

Housing Benefit Circular

Department for Work and Pensions
6th Floor, Caxton House, Tothill Street, London SW1H 9NA

HB A16/2014

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	Housing Benefit Managers
ACTION	For information
SUBJECT	Real Time Information Bulk Data Matching Initiative – additional guidance for local authorities

Guidance Manual

The information in this circular does not affect the content of the HB Guidance Manual, but provides additional guidance to circular HB A15/2014.

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at <https://www.gov.uk/government/collections/housing-benefit-for-local-authorities-circulars>
- have any queries about the
 - **technical content of this circular**
email: LA-SST.HDD@DWP.GSI.GOV.UK
 - **information flow content of this circular**, contact : **Local Authority Support Team (LAST) 01253 689422**
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Real Time Information Bulk Data Matching Initiative – additional guidance for local authorities

Contents	Para
Background	1
Purpose	5
Findings	6
Passported and Savings Credit Cases	7
Referrals resulting in no or small financial adjustments	10
Incorrect National Insurance Numbers	12
Use of Earnings Information	17
Value of payments not subject to tax or National Insurance Contributions (NICs) in pay period	21
New Burdens	22
Software updates	23

Real Time Information Bulk Data Matching Initiative – additional guidance for local authorities

Background

1. Real Time Information (RTI) was successfully shared with local authorities (LAs) on the 19 September 2014 when testing commenced for the Bulk Data Matching Initiative.
2. Six LAs took part in the test phase. Barrow, Gateshead, Kensington and Chelsea and Liverpool tested the software solutions for Capita, Civica and Northgate Revenues and Benefits. Calderdale and Sedgemoor also took part and tested their own in-house software solutions.
3. Each of the LAs has undertaken examination of a significant number of their referrals. This has identified a number of overpayments of Housing Benefit (HB) as well as some other issues.
4. We have been working to progress solutions quickly. Details of these issues are provided in this circular, with guidance on how LAs should deal with these cases.

Purpose

5. The purpose of this circular is to provide LAs with information from the test phase and with additional guidance that will support LAs from 6 October 2014 onwards when we will start to issue referrals nationally. Previous guidance was provided in circular [HB A15/2014](#).

Findings

6. This guidance provides details of the issues found during testing. The test phase has been an invaluable exercise which has provided us with an opportunity to identify and solve problems early. We would like to thank the LAs and their software suppliers for their support during development and throughout the test phase.

Passported and Savings Credit Cases

7. A number of passported and Savings Credit cases were referred to LAs in error and plans are in place to implement a fix as soon as possible. Passported and/or Savings Credit cases are considered out of scope for this exercise as these would not normally result in an overpayment. Testing however has provided us with additional information and LAs have informed us that scrutiny of the Customer Information System (CIS) has identified a number of cases where passporting arrangements or the Assessed Income Period (AIP) had ceased some months earlier. On this basis LAs will need to check CIS on all of these cases to confirm if the passporting or AIP arrangements are still ongoing.

8. Where the passporting benefit or AIP has ended, the referral should be processed as normal from the period when the DWP benefit ceased. If the LA believes that the RTI referral also identifies a past period for which the DWP benefit may need to be reviewed, it should notify DWP of an income change by sending an LA17 form as per normal business arrangements.
9. Where the LA has checked CIS and found that the passported benefit or Savings Credit is still in payment the referral should be rejected reporting no financial adjustment using code 14 (DWP/external data source error) in Single Housing Benefit Extract (SHBE) field no. 319. For specific instructions explaining how to do this, please refer to your software supplier's guidance. An LA17 form should **not** be sent for these cases because an RTI referral will be sent automatically to the relevant business area where the DWP benefit is still in payment.

Referrals resulting in no or small financial adjustments

10. Where an LA receives an RTI referral which identifies a change in income, but after processing there is no financial adjustment on the claim because the income is still below the applicable amount; the LA should use code 11 (still below applicable amount) in SHBE field no. 319. Individual software suppliers will issue guidance on how to record reasons for rejecting a referral or reporting no change to weekly benefit for SHBE purposes.
11. Testing has also shown that it is possible to receive some referrals for underpayments or those which identify small overpayments. These cases should be completed in the same way as referrals identifying a high value overpayment, recording a reason for the change in SHBE field 317 as detailed at paragraph 59 of [HB Circular A15/2014](#). Your software will then report the outcome on SHBE as it does for other completed referrals.

Incorrect National Insurance Numbers

12. Testing has identified a few incorrect National Insurance Numbers (NINOs) recorded on the LA IT systems. In these cases, it is likely that the RTI data returned will not relate to that HB claim. Once the LA has confirmed the correct NINo by checking CIS and is satisfied the RTI data does not relate to the HB claim, the LA should take steps to correct the NINo held on its database and return the referral using code 6Z (LA input error).
13. DWP issues Personal Details Verification Reports to all LAs with each set of Housing Benefit Matching Service (HBMS) referrals. These reports identify issues such as NINOs or dates of birth being recorded incorrectly on LA IT systems. Further information about these reports is given at Annex 1.
14. It is particularly important that any cases identified on the Personal Details Verification Reports as '*Match 2 – NINo is potentially invalid* and *Match 7 – Valid NINo – but does not match on DoB. Matches on either surname or forename or neither*' are fully cleared before uploading RTI referrals to your IT system. If this is not done, there is a risk that RTI referrals and associated income data may match to an incorrect HB claim. In the event that matches 2

and 7 have not been cleared prior to processing RTI referrals, LA decision makers will need to check that the NINo recorded on their IT system is correct when processing each RTI referral. DWP requests that all other matches shown on these reports are also kept up-to-date, as this will reduce the risk of errors being made when processing the RTI referrals.

15. Where an LA believes the NINo discrepancy may be due to identity fraud, you should investigate it in accordance with business as usual procedures and treat the referral accordingly.
16. A separate issue has also been identified where there is a mis-match between the NINo suffix recorded on the RAW file and CLAIM file. This is currently being investigated by DWP so any instances of this should be reported to the LA Support Team (LAST) for further investigation and the RTI referral should not be processed until advice is received from DWP.

Use of Earnings Information

17. Concerns have been raised regarding the guidance on how to use earnings information. We have revisited the guidance to remove any ambiguity and ask that you refer to this when considering the number of hours worked.
18. On receipt of a data match LAs will be required to amend the HB award in accordance with HB legislation and usual business practice. See HB Guidance Manual section BW2 for working age claimants and Section BP2 for claimants over the qualifying age for State Pension Credit.
19. RTI does not require employers to provide HM Revenues & Customs (HMRC) with details of the exact number of hours worked. This means that DWP is not able to provide LAs with information regarding the hours worked.
20. Where the RTI referral identifies an increase in earnings already declared LAs should assume the same hours, unless it is not reasonable to think so. Where RTI identifies a new employment, LAs should assume the minimum hours worked to award the lowest income disregard rather than contact the claimant on each and every case. LAs will need to advise the claimant of any assumption(s) made to provide the claimant with opportunity to challenge anything they believe is incorrect. DWP does not expect any overpayments to arise where an LA makes an assumption based on the above guidance because the lowest income disregard will always have been awarded.

Value of payments not subject to tax or National Insurance Contributions (NICs) in pay period

21. Testing has demonstrated that Example 1 in the guidance notes shown at Annex 2 paragraph 22 of circular HB A15/2014 is incorrect. LAs should refer to the following guidance when considering the value of payments that are not subject to tax or NICs.

Meaning: The value of any other payments that have been made to the claimant in this pay period that are not salary or wages and are subject to neither tax nor NICs.

Example: Season ticket loan, other loan, advance and certain travel and subsistence costs, salary sacrifices for childcare or charity or non-taxable redundancy payments, etc.

Note: This field will also contain any amount paid in respect of a redundancy payment as payments up to a value of £30,000 are made tax-free. Where a large value is present and coupled with an employment end date it could be a redundancy payment.

Application: Amounts appearing in this field may be treated as gross income, disregarded as income or treated as capital (which may also be disregarded).

Because HMRC's RTI feed has been primarily designed to administer the tax system and does not collect all the information required to process claims for HB it does not provide any further detail regarding why these payments are not subject to tax or NICs.

In most instances items appearing in this field will need to be checked by the LA to establish whether they should be treated as gross income for benefit purposes, disregarded or treated as capital. It should be noted that any amount appearing in the 'not subject to tax or national insurance' field could comprise of amounts which should be treated differently, e.g. non-taxable expenses and redundancy payment are recorded on the same 'payslip'.

Example 1:

The file shows a pay submission with £10,250 in this field. The LA queries the details with the claimant and establishes that a redundancy payment of £10,000 was included with the payment, along with subsistence costs (non-taxable expenses) of £250. The redundancy payment included an amount for pay-in-lieu of notice and holiday pay, and the LA treats these amounts as gross income for the period which they cover when calculating earnings. The redundancy pay element is treated as capital. Finally the non-taxable expenses are disregarded as income, as the claimant has already incurred these costs in the course of their work and is merely being reimbursed for these by their employer.

Example 2:

In May 2014 an employee is paid a season ticket loan by their employer of £1,200. The employer will recover this by deducting £100 each month from the employee's pay from June 2014 to May 2015. This will show on the RTI feed on the May 2014 pay submission as a payment of £1,200 not subject to tax and NICs, but the repayment will **not** show anywhere on subsequent RTI pay submissions.

New Burdens Funding

22. New Burdens funding for the project will remain the same regardless of the findings found during the test phase. Passport cases which are current and have been sent to the LA in error will therefore still count towards the 223,000 total number of cases due as part of this exercise. This is the same for all cases that are rejected reporting no financial adjustment.

Software updates

23. Following the test phase, some software suppliers have released upgrades or patches which resolve issues recently identified or enhance functionality. DWP recommends that LAs ensure their software is fully up-to-date before processing RTI referrals.

Annex 1
Technical Contacts
HBMS Personal Details Verification Report

1. HBMS are utilising a filter process to cleanse HB customer records prior to data matching taking place. This filter process will be run against all customer records and removes cases where certain personal details are different from those held on CIS.
2. Although many of these records would have previously been removed during the data matching process, these reports allow identification of those records to allow you to correct your records accordingly. Once amended these records can then be taken forward in the data matching process and assist LAs in verifying the accuracy of Customer and Partner personal details held on HB systems.
3. A report containing details of the unmatched customer records that have failed the verification process, and also partner records that have failed that level of verification will be issued with your referrals.
4. The report supplies details from the DWP's CIS database on NINO and Date of Birth (DoB) Verification.

Note: It is essential that LAs are aware that the details provided from CIS are a 'best match' only and require further verification before input.

The report identifies whether the DoB on CIS is: 0 – Not Verified
1 – Part Verified
2 – Fully Verified

Unverified HB records within the report are allocated into one of the following accuracy groups (and will be omitted from the matching process):

5. MATCH 1 - RECORD RECEIVED AT HBMS HAS NO NINO PRESENT ON HB DATA

CIS data will be supplied where a match is possible on Surname, Forename, DoB and Postcode. No data will be supplied where the Surname, Forename, DoB or Postcode on HB fails to match with CIS.

6. MATCH 2 – NINO IS POTENTIALLY INVALID (e.g. XX000000X)

CIS data will be supplied where a match is possible on Surname, Forename, DoB and Postcode. No data will be supplied where either the Surname, Forename, DoB or Postcode on HB fails to match with CIS.

7. MATCH 5 – MATCHES ON NINO, SURNAME AND FORENAME BUT NOT DoB

CIS data will be supplied where a match is possible on NINO.

8. **MATCH 7 – VALID NINO - BUT DOES NOT MATCH ON DoB. MATCHES ON EITHER SURNAME OR FORENAME OR NEITHER**

CIS data will be supplied where a match is possible on Surname, Forename, DoB and Postcode. No data will be supplied where either the Surname, Forename, DoB or Postcode on HB fails to match with CIS.

9. **MATCH 8 – HB NINO DOES NOT EXIST ON CIS OR RELATES TO A ‘SENSITIVE’ ACCOUNT THAT CANNOT BE ACCESSED**

CIS data will be supplied where a match is possible on Surname, Forename, DoB and Postcode. No data will be supplied where either the Surname, Forename, DoB or Postcode on HB fails to match with CIS.

10. Accuracy groups **3, 4** and **6** are identical to those on the previous HBMS NINO and DoB Verification Scan as provided in the past and HB records which fall into these three categories (below) are eligible to proceed for matching:

11. **MATCH 3 – FULLY MATCHING CORRECT NINO/SURNAME/FORENAME/DoB**

No further action necessary – no data supplied.

12. **MATCH 4 – MATCHES ON NINO AND DoB AND EITHER FORENAME OR SURNAME**

CIS data will be supplied where a match is possible on NINO and DoB.

13. **MATCH 6 – MATCHES ON NINO AND DoB BUT NOT ON SURNAME OR FORENAME**

CIS data will be supplied where a match is possible on NINO and DoB.

14. The verification reports will be in excel spreadsheet format labelled as HBC.LAID.Date.csv & HBNC.LAID.Date.csv (e.g. HBC.123456.25012013.csv)

For further details please contact:

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