



# Disabled Students' Allowance Reforms Market Engagement Preview

February 2022



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## Section 1

# Foreword

### **Thank you for your interest in creating a better experience for students in receipt of Disabled Students' Allowance (DSA).**

The Student Loans Company's (SLC's) vision is 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 procurement, and the improvements to the customer journey it will enable, takes us one step closer to realising this vision.

The provision of DSA is an important public service – vital to enabling opportunity and widening participation in higher education.

The reforms set out in this document came about as a result of a government decision to put sustainable legal contracts in place for the supply of study needs assessments, assistive technology and assistive technology training. Working with our colleagues in the UK Government's Department for Education (DfE) and the Higher Education Division of Welsh Government, we have taken this opportunity to make significant improvements to the experience of students who rely on DSA for the additional study related costs they may face in higher education due to a disability.

Students in receipt of DSA tell us how important this support is to help them to achieve their educational goals. But as part of our research they have also told us that the current process is too long and that they find it challenging having to contact multiple companies to arrange their support.

They feel that no one owns their journey to secure support. We do not consider it acceptable that a customer's individual difficulties engaging with the DSA process and suppliers could limit educational potential.

Our objective, therefore, is to improve that customer experience and, alongside that, to improve the transparency and controls and assure value for money for both the taxpayer and our customers.

We look forward to working in partnership with you to create a better DSA experience.



**Paula Sussex**  
Chief Executive

Section 2

# An introduction to the Student Loans Company

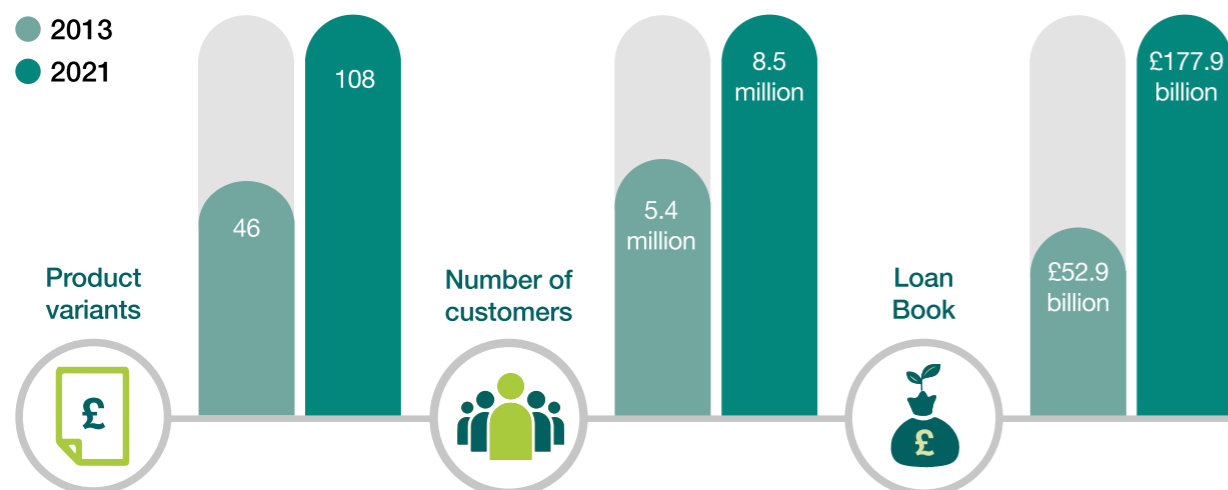
Student Loans Company vision:

“SLC is 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.”

SLC is a non-profit making government-owned organisation that administers loans and grants to approximately two million new and returning students in colleges and universities in the UK each year.

Last year, we financed a record number of new and returning students in England and Wales, having successfully paid over £21 billion in maintenance loans and tuition fee loans (on behalf of students) to universities and colleges.

Overall, SLC now serves 8.5 million customers and manages a loan book worth £177.9bn; and we continue to grow – in terms of customer numbers, loan book value and the remit of our responsibilities.



We play a crucial role in supporting the UK’s higher and further education sector by:

- managing the end to end ‘apply, assess, pay and repay process’ for student finance in England and Wales
- providing the payment and repayment service in Scotland and Northern Ireland
- maintaining assessment and online portals for this service in Northern Ireland
- managing Further Education and Postgraduate services tailored to the requirements of each government administration
- providing targeted support grants, such as the DSA, which we administer for two of our shareholders, the UK Government’s DfE and the Welsh Government
- administering bursary payments on behalf of many higher education providers
- working with HMRC to collect repayments through PAYE and self-assessment
- collecting direct repayments for those outside the UK or near the end of their repayment term.

To deliver these vital services, SLC currently has over 3,000 employees, including over 200 employees dedicated to the delivery of DSA in our offices in Darlington and Llandudno Junction.

The role of SLC’s DSA team is to administer the grant on behalf of DfE and Welsh Government, including assessing applications to confirm eligibility, approving the recommendations received from the needs assessors in the customer’s needs assessment report and liaising with suppliers.

Number of employees  
**3,000+**

Number of DSA service team members  
**200+**

SLC's vision is underpinned by five longer-term **strategic goals**, which will be important considerations in this procurement:

<p><b>Provide an outstanding customer experience</b></p> 	<p>We will deliver intuitive, seamless and transparent services aligned to the customer journey and supported by systems which offer clear and accessible information. We will work with partners to ensure that our customers have access to trusted student finance expertise and will collaborate with Higher Education Institutions to support SLC's commitment to providing the best possible customer experience.</p>
<p><b>Be an enabler of opportunity, both to students and to the wider economy</b></p> 	<p>We will be recognised as an enabler of opportunity by providing student finance reliably and securely, helping customers invest in their futures and supporting the long-term economic growth of the UK economy. In executing our core mission, we will be viewed as competent, especially in maximising taxpayer value.</p>
<p><b>Be leaner, better, doing more for less</b></p> 	<p>We will deliver student finance safely through flexible, sustainable and secure technology solutions to optimise delivery, reduce costs and help protect SLC from cyber-attacks. We will have confidence in the accuracy and integrity of our data and use it to improve operational efficiency and performance. We will develop a culture of continuous improvement and automate or outsource high volume, low complexity activity while SLC becomes a smaller centre of excellence managing more complex work.</p> <p>In Repayments, we will have improved collection performance through optimised coverage, minimised leakage and tailored, segmented debt management strategies.</p>
<p><b>Be a great place to work</b></p> 	<p>We will build a more skilled, motivated, diverse and engaged workforce through colleague development and progression and become an outstanding place to work. An improved employer brand, underpinned by a stronger external reputation, and SLC's reward proposition will help us retain and attract good people.</p>
<p><b>Be a trusted delivery partner for shareholders</b></p> 	<p>Our shareholders will see us as a trusted, collaborative partner in the efficient and agile delivery of Government policy and taxpayers will trust us with their money. We will support shareholders in simplifying and rationalising the policy landscape wherever possible, better aligning policy intent with efficient delivery and proven, tested user needs.</p>

Over recent years, we have made considerable progress towards meeting these goals, in large measure through our transformation programme, as described in our latest [Annual Report and Accounts](#).

As part of our ongoing transformation, SLC is creating a pivotal customer experience strategy that will deliver insight-led improvements to the end-to-end customer journey.

Our new Student Finance Customer Panel, made up of prospective, current and former students, puts our customers at the centre of this new strategy. Students in receipt of DSA sit on this panel and, in addition, we have also established a dedicated DSA Student Finance Customer Panel to offer insight and help to inform the new service model.

We are working hard to strengthen our reputation for reliability and competence and there is growing recognition that SLC has a keen focus on improving the experience for our customers. This is important to SLC and we are looking for partners who respect these goals and can demonstrate similar values and commitment to delivering a high-quality service for customers.



Section 3

# About Disabled Students' Allowance

Number of new students DSA supports each year approx.

**40,000** 

Annual total DSA spend approx.

**£136m** 

Annual DSA spend on assistive technology equipment approx.

**£41m** 

Annual DSA spend on assistive technology training approx.

**£3m** 

Annual DSA spend on needs assessments approx.

**£30m** 

Annual DSA spend on non-medical help and travel approx.

**£62m** 

## DSA is vital to enabling opportunity and widening participation in higher education.

DfE commissioned IFF Research to carry out research into students' experiences of DSA in 2018, which found that:

- around two-thirds (68%) of DSA recipients surveyed agreed that the support they received enabled them to participate more fully in their course than they would be able to otherwise;
- 37% of DSA recipients responded that they could not have done their course without getting support from DSA;
- three in five (59%) DSA recipients who stated that they felt confident about passing their course said that they would not feel confident about passing their course without receiving DSA; and
- notably, DSA appeared to be more important for certain 'widening participation' groups such as mature students, Black and Minority Ethnic (BAME) students, students with a physical or sensory disability or with two or more disabilities, and students whose parents had not attended higher education.

<sup>1</sup>Department for Education and IFF Research. Evaluation of disabled students' allowances. January 2019. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/770546/Evaluation\\_of\\_DSAs\\_Report\\_IFF.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/770546/Evaluation_of_DSAs_Report_IFF.pdf)

Through SLC's own user experience work, students in receipt of DSA have told us how vital this support is to them:

 "I am incredibly grateful for the help from the DSA through SLC. It has had a positive impact on my ability to study successfully."

 "I was being helped because of my dyslexia and it made me feel safe."

 "I also applied for DSA and was so pleased with all the help I got and how friendly the people were. This will make a massive difference to my participation at University!"

 "My experience was that all staff I spoke to were kind and caring, very patient with me and made me feel comfortable about my communication problems. I also felt they assisted me throughout the whole process and that was so reassuring for someone my age and difficulties."

# About Disabled Students' Allowance

DSA aims to help eligible students with the additional study related costs they may face in higher education due to a disability including long-term health conditions, mental health conditions, and specific learning difficulties, such as dyslexia. To be eligible for DSA, students must have a disability as defined under the Equality Act 2010 and be an eligible student for the purpose of student finance.

DSA provides funding for specialist support, in addition to any reasonable adjustments made by higher education providers. It is used to fund a needs assessment, which is a one-to-one interview between the student and a needs assessor to determine the student's support needs; and can be used for the purchase of specialist equipment and software and the training and support to use such equipment as recommended in their assessment. It can also be used to pay for non-medical help, such as specialist mentoring or specialist study skills support, and travel. Non-medical help and travel are not included in the scope of this procurement.

For academic year 2021/22, the maximum DSA support available to a student funded by Student Finance England (SFE) is £25,000 per academic year for each year they are in higher education. For a student funded by Student Finance Wales (SFW), the maximum DSA support available per academic year for each year they are in higher education is a maximum of £31,831. Eligible students can apply for DSA in addition to, and separate from, student finance support for tuition fee loans and maintenance loans/grants.

DSA is available to all eligible students in full-time, part-time, distance learning and post-graduate higher education.

Responsibility for the administration of DSA passed to SLC more than 10 years ago from local authorities. SLC administers the grant on behalf of customers domiciled in England and Wales, with Scotland and Northern Ireland having separate arrangements via their devolved authorities. The number of customers in receipt of DSA has risen steadily in this time.

## How the current process works

Following an application, customers submit their disability evidence to SLC to confirm their eligibility, which is confirmed to the customer in the form of a DSA1 letter.

The current process requires the customer to then search for, select and contact an external third-party needs assessor to arrange a study needs assessment, to be undertaken either face-to-face or remotely at the customer's choice.

Once the needs assessment has taken place, the needs assessor provides SLC with a needs assessment report (NAR), which recommends the support required to enable the customer to overcome the disability related barriers they will face on their course.

Once the NAR is approved by SLC, the customer is informed of their DSA entitlement via correspondence referred to as the DSA2 letter.

To utilise their entitlement, the customer then has to contact the relevant suppliers, of which there may be multiple depending on the type of support recommended.

Once the assessment and support are delivered, payment is made by SLC to the relevant supplier on behalf of the student. There are currently no contractual arrangements in place between SLC and suppliers of DSA services; agreements are currently direct between each supplier and each DSA customer.

DSA is currently supported by a large number of commercial and not-for-profit suppliers, many of which are small and medium-sized enterprises who specialise in assessing needs, providing assistive technology and/or providing assistive technology training.

Through our Disabled Students' Stakeholder Group (DSSG) we have a number of important relationships with third sector bodies and advocacy groups in the education and disability sectors, including the National Union of Students (NUS), the Disabled Students' Commission, the Thomas Pocklington Trust, National Deaf Children's Society and Disability Rights UK. It is important that the supplier partnerships we form build on these relationships as these groups will continue to play an important role in driving improvements to the quality of our service on behalf of our customers.

## Section 4

# Disabled Students' Allowance – a new service model

DfE and the Welsh Government have requested that SLC enters into formal contractual arrangements for the supply of study needs assessments, assistive technology and assistive technology training.

The new model will place the responsibility on one partner in each of four regions in the UK to engage with the customer and navigate the customer through the process from the needs assessment appointment through to the delivery of assistive technology equipment and training. The partner will be commissioned to provide support through a catalogue of agreed prices.

Under the new service model, once a DSA customer is assessed as eligible by SLC, the customer details will be passed to a regional partner. The partner will then contact the customer to arrange a needs assessment, where the customer's needs will be determined. SLC will inform the customer and the partner of the recommendations agreed and the partner will contact the customer to arrange delivery of their technology. The partner will also be responsible for the customer's installation, set-up and familiarisation of their equipment and software, which the customer can choose to take up if they wish, and subsequently provide support and training as required.

Other services, in particular, non-medical help and travel, will remain unchanged and are not included in the procurement.

## Our vision for the new DSA service

While DSA policy, student eligibility and entitlement are not changing; through this procurement, SLC, DfE and the Welsh Government identified an opportunity to enhance the way DSA is administered.

Our vision for DSA is one of a radically transformed and improved service. Partners with the required skills and expertise will work with us to efficiently and compassionately support our customers through the DSA process.

Our first objective is to improve the current customer experience for students in receipt of DSA, which is fragmented, often confusing and too slow. The customer journey is poor and as evidenced by extensive research and analysis, there are a significant number of pain points within the customer journey which need to be addressed. Findings from research reveal that this can cause stress and anxiety to customers and, in some circumstances, lead to them dropping out of the process altogether and not receiving the support they are entitled to.

The customer journey is too long; on average it is taking over 100 days for students to have their support agreed following their application. It is also too complex and an administrative burden for the student; students consistently report that having to deal with many different organisations is a barrier to them securing the support they need and are entitled to.

And of course, with the number of parties involved it is impossible to have a single view of the student and where they are in their DSA journey.

Engaging with a single regional partner will improve the customer experience by removing key pain points in the customer journey and ensuring the customer is proactively contacted and supported throughout the process. By establishing a commercial relationship with a small number of partners, SLC, and indeed DfE and Welsh Government, will have oversight and better control of the quality of service provided to our customers.

The successful bidders will share our ambition of driving brilliant customer service and have experience of meeting these goals in similar services. We are also looking for partners who can show that they will work inclusively with the representatives of the disability sector and bring the best parties – including small and medium-sized enterprises – together to do this.

Second, our vision is to improve the value for money through a commercial model that enables economies of scale and reduces the cost per item. This is good for the taxpayer but also for the recipient of DSA as they too will benefit from these lower prices, allowing their grant to go further.

The current spend on assistive technology equipment is £41m annually, with approximately a further £30m spent on needs assessments. We know that the cost per transaction for a DSA application is currently disproportionately high, compared to other SLC loan and grant products, so we can improve its efficiency. At the same time, through the development and introduction of a new quality framework we will ensure that quality and customer experience is at the heart of the reforms.

Thirdly, we want probity in future arrangements. The significant scope for conflicts of interest in the current system has given rise to recent regulatory concerns. DfE and Welsh Government require suppliers within the sector to provide information on conflicts of interest; and monitor referral levels from assessment centres to particular providers through data provided by SLC, but without contractual agreements it is difficult to ensure that these risks are being appropriately managed by suppliers. Many suppliers within the DSA sector have diversified and currently supply a number of different areas of DSA funded support, increasing the scope for conflicts of interest. This will be better managed as part of the new contractual arrangements.

## Section 5

# The opportunities for bidders

This is a unique opportunity to build an improved and outstanding service for students in receipt of DSA, enabling them to invest in their futures through higher education.

The reformed delivery model will be a significant change to the service as the regional partners will be responsible for providing needs assessments, assistive technology and the related training.

Consistent and reliable demand for the services required should allow partners to shape their resources, ordering, stock control and delivery of goods and services to provide better value than is currently being achieved.

Bidders can structure the services in a way they feel is optimal to meet our needs and SLC welcomes and encourages bidders – both existing and new entrants to the DSA market – to form relationships to allow innovative approaches to be proposed and full geographical coverage to be achieved.

Successful bidders will be one of up to four partners across the UK and as such there will be a requirement to ensure that quality and standards are consistent and that, where necessary, there is collaboration.

Fewer suppliers with responsibility for more of the service should provide our customers with a more consistent service across the board and, through effective contract management, SLC looks forward to working with partners to improve the quality of the DSA service.

We look forward to this collaboration and working in partnership to deliver a better DSA experience.

Thank you again for your interest in creating a better experience for students in receipt of DSA.



[www.gov.uk/slc](http://www.gov.uk/slc)

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