The Student Loans Company (SLC) welcomes the opportunity to give evidence to the Education, Lifelong Learning and Culture Committee.

This written evidence is provided to support oral evidence to be given to the committee at the meeting on the 7th November.

SLC’s Role

Currently the SLC’s role in administering Graduate Endowment is as follows:

The Student Awards Agency for Scotland (SAAS) is responsible for determining a student’s liability for the Graduate Endowment. A student may elect not to pay the Graduate Endowment Liability directly and instead have it added to their Student Loan.

In such circumstances the student applies to SAAS who will process the application and pass the required information to SLC who will then administer the loan alongside the student’s other Student Loan liabilities.

This means that if the Scottish Parliament passes the Graduate Endowment Abolition (Scotland) Bill as currently drafted, then the SLC will need to:

i. Cancel any loan requests held by the SLC already made by students who have graduated on or after 1st April 2007 who will no longer be liable for the Graduate Endowment.
ii. Update Communication materials issued by the SLC to Higher Education Institutions and other Stakeholders.
iii. Issue, in conjunction with SAAS, any communication needed to students to inform them of this change.
iv. Make required changes to IT Systems and Management Information Systems to implement the Bill.
v. Necessary project management, system testing and training to support these changes.

The work required to implement these changes has been analysed and planned in conjunction with SAAS and officials from the Scottish Executive.

The total implementation costs for this work are £54,000 and a business case and project plan have been approved by SAAS for this work.

I am content that SLC has the required staff and skills to implement these changes in a timely and efficient manner if the Bill is passed by the Scottish Parliament and receives royal assent.

Effect on SLC’s Ongoing Running Costs

If the Bill is passed the SLC will continue to administer the current portfolio of loans taken out to meet Graduate Endowment Liabilities from previous years.

However the reduction in required administration is projected to reduce SLC’s costs by around £30,000 per annum from 2008-09 onwards.