

## Minutes

### Collection of Student Loans Consultation Group

Tuesday 5 December (11:00-13:00)

Room B1.04, Department for Education, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT

<b>Attendees</b>	Neil Nicholas (HMRC – meeting chair) Paul Crooks (HMRC) Shell Makwana (HMRC)  Andrew Busby (DfE) Katherine Bayliss (DfE)  Anne Johnstone (HMRC – secretariat)	Ann Elmer (ATT) Linda Pullan (Payroll Alliance) Kate Upcraft (BCS Payroll Group) Matthew Brown (CIOT) Peter Wilkinson (ICAEW) Jill Smith (CIPP)
<b>Dialling in</b>	Claire Thackaberry (LITRG)  Jamie Law (SLC)	
<b>Apologies</b>	Alex Lawrence (HMRC) Chris Jones (DA Wales) Geraldine Campbell (DA Scotland) Mash Patel (HMRC)	Jackie Petherbridge (FSB) Samantha Mann (CIPP)
<b>1. Introduction and opening remarks</b>		
<b>Neil Nicholas</b>	Neil Nicholas welcomed everyone to the meeting and introductions were made round the table.  The Group would be aware that there has been some media interest in collection of student loans over the past few weeks. HMRC wanted to reassure the Group that HMRC, Student Loans Company (SLC) and Department for Education (DfE) have a good working relationship. As announced in the Autumn Statement HMRC and SLC will be working together to share data more frequently from April 2019.	
<b>2. HMRC process update to include</b>		
<ul style="list-style-type: none"> <li>• <b>Employer Prompts and Validation</b></li> <li>• <b>Threshold Change</b></li> <li>• <b>Postgraduate Loans</b></li> </ul>		
<b>Paul Crooks</b>	<b>Employers Prompts and Validation</b> At the previous meeting there had been discussion around NICable earnings and mandating plan type. The technical pack for mandating plan types went out 6 October 2017 detailing the changes which will be introduced in April 2018. Everything is on track to make these changes from April 2018. Where Employers are taking payments based on the wrong plan type HMRC will help them to make deductions	

based on the correct plan type. HMRC will contact the employers, via GNS messaging, to give them advice on using the right plan type to ensure correct deductions are made. NICable earnings are not required as part of these checks and will continue to be derived for variable interest rates purposes.

#### **Threshold Change**

The Prime Minister announced at the Conservative Party Conference in October 2017 that the repayment threshold in England would be raised from £21K to £25K from April 2018. The Software Development Team is progressing this within HMRC.

Kate Upcraft pointed out that a problem arose because the information sent out was for 'England and Wales' when the Welsh Assembly, at that time, hadn't considered any changes to the threshold. There needs to be consistency and devolution needs to be embedded in all the guidance issued.

HMRC asked the representatives to let them know if any issues arise.

#### **Postgraduate Loans**

Everything is on track for April 2019 delivery. HMRC have now started looking at forms (Starter/Stop notices) and how to incorporate postgraduate loans into 'zero' and plan/loan type failures. Wording has been drafted where there are changes for the postgraduate element (i.e. starter checklist, PGL 1 and 2 and the GNS messages).

In the first instance customer research will be carried out to help with some of the wording and look at what people would like from a customer research perspective. Wording needs to be absolutely clear as complexity can lead to confusion. HMRC will then come to the CSL Consultation Group with a rounded set of forms and guidance to get their view on what their members would like to see

The Group said that a consistent way of referring to each element (Plan 1, Plan 2, and Postgraduate Loans) is needed across the three organisations.

As there are four different countries with a number of different products, it is really important the communications and guidance is correct.

The Group pointed out that it was imperative that any forms were signed off by July 2018.

HMRC confirmed that the forms have been drafted and the intention is to test them with customers before bringing back to the Group for further testing.

3. Policy update to include	
<ul style="list-style-type: none"> <li>• Plan 1 for Scotland</li> <li>• Reducing student loan overpayments</li> </ul>	
Shell Makwana	<p><b>Plan 1 for Scotland</b>  Scottish Programme of Government announced in September 2017 that they planned to raise the threshold for Plan 1 to £22K; however since there has been the announcement to raise the threshold to £25K in England and Wales.</p> <p>Scotland DA are preparing advice for Ministers on options around raising the threshold so currently it's not known what the new threshold will be. HMRC and SLC have had discussions with Scotland DA policy colleagues to give feedback on the impacts of various options they may consider. The original plan was to raise the threshold to £22K in 2020-2021.</p> <p>Scotland DA have also advised that they plan to reduce the repayment terms for 35 years to 30 years. This will have no impact from an HMRC process perspective but will have an impact on SLC.</p> <p>The Group will be kept updated on the outcome of the advice to Ministers.</p> <p><b>Reducing Student Loan Overpayments</b>  The Chancellor announced in the Autumn Statement that HMRC and SLC would be sharing data more frequently from April 2019. The two organisations are working collaboratively to achieve this delivery date. Progress will be shared with the Group.</p> <p>Andrew Busby confirmed that this was top of the agenda for DfE who want the project to move forward. This is one of the biggest behind the scenes changes for some time and will deliver huge benefits to borrowers by making the system robust. This is a complex project; however the impact on this Group should be minimal as these are back office changes aimed at improving the customer journey.</p> <p>Matthew Brown pointed out that the data being transferred on a more regular basis needs to be accurate. If incorrect information is passed over to SLC there is a risk of duplicate records which will cause customer relations problems and ultimately there could be a reputational risk.</p> <p>HMRC confirmed that there will be a robust reconciliation process. The process will be streamlined to ensure correct information is passed over to SLC in the right timeframe. The testing period is one area which is currently being looked at.</p> <p>Neil Nicholas thanked the Group for raising their concerns. The Group will be kept updated on frequency of data sharing and any other changes being made as part of the development.</p>

4. HMRC Live Service Update		
Neil Nicholas	<p>Alex Lawrence was unable to attend the meeting; however he had provided an update.</p> <ul style="list-style-type: none"> <li>• Performance against Key Performance Indicators (KPI) doing well. All KPIs on course to be achieved at the end of year. This year a change had been made in terms of being able to report on compliance performance during the year. This had greatly improved the understanding of how well the performance is doing in year.</li> <li>• The Student Finance team are looking at using business email as a communications tool. Initially this will be used to alert employers to employer prompts by providing guidance on that service. Then looking to use as communications tool with employers going forward; for example communicating any changes to postgraduate loans. How the tool will be used further will be brought back to the Group for their input. The messages which are planned to be used will be shared with the Group before they go out.</li> </ul> <p><b>Action:</b> Neil Nicholas to confirm what population business email currently reaches.</p>	Neil Nicholas
5. Student Loans Company (SLC) update to include		
<ul style="list-style-type: none"> <li>• Digital Migration update</li> </ul>		
Jamie Law	<p><b>Digital Migration</b></p> <ul style="list-style-type: none"> <li>• SLC are migrating their online repayment service to a new platform. Numerous customer research sessions have been completed with customers around making repayments and viewing balances. A number of different prototypes have been built and tested to see how customers interact with them. SLC are also in discussions with Gov Pay (an existing Government Platform) team to explore whether they can integrate their service into SLC's.</li> <li>• The Online COCD (Confirmation of Customer Details) service is currently open to UK customers in an extended private beta phase. SLC are currently inviting larger numbers of customer to complete online to do some research and testing to increase digital uptake. SLC are facing issues with out of date email addresses and also customers' concerned that emails are phishing scams. SLC are in the process of exploring different strategies to address these issues.</li> </ul> <p>There has been a 20% uptake which is a real milestone. This is expected to increase when SLC send reminders and give customers assurance that the service is legitimate.</p> <p>In the meantime SLC are getting ready to deploy the evidence upload facility in December 2017 and then the overseas journey will begin release from mid-January 2018.</p>	

	<ul style="list-style-type: none"> <li>SLC are looking at a conceptual design for the online statement before getting supplier estimates. Discovery and inception sessions are planned in early 2018. As the focus is currently on delivering more frequent data sharing for April 2019, it is expected that online statement will be delivered after this. SLC will take on board the Group's concerns around the importance of the data share being not only efficient but accurate.</li> </ul>	
<b>6. Department for Education (DfE) update to include</b> <ul style="list-style-type: none"> <li>Loan Sale</li> <li>Regulation Changes</li> </ul>		
<b>Andrew Busby</b> <b>Katherine</b> <b>Bayliss</b>	<p><b>Loan Sale</b></p> <p>In October 2017 Jo Johnson (Minister for Universities, Science, Research and Innovation) announced in Parliament that the Government was resuming the process required to sell part of the "plan 1" (i.e. pre-2012) English student loan book, as previously announced in February 2017. The sale covers loans which entered repayment between 2002 and 2006. The sale will not alter the mechanisms and terms of repayment, and sold loans will continue to be serviced by HMRC and the SLC on the same basis as equivalent unsold loans. There will be no change for employers or borrowers as a result of the loan sale. The loan sale will have no impact on the work of this Group.</p> <p><b>Action:</b> Andrew Busby will forward link to Written Ministerial Statement to Anne Johnstone for circulation to the Group.</p> <p><b>Regulation changes</b></p> <p>DfE are currently working on amendments to the Education (Student Loans) (Repayment) Regulations which will implement the changes to the student loan repayment threshold announced in October 2017. These will be composite regulations with Welsh Ministers and will be laid simultaneously in the UK Parliament and in the Welsh Assembly.</p>	<p>Andrew Busby Anne Johnstone</p>
<b>7. Questions raised from minutes of meeting held on 7 September 2017</b>		
<b>Matthew</b> <b>Brown</b>	<p><b>Employer Prompts</b></p> <p>At the meeting on 7 September 2017 the employer prompts benefits realisation was discussed. Could this be shared with the Group?</p> <p>Andrew Busby agreed that the main facts from the paper could be shared with the Group.</p> <p><b>Action:</b> Paul Crooks will extract relevant facts and issue to the Group.</p>	<p>Paul Crooks</p>
<b>Peter</b> <b>Wilkinson</b>	<p><b>Off Payroll Working</b></p> <p>Will there be an IT solution at some point in the future?</p> <p>When off payroll went out to the Public Sector an automatic solution was investigated to inhibit the issuing of student loan start notices; however this had not been possible. To date no cases have emerged where employers have made deductions where they shouldn't have.</p>	

<p><b>Claire Thackaberry</b></p>	<p>The interim update guidance strategy for employers appears to have been effective.</p> <p>Matthew Brown said that in the longer term this could become a priority again as off payroll may be getting rolled out to the Private Sector in April 2019 so a more accurate process needs to be in place. If consultation takes place in 2018 and there is an announcement in the Budget it would be a concern if the necessary inhibitor is not in place. This will have a bigger effect on the Private Sector than the Public Sector.</p> <p>The Student Finance team will feed into any impacting work; however it's still very early to know whether this will get rolled out wider. From a student loan perspective the desire is to minimise the burden and complexity of any policy decision to make sure employers and customers are not burdened with something they don't need.</p> <p><b>Property and Trading Allowance</b> Can the position with the property and trading allowances in respect of student loan repayments be confirmed?</p> <p>This is a wider policy than just student loans. A collective response to this question will be sent from Business Assets and International. This response will include the student loan impact.</p> <p>Claire Thackaberry pointed out that LITRG have been involved in reviewing the draft guidance and the student loans section is currently blank.</p> <p><b>Action:</b> Shell Makwana to research why this section is blank.</p> <p><b>Repayment of Loans Direct to SLC</b> It was agreed that there would be a request to update Gov.Uk website to explain to borrowers what they should do and who they should contact if they have been repaying their loans directly to the SLC and then return to the UK and are required to complete a Self-Assessment tax return.</p> <p><b>Action:</b> Anne Johnstone to discuss with Student Finance team Guidance Expert and provide a reply to LITRG.</p> <p><b>Action:</b> Anne Johnstone to research if extra training could be provided at the East Kilbride Student Loans Unit to make staff aware of what to do in this scenario.</p>	<p>Shell Makwana</p> <p>Anne Johnstone</p> <p>Anne Johnstone</p>
<p><b>8. Summary of action points</b></p>		
<p>1/051217</p>	<p><b>Business Email</b> - The Student Finance team are looking at using business email as a communications tool. Initially this will be used to alert employers to employer prompts by providing guidance on that service. Then looking to use as communications tool with employers going forward; for example communicating any changes to postgraduate loans.</p>	<p>Neil Nicholas</p>

	<b>5.12.17</b> – Neil Nicholas to confirm to the Group what population business email currently reaches.	
2/051217	<p><b>Loan Sale</b> – In October 2017 Jo Johnson (Minister for Universities, Science, Research and Innovation) announced in Parliament that the Government was resuming the process required to sell part of the “plan 1” (i.e. pre-2012) English student loan book, as previously announced in February 2017.</p> <p><b>5.12.17</b> – Link to Written Ministerial Statement to be circulated to the Group.</p>	Andrew Busby Anne Johnstone
3/051217	<p><b>Employer Prompts</b> – Representatives asked if the employer prompts benefits realisation paper could be shared with them.</p> <p><b>5.12.17</b> –Department for Education agreed that the main facts from the paper could be shared. Paul Crooks to extract the relevant facts and issue to the Group.</p>	Paul Crooks Anne Johnstone
4/051217	<p><b>Property and Trading Allowance</b> – Can the position with the property and trading allowances in respect of student loan repayments be confirmed? LITRG have been involved in reviewing the draft guidance and the student loans section is currently blank.</p> <p><b>5.12.17</b> - Shell Makwana to research why this section is blank.</p>	Shell Makwana
5/051217	<p><b>Repayment of Loans Direct to SLC</b> - It was agreed that there would be a request to update Gov.Uk website to explain to borrowers what they should do and who they should contact if they have been repaying their loans directly to the SLC and then return to the UK and are required to complete a Self-Assessment tax return.</p> <p><b>5.12.17</b> - Anne Johnstone to discuss with Student Finance team Guidance Expert and provide a reply to LITRG.</p>	Anne Johnstone
6/051217	<p><b>Repayment of Loans Direct to SLC</b> - It was agreed that there would be a request to update Gov.Uk website to explain to borrowers what they should do and who they should contact if they have been repaying their loans directly to the SLC and then return to the UK and are required to complete a Self-Assessment tax return.</p> <p><b>5.12.17</b> - Anne Johnstone to research if extra training can be provided at the East Kilbride Student Loans Unit to make staff aware of what to do in this scenario.</p>	Anne Johnstone
1/070217	<p><b>Employer Prompts</b> – 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><b>Action</b> - 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</p>	Employer Representatives

	<p>and could be used as the basis with which to improve communications and guidance in the future.</p> <p><b>7.9.17</b> – Ongoing action point – HMRC interested in any feedback the Group may get from their clients.</p> <p><b>5.12.17</b> – Ongoing action point.</p>	
2/061216	<p><b>SLC Digital Online Repayment Portal</b> – 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><b>Action</b> – Jamie Law will check if this is something that can be incorporated into the portal.</p> <p><b>1.3.17</b> - 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><b>7.9.17</b> – Ongoing action point until there is more detail on what might be included in the customer’s Digital Tax Account.</p> <p><b>5.12.17</b> – Ongoing action point – to be considered as various digital services are developed.</p>	Jamie Law
1/280616	<p><b>Employer Prompts</b> - 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><b>Action</b> – Paul Crooks will check on the authorisation process and update the Group.</p> <p><b>2.9.16</b> – 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><b>6.9.16</b> – 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><b>16.11.16</b> – The new process is in place and the guidance went live on 4 October 2016.</p> <p><b>6.12.16</b> – The Group were requested to check with employers and feedback their responses on whether or not the process had been improved.</p>	Paul Crooks

	<p><b>7.3.17</b> –Ongoing until a definitive response is available. The employer representatives will provide any feedback they receive from employers.</p> <p><b>7.9.17</b> – Ongoing action point.</p> <p><b>5.12.17</b> – The Group agreed this action point could be closed and reopened if employer outreach work is continued in future.</p> <p><b>Closed</b></p>	
2/280616	<p><b>Student Loan Tables on Gov.uk are not in PDF format</b></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><b>Action</b> – 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><b>26.7.16</b> - 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><b>6.9.16</b> – 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><b>15.11.16</b> - 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><b>6.12.16</b> – 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><b>2.3.17</b> – Student Finance Guidance team continue to pursue this with CDIO to see if they can influence the change requested by the Group.</p> <p><b>7.3.17</b> – Student Finance team will continue to pursue and employer representatives will raise with GDS.</p> <p><b>30.8.17</b> – The Student Finance team asked Gov.uk if this could be done prior to publication of the 17/18 SL3 deduction tables, however, they were unable to accommodate our request. As we'll soon be starting work to prepare the updates for 18/19 we again asked if a PDF or other printer friendly format can be published. CDIO confirmed that they cannot change the format of the page as they use certain standards set by GDS and they have also stopped the use of the PDF style.</p> <p><b>7.9.17</b> – HMRC to continue to pursue if the tables can be made more 'user friendly' and more accessible.</p> <p><b>5.12.17</b> – HMRC will continue to pursue if the table can be made more user friendly and more accessible.</p>	Anne Johnstone

9. Any Other Business			
Neil Nicholas	<p><b>CSL Consultation Group:</b></p> <ul style="list-style-type: none"> <li>• <b>Terms of Reference</b> – will be reviewed and any amendments put forward to the Group.</li> <li>• <b>Dates of meetings in 2018</b> – proposed dates given to Group and will be included in the minutes of this meeting.</li> </ul>		
Peter Wilkinson	<p><b>Self-Assessment</b></p> <p>A client within SA submitted their Return late; HMRC have now charged interest on the student loan payments due as well as tax. Given that student loan is subject to interest charge initially is this the correct thing to do? If it is what would be deemed the date the student loan contribution is applied to his record. The date it should have been collected or the date it was actually collected.</p> <p>Andrew Busby advised that the repayment should have been applied on the 31 January following the relevant tax year, as per the regulations.</p>		
Date and venue of meetings in 2018 (11:00 – 13:00)			
	Date	Location	
Tuesday	27 February	London (Room B1.04, Sanctuary Buildings, Great Smith Street)	
Tuesday	22 May	London (venue to be advised)	
Tuesday	18 September	London (venue to be advised)	
Tuesday	4 December	London (venue to be advised)	