

Minutes

Collection of Student Loans Consultation Group

Tuesday 6 December (11:00-13:00)

Room C31, BIS Conference Centre, London

Attendees	Steven Darling (HMRC – meeting chair) Paul Crooks (HMRC) Shell Makwana (HMRC) Karen Duncan (BIS) Anne Johnstone (HMRC)	Ann Elmer (ATT) Kate Upcraft (BCS Payroll Group) Linda Pullan (Payroll Alliance) Matthew Brown (CIOT) Peter Wilkinson (ICAEW) Samantha Mann (CIPP)
Dialling in	Claire Thackaberry (LITRG) Geraldine Campbell (DA Scotland) Jamie Law (SLC)	
Apologies	Alex Lawrence (HMRC) Andrew Busby (BIS) Chris Jones (DA Wales) David Clarke (HMRC)	David Malcolm (NUS) Jackie Petherbridge (FSB)
1. Introduction and opening remarks		
Paul Crooks	Paul Crooks welcomed everyone to the meeting and introductions were made round the table. Geraldine Campbell dialled into the meeting to represent DA Scotland as Paul Curtis has moved to Health Policy in the Scottish Government.	
2. Employer Prompts (including missing employee details) Update on plan assurance exercise		
Paul Crooks	Paul Crooks reported that the number of electronic prompts being sent out has steadily decreased with the number of unique prompts now being 14,000-16,000 each month compared to 95,000 in April 2016. A unique prompt is a single prompt which will have several borrowers on it where deductions have not been made. HMRC consider that the prompts are working well but believe further improvements can be made. HMRC are of the opinion that employers are getting used to the prompts. In April 2016 43% of employers were reacting to the first prompt and 40% reacting to the second front. In September 60% were reacting to the first prompt and the second prompt is sitting at 40%. There are various reasons for the prompts being issued. For example, employers have advised that they have not received an electronic Start Notice (SL1). When The Student Loans Company (SLC) notify HMRC that someone is a student loan borrower, HMRC check if the borrower is Plan 1 or Plan 2 then issue an SL1. When employers are contacted they	

have been advising that they have not been able to see the electronic SL1 and it's emerged that they don't know how their login or password. East Kilbride Student Loans Unit (EKSLU) have been supporting employers by talking them through the process and this has resulted in a reduction in the number of calls being made by EKSLU.

Missing Employee Details on Prompts

Kate Upcraft had advised HMRC of an issue around missing employee details on some prompts. It looked as if GNS was picking up the top of a message but not the bottom. For the specific prompt sent to HMRC it appeared that GNS was only picking up the top of the message. For this specific prompt the employees were already in repayment so they wouldn't expect to be included on the prompt. In the case received from Kate there should have been one person identified on the prompt who hadn't been brought into repayment; however a month later they had been brought into repayment so the prompt had worked.

The Group were asked to send any other instances like this to Anne Johnstone and she would ask the SF team to research and if necessary take to the Software Development Team to check if there's a problem with software not printing the details.

Samantha Mann asked what steps were being taken to avoid unnecessary employer prompts being issued in April 2017. Paul Crooks advised that there might be a timing issue between the prompt going out and the SL1 being received; however the numbers are expected to be low.

Plan Type Assurance Exercise

A second assurance exercise was carried out after in-year fixes were made. The results showed that in September 2016 88% of employers were making the correct deductions against the correct plan type with 10% making the correct deductions based on guidance by defaulting to Plan 1 as the employee had not told them they were on Plan 2.

HMRC would like to see this further improve which means getting borrowers to give their employer the correct information. Discussions between HMRC and SLC are ongoing to make sure the questions on the Starter Checklist enable the employee to give the correct information to their employer so that they can be brought into repayment against the correct plan type.

Samantha Mann asked if HMRC are looking to maximise the benefits of RTI now that targets have been achieved.

The prompts are working on RTI by assessing each real time payment submission and prompting when we expect to see a deduction for Student Loans but one hasn't been made.

4. Service and performance update		
Steven Darling	<ul style="list-style-type: none"> • The performance level is currently high and all targets are being met. To date 3.46m of all borrowers' repayment data has been sent across to the SLC which is 95% of the target (3.6m). • One of the measures (1.3) of Student Finance performance looks at how accurately and timely deductions are being taken by employers and the target is 95%. This measure is the one being focused on now as there is more complexity for employers with the potential for deductions not being accurate. Remedial action is being taken in-year to have corrections made. • Operational team are getting geared up for the SA filing deadline which is a peak period for HMRC. 	
5. Postgraduate Loans and policy update		
Shell Makwana	<p>Postgraduate Taught Masters Loans</p> <p>There are a number of loan products currently being considered by Department for Education (DfE) but the Postgraduate Taught Masters loan product is the only product that is currently in full development.</p> <ul style="list-style-type: none"> • HMRC's implementation for this policy is going as planned. • We continue to work very closely with the Student Loans Company (SLC) and have successfully completed the lower level requirements work. • A routine governance checkpoint is schedule to make sure delivery and implementation are on track. • The work will really start to ramp up in the New Year when we go into the discovery and development phase. <p>Following the announcement in Budget 2015 to broaden the support of postgraduate study, as well as the Taught Masters Loan, DfE are also currently working on introducing a Postgraduate Doctoral Research product but this is at an earlier stage of policy development.</p> <p>Postgraduate Doctoral Loan</p> <ul style="list-style-type: none"> • The objective of this proposal is to strengthen the UK research base and the broad outline for this loan is that borrowers will be able to borrow up to £25,000 on an income contingent basis, over a maximum course length of six years, and the repayment parameters around interest and thresholds will mirror existing products. • In terms of the repayment rate, this is planned to be 6% in line with the Taught Masters loan so for borrowers and HMRC this is welcome news as both products will flow through the tax system as one product. • The Doctoral Loans policy is currently subject to a short consultation which focuses on eligibility and implementation, with a view that the money will go out from 2019 and repayments will commence in 2022. <p>The consultation closes on 16 December 2016 and an update will be provided at the next meeting of the Group.</p>	

	<p>Part-time Maintenance Loan</p> <ul style="list-style-type: none"> • The objectives for this policy are to bring parity in financial support between those studying full time and those studying part time undergraduate courses (to help with their cost of living). • Like other loans this will be on an income contingent basis, repaid at 9% and the parameters around interest and thresholds will mirror existing products. • This loan is also subject to a short consultation that focuses on eligibility and whether its objectives will succeed to bridge the gap. • The intention is that these will be a Plan 2 type loan and they will flow through the tax system as such, with money going out in 2019 and repayments likely to begin in 2022. <p>A further update on this product will be provided at the next meeting of the Group.</p> <p>Samantha Mann asked if HMRC and SLC had discussed whether the Personal Tax Account might be a vehicle for repayment for these Doctoral loans.</p> <p>For employer purposes if someone has a Postgraduate loan and a Doctoral loan there won't be a distinction. If repayment rates had been different or there were going to be different plan types for a much smaller population then there might have been a window to look at the Personal Tax Account for them.</p> <p>HMRC, DfE and SLC will be meeting early in the New Year to discuss how the SA process could look in the future.</p> <p>It is very important that the questions on the Starter Checklist are correct as the process in Scotland is different. In Scotland postgraduate loans are on top of Plan 1 loan not a separate plan type. Guidance needs to be updated to cover all the Devolved Administrations.</p> <p>Action - Paul Crooks to look at appropriate wording to make sure only borrowers with a Postgraduate Loan in England select this on the starter checklist. Postgraduate project to include guidance to assure the checklist is completed correctly.</p>	Paul Crooks
<p>6. Student Loans Company update</p>		
<p>Jamie Law</p>	<ul style="list-style-type: none"> • During SLC's peak period 70,000 Confirmation of Customer Details (CoCD) packs had been issued to bring borrowers into repayment. • SLC are continuing to process End of Year returns. This is almost complete with three files still to load. • Ann Elmer had encountered a few issues whilst trying to pay part one of her daughter's loan online. <ul style="list-style-type: none"> – The student loan letter did not state the repayment dates. – The voluntary repayment scheme doesn't show the balance due. – An email to remind the student of the payment due or interest will be applied would be very useful. 	

	<p>Jamie Law reported that the SLC digital online repayment team are building a new repayment portal and the first version should be completed by October 2017.</p> <p>The plan is to let customers know in writing that they can submit details online. There will be a small pilot in April 2017 with a view to running online and paper. There will always be paper but SLC hope to have 90% online over the next couple of years.</p> <p>Jamie will continue to update the Group and suggested attending the next meeting in London to give a demonstration of what the system will look like from a borrower’s point of view but it should be very user friendly.</p> <p>Kate Upcraft asked if there could be a link to the the online portal from the Personal Tax Account to allow borrowers to update their details.</p> <p>Action – Jamie Law will check if this is something that can be incorporated into the portal.</p>	Jamie Law
7. BIS update		
Karen Duncan	<ul style="list-style-type: none"> • The HE Bill is going through Parliament. There is nothing for the repayment side; it is mainly to do with freezing of the threshold. • DfE are working with HMRC and SLC on digital tax and what changes are needed. • Drafting of the son the Regulations has started. There are likely to be two sets of Regulations next year. <ol style="list-style-type: none"> 1. Small policy changes. 2. In Autumn 2017 changes will be brought in for digital tax and how this will change the Regulations. <p>Before that there will need to be a Consultation and this will probably be towards the end of January 2017. Ministers have given permission for a consultation but it can’t interfere with the passage of the HE Bill. The consultation is needed to understand how digital tax will work, how people will be told about it, what issues there might be and how student loans will be dealt with.</p> <ul style="list-style-type: none"> • In February 2016 the Repayment Strategy was published. This is now being reviewed so that updates can be made. This will be an update not an entirely new document. 	
8. Review of action points		
1/060916	<p>Plan Types – 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>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>7.9.16 – Sample statement circulated to the Group for comment/feedback.</p>	Jamie Law Anne Johnstone

	<p>6.12.16 – Jamie Law will send collated feedback to Anne Johnstone to circulate to the Group.</p>	
2/060916	<p>Plan Types – 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>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>6.12.16 – Jamie Law confirmed that the letter advising borrowers they will go into repayment shows Plan 1 or Plan 2.</p> <p>Close.</p>	Karen Duncan Jamie Law
3/060916	<p>In-year repayments -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> <p>Action – Steven Darling will share the volumes with the Group.</p> <p>16.11.16 – Volumes shared with the Group.</p> <p>6.12.16 – It was agreed this action point could be closed but volumes will continue to be monitored.</p> <p>Close</p>	Steven Darling
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> <p>16.11.16 – The new process is in place and the guidance went live on 4 October 2016.</p> <p>6.12.16 – The Group were requested to check with employers and feedback their responses on whether or not the process had been improved.</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> <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> <p>15.11.16 - Most employers deal with HMRC online. The small number who do not have online access can apply for exemption by writing to HMRC, and they can access guidance by contacting the Employer's Helpline. We are continuing to use feedback to improve our online content, making information easier to search for and find.</p> <p>6.12.16 – The Group requested that HMRC pursue whether the layout in the HTML format could either be published as 3 columns (same as pdf) or if the tables could be published separately.</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> <p>15.11.16 – Karen Duncan has been unable to find contact names and will discuss at meeting on 6 December 2016 if this action point can be closed or if the Group want to continue pursuing this.</p> <p>6.12.16 – It was agreed this action point could be closed.</p> <p>Closed</p>	Andrew Busby Karen Duncan

11. Any Other Business			
Claire Thackaberry	<ul style="list-style-type: none"> Student Loan Deductions from Pension Income – a question had been raised on the Tax Guide for Students website regarding pensions not being earned income and not subject to Class 1 National Insurance Contributions; therefor student loan deductions should not be made through the PAYE system as the income had been earned in previous years. Action – Claire Thackaberry to forward the enquiry to Anne Johnstone to follow up for a response. CSL Consultation Group meetings in 2017 – dates for 2017 meetings were agreed. Action - Anne Johnstone will issue invites. 	Claire Thackaberry Anne Johnstone	Anne Johnstone
Date and venue of future meetings (11:00 – 13:00)			
	Date	Location	
	Tuesday 7 March 2017	London (venue to be confirmed)	
	Tuesday 6 June 2017	London (venue to be confirmed)	
	Tuesday 5 September 2017	London (venue to be confirmed)	
	Tuesday 5 December 2017	London (venue to be confirmed)	