



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 9TH JULY 2013

SUBJECT: STUDENT FINANCE WALES MODERNISATION

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To provide Members with an update and overview on the Modernisation of Student Finance Wales. Student Finance Wales is currently a joint partnership run by Welsh Government, Student Loans Company (SLC) and the Welsh Local Authorities.

2. SUMMARY

- 2.1 The report provides details of the background, timeline, process and impact of Modernisation of Student Finance Wales.

3. LINKS TO STRATEGY

- 3.1 The strategy for change has been instigated following a delivery review requested by Welsh Government.

4. THE REPORT

4.1 Background

- 4.1.1 In Caerphilly, the Student Awards Team, consists of 4 permanent members of staff and forms part of the Education & Lifelong Learning Finance (non Schools) Section. The Team provides support & advice to customers and the assessment of applications for Further / Higher Education funding.
- 4.1.2 The work of the Team is driven by legislation. The main sources of finances available to applicants can be categorised as follows:
- Assembly Learning Grant
 - Student Maintenance Loan
 - Tuition Fee Support
 - NHS & University Bursaries
 - Disabled Students Allowance
- 4.1.3 In January 2012, Neil Surman (Deputy Director, Higher Education Division, DfES) advised that we should move towards a modernised student finance system for Wales. This was to be run by the Student Loan Company as soon as it was deemed practicable (located Colwyn Bay).

4.2 Timelines

- 4.2.1 Local Authority Transition will see the transfer of existing customers (not new academic year 14/15 applicants) from the 22 Local Authorities, who are currently delivering the Welsh student finance service. This will take place before the end of the 2014/15 financial year and the launch of the academic year 2015/16 cycle.
- 4.2.2 Local Authority Transition will consist of the transfer of ownership of all electronic customer records from the respective Authorities to the Student Loan Company and the physical transfer of specified files required for the seamless and continued processing of these customers.
- 4.2.3 Caerphilly is currently in its last year of processing for new applicants (2013/14 academic year). All new applications for 2014/15 will be processed by the Student Loans Company, from the point that the applications process goes live (estimated February 2014). All returning applications will be processed by Local Authorities for this year.
- 4.2.4 All applications (new & returning) for 2015/16 onwards will be processed by the Student Loans Company, from the point that the academic year 2015/16 process goes live (estimated February 2015).
- 4.2.5 Consequently from February 2014, Caerphilly will be in a period of transition as the Authority will only be responsible for processing renewing applications for academic year 2014/15. There will be a commitment with regards to the transfer of records, although the impact on staff resources remains unclear at this point.

5. EQUALITIES IMPLICATIONS

- 5.1 No local Equalities Impact Assessment on the Modernisation of Student Finance Wales as this is being driven by Welsh Government and would have been assessed by them under their own policies, for any negative effects on students.
- 5.2 The effects on the staff involved are detailed in section 7 and any equalities related issues raised during the redeployment process would be dealt with in accordance with current HR policies, all of which were updated and equality assessed during 2012.

6. FINANCIAL IMPLICATIONS

- 6.1 The Authority has recently been advised that the money contained in the revenue support grant (RSG) will remain with Local Authorities during the transition year 2014-15. This recognises the responsibility of the Local Authority to maintain the current service. In 2015-16 the element of the RSG identified to this service provision will be withdrawn in full from Local Authorities. The Minister has given provisional agreement for potential redundancy costs for LA student finance staff to be funded by Welsh Government (from this funding). The details with regards to this statement do require further clarification.
- 6.2 Initial figures suggest that the funding to be withdrawn from this Authority is in the range of £146k to £157k. This is against a current budget provision of £139k (funding staff & non staff related costs). This is a potential budget pressure for the Directorate in 2015/16.

7. PERSONNEL IMPLICATIONS

- 7.1 The transfer of responsibility for the assessment of eligibility functions of Student Finance Wales, from Local Authorities to the SLC will impact on staff that currently performs this function within LA's. To help provide this group of staff with the necessary support and to ensure a smooth transition between services, a Workforce Group has been established by

WG to ensure that all related people processes and procedures are fair and transparent. This Group comprises representatives from the SLC, Trade Unions, Welsh Government, Local Authority HR / Education Directors and the Welsh Local Government Association.

- 7.2 All staff affected will be advised of all opportunities and options including being able to apply to claim / match roles, apply for “new” SLC posts. In addition staff will be advised by their existing employer of any internal redeployment opportunities that may occur at the appropriate time.
- 7.3 Since these proposals have become formalised, the 4 staff directly affected have met with HR to discuss the redeployment process and the support that can be offered to them during this transitional period. Further meetings will take place throughout the period.
- 7.4 The relevant Trade Unions have been advised of the position and will continue to be consulted with throughout this transitional process.

8. CONSULTATIONS

- 8.1 Consultation discussions and responses have been reflected in this report.

9. RECOMMENDATIONS

- 9.1 Members are requested to note the contents of this report.

10. STATUTORY POWER

- 10.1 Local Government Act 1972.

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