Student Loans Company Limited

Registered Company No 2401034

Registered Office: Memphis Building, Lingfield Point, McMullen Road, Darlington DL1 1RW

Annual Report and Accounts

for financial year ending

31 March 2025

ANNUAL REPORT AND ACCOUNTS 2024-25

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1. Chair's Statement

At the outset of the FY2024-25, SLC committed to maintain customer service and performance by delivering a safe academic cycle, despite a further year of a broadly flat 'real terms' core budget which meant that inflationary pressures had to be absorbed by SLC. I am delighted to note that we achieved this through targeted investment in digitalisation and automation, agile resource allocation and a focus on continuous improvement.

This was a significant challenge. We continue to operate with legacy technology in our core operations. And despite implementing an important pay case, we still have just under half of our colleagues at or close to the National Living Wage. Combined with the pressure on all our colleagues from flat 'real term' cash budgets, which has led to increased workloads, our engagement measure is not yet where it needs to be. But achieving the performance we have is testament to the determination of all SLC colleagues to deliver the best possible customer service and, together with the Board, I am very grateful for their remarkable efforts.

I am particularly pleased that we achieved positive progress in respect of customers who receive Disabled Students' Allowance (DSA). This is an issue that the Board has followed very closely and alongside the CEO, I have kept Ministers, parliamentarians and the sector appraised of the improvements we have made. We are determined that we will provide even better service to our DSA customers in FY2025-26.

A significant focus of the Board this year has been on the future of SLC, and the organisation we want to become. A Strategic Blueprint, which the Board endorsed in 2023, now forms the basis of Enable Programme which aims to make SLC simpler, more modern and digital. When funded, Enable will transform our customer service, reduce our costs and risk, make our technology more resilient and make us more agile in policy delivery.

Last year, a Board and Shareholder working group considered how SLC's strategic framework should be updated to reflect this future state. We agreed a vision statement, which we will expand on when we publish a new multi-year Corporate Plan later in FY2025-26. We have simplified our purpose and objectives, set out key outcomes that are being refined as part of Enable, and will deliver this in line with our SLC values of honesty, empowerment, accountability, respect and trust.

There is now a sense of excitement about what SLC can achieve through Enable and I would like to thank Chris Larmer and his Executive team for maintaining their focus on serving our customers while also developing plans for a better future. I would also like to thank SLC's shareholders and my Non-Executive colleagues who have been incredibly supportive throughout. We welcomed four new Non-Executive Directors this year, and said farewell to Charlotte Moar and Stephen Tetlow who stepped down, at the end of their terms. Charlotte chaired the Audit and Risk Committee with great skill and vigour and Stephen, who chaired the Transformation Oversight Committee, brought a dedicated focus on delivering better customer outcomes.

Sir Peter Lauener
Chair
11 July 2025

2. Chief Executive's Foreword

I am pleased to introduce the Annual Report and Accounts 2024-25 as Chief Executive of the Student Loans Company (SLC). Our purpose is to enable opportunity through the provision of student finance and in so doing, we support the Government Missions to break down barriers to opportunity and securing sustained economic growth.

SLC has significant reach and impact: last year we received 2million applications for student finance; our customer base is approaching 10million; we paid out nearly £24billion to students and education providers; and our loan book is approaching £300billion. This year we set out a dual focus – of delivering our core priorities and developing our plans to build a better SLC in the future for our customers, shareholders and colleagues. Our plans are articulated in our transformation programme, Enable, which aims to create a simpler, modern, digital SLC.

In terms of our core priorities, I'm pleased that we achieved 'green' outcomes for nine of our eleven shareholder set targets. This includes customer satisfaction, quality customer outcomes and the ease and efficiency of engaging with SLC's digital channels. Our customer strategy aims to support the vast majority to self-serve so that we can focus assisted service on those who need more support. Last year 98% of applications were received online, 85% of evidence was uploaded digitally, and a digital service was introduced for automatic refunds and used by circa 750,000 customers. These figures underline our efforts to increase digital adoption by making our services more intuitive, supportive and trusted. Greater digitalisation of our services, and increased use of AI are essential to Enable as well, and our progress towards a simpler, modern and increasingly digital SLC.

I am pleased with the progress we made this year to improve the service for customers who receive DSA. Our DSA Reforms Programme delivered significant milestones which have improved customer experience, resulting in a 7% increase in customer satisfaction, and will deliver better value for taxpayer money. For the first time, SLC has full end-to-end visibility of the DSA process meaning we can proactively mitigate issues and drive better outcomes. We still have work to do to make the service even better for our DSA customers and I have committed to deliver a 'year of better' in FY2025-26.

For our shareholders, I am proud that we continue to fulfil our core priority of safely delivering the academic cycle aligned to the policies of our four government shareholders, making the most efficient use of taxpayer money. Our Economic Crime Unit (ECU) prevented losses of £45.5m during FY2024-25 and delivered a ROI of 26:1 against a target of 6:1 and through a range of efficiency measures, our Catalyst project achieved its cash-releasing savings target of £6m. Both achievements demonstrate our commitment to effectively managing public money.

We continue to make progress as a trusted delivery partner in preparing for the delivery of Lifelong Learning Entitlement (LLE). While LLE is a policy ambition for England, the single student finance platform we are developing to support LLE will be foundational for our technology strategy which we will deliver through Enable. It will also benefit all shareholders as we simplify and de-risk our technology estate and move to a platform which will make SLC more agile for future policy delivery and reforms.

Finally, we have made progress on our 'great place to work' commitments. We launched our new colleague-led values, implemented the final phase of our pay case, identified the core and strategic skills SLC needs to succeed, and which form the basis of our strategic workforce planning approach, and formally launched seven new Colleague Networks. We have work to do to improve colleague engagement and with the recent rises in the National Living Wage (NLW), continue to deal with pay pressure as almost half of our colleagues are close to the NLW.

SLC can be proud of what we have achieved in FY2024-25. We have delivered our core priorities, and we have set out clear plans for the future. I'd like to note my thanks to my Executive Leadership Team and all SLC colleagues for continuing to deliver the best possible outcomes for customers, shareholders and each other. I would also like to express my thanks to our Non-Executive Chair and Directors and to our four government shareholders who work shoulder to shoulder with SLC in delivering our purpose and priorities.

Chris Larmer
Chief Executive Officer
11 July 2025

3. Strategic Report

The Annual Report and Accounts for FY2024-25 provide an open and transparent view of the performance of the Student Loans Company (SLC) in the last 12 months. We highlight what has gone well, where we have experienced challenges and provide an overview of our future direction.

3.1 Overview - About SLC

SLC is a UK public sector organisation established to provide student funding (in the form of loans and grants) to approximately two million new and returning students annually in Higher and Further Education across England, Northern Ireland, Scotland and Wales, in accordance with its statutory functions under relevant primary and secondary legislation.

It is a non-profit making organisation. The company is wholly in public ownership; the four UK Government Administrations are its shareholders and since April 1996 SLC has been classified as an executive non-departmental public body (NDPB).

The company tailors its services to students across the UK, to meet the specific requirements of each of our four Government shareholders and is one of HM Government's (HMG) key strategic delivery partners and the Department for Education's (DfE's) largest partner organisation by headcount.

For higher education finance in England and Wales, SLC manages the entire end-to-end apply, assess, pay and repay customer journey. For Scotland and Northern Ireland SLC provides just the payment and repayment parts of the service; however, Northern Ireland's Education Authorities use SLC-developed systems for assessing their students' applications.

SLC also manages a range of products for students in further education. These too are tailored to the differing requirements of individual shareholders - from Advanced Learner Loans in England, through to the Welsh Government Learning Grant. Northern Ireland and Wales both continue to offer an Education Maintenance Allowance.

SLC administers various targeted support grants designed to enable people with disabilities, childcare responsibility, adult dependants, or other needs to overcome barriers to participation in higher and further education.

Additionally, SLC pays bursaries to students on behalf of many UK higher education providers.

SLC also administers repayment services on behalf of all four UK administrations. HMG relies on SLC to assess new and returning students and learners each year; manage a total customer base of 9.61 million applicants, students and repayers; and manage a growing loan book of £294.1bn (up from £260.8bn on 31 March 2024). SLC is responsible for the management of the loan Book, working in partnership with HMRC to collect repayments due, and for ensuring the integrity of the loan Book and the customer data that underpins it. These activities are carried out in accordance with SLC’s statutory functions under relevant primary and secondary legislation.

The loan book is a significant UK treasury asset, and the English Student loan book is recorded on the DfE Balance Sheet. The value of the loan book referred to in this document represents the face value of the total loan book on 31 March 2025, and not the value in accounting terms which is included in the DfE Consolidated Annual Report and Accounts and relates to the English Student loan book only.

The loan book is predominantly owned by HMG and partly owned by private investors. The value of loans owned by HMG is recorded in the accounts of DfE. The overall loan book balance across all domiciles, in billions, is split as follows:

England (HE only)		Wales	Northern Ireland	Scotland	HE Total	England (FE)	UK grand total
266.6		10.6	5.6	9.4	292.2	1.9	294.1

SLC operates from four offices across the UK: these are in Glasgow city centre, nearby Hillington, Darlington and Llandudno Junction.

Key Facts

- 2.0m applications for student finance were processed in the 2024/25 Academic Year.

- Ongoing management of 9.64m customers, as at 31 March 2025, comprising:
  - 6.5m with loans in repayment
  - 1.6m with loans but not yet in repayment
  - 0.04m with grants only
  - 0.4m with applications but not yet paid
  - 1.1m sponsors

- SLC paid out £23.8 billion during FY2024-25 to students and their education providers, comprising:
  - £11.2 billion maintenance loans
  - £0.04 billion maintenance grants
  - £11.5 billion tuition fee loans
  - £0.24 billion tuition fee grants
  - £0.8 billion other grants

- Number of education providers receiving payments:
  - 659 HE providers (all UK)
  - 356 Advanced Learner Loan providers (FE England)
  - 411 schools and colleges (FE Wales and NI) for Education Maintenance Allowance – (payments directly to students)

- 1,292,316 confirmations of enrolment were received from education providers (required before SLC release maintenance loan payments)
- 2,854,882 attendance confirmations were received from education providers (required before SLC releases fee loan payment instalments)
- 290,826 notifications of amendments in student circumstances from education providers were received.

Our Current Strategy

SLC's Corporate Plan 2022-23 to 2024-25 concluded at the end of FY2024-25. It set out a vision for SLC to be "widely recognised as enabling student opportunity and delivering an outstanding customer experience in the efficient delivery of the four UK Governments' further and higher education finance policies".

This vision was underpinned by the five goals that defined our FY2022-23 to FY2024-25 Corporate Plan,

- Deliver an outstanding customer experience;
- Be leaner, better, doing more for less;
- Be a great place to work;
- Be an enabler of opportunity; and
- Be a trusted delivery partner.

The vision and the five strategic goals described the organisation that SLC sought to become and they have shaped SLC into an organisation that is able to maintain a focus on delivering its mission: "to enable people to invest in their futures through further and higher education by providing trusted, transparent, flexible and accessible student finance services".

Our vision, mission and strategic goals are set out in full in the Three-Year Corporate Plan 2022-23 to 2024-25 which is published on gov.uk here: FY2022-23 to 2024-25 Corporate Plan.

Our latest one-year Business Plan, for 2024-25 is also published on gov.uk, here: FY2024-25 Annual Business Plan.

To support delivery of our strategy SLC is organised into Directorates each led by an Executive Director with a mix of employees from across SLC's offices in England, Scotland, and Wales. The CEO and the seven Executive Directors make up the Executive Leadership Team (ELT).

Directorate	**Responsible for:**
Chief Executive Officer (CEO)	Leading and directing the organisation which includes Accounting Officer responsibility.
Product Customer and External Relations (PCER)	Policy, Product and Service Design, Change Governance and Assurance, Partner Services, Customer Experience, Estates and Corporate and External Affairs.
Chief Financial Officer Directorate	Finance, Risk, Commercial and Central Student Finance.
Technology Group	Technology and services for both colleagues and customers across the apply, assess, pay and repay processes.
Customer Operations	Delivery of Apply, Assess, Pay and Repay front line services to students.
Change and Data	Managing the delivery of projects supporting government policy changes, new student finance products and technology and infrastructure updates. Data is accountable for setting the data standards and ensuring it is usable for insights and analytics that support our goals and ambitions.
Higher and Further Education Reform	Delivery of Higher Education Reforms including 'Lifelong Learning Entitlement', the transformational change of the student journey

People	Delivery of SLC people strategy and day to day management of core people processes.

The stability in strategic direction that SLC has maintained has ensured that we have delivered tangible, sustained benefits for customers, shareholders and colleagues.

Shareholders confirm SLC's role, core responsibilities and priorities each year in the ***Annual Performance and Resource Agreement (APRA).*** This confirms the company's annual budget and outlines a set of key performance measures and targets which shareholders expect SLC to meet – the APRA measures and targets.

Performance against these targets is regularly monitored and reported by SLCs Executive Team, its Board and the Department for Education. Table 1. Sets out the full year APRA performance to 31st March 2025.

APRA Measure and Target	**FY2024-25 Performance**	**RAG**
A2P Customer Satisfaction to be ≥ 75%	80.8%	GREEN
Repay Customer Satisfaction to be ≥ 62%	63.6%	GREEN
Ease and Efficiency: Digital Engagement to be ≥ 92% (Combined A2P/Repay)	93.8%	GREEN
Quality Outcomes to be ≥ 92% (Combined A2P/Repay)	94.4%	GREEN
Employee Engagement to be ≥ 6.2	5.8	RED
Variance from £42.41m Administration budget (from +2% under to -0% over)	£0.6m / 1.4% underspend	GREEN
Variance from £230.55m Programme budget (from +5% under to -1% over)	£0.9m / 0.4% underspend	GREEN
Variance from £21.30m Capital budget (from +5% under to -5% over)	£2.8m / 13.1% underspend	RED
Technology Service Experience to be >= 87%	95.1%	GREEN
Repayment Efficiency to be >= 90%	91.9%	GREEN
Fraud Savings Return on Investment to be >= £10m / 6:1 RoI	£45.5m / RoI of 26:1	GREEN

This performance is a considerable achievement in the context of a FY2024-25 broadly flat 'real terms' budget which required SLC to make difficult prioritisation decisions on where and how we spent taxpayer money.

Key Risks and Issues

As described in the Governance Statement, SLC has detailed plans to remediate its most complex and pervasive risks which relate to;

- Resilience and performance of legacy systems and software. However, as noted above, throughout the year the availability of systems and the performance level of those systems has been in line with the APRA key performance indicators.
- Information and Data Handling due to the nature of SLC's operations, the scale and complexity of the legacy IT environment and the pervasiveness of personal data within SLC.

- Cyber Security as we aim to ensure our approach keeps pace with a continually evolving threat environment.

In addition, SLC continues to monitor and closely manage the risks associated with the delivery of DSA Reforms and LLE, which represent the most significant policy deliverables for shareholders.

Our focus for the future

In FY2024-25 SLC has continued its development of a longer-term Strategic Blueprint aligned to the existing vision, mission and strategic goals. The Blueprint endorsed by SLC Board in FY2023-24 identified the tactical and strategic steps SLC needs to take across the key areas of customer, organisation, people, technology and data in order to continue to enable student opportunity but to do so in a way that is simpler, more modern and more digital.

Although SLC had made significant progress in creating the building blocks for digital transformation through its earlier ‘Evolve’ programme, delivering further ambitious transformation would require multi-year investment. The bid for this investment, to be delivered via our ‘Enable’ programme, has been included in our Comprehensive Spending Review (CSR) submission. Working with DfE, SLC developed a Strategic Outline Business Case which was ‘approved to proceed’ to Outline Business Case stage by DfE’s Investment Committee in March 2025. The approval process is continuing into FY2025-26.

At its core, Enable aims to transform the critical public services SLC provides by creating a single Digital Student Finance Platform for apply and assess services for all devolved nations, using modern technology such as AI, to substantially improve our operational resilience and support remediation of longstanding legacy technology risks. The programme will deliver a reduction in SLC’s operating costs through decommissioning legacy systems, reducing the cost of our customer support and assessment activity, and using data to drive automation and innovation. Improved yield on the loan book will also provide financial benefit to Treasury. Ultimately, over time, Enable will see SLC become, a smaller, nimbler and more agile organisation.

Aligned to the ambition for a simpler, modern, digital SLC, we have also updated our vision, mission and strategic goals as we plan for a new multi-year Corporate Plan. The Board, which is responsible for setting SLC’s strategic direction in line with shareholder policy, established a working group to consider a refreshed and simplified framework.

The working group considered the current vision, mission and goals, SLC’s future direction as set out in the Strategic Blueprint and the Enable programme plan, in the context of our operating environment and the Governments key missions of;

- Break down the barriers to opportunity at every stage, for every child, by reforming the childcare and education systems, raising standards everywhere, and preparing young people for work and life.
- Secure the highest sustained growth in the G7, with good jobs and productivity growth in every part of the country making everyone, not just a few, better off.

The Board has now endorsed a ‘vision statement’, that will be further validated with colleagues and customers in early FY2025-26 before it is published in the Annual Business Plan for FY2025-26.

The vision statement sets out SLC’s strategic intent ahead of the publication of the multi-year Corporate Plan which will be published after the outcome of the CSR. While SLC is committed to the path set out via the Strategic Blueprint, the pace at which we will be able to deliver on that ambition will be determined by the funding that SLC is able to secure.

3.2 Performance Analysis

Shareholders confirm SLC's role, core responsibilities and their priorities each year in the ***Annual Performance and Resource Agreement (APRA).*** This confirms the company's annual budget and outlines a set of key performance measures and targets which shareholders expect SLC to meet – the APRA measures and targets.

In FY2024-25, SLC received a broadly flat 'real terms' core budget, meaning that non-pay inflation pressures had to be absorbed. Whilst additional funding was provided for the public sector pay remit, the cost of the SLC two-year pay case, aimed at improving an acknowledged chronic low pay issues had to be self-funded.

Within the available core budget, SLC had to make difficult prioritisation decisions on where and how we spent taxpayer money - making sure that we delivered the best possible Customer, Shareholder and Colleague outcomes. This performance analysis demonstrates that through effective prioritisation, we met the majority of our priority deliverables, albeit we were not able to deliver improvements we had planned.

SLC set out its plans and measures performance through three lenses, customer, colleague and shareholder. Each lens includes priority deliverables, financial and non-financial performance indicators and targets.

FY2024-25 – Our Priority Deliverables:

Customer:

- Safely deliver the academic cycle for our customers (guide the right customers into the right channels, ensuring we pay the right money to the right people at the right times / deliver the best service we can within the funding envelope provided)
- Transform the service that we provide to Students eligible for DSA (new One-Stop Service / Automation / Digital Journey design)
- Deliver Better Customer Outcomes (tackling legacy issues one by one starting with Automatic Refunds)

Shareholder:

- Design and Deliver DfE LLE and DA Shareholder Priorities (aligned to and accelerating our Technology Strategy)
- Implement Project Catalyst (a cost reduction programme to build a more sustainable organisation)
- Protect Taxpayer Money and Data (Cyber Security / Financial Crime Prevention(counter fraud) / Repayments Yield / Data Strategy Acceleration and GDPR)

Colleague:

- Align our updated People Strategy to our Business Strategy (values and behaviours, learning and development, strategic workforce plan)
- Accelerate our Great Place to Work aspirations (follow through on action plans from the employee engagement survey, improve our employee experience)
- Bring our EDI Strategy to Life (improve data and embed our Colleague-Led Networks to support our colleagues to thrive)

Cross-cutting:

- Deliver our APRA targets
- Build the business case for transformational funding aligned to the strategic blueprint

Performance against these deliverables was tracked and monitored primarily via monthly executive leadership business review meetings and Quarterly Business Reviews which bring together SLC's executive, management and business partner communities. Each of the priorities was also considered in depth via executive and supervisory governance, including through the monthly Corporate Performance Dashboard.

Shareholders agreed eleven formal performance measures, each with an associated target, in the FY2024-25 APRA. In nine out of the eleven measures, SLC achieved a green rating for the year. Full details of the eleven measures, and our performance against the agreed targets is set out below.

3.2.1 Customers

Delivery of the academic cycle for our applicant and repaying customers is our key priority each year and is core to our purpose of enabling opportunity. We want the vast majority of our customers to be able to self-serve through our digital channels, with assisted support available for our customers who need it. We set three key customer priorities for FY2024-25:

Priority1 - Safely Deliver the Academic Cycle for our Customers

We safely delivered the 2024/25 academic cycle, with the number of applications received and processed tracking broadly in line with AY 2023/24.

Across all products and across all domiciles, we paid students and educational institutions a total of £13.9 billion of AY 2024/25 funding by the end of March 2025 and met our key objective of paying our customers and educational institutions on time. The financial and academic years do not exactly align, with the third instalment of living expenses and tuition fees for an academic year, paid during the new financial year – in April and May respectively.

At the end of the current financial year, we remain on track to pay a total of £24 billion for the 2024/25 academic cycle. Over 34% of this academic year's core applications were processed without the need for any colleague intervention or colleague contact. Over the years ahead, we aim to improve performance from this baseline.

Customer Satisfaction:

We employ an independent survey company to measure customer satisfaction across a range of our products, customer groups and services. The satisfaction of our two overarching groups of customers, A2P customers and Repay customers provide the first two of our APRA targets. Both of these measures again reported "green" this year, as follows:

	2024-25 Target	2024-25 Result		Comment
A2P Customer Satisfaction: how applicants, students and their sponsors rated the company's overall service	≥ 75%	80.8%	Green	Feedback from customers points to the speed and ease of our processes, and to friendly, helpful advisors.
Customer Satisfaction: how repayers rated the company's overall service	≥ 62%	63.6%	Green	
Ease and Efficiency (Digital Engagement): covers the percentage of interactions that our customers have with us that take place through our online portals:	≥ 92%	93.8%	Green	SLC is an increasingly digital business with 98% of applications received online and 85% of evidence in support of applications now digitally uploaded. A key element of our Customer Strategy is to increase self-serve options for our customers, removing the need for them to contact us by telephone.
Combined A2P and Repay Quality Assurance: SLC sample-checks a range of customer interactions to assess whether the outcome met the customer's needs, and these quality assurance checks underpin our Quality APRA target	≥ 92%	94.4%	Green	Last year's APRA contained different quality measures: two separate measures for A2P processing and in-house A2P contact; both were green at 93.6% and 96.2% respectively.

Priority 2 - Transform the service that we provide for disabled students

Over FY2024-25, SLC had two in-flight projects transforming the DSA Service: DSA Reforms and the DSA Supplier Service with a third, DSA Customer Journey Enhancements planned. These projects were combined under a single integrated programme.

The DSA Reforms project on-boarded two new suppliers in February 2024 who have now completed a full year's "one-stop-shop" service for eligible students covering the assessment of their support needs and the provision of assistive technology and training. The suppliers are working to contractual standards, monitored via agreed key performance indicators.

The final element of the DSA Reforms scope was the implementation of the new commercial framework in November 2024, providing improvements in value for money for the UK taxpayer.

At the end of the 24-25 financial year, the DSA Supplier Service project implemented direct system-to-system links (APIs) between SLC and the two suppliers to enable automated data sharing. This improves efficiency and further enhances the customer experience by eliminating the need to share medical evidence with the suppliers where it has already been provided to SLC. This project is now monitoring a parallel running period for the new APIs before removing the previous process. This is expected to conclude at the end of April 2025.

Although there were delays in implementing the new service and some initial challenges with customers facing increased waiting times for needs assessment, customer satisfaction with the overall DSA process was 7% points higher than under the previous service model.

Priority 3 - Deliver Better Customer Outcomes

In FY2023-24 a high-profile media campaign led to widespread online coverage and resulted in unprecedented demand for refunds from customers who were eligible to reclaim refunds under the terms of the student finance regulations. (This usually occurs due to in-year fluctuations in income, causing the repayments from individual high-earning months to total more than would be calculated from the whole year's income).

SLC deployed an initial robotics solution in March 2024 to assist with processing.

This tactical solution provided a platform for further improvement and with additional funding from DfE, SLC then introduced a new digital refund service in May 2024. As a result:

- 747K online refund requests were made during the year, with 81% being handled automatically.
- £140m was refunded to c. 600,000 customers.
- Over one million invitations were issued to customers who had a refund entitlement from the 2022-23 and 2023-24 tax-years.
- Failed refunds have reduced from 3% on average to less than 0.5% over the course of the year.

Evidence Reduction

- The Evidence Reduction Working Group (EWRG) working alongside DfE and the DAs are exploring several opportunities to reduce the burden for customers, ranging from tactical to regulatory changes. For example - the Catalyst project is advancing work on the implementation of permanent changes to Child Identity Evidence and Marital Evidence requirements.

3.2.2 Shareholder

As a trusted delivery partner of our four government shareholders, SLC is committed to protecting taxpayers' money and data as we deliver their policy priorities. Current funding has a direct impact on the extent to which SLC can progress the activities that we know will deliver tangible shareholder benefits, but we remain committed to delivering the best possible outcomes. Our shareholder priorities for FY2024-25 were to:

- design and deliver DfE Lifelong Learning Entitlement and DA Shareholder Priorities (aligned to and accelerating our Technology Strategy)
- Implement Project Catalyst (a cost reduction programme to build a more sustainable organisation)
- Protect Taxpayer Money and Data (Cyber Security / Financial Crime Prevention (counter fraud) / Repayments Yield / Data Strategy Acceleration and GDPR)

Priority 1 - DfE's Lifelong Learning Entitlement (LLE) and Devolved Administration Priorities (aligned to and accelerating our Technology Strategy)

The Government's policy is that LLE will provide individuals with a loan entitlement to the equivalent of four years of post-18 higher education to use over their lifetime. It will be available both for modules and for full years of study at higher technical and degree levels (levels 4 to 6). This will facilitate flexible study – allowing individuals to space out their studies, transfer credits between FE and HE institutions, and take up more part-time study, facilitating re-skilling and retraining of adults already in the workplace as well as those at the beginning of their career journey.

SLC is responsible for the application and assessment service that will enable LLE delivery. We are working in partnership with DfE and other stakeholders, following user-centred design principles, to deliver an efficient and effective student finance system that will support LLE. LLE remains on track to launch in September 2026 for all courses starting from January 2027.

The technologies that are being implemented for LLE are also foundational for delivery of our longer-term technology strategy which we expect to be delivered through our Enable Programme. The LLE systems create a student finance platform that is inherently more flexible and can be extended to other SLC products. It provides a strategic platform built upon a decoupled architecture, that enables additional student finance products to be added seamlessly and drives the rapid and secure delivery of change. It has been designed and developed with scalability in mind, with reusable templates and components that will accelerate future work as we update and modernise our IT estate.

Alongside the development of future platforms, SLC's Technology Group is also responsible for the BAU work of maintaining our existing systems and services. Accordingly, one of SLC’s APRA targets is based on the number of "green" service days – that is, days on which there were no priority incidents or system outages – as a percentage of the total number of days:

Technology Service Experience:

	2024-25 Target	**2024-25 Result**	**Comment**	
Technology Service Experience:	≥ 87%	95.1%	Green	2023-24 90.2%

Priority 2 - Project Catalyst

In FY2023-24 we established the Catalyst Programme to identify and deliver cash releasing efficiency savings. A Catalyst board was established, led by SLC's Chief Financial Officer, and aligned to existing Change Governance through SLC's Investment Committee and Change Board. Catalyst achieved its cash-releasing savings target of £6m for FY2024-25.

Some of the key contributors to these savings were:

- Channel optimisation and self-service (including IVR improvements and the “Turn-off Print” project, see case study below)
- Lean and Simplification (including in repayments customer services and rollover process efficiencies)
- Commercial and Technology Group (including partner offshoring)
- Automation (including reductions in indexing and paper evidence)

Catalyst Case Study: Turn off Print

SLC printed and sent more than 9m postal customer communications a year, resulting in annual costs of circa £5m. This is not only costly, time-consuming and not environmentally friendly but it is also not aligned to most of our current customers’ channel preferences. However, printed versions will remain available for customers who are digitally excluded or prefer traditional mail.

Between April and the end of May 2025, we turned off the automatic print option for twenty customer letters, replacing them with digital notifications which direct customers to view their correspondence message securely in their online account.

This is just one step on our journey to create a simpler, more modern and digital organisation, and an important one; the Turn Off Print project will help reduce operating costs and lay foundations for longer-term savings, introducing a repeatable process for digitising correspondence.

The Catalyst programme will continue in FY2025-26 to support the incremental cost pressure arising from SLC's largely flat 'real term' budget settlements. The aim is to release funding which can be recycled to support organisational priorities such as the early delivery work required to set up Enable Programme.

Priority 3 - Protect Taxpayer Money and Data

This priority covers a range of activities: it includes our work to progress compliance with on-going GDPR requirements and keeping customers data safe and cyber resilience, our approach to risk and financial crime prevention as well as repayments yield.

It is also underpinned by SLC living within the budgets set by our Government shareholders. Three key APRA performance measures cover this:

	2024-25 Target	**2024-25 Result**		**Comment**
Administration Budget (£42.4m) - Variance	Up to 2% underspend; zero overspend.	0.6% (£0.6m) Underspend	Green	SLC are £0.6m (1.4%) underspent on Admin and within APRA tolerance. (FY2023-24 £0.3m / 0.6% underspend)
Programme Budget (£230.5m) - Variance	Between 5% underspend and 1% overspend	0.4% (£0.9m) Underspend	Green	SLC are £0.9m (0.4%) underspent on Programme and within APRA tolerance (FY2023-24 £2.4m / 1.2% over)
Capital Budget (£21.3) - Variance	Between 5% underspend and 5% overspend	13.1% (£2.8m) Underspend	Red*	SLC are £2.8m (13.1%) underspent on Capital and outwith APRA tolerance (FY2023-24 £14.1m / 20.6% under)

*Due to a technical assessment of a technology project not meeting capitalisation requirements.

Cyber Security

SLC continues to progress our security governance arrangements as well as maintaining and enhancing our security control environment.

This year there has also been significant focus on gaining better insight into the threats that might target SLC, on delivering key industry assurance activities, and active participation in cross-government security assurance and planning activities including the Government Security Group's "Defend as One" cyber security strategy.

Financial Crime Prevention

SLC's ECU role is to minimise loss from fraud. Core to safeguarding the taxpayer pound is ensuring that SLC manages risk effectively, not just within its own business but in third-party suppliers and across the student finance system.

The ECU team undertake various roles associated with the prevention and detection of economic crime including intelligence management, investigation, and data analysis. Strong links have been built with external stakeholders and new technology will deliver ongoing monitoring of risk.

SLC is a member of the National Economic Crime Centre, giving access to valuable insight and data sharing capability. SLC routinely monitors applications for student finance and where patterns of unusual behaviour are identified and investigated, these are raised with DfE and Office for Students (OfS). Suspicious activity is reported in line with the expectations set out within the Proceeds of Crime Act 2002.

The ECU prevented losses of £45.5m during FY2024-25. This represents another green result against an APRA target.

	2024-25 Target	**2024-25 Result**	
Fraud Savings	£10m / a return on investment (ROI) of 6:1	£45.5m / ROI 26:1	Green

Repayments Yield

One of SLC's priorities is to collect every pound due by making sure that customers comply with the terms and conditions of their loans and by ensuring that fraud and error are minimised.

Against a backdrop of a challenging operating environment and increasing number of customers, SLC has again exceeded its APRA repayments target for FY2024-25, with the final percentage of verified customers reaching 91.9% against a target of 90%. For context, each 1% increase in this rate equates to circa 67k additional customers being verified and an additional circa £30m being repaid to the Exchequer.

	2024-25 Target	**2024-25 Result**	
Repayments Ease and Efficiency	90% *of customers compliant with their repayment obligations	91.9% (last year 91.9%)	Green

While the majority of repayments are made to HMRC via PAYE, SLC also directly collects money from customers who are outside the UK tax system, or who choose to pay by direct debit. SLC directly collected £129.2m over FY2024-25 (£9m more than in the previous year).

SLC takes a responsible approach to all debt collection activity and is mindful that customers may find themselves in difficult circumstances. We strive to ensure fair and supportive treatment of customers with additional needs and those facing financial hardship, with frontline colleagues undertaking training to support customers with additional needs.

Data Strategy

In June 2024 and aligned to work to develop the Enable Programme, SLC revised its Data Strategy. The revised strategy sets a blueprint for the development of data activities across the organisation, that sets the direction and vision for modernising the approach to how data is managed and used across SLC. The strategy aligned SLC ambitions with those of the UK Government, adopting the principles of the National Data Strategy (NDS) and vision to become a modern data-driven society.

Financial constraints have delayed implementation of the data strategy, with several target data model maturity capabilities now captured within Enable Programme.

GDPR

SLC's use of customer data is predominantly compliant with GDPR regulations and is working towards full compliancy. GIAA's follow-up health-check report provided a rating of "moderate" assurance.

3.2.3 Colleague

Our colleague focused strategic goal is to make SLC a great place to work. Our people are the foundation of our business - we are proud of what each colleague does to help customers invest in their futures. Aligned to our strategic goal, we set three key colleague priorities for FY24-25. These were to:

- align our updated People Strategy to our Business Strategy (values and behaviours, learning and development, strategic workforce plan)
- accelerate our Great Place to Work aspirations (follow through on action plans from the employee engagement survey, improve our employee experience)
- bring our EDI Strategy to life (improve data and embed our Colleague-Led Networks to support our colleagues to thrive)

Priority 1 - Align our updated People Strategy to our Business Strategy

FY2024-25 was a transition year with our former People Strategy having concluded at the end of FY2023-24. We took the year to develop future-focused thinking aligned with our broader business strategy that has been advanced as we have developed Enable Programme.

Values and behaviours

This year we revised our values through an extensive colleague led process. We aimed to provide a shared language and clear expectations about what good looks like in order to: build alignment across the organisation; guide decision-making; shape the way we collaborate and communicate; help us support and challenge each other; and, strengthen our impact on customers and the communities we serve.

During development, we engaged with more than 150 colleagues to understand our 'as is' culture. Around one third of SLC colleagues then voted and chose HEART as our new values:

Honesty: We act with integrity and transparency in our actions, fostering credibility
Empowerment: We enable people to take the initiative, make impactful decisions and drive positive change
Accountability: We hold ourselves accountable for delivering high quality results
Respect: We value people, perspectives and diversity
Trust: We are one-team, building strong dependable relationships

Work to embed our new values will continue over FY2025-26, with our senior leaders having committed to role model the values, set objectives for teams in a way that reflects our values and encourage everyone to demonstrate the values.

Learning and development

We have refocused on the Career Pathways programme this year to make it a suite of offerings, all of which contribute to colleagues' career development at SLC. We have:

- Relaunched Leap of Faith, where colleagues have the opportunity to 'leap' into another role via shadowing, as an always on product – making it more flexible for colleagues to access support in their personal development plans. This was launched in September and to date we have had 154 colleagues take a "leap".
- Supported One-to-One career coaching – 89 colleagues have participated in this since the start of the financial year.
- Established Colleague Career Journeys – Every ten weeks we collaborate via Connect to share the varied routes colleagues have taken to develop their career at SLC. Data to date show over 3,000 colleagues have engaged with this new initiative.

Strategic Workforce Planning

A critical foundation in aligning our people and business strategies was to develop Strategic Workforce Planning (SWP) and we have progressed this over FY2024-25. We have developed a SWP methodology aligned into the broader Government People Group Civil Service Workforce Framework.

The aim of this work is: to provide a tool to help align our business strategy and future workforce requirements; achieve a sustainable and cost-effective workforce; cultivate the right future skills and capabilities; and, ensure SLC's organisation design aligns to a more modern, digital and agile workplace.

Over FY2024-25 we completed the work on our core and strategic skills, and started work with colleagues to baseline our current skill set. Early adoption activity was undertaken within Customer Operations via a self-assessment tool, with the wider organisation undertaking the assessment over April and May 2025. Once complete, we will have an accurate picture of the 'as is' skills landscape in SLC and will use this to create a gap analysis and build a plan for future skills development aligned to strategic needs.

Priority 2 - Accelerate our Great Place to Work aspirations

Colleague reward

In October 2024 we implemented year two of SLC's two-year pay case. The pay case sought to address SLC's chronic low-pay issues by removing the second lowest grade and investing significant funds to increase salaries between 11.5% and 16.5% across our lower grades where pay challenges were particularly acute.

The pay case was critical in establishing a buffer of 5.3% above the NLW by October 2024. However, the Government announced a 6.7% increase to the NLW from April 2025, meaning that despite the significant progress made in the pay case, SLC is once again facing significant issues around low pay, with almost half of our workforce within 1.8% of the NLW by the end of the financial year. Work is underway to develop options to continue to address pay issues at SLC.

Employee Engagement

We conducted the annual 'Our Voice' employee engagement survey in December 2024, supplemented with pulse surveys throughout the year.

Following a sustained effort by senior leaders, we significantly increased the participation rate from 77% in FY2023-24 to 86% in FY2024-25. Key emotions fed back in the survey were "happy" "committed" but "frustrated". This was borne out by the key themes of the survey results:

- Colleagues feel part of a team and work together as a productive unit, supported by their manager
- Colleagues have a clear understanding of their role and what is expected of them
- There is a sense of frustration regarding workload and change within SLC

We have developed robust directorate-level and company-wide action plans to address key themes of the survey.

	2024-25 Target	**2024-25 Result**	
Employee Engagement Score	≥ 6.2	5.8	Red

Priority 3 - Bring our EDI Strategy to life

SLC launched a refreshed three-year EDI Strategy during FY2023-24 with an ambition to support SLC to be a great place to work, creating a culture where people feel accepted, valued, respected and can thrive. The first year of our strategy focused on implementing the foundations required for progress over the remaining years and included the establishment of our colleague-led networks and improvements in data capability and collection. The Annual Employee Survey reflected strong scores in this area.

Our key areas of focus and achievements, across the 5 pillar strategy, in year 2 have been:

Data

- Improvement in the quality and coverage of workforce demographics; and the introduction of more inclusive equality data reporting options.
- The introduction of an EDI Demographic and Recruitment Dashboard means we now have instant access to data to support data-driven decisions that reflect the diversity of our workforce and support the development of our inclusive recruitment processes.

Recruitment Retention & Progression

- SLC has implemented more inclusive recruitment practices, undertaking an equality impact assessment review on recruitment processes to attract diverse talent.
- The recruitment and selection policy has been updated to incorporate the requirement for diverse interview panels.
- Updates to job advertisements have been made following the use of a 'gender decoder'

Leadership

- We have initiated leadership accountability for EDI. Objectives for inclusive leadership have now been incorporated into performance reviews for ELT and SMT.
- Our colleague networks which provide a platform for underrepresented groups, have ELT and SMT leadership sponsors in place

Organisational Development

- Despite EDI expenditure control-led delays to external training and development, internal training initiatives have been expanded to improve cultural awareness and inclusivity among colleagues. This includes mandatory EDI training and leadership development modules focusing on role modelling wellbeing and inclusion.
- Neurodiversity training was piloted in partnership with Durham Enable providing further knowledge, understanding and guidance on how to support neurodiverse colleagues.

Inclusive Culture

- We formally launched 7 new networks in May 2024, following the development of our Colleague Network Framework, with 10 Colleague Networks now in place.
- 'Carer Positive – Engaged' was awarded to SLC following work driven by SLC's carers network to help build a supportive environment for carers across the organisation.
- We have launched a new Dignity at Work Policy which outlines our commitment to providing and maintaining a supportive, inclusive and safe workplace
- We have been working collaboratively with our networks and other stakeholders in the business to update our Reasonable Adjustments process.
- Equality Impact Assessments (EIAs) completed for key projects throughout the year

As part of the EDI Strategy, we developed an 'EDI Maturity Matrix' to benchmark maturity and track progress against our EDI Strategy activity. Our goal is to move maturity from 'compliance' towards a more mature, embedded inclusive culture. The EDI maturity matrix shows we have shifted the dial in all areas, moving from 'compliant' towards 'defined' and 'mature' in some areas. The full EDI report is published at SLC EDI Annual Report 2024-2025 . SLC's Gender pay gap Report is also available at SLC Gender Pay Gap Report 2024.

Risk

Risks are regularly reviewed in each directorate and considered collectively by the Executive at the Executive Risk Forum which meets frequently throughout the year. This includes consideration of the overall risk appetite position of each risk category. Consolidated risk reports and assurance reports covering specialist risk categories are discussed at SLC's Audit and Risk Committee meetings throughout the year.

The Risks which have had to be managed to enable operational delivery and the progress in mitigating these risks are summarised as follows:

- **Legacy Technology**

Risk Description

Failure to define, measure and manage the SLC IT estate, encompassing legacy and current systems may result in a failure to maintain critical business services.

2024-25 Journey

An extensive review and 'Health Check' of the SLC IT estate has now concluded and is being used to inform and prioritise both short-term tactical activity and long-term mitigations, including SLC's proposed transformation 'ENABLE' programme.

- **Information and Data Handling**

Risk Description

Inappropriate handling and processing of data may lead to a breach of legislative or regulatory requirements.

2024-25 Journey

The risk remains stable, with material progress to a more mature compliance position ongoing via a multi-year programme of work.

- **Cyber Security**

Risk Description
Failure to keep pace with the persistent external cyber threat and evolving control requirements that support delivery of the technology strategy.
2024-25 Journey
Focus has remained on ensuring that controls remain operationally effective in mitigating current threat levels. A number of independent assurance activities have commenced, including a GovAssure cyber assessment to inform any future cyber strategy.

- **Financial Crime**

Risk Description
Incomplete or inadequate response to financial crime threats including internal and external fraud, Anti Money Laundering / Counter Terrorist Financing and financial sanctions.
2024-25 Journey
SLC continues to work proactively with shareholders, the DfE and the OfS to support the strengthening of the wider student finance system.

- **Staff attraction and Retention**

Risk Description
Challenges retaining subject matter experts with deep knowledge and key technical skills may compromise SLC's ability to deliver against key business objectives.
2024-25 Journey
Following implementation of the approved Pay Case, in year attrition levels subsequently reduced. ELT subsequently prioritised vacancies assessing these against business-critical deliverables.

- **Financial Pressures**

Issue Description
Funding allocated does not include the inflation required for operating expenditure.
2024-25 Journey
As with all public services, challenging budgetary conditions remain and have been closely managed throughout the year, through both the reprioritisation of change and operational deliverables. Decisions taken were focused on ensuring the delivery of a safe academic cycle.

In addition, SLC continues to monitor and closely manage the risks associated with the delivery of DSA Reforms and LLE, which represent the most significant policy deliverables for shareholders.

3.2.4 Financial Performance and Position

SLC is primarily funded through **Grant-in-Aid**, received from DfE as SLC's sponsor department. DfE receives appropriate apportionments of this funding from the three Devolved Administrations:

- The Welsh Government
- The Scottish Government
- Department for the Economy, Northern Ireland

This funding is also analysed through the "parliamentary lens" – that is, by Admin, Programme and Capital, as defined in HM Treasury's Consolidated Budgeting Guidance (CBG).

DfE confirms SLC's budget in the APRA letter, which provided analysis of the funds through both the business and the parliamentary lenses.

Grant-in-Aid Funding

As part of the Government's Budgeting Framework, Grant-in-Aid funding is allocated each year from the Departmental Expenditure Limit (DEL). This comprises two distinct budgets: net resource spending (resource DEL), which is split into Administration and Programme expenditure and Capital expenditure (capital DEL).

Resource DEL is further divided into cash and non-cash components. In 2024-25, the cash element is £269.8m (2023-24: £251.1m). The non-cash element, which covers items such as depreciation and amortisation, amounts to £27.9m in 2024-25 (2023-24: £30.8m).

Grant-in-Aid Funding for Delivery of SLC Core Activities and Change Projects

	2024-25 DEL Administration £'000	2024-25 DEL Programme £'000	2024-25 DEL Capital £'000	2024-25 Total £'000
Non-ringfenced (Cash)	40,084	229,711	21,607	291,402
Ringfenced (Non-cash)	7,000	21,000		28,000
Total	**47,084**	**250,711**	**21,607**	**319,402**

	2023-24 DEL Administration £'000	2023-24 DEL Programme £'000	2023-24 DEL Capital £'000	2023-24 Total £'000
Non-ringfenced (Cash)	42,174	208,929	68,505	319,608
Ringfenced (Non-cash)	7,700	23,100		30,800
Total	**49,874**	**232,029**	**68,505**	**350,408**

In addition to DEL funding, SLC receives Grant-in-Aid funding for Annually Managed Expenditure (AME). This covers expenditure which cannot be fully controlled. The AME element of budget granted from DfE amounted to £1.5m charge (2023-24: £1.6m credit).

The non-ringfenced (cash) Grant-in-Aid of £291.4m, as presented in the table above, represents the budgeted allocation for FY2024-25. This is £11.7m higher than the £279.7m reported under Changes in Taxpayers' Equity, which reflects the actual cash requirement. The difference arises from a combination of underspends against the allocated budget and accounting transactions that do not require cash outflows, such as accruals and prepayments, and includes AME related expenditure.

AME Expenditure

The table represents AME expenditure included in the Statement of Comprehensive Net Expenditure.

	2025 £'000	**2024 £'000**
Pension interest charge / (income)	971	837
Pension administration expenses	302	1,117
Provisions	(34)	606
Depreciation	-	25
	1,239	**2,585**

Non-Grant-in-Aid Funding

During 2024–25, SLC received £2.4 million in non-GIA funding. The largest contribution was £1.0 million (2023–24: £1.0 million) from universities and colleges participating in the Bursary Administration Scheme, under which SLC administers bursary and scholarship payments. SLC also received £0.9 million (2023–24: £1.0 million) from Criminal Injuries Compensation Authority (CICA) to cover fit-out costs and rental of the first floor at Clyde Place, which is currently occupied by CICA.

Year-End Outturn

The overall outturn was £314.1m (2023-24: £335.0m). This included an underspend of £4.3m against our non-ringfenced cash (2023-24: £11.9m) and £1.0m (2023-24: £3.5m) against our ringfenced non-cash budget. In total, this represents a £5.3m underspend (2023-24: £15.4m) against the APRA budget, as shown below:

Final budget outturn position of net expenditure

	2024-25 Budget £'000	**2024-25 Outturn £'000**	**2024-25 Variance £'000**
Non-Ringfenced (Cash)	291,402	287,128	4,274
Ringfenced (Non-cash)	28,000	26,997	1,003
Total DEL	319,402	314,125	5,277

The non-ringfenced cash underspend of £4.3m comprises underspends of £0.6m against the Admin budget and £0.9m against the Programme budget. Both are within the agreed performance measures set out in SLC's APRA letter. Additionally, there is a £2.8m underspend on the Capital budget, primarily driven by the requirement to reclassify prior year expenditure on a Capital-related project. This reclassification exceeded the APRA performance tolerance.

Ringfenced non-cash budgets were underspent by £1.0m in 2024-25. This was primarily due to delays in the expected go live date of project assets.

The table below reconciles the net expenditure for the year as shown in the Statement of Net Expenditure with the outturn for the year, as noted above, in respect of our budget position as reported to DfE.

Reconciliation to Statement of Comprehensive Net Expenditure (to the nearest £100,000)

Reconciliation to Financial statements	2025
	£'000
Total expenditure per SOCNE:	
Staff and restructuring costs	143,200
Depreciation, amortisation and impairments	27,000
Other administrative expenses	126,800
Finance Costs	2,000
	299,000
Non Grant-in-Aid income (note 3)	(2,400)
Finance Income	(100)
Capital Expenditure	19,100
Add back: AME recognised on SOCNE	(1,200)
Add back: AME recognised in SOFP	(300)
Total Outturn	**314,100**

Staff and Restructuring Costs

Total Staff costs have increased by £4.2m (3.1%) from £137.6m in 2023-24 to £141.8m in 2024-25.

The final instalment of the approved pay case was implemented in October 2024. Including employer costs, the pay case accounted for a £7.7m increase in employee costs. Other payments for staff recognition and national living wage accounted for a further £2.3m increase. The move to a flat rate for employer pension contributions saw an increase of £1.7m. These increases are offset by no 'one-off' non-consolidated staff payments being made in 2024-25, £(5.2m) and reduced headcount £(3.4)m.

In addition, SLC employee costs charged to capital projects reduced from £6.4m in 2023-24 to £5.4m in 2024-25. A decrease of 16.1% £1.0m.

Indirect Staff costs for the year were £1.1m (2023-24 1.2m).

Depreciation, Amortisation and Impairments

Depreciation, amortisation and impairment charges of £27.0m (2023-24 £27.3m) are in line with capitalisation policies on both existing assets and additions net of disposals in 2024-25. The movement in depreciation and amortisation charge for the year reflects a lower asset base, reduced activity and a review of useful economic lives.

Other Administrative Expenses

Overall other Administrative spend increased by £9m to £126.8m compared to £117.8m in 2023-24.

The majority of the in-year movement relates to Outsourced Services costs, with an increase of £6.6m from £21.1m in 2023-24 to £27.7m in 2024-25. The movement is partly due to increased Operational Teleperformance costs due to increase in hours required and inflation. The increase is also due to technical support for Change and Technology Maintenance Programmes in which the requirements change year on year.

In addition, a large in year movement is in relation to Technical Service Delivery, with an increase of £4.1m from £42.5m in 2023-24 to £46.6m in 2024-25. The movement is due to the reduction in capitalisable projects as a result, more labour costs are expensed in year.

The business saw decrease spend in Premises Costs of £3.1m due to a combination of reduced utility and service charges from fewer properties and reduced building size, reduced first year rates for Clyde Place and the decrease in CICA fit out costs which CICA reimburses SLC through other income.

Note 2 to the accounts shows spend by operating segment but does not split staff and other administrative expenditure. More detail on the movement by category can be seen in Note 4 to the accounts showing smaller movements totaling an increase in spend of £1.4m covering all other administration expenditure including Technology, Licences, Voice & Data costs, Professional Services, Postage & Courier, Office Services, Recruitment, Bank Charges and General expenditure.

Financial Risks and Challenges

SLC review our priorities on an ongoing basis and engage with DfE regularly on our in-year financial performance, SLC are subject to cost pressures from inflation increases across operating costs as funding agreed for FY2025-26 does not include any non-pay inflationary uplift. To mitigate the risk of overspending, we have additional budget controls in place. SLC awaits the outcome of the Comprehensive Spending Review, securing funding for our transformation programme from FY2026-27 will be key to ensuring we deliver our future ambition.

3.2.5 Sustainability

Greening government commitment performance

As an executive non-departmental public body, SLC reports quarterly Greening Government Commitment (GGC) figures to the Department. In line with the broader GGC goals, we aim to reduce our emissions, waste and water consumption, this is reflected in the targets we have set out below.

The GGC targets use FY2017-18 as a baseline to demonstrate progress. However, the GGC is establishing its future goals for the period 2025-2030 and FY2025-26 data will be reset as the baseline, the key themes emerging in the next strategy are Emissions, Restoring Nature and Waste.

Performance against baseline

Category	**2024-25**	**2017-18 baseline**	**Percentage change from baseline**	**Target**
Overall greenhouse gas emissions (t CO_2e)	1,075	2,261	-53%	Reduce overall greenhouse gas emissions by 56% from baseline
Direct greenhouse gas emissions (t CO_2e)	28	646	-96%	Reduce direct greenhouse gas emissions by 36% from baseline
Overall waste generated (tonnes)	110	352	-69%	Reduce overall waste generated by 15% from baseline

Proportion of waste that is recycled	74%	50%	+48%	Increase the proportion of waste that is recycled to at least 70% of waste
Paper consumption (A4 equivalent reams)	1,790	3,780	-53%	Reduce paper consumption by 50% from baseline
Water consumption (m^3)	6,036	7,905	-24%	Reduce water consumption by at least 8% from baseline
Domestic air travel(Tonnes of CO_{2e})	29.13	57.93	-50%	Reduce the emissions from domestic flights by 30% from baseline

Proportion of waste going to landfill is not reported as it does not apply to SLC.

Task Force on Climate related Financial Disclosures (TCFD)

Compliance Statement

SLC has reported on climate-related financial disclosures consistent with HM Treasury's disclosure application guidance. This is aligned with the Taskforce for climate-related financial disclosure (TCFD), which it interprets and adapts the framework for the UK public sector.

SLC has applied the TCFD recommendations and recommendation disclosures around:

1. Governance (all recommended disclosures)
2. Metrics and targets (all recommended disclosures)
3. Risk management (all recommended disclosures)

This is in line with the central governments TCFD-aligned disclosure implementation timetable. SLC plans to provide recommended disclosures for Strategy in future reporting periods in line with the central government implementation timetable.

Governance and Management

Climate-related risks are thoroughly evaluated by the business and managed through a combination of internal and external governance frameworks. SLC has not identified any specific climate related risks.

SLCs Sustainability Board is comprised of staff from across the business led by Head of Estates and Sourcing and our Health and Safety Manager, SLC also has a Carbon Management Plan in place, as well as an Environmental and Sustainability Policy, see page 51. The Sustainability Board within the context of the overall Governance structure is also described in the Governance Statement in Section 4.4.

The business achieved ISO 14001 accreditation in 2023 and continues to work within its parameters.

To date, 20 SLC colleagues have completed their Climate Literacy training with more training sessions planned. This training will allow those colleagues who have attended to train others internally.

SLC provides quarterly reports to DfE detailing all aspects of historic and current energy and resource usage. Sustainability reporting to SLC Audit Committee will formally commence in FY2025-26 and will take the form of a specific documented section within the Estates report.

In consultation with DfE, SLC has created a draft Sustainability Strategy which will run for FY2025-26 to FY2030-31. SLCs strategy is closely aligned to DfEs, the DfE strategy is still in draft, as a result SLCs new strategy is expected to be signed off by the end of Q1. The strategy identifies multiple opportunities within that period including;

1. Moving towards fully decarbonising the estate.
2. A focus on recycling.
3. Reducing the estate footprint.
4. Encouraging the use of technological solutions such as Teams to reduce employee travel.
5. Educating colleagues on the theme of climate literacy.

Metrics and Targets

Emissions: We report our scope 1, scope 2 and scope 3 greenhouse gas emissions in line with the scope of the GGC and the methodology described in the Sustainability Reporting Guidance Sustainability Reporting Guidance 2024-25, see table on page 28. The corresponding financial data required by the DfE to complete the internal carbon price is not available and therefore SLC cannot complete this element.

Given the nature of SLC, the climate related risks to the business are not substantive. i.e. we are not a manufacturer or supplier of physical products. 2025-2026 has been set as the next baseline year by GCC for all NDPBs and comparisons against this in subsequent years will measure performance against key opportunities highlighted.

Risk Management

SLC has a strong and mature risk management framework to identify, assess, and manage all risks across the organisation, as detailed in the 'Our Strategy, Key Risks and Issues' section of this report. The approach to climate risk follows the same principles as other risk categories, as defined in the SLC Risk Management and Compliance Policy. SLC operates in a low-risk environment with no manufacturing activities, carrying minimal exposure to environmental risks.

Over the past five years, the organisation has invested heavily in decarbonisation and the strategic "right-sizing" of its estate to enhance sustainability and reduce environmental impact. SLC identifies climate related risks by regularly reviewing its carbon emissions and natural resources consumption, reporting these through the Sustainability committee who meet quarterly. Any risks identified are incorporated into the Estates and Business Continuity team's reporting and, depending on their rating and materiality, may be escalated to the SLC risk register and broader risk category reporting framework.

SLC contract a third-party UK-based workplace health, safety and environmental compliance company to carry out an independent review of our buildings, with particular focus on the environment (air quality and water).

In addition, SLC's Total Facilities Management (TFM) provider (CBRE) provide specialist environmental input to work with the Estates management team to review the efficiency of our plant and equipment with a particular focus on reducing SLCs environmental impact, a formal monthly meeting is held to review the recommendations from this work.

Environment, Sustainability and Corporate Responsibility

During the year SLC has moved to a fully electric fleet of vehicles, with Electric Vehicle charging stations installed at all SLC office sites. In addition, the Estate is entirely powered by Renewable Energy Guarantees of Origin (REGO) certified electricity as the use of Gas has been eliminated from all SLC sites.

As previously noted, SLC has developed a Sustainability Strategy and will publish this in Q1 of FY2025-26. It has been under development in consultation with DfE throughout the year, publication of the strategy was delayed from FY2024-25 as more time was required to align with the development of DfEs own sustainability strategy.

We will use this as a platform to broaden and enhance reporting that helps demonstrate SLC’s commitment to sustainability and ensures we conform with the requirements of FReM. This new Sustainability Strategy will set targets and objectives for the company for the next 5 years and will be supported by SLC’s Sustainability Working Group. The details of these new targets are still to be confirmed.

SLC have been unable to collect and apportion financial information for certain waste and paper sustainability disclosures for FY2024-25 but are continuing to work with the third- party suppliers with the aim of providing the required disclosures in future.

Mitigating climate change and Net Zero 2050

In line with the reporting requirements, energy use, energy savings and associated carbon emissions data for FY2024-25 are detailed below. SLC’s gas and electricity consumption is captured from electricity and gas bills, our resultant emission figures are calculated by the GCC annual return spreadsheet provided to us. Waste figures come from our TFM provider (including percentage of waste recycled or converted to energy) as part of their monthly reporting. Business travel data is provided by SLC Commercial and Finance and comes from expenditure and contract detail/analysis. Gas consumption has ceased since March 2025 and will not feature in reporting from 2025/26.

Following guidance published by the Department for Energy Security and Net Zero and the Department for Environment, Food and Rural Affairs, total greenhouse gas emissions are calculated using current conversion factors for the reporting year.

SLC greenhouse gas emissions (tonnes of CO_2e)

More detailed figures are now available than in previous years. SLC’s figures for FY2024-25, as provided in its Greening Government Commitments (GGC) return, are shown below.

	2017-18	**2020-21***	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Total gross emissions for Scope 1 (direct emissions) **	646	-	781	828	449	28
Total gross emissions for Scope 2 (energy indirect)	1,615	-	1,109	1,073	982	908
Total gross emissions for Scope 3 (other indirect) ***	-	-	-	-	-	139
Total emissions	2,261		1,890	1,901	1,431	1,075

*no data was captured for 2020-21 due to the Covid-19 pandemic.
** Scope 1 includes the gas SLC uses to fire boilers. This has been removed since March 2025
*** Scope 3 (other indirect GHG emissions): all other emissions which occur as a consequence of activity, but which are not owned or controlled by the accounting entity, this is primarily business travel emissions. SLC started recording these in FY2024-25.

Note: CO_2e is a carbon dioxide equivalent and is the number of metric tonnes of CO_2 emissions with the same global warming potential as one metric tonne of another greenhouse gas. It allows bundles of greenhouse gases to be expressed as a single number.

Following last year's 470-ton reduction of C02, FY2024-25 saw a further reduction of 356 tonnes, equivalent to the carbon footprint of 55 SLC employees. It's worth noting that SLC has reduced C02 emissions by 50% in the last 2 years.

The primary reason for the drop in emissions is the removal of natural gas usage and SLC's transition to electricity. The reduction in floor space and moving into a new building has also contributed to the drop in emissions.

Business travel

Business travel emissions have increased by 2% compared to 2023-24 as SLC increased the frequency of face-to-face meetings across SLC sites and Whitehall. Although SLC are making more use of public transport the total cost of business travel, including accommodation costs increased by £28,682, 8.5% to £366,682.

	Unit	2017-18	2020-21*	2021-22	2022-23	2023-24	2024-25
Fleet	000's Km	107.3	32.7	148.2	177.3	222.4	209.9
Non Fleet		157.3	3.9	20.2	71.1	23.3	15.1
Rail		369.5	22.4	38.4	516.1	844.6	920.8
Air		161.6	-	19.8	110.7	154.7	181.0
Total business travel	000.s Km	795.7	59.0	226.6	875.2	1,245.0	1,326.8
	Tonnes of CO_2e	201.15	8.04	34.84	89.59	91.54	93.37

*No air travel in 2020-21 due to the Covid-19 pandemic.

SLC's greenhouse gas emissions from air travel

	Unit	2017-18	2020-21*	2021-22	2022-23	2023-24	2024-25
Domestic flights	Tonnes of CO_2e	57.93	-	2.57	20.08	19.08	29.13
Total emissions	Tonnes of CO_2e	57.93	-	2.57	20.08	19.08	29.13

*No air travel in 2020-21 due to the Covid-19 pandemic.

Air travel increased last year, as it has year on year since the pandemic, but it is still circa 50% reduced from the baseline 2017/18. There are no international business flights.

Waste minimisation and management

In 2024-25 SLC generated 110 tonnes of waste, in comparison to 198 tonnes in the previous year. Non-recycled waste also saw a drop from 87 tonnes to 36 tonnes. The FY2023-24 waste figures included the clear out of Bothwell St prior to moving to Clyde Place.

The cost of waste disposal in 2024-25 was £84,431 (2023-24 £62,494). Food waste is included in the energy from waste figure. There is no separate compostable waste figure.

ICT and Digital

SLC Technology Group work with a Secure Recycling partner, CCL North, who collect IT equipment SLC no longer requires. Items are securely erased before refurbishing, reusing, or dismantling into components to maximise recycling ensuring nothing is sent to landfill. CCL North hold accreditations in quality management, environmental management, and information security management.

	Unit	2017-18	2020-21	2021-22	2022-23	2023-24	2024-25
Non-recycled waste	Tonnes	176	84	153	224	87	36
Waste – recycled at source	Tonnes	176	85	153	132	111	74
Total waste	**Tonnes**	**352**	**169**	**306**	**356**	**198**	**110**
Total waste recycled at source	(%)	50	50	50	37	56	67
Total ICT waste recycled, reused and recovered (externally);	Tonnes	11	3	49	112	27	9
Total waste incinerated with energy recovery	Tonnes	165	81	104	112	87	36
Total waste incinerated without energy recovery	Tonnes	0	0	0	0	0	0
Total waste to landfill	Tonnes	0	0	0	0	0	0

Water, energy and paper consumption

Water consumption across the estate was 6,036m^3 (9,727m^3 for 2023-24). The FY2023-24 figures include Bothwell Street as well as the transitional overlap during the move to 10 Clyde Place.

As shown in the table below, there has been a reduction of 53% in the use of A4 paper since the baseline year. This is due to the move towards digitisation.

	Unit	2017-18	2020-21	2021-22	2022-23	2023-24	2024-25
Paper	A4 reams equivalent	3,780	750	759	589	1,419	1,790
Water	Cubic meters (m^3)	7,905	1,983	1,995	6,537	9,727	6,036
	£’000	110	53	12	15	34	19
Electricity	Megawatt-hours	3,920	5,073	5,222	5,551	5,174	4,108
	£’000	651	637	724	1,437	1,396	888
Gas	Megawatt-hours	3,258	5,771	6,339	3,942	2,747	1,527
	£’000	36	55	70	113	190	23
Diesel	Megawatt-hours	39	18	25	23	16	12
	£’000	-	20	9	18	10	2
Total utilities	£’000	797	765	815	1,583	1,630	932

Measures to reduce natural resources, including water and paper are detailed in the forthcoming Sustainability Strategy.

Energy use across SLC’s estate has decreased by 29% this year compared to 2023-24. The reduction in energy use is ultimately down to removal of gas from Memphis, Hillington and the move to 10 Clyde Place which is not just a net zero new build but also contributes to an Estate that has been downsized/rightsized in recent years.

The energy and water resources consumed in the course of staff working from home are not measured here.

Consumer Single Use Plastics (CSUPs)

CSUPs	2024-25	2023-24	2022-23	Target
Number of items	0	40	50	Reduce to zero

A re-use initiative to supply all employees with reusable cups has been implemented and in addition, no single use plastics are used in SLC catering facilities.

Office Usage

SLC employs staff in 4 locations with a total of 2,009 desks.

Sustainable Procurement

Sustainable procurement is defined as: "a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment." This definition is based on three pillars of sustainability:

Environmental

Seeking to minimise any negative environmental impacts of goods and services purchased, across the whole life cycle from raw material extraction to end of life.

Social

Managing and monitoring supply chains to ensure that fair contract prices and terms are applied, that ethical, human rights and employment standards are met.

Economic

This relates not only to obtaining value for money from our contracts, across the whole life of the product or service, but also ensuring as far as is possible under relevant procurement law, that local businesses, particularly Small and Medium sized Enterprises (SME's) can benefit from our procurement processes, being able to supply SLC where it is feasible for them to do so.

SLC consider and apply where applicable, each of the 3 sustainable procurement pillars throughout our procurement activity, documented within our 3-stage procurement approval process. The health of each pillar depends on that of the other two, meaning that all three must be considered in unison to achieve sustainable outcomes.

The majority of our SLC expenditure is via Crown Commercial Services (CCS) Frameworks (FW) predominately (approx. 90%). During the selection criteria at the commencement of the any procurement process requires any bidding entity to self-declare that they meet the standards required from the outset of the tender process, see link to PA23_Procurement_Specific_Questionnaire_V2.0.docx.

Legislation also dictates that a contracting authority must include an element of Social Value 10% weighting in their evaluation as per Procurement Policy Note

202508_PPN_002_Taking_account_of_social_value_in__the_award_of_central_government_contracts.docx__1.pdf .

The framework owner would carry out the above steps including adhering to Government Buying Standards and monitor the Management Information. SLC would call off from the framework.

Where SLC have carried out their own competition (not via a framework), SLC would be responsible for managing the above steps (selection, evaluation) as well as stating the measuring and reporting requirements through our Contract Management.

For contracts over £5m, SLC report Social Value KPI's publicly.

Agreements exist for all office catering and food, in relation to sustainability, food waste is recorded by estates and sustainable materials only are used within the agreements, including the obligation for the non-use of plastics. SLC have in-house staff outlets in Darlington and Glasgow operated by Baxter Storey and Madisons respectively. Both use recyclable consumables and compostable cups, neither use single use plastics.

SLC was required to measure and report on food waste from 2022 onwards (for office estate with over 50 fte or over 500m^2 of floor area offering a food service). SLC has been unable to collect and apportion financial information for the sustainability disclosures for 2024-25. Food waste is reported as part of our waste with energy recovery.

Government Buying Standards are adhered to when buying goods and stated in the specification as part of the procurement process. SLC do not have reporting systems at present to capture this. However, we carry out regular Assurance checks to ensure compliance with Procurement Policy Notes (PPNs) for Carbon Reduction and Social Value (inclusive of ethical, environmental and economic) to ensure the legislation was adhered to within our procurement.

SLC does not use the prioritisation tool, as most of our procurement activity is conducted via frameworks. The framework owner's tender assessment would have already incorporated this consideration. For any competition carried out by SLC, compliance with relevant legislation such as PPNs is documented within the Procurement Strategy, with any identified actions tracked through Contract Management.

SLC have a sustainability group and a Sustainability Policy Statement is shared with suppliers for them to assist us in achieving our objectives.

3.2.6 Performance against key non-financial requirements

Supplier Payment Policy

SLC aims to comply with the Government's Better Payment Practice Code for the prompt payment of SMEs. 96% (2023-24: 96%) of all invoices were paid within the normal trading terms of 30 days, with 39% (2023-24: 44%) being paid within 5 days. In FY2024-25, 12% of all prompt payments were made were to SMEs.

Modern Slavery Act

In line with section 54 of the Modern Slavery Act 2015, SLC is committed to the highest level of ethical standards and has a zero-tolerance policy towards modern slavery and human trafficking. The company is committed to acting ethically and with integrity in all business dealings and to taking steps to ensure that modern slavery and human trafficking do not exist in any part of the business or its supply chains, and to continually improving SLC's practices to combat these crimes.

Overall, the nature of SLC's business means that the risk of modern slavery and human trafficking in its directly managed business activities and the first line of its supply chain is considered to be relatively low. Nevertheless, the company continues to review its operations to identify areas where the risk could arise, and considers what policies and safeguards are in place to prevent this.

Statutory guidance states that organisations should publish their Modern Slavery Statement within six months of their financial year-end and accordingly SLC's full statement for 2023-24 was approved by the Board in July 2024 and then published online. It can be viewed at www.gov.uk/slc.

Anti-Fraud and Anti-Corruption

SLC is committed to combatting fraud and corruption in all its activities, consistent with SLC's commitment to the Nolan Principles of Public Life. The company's Internal and External Fraud Policies set out its overall position, with due regard to relevant law and guidance. SLC has a dedicated ECU.

In addition, the company maintains related policies, for example, in relation to Money Laundering, Whistleblowing and Gifts and Hospitality, supplemented by regular training for SLC employees. SLC's Risk Director acts as the company's Money Laundering Reporting Officer and the Company Secretary is SLC's Whistleblowing Officer.

Declaration and Signature

This Performance Review forms only part of the annual report and accounts that SLC publishes online at [www.gov.uk/slc.](http://www.gov.uk/slc) Directors have had full regard to the considerations set out in Section 172 Companies Act 2006 when fulfilling their duty to promote the success of the company, these being:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company.

This report was approved by SLC's Main Board on 11 July 2025 and signed on the Board's behalf by:

Chris Larmer
Chief Executive and Accounting Officer
11 July 2025

4. Accountability Report

Corporate Governance Report

As an Executive NDPB, SLC's control framework is set out in the SLC Framework Document, drawn up by the DfE in consultation with SLC and the relevant departments of the Devolved Administrations. The Framework Document refers to the appropriate HMG guidance on corporate governance, including HM Treasury's Managing Public Money. As defined within Managing Public Money and in the Accounting Officer (AO) Delegation Letter, the AO is charged with ensuring that SLC operates with propriety and regularity; with maintaining a sound system of internal control that supports the achievement of SLC's policies, aims and objectives; and with regularly reviewing the effectiveness of that system. Throughout FY2024-25 SLC operated to the 2022 Framework Document.

SLC carries out periodic reviews to assess levels of compliance with the requirements as set out in the Framework Document, where any actions raised are tracked to closure.

SLC is bound by 'Internal Control: Guidance for Directors on the Combined Code' (the Turnbull guidance).

4.1 Directors' Report

The Directors' Report including Financial Statements for Student Loans Company Limited (SLC) is for the year ended 31 March 2025. The Financial Statements have been prepared in accordance with the Companies Act 2006 and, as appropriate, the FReM, and other guidance issued by HM Treasury and the Secretary of State for Education where the disclosure requirements of these go beyond the Companies Act. The Financial Statements have been prepared and approved by Directors in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the UK (Adopted IFRSs) and International Financial Reporting Interpretations Committee Interpretations.

SLC remains compliant with DfE, HM Treasury and Cabinet Office guidance at all times.

Principal Activities

The principal activities of SLC are noted within the Strategic Report.

Business Review

The business review is included within the Strategic Report.

Dividends

SLC has no accumulated reserves and accordingly the Directors do not recommend the payment of a dividend (2023-24: £nil).

Directors and their Interests

Directors

Non-Executive Board Members	From	To
Peter Lauener, Non-Executive Chair	April 2020	March 2026
Gary Page, Non-Executive Director	October 2020	October 2026
Charlotte Moar, Non-Executive Director	May 2019	May 2025
Stephen Tetlow, Non-Executive Director	May 2019	May 2025
Natasha Toothill, Non-Executive Director	April 2023	March 2026
Amanda Beech, Non-Executive Director	October 2024	September 2027
Stephen Marston, Non-Executive Director	October 2024	September 2027
Margaret Ollerenshaw, Non-Executive Director	October 2024	September 2027
Janette Campbell, Non-Executive Director	October 2024	September 2027

Executive Board Members (Statutory Directors)	From	To
Chris Larmer, CEO	November 2022	Ongoing
David Wallace, Deputy CEO and Chief Customer Officer	January 2019	Ongoing
Audrey McColl, Chief Financial Officer	August 2021	Ongoing
Company Secretary	**From**	**To**
Gary Womersley	December 2015	Ongoing

The best interests of the company as a whole are paramount in decisions taken by the board and the directors also recognise their collective responsibility to foster the company's business relationships with suppliers and other stakeholders, through their decision making.

All non-executive Directors are considered to be independent. Details of any related parties are disclosed in note 21 of the Financial Statements.

No Director had any interest in the shares of SLC throughout either the year ended 31 March 2025 or 31 March 2024.

SLC is wholly owned by the Secretary of State for Education, the Welsh Ministers, the Scottish Ministers and the Minister for the Economy in Northern Ireland. All are entered as 'Registrable Relevant Legal Entities' in SLC's Register of Persons with Significant Control.

The Chief Executive Officer is also the Accounting Officer for SLC.

Employees

SLC keeps employees informed about the business, its performance and specifically about those matters that affect them directly. The company has several regular digital communications including weekly all-staff newsletters, a weekly update from the CEO and further ad hoc communications as required. SLC regularly holds sessions where colleagues can put their questions directly to the Executive Leadership Team/ Senior Management Team (SMT). SLC frequently issues all-colleague emails and maintains an intranet site available to all colleagues.

SLC has a longstanding relationship with its recognised trade union, the Public and Commercial Services Union (PCS). SLC meets with PCS on at least a monthly basis to share information and consult with on issues including policies and changes to the business. SLC also has a wide range of colleague networks representing particular colleague interests or characteristics, but which all colleagues can join. These include a women's development network, LGBTQ Network, Disability Network, Neurodiversity Network, Ethnicity Network, Carers Network, Menopause Network, Sustainability Network, Wellbeing Network and a Mental Health First Aid Network. SLC regularly engages with these networks to discuss and resolve concerns and to take account of their views in decision-making.

SLC is an Equal Opportunities Employer. More information is contained in the Remuneration and Staff Report.

SLC give full and fair consideration for the employment, retention, training and development for those with a disability through the application of the following.

- Recruitment and Selection Policy
- Flexible Working Policy and Procedure
- Equality Diversity and Inclusion Policy
- Employee Wellbeing Policy
- Apprenticeships Policy, Learning & Development Support Policy, Performance Development and Improvement Policy and Procedure

Whistleblowing

SLC has stringent whistleblowing processes and procedures in place.

SLC's Whistleblowing Policy is reviewed on an annual basis, reported to ARC and is available to staff internally and is also published on www.gov.uk (at https://www.gov.uk/government/publications/staff- whistleblowing-policy). All staff are reminded of the policy and undertake training on an annual basis. All staff are also able to contact SLC's Whistleblowing Officer via a variety of channels, either directly or to a dedicated confidential email address and telephone number.

In FY2024-25 there were no formal matters raised with SLC's Whistleblowing Officer.

Ombudsmen Statement

Depending on which student finance funding authority customers have applied to, the Parliamentary and Health Services Ombudsman (PHSO), the Public Services Ombudsman for Wales (PSOW), the Northern Ireland Public Services Ombudsman (NIPSO) or the Scottish Public Services Ombudsman (SPSO) provide an opportunity for customers who are dissatisfied with the outcome of the SLC's complaints or appeals processes (the final stage of which is an independent and impartial review by an Independent Assessor (IA)) to seek a review through referral by their MP.

Details of engagement are shown in the table below:

Engagements with Ombudsmen in 2024-25

	Open cases as at 1 April 2024	Cases Referred in year	No further investigation	Progressed to further investigation	Still Being considered as at 31 March 2025	Outcome of those referred for further investigation: Completed and not upheld	Completed and complaint partially upheld	Upheld in full	Await outcome
PHSO	26	19	33	7	5	0	1	1	5
PSOW	0	6	5	0	1	0	0	0	0
NIPSO	0	0	0	0	0	0	0	0	0
SPSO	0	2	2	0	1	0	0	0	0
TOTAL	**26**	**27**	**40**	**7**	**7**	**0**	**1**	**1**	**5**

As at 31 March 2025, 11 cases remain open-10 with the PHSO (5 of those being investigated, and 5 still being considered) and 1 with the PSOW still being considered.

Where a complaint was upheld in full or in part the PHSO required SLC to take further steps in the form of setting out service improvements and offering a higher ex gratia or consolatory award than the IA had recommended.

SLC conducts a full lesson-learned exercise after each Ombudsman engagement in order to mitigate the risk of the recurrence of issues raised.

Information, Equipment and Personal Data Losses

In the year 2024-25, SLC reported nine incidents to the Information Commissioner’s Office (ICO) (2023-24: ten). The ICO did not take any further action in relation to any of these breaches.

These incidents related to: seven instances of customer emails being sent to an unintended recipient, one instance of a cyber breach by a delivery partner and one instance of an email used not in line with policy/procedures.

SLC is predominantly GDPR compliant and is working towards full compliance. SLC continues to engage with the ICO in respect of our approach to data retention, as we continue to invest in complying with GDPR through a multi-year Strategic Data Minimisation (SDM) project.

During 2024-25 two laptops were reported as lost and three as stolen. All devices are encrypted and carry no company data or personal information.

Environment, Sustainability and Corporate Responsibility

As previously noted, SLC has developed a Sustainability Strategy and will publish this in Q1 of 2025/26. We will use this as a platform to broaden and enhance reporting that helps demonstrate SLCs commitment to sustainability and ensures we conform with the requirements of FReM. This new sustainability strategy will set targets and objectives for the company for the next 5 years and will be supported by SLC’s Sustainability Working Group.

SLC continues to monitor its energy use, energy savings and associated carbon emissions data. Energy use across SLC’s estate has decreased by 29% this year compared to 2023-2024. Details are provided above, in section 3.2.5.

SLC Board

The SLC Board is responsible for ensuring that effective corporate governance arrangements are in place that set out how SLC is directed and controlled and that assurance on risk management and internal control is provided.

The Board is required to demonstrate high standards of corporate governance at all times and to ensure that best practice is followed. The responsibilities of the Board are set out in the Governance Statement.

Remuneration

The remuneration for the Chair and Non-Executive Directors is determined by the Secretary of State for Education, the Welsh Ministers, the Scottish Ministers and the Minister for the Economy in Northern Ireland.

The remuneration of the CEO is determined by the Board, excluding the CEO, subject to approval by the Secretary of State for Education, the Welsh Ministers, the Scottish Ministers and the Minister for the Economy in Northern Ireland.

The method of appointment of the Non-Executive Directors is included in the Governance Statement. Details of the standing Committees of the Board can be found in the Governance Statement.

External Auditor

The Comptroller and Auditor General, the head of the NAO, has been reappointed for the financial year ended 31 March 2025.

Details of fees earned by the external auditor are provided in note 4 of the Financial Statements.

This report was approved by SLC’s Main Board on 11 July 2025 and signed on the Board’s behalf by:

Chris Larmer
Chief Executive and Accounting Officer
11 July 2025

4.2 Statement of Directors' Responsibilities

The Directors who held office at the date of approval of the Directors' Report confirm that, to the best of their knowledge, there is no relevant audit information of which SLC's external auditor is unaware. Each Director has taken all appropriate steps to make themselves aware of any information relevant to the audit, and to establish that SLC's external auditor is suitably informed.

Directors are responsible for preparing the Directors' Report in accordance with applicable laws and regulations. Company law requires them to prepare Financial Statements for each financial year. Under the Framework Agreement, they are required to follow the principles of the FReM. Consequently, they have elected under the Companies Act to prepare the Financial Statements in accordance with and applicable law and to provide the additional disclosures required by the FReM where these go beyond the requirements of the Companies Act 2006. Under company law, Directors must not approve Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the net income/expenditure of the company for the year. In preparing Financial Statements, Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether they have been prepared in accordance with IFRS as adopted by the UK.
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors are responsible for keeping adequate accounting records sufficient to show and explain the company's transactions and disclose, with reasonable accuracy, at any time the financial position of the company, and that will enable them to ensure that the Financial Statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors have prepared a Remuneration and Staff Report, in order to comply with the requirements of the FReM and in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, to the extent that they are relevant. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Chris Larmer
Chief Executive Officer
11 July 2025

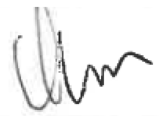
4.3 Statement of Accounting Officers' Responsibilities

In preparing the accounts, I am required to comply with the FReM in addition to the Directors' Responsibilities under the Companies Act 2006 and in particular to:

- Observe the Accounts Direction issued by DfE, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis; state whether applicable accounting standards as set out in the Companies Act 2006 and FReM have been followed, and disclose and explain any material departures in the Financial Statements
- Prepare the Financial Statements on a going concern basis; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

As Accounting Officer, I am responsible for ensuring;

- The propriety and regularity of financial transactions under my control;
- For keeping proper records and for safeguarding SLC's assets;
- The economical, efficient, and effective use of resources placed at the Board's disposal as set out in Managing Public Money published by HM Treasury; and
- Safeguarding the assets of the Board.



Chris Larmer
Chief Executive and Accounting Officer
11 July 2025

4.4 Governance Statement

As SLC's Accounting Officer, I have personal responsibility for maintaining a sound system of governance, internal control and risk management that supports the achievement of SLC's policies, aims and objectives while safeguarding public funds and assets. This is in accordance with the responsibilities assigned to me by the DfE, as described within the Framework Document, and in accordance with relevant HM Treasury guidance, in particular the FReM and Managing Public Money and the Corporate Governance in Central Government Departments Code of Good Practice.

I am personally accountable to the UK Parliament, via and alongside the DfE Principal Accounting Officer, and to the Devolved Parliaments and Administrations, via their Accounting Officers.

This Governance Statement provides information about SLC's corporate governance, risk management and internal control arrangements which have been in place throughout the year. It also outlines issues that have arisen during this and previous years and the mitigations that have been put in place.

The Governance Framework

The *Framework Document*, which can be found at www.gov.uk/slc, provides comprehensive detail of the roles and responsibilities of Executives, Board members and Shareholders, as well as of the two standing Board Committees – the Audit and Risk Committee (ARC) and the Remuneration Committee (RemCo).

SLC's Legal Status

SLC was incorporated in 1989 as a company limited by shares under the Companies Act and is wholly in public ownership – the UK's four Government administrations are its shareholders and SLC is directly accountable to Ministers in the UK Government and in devolved administrations. Since April 1996 SLC has been classified as an executive NDPB.

Accountability to Government Shareholders

The Secretary of State for Education accounts for SLC's business in the UK Parliament. The DfE Minister with responsibility for Higher Education may also act on his or her behalf as the "Responsible Minister". SLC is separately accountable to the Responsible Minister and to Devolved Administrations' Ministers for performance in their respective jurisdictions. However, the Devolved Governments have agreed that DfE will act as the "Sponsor Department", having the primary relationship with SLC, particularly in relation to corporate governance.

The Responsible Minister appoints the SLC Chair and Non-Executive Directors and determines their terms and conditions. Appointments are made for a period of three years and comply with the Code of Practice for Ministerial Appointments to Public Bodies. The Responsible Minister also approves the Board's appointment of the Chief Executive.

The Permanent Secretary of DfE, as the Principal Accounting Officer of DfE, and acting on behalf of the Accounting Officers of the Devolved Administrations, has designated SLC's Chief Executive Officer (CEO) as SLC's Accounting Officer.

Shareholders and Assessors

The four Government Shareholders each appoint an Assessor who has the right to attend all main Board and Committee meetings on their behalf, and thus have access to SLC's regular business, financial and internal control and risk reports. Shareholders' key responsibilities include determining policy and maintaining the legislative framework for student support, providing a resource budget and Grant-in- Aid, and setting SLC's functions, strategic focus and business objectives.

SLC's Board

The Board operates in accordance with the Companies Act, and the Board responsibilities set out at section 8.2 of the Framework Document. In summary, its role is: to establish SLC's strategic goals and key business objectives and to monitor performance against these; to ensure that there is effective governance concerning the use of public money; to regularly review financial information and take assurance that appropriate action is taken over any concerns; and to appoint (with the responsible Minister's approval) the CEO and set their objectives.

Non-Executive Directors of the Board are appointed by the Secretary of State for Education, from a variety of backgrounds based on their knowledge and experience gained in both the public and private sectors in industry and academia.

The Board is required to demonstrate high standards of corporate governance at all times and to ensure that best practice is followed.

Board Membership and Attendance Record 2024-25:

	From	To	Attendance in 24-25
Peter Lauener, Non-Executive Chair	April 2020	March 2026	8/8
Gary Page, Non-Executive Director	October 2020	October 2026	8/8
Charlotte Moar, Non-Executive Director	May 2019	May 2025	8/8
Stephen Tetlow, Non-Executive Director	May 2019	May 2025	8/8
Natasha Toothill, Non-Executive Director	April 2023	April 2026	6/8†
Amanda Beech, Non-Executive Director	October 2024	September 2027	4/4
Stephen Marston, Non-Executive Director	October 2024	September 2027	4/4
Margaret Ollerenshaw, Non-Executive Director	October 2024	September 2027	4/4
Janette Campbell, Non-Executive Director	October 2024	September 2027*	4/4
Chris Larmer, CEO	November 2022	Ongoing	8/8
David Wallace, Deputy CEO and Chief Customer Officer	January 2019	Ongoing	8/8
Audrey McColl, CFO	August 2021	Ongoing	8/8
Gary Womersley, Company Secretary	December 2015	Ongoing	8/8

** Janette Campbell joined SLC at the end of October 2024 whilst her fellow new Non-Executive Directors joined in September.*

† Although Natasha Toothill did not attend the July 2024 Board meeting, she did review the papers and provide notes to the Chair.

As scheduled, the Board held eight meetings during 2024-25; the table above shows how many of these each member attended (during 2024-25).

Matters considered by the Board

At each meeting, the Board reviewed and took assurance on SLC's operational and financial performance via the monthly CEO Report, Corporate Performance Dashboard and the CFO Report.

There was close monitoring of operational services and planning throughout the year, including application numbers, delivery capacity and customer satisfaction. The Board also received reports on the following key areas over the year: Customer Experience, Repayments, the Application Cycle, LLE and HE reforms, DSA Reforms, Complaints and Appeals and the Independent Assessors Report. In line with the Board's terms of reference, it approved Risk Appetite and Risk Management, the Modern Slavery Statement and business planning. The Board held a strategy session in November 2024 where it considered future planning in advance of the CSR and SLC's transformation plans as set out in the Strategic Blueprint and Roadmap and Enable Programme. The Board's awareness of key business areas and issues was further developed via 'lean-in' sessions ahead of each in person Board, the topics of which were aligned to key papers on the Board agenda.

The Board took also assurance from Committee updates and minutes, reviewed their Terms of Reference and endorsed the SLC Code of Conduct for the Chair and Board members.

The Board reviewed arrangements for the coming financial year (2025-26), including approving an advanced draft of the company's business plan and draft budget and the draft APRA letter, provided by DfE on behalf of shareholders.

The Board's formal schedule of meetings was augmented by a series of deep dive sessions which support continuing development and learning for Non-Executive Directors and support colleague engagement. Over the year, additional sessions were held which focused on Commercial, Partner Services, and SLC Strategy.

Board Effectiveness

In accordance with the Framework Document, an annual board effectiveness review commenced in April 2024 and the results were discussed with the Chairs of the Board and committees in May 2024. At the Chairs' meeting areas for consideration were reviewed with the results informing the work of the Governance team throughout the year.

The Board was considered to be operating very effectively, with good time given at Board meetings to allow committee Chair's to provide updates, high quality papers which enabled the Board to take assurance across a range of topics, and Non-Executive Directors feeling that meetings were well run and supported.

New Board members

In 2024 the Board welcomed four new Non-Executive Directors who had been appointed following a robust recruitment process, with final approval from the Secretary of State for Education and the Prime Minister. The recruitment campaign focused on ensuring that the SLC Board continued to have an appropriate mix of experience and skills and was structured to promote diversity and inclusion. The new Non-Executive Directors completed a thorough induction programme, including meetings with SLC and DfE senior leaders, topic specific inductions and visits to SLC's Glasgow and Darlington offices.

The Audit and Risk Committee (ARC)

ARC is a standing committee of the Board. The Board established ARC to provide it and the Accounting Officer with assurance on the operation of SLC's internal risk and control systems, to oversee the provision of internal and external audit services, and to provide assurance on the adequacy of SLC's corporate governance arrangements.

The Board determines the membership and Terms of Reference of ARC. Assessors, representing the shareholders, have the right to attend all committee meetings.

Members are independent of management and free of any business or other relationships (including cross Directorships or day-to-day involvement in the management of the business) which could interfere with the exercise of their independent judgement.

Committee meetings will normally be attended by the CEO, Deputy CEO, CFO and Company Secretary. The Board has appointed a Chartered Accountant as an independent external member of ARC.

The Chair of the committee reports to the Board after each meeting and the minutes of committee meetings are provided to Board members for information. Executive Directors, the Company Secretary, the Head of Internal Audit and the representative of External Audit have free and confidential access to the Chair of the committee.

ARC Membership and Attendance Record

	From	To	Attendance in 24-25
Charlotte Moar, Non-Executive Director, ARC Chair	September 2019	May 2025	5/5
Gary Page, Non-Executive Director	November 2020	October 2026	5/5
Janette Campbell, Non-Executive Director	November 2024	October 2027	2/2
Stephen Marston, Non-Executive Director	November 2024	October 2027	1/2
Donall Curtin, Independent External Member	January 2023	December 2025	5/5

Peter Lauener, the Chair of the main board, has a standing invitation to attend this committee, although he is not a member.

As scheduled, ARC held five meetings during 2024-25; the table above shows how many of these each member attended.

Matters considered by ARC

The committee regularly reviewed key risks and issues, internal audit progress and ARC assurance reports throughout the year. The committee took assurance on how SLC was managing a range of matters including cyber security, financial crime prevention, information security, disaster recovery, business continuity and commercial governance.

Additionally, it fulfilled its role in reviewing:

- The Annual Report and Accounts for FY2023-24, which was recommended by ARC for approval by the Board.
- The plan for the Annual Report and Accounts for FY2024-25, incorporating SLC’s accounting policies.
- The external audit strategy, and interim reports and fees for FY2024-25.
- Internal audit work undertaken during FY2024-25.
- The internal audit plan for FY2024-25.
- The annual review of Risk, relating to the previous financial year.

The Remuneration Committee (RemCo)

RemCo is a standing committee of the Board. Members of the committee are appointed by the Board.

The Board determines the membership and Terms of Reference of RemCo. Assessors, representing the shareholders, have the right to attend all committee meetings.

Members are independent of management and free of any business or other relationships (including cross directorships or day-to-day involvement in the management of the business) which could interfere with the exercise of their independent judgement.

The Chair of the committee reports to the Board after each meeting and the minutes of committee meetings are provided to Board members for information.

Committee meetings are attended by the CEO, the Deputy CEO, and the Executive Director, People and Company Secretary, except where the Committee is in closed session and, for example, conducting the annual performance review of the CEO. For further information, refer to the Remuneration and Staff Report.

RemCo Membership and Attendance Record

	From	**To**	**Attendance in 2024-25**
Gary Page, Non-Executive Director, Chair*	July 2021	October 2026	3/3
Stephen Tetlow, Non-Executive Director	May 2019	May 2025	3/3
Margaret Ollerenshaw, Non-Executive Director	November 2024	September 2027	2/2

Peter Lauener, the Chair of the main board, has a standing invitation to attend this Committee, although he is not a member.

As scheduled, RemCo held three meetings during 2024-25; the table above shows how many of these each member attended (during the period of their membership). Two extra meetings were convened to discuss and approve Executive recruitment, and Executive and Senior Managers' pay.

Matters considered by RemCo

In accordance with its Terms of Reference, the committee met in closed sessions to approve the CEO objectives and performance as proposed by the SLC Chair, and the ELT objectives and performance as proposed by the CEO.

In 2024-25, RemCo supported the appointment of the new Executive Director, Change and Data. RemCo considered the People Strategy at each of its meetings, reviewing updates on key strands of activity including Culture, Pay, Employee Engagement and Strategic Workforce Planning.

The committee reviewed SLC's Gender Pay Gap and EDI Reports, supporting SLC's aim to close the gender pay gap and increase diversity.

The Transformation Oversight Committee (TOC)

As set out in the Framework Document, the Board may establish committees as required. The Board established a Technology and Evolve Oversight Committee (TEOC) in July 2019 as a Committee of the main Board. Over the course of 2023-24, with the formal close-down of the Evolve Programme, TEOC transitioned to become the Transformation Oversight Committee (TOC). TOC supports the Board in its responsibilities for overseeing SLC's Technology Strategy, implementation of LLE and change management.

The Board determines the membership and Terms of Reference of TOC. Assessors, representing the shareholders, have the right to attend all Committee meetings.

The Chair of the committee reports to the Board after each meeting and the minutes of committee meetings are provided to Board members for information.

Committee meetings will normally be attended by the CEO, DCEO, CFO, CIO, Executive Director of Change, Data and Repayments, and the Executive Director of HE and FE Reform.

TEOC and TOC Membership and Attendance Record

	From	**To**	**Attendance in 2024-25**
Stephen Tetlow, Non-Executive Director, Chair	December 2019	May 2025	4/4
Natasha Toothill, Non-Executive Director	April 2023	March 2026	4/4
Charlotte Moar, Non-Executive Director	December 2023	May 2025	3/4
Amanda Beech, Non-Executive Director	November 2024	September 2027	2/2
Joanna Davinson, Independent Advisor	September 2023	August 2024	4/4

TOC held four meetings during 2024-25; the table above shows how many of these each member attended.

Matters considered by TOC

The TOC agenda covered the following items:

- The Technology Strategy and its execution, specifically tracking exposure to technical debt, resilience to cyber-attack and long-term VFM.
- The progress and delivery of LLE as an SLC Programme.
- Target operating model changes.
- The development of the Enable Business Case.

Register of Interests

All Non-Executive Directors and members of the ELT are required to declare any outside interests. They are required to take due care to avoid conflict between their own and SLC interests. Related Party disclosures, as per IAS 24, are included within note 21 to the Financial Statements. A Register of Interests is available upon request.

The Executive Leadership Team (ELT)

The ELT is responsible for the day-to-day management of the company. ELT controls and monitors SLC's operational and financial management, sets SLC's business priorities and objectives in line with strategies set out by the Board and shareholders, and oversees SLC's capacity and capability to deliver within available resources. Each Executive Director is supported by a team of senior managers, who collectively make up the company's Senior Management Team (SMT).

ELT Membership 2024-25

Chief Executive Officer	Chris Larmer	Throughout Year
Deputy CEO and Chief Customer Officer	David Wallace	Throughout Year
Chief Financial Officer	Audrey McColl	Throughout Year
Chief Information Officer	Jason Dunham	Throughout Year
Executive Director: Business Operations* Executive Director: Customer Operations and Repayments	Jacqueline Currie	Throughout Year
Executive Director: Change, Data and Repayments Executive Director: Change and Data	David Beattie Nauman Dar	Until June 2024** Since August 2024
Executive Director: HE/FE Reform	Derek Ross	Throughout Year
Executive Director: People	Gillian Brydie	Throughout Year

* The Business Operations directorate became Customer Operations in June 2024, subsuming Repayments

** There was a small gap between David Beattie leaving in June 2024 and Nauman Dar joining in August 2024. During this period the CEO (Chris Larmer) covered the Executive Director, Change and Data responsibilities

Risk Management Arrangements

SLC continued to mature its approach to risk management and compliance throughout 2024-25. The system of internal control is based on processes that identify, prioritise and manage the principal risks facing the organisation.

Enterprise Risk and Compliance Framework

The 4-year Roadmap created by the Enterprise Risk and Compliance (ERC) team to mature SLC's Risk Framework, is now complete. A subsequent risk maturity assessment completed in FY2024-25 confirmed the gains made and the achievement of maturity levels agreed with the Audit and Risk Committee (ARC). This was validated via an independent audit completed by GIAA in FY2024-25 which found that SLC had made significant progress resulting in *much-improved risk management and control arrangements.*

Both the SLC Risk and Compliance and Risk Appetite Policies have undergone significant updates as part of the annual approval cycle, incorporating clear roles and responsibilities and documenting key ERC Roadmap deliverables, such as the Issue Management Process and Risk Appetite Reporting. The Risk Appetite Policy in particular has undergone notable updates to also include SLC's overarching approach to the application of risk appetite. This represents an important progression to embed risk appetite and fully implement the policy as a tool to oversee the holistic risk position of the organisation and improve prioritisation and decision making at an executive level.

In alignment and in support of the expanded SLC Risk & Compliance and Risk Appetite Policies, complementary Standards have also now been created and launched for both the Risk and Control Assessment (RCA) and Issue Management Processes. These consolidate and clarify the mandatory elements of each whilst augmenting existing guidance and training.

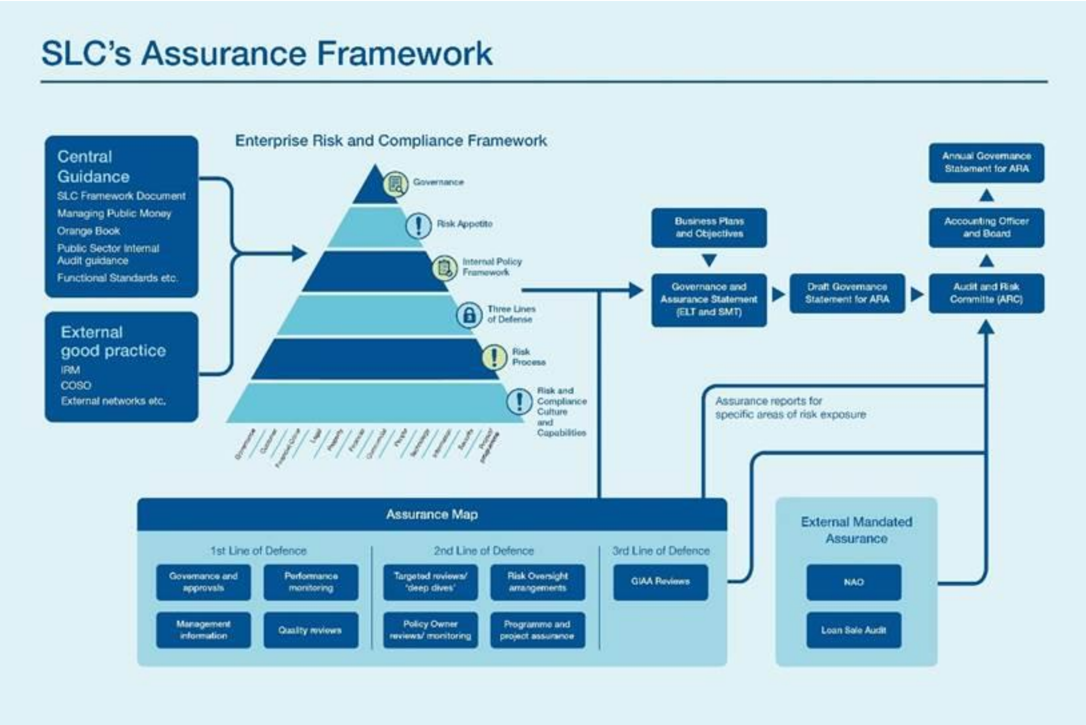
Modernising Risk Management Practices:

- The SLC Executive Risk Forum (ERF) remains the primary forum within the SLC governance structure for the oversight of SLC's most significant risks. This is now served by directorate level forums, providing a clear governance route and consistency to all levels of risk management governance.
- The SLC Governance Risk & Compliance (GRC) tool Is an integrated system to manage and exploit the relationships between risk framework processes in order to track and report key risk management information in real time. Accordingly, Risk and Control Assessments (RCA) continue to be transitioned to the GRC tool and system development will also shortly conclude to support the management of both, the Issue Management process and Internal Audit Recommendations. All represent a significant strengthening of risk related information and continue to enhance data driven reporting and analysis.
- The methodology for the measurement and reporting of SLC's Risk Appetite position is now live, drawing on key measures from RCA, the Issue Management process, Internal Audit and Key Risk Indicator (KRI) MI to inform a dynamic assessment of position, reported to both ERF and ARC. This now provides a clear path in and out of appetite, enhancing Executive decision making.

Creating a Culture of Compliance:

- The Assurance Framework continues to operate and evolve within SLC, setting out specific requirements for governance, reporting and mapping of assurance activity. The underlying Assurance Map has now been reviewed and refreshed, opining on the sufficiency of assurance by risk category. This in addition to the expanding scope of annual assurance reports, continues to strengthen understanding of holistic policy adoption, internal control and risk exposure.
- In line with central government requirements and to support the ARA, the ERC Team continue to perform an annual assessment on SLC's level of compliance with the mandatory elements of the Government Functional Standards (GFS). Assessments have confirmed that SLC remains broadly compliant, with a minor increase in overall compliance levels noted. For areas of partial and non-compliance, agreed action plans are in place.

Assurance Framework



Strengthening the three lines of defence:

- In addition to SLC's **mandatory risk management training** and to further support the embedding of risk policy, bespoke training has been developed for the Executive Team who own and are accountable for each category of risk. The training focusses on broadening understanding of the critical role of Risk Category Owners in the oversight and management of risk, compliance and assurance deliverables.
- The **Economic Crime Unit** (ECU) continues to monitor the internal and external environment for patterns of unusual activity, sharing data and insight and escalating to the DfE and OfS via an established data sharing platform. To address the increasingly sophisticated economic crime environment a new structure is in development to further strengthen capability in this area.
- **Control Function Teams** are now fully established and embedded across all directorates and play an important role in the overall strengthening of the 1st Line of Defence, supporting policy adoption and the implementation of a robust three lines of defence model.

Developments in risk management arrangements and with the company's risk profile are presented regularly to the ERF and the ARC.

Key Risks in 2024-25

The key risks under consideration during the year were:

- Resilience and performance of legacy systems and software.
- Information and Data Handling due to the nature of SLC's operations, the scale and complexity of the legacy IT environment and the pervasiveness of personal data within SLC.
- Cyber Security due to a need to ensure approach keeps pace with a continually evolving threat environment.

These are referred to in more detail in section 3.1 – About SLC.

Emerging Risks

Emerging risks continue to be anticipated and monitored within SLC and remain closely connected to the ongoing financially challenging landscape and legacy nature of systems. Safe delivery of the academic cycle and the prevention of noticeable degradation in service remained the priority, though an increase in customer impacting issues have emerged in year and will remain a key consideration within any ongoing prioritisation exercise.

Sustainability Board

The Sustainability Board was introduced in FY2024-25 and considers climate related risks and initiatives. It is comprised of staff from across the business and colleagues from our Green matters colleagues network. It is led by SLCs Head of Estates and Business Continuity and the SLC Health and Safety Manager.

Any relevant risks and opportunities are called out in the SLC Carbon Management Plan. This will set reduction targets and objectives for the company and develop reporting to demonstrate SLCs commitment to sustainability.

Internal Audit Opinion

Based on the evidence reviewed, GIAA has concluded that overall, SLC has maintained a sound system of governance, internal control and risk management but there is scope for improvement. This is reflected in the overall level of assurance which is 'Moderate' - *some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.*

Notable highlights from internal audits carried out during the year include improved levels of apply-to-payment accuracy and assurance that good business continuity arrangements are in place, however SLC require a more systematic assessment of third-party cyber security.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control, and I take personal responsibility in this Governance Statement for the financial year FY2024-25.

My review of the effectiveness of the system of governance, internal control and risk management, which has been in place in SLC throughout the year ended 31 March 2025, and up to the date of approval of the Annual Report and Accounts, is informed by:

- The work of the Internal Auditors, who review all material risks and business areas.
- The work of my Enterprise Risk and Compliance team, providing 'second line assurance' and supporting the continuous improvement of our risk management, governance and control across the company. This year has seen good progress in the maturing of the second line with quality assurance reporting in Operations, Risk Management and the Financial Crime Prevention Unit all showing a step up in effectiveness.
- Control Functions providing robust first line risk management assurance.
- My ELT, who have each provided additional assurance over the controls they have put in place over the activities where they have delegated responsibility.

- SLC's SMT, who certify compliance with key controls once a year supporting the production of an annual assurance statement.
- Comments made by the External Auditors in their management letter and other reports.
- The SLC Board, ARC and Company Secretary.

None of the assurance mechanisms identified any significant control issues. However, the SLC recognises the needs to take a more strategic view of the legacy technology threat landscape and understand how those threats impact SLC systems. In addition, SLC should increase oversight of third-party cyber security arrangements.

Following attendance at the Public Accounts Committee in February 2024, SLC continue to support DfE, OfS and the Public Sector Fraud Authority (PSFA) to coordinate the response to student fraud at franchised providers.

As with any complex business, SLC manages a range of risks and SLC's system of governance, internal control and risk management is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise risks to the achievement of company policies, aims and objectives, to evaluate the likelihood of those risks occurring, their impact and the need to manage them effectively.

Conclusion

I have considered the evidence available to me with regard to the production of the annual Governance Statement and conclude that SLC maintains a sound system of governance, risk management and internal control.

Chris Larmer
Chief Executive and Accounting Officer
11 July 2025

Remuneration and Staff Report

4.5 Remuneration Report

The Remuneration Report sets out the remuneration of all members of the Executive Leadership Team (ELT), including Statutory Directors, Executive and Interim Directors. It also includes Non-Executives Directors, together with details of the Remuneration policy for the year.

This report is prepared in accordance with the Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and includes any additional disclosures required by the Financial Reporting Manual.

Remuneration Committee

The Terms of Reference of RemCo and matters considered are set out in the Governance Statement section 4.4.

Committee Membership

	From	**To**	**Attendance in 2024-25**
Gary Page, Non-Executive Director, Chair	July 2021	October 2026	3/3
Stephen Tetlow, Non-Executive Director	May 2019	May 2025	3/3
Margaret Ollerenshaw, Non-Executive Director	November 2024	September 2027	2/2

Peter Lauener, the Chair of the main board, has a standing invitation to attend this Committee, although he is not a member.

As scheduled, RemCo held three meetings during 2024-25; the table above shows how many of these each member attended (during the period of their membership). Two extra meetings were convened to discuss and approve Executive recruitment, and Executive and Senior Managers' pay.

Remuneration Policy

SLC aims that the remuneration packages offered to the ELT:

- Enables SLC to attract, retain and motivate high calibre executives.
- Remunerates individuals fairly for individual responsibility and contribution, while providing an element of performance related pay reflecting the individual performance of each ELT member, having regard to public sector pay guidance/restrictions.
- Take account of salary policy within the rest of SLC and the relationship that should exist between the remuneration of the ELT and that of other employees.

As a Non-Departmental Public Body, SLC's Senior Civil Service (SCS) equivalent graded staff are not Civil Servants and therefore not in scope of the Senior Salaries Review Body's remit. Nevertheless, SLC recognises the importance of public sector pay policy. Therefore, any annual pay increase or decision to award performance-related pay to SLC's SCS equivalent staff is considered alongside and according to the same general principles that apply to SCS.

In October 2024 SLC implemented the final stage of the approved pay case. Following this SLC aims to review ELT pay annually, in line with the SCS pay guidance.

The notice period for ELT members who are permanent employees is six months, and they are on standard SLC contracts of employment.

Non-Executive Remuneration

Remuneration of the Non-Executive Directors (including the Chair of the Committee) is set for their three-year term of appointment by the Secretary of State for Education, the Welsh Ministers, the Scottish Ministers and the Minister for the Economy in Northern Ireland or their delegated representative(s). Additional responsibilities may attract further remuneration.

Pensions

Prior to 1 March 2020, SLC operated the Student Loans Company Limited Retirement and Death Benefits Scheme (SLC Pension Scheme) which was a defined benefit scheme and NOW: Pensions, a defined contribution scheme, which met SLC's statutory obligations to enroll all employees in a pension scheme.

SLC, since March 2020 has been an affiliated employer of the Civil Service Pension Arrangements (CSPA) and made the *alpha* and *partnership* schemes available to all its employees. New employees are automatically enrolled into the CSPA, with the choice to join either the alpha or partnership scheme. Alternatively, they may opt to remain a non-pension member until the next re-enrolment date, at which point they would be auto enrolled into the alpha scheme.

No ELT members retain pension benefits from the previous SLC Pension Scheme.

Details of the Civil Service scheme can be found at: www.civilservicepensionscheme.org.uk

Performance Related Payments

Each member of the ELT has personal performance objectives, including specific targets which have a significant impact on the performance of the organisation. These targets and the CEO's appraisal of their performance against them are subject to review by RemCo. Subject to RemCo approval, members of the ELT who are permanent staff are eligible to participate in SLC's performance related payment scheme.

SLC's Chair reviews the performance of the CEO and based on delivery against agreed objectives, may propose an award for consideration by the RemCo. The terms of the CEO's appointment provide for a performance related payment to a maximum value of £20,000 per annum.

Performance-related payments are not awarded to Non-Executive Directors.

Other Benefits and Expenses

SLC meets normal allowable costs for Board Directors and members of ELT in accordance with SLC's standard expenses, travel and accommodation policy.

Non-Executive Directors and Executive Leadership Team Salary and Pension Information (subject to audit)

Remuneration of Board Members

There were no redundancy payments to members of the Board for loss of office made during the year (2023-24: £nil), Non-Exec members of the Board are not entitled to redundancy under the conditions of their tenure.

Fees Paid to Chair and Non-Executive Directors

	2024-25 Remuneration £'000	**2023-24 Remuneration £'000**
Peter Lauener	50-55	50-55
Charlotte Moar	15-20	15-20
Stephen Tetlow	15-20	20-25
Gary Page	15-20	15-20
Natasha Toothill	15-20	15-20
Margaret Ollerenshaw (from 01/10/24)	5-10 (15-20)*	
Stephen Marston (from 01/10/24)	5-10 (15-20)*	
Amanda Beech (from 01/10/24)	5-10 (15-20)*	
Janette Campbell (from 30/10/24)	5-10 (15-20)*	
Mary Curnock Cook (to 10/12/23)		15-20 (20-25)*
Rona Ruthen (to 18/10/23)		5-10 (15-20)*
Andrew Wathey (to 10/12/23)		10-15 (15-20)*

* Denotes the Full Year Equivalent salaries for those Non-Executive Directors who were not in post/position was not held for the full financial year
** Any decrease in Non-Executive remuneration is the result of prior year retrospective payments for additional duties relating to the leadership of board committees.
***The figures above are for salaries and allowances only. There are no performance pay, bonuses, non-cash benefits or accrued pension benefits to disclose.

Remuneration of ELT

The ELT is responsible for the day-to-day management and leadership of SLC's activities and operations. The Governance Statement notes the areas of responsibility for each member of ELT.

There were no redundancy payments to members of the ELT for loss of office made during the year (2023-24: £nil).

Remuneration of ELT 2024-25

Name	Position	2024-25 Remuneration £'000	2024-25 Other Taxable Benefits and Expenses (to the nearest £100)	2024-25 Accrued Performance Related Pay £'000**	2024-25 Employer Pension Contribution (nearest £1,000) £'000	2024-25 Total Remuneration £'000
Chris Larmer*	Chief Executive	190-195	-	15-20	56	270-275
David Wallace*	Deputy Chief Executive	155-160	-	5-10	45	210-215
Audrey McColl*	Chief Financial Officer	145-150	-	5-10	42	195-200
Jason Dunham	Chief Information Officer	150-155	-	5-10	44	200-205
Gillian Brydie	Executive Director	140-145	-	5-10	42	190-195
Derek Ross	Executive Director	140-145	1.0 [2]	0-5	41	180-185
Jacqueline Currie	Executive Director	140-145	-	5-10	41	185-190
Nauman Dar (from 5 August 2024)	Executive Director	90-95 (140-145)[1]		0-5	27	120-125
David Beattie (to 7 June 2024)	Executive Director	25-30 (145-150)[1]	-	n/a	8	35-40

* Denotes that the individual is a statutory SLC Board Member under the Companies Act 2006

** Accrued performance pay is shown in bands of £5,000

1 Denotes the Full Year Equivalent salaries for those members of ELT who were not in post/position was not held for the full financial year

2 Represents benefit in kind expenses.

Remuneration of ELT 2023-24

Name	Position	2023-24 Remuneration £'000	2023-24 Other Taxable Benefits and Expenses (to the nearest £100)	2023-24 Accrued Performance Related Pay £'000**	2023-24 Employer Pension Contribution (nearest £1,000) £'000	2023-24 Total Remuneration £'000
Chris Larmer*	Chief Executive	190-195	-	15-20	58	265-270
David Wallace*	Deputy Chief Executive	145-150	-	5-10	45	200-205
Audrey McColl*	Chief Financial Officer	135-140	-	5-10	41	185-190
Jason Dunham (from 2 May 2023)[5]	Chief Information Officer	140-145 (145-150)[1]	-	5-10	43	190-195
Stephen Campbell (to 21 May 2023)	Chief Information Officer	15-20 (135-140)[1]	0.2[3]	n/a	4	20-25
Gillian Brydie (from 26 July 2023)	Executive Director	95-100 (135-140)[1]	-	0-5	29	125-130
Chris Cooke (Interim to 23 June 2023)	Executive Director	30-35 (130-135)[1]	3.6[4]	n/a	9	45-50
David Beattie	Executive Director	140-145[2]	-	n/a	45	185-190
Derek Ross	Executive Director	130-135	1.0[3]	0-5	40	175-180
Jacqueline Currie	Executive Director	130-135	-	5-10	40	175-180

* Denotes that the individual is a statutory SLC Board Member under the Companies Act 2006

** Accrued performance pay is shown in bands of £5,000

1 Denotes the Full Year Equivalent salaries for those members of ELT who were not in post/position was not held for the full financial year

2 Movement in banding from the prior year reflects annual leave purchased.

3 Represents benefit in kind expenses.

4 Represents taxable expenses from having 2 principle offices.

5 To enable a planned handover, Jason Dunham joined SLC on 11 April 2023, before Stephen Campbell left the company (on 21 May 2023). Jason Dunham officially took over as CIO from Stephen Campbell on 2 May 2023.

Retirement Benefits for the ELT

	Accrued pension and related lump sum at pension age as at 31 March 2025 £'000	Real increase in accrued pension and related lump sum at pension age during the year to 31 March 2025 £'000	CETV as at 31 March 2025 (to nearest £1,000) * £'000	CETV as at 31 March 2024 (to nearest £1,000) * £'000	Real increase in CETV (to nearest £1,000) * £'000
Chris Larmer	15-20	2.5-5	249	166	54
David Wallace	40-45	2.5-5	862	768	55
Audrey McColl	10-15	2.5-5	198	134	42
Jason Dunham	5-10	2.5-5	104	48	41
Gillian Brydie	5-10	2.5-5	78	30	35
Derek Ross	70-75	2.5-5	1,399	1,322	64
Jacqueline Currie	10-15	2.5-5	189	132	35
Nauman Dar (from 5 August 2024)	0-5	0-2.5	27		20
David Beattie (to 7 June 2024)**	-	-	-	68	-

(i) *Cash Equivalent Transfer Values (CETV) have been calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1996, depending upon length of membership of the SLC Pension Scheme, and figures have been rounded.

(ii) ** No liability at 31 March 2025.

(iii) Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgement. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

4.6 Staff Report

Median and Fair Pay (audited)

Reporting bodies are required to disclose the relationship between the remuneration, including bonus paid during the year, of the highest-paid Director in their organisation and the lower quartile, median and upper quartileremuneration of the organisation's workforce.

SLC's highest-paid director in the financial year 2024-25 was the CEO.

The ratios for the year remain consistent with the prior period. This stability reflects the impact of the final part of SLC's pay case, reflecting that salaries and policies have been consistent across both financial periods.

Pay Ratios of Highest Paid Director (audited)

Year	25th percentile pay ratio	Median pay Ratio	75th percentile pay ratio
2024-25	8.8:1	8.0:1	5.6:1
2023-24	8.8:1	7.9:1	5.4:1

The remuneration and salary cost information used to calculate the above ratios are shown below.

Remuneration and Salary Information used to calculate pay ratios (audited)

	2024-25 Total Pay and Benefits	2024-25 Salary Component	2023-24 Total Pay and Benefits	2023-24 Salary Component
25th percentile	24,075	23,525	23,185	21,467
Median	26,536	25,857	25,973	24,171
75th percentile	38,225	37,135	37,657	35,283

The percentage change in the remuneration of the highest-paid Director and of the employees of SLC taken as a whole are shown in the tables below.

Percentage change of salaries and allowances and performance related pay and bonuses of the highest paid Director and all employees (excluding the highest paid Director) (audited)

	Highest Paid Director	All employees (excluding highest paid Director)
	2024-25	**2024-25**
Salary and allowances	0%	3.3%
Performance pay and bonuses	40%	40.8%

Performance pay figures are not known at the end of the financial year therefore actual amounts paid are used to ensure comparability. As a result the table above and the fair pay workings relate include payments made in 2024-25 but which relate to 2023-24 performance. As a result the highest paid director performance pay and bonus of 40% is being impacted by a change in role between FY 2022-23 and FY 2023-24 which is commensurate with a higher level bonus payment. The remuneration table on pages 56 and 57 include accrued performance pay for 2024-25 and 2023-24.

Salary and allowances: The highest-paid director's average salary and allowances did not increase, whereas the broader employee group saw a slightly higher increase of 3.3%. The highest paid director's calculations are based on band mid-point while all employees' calculation is based on actual pay. This increase in salaries across the organisation is primarily attributed to the final instalment of the pay case, which was implemented in October 2024.

The performance bonuses for the CEO and Executive Leadership Team are agreed by the Remuneration Committee of SLC's Board. Pay adjustments for the CEO and SCS-equivalent staff are made in alignment with the SCS Pay Framework, which follows the recommendations of the Senior Salaries Review Body (SSRB).

During 2024-25, remuneration for permanent members of staff ranged as follows:

	2025	2024
Range of lowest scale remuneration	£20,000-£25,000	£20,000-£25,000
Range of highest scale remuneration	£210,000-£215,000	£205,000-£210,000

No employees were paid more than the highest paid director. The remuneration for the entire ELT, excluding performance-related pay was £1.2m (2023-24: £1.2m).

Total remuneration includes salary, non-consolidated performance related pay and benefits-in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Staff Numbers and Remuneration (audited)

The monthly average number of full-time equivalent persons employed during the year is shown in the table below.

Average number of persons employed (FTE) (audited)

	2024-25		2023-24	
	Permanent staff	**Other**	**Permanent staff**	**Other**
Directly employed	3,146	3	3,325	-

The table below represents the average headcount of employees. SLC's Senior Management Team and Executive Leadership Team are Senior Civil Service (SCS) equivalent roles.

Staff Numbers by grade and gender for the year to 31 March 2025 (unaudited)

	Male	Female	Total
Executive Leadership Team	5	3	8
Senior Management Team	23	14	37
All other employees	1,515	1,724	3,239
Total	**1,543**	**1,741**	**3,284**

Staff Numbers by grade and gender for the year to 31 March 2024 (unaudited)

	Male	Female	Total
Executive Leadership Team	5	3	8
Senior Management Team	22	14	36
All other employees	1,556	1,798	3,354
Total	**1,583**	**1,815**	**3,398**

Wages and salaries (audited)

'Permanent staff' in the tables below includes all staff with an employment contract with SLC and those employees on fixed term contracts. 'Agency costs' incorporates agency staff who are fulfilling a permanent role within the structure; these short-term roles support requirements such as unexpected absences, short term peaks in workload, short term projects or gaps between filling permanent vacancies.

	2024-25 Permanent Staff £'000	2024-25 Agency Costs £'000	2024-25 Total Remuneration £'000
Wages and salaries	109,151	335	109,486
National Insurance costs	11,040	-	11,040
Employer Pension costs	25,543	-	25,543
Capitalised Staff costs	(5,385)		(5,385)
Direct staff costs	**140,349**	**335**	**140,684**
Indirect staff costs*	1,104	-	1,104
Total staff costs	**141,453**	**335**	**141,788**

*Indirect staff costs relate to the apprenticeship levy and health insurance premiums.

	2023-24 Permanent Staff £'000	2023-24 Agency Costs £'000	2023-24 Total Remuneration £'000
Wages and salaries	108,982	422	109,404
National Insurance costs	10,927	-	10,927
Employer Pension costs	22,468	-	22,468
Capitalised Staff costs	(6,418)		(6,418)
Direct staff costs	**135,959**	**422**	**136,381**
Indirect staff costs*	1,175	-	1,175
Total staff costs	**137,134**	**422**	**137,556**

*Indirect staff costs relate to the apprenticeship levy and health insurance premiums.

Staff costs for permanent staff have increased by £4.3m (3.1%), which primarily relates to the increase in pay implemented in October 2024. This was the final stage of SLC's approved pay case. £3m of increased pension costs is a result of employer's contribution rates moving to a flat rate of 28.97%.

Capitalised staff costs decreased from £6.4m in 2023-24 to £5.4m in 2024-25. This reflects a 14% decrease in the use of SLC internal staff across a range of projects.

SLC did not incur consultancy expenditure.

Severance Payments (audited)

SLC made fifteen voluntary severance payments, all of which were agreed with the Cabinet Office. Additionally, four further severance cases are in progress. At March, one severance payment has been offered and accepted but not yet paid, the other three cases are currently held as a provision.

Number of Severance Payments

Payment Band	2024-25	2023-24
£< £10,000	2	
£10,001 - £25,000	3	
£25,001 - £50,000	2	
£50,001 - £75,000	2	1
£75,001 - £100,000	4	1
£100,001 - £150,000	5	
£150,001 - £200,000	1	
Total	**19**	**2**

The total cost of severance payments offered in year was £1,446,000, including £16,000 for Pay In Lieu Of Notice. (2023-24: £154,000).

The increase in the number of severance payments made this year compared to the previous year was primarily the result of a review and reorganisation of SLC's change delivery function; as well as a continued focus in reducing its pay bill in light of challenging budget settlements.

Off-payroll Arrangements (unaudited)

Off-Payroll Arrangements exceeding £245 per day

	31 March 2025 No.	**31 March 2024 No.**
No. of existing engagements as of 31 March 2025	**5**	**2**
Of which…		
No. that have existed for less than one year at time of reporting.	3	1
No. that have existed for between one and two years at time of reporting.	1	
No. that have existed for between two and three years at time of reporting.		
No. that have existed for between three and four years at time of reporting.		
No. that have existed for four or more years at time of reporting.	1	1

	31 March 2025 No.
No. of temporary off-payroll workers engaged during the year ended 31 March 2025	6
Of which...	
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	5
Subject to off-payroll legislation and determined as out-of-scope of IR35	1
No. of engagements reassessed for compliance or assurance purposes during the year	-
Of which: no. of engagements that saw a change to IR35 status following review.	-

	31 March 2025 No.
For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025	
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	-
Total number of individuals on- and off- payroll that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure should include both on- and off-payroll engagements	11

People Strategy (unaudited)

In line with our corporate objective of being ‘a great place to work’, our comprehensive People Strategy programme aims to create a skilled, motivated, and engaged workforce, aligned to current and future organisational needs.

As well as progressing existing People Strategy priorities, such EDI, this year we also focused activity on new priorities including an SLC-wide culture programme; and progressing work on our Strategic Workforce Planning (SWP) capabilities. Over the second half of this year we also developed a new three-year People Strategy that will cover the period FY2025-26 to 2027-28, aligned to our next Corporate Plan.

Reward

Recognising the need for more substantive pay reform, in May of 2023, SLC submitted a pay flexibility case to HM Government for approval. Following consideration by the Department for Education, Cabinet Office and HM Treasury, the case was approved in March 2024. The approval allowed SLC to increase our overall paybill by 12.41% over the two years 2023-24 and 2024-25. This made pay at SLC more sustainable; addressed some of the structural pay issues in our lowest grades, which have been driving our long-standing pay challenges; tackled unsustainable issues of recruitment and retention; and, by year two, meant SLC’s pay bands were better aligned with other public sector organisations.

However, over the period of the two-year pay case, National Living Wage growth has outstripped the pay uplifts we have been able to make, even with the pay case approval. This means that by the end of 2024-25, SLC was once again required to make an urgent out-of-cycle increase to our lowest grades to align to the NLW and continues to face significant compression challenges at these grades.

As part of the approval process for our Pay Flexibility Case, SLC agreed to review its grading structure. As a result of this, from April 2024 SLC removed one grade from its structure (Grade 10). SLC has now commenced the development of a new Target Operating Model (TOM), through which it will further review its structure, operating model and organisational design principles.

Diversity and Inclusion

This year SLC progressed into the second year of a three-year Equality Diversity and Inclusion Strategy, which was published in August 2023, and through which we aim to move beyond compliance to maturity, where EDI is driven forward by the whole organisation and role modelled by all leaders.

Our aim is to have a more representative workforce, with a particular focus on disability, ethnicity and women in leadership following initial analysis as part of our EDI strategy development showing that SLC was underrepresented in these areas. Positively, data shows that in 2024-25 we increased representation in the organisation of both disability (from 5.3% to 6.2%) and ethnic minority colleagues (from 5.1% to 5.2%); however, we acknowledge we are still underrepresented so these areas will continue to be a priority.

Our gender split is similar to that of the wider Civil Service; and while we have more women in leadership than the private sector, we fall slightly below the wider Civil Service and other public sector organisations. For LGBT representation we are higher than private sector representation (of which data is limited) but are lower than the wider Civil Service and other public sector organisations. This information is caveated with the fact we still have low reporting and therefore do not have full visibility of the demographics of our workforce, highlighting the importance of continued focus on equality monitoring reporting.

Progress against this strategy and the details of the changes in composition of our workforces over the year is available in our latest EDI annual report, published here: https://www.gov.uk/government/publications/slc-equality-diversity-and-inclusion-annual-report-2024-25/slc-edi-annual-report-2024-2025

SLC is committed to the development and progression of colleagues with disabilities and to the provision of an inclusive and accessible working environment for all. SLC holds the highest level of recognition under the Government's Disability Confident scheme – Disability Confident Leader. This is a multi-year accreditation, and we will be assessed again in 2025-26. Through the external accreditation process we were commended for improving support for colleagues through the launch of our remote mental health first aid service; and for continually reviewing our policies to ensure they are inclusive, accessible, and allow for discretion to help break down potential barriers and facilitate the development of colleagues with disabilities.

This year SLC conducted a review of its Reasonable Adjustments policy and process, as well as its Equality Impact Assessment policy and process, with a view to ensuring that both of these processes support colleagues with a disability or other additional needs to thrive in the workplace. Following the reviews, the new processes will launch in 2025-26.

SLC's Recruitment and Selection Policy outlines and confirms our commitment as a Disability Confident Leader by ensuring candidates identifying as having a disability, and able to meet the minimum criteria for a role, are guaranteed an interview. Practical guidance for recruiting, managing and developing colleagues with a disability or health condition is available for managers.

Our 2024 Gender Pay Gap Report noted a decrease in SLC's mean gender pay gap from 2023 of 2.2 percentage points from 12.7%. However, the report also noted an increase in our median gender pay gap of 3.8 percentage points from 4.1% in 2023 to 7.9% in 2024. We explain the detail behind these results and our action plan to reduce our gender pay gap in this report published in March 2025 at: https://www.gov.uk/government/publications/student-loans-company-slc-gender-pay-gap-report-for-2024/slc-gender-pay-gap-report-2024.

Employee Engagement

SLC conducts an annual Employee Engagement Survey and three pulse surveys each year to gain insight into colleagues' experiences and views of working at SLC. Results are used to help inform and enable our strategic goal of making SLC a great place to work.

This year SLC moved to a new survey method, moving away from an Employee Net Promoter Score (ENPS) based on one question only, to a Colleague Engagement Index (CEI). The CEI provides a richer view of what drives colleague sentiment enabling us to create more impactful action plans. The new CEI is made up of five questions considered to be key drivers of engagement.

Our 2024 Employee Engagement Survey, undertaken in December 2024, attracted responses from 86% of SLC employees - an increase from 77% of colleagues in the previous year. This survey showed a CEI of 5.8, which was unchanged from the previous year when the same method was applied.

Survey results indicate that colleagues feel part of a team and work together as a productive unit, supported by their manager; colleagues have a clear understanding of their role and what is expected of them; however, there is a sense of frustration regarding workload and change within SLC. Key emotions fed back in the survey were happy, committed and frustrated.

Staff Health, Safety and Wellbeing

SLC understands and discharges its duties under the Management of Health and Safety at Work Regulations 1999 and the Health and Safety Act 1974. SLC does this using a broad strategy incorporating regularly reviewed and updated policies, mandatory annual Health and Safety training

for all employees including a workstation assessment, a regular review of Health and Safety risks, regular audits of the working environment, independent third-party assurance reviews such as ISO 45001, regular communications to staff and an annual Health and Safety report to the SLC main Board.

Sickness Absence Report

	2024-25 %	2023-24 %	2022-23 %
Sickness Absence	3.59	4.13	3.75

Sickness absence is shown as a percentage of total available working days in year. This shows that our absences have been trending down following a peak in 2023-24.

Staff turnover

Staff turnover percentage includes all staff employed at SLC. For a given period, the turnover figure is calculated as the number of leavers within that period divided by the average of staff in post over the period.

Staff Turnover Report

	2024-25 %	2023-24 %	2022-23 %
Staff turnover percentage	10.51	14.84	15.17

Staff turnover has reduced in 2024-25, which is aligned to a general cooling of the employment market in the UK.

Trade Union Facility Time Reporting

SLC has a longstanding and productive relationship with its recognised trade union, Public and Commercial Services Union (PCS). SLC and PCS hold monthly meetings which provide an opportunity to discuss and resolve employment and business-related matters. PCS provided support across all SLC sites: Glasgow, Darlington and Llandudno Junction. PCS played an important role in the development of SLC 2022-23 – 2023-24 pay case. In 2024-25, SLC consulted with PCS on a number of projects impacting colleagues, including the removal of SLC's backshift and alignment of its service hours; and the organisation design and people impacts that resulted from the review of SLC's change delivery function.

The Facility Time Agreement implemented in November 2018 permits SLC employees who act as PCS representatives to spend up to a maximum of 50% of their working week on union responsibilities.

Trade Union facility time reporting

Table 1 - Relevant Union Officials	31 March 2025	31 March 2024
Employees identified as relevant union officials	16	13
Full time equivalent employee number	16	13

Table 2 - Percentage of time spent on facility time	**31 March 2025**	**31 March 2024**
0% of working time		
1-50% of working time	16	13
51-99% of working time		
100% of working time		

Table 3 – Percentage of pay bill spent on facility time	**31 March 2025**	**31 March 2024**
Total cost of facility time	£22,446	£44,609
Total pay bill	£141m	£137m
Percentage of pay bill spent on facility time	0.02%	0.02%

Table 4 – Paid Trade Union activities	**31 March 2025**	**31 March 2024**
Time spent on paid trade union activities as a percentage of total paid facility **time**	100%	100%

Parliamentary Accountability Report (audited)

Losses, Special Payments, and Write-offs

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for SLC or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Special Payments

Each year, SLC has a specific delegated authority of up to £150,000 for special payments against running costs. These are most frequently ex-gratia compensatory payments relating to customer service based on the findings and recommendations of Independent Assessors. These payments are limited to £500 per case for ex-gratia special payments (or £5,000 for direct financial losses). SLC remained within this delegated limit in FY2024-25, incurring costs of £125,371.

Independent Assessors are appointed by the UK and Welsh governments to consider appeals and complaints by student finance customers where SLC's process has been exhausted.

Special payments of more than £500 or direct financial losses of over £5,000 require specific approval from DfE and sit outside of SLC's delegated authority limit. Payments totalling £1,194,990 were made in FY2024-25.

Special Severance Payments

Within special payments above are seventeen voluntary severance payments made in the year, agreed with Cabinet Office. Sixteen of these payments were in relation to Voluntary Redundancy, and one was a settlement agreement*.* The total severance payments made this year amounted to £1,193,140, including two payments offered in 2023-24. The majority of the payments related to an organizational change programme. The highest payment was £142,186, the lowest was £4,568 and the median value was £76,089.

Losses

SLC has delegated authority to write off losses or fruitless payments to a maximum of £40,000.

During the year DfE approval was sought for payments of £168,373 in relation to the cancellation of events outwith our control.

There were no losses exceeding £300,000, either individually or in aggregate, made in 2024-25.

Gifts

There were no gifts or donations made during the year (2023-24: none).

Regularity of expenditure

We are custodian of taxpayers' funds and have a duty to parliament to ensure the regularity and propriety of our activities and expenditure. We manage public funds in line with MPM. The importance of operating with regularity and the need for efficiency, economy, effectiveness and prudence in the administration of public resources to secure value for public money, is the responsibility of our Accounting Officer whose responsibilities are also set out in MPM.

They include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable. To discharge this responsibility and ensure our control totals are not breached, the following activities are in place:

- formal delegation of budgets
- detailed monitoring of expenditure
- monthly management reporting against control totals

Fees and Charges

There are no material fees and charges to disclose.

Remote Contingent Liabilities

At the year-end SLC had no remote contingent liabilities.

Government Functional Standards

SLC complies with relevant Government Functional Standards.

Chris Larmer
Chief Executive and Accounting Officer
11 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENT LOANS COMPANY LIMITED

Opinion on financial statements

I have audited the financial statements of Student Loans Company Limited for the year ended 31 March 2025.

The financial statements comprise the Student Loans Company Limited's

- Statements of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the UK adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006

In my opinion the financial statements:

- give a true and fair view of the state of the Student Loans Company Limited's affairs as at 31 March 2025 and its loss on ordinary activities for the year then ended; and
- have been properly prepared in accordance with the UK adopted International Accounting Standards; andhave been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Student Loans Company Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Student Loans Company Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included obtaining details of Grant in aid agreed with the Department for Education for the financial year ended 31 March 2025 and reviewing evidence of the commitment by the Department for Education to the longer-term business of the Student Loans Company Limited referenced in management's going concern assessment,

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Student Loans Company Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In my opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Accountability Report have been prepared in accordance with applicable legal requirements.

Other matters

In my opinion:

- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual; and the parts of the Annual Report subject to audit have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual.

Matters on which I report by exception

In the light of the knowledge and understanding of the Student Loans Company Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Accountability Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit;
- the Governance Statement does not reflect compliance with HM Treasury's guidance

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Student Loans Company Limited from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;
- preparing the Annual Report, which includes the Directors' Remuneration Report, in accordance with the Companies Act 2006
- Preparing the Remuneration and Staff Report, which is included in the Annual Report, in accordance with the Government Financial Reporting Manual; and
- assessing the Student Loans Company Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with the applicable law and International Standards on Auditing (UK) (ISAs (UK))

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Student Loans Company Limited’s accounting policies, key performance indicators and performance incentives.
- inquired of management, Student Loans Company Limited’s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Student Loans Company Limited’s policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Student Loans Company Limited’s controls relating to the Student Loans Company Limited’s compliance with the Companies Act 2006 and Managing Public Money;
- inquired of management, Student Loans Company Limited’s head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the internal and external specialists, including pension experts, where relevant, how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Student Loans Company Limited for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Student Loans Company Limited’s framework of authority and other legal and regulatory frameworks in which the Student Loans Company Limited operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Student Loans Company Limited. The key laws and regulations I considered in this context included Companies Act 2006, and Managing Public Money.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal and external specialists where relevant and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Martin Burgess (Senior Statutory Auditor)

11 July 2025

For and on behalf of the

Comptroller and Auditor General (Statutory Auditor)

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial Statements

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Revenue	3	2,362	2,522
Staff costs	5	(141,788)	(137,556)
Restructuring costs	5	(1,446)	(154)
Depreciation, amortisation and impairments	8,9	(26,997)	(27,339)
Other administrative expenses	4	(126,836)	(117,777)
		(297,067)	**(282,826)**
Operating expenditure		**(294,705)**	**(280,304)**
Finance income	6	95	79
Finance costs	7	(2,017)	(2,967)
Net financing expense		**(1,922)**	**(2,888)**
Loss on ordinary activities before taxation		**(296,627)**	**(283,192)**
Tax on result of ordinary activities		(3)	-
Loss on ordinary activities after taxation		**(296,630)**	**(283,192)**
Other comprehensive (expenditure)/income			
Items that will not be reclassified to net operating costs:			
Actuarial (loss)/gain on defined benefit pension scheme	15	8,648	(818)
Total comprehensive net (expenditure)/income for the period		**(287,982)**	**(284,010)**

All income and expenditure reported is derived from continuing operations.

The notes on pages 80 to 109 form part of these Accounts.

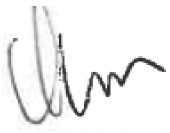
Statement of Financial Position as at 31 March 2025

	Notes	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Non-current assets					
Property, plant and equipment	8	47,521		49,566	
Intangible assets	9	59,966		65,779	
Total non-current assets			**107,487**		**115,345**
Current assets					
Trade and other receivables	11	16,186		17,038	
Cash and cash equivalents	12	8,689		10,134	
Corporation tax				3	
Total current assets			**24,875**		**27,175**
Total assets			**132,362**		**142,520**
Current liabilities					
Trade and other payables	13	(33,833)		(27,887)	
Provisions	14	(3,785)		(3,452)	
Total current liabilities			**(37,618)**		**(31,339)**
Total assets less current liabilities			**94,744**		**111,181**
Non-current liabilities					
Trade and other payables	13	(26,141)		(27,003)	
Provisions	14	(2,996)		(2,959)	
Retirement benefit obligation deficit	15	(12,290)		(19,665)	
Total non-current liabilities			**(41,427)**		**(49,627)**
Net assets			**53,317**		**61,554**
Capital and reserves					
Called up share capital	18	-		-	
General reserve		53,317		61,554	
Total equity			**53,317**		**61,554**

These Financial Statements were approved by the Board of Directors on 11 July 2025 and were signed on its behalf by the Accounting Officer, who authorised these accounts for issue on the date of the Statutory Auditor’s certificate.

Student Loans Company Limited
Company registration number: 2401034

The notes on pages 80 to 109 form part of these Accounts.



Chris Larmer, Chief Executive and Accounting Officer
11 July 2025

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2025

Capital and Reserves 2025	Note	General Fund £'000	Pension Reserve £'000	Share Capital £'000	Total £'000
Balance at 1 April		**81,219**	**(19,665)**	**-**	**61,554**
Net loss		(295,357)	(1,273)		(296,630)
Actuarial (loss)/gain in retirement benefit obligations	15		8,648		8,648
Grant from sponsoring department		279,745	-		279,745
Lease capital reserve		-	-		-
Balance at 31 March		**65,607**	**(12,290)**	**-**	**53,317**

Capital and Reserves 2024	Note	General Fund £'000	Pension Reserve £'000	Share Capital £'000	Total £'000
Balance at 1 April		**65,565**	**(16,893)**	**-**	**48,672**
Net loss		(281,238)	(1,954)		(283,192)
Actuarial (loss)/gain in retirement benefit obligations	15		(818)		(818)
Grant from sponsoring department		296,892	-		296,892
Lease capital reserve		-	-		-
Balance at 31 March		**81,219**	**(19,665)**	**-**	**61,554**

The General Fund represents total assets less liabilities, to the extent that the total is not represented by other reserves and financing items for the Company.

The Pension Reserve represents the net surplus from/(obligation to) the defined benefit pension scheme.

The notes on pages 80 to 109 form part of these Accounts.

Statement of Cash Flows For the year ended 31 March 2025

	Note £'000	2025 £'000	2025 £'000	2024 £'000	2024 £'000
Cashflow from operating activities					
(Loss)/profit on ordinary activities after taxation		**(296,630)**		**(283,192)**	
Adjustments to (loss)/profit on ordinary activities:					
Depreciation	8	7,069		9,102	
Impairments - Property, plant and equipment	8	32		-	
Amortisation	9	19,670		16,614	
Impairments - Intangible assets	9	226		1,623	
Gain/(Loss) on disposal of fixed assets	4	366		(55)	
Taxation		3		-	
Finance costs	7	1,046		1,013	
Finance income	6	(95)		(79)	
Pension valuation movements	15	1,273		1,954	
		(267,040)		**(253,020)**	
(Increase)/decrease in trade and other receivables		852		(1,336)	
Increase/(Decrease) in trade and other payables		5,927		(3,598)	
Less movements in payables relating to items not passing through net operating costs		(596)		-	
Increase/(Decrease) in provisions		(34)		606	
Cash payments for interest portion of lease liability		(1,046)		(1,013)	
Net cash inflow/(outflow) from operating activities			**(261,937)**		**(258,361)**
Cashflow from investing activities					
Finance income	6	95		79	
Acquisition of property, plant and equipment	8	(3,009)		(11,595)	
Acquisition of intangible assets	9	(14,316)		(23,848)	
Proceeds from sales of property, plant and equipment		40		68	
Net cash outflow from investing activities			**(17,190)**		**(35,296)**
Cashflow from financing activities					
Grant in Aid funding received from sponsoring department		279,745		296,892	
Cash payments for the principal portion of the lease liability		(2,063)		(3,204)	
Net cash inflow from financing activities			**277,682**		**293,688**
Net increase/(decrease) in cash and cash equivalents	**12**		**(1,445)**		**31**
Cash and cash equivalents at 1 April	12		10,134		10,103
Cash and cash equivalents at 31 March	**12**		**8,689**		**10,134**

1. *The movement in trade and other payables noted above excludes movements on amounts due under leases of £843k (2023-23: £17,406k), which are non-cash movements.*
2. *The movement in provision excludes movement on capitalised dilapidations provisions of (£404k) (2023-24: (£1,600k)), which are non-cash movements.*
3. *The acquisition of property, plant and equipment excludes Right of Use assets where the full lease term is recognised in line with IFRS 16, which are non-cash, totaling £1,650k (2023-24: £22,257k), and capital receipt accruals totaling £596k (2023-24: nil)*

The notes on pages 80 to 109 form part of these Accounts.

Notes to the Financial Statements

1.1 Accounting Policies

SLC is a company incorporated in England and Wales and domiciled in the UK. SLC is owned by the Secretary of State for Education, the Welsh Ministers, the Scottish Ministers and the Minister for the Economy in Northern Ireland. The registered office of the company is Memphis Building, Lingfield Points, McMullen Road, Darlington, DL1 1RW.

The Financial Statements have been prepared on an accruals basis in accordance with the Companies Act 2006, and the Government Financial Reporting Manual (FReM) and other guidance issued by HM Treasury and the Secretary of State for Education where the disclosure requirements of these go beyond the Companies Act 2006 and do not conflict have been applied in relation to the financial statements. We have also elected to comply with FReM disclosures in the Annual Report where it is deemed more transparent to do so and where there is no conflict with the Companies Act 2006. The Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the UK (Adopted IFRSs) and International Financial Reporting Interpretations Committee interpretations. There have been no significant changes to the FReM during the year other than the phased introduction of TCFD reporting.

Disclosure of Assessment of the Impact of Accounting Standards not yet Adopted

1.2 Impact of New Accounting Standards

There are no new accounting standards impacting SLC to be reported.

1.3 Measurement Convention

The Financial Statements are prepared on the historical cost basis, with the following exceptions:

- Financial instruments, namely payables and receivables, are measured at amortised cost - see note 1.11 for further detail.
- Cash is stated at fair value.
- Assets under development are valued at historic cost, calculated using expenditure incurred to date, and are subject to impairment review - see note 1.10 for further detail.

1.4 Functional and presentation currency

The financial statements are presented in Pounds Sterling (£) which is the functional and presentation currency of SLC. All values are rounded to the nearest £1,000 unless otherwise stated.

1.5 Going Concern

The terms of the Framework Document between SLC and the Department for Education, the Advanced Learning and Science Directorate of the Scottish Government, acting on behalf of Scottish Ministers, the Department for the Economy in Northern Ireland and the Directorate for Skills, Higher Education and Lifelong learning of the Welsh Government requires SLC to conduct its affairs so as to remain solvent within the total resources made available to it by the funding bodies. These Financial Statements have been prepared on this basis.

Grant-in-Aid for SLC's business as usual operating expenditure for 2025-26 has been included in the sponsoring departments' estimates for that year, which have been approved by Parliament. The total budget is expected to be confirmed by the DfE as set out in the APRA Letter 2025-26. The APRA letter will also confirm ring-fenced funding for the delivery of HE Reform, reflecting the ongoing commitment to SLC to operate longer term as the delivery vehicle for student finance and the development of future HE Reform. It has therefore been considered appropriate to adopt a going concern basis for the preparation of the 2024-25 financial statements.

The transfer of the remaining deferred members and pensioners of SLC's defined benefit pension scheme to the Civil Service Pension remains paused. At this time we are working towards a transfer around June 2027. The pension scheme deficit is underwritten by DfE.

The Directors have performed a going concern assessment and concluded it is appropriate to adopt a going concern basis for the preparation of these financial statements.

1.6 Student Loans

SLC, in conjunction with HMRC through whom most repayments are collected, services the entire loan book. The loan book is partly owned by HMG and partly owned by private investors. The value of loans owned by HMG is recorded in the accounts of DfE.

1.7 Use of Estimates and Judgement

The preparation of the Financial Statements in compliance with IFRS requires Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Lease term: SLC has determined the lease term to be to the lease end date, as the expectation is SLC are unlikely to terminate any existing leases early.

Dilapidations provisions: The dilapidations provision is based on external valuations provided by SLC's property consultants. The latest formal desk top valuations were provided in March 2025. Key assumptions are based, in addition to management judgement, on the likely obligation at the lease expiry date and lease stipulations on the property condition on that expiry date.

Legal provisions: Legal provisions as at 31 March 2025 have been assessed up until the signing date of the Annual Report and Accounts. This assessment has taken into consideration the estimated cost of settlement, including fees, and the probability that a settlement will be required.

Accruals and Prepayments: SLC recognises accruals based on receipted purchase orders, other accruals and/or prepayments where the invoice value is over £10,000 de minimis. The exceptions to this de minimis rule include accruals in respect of internal rechargeable resource costs and project milestone-based contracts. Accruals and prepayments are estimated using the best available sources of information at the date of calculation.

Retirement Benefit Obligations: SLC's retirement benefit obligations are based on external valuations provided annually by qualified actuaries.

The following key assumptions are used to determine estimated future cash outflows anticipated to settle SLC's pension obligations:

- Discount rate
- RPI and CPI Inflation
- Life expectancy
- Deferred pension increase rate
- Pensions-in-payment increase rate
- Duration of the defined benefit obligation

The pension scheme's actuary carries out triennial valuations on behalf of the pension scheme trustee. The final results of the section 179 valuation undertaken in November 2022 projected forward are reflected in the actuarial valuation as at 31 March 2025. This valuation predicts a deficit, and the pension liability is reflected in these financial statements. The next valuation is due in November 2025.

Intangible Assets: Much of the development of SLC's systems was undertaken in-house with costs that meet the recognition criteria of IAS38 Intangible Assets capitalised as an intangible asset. A detailed assessment was required to determine the level of capitalisation of such work. Each team working on projects is assessed against IAS 38 to determine whether their activity is capitalisable, and timesheets are used to determine the costs to be capitalised. In addition, management undertook an annual review to identify any impairments or disposals required, and to confirm the likely asset life over which these systems should be amortised.

Capitalisation will only occur when management identify the technological and economic feasibility of the project as detailed in 1.10 below. Assets under development and other intangible assets are tested annually for impairment with an assessment undertaken as to whether the asset will be, or continues to be, technologically and economically viable. Impairments are based on key assumptions made by management on the value in use of the intangible asset.

Useful Economic Lives: Estimates and judgement are included in determining amortisation and useful economic lives. Useful lives of assets are based on the characteristics of assets, contract end dates and expected re-investment periods. There is uncertainty around when an asset will be replaced or will stop being used due to SLC's funding model, in addition to the uncertainty around technological advances. The estimation uncertainty is counteracted by carrying out an annual useful life review to determine if the useful lives applied remain reasonable. A change in a useful life is applied when it is management's judgment to do so after reviewing information supplied during the process or through the normal course of business.

1.8 Revenue

Revenue: SLC complies with IFRS 15 Revenue from Contracts with Customers which requires revenue to be recognised when the reporting entity has completed performance obligations stipulated in its contracts with customers. Revenue is recognised for the administration fees of the bursary scheme.

Grant-in-Aid: Grant-in-Aid is drawn down from the DfE and recorded on a cash basis in line with DfE's own reporting requirements and in line with the FReM. Grant-in-Aid is credited to SLC's reserves.

1.9 Taxation

Corporation Tax: Tax on the profit or loss for the year comprises current tax. Tax is recognised in the SOCNE. Current tax is the expected tax due on the taxable profit or loss for the year and any adjustment to tax due in respect of previous years.

VAT: Income and expenditure are shown net of VAT with irrecoverable VAT charged to the SOCNE under the relevant expenditure heading.

1.10 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised where: its value is greater than £5,000 (grouped) at the date of purchase; it is held for use in delivering services or for administrative purposes; it is probable that future benefits will flow to, or service potential be provided to, SLC; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

Measurement

Items of property, plant and equipment are initially measured at cost, representing the costs directly attributable to the acquisition or construction of the asset.

Revaluation and Impairment

The assets' net book values are reviewed for impairment, and adjusted if appropriate, at the date of each SOFP. Apart from right-of-use assets, assets are valued at depreciated historical cost less impairment. PPE assets held are of short life and or low value and depreciated historical cost.

There is no revaluation reserve balance within the SOFP, as SLC does not have a policy of revaluing its assets.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within other administrative expenses in the SOCNE.

Right of use Assets

Where leases were recognised as operating leases, SLC has measured the right of use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments recognised in the SOFP immediately before the date of initial application and including the carrying amount of the dilapidations provision.

For new leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line-basis over the remaining lease term.

Depreciation

Depreciation is charged on a straight-line basis on all property, plant and equipment when substantially all the risks and rewards of the asset have been transferred to SLC. It is calculated to write off the cost of each asset less estimated residual value, evenly over its expected useful life as follows:

Right-of-use assets	Over the term of the lease
Short leasehold improvements	Over the unexpired period of the lease
Computer and other electronic equipment	3 to 5 years
Furniture, fixtures and fittings	5 to 10 years
Motor vehicles	1 to 3 years

During the financial year, a change in accounting estimate has been applied for Property, Plant and Equipment depreciation for two asset classes, Furniture, Fixtures and Fittings and Motor Vehicles.

Furniture, furniture and fittings – From 8 years to 5 to 10 years.
Motor Vehicles – From 3 to 5 years to 1 to 3 years.

The change in accounting estimate was required to allow for a better estimate of useful lives of assets within these asset classes and has been applied from 1 April 2024.

The financial statement lines impacted by the change are Accumulated Depreciation of each asset class within Note 8 and depreciation, amortisation and impairment expenditure in note 4. The impact of the change is that annual depreciation for Furntiure, Fixtures and Fittings has increased by £7k and Motor Vehicles by nil. There is no impact on Motor Vehicles as all existing assets retained their original useful life and only additions in the year applied the new accounting estimate.

1.11 Intangible Assets Recognition

Intangible assets valued greater than £5,000 (grouped) are recognised where the costs can be measured reliably and there is a clear future benefit or service potential attributable from the asset that will flow to SLC.

SLC determines phases during each project's life cycle.

1. Discovery
2. Inception
3. Delivery and Implementation
4. Run and Warranty

As costs accumulate during the discovery phase, expenditure is not capitalised, as feasibility is only determined at the end of the discovery phase. A stage gate report or alternative equivalent assessment is used to determine each project as ready for delivery.

Expenditure on delivery and implementation is then capitalised where all the following can be demonstrated in accordance with IAS 38:

- the project is technically feasible to the point of completion and will result in an intangible asset for use in the provision of services to SLC or to SLC customers
- SLC intends to complete the asset and use it
- SLC could use the asset
- the intangible asset will generate probable future economic or service delivery benefits
- adequate financial, technical and other resources are available to SLC to complete the development and use the asset
- SLC can reliably measure the expense attributable to the asset during development

Only expenditure directly attributable to the cost of developing software in-house is capitalised. Costs directly attributable are capitalised by way of an estimated standard cost for each development team. Any other expenditure is taken to the SOCNE as an expense.

Websites represent website developments for delivering specific services to customers in the payment and repayment of products within the portfolio.

Measurement

All intangible assets recognised, with the exception of perpetual licences, have finite useful lives and are measured at cost less accumulated amortisation and impairment losses. In accordance with the assessment of capitalisation methods for software development conducted, the cost for internally generated intangible assets has been assessed as the direct labour and management costs directly attributable to the development of the intangible asset. Perpetual licences are held at their carrying value, with an indefinite useful life. When using an indefinite useful life, SLC considers the nature of the licence and whether the use of the licence is for a set period or indefinitely.

Revaluation and Impairment

The assets' net book values are reviewed for impairment, and adjusted if appropriate, at the date of each SOFP. The assets are valued at depreciated historical cost.

Assets under construction are not amortised but are assessed for impairment annually.

Amortisation

Amortisation is recognised in the SOCNE on a straight-line basis over the useful life of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The expected useful lives for the current and comparative year are as follows:

Internally generated software	2 to 10 years
Websites	5 years
Software licences	Over the period of the licence

Internally generated software assets cover SLC's core systems. Their subsequent enhancements to these systems including application of Government policy is built upon these systems. The useful lives of these assets are based on the best information available, including average course length, end dates of underlying technology licences and expected re-investment in technology.

Amortisation, useful lives and residual values are reviewed at the end of each financial year on an individual asset basis to determine if the most appropriate lives are reflected and remain in line with our policy. If SLC expect to use an asset for longer or shorter than originally estimated or funding is approved to upgrade system functionality, this may trigger an adjustment to an asset's useful life.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing SLC with the right to access the cloud provider's application software over the contract period. As such SLC does not recognise a software intangible asset at the contract commencement date.

A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	• Fee for use of application software • Customisation by third party not separately identifiable from right to receive access to the application software.
Recognise as an operating expense as the service is received	• Configuration costs • In-house customisation costs • Distinct customisation costs by a third party • Data conversion and migration costs • Testing costs • Training costs
Recognise as an intangible asset	Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset.

1.12 Financial Instruments

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the SOFP when SLC becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, plus or minus directly attributable transaction costs, except for the transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss which are recognized immediately in the SOCNE.

Financial Assets Classification

IFRS 9 requires financial assets to be measured at either amortised cost or fair value. Changes in fair value should either be reflected in profit or loss in the SOCNE or taken to ‘other comprehensive income and expenditure’ (OCI) with no recycling. As at the date of the SOFP, SLC has financial assets included in current assets; these comprise of ‘trade and other receivables’ and ‘cash and cash equivalents’.

Financial Liabilities Classification

Financial liabilities are classified at initial recognition and subsequently measured at amortised cost.

As at the date of the SOFP, SLC has financial liabilities included as current liabilities comprising of ‘trade payables’, ‘accruals and deferred income’, ‘VAT, other taxation and social security’ and ‘lease liability’ in the SOFP.

1.13 Provisions

Provisions are recognised when:

- There is a present legal or constructive obligation as a result of past events
- It is more likely than not that an outflow of resources will be required to settle the obligation
- The amount can be reliably estimated

The provision’s value is discounted when the time value of money is considered material. Changes in the discount rate applied will be recognised in the year in which the change occurred.

1.14 Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under a short-term cash performance related award, if SLC has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The cost of annual leave earned but not taken by employees at the reporting date of the SOFP is recognised to the extent that employees are permitted to carry forward leave to the following year.

SLC contributed to the Civil Service *alpha* and *partnership* schemes and NOW: Pensions scheme during the year.

Civil Service Pension Scheme (the CSPA)

The *alpha* scheme provides benefits on a career-average basis, with a normal pension age equal to the member's state pension age. Pensions payable under the *alpha* scheme are increased annually in line with the relevant legislation relating to defined benefit pensions increases. The *alpha* scheme is a defined benefit pension scheme in accordance with IAS 19.

Employee contributions are set at one of four rates in the range 4.6% to 8.05% of pensionable earnings, based on salary bands. In all cases, members may opt to give up (commute) their pension for a lump sum up to the limits set by the Finance Act 2004. The Government Actuary's Department undertakes a valuation of the CSPS every four years. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires, and not the benefits paid during this period to existing pensioners. In April 2024 employer contributions moved to a flat of 28.97% of pensionable earnings.

The *partnership* pension account is a stakeholder pension arrangement and classified as a defined contribution pension scheme in accordance with IAS 19. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a personal pension product. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

There is no change to the employee contribution rates for the *partnership* pension scheme in 2025-26.

These statutory arrangements are unfunded, as the cost of the benefits is met by monies allocated by Parliament each year. Further details about the civil service pension arrangements can be found at the website: www.civilservicepensionscheme.org.uk. It is not possible to separately identify SLC's share of the underlying assets and liabilities.

The *alpha* scheme is a multi-employer defined benefit scheme. The scheme is an unfunded, defined benefit scheme that covers civil servants across a number of government departments and arm's length bodies. The scheme is not designed to allow bodies to identify their share of the underlying scheme liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme. SLC recognises contributions payable to the *alpha* scheme and the *partnership* scheme in the Statement of Comprehensive Net Expenditure.

NOW: Pensions

NOW: Pensions is a defined contribution scheme that was established in prior years to meet SLC's statutory obligations to enrol all employees in a pension scheme. The scheme still maintains some active membership. Contributions of £254k (2023-24: £327k) are recognised in the SOCNE as they are incurred. SLC has no further liability once contributions are paid to the pension scheme.

Student Loans Company Limited Retirement and Death Benefits Scheme (the SLC Pension Scheme)

The SLC Pension Scheme is defined under the Pensions Act 1993 (part 1) and operates in accordance with the Pension Act 1995 as a trust, established by its Definitive Trust Deed and Rules (June 2004).

The scheme is legally separated from SLC and governed by the Board of Trustees, which has control over its operation, funding and investment strategy. The Board is chaired by an independent trustee. The scheme is regulated by the Pensions Regulator, and its Annual Report and Accounts are subject to audit by an independent auditor. SLC is the ‘principal employer’ and, as such, retains responsibilities within the Definitive Trust Deed and Rules.

SLC has the ability to receive a surplus following a gradual settlement of the Scheme and therefore recognises scheme assets within the financial statements. The scheme currently has a deficit of £12.3m (note 15).

The scheme closed to future accrual of benefits, and all active members were moved to the CSPA during the year ended 31 March 2020. This included the bulk transfer of the benefits for those with more than two years’ pensionable service into the *nuvos* final salary section. Members with less than 2 years’ service (around 400 members) were given the option of either a refund of contributions or an enhanced cash transfer sum payable during the year ended 31 March 2021.

The Trustee reviews the scheme’s investment strategy at least every three years following the actuarial valuation of the scheme. The last full triennial valuation was carried out as at 5 November 2022, with the most recent investment strategy dated April 2023. The accounting actuarial valuation as at 31 March 2025 is based on the section 179 valuation from November 2022.

At the point the investment strategy was revised, the transfer of the deferred and pension population was imminent, so in preparation of the scheme being moved to Cabinet Office, all scheme assets were moved into a liquidity cash fund. No further amendments have been proposed by DfE despite the delay in transfer. The Trustee operates a bank account and invests Additional Voluntary Contributions (AVCs) on behalf of the members in insurance policies. The AVC policies are reviewed on a regular basis to ensure they remain appropriate.

The Trustee has delegated the responsibility for the day-to-day management of the scheme’s assets to Legal & General Investment Management (LGIM). The remaining funds are held in the Sterling Liquidity Fund.

The defined benefit scheme provides a pension and lump sum based on pensionable service and final pensionable salary. The final pensionable salary is the average of the best three continuous pensionable salaries in the ten years before retirement. Benefits are also accessible to a spouse on the death of a scheme member.

SLC’s net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the prior years. That benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted to determine the net obligation. The liability discount rate is the yield at the reporting date on ‘AA’ credit rated bonds denominated in the currency relating to the terms of the bonds and having maturity dates approximating to the terms of SLC’s obligations.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to SLC, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan, or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements. Actuarial gains and losses that arise are recognised by SLC in the year they occur through the SOCNE.

1.15 Leases

Leases are capitalised at the present value of the minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are depreciated over the shorter of the asset's useful life and the lease term. Each lease payment is allocated between the principal capital component and finance charges. The finance charges are allocated to each period during the lease term in order to produce a constant periodic rate of interest on the remaining balance of the liability.

Interest on leases is charged to the SOCNE in the year to which the lease payment relates.

Leases which are low in value or represent a short-term lease of up to 12 months are recognised as expenses on a straight-line basis and charged to the SOCNE in the year to which they relate.

1.16 Segmental Reporting

Operating segments are reported, with the exception of non-cash expenditure consisting of depreciation and AME, in a manner consistent with the internal reporting as provided to the ELT, Board and to DfE. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (CEO).

The CEO reviews performance based on four segments: Operating Activities, Change Programme, LLE and Higher Education (HE) Reforms and Catalyst. This is the basis for SLC's reporting to DfE.

- Operating Activities represents day to day operating business undertaken by SLC.
- The Change Programme represents additional activities undertaken by SLC in the financial year to create new activities. Once complete they will become part of normal operating activities.
- LLE and HE Reform are Government initiatives.
- Catalyst Programme has identified initiatives through a series of gateways which can deliver a net benefit outcome.

There is no measure of assets or liabilities reported by segment to the CEO.

2 Segmental Reporting

Segmental information can be analysed as follows for the reporting years under review:

	2025					2024				
	Operating Activities	**Change Programme**	**LLE & HE Reform**	**Catalyst**	**Total**	**Operating Activities**	**Change Programme**	**LLE & HE Reform**	**Catalyst**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Segmental Revenue:										
Administration fees receivable from third parties	1,030				1,030	1,044				1,044
Other income	1,269	63			1,332	1,478				1,478
Total revenue	**2,299**	**63**			**2,362**	**2,522**				**2,522**
Segmental Expenditure:										
Total expenditure	(252,891)	(16,846)	(23,616)	(3,714)	(297,067)	(243,975)	(27,320)	(10,289)	(1,242)	(282,826)
Operating profit/(loss)	**(250,592)**	**(16,783)**	**(23,616)**	**(3,714)**	**(294,705)**	**(241,453)**	**(27,320)**	**(10,289)**	**(1,242)**	**(280,304)**
Capital expenditure	(7,161)	(6,494)	(5,482)	-	(19,137)	(35,535)	(16,510)	(4,031)		(56,076)
Total Segmental Expenditure	**(257,753)**	**(23,277)**	**(29,098)**	**(3,714)**	**(313,842)**	**(276,988)**	**(43,830)**	**(14,320)**	**(1,242)**	**(336,380)**

Segmental information after operating profit before interest and tax has not been provided on the basis that these costs are determined at corporate level and are not separately reportable to management.

3 Revenue

	2025	2024
	£'000	**£'000**
Administration fees receivable from third parties	1,030	1,044
Other income	1,332	1,478
	2,362	**2,522**

The Administration fees receivable from third parties in the table above includes £1.0m of Bursary fee income (2023-24: £1.0m). These are fees raised for the administration services provided by SLC to support Higher Education Providers (HEPs) in England, Northern Ireland, Scotland and Wales, in providing mandatory and discretionary bursaries, scholarships and fee waivers to students. HEPs may subscribe to the full service or the core service.

The full service includes payment of the bursary, scholarship or fee waiver entitlement to the student. The core service is an information-only service. The level of subscription is intended to both pay for the planned operational costs incurred by SLC and to fund a programme of ongoing enhancements.

Other Income is primarily associated with a sub-letting arrangement in Clyde Place.

4 Items included in Net Expenditure before Interest and Tax

Other Administrative Expenditure

	2025 £'000	2024 £'000
Technical Service Delivery	46,614	42,521
Technology, Licences, Voice & Data	31,052	30,973
Outsourced Services	27,744	21,120
Professional Services	7,446	6,814
Premises Costs	4,737	7,808
Postage & Courier	4,752	4,615
General Expenditure	1,172	1,381
Bank Charges	1,011	1,071
Office Services	926	795
Other	1,233	383
Recruitment	149	296
TOTAL	**126,836**	**117,777**

The table above provides the breakdown of other operating expenditure. An explanation of the increase in expenditure in 2024-25 can be found in section 3.2.4. of the annual report and accounts.

Within the Other category for FY2024-25 are £302k of pension administration costs. Prior year administration costs of £1,117k are included in Finance Costs and have not been restated as the value is not considered material.

The following analysis is provided to show key items included in net expenditure before interest and tax.

	2025 £'000	2024 £'000
Dilapidations provision (non-cash)	(75)	669
Depreciation, amortisation and impairments (non-cash)	26,997	27,339
Net gain/(loss) on disposal of fixed assets (non-cash)	366	(55)
Directors' remuneration	825	817
Auditors remuneration:		
- Audit of these financial statements	334	216

Directors' remuneration:

	2025 £'000	2024 £'000
Non-Executive Directors' Fees	147	163
Executive emoluments (including benefits in kind)	534	510
Pension contributions	144	144
Taxable expenses		
	825	**817**

There are three statutory Executive Directors at SLC, the Chief Executive Officer, the Deputy Chief Executive Officer and Customer Officer, and the Chief Financial Officer. The remuneration of each individual Director is analysed in the Remuneration and Staff Report.

Highest paid Director

The highest paid Director during the year was SLC's CEO, Chris Larmer in line with the 2023-24 position.

	2025 £'000	2024 £'000
Total remuneration attributable (excluding pension)	214	208
Total contributions to pension scheme	56	58
Accrued pension balance (MyCSP)	16	11

5 Staff Costs

The aggregate payroll costs were as follows:

	2025 £'000	2024 £'000
Wages and salaries	109,486	109,404
Social security costs	11,040	10,927
Pension service costs/(income)	25,543	22,468
Capitalised SLC staff costs	(5,385)	(6,418)
	140,684	**136,381**
Other staff costs	1,104	1,175
	141,788	**137,556**
Restructuring costs	1,446	154

Capitalised staff costs reflects the cost of SLC staff time on the development of in house assets. Capitalised staff costs have decreased in year by £1m.

Average staff numbers for the year were 3,284 compared to 3,398 in 2023-24 as noted in the Remuneration and Staff Report.

Wages and Salaries reflect the final instalment of SLC's Pay Case. While the total spend is on par with 2023-24, there has been a 3.4% reduction in average staff numbers during the year, despite an increase in pay in October 2024.

Other staff costs represent the additional cost to SLC for agency workers, contractors, the apprenticeship levy and other indirect staff costs at times of peak demand or to cover vacant posts whilst recruitment is underway.

Restructuring costs of £1,446,000 (2023-24: £154,000) represents the severance costs relating to the financial year. Full details of the number of payments and corresponding costs are included in the Remuneration and Staff Report.

6 Finance Income

	2025 £'000	2024 £'000
Bank interest	87	79
Other finance income	8	-
	95	**79**

7 Finance Costs

	2025 £'000	2024 £'000
Pension interest charge	971	837
Pension administration expenses	-	1,117
Lease finance charge	1,046	1,013
	2,017	**2,967**

In year, pensions administration expenses are presented in other administration expenses. Prior year administration expenses are incorrectly classified as finance costs and this has not been restated as the value is not considered material.

8 Property, Plant and Equipment

	Short leasehold improvements	Computer and other electronic equipment	Furniture, fixtures and fittings	Motor vehicles	Assets under construction	Right of Use	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cost:							
At 1 April 2023	**15,987**	**19,607**	**4,094**	**112**	**783**	**26,843**	**67,426**
Adjustments		(15)	34				19
Additions	76	861	13	-	10,175	22,997	34,122
Disposals	(6,056)	(1,626)	(366)	(40)		(11,226)	(19,314)
Transfers	5,553	3,504	348		(9,405)		-
Impairment							-
At 1 April 2024	**15,560**	**22,331**	**4,123**	**72**	**1,553**	**38,614**	**82,253**
Additions	29	953	958	101	1,563	1,651	5,255
Disposals	(2,508)	(2,626)	(851)	(72)	-	(365)	(6,422)
Transfers	1,540	1,015	6	-	(2,561)	-	-
Impairment	-	-	(32)	-	-	-	(32)
At 31 March 2025	**14,621**	**21,673**	**4,204**	**101**	**555**	**39,900**	**81,054**
Depreciation							
At 1 April 2023	**12,021**	**13,872**	**2,386**	**52**	**-**	**14,280**	**42,611**
Adjustments		42					42
Charge for the year	1,604	2,959	409	27	-	4,103	9,102
On disposals	(5,988)	(1,618)	(343)	(35)	-	(11,084)	(19,068)
Impairments							-
At 1 April 2024	**7,637**	**15,255**	**2,452**	**44**	**-**	**7,299**	**32,687**
Charge for the year	1,129	2,816	345	25	-	2,754	7,069
On disposals	(2,420)	(2,668)	(726)	(54)	-	(355)	(6,223)
Impairments							
At 31 March 2025	**6,346**	**15,403**	**2,071**	**15**	**-**	**9,698**	**33,533**
Net book value							
At 1 April 2024	7,923	7,076	1,671	28	1,553	31,315	49,566
At 31 March 2025	**8,275**	**6,270**	**2,133**	**86**	**555**	**30,202**	**47,521**

Following a useful life review in FY2024-25, asset disposals were identified within Leasehold Improvements and Furniture, fixtures and fittings, which were previously not de-recognised in the relevant financial year. The disposal cost value within Leasehold improvements is £2.1m and £395k for Furniture, fixtures and fittings. Due to the values of these disposals no prior year restatement has been made.

9 Intangible assets

	Intangible assets under development	Internally generated software	Websites	Software licences	Total
	£000's	**£000's**	**£000's**	**£000's**	**£000's**
Cost:					
At 1 April 2023	**10,301**	**210,374**	**2,583**	**4,218**	**227,476**
Additions	20,955			2,893	23,848
Disposals		(4,251)		(548)	(4,799)
Transfer	(16,261)	16,261			-
Impairment	(1,285)			(338)	(1,623)
At 1 April 2024	**13,710**	**222,384**	**2,583**	**6,225**	**244,902**
Additions	11,825	-	-	2,491	14,316
Disposals	-	(6,868)	-	(875)	(7,743)
Transfer	(14,656)	14,656	-	-	-
Impairment	(122)	-	-	(104)	(226)
At 31 March 2025	**10,757**	**230,172**	**2,583**	**7,737**	**251,249**
Amortisation					
At 1 April 2023	**-**	**162,024**	**2,263**	**3,020**	**167,307**
Charge for the year	-	15,297	129	1,188	16,614
Disposals	-	(4,251)	-	(547)	(4,798)
At 1 April 2024	**-**	**173,070**	**2,392**	**3,661**	**179,123**
Charge for the year	-	17,838	127	1,705	19,670
Disposals	-	(6,635)	-	(875)	(7,510)
At 31 March 2025	**-**	**184,273**	**2,519**	**4,491**	**191,283**
Net book value					
At 1 April 2024	13,710	49,314	191	2,564	65,779
At 31 March 2025	**10,757**	**45,899**	**64**	**3,246**	**59,966**

Following a useful life review in FY2024-25, asset disposals were identified within Internally Generated Software. New information was made available resulting in these assets being de-recognised. Of the £6.8m disposal cost, £4.7m is in relation to the disposal of the Customer Portal element of academic year assets in which code is no longer in use and removed. £3m of the disposal costs related to previous financial years and due to the value, no prior year restatement has been made.

Assets under Development represent the ongoing internal development of SLC's systems to allow the delivery of services to customers and the policy change requested by the shareholders. The completed developments to date are included within Internally Generated Software.

The most significant additions to Assets under Development and Internally Generated Software relate to work on updating systems for the new academic year and to bring systems in line with Shareholder policy initiatives. Around 50% of Assets under Development relate to the build for LLE.

Of the £3,246,000 of Software Licences £406,000 relates to perpetual licences (2023-24: £510,000). There were no new perpetual licences in year or in 2023-24.

Carrying value of material intangible assets

Carrying value of material intangible assets	2024-25 Gross book value £'000	2024-25 Net book value £'000	2024-25 Average use life years	2023-24 Gross book value £'000	2023-24 Net book value £'000	2023-24 Average use life years
LA Portal	58,336	16,445	3.71	54,258	17,472	4.12
Customer Portal	50,078	9,320	3.48	45,426	7,920	3.99
Assess Platform	49,558	5,119	3.66	46,559	6,557	4.07
CLASS	23,724	4,254	3.57	22,969	5,022	4.35
FE Portal	12,258	2,876	4.00	18,345	3,856	4.39
ORS	10,420	3,441	4.04	10,493	4,067	4.07

10 Financial Instruments

As the cash requirements of SLC are met through Grant-in-Aid, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. Most financial instruments relate to contracts to buy non-financial items in line with SLC's expected purchase and usage requirements and SLC is therefore exposed to little liquidity or market risk. Credit risk exists for trade and other receivables, which are detailed in note 12.

Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and other institutions. For banks and other institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Credit risk is the risk of financial loss to SLC if a customer fails to meet their contractual obligations.

The majority of other trade receivables comprise sums due from HEPs for the bursary administration service. The credit risk associated with these receivables is considered to be low, and therefore any expected credit loss is assessed as immaterial and not recognised. HEPs are considered low credit risk due various factors including strong financial management, diverse revenue streams, high demand and reputation, and government support.

Liquidity Risk

SLC's net revenue resource requirements and capital expenditure requirements are financed by fees charged to universities and colleges and Grant-in-Aid funded by Parliament. The Annual Performance and Resource Agreement letter, which confirms the top-level budget delegated to SLC, for the financial year 2025-26, has been presented to SLC and provides assurance that funding of its activities will continue. Cash requirements are presented to the Department for Education on a monthly basis, and any cash flow requirements are forthcoming as required. SLC is therefore not exposed to any material liquidity risks.

Market and Currency Risk

SLC does not borrow or invest funds. Financial assets and liabilities are generated by day-to-day activities and are not held to manage the risks facing SLC in undertaking its activities.

The Financial Statements are presented in 'Pound Sterling' (£), which is SLC's functional and presentation currency. SLC does not ordinarily enter foreign currency transactions.

The carrying value approximates to the fair value due to the short maturity of the instruments.

	2025	2025	2024	2024
	Book value	**Fair value**	**Book value**	**Fair value**
	£'000	**£'000**	**£'000**	**£'000**
Trade receivables due within 1 year	6,666	6,666	7,089	7,089
Cash and cash equivalents	8,689	8,689	10,134	10,134
Trade payables due within 1 year	26,227	26,227	19,033	19,033
Trade payables due after 1 year	26,141	26,141	27,003	27,003

The maturity analysis of lease liabilities that shows the remaining contractual maturities are shown below.

Property	**End Date of lease**	**Date of break clause(s)**	**2025** **Lease liability** **£'000**	**2024** **Lease liability** **£'000**
Darlington Building 13	13/08/2024	N/A	-	9
Darlington Memphis Building	28/04/2033	27/04/2028 27/04/2033	7,135	7,923
Data Centre Co-Location	14/12/2027	N/A	853	1,173
Hillington	15/08/2025	N/A	39	174
Clyde Place	14/05/2043	N/A	19,735	19,722
Llandudno	31/03/2034	31/03/2030	396	-
Total liability			**28,158**	**29,001**

SLC's Darlington Building 13 lease was terminated in August 2024. The Bothwell Street lease lapsed in December 2023 and a new lease for Llandudno was entered into in April 2024.

Obligations under leases for the following periods comprise:	2025 £'000	2024 £'000
Buildings		
Not later than one year	2,989	2,994
Later than one year and not later than five years	13,491	13,327
Later than five years	19,910	21,548
Less interest element	(8,232)	(8,868)
Present Value of obligations	**28,158**	**29,001**
Analysed as:		
Payables: amounts falling due within 1 year	2,017	1,998
Payables: amounts falling due after more than 1 year	26,141	27,003
Total	**28,158**	**29,001**

Liquidity risk arising from maturity dates is managed in line with the SLC's approach to liquidity risk above.

As a lessor

SLC subleases a portion of its Clyde Place office under an operating lease. As an intermediate lessor, it retains rights under the head lease and remains exposed to risks associated with the subleased premises, including residual value and usage risks.

To manage these risks, SLC:

- Includes provisions to recover costs for excess usage or damage; and
- Periodically reviews market conditions and includes provisions in the sublease to periodically review rent in line with the terms of the head lease

Lease income from lease contracts in which SLC acts as a lessor is as below

	2025	2024
Operating Leases:	**£'000**	**£'000**
Lease income	282	114

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2025	2024
	£'000	**£'000**
Less than one year	283	273
One to two years	283	273
Two to three years	283	273
Three to four years	283	273
Four to five years	283	273
More than five years	2,409	2,589
Total undiscounted lease payments	**3,824**	**3,954**

Rent is reviewed annually for the sublease in line with the rent review provisions included in the head lease.

11 Trade and Other Receivables

	2025	2024
Amounts falling due within one year:	**£'000**	**£'000**
Other trade receivables*	6,666	7,089
Prepayments and accrued income	9,465	9,154
	16,131	**16,243**
Amounts falling due after more than one year:		
Prepayments and accrued income	55	795
Total trade and other receivables	**16,186**	**17,038**

*includes vat receivable relating to Grant in Aid

12 Cash and Cash Equivalents

	2025	2024
	£'000	**£'000**
Balance at 1 April	10,134	10,103
Net increase/(decrease) in cash and cash equivalents	(1,445)	31
Balance at 31 March	**8,689**	**10,134**
The balances at 31 March were held at:		
Government banking scheme accounts	**8,689**	**10,134**

As well as the £8.7m in the table above, at 31 March 2025 SLC had £124.4m (2023-24: £121.6m) held in trust on behalf of DfE. These are not SLC funds but are accessed by SLC as part of its function to service the loan book which is partly owned by HMG and partly owned by private investors. This cash balance, and any movements in year, are recorded, along with the value of the loans outstanding, in the accounts of the owners of the loan book. In addition SLC also manages bursary payments to students on behalf of Higher Education providers. These are not SLC funds but SLC administer these in order to make disbursements in accordance with set payment arrangements to bursary recipients. As at 31 March 2025 these funds amounted to £3.6m (2023-24: £1.5m).

13 Trade and Other Payables

	2025	2024
	£'000	**£'000**
Amounts falling due within one year:		
Trade payables	2,466	1,688
VAT*	5,043	5,373
Other taxation and social security	2,563	3,481
Accruals and deferred income	21,744	15,347
Lease liability	2,017	1,998
	33,833	**27,887**
Amounts falling due after more than one year:		
Lease liability	26,141	27,003
Total trade and other payables	**59,974**	**54,890**

*The majority of the VAT payable relates to VAT on the April grant in aid invoice raised in late March.

There has been a £6.4m increase in accruals. This is a result of milestone outcomes accrued for Lifelong Learning Entitlement and an accrual for Performance related pay.

14 Provisions

	Legal costs	Dilapidations	Deferred lease improvement	Redundancy Provision	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2023	130	4,005	10	-	**4,145**
Arising in year	-	3,244	-	72	3,316
Amounts utilised	(11)	(291)	(10)	-	(312)
Amounts reversed unutilised	(114)	(624)	-	-	(738)
At 31 March 2024	**5**	**6,334**	**(0)**	**72**	**6,411**
				-	**-**
Amounts falling due within one year	5	3,375	(0)	72	3,452
Amounts falling due after more than one year	-	2,959	-	-	2,959
	5	**6,334**	**(0)**	**72**	**6,411**

	Legal costs	Dilapidations	Deferred lease improvement	Redundancy Provision	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 April 2024	5	6,334	-	72	6,411
Arising in year	-	404	-	118	522
Amounts utilised	-	(45)	-	(72)	(117)
Amounts reversed unutilised	(5)	(30)	-	-	(35)
At 31 March 2025	**-**	**6,663**	**-**	**118**	**6,781**
				-	**-**
Amounts falling due within one year	-	3,667	-	118	3,785
Amounts falling due after more than one year	-	2,996	-	-	2,996
	-	**6,663**	**-**	**118**	**6,781**

The provision for dilapidations represents the estimated settlement cost to SLC of the dilapidation's clauses included in its property leases. These costs are expected to be incurred on the termination of the property leases. Ongoing discussions between legal representatives are underway to finalise the valuation and settlement of this amount. The provision has been made based on the best estimate using independent professional assessments.

15 Retirement Benefit Obligation

Until 1 March 2020, SLC operated the SLC Pension Scheme for all permanent staff. This scheme was a defined benefit scheme that provided benefits based on final pensionable salary. The assets of the scheme were held separately from those of SLC, being invested by the Trustees of the scheme.

At 29 February 2020, the SLC Pension Scheme closed to future accrual of benefits and most active members were transferred ('bulk transfer') to the Principal Civil Service Pension Scheme ('*nuvos*' section) on 1 March 2020 where they retained their salary link.

On 1 March 2020 SLC became a member of the Civil Service Pension Arrangements and made the *alpha* and *partnership* schemes available to all its employees and provided non-scheme members with the options of joining *alpha*, *partnership*, or remaining a non-pension member until next re-enrolment date when they would be auto enrolled into *alpha*. The pension schemes are unfunded, that is, no financial liabilities or asset management rests with SLC for these Schemes. Employee contributions are salary related. Details of the scheme can be found at www.civilservicepensionscheme.org.uk

Under the SLC Pension Scheme rules, if the actuary certified that there is sufficient surplus in the scheme, the trustees may be liable to pay all or part of the surplus to the employer, however this is subject to specific funding rules. In the event of a deficit position, the position will be as provided for in the formal Transfer Agreement among DfE, SLC and the SLC Pension Trustee. The Scheme actuary would have to certify that the scheme liabilities are fully funded under an actuarial valuation conducted under the Pensions Act 1995 (as amended) and SLC does not propose to request a refund given that is not the current position of the Scheme.

As at 31 March 2024 the pension deficit was £19.7m. Based on the latest actuarial valuation issued by Mercer on 16 April 2025, the deficit has decreased to £12.3m.

A reconciliation of the scheme movements to the Statement of Financial Position is given below:

Reconciliation to Statement of Financial Position	**2025**		**2024**	
	£'000	**£'000**	**£'000**	**£'000**
Opening pension net (asset) / liability		19,665		16,893
Administrative expenses		302		1,117
Interest costs (income)		971		837
Actuarial (gain)/loss in fair value of plan assets	(199)		4,795	
Actuarial (gain) / loss in defined benefit obligation:				
- effect of changes in demographic assumptions	(112)		349	
- effect of changes in financial assumptions	(8,379)		(1,438)	
- effect of experience adjustments	42		(2,888)	
Total actuarial (gain) / loss		**(8,648)**		**818**
Net (assets) / liability as at 31 March		**12,290**		**19,665**

The SLC Pension Scheme closed to future accrual on 29 February 2020. There is an agreement in place with the Cabinet Office and HM Treasury that the residual parts of the SLC Pension Scheme (being deferred members and pensioners) are transferred to the CSPA.

As reported in previous Annual Report & Accounts, the intended pension transfer of deferred/ pensioner members, was put on hold pending the final outcome of the Virgin Media Limited v NTL Pension Trustees II Limited court case in light of its potential impact on all pension schemes contracted out of the additional state pension between April 1997 and April 2016.

Following the final outcome of the Virgin Media case, an initial assessment has been undertaken, which remains ongoing, particularly in light of the recent DWP announcement of 5*th* June, 2025. Whilst the investigations into the potential impact to benefits (and associated accounting liabilities) remains ongoing with the Pension Trustee, DfE and HMG colleagues, SLC are not yet in a position to formally determine if any financial impacts may be material or otherwise. The initial analysis however is that there are no matters that will provide a barrier to the still intended pension transfer of deferred/pensioner members to the Civil Service Pension Scheme, which SLC are continuing to progress with DfE and the Pension Trustee, with at present an identified timing for such a transfer being 2027.

Effect of changes in Financial Assumptions has moved by £6.9m since FY2023-24 primarily from an increase to the discount rates applied. For information the benefit obligation at 31 March 2025 was £43.2m (31 March 2024 £50.7m).

Net defined (asset) / liability reconciliation	2025 £'000	2024 £'000
Opening net defined benefit (asset) / liability	19,665	16,893
Defined benefit cost included in Statement of Comprehensive Net Expenditure	1,273	1,954
Total re-measurements included in Statement of Comprehensive Net Expenditure	(8,648)	818
Employer contributions	-	-
Net (asset) / liability		
Amounts recognised in the Statement of Financial Position	**12,290**	**19,665**
Present value of funded obligations	43,212	50,708
Fair value of plan assets	30,922	31,043
Net (asset) / liability	**12,290**	**19,665**

The defined benefit obligations are estimated based on the projected unit cost method. They have been rolled forward from a projection from the results of the scheme's statutory funding valuation as at 5 November 2022 to 31 March 2025.

Change in defined benefit obligation	2025 £'000	2024 £'000
Benefit obligation as at 1 April	50,708	53,706
Interest costs	2,448	2,540
Benefits paid	(1,495)	(1,561)
- effect of changes in demographic assumptions	(112)	349
- effect of changes in financial assumptions	(8,379)	(1,438)
- effect of experience adjustments	42	(2,888)
Total actuarial (gain) / loss	**(8,449)**	**(3,977)**
Gain on settlement at transfer of pension fund	-	-
Benefit obligation as at 31 March	**43,212**	**50,708**

Change in fair value of plan assets	2025 £'000	2024 £'000
Fair value of plan assets as at 1 April	31,043	36,813
Interest income	1,477	1,703
Benefits paid	(1,495)	(1,561)
Administrative expenses	(302)	(1,117)
Actuarial gain / (loss)	199	(4,795)
Fair value of plan assets as at 31 March	**30,922**	**31,043**

Components of defined benefit cost	2025		2024	
	£'000	£'000	£'000	£'000
Interest cost	2,448		2,540	
Interest (income) on plan assets	(1,477)		(1,703)	
Total net interest cost / (income)		**971**		**837**
Administrative expenses		302		1,117
Defined benefit cost included in Statement of Comprehensive Net Expenditure		**1,273**		**1,954**
- effect of changes in demographic assumptions	(112)		349	
- effect of changes in financial assumptions	(8,379)		(1,438)	
- effect of experience adjustments	42		(2,888)	
Return on plan assets (excluding interest income)	(199)		4,795	
Total re-measurements		**(8,648)**		**818**
Total recognised in the Statement of Comprehensive Net Expenditure		**(7,375)**		**2,772**

There are no active members in the SLC Pension Scheme, the table below shows the analysis of the defined benefit obligation by remaining member type:

Defined benefit obligation by participant status	2025	2024
	£’000	£’000
Vested deferral	30,909	36,876
Retirees	12,303	13,832
Total	**43,212**	**50,708**

In preparation of the transfer of assets and liabilities to the Civil Service Pension Scheme, assets held on behalf of the remaining scheme are now limited to cash and cash equivalents consisting mainly of a unit linked fund aimed at providing a stable net asset value combined with no fixed maturity date thus allowing divestment at any time.

Fair value of plan assets	2025	2024
	£'000	£'000
Cash and cash equivalents	30,922	31,043
Total	**30,922**	**31,043**
Actual return on plan assets	**1,676**	**(3,092)**

The assumptions used to determine the actuarial calculations are shown below. The valuation methodology remains consistent with prior years.

Weighted average assumptions used to determine benefit obligations	2025	2024
	%	%
Discount rate	5.95	4.90
Rate of price inflation (RPI)	3.00	3.00
Rate of price inflation (CPI)	2.75	2.70
Deferred pension increase rate (pre-/post-2009)	2.75/2.50	2.70/2.50
Rate of increase of pension in payment	2.80	2.80

Weighted average life expectancy for mortality tables used to determine benefit obligation	2025	2024
	Years	Years
Male member age 65 (current life expectancy)	20.2	20.2
Male member age 45 (Life expectancy at aged 65)	21.5	21.5
Female member age 65 (current life expectancy)	22.7	22.7
Female member age 45 (Life expectancy at aged 65)	24.6	24.5

Weighted average assumptions used to determine benefit cost	2024	2024
	%	%
Discount rate	4.90	4.80
Rate of price inflation (RPI)	3.00	3.10
Rate of price inflation (CPI)	2.70	2.80
Deferred pension increase rate (pre-/post-2009)	2.75/2.50	2.80/2.50
Pension-in-payment increase rate	2.80	2.80

Weighted average life expectancy for mortality tables used to determine benefit obligation (Mortality)	2025	2024
Post-retirement male mortality assumption	S3PMA CMI 2023 1.5% with Sk = 7, weightings of 126% for non-pensioners and 121% for pensioners	S3PMA CMI 2022 1.5% with Sk = 7, weightings of 126% for non-pensioners and 121% for pensioners
Post-retirement female mortality assumption	S3PFA “Middle” CMI 2023 1.5% with Sk = 7, weightings of 112% for non-pensioners and 113% for pensioners	S3PFA “Middle” CMI 2022 1.5% with Sk = 7, weightings of 112% for non-pensioners and 113% for pensioners

The weighted average duration of the defined benefit pension obligation is 18 years compared to around 20 years last year end.

The funded status of the scheme and the amounts recognised as a liability as at 31 March 2025 are compared to the corresponding amounts given a range of sensitivities below.

Sensitivities from Base - Analysis of amounts recognised in the SOFP

	2024	2025	Minus 0.50% discount rate	Plus 0.50% discount rate	Minus 0.25% inflation rate	Plus 0.25% inflation rate	Mortality: Minus one-year age rating
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of plan asset	31,043	30,922	30,922	30,922	30,922	30,922	30,922
Defined benefit obligation	50,708	43,212	46,960	39,888	42,270	44,189	44,401
Funded status	**19,665**	**12,290**	**16,038**	**8,966**	**11,348**	**13,267**	**13,479**

Sensitivities on actuarial assumptions

	2024	2025	Minus 0.50% discount rate	Plus 0.50% discount rate	Minus 0.25% inflation rate	Plus 0.25% inflation rate	Mortality: Minus one year age rating
	%	%	%	%	%	%	%
Discount rate	4.90	5.95	5.45	6.45	5.95	5.95	5.95
Rate of RPI assumption	3.00	3.00	3.00	3.00	2.75	3.25	3.00
Rate of CPI assumption	2.70	2.75	2.75	2.75	2.50	3.00	2.75

Contributions in 2024-25

SLC is obliged to contribute a flat rate of 28.97% to the alpha scheme and 8.0% to 14.75% to the partnership scheme in 2024-25. Contributions to NOW: Pensions remain fixed at 3% and 5%.

16 Capital and Other Financial Commitments

16.1 Capital Commitments

At 31 March SLC had placed contracts for the purchase of the following:

	2025 £'000	2024 £'000
Tangible fixed assets	56	292
Intangible fixed assets	4	129
Software licences	-	1,922
Total	**60**	**2,343**

16.2 Other Financial Commitments

At 31 March SLC had placed contracts for the purchase of the following:

	2025 £'000	2024 £'000
Software licences*		
Not later than one year	4,216	2,913
Later than one year and not later than five years	1,327	-
Later than five years	-	-
Software-as-a-Service*		
Not later than one year	5,339	5,194
Later than one year and not later than five years	-	4,321
Later than five years	-	-
Total	**10,882**	**12,428**

The above tables are represented to meet disclosure requirements.

A material commitment of £3.7m within Software-as-a-Service is for a cloud-based Customer Relationship Management Software.

17 Contingent liabilities

SLC holds one contingent liability of £0.22m relating to a claim dismissed by the High Court but was subsequently appealed. The claim is with the Court of Appeal with the hearing due in October 2025.

18 Called up Share Capital

	2025 £	2024 £
Authorised		
200 ordinary shares of 50p each	**100**	**100**
Allotted, called up and fully paid		
20 ordinary shares of 50p each	**10**	**10**

19 Controlling Parties

SLC is owned by the Secretary of State for Education, the Welsh Ministers, the Scottish Ministers and the Minister for the Economy in Northern Ireland. The Secretary of State for Education is the majority shareholder, in which SLC's results are consolidated into their Annual Report and Accounts.

20 Related Party Transactions

SLC is a NDPB that is funded by the bodies detailed in notes 1.1 and 19 to the financial statements. Those funding bodies are regarded as related parties.

SLC has taken the exemption from the disclosures required by IAS 24 para 18 in relation to related party transactions and outstanding balances, with other entitites that are a related party because the same governmet has control or significant influence over both. SLC are consolidated into DfE's financial statements which are publicly available.

During the year, SLC had various material transactions with the above departments in the form of Grant-In-Aid funding received which is detailed in the Statement of Changes in Taxpayers' Equity, and Statement of Cashflows respectively. In addition, SLC has had a small number of transactions with other government departments and other central government bodies including DWP, HMRC, Cabinet Office, and the Passport Office. We also make pension contributions into public sector pension schemes.

Dependants of Directors, executive management and staff who are students are eligible to participate in the student loans scheme on the same terms and conditions as are available to other students. During the period, certain Non-Executive and Executive Directors held the following positions with higher education providers with which SLC transacts for student funding or bodies which are closely associated with higher education.

- The Chair, Mr Peter Lauener, is Chair of Orchard Hill College & Academy Trust.
- Ms Charlotte Moar is a Council Member at the University of Bath, an independent member of the Audit and Risk Committee at DfE and an independent member of the Audit and Risk Committee at HM Revenue & Customs (from September 2024).

- Mr Stephen Marston (appointed 01 October 2024) is a Non-Executive Board Member at University of Derby.

- Ms Janette Campbell (appointed 30 October 2024) is a Non-Executive Director and Chair of Audit & Risk Committee at University of the Highlands and Islands.

	2025				2024			
	Expenditure	(Income)	(Payable)	Receivable	Expenditure	(Income)	(Payable)	Receivable
	£	£	£	£	£	£	£	£
Other eduction sector bodies								
University of Bath	125	(7,751)		7,751		(6,963)		7,720
University of Bristol		(11,162)		11,162		(11,611)		11,399
Royal Colleage of Art		(67)		67		(47)		67
University of the Highlands & Islands		(81)		81				
University of Derby		(13,307)		13,307				

In addition to the above related party disclosure, a register of interests for Non-Executive and Executive Directors is held by SLC and is available upon request. All amounts include vat.

Compensation for key management personnel is disclosed in the Remuneration and Staff Report.

21 Statement of Loans Administered by SLC

Funding for the purpose of making loans to students is received by SLC from the Department for Education, the Welsh Government, the Scottish Government and the Department for the Economy in Northern Ireland.

As at 31 March 2025 the total face value of the loan portfolio administered by SLC on behalf of the funding bodies was £294.1bn, (31 March 2024: £260.8bn*), which excludes all non-repayable student support.

22 Events after the Reporting Period

There have been no material events after the reporting period that require disclosure or adjustment.

The Accounting Officer authorised these accounts for issue on the date the independent auditor's report was signed by the Comptroller and Auditor General.

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