assurances that appropriate action has been taken; and
  - 5.2.6. be assured that Grant (as referred to in paragraph 13.3 and defined in Annex 5.1 of *Managing Public Money*) disbursed by the SLC on behalf of the Departments is properly managed and accounted for.
- 5.3. The SLC Sponsorship Team in DfE will act as the primary contact for the SLC in relation to all bilateral matters between DfE and the SLC and in relation to those administrative matters defined in part A of Annex B which DfE has agreed to co-ordinate on behalf of all Departments. This nominated team is the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of the SLC. It also supports the Sponsor Department's PAO in respect of his or her responsibilities toward the SLC. Officials in the Devolved Administrations will be responsible for support and advice to their respective Ministers and PAOs.
- 5.4. The DfE and the SLC will have an open and honest, trust-based relationship supported by the principles set out in the [Partnerships between Departments and Arm's Length Bodies: Code of Good Practice](#). As such, both parties will ensure they clearly understand the strategic aims and objectives of the other party. Both partners will also commit to keeping each other informed of any significant issues and concerns.

## 6. Responsibilities of the Chief Executive as NDPB Accounting Officer

- 6.1. The chief executive of the SLC ('the Chief Executive') as Accounting Officer is personally responsible for safeguarding the public funds and any assets for which he or she has charge (including the stewardship of funds administered by SLC on behalf of Departments as set out in section 13); for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the SLC. In addition, he or she should ensure that the SLC as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of [Managing Public Money](#), as amended from time to time. The relevant text at the date of this Framework is reproduced below:

*Standards expected of the Accounting Officer's organisation*

*Acting within the authority of the minister(s) to whom he or she is responsible, the Accounting Officer should ensure that the organisation, and any ALBs it sponsors, operates effectively and to a high standard of probity. The organisation should:*

*Governance*

- *have a governance structure which transmits, delegates, implements and enforces decisions*

- *have trustworthy internal controls to safeguard, channel and record resources as intended*
  - *work cooperatively with partners in the public interest*
  - *operate with propriety and regularity in all its transactions*
  - *treat its customers and business counterparties fairly, honestly and with integrity*
  - *offer appropriate redress for failure to meet agreed customer standards*
  - *give timely, transparent and realistic accounts of its business and decisions, underpinning public confidence;*
  - *Decision-making*
  - *support its ministers with clear, well-reasoned, timely and impartial advice*
  - *make all its decisions in line with the strategy, aims and objectives of the organisation set by ministers and/or in legislation*
  - *take a balanced view of the organisation's approach to managing opportunity and risk*
  - *impose no more than proportionate and defensible burdens on business;*
- Financial management*
- *use its resources efficiently, economically and effectively, avoiding waste and extravagance*
  - *plan to use its resources on an affordable and sustainable path, within agreed limits*
  - *carry out procurement and project appraisal objectively and fairly, using cost benefit analysis and generally seeking good value for the public sector as a whole*
  - *use management information systems to secure assurance about value for money and the quality of delivery and so make timely adjustments*
  - *avoid overdefining detail and imposing undue compliance costs, either internally or on its customers and stakeholders*
  - *have practical documented arrangements for controlling or working in partnership with other organisations, as appropriate*
  - *use internal and external audit to improve its internal controls and performance.*

#### *Responsibilities for accounting to Parliament*

6.2. The accountabilities of the Chief Executive to Parliament include:

6.2.1. signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any direction issued by the Secretary of State, the Companies Acts and company law more generally, and, as appropriate:

6.2.1.1. the *Government Financial Reporting Manual* (FReM);

6.2.1.2. any other guidance which the Treasury may issue from time to time; and

6.2.1.3. any other specific disclosures required by the Secretary of State;



- 6.2.2. preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- 6.2.3. ensuring that effective procedures for handling complaints about the SLC are established and made widely known within the SLC (as set out in section 12);
- 6.2.4. acting in a timely manner in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Departments, the Treasury and the Cabinet Office;
- 6.2.5. giving evidence, normally with the PAO of the relevant Department, when summoned before the Public Accounts Committee (PAC), or appropriate committee of the Scottish Parliament or Devolved Administration on the SLC's stewardship of public funds.

### *Responsibilities to the Departments*

#### 6.3. Particular responsibilities to the Departments include:

- 6.3.1. establishing, in agreement with the Departments, the SLC's Corporate and Business Plans in light of the Departments' wider strategic aims and agreed priorities;
- 6.3.2. informing the Departments of progress in helping to achieve their policy and delivery objectives and in demonstrating how resources are being used to achieve those objectives, including reporting to all Departments on the SLC's performance against agreed targets;
- 6.3.3. ensuring that timely and regular forecasts and monitoring information on performance and finance are provided to the Departments; that the Departments are notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the Departments in a timely fashion;
- 6.3.4. managing the day-to-day operation of the SLC; ensuring that appropriate operational plans, decision-making structures and delegated authorities are in place fully to deliver business objectives;
- 6.3.5. managing resources, including Grant (see paragraph 13.3), in an efficient and effective way to achieve good value for money for the taxpayer;
- 6.3.6. ensuring compliance with standards for governance, financial management, decision-making and risk management; escalating strategic, financial, operational and reputational risks to the Departments when appropriate and in a timely manner;
- 6.3.7. supporting the Departments with timely, well-reasoned and impartial advice;
- 6.3.8. demonstrating a thorough understanding of the policy context for student support and of the public perception of the student finance delivery service, rapidly escalating any emerging risks or issues to senior staff in the Departments with an assessment of the impact and possible solutions;
- 6.3.9. representing the performance of the SLC to the general public.
- 6.3.10. ensuring that SLC discharges its responsibilities in cases where irregular activity with the potential to cause financial loss is suspected, as outlined in the Incident Response Protocol and HE Provider, Counter-Fraud, and Operations Incident Response Plans agreed with DfE. The Chief Executive should also work with DfE and the Devolved Administrations to ensure

that SLC has the appropriate powers and permissions to investigate and act where irregular activity is suspected, both in England and the Devolved Administrations.

#### *Responsibilities to the SLC's Board*

6.4. The Chief Executive is responsible for:

- 6.4.1. advising the Board on the discharge of the SLC's responsibilities as set out in this document and its annexes and in any other relevant instructions and guidance that may be issued from time to time;
- 6.4.2. advising the Board on the SLC's performance against its aims, objectives, performance targets and plans;
- 6.4.3. ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that appropriate financial, investment and project appraisal techniques are followed;
- 6.4.4. taking action as set out in paragraphs 3.8.6 of *Managing Public Money* if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity, or does not represent prudent, economical, efficiency or effectiveness, or is of questionable feasibility, or is unethical;
- 6.4.5. making recommendations to the Remuneration Committee on the appointment of an Executive Leadership Team to conduct the day to day business of the SLC, ensuring an appropriate balance of skills and experience;
- 6.4.6. providing clear and timely strategic and operational information to the Board on the emergence of risks and proposed mitigations.

### **7. The SLC Board**

#### *Composition of the Board*

7.1. The Board will consist of:

- 7.1.1. a non-executive Chair;
- 7.1.2. the Chief Executive (who may not also hold the position of Chair);
- 7.1.3. the Deputy Chief Executive;
- 7.1.4. the Chief Finance Officer;
- 7.1.5. up to eight Non-Executive Directors;
- 7.1.6. the Company Secretary;

that together have a balance of skills and experience appropriate to directing the SLC's business and which enable it to provide appropriate support and constructive challenge to the Executive Leadership Team.

7.2. The SLC's Company Secretary is a member of the Board but is not a Director of the Company. He or she is answerable to the Board, via the Chair, on matters related to governance. If the holder of the Company Secretary post has any additional operational responsibilities he or she should report separately to a nominated member of the Executive Leadership Team on those matters.

7.3. Observers may attend Board meetings with the permission of the Chair.

- 7.4. From time to time, and with the Sponsor Department's approval, the Board may co-opt additional members onto its Board sub-committees on a temporary basis to provide specific experience or expertise.

*Board responsibilities*

- 7.5. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Board must set up an Audit Committee, as set out in paragraph 10.1.3, chaired by an independent non-executive member to provide independent advice. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.
- 7.6. The Board is specifically responsible for:
- 7.6.1. establishing and taking forward the strategic aims and objectives of the SLC consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
  - 7.6.2. ensuring that the Departments are kept informed of any changes which are likely to affect the strategic direction of the SLC or on the attainability of its targets, and determining the steps needed to deal with such changes;
  - 7.6.3. ensuring that it receives and evaluates regular and timely information about the SLC's performance against its aims, objectives, performance targets and plans, ensuring appropriate action is in hand to address any areas of underperformance;
  - 7.6.4. ensuring that effective arrangements are in place to ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates in accordance with the relevant provisions of the Companies Acts and company law more generally, within the limits of any delegated statutory authority as set out in the Register (Annex A) as amended from time to time, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the Departments and ensures it receives adequate information regarding the stewardship of funds disbursed by the SLC on behalf of the Departments;
  - 7.6.5. ensuring that the Board receives and reviews regular financial information concerning the management of the SLC; is informed in a timely manner about any concerns about the activities of the SLC; and provides positive assurance to the Departments that appropriate action has been taken on such concerns;
  - 7.6.6. demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks.
  - 7.6.7. ensuring that the SLC's responsibilities towards its employees, as set out in section 19, are satisfactorily discharged;
  - 7.6.8. appointing, with the Responsible Minister's approval, a Chief Executive and, in consultation with the Departments, setting his or her performance objectives and performance measures which are aligned with the SLC Corporate Plan, performance targets and Annual Business Plans and the specific responsibilities of the Chief Executive as set out in this document, ensuring that remuneration terms are linked to these objectives and give due weight to the proper management and use of public resources;
  - 7.6.9. appointing an Executive Leadership Team to conduct the day to day business of the SLC, ensuring an appropriate balance of skills and experience;

- 7.6.10. setting up a Remuneration Committee which will approve the objectives, performance measures and remuneration terms for the Executive Leadership Team, ensuring these are aligned with the agreed Corporate Plan, performance targets and Annual Business Plans and to also consider recommendations from the CEO on the appointment of Executive Team members and make recommendations to the main board for approval.

*Board indemnity*

- 7.7. An individual board member who has acted honestly and in good faith will not have to meet out of his or her personal resources any personal civil liability which is incurred in the execution or the purported execution of his or her board functions, save where the board member has acted recklessly.

*The Chair's Personal Responsibilities*

- 7.8. The chair of the Board ('the Chair') is answerable to the Responsible Minister. Communications between the Board and the Departments should normally be through the Chair. He or she is responsible for ensuring that the SLC's policies and actions support the Departments' wider strategic policies and that its affairs are conducted with probity. Where appropriate, the Chair will support the Chief Executive in ensuring that the Departments' policies, and how the SLC will support them, are clearly communicated and disseminated throughout the SLC.
- 7.9. In addition, the Chair has the following leadership responsibilities:
- 7.9.1. overseeing the formulation of the SLC's Corporate Plan, setting out how the SLC will deliver the Departments' policy and delivery objectives and the services they have agreed that the SLC may provide for other stakeholders, and submitting this for approval by the Responsible Minister;
  - 7.9.2. ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Responsible Minister or the Departments;
  - 7.9.3. promoting the efficient and effective use of staff and other resources;
  - 7.9.4. delivering high standards of regularity and propriety;
  - 7.9.5. representing the views of the Board to the general public.
- 7.10. The Chair also has an obligation to ensure that:
- 7.10.1. the work of the Board and its members are reviewed and are working effectively;
  - 7.10.2. he or she monitors the balance of skills of SLC's Board membership to ensure it is appropriate to directing the SLC's business, and makes timely representations to the Responsible Minister as necessary;
  - 7.10.3. Board vacancies are anticipated and he or she advises the Responsible Minister of the SLC's needs in good time and that he or she takes an active part in appointing suitable Non-Executive Directors in conjunction with the Responsible Minister (paragraph 4.3 refers);
  - 7.10.4. the Board Members are fully briefed on terms of appointment, duties, rights and responsibilities;
  - 7.10.5. he or she, together with the other Board Members, receives appropriate training on corporate governance, including financial management and reporting requirements and on any differences that may exist between private and public sector practice;
  - 7.10.6. he or she assesses the performance of individual SLC Non-Executive Directors when they are being considered for re-appointment and submits a report to the Responsible Minister;

- 7.10.7. he or she assesses the performance of the Chief Executive annually and makes recommendations to the Responsible Minister on remuneration increases;
- 7.10.8. he or she also assists the Chief Executive in assessing the performance of the other members of the Executive Leadership Team;
- 7.10.9. there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the Government Code of Good Practice for Corporate Governance;
- 7.10.10. there is a code of practice in place for the Board Members consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies as referred to in Annex C. The SLC Board Members' Code of Practice shall form Annex D of this document.

#### *Individual Board Members' Responsibilities*

7.11. Individual Board members should:

- 7.11.1. comply with the requirements of the Companies Acts and company law more generally which set out the responsibilities of directors of companies;
- 7.11.2. comply at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest;
- 7.11.3. do their utmost to ensure compliance with the best practice requirements relating to NDPB governance, while recognising that statutory requirements under the Companies Acts and company law more generally take precedence;
- 7.11.4. not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- 7.11.5. comply with the Board's rules on the acceptance of gifts and hospitality, and on business appointments;
- 7.11.6. provide advice, guidance, support and effective challenge to the Executive Leadership Team to ensure the Board's responsibilities under paragraphs 7.5 and 7.6 are properly discharged;
- 7.11.7. ensure that that the SLC adheres to all relevant legislation and strategic boundaries as set by the Departments;
- 7.11.8. act in good faith and in the best interests of the SLC.

#### **8. The SLC Board Assessors**

- 8.1. Departments may send Assessor(s) to the SLC Board meetings. Assessors are not members of the Board and have no voting rights at Board meetings. The role of the Assessors is to:
  - 8.1.1. assist the Board in understanding their respective Minister's aims and objectives, where needed;
  - 8.1.2. advise where their respective Ministers will need to be consulted or to agree a specific course of action;
  - 8.1.3. bring any of the Departments' concerns to the Board's attention.
- 8.2. In addition, Assessors:
  - 8.2.1. provide an assessment to their respective Ministers and Principal Accounting Officers about the Board's oversight of the SLC, including the effectiveness of corporate governance

arrangements in place and the Board's oversight of SLC's operation of the service, its performance against objectives and value for money;

8.2.2. support their Principal Accounting Officer in relation to responsibilities in paragraphs 5.2 and 5.3;

8.2.3. advise the Responsible Minister on the appointment of the Chair, Non-Executive Directors and the Chief Executive;

8.2.4. assess the performance of the Chair annually, and for the purpose of reappointment;

8.2.5. may also attend meetings of sub-committees of the Board.

8.3. The presence of the Assessors at Board meetings or sub-committees of the Board does not necessarily demonstrate acceptance of the SLC's approach or direction on specific issues considered by the Board.

8.4. The SLC will send copies of all Board papers and sub-committee papers to Departments.

## 9. Annual report and accounts

9.1. The SLC must publish an annual report of its activities together with its audited accounts after the end of each financial year.

9.2. As SLC falls within DfE's departmental accounting boundary, the SLC shall provide its draft accounts, other financial data, and any account adjustments, to DfE for consolidation within its accounts. DfE will communicate the timetable for the production of accounts to SLC in good time each year. The accounts should comply with the requirements set out at paragraph 6.2.1. The notes to the accounts shall include a statement on loans administered by the SLC and a breakdown by Department of grant-in-aid receivable.

9.3. The annual report must:

9.3.1. cover any corporate, subsidiary or joint ventures under its control;

9.3.2. comply with the Treasury's *Financial Reporting Manual* (FreM);

9.3.3. outline main activities and performance during the previous financial year and set out in summary form its forward plans.

9.4. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. A draft of the annual report shall be sent to the Departments for clearance prior to the final draft being submitted to the Board for approval. The approved annual report and accounts should then be submitted to the Responsible Minister two weeks before the proposed publication date seeking his or her permission to place the report and accounts in the Libraries of both Houses of Parliament. SLC shall then make the report and accounts accessible to the public.

## 10. Internal audit

10.1. The SLC shall:

10.1.1. establish and maintain arrangements for internal audit in accordance with the *Treasury's Public Sector Internal Audit Standards* (PSIAS) (<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>), including periodic quality reviews of its internal audit function;

- 10.1.2. ensure the Sponsor Department is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS;
  - 10.1.3. as required by paragraph 7.5, set up an audit committee of its Board in accordance with the Code of Good Practice for Corporate Governance and the *Audit and Risk Assurance Committee Handbook*;
  - 10.1.4. forward the audit strategy, periodic audit plans and annual audit report, including - following validation by the Board - the SLC Head of Internal Audit's opinion on risk management, control and corporate governance as soon as possible to the Sponsor Department;
  - 10.1.5. keep records of, and prepare and forward to the Departments an annual report detailing all instances of fraud and theft suffered by the SLC or by the Departments under the scheme and services the SLC operates on their behalf, and notify the Departments of any unusual or major incidents as soon as possible.
- 10.2. The Departments' internal audit services have a right of access to all documents, including where the service is contracted out.

## 11. External audit

### *Appointment of external auditor*

- 11.1. The SLC is a company limited by shares and is therefore responsible for appointing its own external auditor. The Companies Act 2006 (CA 2006) allows the Comptroller & Auditor General (C&AG) to carry out statutory company audits of such NDPBs and the Government expects that in practice they will appoint the C&AG.
- 11.2. The external auditor:
  - 11.2.1. has a right of access to relevant documents, including those held by another party in receipt of payments or grants from the SLC;
  - 11.2.2. will, on request, share with the Departments information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Departments' responsibilities in relation to financial systems within the SLC;
  - 11.2.3. will, where asked, provide the Departments with Regulatory Compliance Reports and other similar reports which Departments may request at the commencement of the audit and which are compatible with the independent auditor's role.

### *Comptroller and Auditor General (C&AG)*

- 11.3. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the SLC has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the SLC shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

### *Right of access*

- 11.4. The Departments have the right of access to all the SLC's records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

## 12. Complaints and Appeals

- 12.1. The SLC must establish and maintain processes for handling customer complaints (expressions of dissatisfaction about the services provided by the SLC) and customer appeals (requests to review entitlement decisions based on the interpretation of law or regulations by the SLC). This includes the process for referral to an external independent reviewer whose task is to assess complaints and appeals and who has been appointed by, and will report annually to, the Responsible Minister.
- 12.2. The resulting procedures for handling complaints and appeals and the detailed Terms of Reference for external independent reviewers should be widely communicated within the SLC and made publicly available. The SLC is responsible for ensuring effective liaison with independent reviewers, and that all recommendations made by them are properly considered by the SLC.

## Management and financial responsibilities

### 13. *Managing Public Money* and other government-wide corporate guidance and instructions

- 13.1. Unless agreed by the Departments and, as necessary, HM Treasury, the SLC shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exceptions to the Sponsor Department in the first instance. A list of guidance and instructions with which the SLC should comply is in Annex C.

#### *Management of grant-in-aid funding for the SLC's administration costs*

- 13.2. Once the administrative budget has been approved by the Departments and subject to any restrictions imposed by Departments or this document, the SLC shall have authority to incur expenditure approved in the budget without further reference to the Departments, on the following conditions:
  - 13.2.1. the SLC shall comply with the financial delegations set out in Annex E. These delegations shall not be altered without the prior agreement of the Sponsor Department (see also Section 18);
  - 13.2.2. the SLC shall comply with *Managing Public Money* regarding novel, contentious or repercussive proposals;
  - 13.2.3. inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal approval from the relevant Department(s) where any proposed expenditure is outside the delegated limits; or is for new schemes not previously agreed (as set out in paragraph 1.5);
  - 13.2.4. the SLC shall provide the Departments with such information about its expenditure on operations, performance, individual projects or other expenditure or activities as the Departments may reasonably require.

#### *Management of Departmental funds: payments to and collections from customers ('Grant')*

- 13.3. Subject to any restrictions imposed by Departments or this document, the SLC shall have authority to make payments to, and collect repayments from, third parties in respect of approved activities set out in the Register (e.g. as loans or grants, referred to collectively in this document as 'Grant') without further reference to the Departments, on the following conditions:
  - 13.3.1. the SLC shall comply with the financial delegations set out in Annex E. These delegations shall not be altered without the prior agreement of the Sponsor Department;



- 13.3.2. the SLC shall comply with *Managing Public Money*;
- 13.3.3. the SLC shall comply with all applicable statutes and Regulations governing such payments and repayments in relation to Approved Activities;
- 13.3.4. the SLC shall provide the Departments with such information on expenditure or repayments as the Departments may reasonably require.

*Income from other sources*

- 13.4. The SLC may receive income from sources other than the Departments, on the following conditions:
  - 13.4.1. the SLC shall only receive income in respect of functions or activities approved by the Departments and included in the Register at Annex A;
  - 13.4.2. the SLC shall comply with *Managing Public Money*;
  - 13.4.3. fees or charges for any services supplied by the Company shall be determined in accordance with the Treasury's Fees and Charges Guide at Chapter 6 of *Managing Public Money*;
  - 13.4.4. the SLC shall adhere to relevant state aid Regulations;
  - 13.4.5. the SLC shall provide the Departments with such information on other income as the Departments may reasonably require.
- 13.5. SLC shall provide the Departments with forecasts of expected income from other sources for approval in line with the Corporate Planning process outlined in section 15. The SLC should not assume that Departments will increase grant-in-aid in response to shortfalls against approved income; or that it may retain any income in excess of the approved level without a corresponding reduction in grant-in-aid from Departments.

*Management and ownership of Assets*

- 13.6. All assets owned by the SLC must be managed in accordance with the relevant provisions of *Managing Public Money*.
- 13.7. Outstanding student loan balances are not assets of the Company, but remain under the ownership of the relevant Department or private owner.
- 13.8. Any intellectual property generated by the SLC utilising funding provided pursuant to or in connection with this Framework ('grant-funded intellectual property'), including computer software developed specifically to support the functions delegated by the Departments, shall vest in the Crown and the SLC will enter into or execute such documentation as may be requested by the Sponsor Department to properly vest all grant-funded intellectual property in the Crown.
- 13.9. Any data held by the SLC about its customers, sponsors, other organisations is held on trust on behalf of the Departments and may not be used for any purpose other than the creation, termination and administration of customer accounts on behalf of their owner without the express permission of the Sponsor Department, and in particular may not be used for any other commercial purposes. All data will be controlled and processed in accordance with data protection legislation, primarily the Data Protection Act 2018 and the General Data Protection Regulation (EU) 2016/679, including provisions for controlling data jointly with the relevant Department(s).

**14. Risk management**

- 14.1. The SLC shall ensure that the risks to which it is exposed, and those to which Departments are exposed both by virtue of the funds they lend and also by virtue of SLC's administration, are

managed in an appropriate manner and in accordance with relevant aspects of best practice in corporate governance. Following consultation with Departments to agree their appetite towards particular risks, the SLC shall develop a risk management strategy to be agreed with the Board and Departments. The risk management strategy should be drawn up in accordance with the Treasury guidance *Management of Risk: Principles and Concepts* (<https://www.gov.uk/government/publications/orange-book>) and regularly be reviewed by the Board.

- 14.2. The SLC should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud ([http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf)) and the SLC's Tackling Fraud Strategy and other published fraud management policies. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or give grant or grant-in-aid.

## 15. Corporate Planning

- 15.1. In accordance with paragraph 3.1, the SLC shall submit annually to the Sponsor Department for approval a draft of its Corporate Plan covering the three years immediately ahead. The SLC shall agree with the Sponsor Department a timetable and process for completion and agreement of the Plan, which should include the following matters:
- 15.1.1. an analysis of the SLC's current and future operating context, and a demonstration of how the SLC contributes to the Departments' objectives;
  - 15.1.2. the SLC's aims and objectives;
  - 15.1.3. an outline of the underpinning strategies;
  - 15.1.4. proposed success measures;
  - 15.1.5. principal delivery milestones across the period.

### *Annual Business Plan*

- 15.2. The first year of the Corporate Plan, amplified as necessary, shall form SLC's Business Plan, which will include:
- 15.2.1. discussions with the Sponsor Department to agree the SLC's performance targets;
  - 15.2.2. discussions with each Department about respective priorities, change projects and programmes, together with available funding and constraints.
- 15.3. On the basis of these discussions, the SLC will draft an Annual Business Plan which will set out:
- 15.3.1. how the SLC will deliver its objectives, targets and the Departments' priorities, along with principal delivery milestones for the year ahead;
  - 15.3.2. the agreed change projects and programmes;
  - 15.3.3. principal risks that may significantly affect the execution of the plan;
  - 15.3.4. how the SLC's performance will be measured;
  - 15.3.5. how resources will be aligned with priorities, including detailed financial annexes which confirm for each Department:

- 15.3.5.1. an estimate of the resources required to deliver the objectives in the Annual Business Plan, plus any developmental work, feasibility studies or other relevant matters agreed with Departments;
- 15.3.5.2. approved funding provision and any forecast receipts, as set out in the Annual Performance and Resource Agreement Letter;
- 15.3.5.3. details of any specific efficiency savings targets that Departments may set.

*Annual Performance and Resource Agreement Letter (APRA)*

- 15.4. At the beginning of each financial year, the responsible Minister will send to the Chair of the SLC Board, a letter that sets out the responsibilities of the SLC's Chairman and Non-Executive Directors in the context of the shareholders' high level priorities for the SLC.
  - 15.4.1. The Chair's letter will set out SLC's strategic direction, objectives and high level change policies.
- 15.5. At the same time, an Annual Performance and Resource Agreement letter (APRA) will be sent by the responsible DfE Director General to the SLC's CEO as Accounting Officer, detailing the responsibilities of the SLC's CEO and wider Executive team. The APRA letter will include confirmation of the SLC's delegated budgets and the agreed performance measures and associated targets for the financial year.
- 15.6. The APRA will confirm on behalf of all the Administrations:
  - 15.6.1. performance targets which the Departments require the SLC to meet in that year;
  - 15.6.2. a formal statement of the annual budgetary provision allocated by the Departments determined in the light of competing priorities across the Departments and of any forecast income approved by the Departments;
  - 15.6.3. a statement confirming the Accounting Officer's financial delegation and delegated statutory functions
  - 15.6.4. if available, indicative funding for the remaining years of the current Spending Review allocation.
- 15.7. Any changes to priorities, funding or performance measures which are required during the year would normally be communicated to SLC through the issue of a supplementary APRA letter – which may be issued by senior officials or Ministers within each Department, as deemed appropriate.
- 15.8. Subject to any commercial considerations the Corporate Plan, Annual Business Plan and Annual Performance and Resource Agreement letter should be published by the SLC on its website and separately be made available to staff.

**16. Grant-in-aid and ring-fenced Grant**

*Grant-in-aid funding for the SLC's administration costs*

- 16.1. Payment of grant-in-aid will be conditional on the SLC abiding by the terms of this document and any terms set out in Annual Performance and Resource Agreement letters.
- 16.2. Any grant-in-aid provided by the Departments for the year in question will be voted in the Departments' Supply Estimate and be subject to the control of the relevant Parliament or Assembly.
- 16.3. The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The SLC will comply with the general principle, that there is no payment

in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the SLC. Grant-in-Aid not drawn down by the end of the year shall lapse. Where grant-in-aid is delayed to avoid excess cash balances at the year-end, the SLC should contact each Department to confirm their ability to make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

#### *Grant funding for onward disbursement*

- 16.4. Separate Grant for specific purposes will be made available by the Departments for disbursement (e.g. in the form of loan or grant payments) either to customers or to organisations on the customers' behalf. Grant funding will normally be paid to the SLC in monthly instalments on the basis of written applications showing evidence of need. The SLC will provide evidence that the Grant was used for the purposes authorised by the Departments or stakeholders. The SLC shall not have uncommitted Grant funds in hand and shall minimise cash balances between financial years.

#### *Repayments of loans*

- 16.5. The SLC shall return to the Departments, net of cash refunds, all cash repayments received directly by the SLC in respect of loans; recoveries against any penalties, costs or expenses which have been charged or added to a borrower's loan account; and any cash amounts recovered from grant overpayments. The SLC shall be liable to return to Departments only repayments which it actually recovers.
- 16.6. In the event of any future loan sale by one or more Departments pursuant to the Sale of Student Loans Act 2008, separate arrangements will apply in accordance with the terms of the agreement between the Department(s) and any loan purchaser(s) and the requirements of any Regulations made pursuant to section 22 of the Teaching and Higher Education Act 1998.

#### *Banking arrangements*

- 16.7. The SLC should regularly review its banking arrangements to ensure compliance with guidance in *Managing Public Money*. The SLC shall keep separate bank accounts for grant-in-aid (paragraph 16.1), Grant funding for onward payment (paragraph 16.4) and repayments of loans or grants (paragraph 16.5). The bank accounts for Grant funding and repayments of loans shall be held on trust for the Departments. The SLC shall not vire money, even temporarily, between the account for grant-in-aid and either of the other accounts which are held on trust.
- 16.8. Separate arrangements will apply in the event of SLC administering sold loans on behalf of one or more of the Departments for the benefit of the purchaser(s) of sold loans, in accordance with the terms of any agreement between the Department(s) and any purchaser(s). The terms of the agreement will be agreed between the Department(s) and the SLC in advance of any sale.

### **17. Reporting performance to the Departments**

#### *Performance monitoring and review arrangements*

- 17.1. The SLC shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the Corporate Plan and Annual Business Plans. The SLC shall inform the Sponsor Department promptly of any changes that make achievement of objectives more or less difficult. It shall report its financial and non-financial performance, including performance in helping to deliver the Departments' policies, and the achievement of its principal objectives to its Board on a monthly basis. The Departments may also set out other management information requirements in the Annual Performance and Resource Agreement letter. To enable the Departments fully to review the SLC's performance a meeting with the Chair and Chief Executive will be held at least twice a year. The

Responsible Minister him or herself will conduct at least one of these performance reviews on behalf of all Departments; other reviews will be held by officials. The SLC shall provide the Sponsor Department with a report of its financial and non-financial performance in advance of these performance reviews.

*Financial monitoring information required by the Departments*

- 17.2. In addition to information required under paragraph 17.1, and in accordance with relevant paragraphs in section 13, SLC shall provide such financial information as the Departments may reasonably require, which shall include as a minimum (monthly unless otherwise stipulated by any Department), the following:
- 17.2.1. the SLC's cash requirements;
  - 17.2.2. its draw-down of grant-in-aid;
  - 17.2.3. forecast outturn by resource headings;
  - 17.2.4. its drawdown and forecast outturn of Grant for loans and grants;
  - 17.2.5. repayments received on behalf of the Departments;
  - 17.2.6. quarterly details on loans outstanding administered by the SLC on behalf of the Departments;
  - 17.2.7. other data required for the Online System for Central Accounting and Reporting (OSCAR).
- 17.3. The format of the information to be provided will be agreed with the Departments from time to time.

*NDPB/Department working level liaison arrangements*

- 17.4. Officials of the Sponsor Department and relevant personnel in the Devolved Administrations will liaise regularly with the SLC's officials to review performance against plans, achievement against targets and expenditure against its DEL and AME allocations. Departmental officials will also take the opportunity to explain wider policy developments that might have an impact on the SLC.
- 17.5. Any disputes between the Sponsor Department and the SLC will be resolved in as timely a manner as possible. The Department and the SLC will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the relevant policy Director General to oversee the dispute. He or she may then choose to ask the Permanent Secretary to nominate a non-executive member of the Department's Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.
- 17.6. Where a request for information is received by either party under the Freedom of Information Act 2000, the party receiving the request will consult with the other party or parties prior to any disclosure of information that may affect their respective responsibilities.

**18. Delegated financial authorities**

- 18.1. The SLC's delegated financial authorities are set out in Annex E. The SLC shall obtain the Sponsor Department's prior written approval before:
- 18.1.1. entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the SLC's annual budget as approved by the Departments;
  - 18.1.2. incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;

- 18.1.3. making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Departments;
- 18.1.4. making any change of policy or practice which has wider financial implications, either for the SLC or the Departments, that might prove repercussive or which might significantly affect the future level of Grant or grant-in-aid required;
- 18.1.5. carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

## 19. The SLC's staff

### *Broad responsibilities for the SLC's staff*

- 19.1. Within the arrangements approved by the Responsible Minister, and in accordance with relevant guidelines set out in Annex C, the SLC will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
  - 19.1.1. the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
  - 19.1.2. the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
  - 19.1.3. individual performance objectives and pay and incentives are aligned with the Corporate Plan and Annual Business Plans;
  - 19.1.4. the performance of its staff at all levels is appraised and the SLC's performance measurement systems are reviewed from time to time;
  - 19.1.5. its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the SLC's objectives;
  - 19.1.6. proper consultation with staff takes place on issues affecting them;
  - 19.1.7. adequate grievance and disciplinary procedures are in place;
  - 19.1.8. whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place;
  - 19.1.9. a code of conduct for staff is in place based on the Cabinet Office's Model *Code for Staff of Executive Non-departmental Public Bodies* (set out in Annex A of chapter 5 of *Public Bodies: A Guide for Departments* - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80082/PublicBodiesGuide2006\\_5\\_public\\_body\\_staffv2\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf)).

### *Staff costs*

- 19.2. Subject to its delegated financial authorities, the SLC shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

### *Pay and conditions of service*

- 19.3. The SLC's staff are subject to levels of remuneration within the general pay structure approved by the Sponsor Department and based on *Treasury Civil Service Pay Guidance*.

- 19.4. Staff terms and conditions, including SLC's policies on travel and expenses, should be set out in an Employee Handbook, which should be provided to the Sponsor Department together with subsequent amendments.
- 19.5. The travel expenses of Board members shall be tied to the rates allowed to senior staff of the SLC. Reasonable actual costs shall be reimbursed.
- 19.6. The SLC shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by the Sponsor Department and Treasury.
- 19.7. The SLC shall comply with the EU Directive on contract workers – the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.
- 19.8. The SLC must at all times ensure that their employment practices accord with the relevant legislation.

*Pensions, redundancy and compensation*

- 19.9. The SLC's staff shall be eligible for a pension provided by its own scheme and/or other schemes approved by the Sponsor Department. Staff may opt out of the occupational pension scheme provided by the SLC, but that employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.
- 19.10. Any proposal by the SLC to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Sponsor Department. Proposals on severance must comply with the rules in chapter 4 of *Managing Public Money*.

**20. Review of NDPB status (and winding-up arrangements)**

- 20.1. The SLC's mission and status will be reviewed from time-to-time by the Responsible Ministers in consultation with the Devolved Administrations. In line with Cabinet Office policy for tailored review SLC will undergo its review during 2018-19. It will then be reviewed at least once in the lifetime of each Parliament or sooner in the event of a significant change in the scope or direction of its primary aim.

**21. Arrangements in the event that the SLC is wound up**

- 21.1. The Sponsor Department shall put in place arrangements to ensure the orderly winding up of the SLC. In particular it should ensure that the assets and liabilities of the SLC are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to the Sponsor Department for disposal in consultation with the other Departments.) To this end, the Departments shall:
  - 21.1.1. ensure that procedures are in place in the SLC to gain independent assurance on major transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
  - 21.1.2. specify the basis for the valuation and accounting treatment of the SLC's assets and liabilities;
  - 21.1.3. ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his or her report on the accounts;

- 21.1.4. arrange for the most appropriate person to sign the closing accounts. In the event that another NDPB takes on the role, responsibilities, assets and liabilities, the succeeding NDPB AO should sign the closing accounts. In the event that the Sponsor Department inherits the role, responsibilities, assets and liabilities, the Sponsor Department's AO should sign.
- 21.2. The SLC shall provide the Departments with full details of all agreements where the SLC or its successors have a right to share in the financial gains of developers. It should also pass to the Departments details of any other forms of claw-back due to the SLC.
- 21.3. The SLC will also inform the Departments promptly, and in any event prior to any formal winding up or liquidation of the firm, of any contractual liabilities to any party to which they are subject which might be breached by such winding up or liquidation and of any litigation on-going, pending or contemplated against the company.

## **LIST OF ANNEXES TO THE SLC FRAMEWORK DOCUMENT**

Annex A	Register of the SLC's Approved Activities
Annex B	Agreed Split of the SLC's Governance Responsibilities between the four Departments
Annex C	List of government-wide corporate guidance instructions
Annex C (i)	Cabinet Office Expenditure Controls - Delegated Limits for the Student Loans Company
Annex D	The SLC Board Members' Code of Practice
Annex E	Delegated financial authorities for regulatory and non-regulatory write-offs
Annex F	The SLC Accounting Officer Delegation letter
Annex G	Accounting direction



## WE AGREE TO ENTER INTO THIS FRAMEWORK ON THE TERMS STATED ABOVE:

Name..... Sinead O'Sullivan.....

Position held..... Director, Career Learning, Analysis, Skills and Student Choice.....

Signed and dated..... ..... 20 December 2018.....

(On behalf of the Secretary of State for Education)

Name..... Aileen McKechnie.....

Position held..... Director of Advanced Learning and Science.....

Signed and dated..... ..... 20 December 2018.....

(On behalf of the Advanced Learning and Science Directorate of the Scottish Government)

Name..... Chris Jones.....

Position held..... Deputy Director, Higher Education Division.....

Signed and dated..... ..... 12 December 2018.....

(On behalf of the Skills, Higher Education and Lifelong Learning Department in Wales)

Name..... Trevor Cooper.....

Position held..... Director of Higher Education Policy and Finance.....

Signed and dated..... ..... 08 January 2019.....

(On behalf of the Department for the Economy in Northern Ireland)

Name..... Christian Brodie.....

Position held..... Non-Executive Chairman.....

Signed and dated..... ..... 20 December 2018.....

(On behalf of the Student Loans Company Ltd)

Name..... Paula Sussex.....

Position held..... Chief Executive.....

Signed and dated..... ..... 20 December 2018.....

(On behalf of the Student Loans Company Ltd)

**REGISTER OF APPROVED ACTIVITIES FOR THE STUDENT LOANS COMPANY LIMITED**

In accordance with paragraphs 1.3 and 1.4 of the Student Loans Company Limited's ("SLC's") Framework Document the SLC is specifically responsible for undertaking certain delegated statutory functions in relation to student/learner loans and grants as specified by the Responsible Minister and Devolved Ministers and to perform related activities to assist in achieving Departments' policy objectives from time to time. These functions and activities and the relevant authorities for undertaking them are listed by title and brief descriptive summary in this Register of approved activities which forms Annex A of the Framework Document.

The Company Secretary of the SLC is responsible for reviewing and updating this Register accurately and the detailed documentation summarised in this Register, the contents of which will be reviewed annually with the Departments.

New activities may only be added to this Register where they are jointly agreed by the Departments. In general, approval will be given if the new activity has been subjected to an impact assessment and the Departments are content that the resulting analysis provides assurance that the new activity is appropriately funded and will not adversely affect core functions and priorities set by the Responsible Minister and Devolved Ministers. The Sponsor Department will then confirm that such approved functions and activities may be added to the Register.

Words and phrases used above shall have the same meanings as they have in the Framework Document for the SLC.

The Register of Approved Activities is a living document which will continually be updated when new functions are added or when the authority for an existing function is amended or updated. The latest version of the Register will be available on the SLC website as part of their Freedom of Information Publication Scheme. Any queries in relation to the Register should be directed to SLC in the first instance.

**REGISTER OF APPROVED ACTIVITIES FOR THE STUDENT LOANS COMPANY LIMITED****Part A – Delegated Statutory Functions**

	<b>Administration<sup>1</sup></b>	<b>Authority</b>	<b>Details of Authority</b>	<b>Date</b>	<b>Renewal Required</b>
<b>1.</b>	<b>Delivery of Financial Support to Eligible Higher Education Students (including administration of tuition fee loans and grants)</b>				
	Department for Education (“DfE”)	<p>(A) Notice of Appointment in respect of specified functions under The Education (Student Support) Regulations 2008, as amended, made under the provisions of section 23(4) of The Teaching and Higher Education Act 1998 (“THEA”).</p> <p>(B) and (C) Notices of Appointment in respect of specified functions under The Education (Student Support) (No 2) Regulations 2008, as</p>	<p>These appointments give SLC authority to carry out functions in relation to the assessment of entitlement to student support and payment of student support for both current and old system students<sup>2</sup>, including maintenance loans/grants, tuition fee loans/grants, disabled students’ allowance, travel grants and grants for dependants.</p> <p>(A) and (D) apply to specified functions carried out in respect of the academic year beginning on or after 1 September 2008.</p> <p>(B) and (C) apply to specified functions carried out in respect of the academic year beginning on or after 1 September 2009.</p>	<p>(A) 1 April 2008</p> <p>(B) 15 December 2008</p> <p>(C) 13 August 2009</p> <p>(D) 19 August 2009</p>	Each time new regulations are laid or, when necessary, amending regulations are laid.

<sup>1</sup> The administration name reflects the current Department/administration. Notices of Appointment may have been issued or Memoranda of Understanding signed by predecessor Departments.

<sup>2</sup> An “old system student” is generally a student who began their course before 01/09/2006 and a “current system student” is generally a student who began their course on or after 01/09/2006, although exceptions are contained in the Regulations.

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
		<p>amended, made under the provisions of section 23(4) of THEA.</p> <p>(E) and (F) Notices of Appointment in respect of specified functions under The Education (Student Support) Regulations 2009, as amended, made under the provisions of section 23(4) of THEA.</p> <p>(G) to (O) Notices of Appointment in respect of specified functions under The Education (Student Support) Regulations 2011, as amended, as made under the provisions of section 23(4) of THEA.</p>	<p>(E) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2010.</p> <p>(F) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2010, and to specified functions carried out in respect of the academic year beginning on or after 1 September 2011.</p> <p>(G) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2011, and to specified functions carried out in respect of the academic year beginning on or after 1 September 2012. <i>(Previous Notice of Appointment dated 11 November 2010 revoked in respect of the academic year beginning on or after 1 September 2011 to the extent specified in Schedule 4 to the Notice of Appointment.)</i></p> <p>(H), (J) and (K) apply to specified functions carried out in respect of academic year beginning on or after 1 September 2012 and subsequent academic years. <i>((G) and (J)</i></p>	<p>(E) 14 September 2009</p> <p>(F) 11 November 2010</p> <p>(G) 28 November 2011</p> <p>(H) 16 December 2013</p> <p>(I) 13 January 2014</p> <p>(J) 15 December 2014</p> <p>(K) 12 January 2015</p> <p>(L) 16 March 2015</p> <p>(M) 24 March 2016</p>	

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
			<p><i>revoke Notice of Appointment dated 28 November 2011. (I) revokes Notice of Appointment dated 16 December 2013.)</i></p> <p><i>(I) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2014 and subsequent academic years. ((H) revokes Notice of Appointment dated 16 December 2013 from 03 February 2014 to the extent that it applies to the academic year beginning on or after 1 September 2014 and subsequent academic years.)</i></p> <p><i>(L) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2015 and subsequent academic years. (Previous Notice of Appointment dated 13 January 2014 remains in force in respect of the academic year beginning on or after 1 September 2014 only.)</i></p> <p><i>(M) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2016 and subsequent academic years. (Previous Notice of Appointment dated 16 March 2015 remains in force in respect of the academic year beginning on or after 1 September 2015 only.)</i></p>	<p><i>(N) 30 March 2017</i></p> <p><i>(O) 14 May 2018</i></p>	

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
			<p>(N) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2016 and subsequent academic years. <i>((N) revokes Notice of Appointment dated 24 March 2016.)</i></p> <p>(O) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2017, and subsequent academic years. <i>((O) revokes Notice of Appointment dated 30 March 2017.)</i></p> <p>The Notices of Appointment also authorise SLC to recover overpayments of student support as delegated by DfE.</p>		
	DfE	Notice of Appointment in respect of functions under The Education (Student Support) (European University Institute) Regulations 2010 as amended, as made under section 23(4) of THEA.	This appointment gives SLC the authority to carry out functions in relation to the assessment and payment of financial support to English domiciled postgraduate students taking designated courses at the European University Institute in respect of any academic year beginning on or after 1 September 2011.	11 February 2011	Each time new regulations are laid or, when necessary, amending regulations are laid.
	Welsh Government		These appointments give SLC the authority to carry out certain functions which are not carried out by the Minister for Education and Skills including making payments of grants and loans for living costs.	(A) 30 May 2008	Each time new regulations are laid or, when necessary, amending regulations are laid.

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
		<p>(A) Notice of Appointment in respect of specified functions under the Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2008 as made under section 23(4) of THEA.</p> <p>(B) Notice of Appointment in respect of specified functions under the Assembly Learning Grants and Loans (Higher Education) (Wales) (No. 2) Regulations 2008 as made under section 23(4) of THEA.</p> <p>(C) Notice of Appointment in respect of specified functions under the Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2009, as amended, made under section 23(4) of THEA.</p> <p>(D) Notice of Appointment in respect of specified functions under the Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2011, as</p>	<p>(A) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2008.</p> <p>(B) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2009.</p> <p>(C) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2010.</p> <p>(D) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2011.</p>	<p>(B) 9 January 2009</p> <p>(C) 5 November 2009</p> <p>(D) 21 February 2011</p>	

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
		<p>amended, as made under section 23(4) of THEA.</p> <p>(E) Notice of Appointment in respect of specified functions under the Assembly Learning Grants and Loans (Higher Education) (Wales) (No.2) Regulations 2011, as amended, as made under section 23(4) of THEA.</p> <p>(F) Notice of Appointment in respect of specified functions under the Education (Student Support) (Wales) Regulations 2012, as made under section 23(4) of THEA.</p> <p>(G) Notice of Appointment in respect of specified functions under The Education (Student Support) (Wales) Regulations 2013, as amended, as made under section 23(4) of THEA.</p> <p>(H) Notice of Appointment in respect of specified functions under The Education (Student Support) (Wales) Regulations</p>	<p>(E) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2012.</p> <p>(F) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2013.</p> <p>(G) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2014.</p> <p>(H) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2015 and subsequent academic years.</p>	<p>(E) 21 March 2012</p> <p>(F) 3 February 2013</p> <p>(G) 3 April 2014</p> <p>(H) 23 February 2015</p>	



	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
		<p>2015, as amended, as made under section 23(4) of THEA.</p> <p>(I) Notice of Appointment in respect of specified functions under The Education (Student Support) (Wales) Regulations 2017, as made under section 23(4) of THEA.</p>	<p>(I) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2017 and subsequent academic years.</p> <p>The Notices of Appointment also authorise SLC to recover overpayments of student support as delegated by the Welsh Government.</p>	(I) 1 March 2017	
	Welsh Government	Notice of Appointment in respect of specified functions under the Assembly Learning Grants (European University Institute) (Wales) Regulations 2009, as amended, as made under section 23(4) of THEA.	The appointment gives SLC the authority to carry out functions in relation to the assessment and award of financial support to Welsh domiciled postgraduate students taking designated courses at the European University Institute in respect of any academic year beginning on or after 1 September 2010.	21 June 2010	Each time new regulations are laid or, when necessary, amending regulations are laid.
	Welsh Government	(A) Notice of Appointment in respect of specified functions under The Cancellation of Student Loans for Living Costs Liability (Wales) Regulations 2011, as amended, as made under section 23(4) of THEA.	<p>The appointment gives SLC the authority to carry out functions to administer the partial cancellation of student loans scheme on behalf of the Welsh Ministers.</p> <p>(A) SLC will be able to award students who take out a maintenance loan from Student Finance Wales in either academic year 2010/11 or 2011/12 a partial cancellation of up to £1,500 in certain circumstances.</p>	(A) 14 December 2010	Each time new regulations are laid or, when necessary, amending regulations are laid.

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
		<p>(B) Notice of Appointment in respect of specified functions under The Cancellation of Student Loans for Living Costs Liability (Wales) Regulations 2012, as made under section 23(4) of THEA.</p> <p>(C) Notice of Appointment in respect of specified functions under The Cancellation of Student Loans for Living Costs Liability (Wales) Regulations 2013, as made under section 23(4) of THEA.</p> <p>(D) Notice of Appointment in respect of specified functions under The Cancellation of Student Loans for Living Costs Liability (Wales) Regulations 2014, as made under section 23(4) of THEA.</p> <p>(E) Notice of Appointment in respect of specified functions under The Cancellation of Student Loans for Living Costs Liability (Wales) Regulations</p>	<p>(B) SLC will be able to award students who take out a maintenance loan from Student Finance Wales in academic year 2012/13 a partial cancellation of up to £1,500 in certain circumstances.</p> <p>(C) SLC will be able to award students who take out a maintenance loan from Student Finance Wales in academic year 2013/14 a partial cancellation of up to £1,500 in certain circumstances.</p> <p>(D) SLC will be able to award students who take out a maintenance loan from Student Finance Wales in academic year 2014/15 a partial cancellation of up to £1,500 in certain circumstances.</p> <p>(E) SLC will be able to award students who take out a maintenance loan from Student Finance Wales in academic year 2015/16 a partial cancellation of up to £1,500 in certain circumstances.</p>	<p>(B) 13 August 2012</p> <p>(C) 1 September 2013</p> <p>(D) 1 September 2014</p> <p>(E) 1 August 2015</p>	

	<b>Administration<sup>1</sup></b>	<b>Authority</b>	<b>Details of Authority</b>	<b>Date</b>	<b>Renewal Required</b>
		<p>2015, as made under section 23(4) of THEA.</p> <p>(F) Notice of Appointment in respect of specified functions under The Cancellation of Student Loans for Living Costs Liability (Wales) Regulations 2016, as made under section 23(4) of THEA.</p> <p>(G) Notice of Appointment in respect of specified functions under The Cancellation of Student Loans for Living Costs Liability (Wales) Regulations 2011, as made under section 23(4) of THEA.</p>	<p>(F) SLC will be able to award students who take out a maintenance loan from Student Finance Wales in academic year 2016/17 a partial cancellation of up to £1,500 in certain circumstances.</p> <p>(G) SLC will be able to award students who take out a maintenance loan from Student Finance Wales in academic year 2017/18 a partial cancellation of up to £1,500 in certain circumstances.</p>	<p>(F) 21 February 2017</p> <p>(G) 21 August 2017</p>	
	Welsh Government	Notice of Appointment in respect of specified functions under The Assembly Learning Grants (European Institutions) (Wales) Regulations 2011 as made under section 23(4) of THEA.	The appointment gives SLC the authority to carry out functions in relation to the assessment and award of financial support to Welsh domiciled postgraduate students taking designated courses at the College of Europe or the Bologna Center in respect of any academic year beginning on or after 1 September 2011 but before the academic year beginning on or after 1 September 2013.	6 April 2011	Each time new regulations are laid or, when necessary, amending regulations are laid.
	Department for the Economy, Northern Ireland (“DfE, NI”)		These appointments give SLC authority to carry out specified functions in relation to the assessment of entitlement to maintenance loans, grants and loans for tuition fees under		Each time new regulations are laid or, when necessary,

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
		<p>(A) Notice of Appointment in respect of functions under The Education (Student Support) Regulations (Northern Ireland) 2009, as amended, as made under Article 4(1) of The Education (Student Support) (Northern Ireland) Order 1998.</p> <p>(B) and (C) Notices of Appointment in respect of functions under the Education (Student Support) (No 2) Regulations (Northern Ireland) 2009, as amended, as made under Article 4(1) of the Education (Student Support) (Northern Ireland) Order 1998.</p>	<p>the Income Contingent Scheme and payment of maintenance loans and grants for both current and old system students, including disabled students' allowance, travel grants and grants for dependants.</p> <p>(A) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2009.</p> <p>(B) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2010 and subsequent academic years.</p> <p>(C) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2017 and subsequent academic years.</p> <p>The Notices of Appointment also authorise SLC to recover overpayments of student support as delegated by DfE NI.</p>	<p>(A) 14 April 2009</p> <p>(B) 21 January 2010</p> <p>(C) 19 June 2017</p>	<p>amending regulations are laid.</p>

	<b>Administration<sup>1</sup></b>	<b>Authority</b>	<b>Details of Authority</b>	<b>Date</b>	<b>Renewal Required</b>
	Scottish Ministers (Loans Only)	<p>(A) Notice of Appointment in respect of functions under The Education (Student Loans) (Scotland) Regulations 2007, as amended, as made under sections 73(f), 73B and 74(1) of The Education (Scotland) Act 1980.</p> <p>(B) Notice of Appointment in respect of specified functions under The Education (Student Loans for Tuition Fees) (Scotland) Regulations 2006, as amended.</p>	<p>(A) authorises SLC to carry out specified functions in relation to the payment of maintenance loans.</p> <p>(B) authorises SLC to carry out specified functions in relation to the administration of loans for fees payable under Regulation 10.</p>	<p>(A) 24 August 2009</p> <p>(B) 24 August 2009</p>	Each time new regulations are laid or, when necessary, amending regulations are laid.
<b>2.</b>	<b>Ensure Repayment of Income Contingent Repayment Loans</b>				
	All	Memorandum of Understanding (“MOU”) between DfE, Her Majesty’s Revenue & Customs (“HMRC”) and SLC; and Notices of Appointment in respect of specified functions under The Education (Student Loans) (Repayment) Regulations 2009, as amended, as made under section 22 and 42 of THEA; The Repayment of Student Loans (Scotland) Regulations	<p>MOU records the commitment of DfE, HMRC and SLC to an effective system of student loan collection.</p> <p>The Notices of Appointment authorise SLC to carry out functions in relation to the collection of student loan repayments (both directly from the borrower and via HMRC) from both UK and overseas borrowers.</p>	<p>MOU 15 November 2017 (for financial year 2017-18)</p> <p>13 May 2013 (DfE)</p> <p>25 November 2009 (Welsh Government)</p> <p>17 September 2009 and 19 June 2017 (DfE NI)</p>	Each time new regulations are laid or, when necessary, amending regulations are laid.

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
		2000, as amended, as made under sections 73 and 74 of The Education (Scotland) Act 1980; and The Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009, as amended, as made under and Articles 3(2) to (5) and 8(4) of The Education (Student Support) (Northern Ireland) Order 1998.		22 September 2009 (Scottish Ministers)	
<b>3.</b>	<b>Payment of Education Maintenance Allowances (“EMAs”)</b>				
	Welsh Government	<p>(A) Notice of Appointment in respect of specified functions under Sections 14, 15 and 16 of the Education Act 2002.</p> <p>(B) Service Agreement between the Welsh Ministers and SLC.</p> <p>(C) Service Agreement between the Welsh Ministers and SLC.</p>	<p>Authorises SLC to produce and deliver appropriate application packs and assess and pay EMAs to eligible students.</p> <p>(A) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2009.</p> <p>(B) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2010.</p> <p>(C) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2011.</p>	<p>(A) 1 April 2009 – 31 August 2010</p> <p>(B) 1 January 2010 – 31 August 2011</p> <p>(C) 1 April 2011 – 31 August 2012</p>	Yes

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
		<p>(D) Service Agreement between the Welsh Ministers and SLC.</p> <p>(E) Service Agreement between the Welsh Ministers and SLC.</p> <p>(F) Notice of Appointment in respect of specified functions under sections 14, 15 and 16 of the Education Act 2002 (“EA 2002”).</p> <p>(G) Service Agreement between the Welsh Ministers and SLC.</p> <p>(H) Notice of Appointment in respect of specified functions under sections 14, 15 and 16 of the EA 2002.</p> <p>(I) Notice of Appointment in respect of specified functions under sections 14, 15 and 16 of the EA 2002.</p> <p>(J) Notice of Appointment in respect of specified functions under sections 14, 15 and 16 of the EA 2002.</p>	<p>(D) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2012.</p> <p>(E) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2013.</p> <p>(F) and (G) apply to specified functions carried out in respect of the academic year beginning on or after 1 September 2014.</p> <p>(H) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2015.</p> <p>(I) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2016.</p> <p>(J) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2017.</p>	<p>(D) 1 March 2012 – 31 August 2013</p> <p>(E) 26 March 2013 – 25 March 2014</p> <p>(F) 1 September 2014</p> <p>(G) 1 December 2013 – 31 August 2015</p> <p>(H) 3 August 2015</p> <p>(I) 8 August 2016</p> <p>(J) 1 September 2017</p>	

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
	DfE NI	Service Agreement between the Department for Employment and Learning in Northern Ireland and SLC in relation to the scheme.	<p>Authorises SLC to produce and deliver appropriate application packs and assess and pay EMAs to eligible students.</p> <p>(A) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2009.</p> <p>(B) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2010.</p> <p>(C) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2011.</p> <p>(D) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2012.</p> <p>(E) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2014.</p> <p>(F) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2015.</p> <p>(G) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2016.</p>	<p>(A) 1 April 2009 – 31 August 2010</p> <p>(B) 1 January 2010 – 31 August 2011</p> <p>(C) 1 April 2011 – 31 August 2012</p> <p>(D) 1 December 2011 - 31 August 2013</p> <p>(E) 1 December 2013 – 31 August 2015</p> <p>(F) 1 December 2014 – 31 August 2016</p> <p>(G) 1 December 2014 – 31 August 2017</p>	Yes



	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
			(H) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2017.  (I) applies to specific functions carried out in respect of the academic year beginning on or after 1 September 2018.	(H) 1 December 2016 – 31 August 2018  (I) 1 June 2018 – 31 August 2019	
<b>4.</b>	<b>Payment of Welsh Government Learning Grant (Further Education) (“WGLG”) (formerly Assembly Learning Grant)</b>				
	Welsh Government	(A) Notice of Appointment in respect of specified functions under Sections 14, 15 and 16 of the Education Act 2002 between Welsh Ministers.  (B) Service Agreement between the Welsh Ministers and SLC.  (C) Service Agreement between the Welsh Ministers and SLC.  (D) Service Agreement between the Welsh Ministers and SLC.	Authorises SLC to produce and deliver appropriate application packs and assess and pay WGLGs to eligible students.  (A) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2009.  (B) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2010.  (C) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2011.  (D) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2012.	(A) 1 April 2009 – 31 August 2010  (B) 1 January 2010 – 31 August 2011  (C) 1 April 2011 – 31 August 2012  (D) 1 March 2012 – 31 March 2013	Yes

	<b>Administration<sup>1</sup></b>	<b>Authority</b>	<b>Details of Authority</b>	<b>Date</b>	<b>Renewal Required</b>
		<p>(E) Service Agreement between the Welsh Ministers and SLC.</p> <p>(F) Notice of Appointment in respect of specified functions under sections 14, 15 and 16 of the EA 2002.</p> <p>(G) Service Agreement between the Welsh Ministers and SLC.</p> <p>(H) Notice of Appointment in respect of specified functions under sections 14, 15 and 16 of the EA 2002.</p> <p>(I) Notice of Appointment in respect of specified functions under sections 14, 15 and 6 of the EA 2002.</p> <p>(J) Notice of Appointment in respect of specified functions under sections 14, 15 and 6 of the EA 2002.</p>	<p>(E) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2013.</p> <p>(F) and (G) apply to specified functions carried out in respect of the academic year beginning on or after 1 September 2014.</p> <p>(H) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2015.</p> <p>(I) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2016.</p> <p>(J) applies to specified functions carried out in respect of the academic year beginning on or after 1 September 2017.</p>	<p>(E) 26 March 2013 – 25 March 2014</p> <p>(F) 1 September 2014</p> <p>(G) 1 December 2013 – 31 August 2015</p> <p>(H) 3 August 2015</p> <p>(I) 8 August 2016</p> <p>(J) 1 September 2017</p>	
<b>5.</b>	<b>Administration of Graduate Endowment Scheme</b>				

	Administration <sup>1</sup>	Authority	Details of Authority	Date	Renewal Required
	Scottish Ministers	Letter of Appointment from Scottish Ministers under The Graduate Endowment (Scotland) Regulations 2007 and 2008, as amended.	The appointment gives SLC authority to carry out specified functions in relation to the administration of loans to Scottish students in order to discharge their liability to pay the Graduate Endowment (payable prior to 1 April 2008).	24 August 2009	No
<b>6.</b>	<b>Delivery of Further Education Loans (Advanced Learning Loans) to Eligible Students</b>				
	DfE	Notice of Appointment in respect of functions under the Further Education Loans Regulations 2012, as amended, as made under section 23(4) of the THEA.	The appointment gives SLC authority to carry out specified functions in respect of further education courses beginning on or after 1 August 2014.	27 August 2014	Each time new regulations are laid or, when necessary, amending regulations are laid.
<b>7.</b>	<b>Delivery of Postgraduate Loans to Eligible Students</b>				
	DfE	(A) and (B) Notices of Appointment in respect of functions under the Education (Postgraduate Master's Degree Loans) Regulations 2016, as amended, as made under section 23(4) of the THEA.	The appointment gives SLC authority to carry out functions in respect of Postgraduate Master's degree courses.  (A) applies to specified functions carried out in respect of the academic year beginning on or after beginning on or after 1 August 2016.  (B) applies to specified functions carried out in respect of the academic year beginning on or after 1 August 2016 and subsequent academic years. <i>(B) revokes previous Appointment dated 24 June 2016.</i>	(A) 24 June 2016  (B) 05 June 2017	Each time new regulations are laid or, when necessary, amending regulations are laid.

	<b>Administration<sup>1</sup></b>	<b>Authority</b>	<b>Details of Authority</b>	<b>Date</b>	<b>Renewal Required</b>
			The Notices of Appointment also authorise SLC to recover overpayments of student support as delegated by DfE.		
	DfE	Notice of Appointment in respect of functions under the Education (Postgraduate Doctoral Degree Loans and the Education (Student Support) (Repayment) (Amendment) (No. 2) etc.) Regulations 2018, as made under section 23(4) of the THEA.	The appointment gives SLC authority to carry out specified functions in respect of Postgraduate Doctoral courses beginning on or after 1 August 2018.  The Notice of Appointment also authorise SLC to recover overpayments of student support as delegated by DfE.	June 2018	Each time new regulations are laid or, when necessary, amending regulations are laid.
	Welsh Government	Notice of Appointment in respect of functions under the Education (Postgraduate Master's Degree Loans) (Wales) Regulations 2017, as made under section 23(4) of the THEA.	The appointment gives SLC authority to carry out specified functions in respect of Postgraduate Master's degree courses beginning on or after 1 August 2017.  The Notices of Appointment also authorise SLC to recover overpayments of student support as delegated by the Welsh Government.	12 June 2017	Each time new regulations are laid or, when necessary, amending regulations are laid.
	Welsh Government	Notice of Appointment in respect of functions under the Education (Postgraduate Postgraduate Doctoral Degree Loans) (Wales) Regulations 2018, as made under section 23(4) of the THEA.	The appointment gives SLC authority to carry out specified functions in respect of Postgraduate Doctoral courses beginning on or after 1 August 2018.  The Notice of Appointment also authorise SLC to recover overpayments of student support as delegated by DfE.	June 2018	Each time new regulations are laid or, when necessary, amending regulations are laid.

	<b>Administration<sup>1</sup></b>	<b>Authority</b>	<b>Details of Authority</b>	<b>Date</b>	<b>Renewal Required</b>
	DfE NI	Notice of Appointment in respect of functions under the Education (Student Support) (No.2) Regulations (Northern Ireland) 2009, as amended, as made under Article 4(1) of the Education (Student Support) (Northern Ireland) Order 1998.	The appointment gives SLC authority to carry out certain functions in respect of certain Postgraduate Certificate, Postgraduate Diploma, Research Master's and Taught Master's degree courses beginning on or after 1 September 2017.  The Notices of Appointment also authorise SLC to recover overpayments of student support as delegated by DfE NI.	19 June 2017	Each time new regulations are laid or, when necessary, amending regulations are laid.
<b>8.</b>	<b>Miscellaneous</b>				
	DfE	(A) Notice of Appointment in respect of functions under The Education (Teacher Student Loans) (Repayment etc) Regulations 2002, as made under section 186(4) of the Education Act 2002 in respect of the Repayment of Teachers' Loans Scheme ("RTLS").  (B) Notice of Appointment in respect of functions under The Education (Teacher Student Loans) (Repayment etc) Regulations 2003, as made under section 186(4) of the Education Act 2002 in respect of the RTLS.	(A) and (B) authorise SLC to carry out specified functions in respect of the RTLS.	(A) 28 August 2002  (B) 29 June 2012	Each time new regulations are laid (usually annually) or, when necessary, amending regulations are laid.

**Part B: Other Approved Activities**

	<b>Administration</b>	<b>Authority</b>	<b>Details of Authority</b>	<b>Date</b>	<b>Renewal Required</b>
<b>1.</b>	<b>Payment of Bursaries for Higher Education Providers (“HEPs”)</b>				
	Various English and NI HEPs	HEBSS Agreement between HEP and SLC	Delivery of a central scheme for delivering institutional bursaries.	<p>For existing members of the scheme prior to 2015, agreement shall continue automatically on a yearly basis commencing 1 August unless and until terminated.</p> <p>For new joiners to the scheme from 2015 onwards, agreement shall continue until 31 July 2015 and on a yearly basis thereafter automatically until terminated.</p>	Continues annually until terminated by either party on giving 8 months’ prior notice.
	Various Welsh HEPs	Welsh Bursary Scheme Agreement between HEI and SLC	Delivery of a central scheme for delivering institutional bursaries	For existing members of the scheme prior to 2015, agreement shall continue	Continues annually until terminated by either party on

	<b>Administration</b>	<b>Authority</b>	<b>Details of Authority</b>	<b>Date</b>	<b>Renewal Required</b>
				<p>automatically on a yearly basis commencing 1 August, unless and until terminated.</p> <p>For new joiners to the scheme from 2015 onwards, agreement shall continue until 31 July 2012 and on a yearly basis thereafter automatically unless and until terminated.</p>	giving 8 months' prior notice.
<b>2.</b>	<b>Processing of Deferment Application Forms for Mortgage Style Loans</b>				
	Various student loan debt owners	Sale and Purchase Agreement (or other administration agreement)	Processing of deferment application forms for Mortgage Style loan customers for relevant debt owner.	Dates vary according to individual agreements.	No

**MEMORANDUM OF UNDERSTANDING BETWEEN:**

The Department for Education ('DfE')  
 The Directorate for Skills, Higher Education and Lifelong learning of the Welsh Government ('SHELL')  
 The Directorate for Advanced Learning and Science of the Scottish Government, acting on behalf of Scottish  
 Ministers ('DALS')  
 The Department for the Economy in Northern Ireland ('DE')  
 concerning

**THE AGREED SPLIT OF THE STUDENT LOANS COMPANY Limited ("The SLC") GOVERNANCE  
 RESPONSIBILITIES BETWEEN THE FOUR DEPARTMENTS**

1. This Memorandum of Understanding (MoU) is concluded between the Secretary of State for Education and the respective Ministers with responsibility for student loans in each of the Devolved Administrations listed above on behalf of their respective Departments and Directorates.
2. In accordance with paragraph 4.1 of the SLC Framework document this Memorandum of Understanding has been drawn up between the Departments to set out the division of governance responsibilities in respect of the Student Loans Company. Paragraph 4.1 provides:

**4.1** *The Responsible Minister will account for the SLC's business in the UK Parliament. The SLC is separately accountable to the Responsible Minister and Devolved Ministers for performance of the functions specifically delegated in relation to performance in their respective jurisdictions. However, for administrative convenience, the Devolved Ministers have agreed that DfE will be the designated Sponsor Department having the primary relationship with the SLC in relation to matters of corporate governance, acting in defined circumstances on behalf of all Administrations, but the Responsible Minister will specifically consult and seek the agreement of the Devolved Ministers in relation to agreed matters of shared strategic interest. This arrangement does not detract from the responsibility and accountability of each Devolved Administration to hold the SLC to account for its activities in the jurisdiction to for which they have responsibility and ensure that its own needs are met. Additionally, each Devolved Administration will liaise directly with the SLC on certain bilateral issues. The division of governance responsibilities is set out in a Memorandum of Understanding between the Administrations attached at Annex B.*

3. Words and phrases used in this Memorandum of Understanding shall have the same meanings as they have in the Framework Document for the SLC.

**A. DfE and the Responsible Minister will lead on the following functions:**

**(i) Routinely, and without the need for consultation, on behalf of all Administrations:**

- Sponsorship in Central Government (paragraph 4.1)
- Reviewing the SLC Chair's Remuneration (paragraph 4.3)
- Accounting in the UK Parliament (paragraph 5.2)
- Approving the SLC Chair's recommendation on Chief Executive annual remuneration reviews (paragraph 7.9.7)
- Assess competence and qualifications of the SLC's Head of Internal Audit (paragraph 10.1.2)
- Reviewing the SLC's audit strategy, periodic audit plans and annual audit report (paragraph 10.1.4)
- Appointment and monitoring of independent person(s) for review of complaints and appeals (paragraph 12.1)



- Defining delegated financial authorities in respect of administrative budgets (paragraphs 13.2.1 and 13.3.1, section 18 & Annex E)
- Responding to the SLC's requests under paragraphs 18.1.1, 18.1.2. and 18.1.5 relating to delegated financial authorities
- Agreeing SLC pay remit (paragraph 19.3)

**(ii) Following consultation with and agreement by all Devolved Administrations:**

- Recruitment, appointment and removal of SLC Chair and Non-Executive Directors (paragraph 4.3)
- Remuneration and terms of appointment of SLC Chair and Non-Executive Directors (paragraph 4.3)
- Approving SLC Board's recommendations on CEO appointment and remuneration (paragraph 4.3)
- Coordinating revisions to or refreshing of corporate governance documents (paragraph 1.1)
- Determining the Purpose and Remit of the company (paragraphs 1.2-1.5)
- Capacity risk – moderating of competing demands (paragraph 1.4)
- Confirming approved functions and activities may be added to the Register of approved activities (paragraph 1.4)
- Setting strategic direction, including approval of Delivery Strategy and Annual Business Plan (paragraphs 3.1 and section 15)
- Designation of the SLC's Accounting Officer (paragraph 5.1)
- Annual assessments of the Chair's performance (8.2.4)
- Reviewing external audit reports and audited performance (paragraphs 9.4 and 11.2.2)
- Considering requests for the use of data held by the SLC (paragraph 13.9)
- Issuing Annual Performance and Resource Agreement letter (APRA) (paragraphs 15.4 and 15.5)
- Setting performance measures (paragraph 15.4.2)
- Conducting reviews of performance (paragraph 17.1)
- Responding to the SLC's requests under paragraphs 18.1.3 and 18.1.4 relating to delegated financial authorities
- Approving changes to pension arrangements, and payments for redundancy or compensation for loss of office (paragraph 19.9)
- Conducting reviews of company status (section 20)
- Initiating any formal restructuring or wind up of company (section 21)
- Act to rectify significant problems in the SLC

With regard to A (ii), in the event of a dispute between the parties, matters will be escalated to senior representatives in the Devolved Administrations concerned with a view to resolving the issue within one calendar month unless more urgent resolution is required. If necessary Ministerial correspondence can be entered into.

**B. Individual Departments, will undertake the following functions bilaterally with the Student Loans Company:**

- Ensuring that delegated statutory functions and requests for SLC to perform related activities are set out in written instructions (paragraph 1.3)
- Commissioning initial feasibility work on new potential areas of activity (paragraph 1.4)
- Accounting to, and advising Ministers, Devolved Parliaments/Assemblies and Accounting Officers for matters set out in paragraph 5.2 and ensuring arrangements are in place to fulfil the responsibilities set out in paragraph 5.3.


**Review of this Memorandum of Understanding**

This document will be reviewed annually at one of the set meetings of the Student Finance Quadrilaterals or successor groups.

WE AGREE TO ENTER INTO THIS MEMORANDUM OF UNDERSTANDING ON THE TERMS STATED ABOVE:

Name..... Sinead O'Sullivan.....

Position held..... Director, Career Learning, Analysis, Skills and Student Choice.....

Signed and dated..... ..... 20 December 2018.....

(On behalf of the Secretary of State for Education)

Name..... Aileen McKechnie.....

Position held..... Director of Advanced Learning and Science.....

Signed and dated..... ..... 20 December 2018.....

(On behalf of The Directorate for Advanced Learning and Science of the Scottish Government)

Name..... Chris Jones.....

Position held..... Deputy Director, Higher Education Division.....

Signed and dated..... ..... 12 December 2018.....

(On behalf of the Skills, Higher Education and Lifelong learning Directorate of the Welsh Government)

Name..... Trevor Cooper.....

Position held..... Director of Higher Education Policy and Finance.....

Signed and dated..... ..... 08 January 2019.....

(On behalf of the Department for the Economy in Northern Ireland)

## Compliance with government-wide corporate guidance and instructions

The SLC shall comply particularly with the following general guidance documents and instructions:

- this document and its associated annexes

### Governance and Accountability

- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice* <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- Model Code for Staff of Executive Non-departmental Public Bodies (Cabinet Office) [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/690948/Public\\_Bodies\\_-\\_a\\_guide\\_for\\_departments\\_-\\_chapter\\_5.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690948/Public_Bodies_-_a_guide_for_departments_-_chapter_5.pdf)
- *Code of Conduct for Board Members of Public Bodies* <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples>
- *Code of Practice for Ministerial Appointments to Public Bodies* <https://www.gov.uk/government/publications/code-of-practice-for-ministerial-appointments-to-public-bodies>

### Management and Financial

- *Managing Public Money* (MPM), <https://www.gov.uk/government/publications/managing-public-money>
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*
- Departmental Banking: A Manual for Government Departments, annex 5.6 of *Managing Public Money*
- Government Financial Reporting Manual (FReM), <https://www.gov.uk/government/publications/government-financial-reporting-manual>
- Public Sector Internal Audit Standards, <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- Management of Risk: Principles and Concepts, <https://www.gov.uk/government/publications/orange-book>
- HM Treasury Guidance on Tackling Fraud, [http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing\\_the\\_risk\\_fraud\\_guide\\_for\\_managers.pdf.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf)
- Regularity, Propriety and Value for Money, [http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_governance\\_valueformoney.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm)
- Annual Civil Service Pay Guidance (HM Treasury), <https://www.gov.uk/government/collections/civil-service-pay-guidance>
- relevant Dear Accounting Officer letters, <https://www.gov.uk/government/collections/dao-letters>

- Consolidation Officer Memorandum, and relevant DCO letters
- other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts

### **Cabinet Office Expenditure controls**

- <https://www.gov.uk/government/publications/cabinet-office-controls> , incorporating controls on the following types of expenditure:
  - I. Advertising, marketing and communications
  - II. Strategic supplier management, including disputes
  - III. Digital and technology, including ID assurance
  - IV. Consultancy
  - V. Property, including facilities management (FM)
  - VI. Commercial models
  - VII. Redundancy and compensation
  - VIII. External recruitment

Delegated limits for these categories of expenditure, including thresholds for BIS and Cabinet Office approval, are appended as Annex C(i).

### **Information handling**

- relevant Freedom of Information Act guidance and instructions (Ministry of Justice)
- relevant guidance and instructions on Cyber Security and Information Assurance (Cabinet Office)
- General Data Protection Regulation (GDPR) guidance  
<https://www.gov.uk/government/publications/guide-to-the-general-data-protection-regulation>  
<https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr/>

### **General**

- other relevant instructions and guidance issued by the central Departments
- specific instructions and guidance issued by the Sponsor Department
- recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the SLC

## CABINET OFFICE EXPENDITURE CONTROLS - DELEGATED LIMITS FOR THE STUDENT LOANS COMPANY AT DECEMBER 2018

Full guidance on Cabinet Office controls available at: <https://www.gov.uk/government/publications/cabinet-office-controls>

CATEGORY OF EXPENDITURE	SCOPE OF CONTROL	SLC CAN SELF AUTHORISE UP TO...	THRESHOLD FOR DfE APPROVAL	THRESHOLD FOR CABINET OFFICE (CO) APPROVAL
<b>ADVERTISING MARKETING AND COMMUNICATION</b>	<ul style="list-style-type: none"> <li>- Advertising – including TV, radio, digital advertising, outdoor, print, advertorials, recruitment, costs of media, fees and commission for media buying, media planning, creative development and production.</li> <li>- Marketing activities – including design and branding, direct and relationship marketing, customer relationship management programmes, telemarketing, campaign help lines, partnership marketing, sponsorship marketing, field or experiential marketing, merchandising, advertiser-funded programming, audio-visual activity, storage and distribution of marketing materials.</li> <li>- Consultation activities – including associated publicity, events, resources and</li> </ul>	<ul style="list-style-type: none"> <li>- For spend under £100k DfE has agreed that these should be self-certified by SLC.</li> <li>- Advertising, Marketing and Communications of £100k or above need to go to CO for approval.</li> </ul>	<p>All DfE spend on advertising, marketing and communications activity of £100k or above must be sent to DfE Communications Group for comment prior to submission to Cabinet Office.</p> <ul style="list-style-type: none"> <li>- SLC should fill out the standard <a href="#">Professional Assurance request form</a> and submit to DfE Communications Group (via <a href="mailto:exemption.request@education.gsi.gov.uk">exemption.request@education.gsi.gov.uk</a>) <a href="#">copied to the</a> Student Loans Company Sponsorship team (<a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a>).</li> <li>- DfE Communications Group will consider your request and get back to you with any comments or requests for further information.</li> </ul>	<ul style="list-style-type: none"> <li>- Spend over £100k on advertising, marketing and communications activity will be subject to Cabinet Office approval.</li> <li>- Once DfE Communications Group has confirmed that it is content, SLC should submit its request to CO, copied to DfE Communications Group (via <a href="mailto:exemption.request@education.gsi.gov.uk">exemption.request@education.gsi.gov.uk</a>) <a href="#">and the</a> Student Loans Company Sponsorship (<a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a>).</li> <li>- Cabinet Office has a 21 day turnaround on requests.</li> <li>- <b>Please note that there is no guarantee your exemption will be granted by CO. Even if you are given approval to proceed, you may be asked to scale back your proposals.</b></li> </ul>

	<p>materials, research, analysis and evaluation.</p> <ul style="list-style-type: none"> <li>- Communication strategy, planning, concept and proposition testing and development.</li> <li>- Market research that informs marketing and advertising activity and evaluation of marketing and advertising activity</li> <li>- Printing and publications.</li> <li>- Events, conferences and exhibitions, including stakeholder, public and internal communication events, but excluding training events.</li> <li>- Public relations (PR) activity.</li> <li>- Digital activity: including website and application development, search engine marketing and pay-per-click, digital display advertising, content partnerships, email marketing, mobile and SMS marketing, interactive online content.</li> <li>- All public-facing digital services must be built in line with the Government Service Design Manual and</li> </ul>			
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	pass an assessment against the Digital by Default Service Standard. Please see annex 5 of the Cabinet Office Controls guidance for further detail on how the Digital and Technology control applies.			
CATEGORY OF EXPENDITURE	SCOPE OF CONTROL	SLC CAN SELF AUTHORISE UP TO...	THRESHOLD FOR DfE APPROVAL	THRESHOLD FOR CO APPROVAL
<b>COMMERCIAL CONTROL, incl. DISPUTES</b>	<p>Any commercial transaction valued £10m or more.</p> <p>Any material change to services affecting a contract, with an estimated value of £10m or more, which results in a contract variation.</p> <p>Any dispute settlement with a Government Strategic Supplier with a projected value of £10m or more.</p>	<p>Commercial transactions valued at <b>less than £10m</b>.</p> <p>Any material change to services affecting a contract, with an estimated value of <b>less than £10m</b>, which results in a contract variation.</p> <p>Dispute settlements with a Government Strategic Supplier with a projected value of <b>less than £10m</b>. SLC to inform <a href="mailto:commercialassurance@cabinetoffice.gov.uk">commercialassurance@cabinetoffice.gov.uk</a> of any dispute (regardless of value) with a Government Strategic Supplier where the dispute is proposed for escalation to mediation, binding arbitration, could enter a formal dispute stage, or may result in early termination of a contract.</p>	Not applicable.	<p>SLC to seek Cabinet Office clearance on:</p> <ul style="list-style-type: none"> <li>Any commercial transaction valued <b>£10m or more</b>.</li> <li>Any material change to services affecting a contract, with an estimated value of <b>£10m or more</b>, which results in a contract variation.</li> <li>Any dispute settlement with a Government Strategic Supplier with a projected value of <b>£10m or more</b>.</li> </ul> <p>SLC to ensure that all such cases are copied to the SLC Sponsorship Team: <a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a> and the DfE controls mailbox: <a href="mailto:Request.EC@education.gsi.gov.uk">Request.EC@education.gsi.gov.uk</a>.</p>

<p><b>CONSULTANCY</b></p>	<p>Consultancy is defined as the provision to management of objective advice relating to strategy, structure, management or operations of an organisation. Such advice will be provided outside the 'business-as-usual' environment when in-house skills are not available and will be time-limited. Consultancy may include the identification of options with recommendations, or assistance with (but not the delivery of) the implementation of solutions.</p> <p>This differs from the provision of Contingent Labour, which is not in scope on Consultancy controls, and is defined as the provision of workers to cover 'business-as-usual' or 'service delivery' activities within an organisation. "Contingent Labour" is also often referred to as "Temporary Staff".</p> <p>The control applies to any central governmental consultancy expenditure over £20,000.</p>	<p><b>If engagement is expected to be less than 9 months, and the transaction is under £1 million</b>, this is within SLC's delegated limit.</p> <p>For advice, in the first instance contact: Student Loans Company Sponsorship Team at: <a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a></p>	<p>Not applicable</p>	<p><b>All consultancy expenditure with a single transaction of over £1,000,000. All consultancy expenditure above £20,000 in cases where:</b></p> <ul style="list-style-type: none"> <li>- new contracts are expected to exceed 9 months</li> <li>- existing contracts are to be extended beyond 9 months</li> <li>- expenditure is on procurement related consultancy.</li> </ul> <p>SLC to seek approval in such cases from: Cabinet Office, copied to the SLC Sponsorship Team <a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a> and the DfE controls mailbox: <a href="mailto:Request.EC@education.gsi.gov.uk">Request.EC@education.gsi.gov.uk</a> .</p>
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CATEGORY OF EXPENDITURE	SCOPE OF CONTROL	SLC CAN SELF AUTHORISE UP TO...	THRESHOLD FOR DfE APPROVAL	THRESHOLD FOR CO APPROVAL
<p><b>DIGITAL AND TECHNOLOGY, including ID assurance</b></p>	<p>Digital is defined as any external facing service delivered through the internet to citizens, businesses, civil society or non-government organisations. This includes, but is not limited to information services, websites, transactional services, web applications, mobile apps, and extranets.</p> <p>Technology is defined as any internal facing service, delivered Government to Government.</p> <p>This control applies to:</p> <ul style="list-style-type: none"> <li>• all technology and digital expenditure including contracted out services;</li> <li>• all contracts including existing contracts that require extensions or amendments or future contracts through any contracting mechanism;</li> <li>• feasibility, proof of concept studies and pilots;</li> <li>• the cost of running that service including any assisted digital element including support provided face to face, by phone, intermediary or other channel to access the digital service; and</li> <li>• common infrastructure solutions including voice and data communications, Public Services Networks (PSN) whether fixed or mobile.</li> </ul> <p><b>The following are excluded:</b></p>	<ul style="list-style-type: none"> <li>• <b>Technology only expenditure up to £1m;</b></li> <li>• <b>Digital expenditure up to £100k which does not include: ID assurance for the general public, domain registration, and any external facing digital transaction, website or mobile apps. These have a zero limit.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Technology only expenditure of £1m and over</b></li> <li>• <b>Any digital expenditure (no lower limit) on ID assurance for the general public, domain registration, and any external facing digital transaction, website or mobile apps; and</b></li> <li>• <b>Any digital expenditure over £100k .</b></li> </ul> <p>Pending the transition to a Digital and Technology pipeline approval process, cases for approval, or requests for advice, should be sent to the SLC Sponsorship Team at DfE: <a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a>. The Sponsorship Team will then liaise with DfE Digital on SLC's behalf.</p>	<ul style="list-style-type: none"> <li>• £0 (no lower limit) for any digital projects using ID assurance for the general public, domain registration, and any external facing digital transaction, website or mobile apps.</li> <li>• £100,000 for digital expenditure.</li> <li>• £1 million for expenditure on services also delivered by Independent Shared Service Centres (current or new back office/administrative systems, including ERP systems, HR systems, finance/accounting systems, procurement systems).</li> <li>• £5 million for technology expenditure, including all sub components in a request eg a website and service supported by a series of contracts such as hosting, data centres, voice and video, security, securing third party support. Includes expenditure related to PSN.</li> </ul> <p>SLC to seek approval in such cases from: <a href="mailto:gdsapprovals@digital.cabinet-office.gov.uk">gdsapprovals@digital.cabinet-office.gov.uk</a></p>

	<ul style="list-style-type: none"> <li>• specialist projects providing military capability directly for use in front line operations;</li> <li>• capability for use by the Security and Intelligence Agencies in support of national security;</li> <li>• contracts that have changed only as a result of the government's renegotiation with major suppliers;</li> <li>• a tax or National Insurance Contributions-related measure that has been, or will be, legislated through a Finance Bill, programme bill, or secondary legislation; and</li> <li>• content creation on existing sites, intranets or those areas listed under the advertising, marketing and communications controls.</li> </ul>			
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CATEGORY OF EXPENDITURE	SCOPE OF CONTROL	SLC CAN SELF AUTHORISE UP TO...	THRESHOLD FOR DfE APPROVAL	THRESHOLD FOR CO APPROVAL
EXTERNAL RECRUITMENT	<p>The control applies to all external recruitment excluding consultants, which includes:</p> <ul style="list-style-type: none"> <li>• Any new permanent recruitment;</li> <li>• any new direct temporary recruitment (i.e. fixed-term appointments);</li> <li>• any new indirect temporary recruitment (i.e. agency staff, interim managers, specialist contractors and all professional services, excluding consultancy which is subject to a separate control);</li> <li>• any inward secondment or loan from an external organisation; and</li> <li>• extensions of existing temporary recruitment.</li> </ul>	<p>• <b>Expenditure under £142k:</b> SLC to provide DfE with quarterly workforce projections (limited to size of workforce). SLC will manage its own external recruitment within these projections and report retrospectively to DfE on actual numbers externally recruited.</p> <p>Queries should be addressed to the DfE Sponsorship Team at:  <a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a></p>	<p>• <b>Expenditure (remuneration packages) of £142k or over:</b> all cases to be submitted to <a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a> for clearance by DfE, CO and by the Chief Secretary to the Treasury (CST). For advice contact the Sponsorship Team.</p>	<p>SLC to provide DfE with retrospective data on numbers externally recruited to feed into Cabinet Office returns.</p>

CATEGORY OF EXPENDITURE	SCOPE OF CONTROL	SLC CAN SELF AUTHORISE UP TO...	THRESHOLD FOR DfE APPROVAL	THRESHOLD FOR CO APPROVAL
<b>REDUNDANCY AND COMPENSATION</b>	All redundancy schemes (either under Civil Service Compensation Scheme or an analogous scheme) offered to staff are in scope.	Nil. SLC's Framework Document says "19.8. Any proposal by the SLC to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Sponsor Department".	<ul style="list-style-type: none"> <li>• <b>Changes to SLC's Redundancy Scheme must be cleared by DfE, seeking Cabinet Office and HMT approval as appropriate.</b></li> <li>• <b>Individual payments for Redundancy or Compensation for Loss of Office under agreed schemes</b> should be monitored by SLC and shared with the DfE Sponsorship Team for information on a quarterly basis.</li> <li>• <b>SLC to share with DfE any plans for the use of the following types of payment on termination of office:</b> <ul style="list-style-type: none"> <li>• <b>Settlement Agreements (SA)</b></li> <li>• <b>Special Severance Payments (SSP)</b> (where AOs must obtain HMT approval)</li> <li>• <b>Confidentiality Clauses (CC)</b> - which require Ministerial approval.</li> </ul> </li> </ul> <p>For advice on the above contact: Student Loans Company Sponsorship Team at: <a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a> who will liaise with contacts in DfE HR and Governance teams.</p>	<p><b>Cabinet Office and HMT should be consulted on any change to SLC's Redundancy Scheme</b>, though they generally only need to approve schemes which fall within the Civil Service Compensation Scheme. HMT will look to DfE to ensure that any changes to SLC's scheme offer value for money.</p> <p><b>Any Payments in Lieu of Notice (PILON) or Retention Payments will require HMT specific approval.</b> <i>For further information contact the Sponsorship Team.</i></p> <p><b>Cabinet Office have also published specific guidance on handling the following types of payment on termination of office:</b></p> <ul style="list-style-type: none"> <li>• <b>Settlement Agreements (SA)</b></li> <li>• <b>Special Severance Payments (SSP)</b> (where AOs must obtain HMT approval)</li> <li>• <b>Confidentiality Clauses (CC)</b> - which require Ministerial approval.</li> </ul> <p><i>For further information refer to the <a href="#">online guidance</a> and contact the Sponsorship Team.</i></p>

HCATEGORY OF EXPENDITURE	SCOPE OF CONTROL	SLC CAN SELF AUTHORISE UP TO...	THRESHOLD FOR DfE APPROVAL	THRESHOLD FOR CO APPROVAL
<b>PROPERTY, INCLUDING FACILITIES MANAGEMENT</b>	<ul style="list-style-type: none"> <li>• New leases / licences and renewals of existing leases / licences. Further guidance on commercial leases is available here;</li> <li>• the non-exercise of lease break options;</li> <li>• new property acquisitions (including those made through a Private Finance Initiative provider);</li> <li>• new build developments, sale and leaseback, and any freehold acquisitions/sales; and</li> <li>• all new Facilities Management (FM) contracts and contract extensions must be approved by the CCS FM Category and meet with the CCS FM compliance criteria</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Property: rental expenditure under £100,000</b> during the life of the lease commitment. Expenditure for this budget amount is delegated to SLC.</li> <li>- <b>FM contracts and extensions:</b> Nil. Approval must be sought for all new and extended FM contracts, regardless of financial commitment.</li> </ul>	Not applicable	<ul style="list-style-type: none"> <li>- <b>Property: rental expenditure above £100,000</b> during the life of the lease commitment. SLC to seek approval in such cases from Cabinet Office, <a href="#">copied to</a> the SLC Sponsorship Team at DfE.</li> <li>- <b>FM contracts and extensions:</b> SLC to seek approval in such cases from: <a href="mailto:fmcontrols@crowncommercial.gov.uk">fmcontrols@crowncommercial.gov.uk</a> copied to the SLC Sponsorship Team <a href="mailto:Slc.SPONSTRAT-NFP@education.gov.uk">Slc.SPONSTRAT-NFP@education.gov.uk</a> and the DfE controls mailbox: <a href="mailto:Request.EC@education.gsi.gov.uk">Request.EC@education.gsi.gov.uk</a></li> </ul>

All novel and contentious expenditure to go through the DfE financial controller to the HMT spending team.

# Annex D of the SLC Framework Document

Incorporating the **SLC Board Operating Framework** and  
**SLC Board Members' Code of Practice** as required in  
Section 7.11 of main Framework Document.

**April 2018**



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# Appendix 1 Code of Conduct for SLC Board Members

## CONTENTS

<b>1. Introduction</b>	<b>7</b>	<b>1. INTRODUCTION</b>	
<b>2. Key Principles of Public Life</b>	<b>7</b>	1.1 As a public office-holder, your behaviour and actions must be governed by the principles set out in this Code of Conduct, as well as with the SLC Framework Document (see the relevant extracts at <b>Appendix a</b> ). It is your responsibility to ensure that you are familiar with, and comply with, all the relevant provisions of the Code and the SLC Framework Document.	
<b>3. General Conduct</b>	<b>8</b>	<b>2. KEY PRINCIPLES OF PUBLIC LIFE</b>	
Use of Public Funds	8	2.1 The key principles upon which this Code of Conduct is based are the Seven Principle of Public Life. These are:	
Allowances	8	<b>Selflessness</b>	You should take decisions solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for yourself, your family or your friends.
Gifts and Hospitality	8	<b>Integrity</b>	You should not place yourself under any financial or other obligation to outside individuals or organisations that might, or might be perceived to, influence you in the performance of your official duties.
Use of Official Resources	8	<b>Objectivity</b>	In carrying out public business, including awarding contracts and recommending individuals for rewards and benefits, you should make choices on merit.
Use of Official Information	8	<b>Accountability</b>	You are accountable for your decisions and actions to the public and must submit yourself to whatever scrutiny is appropriate for your office.
Political Activity	8	<b>Openness</b>	You should be as open as possible about the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.
Employment and Appointments	8	<b>Honesty</b>	You have a duty to declare any private interests relating to your public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
<b>4. Members' Interests</b>	<b>9</b>		
<b>5. Responsibilities as a Board Member</b>	<b>9</b>		
<b>6. Responsibilities towards Employees</b>	<b>9</b>		



# Code of Conduct for SLC Board members Continued

## Leadership

You should promote and support these principles by leadership and example.

2.2 These principles should inform your actions and decisions as a board member.

## 3. GENERAL CONDUCT

### Use of Public Funds

3.1 You have a duty to ensure the safeguarding of public funds and the proper custody of assets which have been publicly funded.

3.2 You must carry out your fiduciary obligations responsibly – that is, take appropriate measures to ensure that the Company uses resources efficiently, economically and effectively, avoiding waste and extravagance. It will always be an improper use of public funds for public bodies to employ consultants or other companies to lobby Parliament, Government or political parties.

### Allowances

3.3 You must comply with the rules set by the board and the Company regarding remuneration, allowances and expenses. It is your responsibility to ensure compliance with all relevant HM Revenue and Customs' requirements concerning payments, including expenses.

### Gifts and Hospitality

3.4 You must not accept any gifts or hospitality which might, or might reasonably appear to, compromise your personal judgement or integrity or place you under an improper obligation.

3.5 You must never canvass or seek gifts or hospitality.

3.6 You must comply with the rules set by the Company on the acceptance of gifts and hospitality (see **Appendix b**). You should inform the Chief Executive (or equivalent) of any offer of gifts or hospitality and ensure that, where a gift or hospitality is accepted, this is recorded in a public register in line with the rules set by the Company.

3.7 You are responsible for your decisions on the acceptance of gifts or hospitality and for ensuring that any gifts or hospitality accepted can stand up to public scrutiny and do not bring the Company into disrepute.

### Use of Official Resources

3.8 You must not misuse official resources for personal gain or for political purposes. Use of such resources must be in line with the Company's rules on their usage.

### Use of Official Information

3.9 You must not misuse information gained in the course of your public service for personal gain or for political purpose.

3.10 You must not disclose any information which is confidential in nature or which is provided in confidence without authority. This duty continues to apply after you have left the board.

### Political Activity

3.11 In your public role, you should be, and be seen to be, politically impartial. You should not occupy a paid party political post or hold a particularly sensitive or high-profile role in a political party. You should abstain from all controversial political activity and comply with Cabinet Office rules on attendance at Party Conferences.

3.12 On matters directly related to the work of the Company, you should not make political statements or engage in any other political activity.

3.13 In your official capacity, you should be even-handed in all dealings with political parties.

3.14 Subject to the above, you may engage in political activity but should, at all times, remain conscious of your responsibilities as a board member and exercise proper discretion. You should inform the Chair and/or the parent Department before undertaking any significant political activity.

### Employment and Appointments

3.15 If you wish to take up new employment or appointments during your term of office, you must inform the Chair and/or the relevant parent Department.



# Code of Conduct for Board Members Cont.

3.16 On leaving office, you must comply with the rules of the Company on the acceptance of future employment or appointments.

## 4. MEMBERS' INTERESTS

4.1 You must ensure that no conflict arises, or could reasonably be perceived to arise, between your public duties and your private interests – financial or otherwise.

4.2 You must comply with the rules of the Company on handling conflicts of interests (see **Appendix 1c**). As a minimum, these will require you to declare publicly any private interests which may, or may be perceived to, conflict with your public duties<sup>1</sup>. The rules will also require you to remove yourself from the discussion or determination of matters in which you have a financial interest. In matters in which you have a non-financial interest, you should not participate in the discussion or determination of a matter where the interest might suggest a danger of bias.

4.3 It is your responsibility to ensure that you are familiar with the Company's rules on handling conflicts of interests, that you comply with these rules and that your entry in the Company's register of members' interests is accurate and up-to-date.

## 5. RESPONSIBILITIES AS A BOARD MEMBER

5.1 You should play a full and active role in the work of the Company. You should fulfil your duties and responsibilities responsibly and, at all times, act in good faith and in the best interests of the Company.

5.2 You should deal with the public and their affairs fairly, efficiently, promptly, effectively and sensitively, to the best of your ability. You must not act in a way that unjustifiably favours or discriminates against particular individuals or interests.

5.3 You must comply with any statutory or administrative requirements relating to your post.

5.4 You should respect the principle of collective decision-making and corporate responsibility. This means that, once the board has made a decision, you should support that decision.

5.5 You must not use, or attempt to use, the opportunity of public service to promote your personal interests or those of any connected person, firm, business or other organisation.

## 6. RESPONSIBILITIES TOWARDS EMPLOYEES

6.1 You will treat any staff employed by the Company with courtesy and respect. It is expected that employees will show you the same consideration in return.

6.2 You will not ask or encourage employees to act in any way which would conflict with their own Code of Conduct.

<sup>1</sup> In general, all financial interests should be declared. When considering what non-financial interests should be declared, you should ask yourself whether a member of the public, acting reasonably, would consider that the interest in question might influence your words, actions or decisions.

## Appendix 1a Extracts from the SLC Framework Document

### **Board responsibilities**

7.5. The Board should ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The Board must set up an Audit Committee, as set out in paragraph 10.1.3, chaired by an independent non-executive member to provide independent advice. The Board is expected to assure itself of the effectiveness of the internal control and risk management systems.

### **7.6. The Board is specifically responsible for:**

7.6.1. establishing and taking forward the strategic aims and objectives of the SLC consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;

7.6.2. ensuring that the Departments are kept informed of any changes which are likely to affect the strategic direction of the SLC or on the attainability of its targets, and determining the steps needed to deal with such changes;

7.6.3. ensuring that it receives and evaluates regular and timely information about the SLC's performance against its aims, objectives, performance targets and plans, ensuring appropriate action is in hand to address any areas of underperformance;

7.6.4. ensuring that effective arrangements are in place to ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates in accordance with the relevant provisions of the Companies Acts and company law more generally, within the limits of any delegated statutory authority as set out in the Register (Annex A) as amended from time to time, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the Departments and ensures it receives adequate information regarding the stewardship of funds disbursed by the SLC on behalf of the Departments;

7.6.5. ensuring that the Board receives and reviews regular financial information concerning the management of the SLC; is informed in a timely manner about any concerns about the activities of the SLC; and provides positive assurance to the Departments that appropriate action has been taken on such concerns;

7.6.6. ensuring that the SLC's responsibilities towards its employees, as set out in section 19, are satisfactorily discharged;

7.6.7. appointing, with the Responsible Minister's approval, a Chief Executive and, in consultation with the Departments, setting his or her performance objectives and performance measures which are aligned with the SLC Corporate Plan, performance targets and Annual Business Plans and the specific responsibilities of the Chief Executive as set out in this document, ensuring that remuneration terms are linked to these objectives and give due weight to the proper management and use of public resources;

7.6.8. appointing an Executive Leadership Team to conduct the day to day business of the SLC, ensuring an appropriate balance of skills and experience;

7.6.9. setting up a Remuneration Committee which will approve the objectives, performance measures and remuneration terms for the Executive Leadership Team, ensuring these are aligned with the agreed Corporate Plan, performance targets and Annual Business Plans.

### **The Chair's Personal Responsibilities**

7.7. The chair of the Board ('the Chair') is answerable to the Responsible Minister. Communications between the Board and the Departments should normally be through the Chair. He or she is responsible for ensuring that the SLC's policies and actions support the Departments' wider strategic policies and that its affairs are conducted with probity. Where appropriate, the Chair will support the Chief Executive in ensuring that the Departments' policies, and how the SLC will support them, are clearly communicated and disseminated throughout the SLC.

## Appendix 1a Extracts from the SLC Framework Document (Cont.)

### 7.8. In addition, the Chair has the following leadership responsibilities:

- 7.8.1. overseeing the formulation of the SLC's Corporate Plan, setting out how the SLC will deliver the Departments' policy and delivery objectives and the services they have agreed that the SLC may provide for other stakeholders, and submitting this for approval by the Responsible Minister;
- 7.8.2. ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Responsible Minister or the Departments;
- 7.8.3. promoting the efficient and effective use of staff and other resources;
- 7.8.4. delivering high standards of regularity and propriety;
- 7.8.5. representing the views of the Board to the general public.

### 7.9. The Chair also has an obligation to ensure that:

- 7.9.1. the work of the Board and its members are reviewed and are working effectively;
- 7.9.2. he or she monitors the balance of skills of SLC's Board membership to ensure it is appropriate to directing the SLC's business, and makes timely representations to the Responsible Minister as necessary;
- 7.9.3. Board vacancies are anticipated and he or she advises the Responsible Minister of the SLC's needs in good time and that he or she takes an active part in appointing suitable Non-Executive Directors in conjunction with the Responsible Minister (paragraph 4.3 refers);
- 7.9.4. the Board Members are fully briefed on terms of appointment, duties, rights and responsibilities;
- 7.9.5. he or she, together with the other Board Members, receives appropriate training on corporate governance, including financial management and reporting requirements and on any differences that may exist between private and public sector practice;
- 7.9.6. he or she assesses the performance of individual SLC Non-Executive Directors when they are being considered for re-appointment and submits a report to the Responsible Minister;

7.9.7. he or she assesses the performance of the Chief Executive annually and makes recommendations to the Responsible Minister on remuneration increases;

7.9.8. he or she also assists the Chief Executive in assessing the performance of the other members of the Executive Leadership Team;

7.9.9. there is a Board Operating Framework in place setting out the role and responsibilities of the Board consistent with the [Government Code of Good Practice for Corporate Governance](#);

7.9.10. there is a code of practice in place for the Board Members consistent with the [Cabinet Office Code of Conduct for Board Members of Public Bodies](#) as referred to in Annex C. The SLC Board Members' Code of Practice shall form Annex D of this document.

### *Individual Board Members' Responsibilities*

7.10. Individual Board members should:

- 7.10.1. comply with the requirements of the Companies Acts and company law more generally which set out the responsibilities of directors of companies;
- 7.10.2. comply at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest;
- 7.10.3. do their utmost to ensure compliance with the best practice requirements relating to NDPB governance, while recognising that statutory requirements under the Companies Acts and company law more generally take precedence;
- 7.10.4. not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- 7.10.5. comply with the Board's rules on the acceptance of gifts and hospitality, and on business appointments;
- 7.10.6. provide advice, guidance, support and effective challenge to the Executive Leadership Team to ensure the Board's responsibilities under paragraphs 7.6 and 7.7 are properly discharged;
- 7.10.7. ensure that that the SLC adheres to all relevant legislation and strategic boundaries as set by the Departments
- 7.10.8. act in good faith and in the best interests of the SLC.

## Appendix 1b: SLC Board Members' Policy on Acceptance of Gifts, Hospitality and Awards

### Acceptance of Gifts, Hospitality and Awards

1. The SLC is responsible for allocating significant sums of public money.
2. It is imperative that Board members should maintain high standards of propriety and professionalism if they are offered gifts, hospitality or awards.
3. Some Board members may spend time with representatives of institutions and other organisations where it is normal business practice or social convention to offer gifts, hospitality or awards. Offers of this kind can place members in a difficult position since to refuse may cause misunderstanding or offence; but to accept may give rise to questions of impropriety or conflict of interest, or to criminal liability.
4. Board members may not accept any benefit as an inducement or reward:
  - a. For taking any action (or specifically not taking action) in his or her official capacity as a Board member.
  - b. For showing favour (or disfavour) to anyone in his or her official capacity as a Board member.
5. The guiding principles are:
  - a. The conduct of individuals must not create suspicion of any conflict between their official duty and their private interest.
  - b. The actions of individuals in their official capacity must not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

### Gifts

6. Gifts other than of token value should generally be refused.
7. If members have any doubts about whether a gift should be refused (it is accepted, for example, that refusal of a gift may cause offence), they should consult the Company Secretary who at his discretion may discuss the matter with the Chairman.

8. If the Company Secretary considers that a gift cannot be used to support the SLC's business, he may authorise retention of the gift by the individual. Alternatively, if the individual does not wish to retain the gift, arrangements may be made for the gift to be stored until disposal, for example through a local charity.

9. Board members should record any gifts accepted in the central register held by the Company Secretary. Any Board member with a query about the contents of the register should direct it to the Company Secretary.

### Hospitality

10. It is accepted that Board members may receive hospitality from the head or senior members of an institution; that they may attend as part of their official function an event organised by another body for promotional or influential purpose; that they are sometimes offered a nominal fee for presenting a paper or speech at a conference; and may receive the occasional invitation to a cultural event.
11. Offers of hospitality that exceed the normal (that is, occasional lunches or dinners while visiting an institution) should in general be refused. The following items should be avoided:
  - a. Hospitality offered instead of fees for broadcasts, speeches, lectures or other work done
  - b. Inducements which could lead to a contractual relationship between the SLC and a supplier or consultant
  - c. Substantial offers of social functions, travel or accommodation.
  - d. Frequent acceptance of meals, tickets and invitations to sporting, cultural or social events, particularly from the same source.
12. If Board members have any doubt about whether to accept hospitality they should refer the matter to the Company Secretary, who in turn may discuss it with the Chairman.
13. If, exceptionally, the Company Secretary agrees that the circumstances justify the normal level of hospitality being exceeded, this will be recorded in the central register.

## Appendix 1b: SLC Board Members' Policy on Acceptance of Gifts, Hospitality and Awards

14. Board Members will not normally provide either gifts or hospitality either to staff or third parties but where this may need to occur, the prior agreement of the Chairman will be obtained and if agreement is given, this will be informed by the principles of the Policy for the Provision of Gifts and Hospitality to Employees and Third Parties. Where the Chairman hosts the occasional lunch or dinner for one or more non-executive directors and/or officials solely for business purposes, such as the pre-Board dinners that are scheduled twice a year, the location and nature of hospitality shall be reasonable and appropriate to the circumstances of the event. Provision of hospitality by the Chairman to third parties shall be informed by the principles of the Policy for the Provision of Gifts and Hospitality to Employees and Third Parties and shall be subject to the prior agreement of the senior independent director.

### Awards and Prizes

15. Board members should consult the Company Secretary if they are approached by an outside organisation offering an award or prize which could in any way be seen to be connected with their role as Board members. Retention of the award or prize will normally be allowed, provided that:

- a. It is offered in recognition of personal achievement.
- b. It is not a gift (see above).

16. In deciding whether the award would give rise to public criticism that it was in fact a gift, members are advised to consider:

- a. The status of the awarding body - for example, whether it is a registered charity.
- b. The regularity of the awards made by the body.
- c. The range of people to whom the awards are given.
- d. The method of selection.
- e. The standing of the selectors.
- f. Any SLC dealings with the awarding body. Criticism, however unfounded, might be made if it appears that the award is given with a view to future benefit to the body concerned.

# Appendix 1c: Declaration and Register of Interests

## 1. Background

The SLC's Register of Interests and this corresponding policy have been established in response to the recommendations of the Nolan Committee on Standards in Public Life and the Cabinet Office Code of Conduct for Board Members of Public Bodies. Disclosure of interests encourages openness and emphasises the need for the highest standards of integrity and objectivity. This policy is referenced in the Company's own Code of Conduct.

## 2 Principles

The general principle is that individuals should disclose any interest, financial or otherwise, which is likely to influence, or would, if publicly known, be perceived as influencing, the decisions we make on behalf of SLC. This will enhance the perception that we are acting in the public interest and reduce the risk of a decision being subject to challenge.

These principles and the requirement to disclose an interest apply to all individuals within the Company – whether a Board Member, an employee or a contractor.

Each individual is in the best position to know whether any particular interest they have should be disclosed but, generally, conflicts of interests arise where a person is in a position to derive personal benefit from actions or decisions made in their official capacity within SLC, perhaps due to personal or business relationships, activities undertaken outwith SLC, other jobs and personal financial arrangements. Interests of close relatives should also be declared if they are felt to be relevant. If in doubt on any issue, advice should be sought from the Company Secretary.

## 3 Process

### 3.1 The Disclosure of Interests Form

**(i)** Board members and members of the Executive Leadership Team (ELT), are required to complete and return a signed Disclosure of Interests Form, (See Appendix 1) including, where relevant, a nil return.

**(ii)** In addition, other senior members of staff who are in an advisory position, exercising influence on large resource or policy decisions are also required to complete the Disclosure of Interests Form. These are defined as SMT (G7) staff.

**(iii)** All other staff and contractors should consider the requirement to declare an interest where they also are advising or exercising influence on large resource or high level policy decisions.

### 3.2. Processing of Forms

#### **(i) Board Members**

The Company Secretary will request that new Board Members complete the Disclosure of Interest form. Once received, the information on the form will be reviewed and entered into the Register of Interests maintained by the Company Secretary. Individuals should then promptly notify the Company Secretary of any changes in their circumstances.

#### **(ii) ELT & Senior Managers**

In accordance with the Company's Code of Conduct, all new members of staff being appointed to the ELT and senior management positions (G7) will be required to complete a Disclosure of Interests form. HR will ensure this process is conducted and send the completed forms to the Company Secretary. Individuals should then promptly notify the Company Secretary of any changes in their circumstances.

#### **(iii) All Other staff including contractors**



## Appendix 1c: Declaration and Register of Interests (Cont.)

Other staff are to be guided by the Company's Code of Conduct and should discuss any potential conflict of interest with their line manager who will, in conjunction with HR, determine if a formal Disclosure of Interest (as referred to in the Code of Conduct) is necessary.

HR will retain copies of completed declaration forms in staff personal files, and will send original forms containing potential conflicts to the Company Secretary for inclusion in the Register of Interests.

### 4. Managing Conflicts of Interests

For Board Members, where a registered interest identifies a potential conflict, the member, Chair and Company Secretary should seek to alleviate the conflict. The CEO (as Accounting Officer) and members of ELT should consider the direction contained in Managing Public Money including fully removing the conflicted individual from the decision making process.

Other senior managers and staff should discuss with their line manager means to ensure that individual conflict is alleviated.

### 5. Communication and Register Maintenance

Bi-annually, the Company Secretary will write to all Board Members and members of the ELT to confirm if the details held are up-to-date and accurate. The Company Secretary will also communicate to all staff about the Code of Conduct; the Disclosure of Interests Policy and request that senior managers review and, if necessary, update their Disclosure of Interests Form and also cascade reminders to staff.

Failure to send or receive a reminder, however, does not relieve individuals from their obligation to inform either the Company Secretary or Human Resources of any changes. Board Members and ELT are specifically required to update their details on an ongoing basis.

### 6. Publication of and Access to the Register

The Company Secretary will hold the Register of Interests. This will be compiled from the individual disclosures. The Register may be accessed at any reasonable time by Board Members, DfE, Devolved Authority representatives, members of the ELT, internal and external auditors, and staff involved in servicing Committees of the Company.

A summary of the Register of Interests for Board Members and members of the ELT will be published on the SLC web site and can be accessed at:

<http://www.slc.co.uk/>

Any other disclosures held on the Register may be made available if requested under a Freedom of Information request.

### 7. Annual Report – IAS24 – Related Parties

This is a very specific accounting regulation which focuses on corporate organisational structures and the control this may afford one corporate body over another body through an evident corporate relationship. That control could enable one or both related parties to influence transactions between the bodies and their reported financial position.

Related bodies to SLC will in the main be HEI or FE establishments and their representative bodies; central government departments or executive agencies e.g. DfE, HEFCE, HM Treasury and the devolved authorities.

The regulations do not relate to transactions of a commercial nature e.g. supply of goods or services.

Any ELT or Board Member who has an interest either directly themselves or through a partner, spouse or close relative, in an organisation described above should declare that interest.



## Appendix 1c: Declaration and Register of Interests (Cont.)

The Company Secretary will compile from the Register of Interest the intended SLC declaration and discuss with individuals concerned prior to publication of the Annual Report.

### 8. Declaration at Meetings

The Register is consulted by the Company Secretary in advance of meetings of the Main Board and committee meetings.

Where contracts or other matters with important consequences are to be considered, the Chair of the meeting will be informed by the Company Secretary if there is information within the Register which raises the possibility of a conflict of interest.

The Register does not obviate the duty of Board members to declare relevant interests at meetings in accordance with their statutory duties and standing conflict of interest requirements. Any Board member who has a clear and substantial interest in a matter under consideration by the Board should declare that interest at any meeting where the matter is to be discussed, whether or not that interest is already recorded in the Register. At the discretion of the Chairman, the member concerned should withdraw from the meeting during the relevant discussion or decision. Declarations made at meetings will be minuted.

### 9. Discipline

Whilst the Company Secretary and HR will endeavour to identify all individuals likely to be subject to this policy, it is ultimately for individuals to assess whether or not any of their external activities could give rise to conflicts of interest and disclose these interests to either the Company Secretary or HR.

As such, any failure by an individual to fulfil their obligations under this policy may be a disciplinary matter and in the case of others, an event justifying removal from the office or position held with the Company.

### 10. Completing the Disclosure of Interests Form

#### 10.1 Employment

Individuals should disclose details of any paid employment and/or voluntary role they have (and/or that of a spouse or close relative, where relevant), which includes any agreement to provide personal services. Name of organisation, post held and the nature of the business should be stated. In the case of SLC staff members, paid employment refers to employment other than by the Company.

#### 10.2 Appointments, Offices and Directorships

Individuals should disclose the name of any bodies in which they hold a position of authority (whether remunerated or voluntary) and the nature of the office held, including:

- Trusteeships or participation in the management of charities and other voluntary bodies,
- Public Appointments,
- Elected Offices,
- Paid and unpaid directorships and non-executive directorships in companies which are likely, or may be seeking, to do business with the Company,
- Any other appointments within other organisations whose decision-making could affect the Company's interests and which could give rise to duality or conflict of interest

#### 10.3 Close Relatives and Related Parties

## Appendix 1c: Declaration and Register of Interests (Cont.)

Details of any close relatives who are member(s) of staff of the Company should be provided and consideration given to any related party who holds a position elsewhere e.g. Board member which would enable them to enter into or influence a transaction or decision made by you on behalf of the Company.

### 10.4 Membership of Professional Bodies

Details of membership of professional bodies should be provided.

### 10.5 Significant shareholdings in public/private companies

Details should be provided of:

- Companies in which the individual owns 5% or more of the issued shares or securities,
- Businesses which the individual owns or partly owns, which are not companies,
- Partnerships and consultancies in which the individual is a partner (or equivalent).

### 10.6 Political Activity

Any political appointments or memberships of a political party should be disclosed.

### 10.7 Educational Establishments

Details of any positions held by the individual, remunerated or otherwise and other connections with educational establishments which may give rise to a conflict of interest should be disclosed.

### 10.8 Contracts or Services

Details should be provided of any involvement by the individual (and/or their spouse or close relative, where relevant) in contracts or services being provided to SLC (including the duration) which are currently in place or where there is a known intention to tender.

### 10.9 Any Other Material Interest

Details should be disclosed of any other material interest which reasonably could be regarded as potentially prejudiced to the open and impartial discharge of the individual's role as a Board Member or as an employee of the Company.

Where a nil return is appropriate, then "Nil" should be entered against each section on the form. The declaration should then be signed and dated by the individual making it.

## Appendix 1d: Board Operating Framework requirements

### 1. Board Meetings

The Board will meet no less than 11 times a year. The Audit & Risk Committee and the Remuneration, People & Organisation Design Committee will meet as per their agreed terms of reference..

### 2. Quorum

Board meetings shall be deemed quorate if attended, in person or by telephone or video link, by at least:

- half of the total number of current Non-Executive Board members (including Non Executive Directors and the Non-Executive Chair), rounded down to the nearest whole number; plus one further non-executive Director;
- plus the Chief Executive or his nominated deputy;
- plus the Company Secretary or his nominated deputy.

If there are insufficient Board members to form a quorum, the Board shall not make any decisions except to arrange a further Board meeting.

### 3. Chair

If the Chair is not able to be present he will nominate a Non-Executive Director to act as Chair for that meeting.

### 4. Matters Reserved for the Board

The Board will establish a formal Scheme Of Delegation to confirm those matters that are reserved for Board decision.

### 5. Minutes

Minutes of the Main Board will be published on the SLC web site. . The Audit & Risk Committee and the Remuneration, People & Organisation Design Committee minutes will be copied to all Board members

### 6. Board Effectiveness

The Board Operating Framework will be reviewed annually as part of the Board Effectiveness Review.



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## Appendix 1e: Communications Guide for Board Members

**The purpose of this document is to outline how the Student Loans Company Ltd (SLC) and its Board Members will communicate.**

### Preferred Approach

1. Communication via Email between SLC and Board Members should be facilitated using the SLC corporate email system. By taking this approach it means that email will traverse the internet in a robust and secure basis, protecting the confidentiality and integrity of information.
2. Formal Board and Committee papers will be distributed by SLC executive secretaries via the BoardPacks application providing one central repository for information and guaranteed delivery to all associated parties.

### Alternative options

Where the 'Preferred Approach' is not possible and a non SLC email account will be used for correspondence with SLC, the following guidance must be followed:

1. All parties must consider the sensitivity of the email content including attachments. Email is an inherently insecure communication mechanism, as unauthorized access can happen while an email is in transit, without application of additional controls.

2. Examples of acceptable and unacceptable communication via non SLC email accounts:
  - a. Acceptable communications:
    - i. Logistical information such as travel arrangements and meeting scheduling
    - ii. Board & Committee Agenda's (excluding detailed information)
    - iii. Document requests for upload to Board Pack
    - iv. General discussion with SLC Leadership, bearing in mind the limited protection for information contained within the email (i.e. would you write the content on a postcard?)
  - b. Unacceptable communications:
    - i. Information relating to commercially sensitive matters
    - ii. Documents classified as 'Official- Sensitive'
    - iii. Documents detailing risks associated with SLC which may prove beneficial to any individual or group targeting SLC.
    - iv. In general information that has a limited need to know
3. Where correspondence is required with no access to the SLC corporate email account, the executive secretaries should be contacted to agree a suitable method of communication.

## Appendix 1f: Audit & Risk Committee – Terms of Reference

The Board has established an Audit & Risk Committee (the Committee) as a Committee of the Board to support it in its responsibilities for issues of control, governance and associated risk and assurance matters. The Committee will operate to the undernoted terms of reference, which will be reviewed annually.

### Membership

1. Membership will consist of up to four Non-Executive Directors.\*
2. The Non-Executive Directors are independent of management and free of any business or other relationships that could interfere with the exercise of their independent judgement.
3. The Assessors have the right to attend all Committee meetings on behalf of the shareholders.
4. \*With the approval of the Board, the Committee will be empowered to co-opt members for a period of time (not exceeding a year) to provide specialist skills, knowledge and experience the Committee needs at a particular time.
5. The Board may also decide to appoint an independent external member of the Committee, who would be appointed to the Committee but not to the Board. If appointed, this person would be chosen because of his or her particular skills, knowledge or experience which would be beneficial to the Committee.

### Appointments and Access

- The Committee shall be party to and agree the Accounting Officer's selection and appointment of the Senior Internal

Audit Manager, such agreement not being unreasonably withheld.

- The Committee will extend access to representatives from both External and Internal Audit as required.
- Any Executive Director, the Company Secretary, the Senior Internal Audit Manager (the Head of Internal Audit), and the representative of External Audit will have free and confidential access to the Chair of the Committee.

### Responsibilities

The Committee will review and report to the Accounting Officer and Board on:

1. the strategic processes for control and governance and the Governance Statement, including the supporting assurance framework;
2. the Annual Report and Accounts (ARA), taking into account the audit findings and the Board's letter of representation to the auditors. This includes approving the plan for the production of the ARA, receiving progress updates and considering the content and implications of the auditor's report. The Committee shall review the entire ARA to gain assurance of consistency between the sections but with particular reference to the Governance Statement, the Directors' Report and the Financial Statements;
3. the overall adequacy of the SLC finance, procurement and business internal control systems as reported to the Committee by Internal Audit;
4. the planned activity and results of both internal and external audit;



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## Appendix 1f: Audit & Risk Committee – Terms of Reference (Cont.)

4. the adequacy of management responses to issues identified by audit activity, including external audit's management letter;
5. assurances relating to the Company's corporate governance requirements (e.g. compliance with the Framework Document, Managing Public Money, etc);
6. proposals for procuring internal and external audit services (if appropriate), or for the purchase of non-audit services from firms that provide audit services;
7. the External Auditor's remuneration, in conjunction with the (CFO);
8. fraud management policies and practices and whistle-blowing processes;
9. fraud monitoring and investigation activities within the Company, by way of an Annual Fraud Overview report, which will be prepared by management;
10. all aspects of risk management and risk mitigation - assisting the Board in its oversight of risk with particular focus on risk appetite, profile and effectiveness of the risk management framework;
11. input to the Remuneration, People and Organisational Design Committee to assist its deliberations on senior staff performance as it relates to effective internal control, governance and assurance.

### Meetings

1. The Committee will normally meet five times a year. The Chair of the Committee may convene additional meetings, as he or she deems necessary. In addition, the Board may ask the Committee to convene further meetings to discuss particular issues on which it wants the Committee's advice.
2. Agendas and supporting papers will be issued to Committee members and attendees in advance of each meeting, as far as possible following the format of the Board papers.
3. A minimum of two members of the Committee will be present for the meeting to be deemed quorate. Attendance records will be published each year in the Annual Report and Accounts.

### Attendance

1. Committee meetings will normally be attended by the CEO and Accounting Officer, the CFO, the Company Secretary, the Senior Internal Audit Manager, a representative of External Audit and Assessors attending on behalf of the shareholders.
2. The Committee may ask any other officials of the Company to attend to assist it with its discussions on any particular matter, and may also ask any or all of those who normally attend but who are not members to withdraw, to facilitate open and frank discussion of particular matters. It is expected that this will include a private meeting with the representative of External Audit at least once a year.

## Appendix 1f: Audit & Risk Committee – Terms of Reference (Cont.)

### Advisors

- The Committee is authorised by the Board to seek appropriate independent professional advice, as it considers necessary.

### Reporting

- The Chair of the Committee will be responsible for reporting to the Board after each meeting. The minutes of all meetings will be circulated to the members of the Committee and to the Board. The Company Secretary and/or his Assistant will be responsible for retaining copies of the minutes and papers.

### Training

- The Committee, via the Company Secretary, will make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as identified by the Committee.

### Committee effectiveness

- The Committee will also periodically, usually annually, review its own effectiveness and report the results of that review to the Board.

### Information requirements

For each meeting, the Committee will be provided with:

- a progress report from the Senior Internal Audit Manager summarising:
  - work performed against work planned;
  - executive summaries of finalised internal audit reports, together with key issues emerging from internal audit work;

- management responses to internal audit recommendations;
- update on the progress made by management in implementing agreed internal audit recommendations;
- any changes to the periodic internal audit plan;
- any resourcing issues affecting the delivery of internal audit objectives.

- a progress report from the External Audit representative summarising work done and emerging findings, where appropriate;
- a summary report from the Legal & Compliance Manager highlighting any relevant legal matters,
- a summary analysis of SLC's key risks.

As and when appropriate, the Committee will also be provided with:

- the strategic and periodic internal audit plan;
- the Senior Internal Audit Manager's annual opinion and report;
- quality assurance reports on the internal audit function;
- the draft Annual Report and Accounts;
- the draft Governance Statement;
- any changes to accounting policies;
- External Audit's strategy document;
- External Audit's highlights report and management letter;
- External Audit's draft letter of representation;
- Internal Audit's review of the Performance Dashboard;
- Internal Audit's review of the domicile split for the loan books of the funding authorities, including reports on error rate for SFE and SFW;
- reports on any proposals for procuring audit functions;
- an update on progress towards the annual APRA review;
- an update on the operation of the Framework Document;
- the Corporate risk management framework and risk management policy;
- any other management reports on material control issues as required, with particular regard to matters relating to information security and information assurance.



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# Appendix 1g: Remuneration, People & Organisation Design Committee - Terms of Reference

**The Board has established a Remuneration, People and Organisational Design Committee (the Committee) as a Committee of the Board to support them in their responsibilities for the remuneration and appointment of Executives, people matters and organisational design. The Committee will operate to the undernoted terms of reference, which will be reviewed annually.**

## Membership

1. Membership will consist of four Non-Executive Directors, which may include the Non-Executive Chairman.
2. The Non-Executive Directors are independent of management and free of any business or other relationships which could interfere with the exercise of their independent judgement.
3. The Chair of the Committee will be appointed by the Board.
4. The Assessors have the right to attend all Committee meetings on behalf of the shareholders.
5. The Board Chair has a standing invitation to attend the Committee.

## Responsibilities

The responsibilities of the Committee will be:

1. To approve recommendations from the Chief Executive Officer (CEO) on those posts which will be designated as Executive Leadership Team (ELT) level roles, nominally Director roles and that of the CEO and to receive notification of any changes to the Senior Management Team roles and remits

2. To consider the recommendations from the CEO, and to approve and recommend to the Board the process for the appointment of ELT level staff (whether permanent or temporary), including the prior approval of all proposed contractual terms and associated arrangements;
3. To approve appointments to Executive roles including all detailed terms prior to any contractual discussions with incumbents or prospective appointees
4. To consider the recommendations from the CEO, and approve changes to the remuneration of executives, including the terms of the ELT PRP scheme, allowances and benefits ensuring the executives are fairly rewarded for their contribution to the Company having regard to: market information where appropriate; affordability; guidance on public sector increases as reflected in the pay remit agreed with DfE; and guidance issued by Government from time to time about rewards for senior staff in the public sector;
5. To consider, biannually, the performance reviews of ELT level role-holders as proposed by the CEO, the associated performance ratings and approve any performance related pay to Executives;

Receive reports and updates from the CEO on SLC's 2020 Strategy , People component including any proposed movements in SLC headcount

7. To regularly review, at least twice per annum, the risk register, relative to the people component of SLC's strategy;

To periodically review the Company's organisational



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## Appendix 1g: Remuneration, People & Organisation Design Committee - Terms of Reference (Cont.)

1. recommendations from the CEO/ELT any major organisational or executive leadership changes
2. To have general oversight of the Company's succession plan in the context of succession planning for Executive posts, taking account of the challenges and opportunities facing the Company, and the skills and expertise needed in those senior posts in the future, with the expectation that this will be reviewed annually;
3. To review a register of Executive Directors' interests at least annually (i.e. non executive directorships with other organisations, etc), which will be maintained by the Company Secretary;
4. To approve the recommendation from the CEO on any proposed termination of any ELT level role-holder and to approve the detailed terms prior to any discussions with the incumbent with reference to: the Company's severance policy (where required), the requirements of Managing Public Money and related guidance from Treasury;
5. Hold the CEO and the ELT to account for adherence to the relevant corporate governance requirements in respect of people policy, reward and robust HR management with particular regard to any major related changes;
6. In relation to the role of CEO:
  - To support the Board in the appointment process;
  - To receive the Chairman's review of the CEO's performance and the recommendation for the CEO's remuneration and PRP, and also to recommend and secure agreement to CEO remuneration through agreed governmental guidelines and procedures and to the Board;
  - To review the annual performance objectives of the CEO set by the Chairman on behalf of the Board and with the Minister's approval, and in consultation with the Government Departments annual performance objectives. These objectives should be aligned with the SLC Delivery Strategy, performance targets and Annual Business Plans and the specific responsibilities of the CEO as set out in the Framework Document, ensuring that any performance related payments are linked to these objectives.
7. Through the Chair, to have general oversight of the Company's pension scheme.
8. Ensure that a robust Performance Management system and PRP scheme are in operation and that:-
  - individual performance objectives and pay and incentives are aligned with the Corporate Plan and Annual Business Plans;
  - the performance of its staff at all levels is appraised
  - and the SLC's performance measurement systems are reviewed from time to time;
9. To review and recommend to the Board that they may approve the Remuneration Report in the Annual Report and Accounts (ARA) and to confirm that any other staff-related commentary in the ARA is consistent with that Remuneration Report.
10. To review and approve the Company's pay remit proposals prior to their submission to DfE; ensure these are based on HM Treasury Guidance and that informal consultation has taken place with DfE prior to presentation to the Committee;



# Appendix 1g: Remuneration, People & Organisation Design Committee - Terms of Reference (Cont.)

## Meetings

1. The Committee will normally meet six times a year. The Chair of the Committee may convene additional meetings, as they deem necessary. In addition, the Board may ask the Committee to convene further meetings to discuss particular issues on which it wants the Committee's advice.
2. The Company Secretary, in conjunction with the CEO and the Chair, will draw up an agenda which will be issued together with supporting papers to all Committee members and attendees in advance of each meeting, as far as possible following the format standards applied to Board papers. The Company Secretary will be responsible for the secretariat arrangements for meetings.
3. A minimum of two members of the Committee will be present for the meeting to be deemed quorate. Attendance records will be published each year in the Annual Report and Accounts.

## Attendance

1. The Committee meetings will normally be attended by the CEO and Assessors attending on behalf of the shareholders.
2. The Committee may ask any other officials of the Company to attend to assist it with its discussions on any particular matter, and may also ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters. It is expected that this will include a private meeting with the representative of External Audit at least once a year.

## Advisors

- The Committee is authorised by the Board to seek appropriate independent professional advice, as it considers necessary.

## Reporting

- The Chair of the Committee will be responsible for reporting to the Board after each meeting. The minutes of all meetings will be circulated to the members of the Committee and to the Board. The Company Secretary and/or his Assistant will be responsible for retaining copies of the minutes and papers.

## Training

- The Committee, via the Company Secretary, will make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as identified by the Committee.

## Committee effectiveness

- The Committee will also periodically review its own effectiveness and report the results of that review to the Board.



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# Appendix 1g: Remuneration, People & Organisation Design Committee - Terms of Reference (Cont.)

## Information requirements

As per the established Schedule of Business or as and when appropriate , the CEO/ELT will provide the Committee with:

- reports on or matters which may impinge on Executive matters, specifically proposals on:
  - remuneration;
  - performance ratings;
- update reports on pay negotiations;
- any changes to remuneration related policies;
- regular compliance reports with regard to Company adherence to HR policy, practice, procedures including central government reporting and approval mechanisms.
- regular compliance reports with regard to Company adherence to policy, on contractor engagement including numbers, rates and central government approvals.
- regular report on number of settlement cases, associated costs and compliance.
- receive reports about the performance profile of staff by grade
- to receive an annual report of metrics for turnover/retention, sick/absence management, disciplinary action, grievances,
- to receive equality metrics for pay relating to gender and other characteristics, and profiling of age, LoS, gender, ethnicity etc.
- any other management reports on related matters, as required by the Committee .

## Limitation of Authority

- The Committee has no authority in relation to the remuneration and terms of service of the Chairman and Non-Executive Directors.

For inclusion in SLC's Accounting Policies and Procedures Manual

### ***Write-off and losses powers delegated to SLC***

#### **1. Introduction**

- This section of the APPM should not be amended without the approval of the Sponsor Department, who also reserve the right to amend the section at any time.
- The summary table below contains a summarised version of this note.
- These instructions set out powers delegated to SLC to make write-offs.
- **Write-offs and/or losses not listed here are not delegated to SLC and should be referred to the Sponsor Department in all cases for prior written agreement on a case by case basis.** This includes write-offs or adjustment of interest on student loans. Any decision not to pursue recovery of loans or overpayments constitutes a write-off and requires prior authorisation from the Sponsor Department.
- The SLC shall follow the principles and guidance in HM Treasury's Managing Public Money and other government-wide guidance and instructions. Where an overpayment has been made SLC should always pursue the recovery, by offsetting against future payments or by direct recovery where possible.
- Losses and write-offs fall on the sponsor Departments' budgets and accounts. Financial reporting to Sponsor Departments should include write-offs and losses.

#### **2. Write-off categories**

##### **2.1 The circumstances which lead to write-offs are classified into 2 broad groups:**

- a) **Regulatory write-off** of loans (where the customer's liability to repay is cancelled under the terms of the relevant Regulations), see section 3;
- b) **Non-Regulatory write-off** of grant overpayments or loans. In these cases, collections activity will cease and balance written-off, but the loans or grant overpayments are not cancelled and the borrowers remain liable to repay (with the exception of write-offs of grant overpayments due to the death/permanent disability of an individual, which should be treated in a similar manner to regulatory cancellations). For example, should repayments be received against a balance previously cancelled under one of the non-regulatory categories, the outstanding balance can be reinstated and written back-on.

#### **3. Regulatory - cancellation of Student Loans**

**3.1 The Regulations made under the Teaching and Higher Education Act 1998 (the 1998 Act) specify terms under which loan balances can be written off.** These loans are cancelled and the borrowers are no longer liable to repay.

**3.2 The Company has authority to cancel a loan balance granted under the 1998 Act for ICR style loans in whole or in part from the books of account upon:**

- a) death of the borrower;

b) *For loans issued by England, Northern Ireland and Wales*

- i) the borrower reaching the age of 65, providing the account is not in arrears, for loans taken out between 1998 and 2006; or
- ii) the loan not being repaid 25 years from the date the borrower became liable to repay, for loans taken out after 2006, but which are not English or Welsh post-2012 loans, providing the account is not in arrears;
- iii) for loans first issued on or after 1<sup>st</sup> September 2012 in England and Wales: the loan not being repaid 30 years from the date the borrower became liable to repay, providing the account is not in arrears;
- iv) for postgraduate degree loans in England and Wales: the loan not being repaid 30 years from the date the borrower became liable to repay, providing the account is not in arrears.
- v) for postgraduate degree loans in Northern Ireland; then loan not being repaid 25 years from the date the borrower became liable to repay, providing the account is not in arrears.

c) *For loans issued by Scotland*

- i) the borrower reaching the age of 65 providing the account is not in arrears for loans taken out between academic years beginning between 1998 and 2006 providing the account is not in arrears; or
- ii) the loan not being repaid 35 years from the date on which the borrower became liable to pay, for loans taken out for academic years after 2006, providing the account is not in arrears;
- d) the borrower satisfying the lender that he is in receipt of a disability related benefit and by reason of that disability is permanently unfit for work.
- e) Customers in Wales from AY 2010/11 with a relevant maintenance loan balance, and who make a compulsory or voluntary repayment towards this loan balance will receive a partial cancellation of up to £1,500 towards this loan balance.
- f) Customers in England, the outstanding balance for a 'QAA' Access to HE Diploma loan (Further Education Loan): when the learner completes their HE course.

3.3 No loan may be treated as cancelled due to death, age or permanent unfitness for work by reason of disability until the Company has followed proper verification procedures outlined in relevant SLC policy.

**4. Non-Regulatory - write-off of grant overpayments due to death/permanent disability of individual**

4.1 The Company has authority to write-off any grant overpayment owed by an individual who either dies or satisfies the Company that he is in receipt of a disability related benefit and by reason

of the disability is permanently unfit for work. **The individuals are no longer liable to repay and should be treated on a similar basis to regulatory cancellations.**

4.2 No grant overpayment may be treated as cancelled due to death or permanent inability to work by reason of disability until the Company has followed proper verification procedures outlined in relevant SLC policy.

## **5. Non-Regulatory - write-off of student loans and grant overpayments in cases of bankruptcy, sequestration (bankruptcy in Scottish law), Individual Voluntary Agreements and statute barred**

5.1 In certain circumstances the Company has authority to write-off student loans and grant overpayments:

- i. Bankruptcy – **for bankruptcies commencing prior to 1 September 2004.** In England and Wales, any **student loan** debt which a borrower owes to the Secretary of State or Welsh Ministers does not at any time form part of the debts of that borrower for the purposes of the bankruptcy, if the bankruptcy commences on or after 1 September 2004. If the bankruptcy commences prior to that date, only sums received or entitled to be received by the borrower prior to the commencement of the bankruptcy will form part of the bankrupt's debts in the bankruptcy (2009 Student Loan Repayment Regulations, Part 6).
- ii. Similar provisions are applied to Northern Ireland, except that the relevant date for determining whether student loan debts incurred prior to the bankruptcy form part of the debts of the bankruptcy is 1 March 2005.
- iii. Sequestration – this is very similar to the bankruptcy laws in England, Wales and Northern Ireland. New rules came into effect from 1 April 2015, and student loans are excluded from the sequestration arrangements.
- iv. IVAs – IVAs taken out before April 2010. All student loans after this date must be excluded from IVA applications and treated in the same manner as bankruptcy (Apprenticeships, Skills, Children and Learning Act 2009).
- v. Statute Barred grant overpayment – for grant overpayments falling within the definition of 'statute barred' as per the Limitation Act 1980. No grant overpayment shall be deemed statute barred until the Company has followed proper verification procedures.
- vi. Bankruptcy and IVAs for grant overpayments – there are no legal powers to exclude grant overpayments from bankruptcy and IVAs. SLC should pursue grant overpayment debt in these situations as far as possible. If SLC is prevented from full recovery by these legal processes, SLC has power to write-off residual debt remaining.

## **6. Non-regulatory – grant overpayments and loans - trivial balances**

6.1 The Company has authority to write-off or write-back trivial student loan and grant overpayment balances (at borrower, not loan level) as follows:

- i. Trivial debit balances of £0 - £10 on loans or grant overpayments can be written off without contacting the borrower. Trivial credit balances of £0 - £10 on loans or grant overpayments can be written back without contacting the borrower.
- ii. Trivial debit balances of £10.01 - £25 on loans or grant overpayments can be written off after one attempt to contact the customer has been made and no response has been received. Trivial credit balances of £10.01 - £25 on loans and grant overpayments can be written back after one attempt to contact the customer has been made and no response has been received.

## **7. Non-regulatory - Payment of grants and loans issued to incorrect bank details**

7.1 In all identified instances of payment, which is also considered to cover any repayment refunds, being issued to incorrect bank details where the funds have not been subsequently reimbursed from the banking system or the recipient voluntarily, the source of the error will be investigated.

7.2 Where the source is customer error through provision of inaccurate bank account details all the associated payment transactions will remain on the customer record. No additional replacement payments will be issued until the payment is fully recovered, unless expressly instructed by the relevant funding body concerned.

7.3 Where the source of the bank details is other than the customer (other than in circumstances which transpire to be fraudulent, in which case see section 9.1) and the outcome is payment to a bank account held by another customer the transaction will be transferred to the actual recipient and balances updated accordingly resulting in no write-off or loss.

7.4 Where the source of the bank details is other than the customer (other than in circumstances which transpire to be fraudulent, in which case see section 9.1) and the outcome is payment to a superseded bank account of the customer and the bank have retained the funds there is no meaningful method of recovering the funds and an additional replacement payment requires to be issued to the customer. Both payments will remain on the customer's account.

7.5 Where the source is other than the customer and the outcome is payment to a non customer a replacement payment can be issued to the customer (other than in circumstances which transpire to be fraudulent, in which case see section 9.1) and all reasonable efforts will be made to collect the incorrect overpayments to the non customer having consideration, in accordance with Annex 4.11 of Managing Public Money, for;

- How far the recipient acted in good faith;
- Consistency with treatment of similar cases;
- Legal opinion on validity of recipient defences offered;
- Cost effectiveness of recovery action and enforcement;
- The relevant personal circumstances of the recipient;
- The length of time elapsed since the payment was made.

7.6 The Company has authority to write-off payments issued to incorrect bank details in the event of consideration of the factors in clause 7.5 results in the decision not to pursue recovery further.

## **8. Non regulatory - Fraud write-offs for student loans and grants**

8.1 SLC has authority to write-off any payments of grants and loans recorded on a customer's account where investigations have confirmed that the payment(s) were not received by the actual customer, but were diverted elsewhere as a result of a fraud perpetrated by another party. SLC is not obliged to write off and reissue such payments: SLC should consider the individual circumstances, including whether the student is to some degree culpable for the loss.

## **9. Non regulatory - Write-off of interest on loans due to SLC error**

9.1 The Company has the authority to write-off interest applied to borrower accounts only:

- where it is necessary to correct errors made by SLC or by HMRC ; and
- for the period between the date that the debt was actually payable to the date on which the customer is advised that the debt is payable.

9.2 The Company should **not** write-off interest in the following circumstances:

- where the borrower has made an error;
- where there is both an error by SLC and by the customer;
- as a way of providing compensation to customers, nor to avoid hardship or inconvenience;
- beyond the specific period to which the error relates.

## **10. Non regulatory – Instruction from funding body**

10.1 On approval only from Independent Assessor and relevant Funding Body Finance contact from E, W, NI or S.

- Approval to write off will only be carried out on approval by both the Independent Assessor (where relevant) and Funding Body.

## **11. Authority**

11.1 Application of write-off policy may be authorised by the Finance Director, but final responsibility rests with the CEO as Accounting Officer.

11.2 Non-regulatory write-offs can be applied by the operational staff with the relevant access, with the exception of cases of fraud and incorrect bank details, which need to be processed by Finance staff on the basis of duly authorised approvals in accordance with SLC's internal delegations.

11.3 By their definition, the regulatory write offs do not involve any aspect of judgement or discretion and are predominantly covered by associated automatic processes within the CLASS ledger. Whereas the non-regulatory write offs do mainly involve aspects of judgement or discretion. As a result, to ensure appropriate levels of control are operated, we limit the delegated authority to process such write offs to only certain grades of staff and apply differing increasing financial limits based on seniority within those grades.

## **12. Processing and Reporting**



12.1 Each quarter, the SLC shall prepare a report on write-offs for the appropriate Governance Board, which should be shared with the sponsorship Department and Devolved Authorities.

12.2 The Company should also monitor the total value of all fraud cases and where this exceeds £1m in any one financial year the Sponsor Department should be notified and the matter referred to the Main Board for information.

**13. Subsequent repayments from borrowers whose transactions have (other than in error) been written off**

**13.1 Where the Company has written off a transaction and a repayment is subsequently received for part or all of that item, the Company:**

- a. will return the repayment to the borrower or executor, if the associated debt has been cancelled as a regulatory write-off or a non-regulatory write-off of a grant overpayment due to the death/permanent of an individual.
- b. will retain the repayment if the write-off was of any other type non-regulatory or due to fraud.

**14. Reinstatement of items written off in error**

14.1 The Company will reinstate any balance that it has written off in error.

**Summary of Write-off powers delegated to SLC.**

This table should be used alongside the detailed explanation provided in SLC's Accounting Policies and Procedures Manual.

Type	Plan Type	Detail	Authority (see Key*)	Loans	Grant Overpay
Death	All	For loans and grant overpayments: After the Company has followed proper verification procedures, and is satisfied the borrower is deceased.	R for loans D for GO	yes	yes
Age	Plan 1	For ICR style loans, only where the Company, having followed proper verification procedures, is satisfied: a) For loans taken out between 1998 and 2006; the borrower reaches the age of 65, provided the account is not in arrears (E, W, NI, S) b) For loans taken out between 2006 and 2011 (E&W), or 2006 onwards (NI): on the 25 <sup>th</sup> anniversary of the date on which the borrower became liable to pay; or the 35 <sup>th</sup> anniversary (S) , providing loan not in arrears	R	yes	no
	Plan 2	c) For loans first issued in on or after 1 September 2012: on the 30 <sup>th</sup> anniversary of the date the borrower became liable to pay, if not in arrears (E & W)	R	yes	no
	Plan 3	d) For postgraduate master's degree loan: the 30 <sup>th</sup> anniversary of the date on which the borrower became liable to repay	R	Yes	no
Disability	All	For loans and grant overpayments: The company, having followed proper verification procedures, is satisfied that the borrower is in receipt of a disability related benefit, and by reason of that disability is permanently unfit for work.	R for loans D for GO	yes	yes
Bankruptcy [Sequestration] IVA	All	Loans: a) Where a bankruptcy order was taken out before 1 September 2004, only for sums received or entitled to be received after the commencement of the bankruptcy. (E, W) b) Where a bankruptcy order was taken out after 1 September 2004. (E, W) c) where an IVA was entered into before April 2010 d) where a sequestration was entered before 1 April 2015 (S)	L	partial – see detail	yes

Statute Barred	n/a	Statute Barred Grant Overpayments: Only where the Company has, having followed proper verification procedures, been satisfied that the grant overpayment has been Statute Barred.	L	no	yes
Trivial	All	Loans or grant overpayments: Debit Balance +/- £0 - £10: without need to contact borrower Debit Balance +/- £10.01 - £25 only after at least 1 attempt to contact borrower, where no response has been received.  Credit Balance +/- £0 - £10: written back without need to contact borrower Credit Balance +/- £10.01 - £25 written back only after at least 1 attempt to contact borrower, where no response has been received.	D	yes	yes
Ombudsman / Stakeholder	All	On approval only from Independent Assessor and relevant Funding Body Finance contact from E, W, NI or S. Approval to write off will only be carried out on approval by both the Independent Assessor (where relevant) and Funding Body.	D	yes	yes
Payment to Incorrect bank account, other than fraud	All	Where the source of the error is not the customer, and the payment is to a non-customer, all reasonable efforts will be made to recover the payment, having consideration with Annex 4.11 of Managing Public Money. The Company, upon consideration, has authority to write-off payments issued to incorrect bank accounts.	D	yes	yes
Error due to fraud	All	Where investigations have confirmed payments were not received by the customer, but diverted elsewhere as a result of fraud perpetrated by another party: The Company is not obliged to write off and reissue, but has the discretion to write off having considered the individual circumstances, in consistency with similar cases, and consideration for the degree of customer culpability for the loss.	D	yes	yes

SLC Error: Interest only	All	Where the error is not caused in whole or in part by the customer, but caused by either the Student Loans Company, Her Majesty's Revenue and Customs, or both:  Write-off of interest on loan only for period of error.  <i>The write-off must not be in consideration of compensation, or to avoid hardship or inconvenience.</i>	D	Yes – interest only	no
Partial cancellation [Wales only]	All	Customers from AY 2010/11 and relevant maintenance loan balance, and who make a compulsory or voluntary repayment towards this loan balance will receive a partial cancellation of up to £1,500 towards this loan balance. (W)	L	yes	no
Access to HE (Loan Level Only)	Plan 2	The outstanding balance for a 'QAA' Access to HE Diploma loan' (Further Education Loan) is written off once a learner completes their HE course (England - Further Education only).  For these, the balance is written off when the borrower completes a course designated by or under the English Education (Student Support) Regulations 2011.	R	yes	no

\*Key: **R** – Repayment regulations, **L** – other legislation **D** – discretionary, **E** – England, **NI** – Northern Ireland, **W** – Wales, **S** – Scotland



Department  
for Education

Philippa Lloyd  
DG, Higher and Further Education  
Department for Education  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT

Date: 19 September 2018

Paula Sussex  
Accounting Officer and CEO  
Student Loans Company Ltd  
100 Bothwell Street  
Glasgow  
G2 7JD

#### DELEGATION OF FINANCIAL AUTHORITY

1. As the Director General of Higher and Further Education, I have been given formal delegated authority by the Department's Principal Accounting Officer (PAO), to exercise a range of authorities outlined in **Table 1**, and to sub-delegate these to you as appropriate.
2. Financial delegations form an integral part of the Department for Education's (DfE) control environment. No member of staff should undertake or authorise a transaction for which they do not have the authority or budget. By accepting this Delegation of Financial Authority, you assume full accountability and responsibility for ensuring that any financial resources under your control are managed in an economic, efficient and effective manner and in line with your responsibilities as set out in HM Treasury's Managing Public Money (MPM) guidance.
3. The delegation sets out your financial authorisation levels as SLC's Accounting Officer and CEO covering the Administration, Programme and Capital budgets. The Permanent Secretary, as DfE's PAO, is personally responsible to Parliament for the resource under his/her control, regardless of their source. There are certain matters of principles and responsibility I wish to draw to your attention, and these are contained in **Annex A**.
4. This letter replaces the previous Delegation of Financial Authority letter which was issued to Peter Lauener, the outgoing SLC Accounting Officer, on 30th November 2017.
5. If you have any queries regarding your delegated financial authorities, or anything contained within this letter, please do not hesitate to contact your DfE Sponsor David Laing or DfE Finance Business Partners Clare Philpott or Rajbinder Basi in the first instance.

Signed by:

Philippa Lloyd  
DG, Higher and Further Education  
Department for Education

Accepted by:

Paula Sussex  
Accounting Officer and CEO  
Student Loans Company

## Annex A

### Principles

Department for Education (DfE) Arms' Length Bodies (ALBs) who receive a delegated budget directly via the flow of delegations from HM Treasury to DfE have a central role in ensuring that high standards of financial management and control are maintained within their organisations. These include:

- As primary budget holder to commit, certify and authorise expenditure and payments, to raise invoices, collect and accept receipts of monies against budgets for which your post is accountable and responsible for administering, or against allocations made to your post from other budgets for the primary purpose of delivering your contribution to DfE's Objectives and priorities.
- All income and expenditure should withstand scrutiny against the principles of MPM<sup>1</sup>, so that we can demonstrate Regularity, Propriety, Affordability and Value for Money with a system of records and controls. SLC cannot be excused from applying the provisions of MPM, unless specifically agreed with HM Treasury in writing in advance via the DfE. All records of receipts and spending and any related decision-making must be retained for subsequent audit and/or review.
- This Delegation of Financial Authority should be considered 'evergreen', in that it has immediate effect and will remain in force until further notice or such time that you personally cease to be the SLC Accounting Officer and interim CEO.
- This Delegation of Financial Authority supersedes any other financial authorities previously issued to you, and is applicable to your current post. You are also instructed to observe the policy, procedure and guidance issued by DfE with regard to all financial matters relating to Accounting, Budgeting and Estimates; commercial matters relating to contracting, procurement, purchasing and sales; matters of corporate governance, fraud and tax avoidance, and risk management, provided to you and/or published on the DfE's intranet site.
- You are also required to carry out an annual review of the internal controls, financial and otherwise, operating within your area of responsibility and to sign a formal governance statement to that effect in support of DfE's governance.

### Responsibilities

You may sub-delegate your financial authorities, and the conditions thereon, as laid out in this letter, to your budget-holders.

All those who receive a delegated budget are required to ensure:

- The funds are spent correctly within the limits of the financial authorities delegated by DfE, within the ambit of the Vote, within the constraints of the cash limit (where applicable) and in accordance with the rules governing the use of public funds;
- There is appropriate segregation of duties so that fraud and irregularities are minimised;
- There is adequate monitoring and feedback to provide early awareness of any material overspend or underspend in their budget and any potentially poor value for money issues which have arisen;

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<sup>1</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/212123/Managing\\_Public\\_Money\\_A\\_A\\_v2\\_-\\_chapters\\_annex\\_web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_A_A_v2_-_chapters_annex_web.pdf)

- The DfE Chief Financial Officer is made aware, via your DfE Sponsor, of serious financial issues and risks as soon as these become known to you;
- Maintenance of the appropriate financial records and audit trails and that risks are identified and managed;
- Staff who deal with finance are adequately trained, so that they can appreciate problems at an early stage and that staff are encouraged to attend financial training courses.

There are some specific matters for which you will personally be held accountable for ensuring that they are complied with in full.

**i) Losses, Write-offs, Special payments, Consolatory payments, Acceptance of Late Claims, Waiving of Claims and the Donation of Gifts:**

- a. You have no authority to accept late claims, waive claims or to donate any gifts. In all cases you must obtain my formal written approval to your proposal before proceeding with any action in regard to these matters.
- b. You have the authority to write off losses against SLCs running costs up to a limit of £1,000 for an individual claim, with a total ceiling of £10,000.
- c. You have the authority to make special payments against SLC's running costs up to a limit of £5,000 per case, with a total ceiling in any one year of £100,000. This authority represents a direct delegation from DfE's Chief Operating Officer & Director General of Operations Directorate. You are personally responsible for ensuring that appropriate systems are in place to ensure that all special payments made under this delegation are consistent with the principles outlined in MPM. My formal written approval, and that of HM Treasury where necessary must be sought via the Sponsorship Team before incurring any expenditure which is exceed the above limits and/or might be considered novel, contentious or repercussive.
- d. Your authority to write off student loan balances and/or grant overpayments under certain specified circumstances remains outlined in Annex E of the SLC's 2009 Framework Document in recognition of the regular low value/high volume transactions that the SLC is required to undertake on a regular basis on behalf of DfE and relevant Departments in the Devolved Administrations (the UK Departments). The Departments may on occasions review Annex E of the Framework Document and your authority to write off student loan balances and or grant overpayments, these will alter accordingly.

For a, b and c above a list of all cases, regardless of value, is to be shared with your Sponsor on a quarterly basis.

- ii) Lending, Guarantees, Indemnities, Letters of Comfort and Contingent Liabilities** – You have no authority to engage in the provision of loans (other than in exercising the Company's designated function in providing loans to students, as outlined in the Framework Document), guarantees, indemnities, or letters of comfort or to enter into transactions that give rise to contingent liabilities. In all cases, you must obtain my formal approval to your proposal before proceeding with any action regarding these – it may also be necessary to seek Treasury approval. A list of all cases, regardless of value, is to be shared with your Sponsor on a quarterly basis.

- iii) **Novel, Contentious or Repercussive Proposals** – You have no authority and formal written approval (via your Sponsor) should be obtained, and that of HM Treasury via DfE, before incurring any expenditure or receiving any income from any activity, or for any purpose which is or might be considered novel, contentious or repercussive.
- iv) **Project and Programme spending** – DfE and usually HM Treasury approval is required where this exceeds, or is likely to exceed your delegated authority. Departmental approval must be given at a minimum at each key stage of the project under the Five Case Model, as set out in the Green Book supplementary business case guidance:
  - initial approval at the Strategic Outline Case (SOC) phase;
  - approval at the Outline Business Case (OBC) phase before going out to market;
  - and approval at the Full Business Case (FBC) phase, before any spending is committed.

On projects and programmes requiring HM Treasury approval, the expectation is that these have undergone the appropriate IPA assurance process for which you can work through with your Sponsor. Guidance on major project approvals can be found at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/576015/Treasury\\_approvals\\_process\\_for\\_programmes\\_and\\_projects.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/576015/Treasury_approvals_process_for_programmes_and_projects.pdf)

- v) **Recruitment of Retired Civil Servants** – DfE approval is specifically required for the engagement of all ex-civil servants who are not re-employed as civil servants, e.g. as employed or self-employed consultants or contractors. If you plan to engage the services of an ex-civil servant, please first consult with your Sponsor. It may be necessary to clear with HR, and prepare a submission for HM Treasury approval.
- vi) **Cabinet Office Controls** – For the avoidance of doubt, the SLC will comply with the provisions of the Cabinet Office's Efficiency & Reform Group Controls, these can be found via the following link: <https://www.gov.uk/government/publications/cabinet-office-controls>
- vii) **Financial restrictions** – HM Treasury have imposed restrictions on the Department's limits of authority and the requirement to obtain prior approval for any spending proposal which would entail contractual commitments to significant levels of spending in future years for which plans have not been set (i.e. those beyond FY2019-20 for non-ring-fenced resource spending and FY2020-21 for capital spending)



**Compliance with government-wide corporate guidance and wider control frameworks:**

Compliance with government-wide corporate guidance and wider control frameworks:

DfE and its ALBs forms part of a wider control framework, which includes;

- The SLC 2009 Framework Document;
- Appropriate sections of Corporate Governance in Central Government Departments: Code of Good Practice  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220646/corporate\\_governance\\_good\\_practice\\_guidance\\_july2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220646/corporate_governance_good_practice_guidance_july2011.pdf)
- Managing Public Money (MPM); <https://www.gov.uk/government/publications/managing-public-money>
- Government Internal Audit Standards,
- Management of Risk: Principles and Concepts:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220647/orange\\_book.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf)
- Managing the Risk of Fraud,
- Government Financial Reporting Manual (FRM) where applicable
- Relevant Dear Accounting Officer letters;
- Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by the central Departments;
- Specific instructions and guidance issued by the sponsor Department;
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority that have been accepted by the Government, and are relevant to the ALB.

**Table 1****Delegations for the Student Loans Company**

<b>Nature of Delegation</b>		<b>ALB delegation</b>
<b>Administration</b>	All expenditure except that covered by Cabinet Office Controls and subject to the controls on the APRA	<b>£34.7m non-ringfenced and £10.3m ringfenced.</b>
<b>Programme</b>	All expenditure except that covered by Cabinet Office Controls and subject to the controls on the APRA	<b>£126.7m non-ringfenced and £30.8m ringfenced</b>
<b>Capital</b>	All expenditure except that covered by Cabinet Office Controls and subject to the controls on the APRA	<b>£59.4m</b>
<b>Internal funding allocations</b>	All expenditure	<b>Transfers of funding between different budget categories are not delegated.</b>
<b>Spending commitments beyond 19/20</b>	All expenditure	<b>Not delegated – Department approval required</b>

**Notes:**

1. Approval is required if spending falls outside one or more of the applicable delegated limits. Spending should be measured on a whole life cost basis except where this is not sensible, for example for ongoing annual commitments.
2. This includes all new projects and proposals/announcements, even when they are part of a larger programme or payment that was provided for as part of a Spending Review or other Treasury written approval and that are not covered by prior written approval from the Treasury.
3. This also includes renewal of existing projects and programmes where significant changes are being proposed.
4. Costs are on current net present value accruals basis.
5. The cost is the sum of all payments committed or to be committed to a body(ies), organisation(s) or individual(s) from a single programme over its lifetime (i.e. costs should not be “unbundled” to fall below the delegation



Department  
for Education

**ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT FOR EDUCATION, IN ACCORDANCE WITH SECTION 6.2 OF THE STUDENT LOANS COMPANY LIMITED FRAMEWORK DOCUMENT (DECEMBER 2018).**

1. This direction applies to Student Loans Company Limited.
2. Student Loans Company Limited shall prepare financial statements for the year ended 31 March 2019 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the Companies Act 2006.
3. Student Loans Company Limited shall also comply with the accounting and disclosure requirements of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") in force for the year for which the financial statements are being prepared to the extent that they clarify or build on the requirements of the Companies Act 2006.
4. The financial statements shall be prepared so as to:
  - (a) give a true and fair view of the state of the Company's affairs at 31 March 2018 and of its result for the year then ended and subsequent financial year-ends; and
  - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.