

Minutes

Collection of Student Loans Consultation Group

Tuesday 6 September 2016 (11:00-13:00)

Room C17, BIS Conference Centre, London

Attendees	Steven Darling (HMRC – meeting chair) Paul Crooks (HMRC) Karen Duncan (BIS) Anne Johnstone (HMRC)	Ann Elmer (ATT) Claire Thackaberry (LITRG) David Malcolm (NUS) Kate Upcraft (BCS Payroll Group) Linda Pullan (Payroll Alliance) Peter Wilkinson (ICAEW) Samantha Mann (CIPP)
Dialling in	Jamie Law (SLC)	
Apologies	David Clarke (HMRC) Shell Makwana (HMRC) Andrew Busby (BIS) Chris Jones (DA Wales) Paul Curtis (DA Scotland)	Jackie McGale (SLC) Jackie Petherbridge (FSB) Matthew Brown (CIOT)
1. Introduction and opening remarks		
Steven Darling	Steven welcomed everyone to the meeting and introductions were made round the table. Steven outlined the agenda items we would be covering at the meeting.	
2. Employer Prompts		
Paul Crooks	Paul Crooks took the group through an illustration of how the prompts system has performed between April 2016 and August 2016. This shows a month on month reduction indicating that at this relatively early stage, the system is working. Paul and Steven described the interventions that operational teams specialising in Student Loan collection will make when we see prompts failing to initiate deductions. Samantha Mann said that a reduction in prompts going out would be expected if the process was running successfully; however there is still an issue around prompts being issued when they are not relevant. Samantha highlighted some instances of prompts being received before an SL1 has been issued or has not been issued in time to be actioned before the prompt goes out. From an admin burden perspective it would be beneficial if HMRC could ensure the SL1 is issued before the first prompt goes out. HMRC are aware that instances such as this need to be taken on board and are working to improve the situation. At this particular point HMRC are unable to make an IT change; however improved guidance is being put in place to help employers.	

	<p>HMRC are now pro-actively reaching out to employers where two prompts have been issued and deductions are still not being made. This is light touch so that we can support those employers; asking if they're aware they are not making deductions correctly and giving them guidance on how to comply with their obligations.</p> <p>Kate Upcraft highlighted an instance where an employer had received an employer prompt but the employee details were missing and when the agent looked at the three repayers on the PAYE scheme all three had student loan repayments. Steven Darling said that HMRC would be keen to look at these if Kate could provide details.</p> <p>Kate Upcraft will forward the details to Anne Johnstone for the team to research and report back on how this has occurred.</p> <p>Steven Darling commented on the flow of prompts since April saying that this is as HMRC would have expected - a spike in April as the new cohort came into repayment that then begins to tail off as we move through the year and address employee movement rather than the new cohort and this is what's happening.</p> <p>Kate Upcraft said that in April there had been confusion around starter checklists and changes to the process.</p> <p>HMRC were aware that there had been three main issues for employers:</p> <ol style="list-style-type: none"> 1. Employers were not aware of the online notices – guidance has been improved. 2. Employers were not aware of the online account – guidance has been given and talked through on the outreach calls. The operational delivery teams who work exclusively on student loans have been advised that if this reason is given then they need to ask the employer to look more widely as other notices may have been missed. 3. Employers were aware of their account but didn't know where to look for the notices – guidance has been improved. <p>There will be more information and a better picture of how this is progressing by the next consultation group meeting in December.</p>	
3. Plan Types		
Paul Crooks Karen Duncan	<p>The group had raised some questions around naming conventions for future loan products.</p> <p>Currently there are only three in existence (two in repayment as at August 2016) - Plan 1, Plan 2 and Postgraduate loans. There have been discussions at Department of Education (DfE) about naming conventions for future products; however no decisions have been made.</p> <p>There has been some confusion around plan types as borrowers don't always know which plan type they are on and this is not always clear on the statements, correspondence or the SLC Repayment website.</p>	

	<p>Various suggestions on how to make plan types clearer on statements, correspondence and websites (e.g. colour coding) were put forward by the Group.</p> <p>SLC have updated their statements and the plan type (in bold) is now shown in the top left hand corner of the statement.</p> <p>Action -Jamie Law will forward latest version of SLC statement to Anne Johnstone who will circulate to the Group for feedback.</p> <p>Action – The letters sent to borrowers going into repayment will be reviewed to ensure the plan type is marked clearly on these. Karen Duncan and Jamie Law will discuss.</p> <p>Samantha Mann highlighted the importance of the naming protocol for software. An underlying code which the software recognises is needed to apply to calculations.</p> <p>HMRC recognised this and have had some early discussions with DfE around the role the Digital Tax Account may play in the future collection system, particularly for smaller loan products. . Samantha Mann noted that it was encouraging to hear that questions were being raised about the value of collecting all repayments through the PAYE tax system.</p> <p>Sequencing of start/stop notices At previous meetings there had been discussions around start/stop notices and the Group’s preference to have separate notices between undergraduate and postgraduate loans to ensure there is a clear distinction between the two products.</p> <p>HMRC have carried out some work on whether this could be done from an IT perspective and as this looks feasible they are now looking at how they can take this forward. Over the next two to three months HMRC will have further discussions with SLC and come back to the Group with an update.</p>	<p>Jamie Law Anne Johnstone</p> <p>Karen Duncan Jamie Law</p>
<p>4. Service and performance update</p>		
<p>Steven Darling</p>	<ul style="list-style-type: none"> • HMRC have achieved all applicable Key Performance indicators (KPI) with DfE at the end of Quarter 1. We are now towards the end of Quarter 2 and on course to meet our KPIs. • 3.4m End of Year repayment details have been passed across to the Student Loans Company (SLC) for 2015-2016 which represents 95% of the total which are expected to be populated on to borrower statements. • Operational teams are going through training making outbound contact with employers. The focus is on making sure employers are educated on how to make deductions in the right way. 	

	<p>Originally the teams had looked at every single case listed on a prompt prior to talking to employers. This meant that whilst we were very well prepared for discussions with employers weren't working in the most efficient way, particularly when sometimes we have been unable to establish telephone contact with payroll departments. . HMRC looked at the number of prompts and type of contact we want to make and this didn't feel like a light touch approach. We are now doing a sample to identify borrowers who should be in repayment and reference this sample when talking to employers. This has a wider impact as we are able to talk to more employers.</p> <ul style="list-style-type: none"> • In April 2016 a process was put in place with SLC to confirm in-year repayments where these had reverted to Plan 1 for Plan 2 borrowers. There was quite a high volume of referrals from SLC for repayment information in April but but this has now declined sharply indicating that familiarisation and awareness is growing. <p>Action – Steven Darling will share the volumes with the Group.</p>	Steven Darling
5. Postgraduate Loans and policy update		
Steven Darling	<p>Postgraduate Taught Master Loans HMRC and SLC are now doing completing detailed low level requirements work around the operation of postgraduate loans. As there is policy certainty on Postgraduate Taught Master loans this is the only product in full development. Postgraduate Doctoral loans are under consideration and HMRC, SLC and DfE have been exploring policy options. A consultation on this will be launched in due course.</p> <p>Making Tax Digital HMRC have launched several consultations around Making Tax Digital. Closing date for the consultations in 7 November 2016.</p> <p>As the tax system becomes increasingly digital we need to consider what that means for the collection of student loans. HMRC working with DfE and SLC on this. In addition to looking at the role of the digital tax account in Student loan collection, we are also looking at our existing process in the round to identify where there might be opportunities to make improvements across the collection processes.</p> <p>A recurring discussion at this forum has been real time data sharing between HMRC and the SLC which both organisations and DfE are committed to. Over the coming weeks HMRC, DfE and SLC will be doing some further scoping work on data sharing and looking at SLC system capacity to take data from HMRC in future.</p> <p>More detail around the work being carried out should be available to discuss at our next meeting on 6 December 2016.</p>	
6. Student Loans Company update		
Jamie Law	<ul style="list-style-type: none"> • SLC are continuing to work with HMRC on the postgraduate loans product. 	

	<ul style="list-style-type: none"> Discovery workshops are scheduled to discuss how SLC can work with HMRC and DfE on Real Time Information data sharing as mentioned by Steven. More information on this should be available for the December meeting. SLC and HMRC are meeting to discuss volumes of customers where deductions have been taken at the wrong threshold. Following these discussions a business process will be put in place to handle refunds to these customers. SLC are continuing to work on their internal repayment changes programme and are working with HMRC on how to handle repayment information for 2016-2017 tax year. 	
7. BIS update		
Karen Duncan	<ul style="list-style-type: none"> Following the Government reorganisation Higher Education is now part of Department for Education. Regulations which will come into effect from April 2017 are being updated. Lawyers are discussing whether the Repayment Regulations will be amended or whether a consolidated set of Regulations (undergraduate and postgraduate) will be produced. 	
8. Review of action points		
1/280616	<p>Employer Prompts - Samantha Mann asked what the process would be for the telephone calls going out to employers. Payroll Providers generally receive the most calls and the authorisation process is lengthy. The balance needs to be right as the calls have to be productive not negative. It could be the employer has a valid reason for not making deductions.</p> <p>The HMRC corporate process will be followed with security checks to be cleared.</p> <p>Action – Paul Crooks will check on the authorisation process and update the Group.</p> <p>2.9.16 – Standard checks imposed by the Data Guardian are followed. As these checks proved to be cumbersome they have been reviewed to reduce timings. These have now been signed off by the Data Guardian and we are working towards implementation.</p> <p>6.9.16 – HMRC have produced an update to the validation process which will reduce times and the burden on employers. This has been forwarded to HMRC Data Guardian for approval. The Group will be advised when the new process is in place.</p>	Paul Crooks
2/280616	<p>Student Loan Tables on Gov.uk are not in PDF format</p> <p>It's not always possible to look at the website and current format is not printer friendly. There has been no discussion at this Group or any advance information that the PDF format would not be available.</p> <p>Action – Anne Johnstone will follow up with Guidance specialist to find out why the format has changed when PDF was available in previous years.</p> <p>26.7.16 - The current Gov.uk strategy is to convert all guidance to HTML. They will no longer support publication of guidance in PDF format. As part of this programme, helpbooks such as the E17 and the SL3 deduction tables have been converted to HTML, and the programme will continue in 2016-2017 with the conversion of the Student Loan factsheets CSL1, CSL1A and CSL2.</p>	Anne Johnstone

	<p>6.9.16 – Employer reps are still concerned about this as not everyone has access to the internet or they don't know the URL to be able to find the information to keep up to date with changes. HMRC are continuing to feedback the concerns of this Group.</p>	
1/080316	<p>Guidance on Gov.uk -it was pointed out that changes to guidance on Gov.uk were not clear. If an employer was audited they would not be able to go back to Gov.uk for an audit trail of changes for previous years; only the most recent changes are shown. If changes could be referenced with a date then an archive of changes available that would help.</p> <p>Action – Anne Johnstone to research if there is an archive of amendments to guidance.</p> <p>28.6.16 – Response received from HMRC Digital Content Design. Anne Johnstone will circulate this to the Group for feedback.</p> <p>15.7.16 – Response circulate to Group for feedback.</p> <p>19.7.16 – Following a request from Samantha Mann examples demonstrating where previous versions of Student Loan guidance are denoted on Gov.uk were sent to her to provide further feedback.</p> <p>6.9.16 – Anne Johnstone to circulate the student loan guidance information to the Group.</p>	Anne Johnstone
5/080915	<p>Samantha Mann raised a query about some other consultations, which although not related to student loans she had some queries for BIS and was looking for a contact. The consultations were:</p> <ul style="list-style-type: none"> • Employment Intermediaries and Tax Relief for Travel and Subsistence – There is a section on 'employment status and pay transparency, which refers to payslips and that the matter is being considered by BIS. • National Minimum Wage <p>Karen Duncan agreed to look into these and get contact names for her.</p> <p>Action – To provide contact names in BIS for these consultations.</p> <p>14.12.15 – Karen is still finding out contact names in BIS. When the information is available she will forward these to Anne Johnstone for circulation to the Group.</p> <p>8.3.16 –Karen has still not been able to get contact names in BIS. When the information is available she will forward these to Anne Johnstone for circulation to the Group.</p> <p>28.6.16 - Andrew Busby will discuss with Karen Duncan and provide an update to the group.</p> <p>6.9.16 – Contact names still not available. Karen Duncan will discuss with Andrew Busby.</p>	Andrew Busby Karen Duncan
11. Any Other Business		
	No other business recorded.	
Date and venue of future meetings (11:00 – 13:00)		
	Date	Location
	Tuesday 6 December 2016	London (1 Victoria Street, London)