Chapter 9 - Payment Validation

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This Section pertains to all referrals to SES provision during the contracts' extension period nationally from September 2017. For guidance pertaining to all referrals to SES made prior to this extension period please see the previous version of SES Provider Guidance which has been retained on GOV.UK for reference: https://www.gov.uk/government/publications/specialist-employability-support-provider-guidance

Introduction

9.01 This chapter covers the validation of the Short Job Outcomes and Sustained Job Outcomes for SES and should be read in conjunction with the outcome definitions included in chapter 6 of this guidance and in conjunction with the Generic Provider Guidance Chapter 5.

High Level Provider Requirements

9.02 You are required to satisfy yourselves that you only submit accurate claims for payments that you are entitled to. DWP will utilise its own systems to satisfy itself that the claims are valid. This will include a series of checks to confirm that claimants have started in employment for the required period of time and hours as outlined in the definitions.

9.03 You are required to maintain a robust system of internal control, that needs to be sufficient, not only to support any claims but also to allow you to undertake internal management checks, and independent testing and validation by DWP and other external bodies. The records maintained should document how and when the appropriate supporting evidence was obtained.
9.04 The designation order in place which allows the Department and Providers to contact the customer’s employer directly to validate employment details without requiring consent from customers does not apply to SES. In cases where the customer explicitly requests we do not contact the employer, as it may highlight a disability they have chosen not to declare (customer does not allow consent). PPVT will only contact the customer when attempting to validate claims.

9.05 The customer consent form should be completed at programme start and is applicable to any or all employers in the relevant claim period. There should not be a mixture of consent for different employers. Where a customer has not given consent to contact employers you must set the consent tab on PRaP to “no” (the consent tab can be found on the Job Details Screen). In these cases PPVT will only contact the customer. Where the consent tab is set to “yes” PPVT will contact both the employer and/or the customer in an attempt to validate the claim.

9.06 DWP does not prescribe the way in which you should track claimants or record information about their employment activity. There is however specific information that you are required to input into the Job Details Screen within the PRaP system when you submit claims:

- Whether the period is employment, self employment;
- Employer/s contact details including the address, contact name, full business; telephone number and email address;
- The claimant’s contact details;
- Start date of employment/self employment;
- End date of employment/self employment (if applicable);
- The number of hours worked in each week; and
- The working/shift pattern.

9.07 An employee identifier such as a works or payroll number may help us validate but is optional. The “Other Information” field, on the Job Details screen can also be used for any relevant additional information which will help PPVT when attempting to validate claims.

9.08 Where you require a claim for any payment type to be removed from PRaP at the post payment stage, you need to notify the PRaP Operational Support Team (POST) PRAP.support@dwp.gsi.gov.uk using the current PRaP 14 process. POST will then arrange for the claim to be backed out of PRaP and the recovery of funding where the fee has been paid. This can only be done before the sample has been drawn.

9.09 Claims which fail validation or, where PPVT are unable to validate, will be subject to review. The review will provide the opportunity for you to submit additional information which DWP will consider and then undertake a further validation check.
9.10 Any claim selected as part of a post payment sample will not be removed (backed out) of PRaP following completion of the Review process. For more information please refer to Live Running Memo 201.

**Special Customer Records**

9.11 The majority of claims for payment must be submitted via PRaP however, where you have a claim for a customer who is granted Special Customer Records (SCR) status (as determined by HMRC Special Section D) you are required to submit the claim following the SCR clerical claim process. Where DWP identifies that SCR status is not granted, the claim will be rejected.

9.12 Where you have a SCR claim/s, you are required to print off the relevant form and complete manually. The forms can be found at annex 1 of this guidance. **You must only submit claims on these forms on the rare occasions that SCR status is granted.**

9.13 This clerical process mirrors the PRaP automated process; you are required to provide all information regarding employment details that you would normally submit in PRaP on the appropriate claim form and supporting annex, if applicable. The Provider Payment Validation Team will conduct a clerical off-benefit check and validate employment with employers and/or customers. Incomplete forms will not be actioned and will be returned.

9.14 Guidance to assist you in the completion of the form can be found by opening the excel form and placing the cursor over the small red corners of the relevant cells.

9.15 You should send your fully completed claim form to:

Provider Payment Validation Team (PPVT)
Department for Work and Pensions
Finance Group
Contracted Employment Provision Directorate
Ground Floor
GW Zone A,
Quarry House
Quarry Hill
Leeds
LS2 7UA
9.16 All clerical documents carrying personal information should be retained securely in line with the Data Protection Act Principles.
http://ico.org.uk/for_organisations/data_protection/the_guide/the_principles

Pre-Payment Validation for Job Outcome Payments

9.17 Every Job Outcome is subject to a Pre Payment Check before being released for payment. This automated check is an interface with PRaP and the Customer Information System (CIS), the departmental system that holds benefit history details.

9.18 The check is to determine whether the required period (13 continuous weeks or 26 weeks out of 30) off-benefit has been identified between the job start date (Date 1 in PRaP) and the outcome qualifying date (Date 2 in PRaP) against the following benefits:

- Jobseeker’s Allowance (JSA);
- Employment Support Allowance (ESA);
- Incapacity Benefit (IB) and
- Universal Credit (UC).

9.19 The PRaP system Off Benefit Check (OBC) is ‘flexed’ by 15 days to allow for minor date mismatches. This effectively increases the period the automated check looks for the required number of day’s off-benefit, either side of the dates you have supplied in the claim submitted in PRaP, to a maximum of 15 days.

9.20 If the claim fails the OBC, i.e. the required period off-benefit has not been identified; the claim will fail pre-payment validation, will not be paid and will be removed (backed-out) from the PRaP system.

9.21 Where you have established that an individual has illegitimately stayed on benefit by more than 15 days, you are still able to submit a claim for an outcome on PRaP, by adding the period of overstay to the qualifying date in your claim (Date 2 in PRaP). As long as the claim also satisfies the in-work criteria, and therefore meets the outcome definition of being both in work, for a minimum of 16 hours per week and off-benefit for the required period, during the claim period and is claimed within the allotted time, it will be considered valid. As with any instance where you have identified potential fraud, you are required to inform Jobcentre Plus. Information on how to make these referrals can be found at www.gov.uk/national-benefit-fraud-hotline.

9.22 If a claim fails pre-payment validation and is backed-out of PRaP, it will become available for you to resubmit in the future should you establish a subsequent valid outcome for the same individual. It is expected that the necessary steps will have been taken to further establish the validity of the claim and the information supplied with it.
9.23 DWP will keep management information about claims that do not pass the check. This will be used to inform other activities that may take place, for instance, constantly high off-benefit check fails could indicate a weakness in a provider’s systems and information of this nature may, for example, be used to inform Performance Manager and Provider Assurance Team activities (see Generic Guidance Chapter 6 - Provider Assurance for more information).

Post Payment Validation

Short Job Outcome Claims

9.24 DWP will either randomly select a valid sample of paid Short Job Outcomes, per contract over a validation period, or where volumes do not allow select all paid claims for validation. Please note, DWP reserves the right to sample additional claims at any point.

9.25 In instances where a sample is drawn the Provider reports available through i-supplier are not available to view until the sample has been uploaded to PRaP a few days after it has been drawn. DWP will not accept any requests from providers to back-out claims that appear in the sample.

9.26 Short Job Outcomes selected for validation will be subject to checks to establish if customers have been in work, for at least 16 hours per week, that has lasted 13 weeks (from the job start date), with no breaks in employment (or, in the case of a self employed customer, they have traded independently for at least 13 weeks). **Please note:** that no breaks in employment means no break in 16 or more hours per week.

9.27 A week of employment is defined as a 7 day period including Saturday and Sunday and starts from the day employment started.

9.28 Outcomes can be made up of a number of employers as long as 16 or more hours are completed, in each week, for example:

- Customer started employment on the 1/1/2015;
- 16 hours of work was undertaken between 1/1/2015 – 7/1/2015 (1\textsuperscript{st} week towards the 13 continuous weeks total);
- Customer completed 8 hours work on the 8/1/2015 at the end of which the employment finished. (this is the 1\textsuperscript{st} day of the 2\textsuperscript{nd} week);
- Customer starts a new job on the 13/1/2015 and works another 8 hours; and
- Therefore the 2\textsuperscript{nd} week can count towards the 13 continuous week’s total).

9.29 Where PPVT establishes that a minimum of 16 hours, in each week, has not been undertaken the claim will fail validation.

9.30 For Short Job Outcomes on SES, PPVT will check that the job started after the customer left provision and within the 6 weeks Tracking Period. Claims that do not meet these criteria will fail validation.
9.31 Where PPVT identify during validation that the job start date (Date 1 in PRaP) is prior to the date the customer started on SES the claim will fail validation, unless the claimant has increased hours to a minimum of 16 hours per week.

9.32 Where PPVT establishes that a customer has not been in work for a sufficient time within the claim period to meet the requirement but at the point of validation they have (and meet all other requirements), the claim will be treated as a Technical Pass.

9.33 Where a customer has not given consent to contact employers PPVT will only attempt validation via the customer. Due to the nature of the provision it is important that you set the consent tab on PRaP to “no” in all of these cases. Where the consent tab is set to “yes” PPVT will contact both the employer and or the customer in an attempt to validate the claim.

9.34 Where the employer is unable/unwilling to validate the claim, PPVT will contact the customer.

9.35 PPVT will, at post-payment validation, fail claims where the job details have been removed.

9.36 In cases where PPVT is experiencing difficulty making contact with the employer and/or individual, PPVT may (but is not obliged to) contact you to confirm the details you have supplied in PRaP. For example, where you have submitted incorrect or incomplete information (e.g. unobtainable telephone numbers).

9.37 You are required to establish the correct information and supply it within 5 working days to PPVT to maximise the chances of positive contact during the validation window. If you do not provide the detail that enables PPVT an attempt at validation, the claim will fail validation. Providers must not remove job details from PRaP at any time once the sample has been drawn.

9.38 Error rates are derived from checking a representative sample of claims and extrapolating against the total population. This means the correct level of payment and performance will be attributed to a provider. Therefore the department would not normally expect a request to back out a claim once a sample has been drawn.

9.39 There are four possible validation results:

- **Pass** – An employer/customer confirms the condition for payment, as set out in the Short Job Outcome definition, has been met.

- **Fail** – An employer/customer provides information which means the condition for payment, as set out in the Short Job outcome definition, has not been met. The claim is recorded as an error

- **Technical Pass** – at the manual validation stage there are two scenarios:
1. An employer/customer confirms that there is a valid claim however the employer details recorded in PRaP differ. PPVT will inform you of the correct information and you are required to make the changes in PRaP. The payment will not be recovered and will not contribute to the error rate for extrapolation.

2. If PPVT establishes that a customer has not been in work for a sufficient time within the claim period to meet the requirement but at the point of validation they have (and meet all other requirements), the claim will be treated as a Technical Pass. The payment will not be recovered and will not contribute to the error rate for extrapolation.

- **Unable to Validate** – PPVT has either not been able to contact the employer/customer, or they are unable/unwilling to provide the information required to validate the claim.

9.40 Claims that PPVT have genuinely not been able to validate, will be apportioned across the other validation results. Before any of these claims are apportioned, you will have the opportunity to seek review by submitting additional information that will allow DWP to have another attempt at validation. This process is detailed in paragraphs 9.54 to 9.66 of this chapter.

**Sustained Job Outcome Claims**

9.41 DWP will either randomly select a valid sample of paid Sustained Job Outcomes, per contract over a validation period, or where volumes do not allow select all paid claims for validation.

**Please note:** DWP reserves the right to sample additional claims at any point.

9.42 In instances where a sample is drawn the Provider reports available through i-supplier are not available to view until the sample has been uploaded to PRaP a few days after it has been drawn. DWP will not accept any requests from providers to back-out claims that appear in the sample.

9.43 Sustained Job Outcomes selected for validation will be subject to checks to establish if customers have been in work, for at least 16 hours per week, which has lasted 26 weeks out of 30.

9.44 For Sustained Job Outcomes on SES, PPVT will check that the job started within 6 weeks from the date of exit from SES. Claims that do not meet these criteria will fail validation.

9.45 For claims where PPVT identify during validation that the job start date is prior to the date the customer started on SES the claim will fail validation unless the customer has increased hours to a minimum of 16 hours per week.

9.46 Where PPVT establishes that a customer has not been in work for a sufficient time within the claim period to meet the requirement but at the point of validation
they have (and meet all other requirements), the claim will be treated as a Technical Pass.

9.47 Where consent has been given but the employer is unable/unwilling to validate the claim, PPVT will contact the customer.

9.48 PPVT will, at post-payment validation, fail claims where the job details have been removed.

9.49 In cases where PPVT is experiencing difficulty making contact with the employer and/or individual, PPVT may but is not obliged to contact you to confirm the details you have supplied in PRaP. PPVT will also contact you where you have submitted incorrect or incomplete information (e.g. unobtainable telephone numbers).

9.50 You are required to establish the correct information and supply it to PPVT within 5 working days to maximise the chances of positive contact during the validation window. If you do not provide the detail that enables PPVT an attempt at validation, the claim will fail validation. Providers must not remove job details from PRaP at any time.

9.51 Error rates are derived from checking a representative sample of claims and extrapolating against the total population. This means the correct level of payment and performance will be attributed to a provider. Therefore the department would not normally expect a request to back out a claim once a sample has been drawn.

There are four possible validation results:

- **Pass** – An employer/customer confirms the condition for payment, as set out in the Sustained Job Outcome definition, has been met.

- **Fail** – An employer/customer provides information which means the condition for payment, as set out in the Sustained Job Outcome definition, has not been met. The claim is recorded as an error.

- **Technical Pass** – at the manual validation stage there are two scenarios:

  1. An employer/customer confirms that there is a valid claim however the employer details recorded in PRaP differ. PPVT will inform you of the correct information and you are required to make the changes in PRaP. The payment will not be recovered and will not contribute to the error rate for extrapolation.

  2. If PPVT establishes that a customer has not been in work for a sufficient time within the claim period to meet the requirement but at the point of validation they have (and meet all other requirements), the claim will be treated as a
Technical Pass. The payment will not be recovered and will not contribute to the error rate for extrapolation.

- **Unable to Validate** – PPVT has either not been able to contact the employer/customer, or they are unable/unwilling to provide the information required to validate the claim.

9.52 Claims that PPVT have genuinely not been able to validate, will be apportioned across the other validation results. Before any of these claims are apportioned, you will have the opportunity to seek review by submitting additional information that will allow DWP to have another attempt at validation. This process is detailed in paragraphs 9.54 to 9.66 of this chapter.

**Post Payment Review Process**

9.53 Following the completion of the post-payment validation exercise for each payment type, you will receive a report detailing the claims that have either failed and/or PPVT have been unable to validate. This report will also give you the information that informed the validation decision.

9.54 Before any of these claims are used to calculate the error rate for extrapolation, you will have 10 working days to consider this information. All requests for review, together with any supporting information or evidence, must be received within 10 working days of the validation failure/Unable to validate report being sent. Later requests will not be accepted and will be returned.

9.55 You are required to ensure that requests for review are proportionate and that you provide something in addition to that supplied in the original claim that was not available to you at the time you made the original submission. If the additional information supplied allows the Review Team to go back to an employer or individual, another attempt to validate the outcome will be made.

9.56 Each case will be different and the information provided by you in support of your request will vary. For that reason it is not possible to provide a list of every circumstance where you may choose to make a request. It could be that you subsequently establish there is a different contact for the employer or that you have obtained additional evidence from the employer that allows the Review Team to follow up an additional line of enquiry.

9.57 Any decision to overturn the original result needs to stand up to scrutiny by DWP Internal Audit and the National Audit Office. It is not sufficient to say that you have contacted the same employer or individual again and been told something different.

9.58 Where the original validation result failed because PPVT had been given information from an employer or customer that positively invalidates a claim, it is not acceptable for the Review Team to attempt to revalidate the claim with the individual.
9.59 Where you have established some extra information that will allow the Review Team to make additional enquiries in the attempt to elicit a positive validation result, you are required to submit a Request to Review template (see annex) detailing all relevant and appropriate information. To satisfy our internal audit control, all requests for review must be recorded on the template, you can however enter more than one case on the same form. You may also attach physical evidence; however this will only be used in an attempt to revalidate the appropriate outcome, and will not be accepted in its own right.

9.60 You can either e-mail the request for review or send it with supporting information to the address stated on the form. You are required to submit any documentation to the Review Team in line with Departmental security guidelines.

9.61 If you are submitting evidence by post you must notify the Review Team of your intention by email to PPVT.REVIEWTEAM@DWP.GSI.GOV.UK. You need to ensure that your evidence will arrive at Caxton House London within the 10 working days. Late arrivals of evidence by post to Caxton House will not be accepted.

9.62 All requests for review, together with any supporting information or evidence, must be received within 10 working days of the validation failure report being sent. Late requests will not be accepted and will be returned to the provider.

9.63 If no formal request has been received by the Review Team by close of business on the 10th working day, Unable to Validate cases will be apportioned across the other validation results and an Extrapolation Report and invoice (if applicable) will be raised.

9.64 Once the cases have been reviewed, the Review Team will present the review findings to a Review Board. This Board will have a representative from both Category and Performance Management Teams. The purpose of the Board is twofold; to be satisfied that any reviewed decisions will stand up to scrutiny to DWP Internal Audit and the National Audit Office, and to approve the original validation decision if it remains unchanged. The Board may also request that the Review Team supply further information or investigation before finalising decisions.

9.65 Following approval from the Board, the Review Team will notify you of the results and issue you with an extrapolation report. These decisions will have gone through a rigorous challenge process signed-off by senior DWP representatives to ensure that all valid claims are recognised. It will therefore mean that they are final and no further challenge will be accepted.

**Extrapolation Process Short and Sustained Job Outcomes**

9.66 DWP operate quarterly Review Boards, but extrapolation is conducted 6 monthly. Quarterly results will be made available but the extrapolation calculations and
recovery will take place on a six monthly basis. I.e. DWP will combine two quarterly results to obtain an extrapolation rate reflecting six months of validation.

9.67 The following paragraphs detail the extrapolation process. This process will be applied separately to short Job Outcomes and Sustained Job Outcomes.

9.68 Following the Review Board decisions at the end of the validation period, the number of Passes, Fails, Unable to Validates and Technical Passes, will be totalled for each monthly sample in the period. Claims that are positively invalidated and fail post-payment validation contribute to the error rate for extrapolation.

9.69 A number of claims assessed to be Unable to Validate will be apportioned as fails, the number is calculated as follows where: the results of a round of validation will comprise of:

\[ a = \text{number of Unable to Validate Outcomes}. \]
\[ b = \text{number of Outcome Fails}. \]
\[ c = \text{number of Outcome Technical Passes}. \]
\[ d = \text{number of Outcome Passes}. \]
\[ e = \text{denominator } = b + c + d. \]
\[ f = \text{total number of Outcome Payments in the sample } = a + b + c + d. \]
\[ g = \text{simple fail rate } = \frac{b}{f}. \]
\[ h = \text{Apportioned Unable to Validate Outcomes } = \frac{a \times b}{e}. \]

(rounded to the nearest whole number).
\[ i \text{ Total Outcome Fails } = b + h. \]
\[ \text{Apportioned fail rate } = \frac{i}{f}. \]

9.70 A worked example is attached below:

**Short Job Outcome Extrapolation Example**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Unable to validate Short Job Outcomes (UtV)</td>
<td>10</td>
</tr>
<tr>
<td>(b) Short Job Outcomes Fails</td>
<td>10</td>
</tr>
<tr>
<td>(c) Short Job Outcomes Technical Passes</td>
<td>9</td>
</tr>
<tr>
<td>(d) Short Job Outcomes Passes</td>
<td>70</td>
</tr>
<tr>
<td>(e) Denominator b + c + d</td>
<td>89</td>
</tr>
<tr>
<td>(f) Total number of Short Job Outcome Payments in the sample (a+b+c+d)</td>
<td>99</td>
</tr>
<tr>
<td>(g) Sample Fail Rate (b/f)</td>
<td>10%</td>
</tr>
<tr>
<td>(h) Apportioned Unable to Validate Short Job Outcomes (a*b/e)</td>
<td>1</td>
</tr>
<tr>
<td>(i) Total Short Job Outcome Fails (b+h)</td>
<td>11</td>
</tr>
<tr>
<td>(j) Extrapolation Rate (i/f)</td>
<td>11%</td>
</tr>
</tbody>
</table>

9.71 PPCD are currently working on a timetable for validation which will detail when samples are to be drawn, when Review Boards will be held and when extrapolation will be applied. This will be shared with you once finalised.
Universal Credit Validation Process

All claims will continue to be subject to a pre-payment off-benefit check.

- Claims that fail the off-benefit check due to a UC interest will be subject to further checking.

- Where there is a UC interest and UC is not in payment, a claim will be paid. These claims will then be subject to post payment validation against the above definitions following the same process applied to non-UC claims.

- Where there is a UC interest, and UC is in payment, claims that fail off benefit check will be subject to further pre-payment checks to ensure there are no other reasons for the fail. Where no other reason for the fail is found, the claim will be paid and subjected to definitional checks during post payment validation.

Annex 1 forms

PRaP 11 SCR Form

PRaP 11J Annex Form