

# HBDMS Newsletter

Housing Benefit Database and Matching Service

**DWP** Department for Work and Pensions

## Welcome to the 2008 Housing Benefit Database and Matching Service (HBDMS) newsletter

Following the creation of HBDMS in 2007, I am delighted that this newsletter brings together the latest updates from the key areas of the DWP Information Directorate (IFD) concerning the delivery of data matching and the collation of data to produce management information. We are pleased to be making significant progress in achieving our ambition to deliver better fraud and error referrals, better management information and better statistics from a single HB/CTB data source. Under-pinning this is the IFD ethos to streamline and maximise the use of data by collecting once and using many times.

We are now only a few months away from the introduction of the Single HB Extract which presents a real opportunity to improve our services whilst reducing the burden of data provision on local authorities (LAs). An in-depth article covers this in more detail. I would like to extend my thanks to all those who contributed to the design and consultation exercise; another excellent example of closer-working between DWP and LAs.

I would also like to take this opportunity to thank you for your understanding, patience and support following the cessation of data movement in November. As you will be well aware, IFD responded immediately to the loss of HMRC data with the suspension of data movement and a comprehensive review of its own data security procedures. As we go to press, I am pleased to write that this review is well underway, with important issues and options being carefully considered. I am encouraged that there is unanimous support at all levels, both within LAs and across DWP to fully exploit new technology and security protocols to allow us to recommence data transfer and the service we provide at the earliest opportunity. We will continue to keep you fully informed as information becomes available and progress is made.

If you are reading this at the IRRV Benefits Conference in Harrogate, please take the time to visit our exhibition stand for further updates and individual consultations. I look forward to the challenges ahead and am confident that we are well placed to build on the significant achievements already made to deliver and improve our 'database and matching service' to you in 2008 and beyond.



*John Southworth HBDMS Manager*

Investigators at Gedling waited patiently for four years to bring an absconder to justice. A HBIC101 referral in 2003 identified undeclared Carer's Allowance and prosecution action commenced. The claimant absconded after failing to attend a court hearing in 2004 but was identified and arrested on moving back to the area and attempting to reclaim in 2007. This time there was no getting away and a successful prosecution followed a guilty plea in court.

## HBMS Performance

Year to date performance figures show HBMS to be making good progress towards meeting challenging year end targets. During quarters one and two of 2007 / 2008 HBMS issued 162,000 data matching referrals, well on track to meet the target of 277,000 by year end. Results returned from LAs showed that during the same six months period, HBMS referrals identified £52m HB/CTB overpayments. This was again, well on the way to meeting the year end target to identify overpayments totalling £97.4m. The range of risks covered by HBMS data matching continues to grow.

During quarters one and two, referrals were generated from 56 different rule types.

In addition, we are pleased to see that the quality of HBMS referrals has been maintained... and improved. The positive return rate on referrals (leading to a payment reduction) was up 2% on last year, to 37%. Additionally, 38% of referrals identified an administrative or data quality error that, whilst not leading to a financial adjustment, assisted the LA in maintaining accurate customer details on their HB / CTB system, thereby preventing future payment error.

As always, positive return rates vary across LAs. A growing number of LAs are regularly exceeding 40% hit rates but the national average is brought down by a minority with poor performance rates from the same rules.

HBMS has been working closely with individual LAs and the DWP's Performance and Development Team to assist these LAs improve their performance.

HBMS Performance Analysis Team (PAT) has also worked closely with LAs to encourage the prompt return of results from HBMS matches. This has led to over 80% of LAs achieving low (less than 10%) outstanding referral rates at the end of quarter two.

Obviously, the cessation of data movement and subsequent suspension of data matching from mid November 2007 will impact upon year end performance. HBMS intend to work closely with LAs to understand the implications and minimise the impact whilst continuing to provide support and communicate meaningful performance statistics.

# Single HB/CTB Extract from April 2008

The collection of HB/CTB data enters a new era from April 2008 with the introduction of the Single Housing Benefit Extract. This follows the joining together of the HBMS and HBDS teams within IFD into the Housing Benefit Database and Matching Service. It provides the opportunity to deliver new data matching and reporting services whilst reducing the burden on LAs by streamlining HB/CTB data collection into one extract.

The Single HB Extract specification brings together the HBSD/IAD and HBMS scans into one single extract and will provide the main source of HB/CTB administrative data within DWP. The extract will also provide data to HBMS, ensuring the continued delivery and expansion of the data matching service.

The Single HB Extract replaces the HBSD/IAD scan from April 2008 but LAs will be required to continue to send a separate HBMS extract until further communications are issued to the contrary. This temporary parallel-running period is to ensure the continued delivery of high quality referrals from HBMS whilst the data quality of new fields is analysed and confirmed.

This new data collection initiative is the latest example of the realisation of the IFD ethos to 'collect data once and use it many times'. The duplication and administrative burden on LAs in producing two HB extracts for the same DWP area will thankfully, become a thing of the past.

The Single HB Extract will provide the sole source of data for monitoring HB/CTB administration performance from April 2008. The information obtained will also be used by DWP to promote research, reporting, policy development, implementation and evaluation. Statistics collated from the data will inform individual LAs of their (and others') performance, Parliament and the Audit and Accounts Commissions amongst other relevant Government departments.

## Consultation and Communication

During 2007, a comprehensive communications strategy was put in place by the areas of DWP with a vested interest (and expertise) in collecting and using HB/CTB data. Formal presentations at LA and software supplier user group forums instigated a two-

Keep them coming" was the message from Martyn Harding at Powys County Council after a number of successful prosecutions following HBMS data matches. A local resident pleaded guilty to obtaining £24k in benefit despite the existence of capital in excess of £180k. Investigations by Powys CC resulted in a successful prosecution.

Another HBMS data match, identifying undeclared savings ended an overpayment dating back to 1994. Ten false statements had been made by the claimant resulting in fraudulent claims totalling £14k.

HBMS data matching also provided Powys investigators with a referral that led to the identification of undeclared private pensions and capital. A successful prosecution resulted in a 12 months conditional discharge and order to pay costs. Martyn took time to thank HBMS staff for the "hard work" which was "greatly appreciated".



*HBMS at the Software User Group Forum, St James' Park, July 2007*

way communication process from which issues were identified and amendments made. Updates in HB/CTB bulletins, HB Direct, Moredirect and the issue of consultation documents also contributed to an extremely productive discussion, from which the final Single HB Extract specification developed.

Following feedback from the consultation exercise, a separate return will continue to exist for overpayments and fraud information. The new Housing Benefit, Recoveries and Fraud (HBRF) return should be sent electronically from April 2008, using the template issued in October 2007. It is hoped that in the longer term this information will be collected via the Single HB Extract.

## New items within the Single HB Extract include:

- Additional fields previously included within the HBMS extract to support data matching.
- Additional items to collate results from HBMS data matches – replacing the electronic results sheet currently returned via email.
- Information on overpayments and underpayments – replacing information currently returned on WIB1.

- Information in anticipation of the introduction of the Employment and Support Allowance (ESA). These details will support administration reporting and future data matching activities.

## Timetable for 2008:

- March 2008 – cessation of remaining clerical returns
- April 2008 – Single HB Extract replaces HBSD/IAD scan. Detailed data quality reports will be issued by HBDMS to LAs following each extract.
- April 2008 – HBMS extracts continued to be produced (in parallel to the Single HB Extract) until notified of the 'switch-off' of the HBMS extract.

With an increasingly 'joined up' and dedicated DWP team implementing this initiative, support is never far away.

## General queries about the Single HB Extract:

[Jan.ripley@dwp.gsi.gov.uk](mailto:Jan.ripley@dwp.gsi.gov.uk)

## Queries concerning the Single HB Extract and data matching:

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## Queries about the Single HB Extract and performance data:

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In addition, an area of the HBDS website is dedicated to the Single HB Extract, including FAQs:

<http://www.knowledgenetwork.gov.uk/hbds>

Finally, many thanks to all those who contributed to the consultation exercise. Invaluable practical feedback and information was provided which has ensured the successful development of this new data collection process.

Samantha Lee-Lawrence took time out to email HBMS following successful prosecutions from a variety of different HBMS rules.

An IS105 referral identified that a 43 year old lone parent was no longer in receipt of Income Support (the basis for the HB/CTB claims). Investigations by Leeds CC identified that the claimant had started work and was also in receipt of Tax Credits. The claimant failed to attend an IUC following three invitations but was successfully prosecuted and given a 12 months Conditional Discharge.

Another Leeds claimant had also failed to declare that he was no longer in receipt of a 'passport' benefit. The HBMS referral led to an investigation which identified that JSA was no longer in payment because the claimant had started work and was also claiming Tax Credits. The claimant pleaded guilty in court and received a 100 hours Community Punishment Order and was ordered to pay costs.

A HBMS referral triggered an investigation that identified a self-employed music teacher's undeclared capital to the tune of £40k. Investigations revealed that the claimant's capital was rapidly increasing due to the fact that he was no longer paying rent and was working more hours than previously declared. A £20k overpayment was brought to an end.

# HBMS Development Update

A far-reaching modernisation programme is now well underway within HBMS with improvements and efficiencies already being delivered. Here are some of the initiatives currently in place or in development:

- Following an in-depth pilot phase, changes have been made to the auto-deselection process used by HBMS to prevent the release of ineffective referrals to LAs. A new improved (and automated) process utilises IS, JSA and PC data held by the Information Directorate's Audit Trail team to identify potential referrals where a relevant change of circumstance has occurred. For example, matches are auto-deselected where a corresponding IS/JSA/PC claim has gone dormant within a recent period. The new process also improves the reliability of identifying clerical DWP claims, allowing referrals to be deselected at source.
- Changes within the HBMS referral management system have also widened the scope for identifying spurious matches where a previous referral has been issued and returned negative on a related rule. Such cases are now being suppressed, thereby improving the success rate of the data matches issued.
- Due to the stability of the data source, referrals issued using Retirement Pension data will not be reissued once a negative result has been returned on the initial referral. Again, this will improve the success rate from those referrals issued to LAs using this data source.
- Widespread improvements in the accuracy of NINOs held on HB/CTB systems have already assisted the data matching process. However, spurious matches can still result from incorrect NINOs. HBMS are working on a 'front-end' NINO validation process that will restrict data matching activity to those cases that meet validation standards. This will significantly improve the accuracy of matching – particularly on the 'non-matching' IS105 and JS105 rules. LAs will continue to receive comprehensive support from HBMS to improve the accuracy of the NINOs held on their systems.
- Improvements have also been made to various HBMS rules, e.g. converting to use of the DWP's Customer Information System and incorporating Second Adult Rebate indicators to prevent inaccurate matches.

The modernisation of HBMS processes will continue during 2008 and beyond, ensuring the continued development and improvement of the HBMS data matching service.

## Person-Centric Matching

An exciting new project will change the way data matching is conducted across all government benefits. IFD Database and Matching Service at Lytham is currently working on a new initiative that will see the integration of HBMS and the Generalised Matching Service to provide more detailed fraud and error referrals.

Currently, benefits data collected by the Department is captured and stored on a number of IT systems at the point of application and where subsequent changes occur. This information is extracted from the different benefit systems at varying intervals and stored separately to support a wide range of Departmental objectives, from fraud and error reduction to the payment of winter fuel awards.

The initiative would see all information held on customers and potential customers stored in a single 'data warehouse' where it can be made available for legitimate use within the Department. Benefit data will be extracted, where practicable, on a daily basis, fed into the warehouse, cleansed and associated with the existing customer's details. Cleansed data will then be made available for usage through a series of data marts designed for specific functions, e.g. data matching, customer contact, analytics and business information.

Once the data is available from a single source, the 'customer mart', coupled with a new rules engine, will enable a more "person-centric" referral system to be developed. This will enable us to consider incorrectness across all benefits for a single customer – and the issue of one referral, rather than many individual referrals, which would previously have been investigated by each relevant benefit area.

More information will be made available as this exciting initiative develops. In the meantime, for further details contact Michelle Spencer or Brian Waldie.

## Data Scans

2007 was another busy year for the HBMS Data Scans team. Over 200 requests were received, resulting in the issue of 187 scans to individual LAs. Scans continued to cover a wide range of risk areas and objectives, from undeclared therapeutic work to non-dependants no longer on a DWP benefit. Scans were also issued to facilitate take-up drives and anti-poverty initiatives.

In addition to individual scan requests, HBMS delivered a number of high-profile national scans as part of a working age data cleanse. Between April and November, 98,000 cases were issued, providing LAs with additional cases for intervention activity. Work is currently underway to convert the undeclared Child Benefit scan into a regular data matching rule. This follows the success of the conversion of the scan identifying non-deps aged over 19 which, since becoming the HBHB501 rule, has identified over £6m in HB overpayments.

NINO verification scans continue to be popular, providing LAs with a highly effective means of improving the accuracy of personal details within their customer records. As HBMS moves towards a front-end NINO cleanse (see HBMS Development article), the importance of accurate NINOs and dates of birth increases. Please do not hesitate to contact the Scans team to request an individual count and / or detailed scan to ensure all of your caseload is included in future data matching exercises.



## HBMS Risk Scored Reviews – then and now...

The HBMS risk score identifies those HB/CTB cases most likely to contain a payment error. This continues to provide LAs with a useful list for selecting cases for intervention. The risk score was introduced in October 2003 and has continued to evolve since then.

### Pre April-05 Format to be Removed

A revised format was introduced in April 2005 to identify the risk group and the likely cause of overpayment. Feedback from authorities confirms that this information is

useful when selecting cases for intervention. To allow time for any necessary software changes, HBMS continued to issue both the original (pre April '05) and revised version of the risk score. Feedback from authorities and their suppliers confirms that the original risk score is no longer being used. HBMS intend therefore, to only issue the latest (Apr-05) format of the risk score – date to be announced via a General Bulletin. LAs will continue to receive both the text and Excel versions of the risk score.

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## Cases Removed from the Lists

Currently, the HBMS risk score suppresses cases from reappearing on the list where the period since the last review is within six months (working age cases) or three years (pensioner cases). Fourteen LAs took part in a Frequency of Reviews pilot during the period October 2006 to March 2007. The pilot's objective was to test if more changes were detected following the issue of risk scored review lists where risk group one and standard pensioner cases became available for review more frequently. Evidence from the pilot supported increasing the frequency of reviews from six months to every three months for working age, risk group one cases.

This amendment to the risk score is now available and will shortly be incorporated into the risk scored lists issued by HBMS - again, date to be announced.

Cases will be suppressed according to the following criterion:

### Working Age Claimants

Risk Group	Suppression period since last review
1	3 months
2, 3, 4, 5, 6	6 months

### Pensioner Age Claimants

Risk Group	Suppression period since last review
1, 2, 3, 4, 5, 6	3 years

Cases will continue to be suppressed where ongoing review activity is recorded.

*For any enquiries please contact:*

**Chris Fuller**, HBMS Data Integrity Team

An undeclared inheritance totalling £114k was identified following a HBR215 referral issued to Tunbridge Wells. Prior to an IUC, the claimant had repeatedly declared that she lived on her State Pension, part-time earnings and £1,000 savings. An administrative penalty and £5k overpayment was paid immediately.

Investigators at Tunbridge Wells also identified undeclared full-time work following receipt of a HBPX001 referral from HBMS. The claimant had previously only declared Child Tax Credit, Child Benefit and maintenance. Following an IUC, an overpayment of £3k was brought to an end and an Administrative Penalty was enforced.

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