

Minutes

Collection of Student Loans Consultation Group

Tuesday 7 March 2017 (11:00-13:00)

Borough Room, De Vere Brigade, The Fire Station, 139 Tooley Street, London

Attendees	Neil Nicholas (HMRC – meeting chair) Paul Crooks (HMRC) Shell Makwana (HMRC) Katherine Bayliss (DfE) Anne Johnstone (HMRC)	Ann Elmer (ATT) Norman Green (BCS Payroll Group) Matthew Brown (CIOT) Peter Wilkinson (ICAEW) Samantha Mann (CIPP)
Dialling in	Claire Thackaberry (LITRG) Jamie Law (SLC) Karen Duncan (DfE)	
Apologies	Alex Lawrence (HMRC) Andrew Busby (BIS) Chris Jones (DA Wales) Geraldine Campbell (DA Scotland) Mash Patel (HMRC)	Jackie Petherbridge (FSB) Linda Pullan (Payroll Alliance)
1. Introduction and opening remarks		
Neil Nicholas	Neil Nicholas welcomed everyone to the meeting and introductions were made round the table.	
2. HMRC process update		
Paul Crooks	<p>Postgraduate Loans</p> <p>Requirements for delivery of Postgraduate Loans are being written. HMRC are looking at having IT in place by April 2018 ready for the first cohort coming through in October 2018 for starts in April 2019. As postgraduate loans will link to the student loans transformation project it is important that the full end to end process works for everyone. HMRC are working closely with the Student Loans Company (SLC) to feed their processes into the end to end design.</p> <p>HMRC were coming to the Group at this meeting to ask for their advice on the best way to communicate these changes.</p> <p>The first stage of communications should be with the Software Developers. They will have to be made aware of any changes as they will need to ensure the system is tested and working as it should. The communications will need to make it clear that although postgraduate loans will be collected alongside undergraduate loans, they are not part of the existing loan. If changes have to be in by April 2018 then Software Developers need to know about this by June 2017.</p>	

	<p>The second stage of communications should be with the borrowers as they will need to know how the repayments will be collected and the third stage should be with the employers.</p> <p>There are various ways of getting these messages out but it's important that the messages get out to the right groups at the right time.</p> <p>It was agreed that social media was a good way to get the message out to borrowers in particular and it was suggested that HMRC contact the National Union of Students (NUS) for their advice on targeting this audience.</p> <p>This will be included in the Communications Strategy.</p> <p>Employer Prompts A benefits realisation exercise will take place after the end of the 2016-2017 tax year. In the first two quarters of 2016-2017 targets exceeded the expected forecast.</p> <p>As part of the student loans transformation programme HMRC want to make improvements to the current process. Initially a large number of prompts were issued so HMRC want to review these statistics with a view to planning communications in anticipation of this peak in 2017-2018.</p> <p>HMRC would like the representatives on this Group to provide feedback on the employer prompt process as this would provide a really useful insight into the common mistakes being made and could be used as the basis with which to improve communications and guidance in the future.</p> <p>Action – Representatives to send any feedback to Anne Johnstone who will collate and forward to the relevant Student Finance team.</p> <p>HMRC were also asking this Group for their advice on the best media channels to use to get communications out to employers now.</p> <p>There are various channels which could be used (Employer Bulletin; Agent Update; electronic messages); however the biggest issue is that the employers don't pick up the electronic messages. This can apply to all notifications not just student loan notifications.</p>	Employer Representatives
<p>3. Policy update to include Off Payroll Working in the Public Sector</p>		
Shell Makwana	<p>There had been several enquiries from the Group around the Amendments to the Intermediaries Legislation which are being introduced in April 2017.</p> <p>These amendments mean that the onus is on Local Authorities or government organisations (fee payers) to determine whether or not off payroll rules apply to workers in respect of services these workers provide through their company. The Employment Status Service, an</p>	

online tool, has now gone live and will help these organisations make this decision. If the off payroll working rules apply then the Personal Service Company (PSC) has a deemed employment with the fee payer. These amendments come into force from April 2017 and mean that the contractual payments made by the fee payer to the PSC must be made net of employment tax and Class 1 primary NICs. The fee payer will then have to report this deductions in their Full Payment Submission (FPS) to HMRC. The FPS will show the individual behind the PSC as the recipient of the income which the tax and NICs has been taken from. These arrangement differ from normal employer/employee arrangements.

Once tax and NICs is reported through the FPS collection of student loans, an automated system which issues a Starter Notice (SL1), and possibly an employer prompt, instructing the employer to start making student loan deductions. HMRC do not want the employer to act on these notices and make any student loan deductions. Where the fee payer has started to make deductions they should stop at the next available pay date. For the borrower, this student loan payment will be reflected as an amount of student loan payment already paid through PAYE in their Self Assessment tax calculation, and therefore, taken into account for their overall student loan liability, or they may ask for a refund.

HMRC are amending guidance and communications to ensure fee payers do not deduct student loan repayments under these circumstances:

- An article will be included in the Student Loan section of the April edition of the Employer's Bulletin which will tell employers not to action SL1s and prompts.
- Student Loans for Employers guidance on Gov.uk will be updated as close to 6 April as possible to mention this type of work and then a link added into the main 'Off Payroll Working' guidance already published by the project.
- The main guidance on 'Off Payroll Working' on Gov.uk will be amended to include advising employers about the SL1s and prompts being sent to them.
- Discussions are also taking place with the Employers Helpline, the Taxes Helpline and the East Kilbride Student Loans Unit guidance authors to ensure permanent guidance is in place for April for any customer contact received.

HMRC are interested in the views of the Group and any suggestions they have for more effective ways of getting this message out to Local Authorities and employers who may be impacted.

Norman Green pointed out that something needs to be done in the short term otherwise the respect that HMRC has amongst the employer population will be damaged. HMRC need to be seen to be fixing this problem and the fix needs to be fit for purpose.

HMRC will explore alternative options and be as forward thinking as possible.

	Samantha Mann will provide HMRC with advice on the best way to cascade this information to the various groups and organisations.	
4. SLC Online Repayment Portal		
Katherine Maguire	<p>Katherine Maguire, Business Improvement Manager at SLC and Product Owner of their Online Repayment Portal, had been invited to the meeting to give a brief overview of the Online Repayment Portal which SLC are developing.</p> <p>SLC have a digital repayment programme of work and the first part of the programme to go live will be the Confirmation of Customer Details (COCD) business processes.</p> <p>When a customer cannot be matched to an employment or benefit record by HMRC or DWP, SLC have to contact the customer to confirm their details. The customer's response will be used to determine if they are eligible to repay and link them to the appropriate repayment channel.</p> <p>The paper version of the COCD is not user friendly so SLC are very keen to make this an online process which will improve the customer journey, increase response rates and provide a secure online facility for repayment customers. The customer also expects to be able to update this information on line.</p> <p>The first phase of this programme will be released in May 2017 to UK customers only with the aim being to release to overseas customers from October/November 2017.</p> <p>The SLC have carried out customer research and testing with customers including Skype sessions with overseas customers. The feedback to date has been positive.</p> <p>The 'email call to action' is shorter and more straight forward than the current version. When the customer receives this email they are directed to the new repayments portal where they log in with their student loan credentials. Matthew Brown said that it would need to be very clear that the reference number was their student loan customer reference number.</p> <p>The 'email call to action' also highlights that the customer needs to update their details 'to avoid penalties' which makes the customer aware that action is needed.</p> <p>The Group commented that the customer needs to know where these penalties are and suggested they could be included at the bottom of the email.</p> <p>Katherine advised that the penalties are included in the Terms and Conditions and guidance but SLC will be looking at the most appropriate way to provide this information to the customers.</p> <p>Samantha Mann asked if there would be a real time link from the portal to the Personal Tax Account; Katherine advised that there was</p>	

	<p>still work being done on the detail but at this point there was no link to the Personal Tax Account.</p> <p>Katherine thanked the Group for their input and suggestions and said that she would feed these back to her SLC team.</p>	
4. SLC update to include 'Tell Us Once' Advance Payments		
Jamie Law	<p>Operational The focus has been on processing COCD forms with a view to having all customers in the correct repayment channel by the end of March 2017. In future, the repayment online portal will reduce the numbers and this will allow SLC to focus resource on making improvements in other areas.</p> <p>Tell Us Once Scheme 'Tell Us Once' is a one stop shop for reporting to Government and Claire Thackaberry thought it would be very useful if the Student Loans Company was included in the list of departments/organisations using this service.</p> <p>Jamie Law had discussed this with his colleagues in SLC and although this is not currently in the pipeline it will be included in their continuous improvement programme going forward.</p> <p>Advance payments Ann Elmer had raised an issue around not being able to make advance payments and interest being charged.</p> <p>Jamie Law had discussed this issue with SLC's Financial Operations team. Customers are unable to pay in advance of a debit balance showing on their online account. However if they make a payment when the debit balance shows, despite it not registering the payment on their online account for 3 days, the interest is adjusted from the day the payment is made. This applies for payments made online and by telephone. SLC will look at improving the information and guidance available and this will be included in their continuous improvement programme.</p> <p>Ann had also asked when online statements would be available.</p> <p>SLC have an ongoing repayment online project and online statements is part of this; Jamie will keep the Group updated on progress.</p>	
5. DfE update		
Katherine Bayliss	<ul style="list-style-type: none"> Policy on Doctoral Loans and Part Time Maintenance Loans has not been finalised. The Group will be updated when an announcement has been made. 	

Summary of action points		
1/061216	<p>Starter Checklist - 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> <p>27.2.17 – This will be fed into the Postgraduate Loans project and be part of the communications strategy when put together. Still at early stage at this point.</p> <p>7.3.17 – Action point can be closed but Group will be kept updated on progress.</p> <p>Closed</p>	Paul Crooks
2/061216	<p>SLC Digital Online Repayment Portal – SLC digital online repayment team are building a new repayment portal and the first version should be completed by October 2017. 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.</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> <p>1.3.17 - SLC have had discussions with HMRC about what they would like to include for Repayment within the customer’s Digital Tax Account but haven’t yet gone into detail about what that might include. A link to the Online COCD will form part of future discussions.</p> <p>Carry forward</p>	Jamie Law
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

	<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> <p>7.3.17 –Ongoing until a definitive response is available. The employer representatives will provide any feedback they receive from employers.</p>	
2/280616	<p>Student Loan Tables on Gov.uk are not in PDF format 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. 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> <p>2.3.17 – Student Finance Guidance team continue to pursue this with CDIO to see if they can influence the change requested by the Group.</p> <p>7.3.17 – Student Finance team will continue to pursue and employer representatives will raise with GDS.</p>	Anne Johnstone
11. Any Other Business		
	No other business was recorded.	
Date and venue of future meetings (11:00 – 13:00)		
	Date	Location
	Tuesday 6 June 2017	London (Sanctuary Buildings)
	Tuesday 5 September 2017	London (venue to be confirmed)
	Tuesday 5 December 2017	London (venue to be confirmed)