

# HBMS Newsletter

Housing Benefit Matching Service

**DWP** Department for Work and Pensions

## Welcome!

Welcome to the latest HBMS Newsletter! Following another extremely successful year, this newsletter provides important updates on HBMS performance and new initiatives. We've also taken the opportunity to remind you of the range of HBMS products and services and the support that is readily available.

We are also pleased to announce that HBMS has now joined with the Housing Benefit Data Services Team (based in Newcastle) to form the Housing Benefit Database and Matching Service (HBDMS). This brings together those areas within the Information Directorate that interface with LAs. We are confident that this will provide additional benefits for LAs as we continue to streamline and develop our services within a joined-up organisation.

We are already looking into combining our collection of data from LAs into a single integrated HB/CTB scan. This will significantly simplify current procedures and builds further on IFD's aim to reduce the data collection burden on LAs (started when we took over the responsibility for providing data to the Audit Commission last year). We are also confident that this joint approach will facilitate the drive towards a secure electronic two-way transfer of data between HBDMS and LAs.



Finally, we will capitalise on the wealth of expertise that exists within the teams to revise and redesign our data-loading processes so that the single integrated extract provides increased accuracy for both data-matching and statistical reporting. A lot to look forward to as we develop new processes whilst continuing to deliver a highly effective data-matching service to LAs during 2007 and beyond!

## "Rich Rewards"

HBMS referrals identifying undeclared capital have been "reaping rich rewards" according to Eric Hawksworth at Hinckley and Bosworth. Eric wrote in to tell us about four recent successful investigations:

- Fines totalling £9,500 followed the prosecution of a claimant who had failed to declare savings of over £40k. The £10k overpayment was repaid in full prior to court attendance but that didn't prevent the fine which was required to be paid within 14 days.
- A two years conditional discharge and an order to repay costs followed a 57 year old claimant's prosecution for failing to declare savings of over £16k. The £3,700 overpayment is being repaid in instalments.
- A £12k overpayment was brought to an end, resulting in 250 hours community service and the order to repay costs following the claimant's failure to declare £16k savings.
- Prosecution is also underway for a claimant who failed to declare not one – but 14 savings accounts!

## HBMS Performance

With another financial year behind us and in a concerted effort to contain the vast majority of statistics within one article in this newsletter, it seems like a good time to catch up on what HBMS has delivered in recent months! Readers with numerophobia – look away now!

During the year to April 2007, over 300k referrals were issued by HBMS, generating overpayments of £103m (exceeding our year end target by over £6m). Equally as important, the positive return rate on HBMS referrals remained high, at 35%, confirming data matches as the most effective source for identifying fraud and error. In addition, another 42% of referrals were issued correctly and either assisted LAs prioritise existing changes in circumstances or improved data quality. An important (and sometimes, frustrating) comparison persists between the performance of individual LAs. With many LAs achieving a positive return rate in excess of 50% from HBMS referrals, the overall average is brought down by a minority of LAs with lower rates of success. We will continue to identify and offer advice to these LAs to help them achieve the optimum results from their HBMS data matches.

With challenging targets in place for 2007/2008, it's reassuring that we are already off to a good start. Over 27k referrals were issued in April 2007, identifying £11m overpayments (117% of the monthly target!). As always, this success is achieved through the excellent relationship that exists between HBMS and LAs, together with the professionalism and commitment of all those LA staff who receive and process our products.

## With Friends Like These...

A man from West Bridgford was successfully prosecuted by Rushcliffe BC, following an investigation that was prompted by a HBMS referral identifying undeclared capital. Over £20k had been undeclared, resulting in a £3,300 overpayment. At court, the claimant was fined £500 and ordered to repay the overpayment in full as well as costs of £250. During questioning, the claimant stated that the reason he had not declared his capital was that a friend had told him nobody would ever find out about it... obviously they hadn't heard of HBMS!

## PM10 Update

HB/CTB Circular A20/2006 included details of changes to Security Performance Measure 10 (PM10). With over 10 years experience of providing a high quality data matching service, HBMS is well placed to support LAs in achieving the new, benefit reduction-orientated targets. Indeed, the increased freedom for LAs to identify reductions from a range of sources means that new and wide-ranging data matching products from HBMS will be of even greater use to LAs in 2007 and beyond. As covered elsewhere in this newsletter, additional HBMS rules, ad hoc scans and working age data cleansing products, together with improvements to the delivery of the risk-scored reviews list are continuing to provide quality cases for review activities.

Information and updates on activities and initiatives to assist LAs achieve their PM10 targets are available on the HB Fraud and Error website ([www.dwp.gov.uk/housingbenefit/secure/fraud-error.asp](http://www.dwp.gov.uk/housingbenefit/secure/fraud-error.asp)). The site also provides access to the HoBOD database where LAs can find information on how their PM target has been calculated. LAs can also check on their own performance against PM10 targets from the latest figures and compare it with neighbouring authorities.

For further enquires relating to PM10 performance, please email: [Fraud-Error-Policy@dwp.gsi.gov.uk](mailto:Fraud-Error-Policy@dwp.gsi.gov.uk).

## A Scan in Time...

With the introduction of the new PM10 from April 2007, more LAs are looking for new ways to identify fraud and error in their caseload. HBMS data scans have always been available to LAs but are now providing an important additional source of quality interventions. Unlike the standard HBMS data matching rules, scans can be tailored to individual LA requests; they can even use data sources not yet available for producing normal referrals.

During the year ending April 2007, HBMS issued 384 scans to LAs to help detect fraud and error, improve data quality or assist with take-up or poverty-index initiatives. Some scans prove so successful they are developed into traditional 'rules' and issued to all LAs as referrals. HBHB501 (identifying 'dependants' over the age of 20) was initially piloted as a scan. The results supported the transition to a rule, resulting in the identification of around £2.5m overpayments across all LAs. More scans are to follow this route during 2007.

A full list of scans available can be requested from the team (see 'Contacts'). Some recent examples include:

- Matching HB against locally obtained payroll data to identify undeclared earnings.
- Matching against Incapacity Benefit data to identify therapeutic work that has not been declared on HB.
- NINO verification scans (now converted to match against the Customer Information System).

New scans are on the way as data sources become available and also as LAs provide new and imaginative requests! We are currently

investigating the potential for using CSA data to identify undeclared maintenance on HB. Also, the availability of Scottish Prisoner Data for the first time provides the opportunity to identify Scottish prisoners in receipt of HB (in addition to existing data for England and Wales). This scan is likely to be made available to Scottish LAs in the coming months. We are also testing the value of a scan identifying duplicate customer bank accounts receiving payments of HB. LAs are invited to contact the team to discuss a scan request or provide their own suggestion.

Scans are normally free of charge (we will discuss in advance if the technical complexity of a request means a charge is likely) and can usually be delivered within a few weeks. We can now accept the BAP1 (scan) application form via email without the need for a hard copy and signature. Contact the team for a copy.

And if that wasn't keeping us busy enough, the team also delivers other high profile initiatives to assist LAs with the delivery of HB/CTB. For example, a quarterly process is in place to identify cases on DWP systems (IS / JSA / PC) where HB/CTB indicators are incorrectly held as 'No'. Results are passed to DWP for upload into the relevant benefits system, overwriting the incorrect flag and providing an accurate LA reference number to ensure the delivery of Electronic Transfers of Data (ETDs) in the future. Further enhancements to this process are being developed.

As LAs look for ever more imaginative and effective ways to find and eradicate fraud and error within their caseload, the HBMS Data Scans Team is prepared for (and looking forward to!) a busy year ahead!

## Working Age Data Cleansing – Ongoing

Circular A17/2006 provided details of two new HBMS products to help LAs cleanse fraud and error from their HB/CTB caseload. The circular also promised that further products were on their way. We are pleased to report that this commitment has been kept with a new national data scan issued to all LAs in every month since November 2006. The scans have been targeted at standard, HB, working age cases and are intended to provide additional cases for intervention. Scans issued so far:

Month	Scan Details	No. Issued
Nov-06	Last recorded review date more than two years old	25,596
Dec-06	Earnings unchanged over a 12 months period	34,012
Jan-07	No Child Benefit recorded on cases with dependants	2,964
Feb-07	Unchanged Tax Credits amount over 12 months	20,108
Mar-07	No Tax Credits recorded on cases with dependants	20,005
Apr-07	No Last Recorded Review Date	37,996
May-07	Earnings unchanged over a 12 months period	27,699

To provide LAs with optimum flexibility, we have designed a process to allow the majority of these scans to be issued in a format similar to that with which LAs already receive their HBMS referrals. A psv file is also included, providing LAs with the option of auto-uploading cases into their interventions module.

Results are already looking very encouraging! Completed review information from the HBSD/IAD scan shows overpayments were identified in 50% of those cases included in the 'Unchanged Earnings' scan. Similarly, benefit decreases were identified in 35% of the cases contained within the 'Last Recorded Review Date' scan.

We have also been vindicated in our 'take nothing for granted' approach when devising new scan products. For example, some LAs have returned a positive return rate in excess of 85% following receipt of the scan identifying dependants but no Child Benefit.

With the value of national data cleansing scans confirmed, these products are set to continue and develop during the year ahead.



# Data Integrity Team: Here to Help!

Successful data loads and high quality extracts are the essential foundations for all HBMS data matching activities. The HBMS extract is also used by the Housing Benefit Reviews Team to obtain caseload samples for national accuracy figures and during 2007/08, by DWP analysts to measure performance against PM10 targets. With this in mind, a timely and accurate data extract has never been more important.

The HBMS Data Integrity Team (DIT) has over 10 years experience in monitoring data related issues and providing support to LAs. The following checklist summarises some of the key practices to ensure that data loads successfully every time:

- Avoid delays by making sure you include the correct LA identification number on your extract.
- Check that the total number of records is consistent with your live caseload.
- Check that the extract has been successfully copied - from time to time, we still receive blank discs!
- HBMS will not match on out of date data. Make sure the extract has been run as close as possible to the scheduled data collection date.
- The Data Take-On and Processing Schedule (see circular A1/2007) contains all your HBMS data collection dates up to April 2008. Please use the schedule to manage your extracts around system downtimes and advise the HBMS DIT of any foreseeable issues – we may be able to help!
- Contact the DIT prior to any system changes so we can look out for any new issues with your extract. We may also be able to arrange a test extract.

In addition to successful data loads, the DIT also supports LAs in providing high quality extracts. Data incidents are recorded where errors or omissions are identified that undermine the integrity of the data. Whilst incidents are restricted to areas of the extract that are essential for effective data-matching, additional issues are now being raised as HBMS designs new scans and rules. For example, incidents are being raised against the Review Commenced Date / Indicator fields (used in the risk-scoring process) and also against bank details fields to support the development of new fraud and error scans.

So, whilst the stakes have never been higher for delivering quality extracts to HBMS – help is on hand, please do not hesitate to use it!



## Risk-Scored Reviews

The monthly risk-scored reviews (RSR) lists issued by HBMS to all LAs have provided an important source of interventions since 2003. Changes in design and output format over the years have ensured the process remains relevant and effective. Results show that full reviews from risk scored reviews lists uncovered benefit reductions in 17% of cases, compared to a 12% success rate from 'Other' sources. G5/2007 recently advised LAs of the following changes:

- Following feedback and direct requests from LAs, we will now include 100% of an LA's eligible caseload on each RSR list. This is an amendment to the 32% that was originally output. Please note that cases with a 'recent' Last Recorded Review Date (i.e. within six months for a working age and three years for a pensioner case) will still be excluded. Cases where a full review is ongoing will also be suppressed. The increase in cases is intended to provide LAs with more flexibility and freedom to manage their review activities.
- We are currently finalising a date for removing the original risk-score from the output CD, leaving the revised and improved (post April 2005) version only. Feedback from software suppliers confirms that systems are in place to accept the revised version which includes additional information on risk group and the likely causes of overpayment. A circular will be issued as soon as a date for withdrawal is set.

HBMS would like to thank those LAs who took part in the recent pilot exercise, testing the impact of more frequent reviews (especially for risk group one and standard pensioner cases). The pilot exercise was successfully concluded in April. Initial findings from the pilot suggest that a high proportion of overpayments were identified in working-age, risk group one cases within three to six months of a previous review. Full results will be communicated via the fraud and error website.

Please note that guidance is available on all aspects of the risk-scoring process. Please contact the HBMS Data Scans Team for a user-friendly handout or to discuss any specific issues.

## Two for the Price of One at Mendip!

A recent referral to Mendip DC proved to be doubly valuable. Following receipt of a HBMS referral identifying undeclared Tax Credits, the claimant was interviewed under caution. During the interview, queries arose surrounding earnings which led to the fraud team making further enquiries with a previous employer. As a result, undeclared earnings dating back to 1999 were uncovered as well as a more recent failure to declare two concurrent employers. The claimant received a substantial overpayment and a caution as did her estranged husband who was previously the applicant on their joint claim.

## (Doing) Time to Reflect...

A 30 days custodial sentence followed the successful prosecution of a claimant who had failed to inform Burnley that he had returned to work. Receipt of a HBJS105 referral prompted an investigation due to the claimant's failure to declare the cessation of his JSA award. Failure to attend court, resulting in a warrant being issued for his arrest did little to help the claimant's cause!

## PAT Update

Providing LAs with regular updates on their HBMS performance and referrals outstanding has always been a key part of our communication policy. The Performance Analysis Team (PAT) is a dedicated team whose role is to monitor and report on each LA's performance relating to HBMS referrals. As well as providing a general (and much used!) advice line for any results queries, the team also issues the following up to date reports to LAs and other relevant DWP areas:

- Quarterly performance analysis reports for each LA
- Performance monitoring of PM11 (% of data matches resolved within two months)
- HBMS referrals outstanding
- Referrals where an investigation has commenced (4z returns)
- HBMS referrals resulting in sanctions
- Negative returns
- Savings and overpayments
- Individual LA comparisons to national average statistics.

The team also provides internal performance statistics, enabling HBMS to continually evaluate and improve the success of each rule. To achieve effective and consistent communication, LAs are managed alphabetically within the team. To speak to your LA's representative or to request a report, please see the updated 'Contacts' list on page four.

# 57 Varieties (of undeclared accounts!)

Bev Wells at Chester wrote in to update us on the outcome of some recent referrals:

- An elderly claimant who had declared a small state and private pension income, was well known to staff at Chester having been supported by them following a number of personal bereavements. However, things changed during interview under caution following receipt of a HBIR215 referral. The claimant argued that her savings were a private matter and refused to cooperate. Proof of the capital was eventually obtained via the Fraud Act which identified a total of 57 accounts, containing approximately £200k!
- A PX001 referral, identifying undeclared earnings was just the start of one investigation. Wage slips obtained during the investigation also identified an undeclared bank account. During interview under caution, the claimant also declared two private pensions. An overpayment of £21k has now been brought to a close.
- Receipt of a HBTC001 referral uncovered more than just a hidden Tax Credits award. During a joint investigation with FIS, the claimant's undeclared full-time employment was also identified. Following a successful prosecution, the claimant received a 220 hours Community Punishment Order and was ordered to attend 22 sessions of the 'Think First' programme. A compensation order was also put in place to recover the overpayment.



## Next Newsletter..

The next HBMS Newsletter is due to be published in February 2008. We would like to thank all those LAs who have contributed results stories – please keep them coming!

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