

Housing Benefit Circular

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

HB A5/2018

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit staff
ACTION	For information
SUBJECT	Verify Earnings and Pensions Alerts service

Guidance Manual

The information in this circular does not affect the content of the HB Guidance Manual.

Queries

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Verify Earnings and Pensions Alerts service

Introduction

1. Fraud and Error (F&E), arising from undeclared income is currently detected through the Real Time Information Bulk Data Match (RTI BDM) system. The RTI BDM system currently operates for Pension Credit, Employment and Support Allowance, Carers Allowance, Job Seekers Allowance and Income Support in the Department for Work and Pensions (DWP) and for Housing Benefit (HB) in local authorities (LAs). The RTI BDM system for HB will soon be replaced by the Verify Earnings and Pensions Alerts service, which will provide LAs with the capability to prevent F&E, arising through real time identification of changes in income.
2. We wrote to LAs on the 28 February 2018 and the 3rd April 2018 to share details about the VEP Alerts service, including the funding that will be made available to provide LAs with the capacity to process the Alerts. Within those letters were details of the rollout schedule and the business readiness activities that will be delivered to LAs in preparation for the launch of the Alerts service.

Background

3. As a part of DWP's wider Fraud, Error & Debt Strategy, our vision for HB is that:
 - significant Annually Managed Expenditure (AME) savings will continue to be made, reducing loss in HB due to F&E through collaborative working across central government and LAs
 - LAs will continue to be supported to maintain emphasis on and maximize capacity to prevent F&E occurring. Where that is not possible, accurately detect and correct it, effectively recovering any associated debt.
4. Claimants will take greater responsibility for the accurate and timely reporting of their circumstances.
 - tackling fraud, error and debt in HB is fundamental to the department's overall strategy in reducing the amount of money that is lost in the benefit system.
5. Whilst migration to Universal Credit (UC) for the majority of working age claimants is expected to reduce the monetary value of fraud and error (MVFE) losses in HB, in the period up to full rollout there is scope to make significant AME savings via targeted Departmental Expenditure Limits (DEL) spend.

The VEP Alerts service

6. The VEP service was rolled out to all LAs between April and November 2017. The service currently enables LA staff to use RTI data to verify claimant and, where applicable, their partner's earnings and pension information, on all new non-passported claims and certain changes in circumstances, which claimants are still under a duty to report.
7. Over 10,000 users have access to the VEP service, with more than 2,000 unique LA users using the service every working day, setting some 15,000 interests every week.
8. The service to date has received positive feedback from users, with valuable suggestions for change that have directly informed some of the improvements to the service we are about to deploy as part of the Alerts service rollout.
9. From May 2018, the VEP service will provide Alerts to users to prompt them to access the service where there is a change in a claimant's/partner's employment or pension.
10. LAs will receive notification of starts in employment or changes to earnings and non-state pensions that could impact on HB in payment in real time. This will enable the prevention of overpayments.
11. LAs should use the earnings/pension information provided by VEP, in line with HB Regulations and should continue to review claims in a regular and proportionate way, recording progress and decisions within the VEP service and LA IT systems, to provide a full audit trail.
12. As VEP Alerts provide real time identification of changes in income data, the value and number of overpayments generated will be reduced.
13. LAs need to process as many VEP Alerts as they can within the capacity the funding provides. To reflect the feedback received under RBI, productivity targets for VEP Alerts will not be in place.

Development of the Alerts service

14. VEP Alerts are triggered by changes to RTI data in real time, coupled with business rules to identify potential error. Business rules have been developed which categorise the HB caseload as either 'stable' or 'unstable' based on the claimant's earnings patterns.
15. VEP will initially rollout with 'Start' Alerts (triggered when a claimant starts employment) and 'Stable' Alerts – triggered by significant income fluctuations against 'Stable' earners in the HB caseload. The business rules for triggering a 'Stable' alert is defined as HB cases which have had one or zero fluctuations in their income within the last 3 months.

16. Following initial rollout, we will be continuously testing the business rules using management information (MI) from the service along with feedback from users, so we can make improvements to the accuracy of the Alerts. VEP is an 'agile' service so we have the capability to deploy improvements to the software as and when required. Planned improvements include new business rules which trigger alerts against claimants with more 'unstable' income patterns. Relevant changes will be tested and agreed as appropriate with the Practitioners' Operational Group (POG) in advance of any delivery action.
17. By adopting a test and learn approach, we are confident that we can continue to develop the VEP Alerts to improve upon the service previously provided by RTI BDM as a tool for LAs to proactively identify and correct fraud and error in the HB caseload.
18. As a crucial next step, we are also committed to integrating VEP Alerts with LA IT systems and have secured funding to work with LA IT suppliers, aiming to deliver this in Q4 2018-19. This will enable us to make better use of even more real time HB data to improve the Alerts and speed up processing for LAs.

Rollout of the VEP Alerts service

19. Rollout of the VEP Alerts service will commence in Quarter 1 from May 2018 delivered on a tranche by tranche basis. Detailed VEP Alerts guidance and training materials will be made available ahead of rollout, as described in the Business Readiness Approach included at Annex A.
20. Rollout will be delivered as follows:
 - on a rolling basis with a defined maximum number of LAs in each tranche
 - the number of LAs in each tranche will start low and steadily increase as implementation activities are refined to take on board feedback from earlier groups
 - go-live for the first tranche is planned for 30 May 2018.
21. Senior LA representatives are being consulted over the rollout schedule and changes will be accommodated where possible.

VEP Alerts funding for 2018-19

22. For 2018-19 a total of £25 million has been allocated to LAs and this will be split into two payments, £20 million being paid to LAs in April 2018, with an additional £5 million due in Quarter 4 2018-19.
23. As VEP Alerts focus on earnings and pensions cases, funding will be apportioned across LAs based on their earnings caseload. Two weightings will be applied to account for:
 - differences in labour costs across the country

- forecasted reduction in HB caseloads as Universal Credit continues to rollout.
24. Funding is to provide LAs with the capacity to process the VEP Alerts and/or the RTI referrals. The funding is to enable LAs to maintain or increase the capacity/resources currently in place for processing RTI Bulk Data Match and/or Optional RTI referrals, enabling the retention of these resources from April 2018 onwards. LAs are advised to use the funding to process as many referrals as possible and to record activity outcomes.
25. Other business as usual F&E activity should continue as normal.

Migration of the caseload

26. Ahead of the VEP Alerts rollout, the existing non-passported HB live-in-payment caseload will be bulk loaded on to the VEP Service, enabling changes in income to be notified as and when they occur.
27. No user intervention is required to facilitate the migration activity. This solution has been successfully tested with 1,000 cases and no issues have been identified.

RTI referrals in advance of the VEP Alerts service

28. VEP Alerts will eventually replace the mandatory and optional RTI referrals.
29. From April 2018 DWP will no longer provide the mandatory BDM RTI files and LAs will receive a single, monthly, RTI file named 'Optional RTI file'. LAs should expect to receive the RTI referrals for a period of time, leading up to or after the Alerts service has been switched on in your LA. RTI referrals will continue to be issued between days 17 and 24 of each month. There will be no change to the rankings, with the highest discrepancy continuing to be ranked as 1. Please note no productivity targets will be set.
30. Over the summer we will gradually ramp up the volume of VEP alerts as we improve the business rules to include 'unstable' earners from the HB caseload. LAs are only required to process RTI referrals when all their VEP Alerts have all been actioned and there is capacity to do so.

Improvements to RTI referrals

31. In response to feedback from LAs and a review conducted by DWP's Housing Delivery Division (HDD), we have made changes to the RTI data match process which should improve nugatory referral volumes. Specifically this was to address duplicated cases which appeared on RTI referral lists, resulting from time lags associated with recording outcomes on LA IT Systems and the associated Single Housing Benefit Extract (SHBE) returns utilised in the data match process. This change will be implemented when the April RTI file is issued between 17 and 24 April 2018.

32. We have also sought to address the de-selection issue that was contributing to lower value cases recurring within the RTI system. From April 2018 the de-selection period will be extended from four weeks to three months and should directly reduce the number of nugatory referrals for LAs.
33. The single Optional RTI file will continue to be automatically uploaded to the LA IT system. LAs should continue to select, based on capacity and rankings, the individual cases they wish to process. Any cases not selected for processing should then be deleted by IT suppliers.
34. Until a LA receives VEP Alerts they should use their funding to provide the capacity to process as many RTI referrals as possible each month.

Management Information

35. We understand there were limitations with the MI for monitoring Right Benefit Initiative (RBI) performance and its' benefits. This became more apparent during the recent review of RBI. We have been working to ensure the design for the Alerts service provides more robust MI for DWP and also for HB managers.
36. DWP will be monitoring the volume of Alerts and referrals processed and the outcomes recorded through the VEP service and LA IT systems through the SHBE data. In the intervening period the volume of RTI referrals processed and outcomes will continue to be monitored through LA IT systems feeding into the SHBE.
37. We are not introducing productivity targets for the VEP Alerts service and are asking LAs to use the funding to administer as many alerts as possible within the capacity it provides.

Recording outcomes for the VEP Alerts

38. We need LAs to comply with the MI requirements for the VEP Alerts and the RTI referrals to accurately record outcomes. The functionality for recording outcomes in VEP has been designed to be as simple as possible, full guidance will be issued ahead of rollout. We will use this MI to help develop the Alerts service through system enhancements. Or where we identify blockers impeding LA capacity to administer the alerts, we will offer support and guidance by phone or through face to face meetings arranged with one of HDD Performance Delivery Team (PDT) consultants, where they will work with the LA to help resolve issues.
39. In order to identify that a VEP Alert is the reason for change to an HB claim, DWP has been working with LA IT Suppliers to add a 'VEP' option to LA IT systems. Recording the change as VEP, ensures the correct MI is provided to DWP.

40. LA IT Supplier's will provide detailed process guidance within their release notes and LAs should ensure they accurately record information as per these instructions. This will ensure that DWP can gather the necessary MI to enable us to make any necessary changes to the Alerts service and ensure it is the best it can be. In the event you don't receive your guidance/release notes ahead of go-live, please contact your LA IT supplier in the first instance.

Engagement with LAs

41. The engagement process is set out below for your information and describes the steps that may be taken should an LA experience difficulties administering the alerts:

- telephone engagement - PDT to engage with LAs to ensure continuing compliance with MI requirements and the removal of any blockers impeding LA capacity to administer the alerts
- on-site engagement - by PDT consultants as required, including meeting with Revenue and Benefit Managers to help remove barriers continuing to impact LA capacity to administer the alerts
- by exception escalation to HDD's Deputy Director may be required for a meeting with the Chief Finance Officer and/or the Chief Executive Officer
- in England - formal inspection and published report to Secretary of State. In Scotland and Wales decisions on audit/inspection and the production of reports rest with the relevant audit bodies. DWP will liaise as necessary with these audit bodies should this ever be required.

Recovery of funds

42. If, after working with a LA over a sustained period, we are unable to remove barriers impacting the administration of the alerts, we may have to agree the recovery of some or all of the initial up-front payment. This would only be considered where all other endeavours have failed and would be carried out in consultation with the LA involved. It is imperative that LAs ensure compliance in the accurate completion and recording of information on their respective IT systems, to enable the accurate capture of the MI.

43. The second payment due to be made in Q4 2018-19 will be made to all LAs:

- who are actively engaged in the process
- have utilised the funding to enable capacity to administer the alerts and/or the RTI referrals
- completing MI to record activity outcomes.

Subsidy arrangements

44. For the purpose of HB subsidy arrangements, the four-week easement will continue for the RTI referrals, commencing from the point the LA selects a case, making it available for HB staff to process. Where an LA does not select a case to process from the RTI file there is no subsidy implication.
45. As VEP Alerts are rolled out this year DWP will test whether the four week-easement is still appropriate for the processing of the alerts. However for the period up to March 2019, for the purpose of HB subsidy arrangements, the four-week easement will continue and will commence from the point the LA 'pulls' the Alert down from the system, making it available for HB staff to process. Where a LA does not 'pull' an Alert there will be no subsidy implication.

Contact

46. During the course of the year, if you encounter operational or technical difficulties that impede your ability to administer the VEP Alerts or the RTI referrals please inform us via la-sst.hdd@dwp.gsi.gov.uk. Guidance and FAQs are available on Glasscubes to support your continuing use of the VEP service and Alerts once available.

Annex A

Implementation & Business Readiness Approach for the rollout into LAs for HB

Purpose of this document

1. The purpose of this document is to outline the approach that the Wider use of RTI (WURTI) Project proposes to use to implement and confirm business readiness in 381 LAs across Great Britain and Northern Ireland, to begin using the VEP Alerts Service for HB.

VEP Rollout Post Implementation Review

2. A Post Implementation Review (PIR) was undertaken following the national rollout of the VEP Service to LAs.
3. The feedback received showed:
 - Single Point of Contacts (SPOCs) appreciated having named contacts within Project
 - SPOCs liked the information and guidance which was provided prior to teleconference
 - SPOCS and users found the demonstration of the VEP Service on the teleconference useful, and liked having the opportunity to ask questions
 - SPOCs felt the level of support provided by the Project was right
 - users requested key messages are communicated via HB Bulletins and General Information Bulletins
 - early engagement was preferred by all.
4. The WURTI Project has taken these observations from the LAs and this has formed the basis of our approach for the national rollout of VEP Alerts into LAs.

Proposed Implementation Approach

5. We will commence rollout in May 2018.
6. There will be a controlled deployment through 5 tranches.

7. The proposed rollout schedule is as follows:

30 May 2018	Tranche 1 will go live with 38 LAs
28 June 2018	Tranche 2 will go live with 76 LAs
30 July 2018	Tranche 3 will go live with 76 LAs
29 August 2018	Tranche 4 will go live with 96 LAs
27 September 2018	Tranche 5 will go live with 95 LAs

8. A schedule that confirms which LA is in each tranche will be provided with the letter that is issued to Revenue & Benefit Managers.

9. The migration of the caseload will align with the deployment of alerts – ensuring the caseload for each LA is registered on VEP Service prior to rollout.

10. There is a firebreak between tranches to:

- resolve any impacts and issues
- seek approval from Agile Delivery Steering Committee to rollout the next tranche.

Business Readiness Approach for VEP Alerts Rollout into LAs

11. Issue letter to Revenue and Benefits Managers, Chief Finance Officers and Right Benefit Initiative contacts. This letter provided:

- details of funding arrangements
- an overview of the business readiness approach
- the rollout schedule
- a request for details of any changes to LA SPOC – since VEP Service rollout.

12. Publish articles within HB Direct to provide:

- users with overview for start-up activities
- regular updates as rollout progresses
- users waiting to rollout with key messages.

13. Hold introductory call to SPOCs which provide opportunity to:

- ensure we have the correct person in the SPOC role

- advise on the Business Readiness approach and rollout timeline for their office
- clarify roles and responsibilities
- advise which additional members of staff to consider inviting to the teleconference
- inform SPOC what support products we are sending out.

14. Introductory letter will be issued 4 weeks before go-live and include:

- an invitation to SPOCs/Managers/Users to participate in a teleconference
- teleconference details and date and time of call
- confirmation of roles and responsibilities at a high level
- an overview of VEP Alerts Service
- learning and development documentation
- frequently asked questions (FAQs).

15. Teleconference with LA SPOCs/Managers/Users will:

- be held 2 weeks before go live
- provide a demonstration of the VEP Alerts Service
- clarify any Implementation issues with any activity we have asked them to undertake, in other words, arranging delivery of Learning & Development (L&D)
- (Project) will provide updates on any areas requiring resolution
- give participants the opportunity to ask any questions
- clarify any issues.

16. Two weeks after go live the project may make an assurance call to SPOC if required, dependent upon the:

- size of LA
- number of users
- complexity of issues, etc.

Critical Success Factors for rollout of VEP Alerts into LAs

- all managers and users aware of VEP Alerts service
- all managers and users aware of their go live date
- correct Contact (SPOC) name and details received from LA
- introductory call made to all SPOCs
- all supporting guidance sent out
- users have the correct access levels
- start-up letter sent to all SPOCs
- all SPOCs, and their nominees invited to telekit and walkthrough of Alerts service
- L&D enables agent to process.

How we are raising awareness of VEP Alerts Service

17. In order to support the successful introduction of VEP Alerts Service into LAs the project will ensure that we use existing channels, products and expertise. Our communications strategy includes:

- letters to: Revenue and Benefits Managers, Chief Executive Officers, Chief Finance Officers and contacts for the Right Benefit Initiative
- articles to raise awareness prior to roll out in LAs
- HB Direct newsletters and General Information Bulletins
- attending meetings at POG, LA Welfare Steering group
- attending IRRV workshops across the country in March 2018
- publishing information on Glasscubes
- issuing supporting guidance which will include L&D, etc.
- holding teleconferences to inform and support HB assessors and managers.

18. If you have any questions about the Implementation and Business Readiness Approach for VEP Alerts Rollout into LAs, please send them to wideruseof.rtisupport@dp.gov.uk