Performance Measurement (PM) Review

PROCESS DOCUMENT

PURPOSE OF THIS DOCUMENT

1. This document sets out the process to be followed for both LA and PM staff to ensure the smooth running of the PM review. It sets the framework for improving the quality of services and the application of minimum agreed standards.

2. To ensure the standards are being maintained and to be aware of any changes needed to this document, it will be necessary for the PM Business Support Team to:
   - Monitor performance for both the LA and PM staff (using the Customer Service questionnaire and the LA questionnaire);
   - Identify areas for concern, and
   - Ensure these are resolved at the earliest opportunity

3. The table below lists the processes and standards for PM and LA staff working together in support of Ministerial aims to provide a robust measurement tool to reduce losses in Housing Benefit due to fraud, claimant and official error.

4. It should be discussed, agreed and signed at the initial contact meeting held between the LA and the PM Manager. The HB Administration Manager, the Fraud Manager and the PM Manager should sign it.

BACKGROUND TO HOUSING BENEFIT REVIEWS

5. PM Reviews, introduced in 1997 as Regional Benefit Reviews (RBRs), provide continuous estimates of the level of fraud, official error and claimant error in Income Support (IS) and Jobseeker’s Allowance (JSA).

6. In October 1999 the RBR programme was expanded to provide a continuous national measure of incorrectness in non-standard Housing Benefit (HB) i.e. where IS and income-based JSA (JSA (IB)) cases were reviewed as part of the RBR process, ‘passported’ HB was also reviewed if the claimant lived in one of 194 volunteer Local Authorities (LAs). Non-standard cases accounted for 65% of the HB liveload and 75% of the £11.5 billion HB expenditure, and therefore did not provide the full picture.

7. To complete the national picture, Ministers decided that from 2 April 2001 measurement of incorrectness in HB should be extended to include standard HB (means tested HB where IS and JSA (IB) - or since 2008 ESA (IR) - are not in payment) and that the measurement process should cover all LAs.
8. The voluntary non-standard HB measurement ceased from 1 October 2000 and was replaced by a separate, comprehensive HB measurement process from 2 April 2001. This ongoing measurement also replaced the periodic ‘snapshot’ HB measurement exercises, undertaken in 1995 and 1997/98.

9. Responsibility for HB measurement lies with Department for Work and Pensions (DWP) PM. The HB measurement results provide:

- ongoing national measurement of incorrectness in HB, comprising fraud, claimant error and official error
- a more complete national picture of fraud and error in HB
- measurement of changes over time
- risk profiling data which can be used to inform operational and policy decision making
- intelligence to enable LAs to tackle fraud and error more effectively and efficiently
- A response to criticism by the Public Accounts Committee and others that we are unable to accurately measure levels of fraud and error in HB.

The samples studied are not sufficient to provide statistically valid results at individual LA level.

GLOBAL MEASUREMENT

10. From April 2009, HBR was incorporated in ‘Global Measurement’ by PM, with IS, JSA, State Pension Credit (SPC) and HB measured by the same teams. Official error only checks were introduced in ESA cases in 2011 and extended to include claimant error checks in 2012. Some HB cases were measured as a Single Review, whilst others were subject to Joint Reviews where IS, JSA, ESA or SPC was in payment to the same claimant. From October 2014 HB will be measured as a Single Review.

For Pension age HB claimants, the HB check period will be a Monday date specified on the Visiting Programme. This will usually be 9 weeks prior to the LA visit. For Working Age claimants, the Monday date specified will be a Monday date specified on the Visiting Programme usually 6 weeks before the LA visit.

11. The sample will be issued 3 weeks before the LA visit. LA benefit system prints and Data Imaging Prints relating to the dates specified on the lists are required. This requirement is highlighted in the HBR Process box 6 in the table attached at Appendix 1.
12. The LA Error Control Officer (ECO) may need to be available over a longer period where evidence on a passporting benefit is awaited to complete a HBR

PM METHODOLOGY OVERVIEW

13. Any post received by the 9 week or 6 week date that has not been actioned will be taken into account. Any post received after those dates will not be taken into account and may be actioned.

14. We usually randomly sample an annual total of between 10000 and 14000 HB cases from all LAs. The final number is dependant on various factors:

- using the Single HB Extract (SHBE) as the primary source for sampling HB measurement cases and
- clerically in any LAs not ‘on-line’ with SHBE or Housing Benefit Matching Service (HBMS)

15. Since April 2008, the sample has been stratified across Primary Sampling Units (PSUs), and client groups. PSUs are groups of LAs. Since April 2010, the client groups for each of the PSUs are as follows:

- HPPA – claimant in receipt of Pension Credit guarantee credit
  (1971 cases nationally for October 2014– September 2015)

- HPWA- claimant of working age in receipt of Income Support, Jobseeker’s Allowance (income based) or Employment and Support Allowance (income related) (5385 cases nationally for October 2014– September 2015)

- HSPA – claimant of pension age not receiving Pension Credit guarantee credit (516 cases nationally for October 2014 – September 2015)

- HSWA – claimant of working age not receiving a passporting benefit (3608 cases nationally for October 2014– September 2015)

Note: for sample numbers per PSU, please consult the Visiting Programme

16. The reviews establish national volumes and amounts of incorrectness in HB (including detectable fraud, official error and claimant error), including differences between LA and outsourced processing, and establishes the extent to which fraud is attributable to factors which also affect the passporting benefit (IS, JSA (IB), ESA (IR) or Pension Credit guarantee credit).
17. The reviews also capture risk-profiling information about the characteristics of claimants who commit HB fraud.

18. The overall sample is analysed to provide a breakdown of rent allowance / Local Housing Allowance / rebate cases and unemployed / pensioner / lone parent / disabled client groups to provide a comprehensive national picture.

19. The reviews are undertaken by DWP staff using powers authorised by the Secretary of State (SoS) under section 139A of the Social Security Administration (Fraud) Act 1997. PM Review Officers of Executive Officer grade have had all the necessary training in HB and measurement review processes. These officers work within, and are supported and line managed by, the DWP’s 7 PM operational visiting teams and operational technical teams. Data quality adjustment of a percentage of cases is undertaken by DWP PM central staff to ensure that all procedures are being complied with and results are robust.

Data Protection

20. LAs administer Housing Benefit payments on behalf of the DWP. As PM review officers are employed by DWP the access to a claimant’s HB records (paper or system) by HBR staff is fully covered by the Data Protection Act.

21. PM staff will visit every LA at least once each year to review an appropriate number of cases based on HB live loads. Larger LAs will be visited up to 4 times a year. They are required to follow strict research methodology to ensure results are not biased. They will carry out full accuracy checks and previews, accessing both LA and DWP systems to preview cases, before visiting claimants.

22. LAs must avoid conducting their own ‘special check’ of sample cases after receiving the sample as this would be regarded as case tampering. If any LA is found to have tampered with the sample cases, review work will be stopped immediately and the Minister will be informed. The Minister will contact the Chief Executive. A further review will be arranged as soon as convenient for the review team. No LA will be excluded from the process.

23. An appropriate number of PM staff will visit each LA in order to complete the visit over an 8 week period. If they are assigned cases in a ‘large’ LA, work will be concentrated in that LA. If they are assigned cases in ‘small’ or ‘medium’ LAs, they move from site to site during the period, returning periodically to clear outstanding cases. However for much of the time they are out visiting claimants.

24. PM staff are equipped with mobile telephones and carry their own stationery. However, there is a need to obtain computer screen prints and photocopies of documents in order to validate their work.
LA Involvement (See Table on pages 9-13)

25. The measurement process has been designed to minimise the impact on LA business. PM staff conduct preview and accuracy checks in all cases.

Local Performance Framework

26. From April 2008, there is no longer a national Performance Framework or any system of incentives that could impact on overpayments due to claimant fraud and error that are identified as a result of the measurement review. Claim reviews carried out will be consistent with Performance and Good Practice requirements and can be counted in Single HB Extract statistical returns. Therefore if the LA is due to complete a check on a case selected for measurement, the LA should not complete the check but instead pass to the PM staff. This prevents the case being abandoned and saves the LA from having to conduct the check.

27. We will wait a 6-week period following a LA visit before conducting a claimant visit. Where time does not allow this, the case will be dropped and replaced. All other selected cases will be visited. This reflects the current procedures for Jobseeker’s Allowance, State Pension Credit and Employment and Support Allowance reviews where another DWP visit has taken place.

Suspected Non- Residency cases

28. Where there is a suspicion of non-residence because we have been unable to contact the claimant, PM will advise LAs not to refer these cases to their fraud investigators immediately. Instead we will recommend that they request the LA Decision Maker to suspend payment of HB on the grounds that there is doubt as to whether the conditions for entitlement are, or were, fulfilled because the claimant did not respond to a notified visit or invitation to attend an office interview. It is important that as a minimum the LA Decision Maker on contact from the claimant, takes action to try to establish with good evidence whether or not the claimant is resident at the property for which HB is being paid. If following their checks with the claimant, they suspect non-residency they should refer the case to LA fraud for investigation. Where a suspension of benefit has been applied and the claimant fails to contact the LA benefit should be terminated.

29. Where suspicion of non-residence arises as a result of the preview or interview the LA fraud section are required to carry out an investigation of the claimant to establish clearly, as with other types of suspected fraud, whether there is claimant fraud (or, if appropriate, landlord fraud), a claimant error, or that the case is correct.

30. There may be circumstances where it is impossible for the LA fraud team to complete the investigation because they are not able to
contact the claimant. In these circumstances action should be taken as detailed at paragraph 28.

Review Outcomes

31. Where benefit ceases because entitlement to benefit has not been established at the review or by a fraud investigation, but then benefit is subsequently re-instated (even where backdated) the recorded outcome will not be amended. This is because of time constraints for reporting (cut off points for amendments) and because at the time of the review entitlement could not be established.

PUBLICATION OF RESULTS

32. Following the normal review process to follow up and complete investigations in high suspicion cases, data cleaning and analysis, IES Fraud and Error Measurement Analysis team (FEMA) produce National Statistics reports on Fraud and Error in the Benefit System. A new report is published every six months.

33. The exercise is designed to provide ongoing measurement of incorrectness in HB in Great Britain. The annual case sample is designed to produce reliable results at a national level.

HBR VISITING PROGRAMME

34. The design of the visiting programme is complex taking into account factors such as caseloads, workloads, DWP inspection visits (where possible) and reporting requirements. Changes are difficult to accommodate without adversely impacting other LAs and can only be considered if an LA has very sound business reasons. LAs should alert the local PM management team at the earliest opportunity (i.e. not wait until the three week stage) if they are seeking a change to the programme, but a visit to each LA must be concluded during the course of each financial year.

35. PM will contact the LA approximately 2 months before the LA visit to advise of the impending LA visit.

Payments to LAs

36. PM acknowledges that LAs have additional duties as a result of the review, albeit of a more administrative nature than for previous reviews. These duties include attending meetings, retrieval of cases, checking the system and acting as a liaison point (see table). PM will therefore pay the LAs for the extra work conducted in October 2014 – September 2015 on the following basis:

<table>
<thead>
<tr>
<th>Number of cases</th>
<th>Payment (£)</th>
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PMG Oct 2014
37. When the review is finished the LA should complete the payment form attached to this document with their payment details, and the amount to be paid as above. The form should be sent to:

Ann Mulkerrin - Performance Measurement, DWP Benton Park View 6, Mail Handling Site A, Wolverhampton, WV98 1ZX
### PROCESS AND PERFORMANCE STANDARDS

The following table lists the process and standards against which both parties will be monitored:

<table>
<thead>
<tr>
<th>No</th>
<th>Process</th>
<th>Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The PM Manager will contact the LA prior to commencement of the measurement review to discuss arrangements for the visit. The Manager will complete a LA profile Proforma <em>(see Appendix 11B)</em> and will provide an explanation of the background to the process, emphasising the unnotified visit requirement and the need to verify identity. The standards included in this document will be agreed.</td>
<td>6 – 8 weeks prior to commencement of the review the LA will be contacted. A meeting must be held between the PM Manager and both the LA (HB Administration and Fraud Managers). Only in exceptional circumstances can the PM Manager delegate this role. All should sign a copy of this document (PM Review Process Document) at this stage.</td>
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<tr>
<td>2</td>
<td>PM will contact the LA to provide:</td>
<td>3 weeks prior to the commencement of the visit for all other cases</td>
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<td></td>
<td>the name(s) of the PM staff who will be conducting the HBR</td>
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<td></td>
<td>a full list of cases to be reviewed</td>
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<td>3</td>
<td>PM will provide a full statement of circumstances of the HBR, including:</td>
<td>Within 5 working days of receipt of necessary evidence/supporting documentation from the claimant or any other interested parties, e.g. employer.</td>
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<td></td>
<td>• a change/no change statement</td>
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<td></td>
<td>• a Decision Proforma</td>
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<td></td>
<td>• a PM reassessment calculation <em>(see Appendix 11C)</em> for any errors identified</td>
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<td>4</td>
<td>The LA will provide information for the completion of the LA Profile Proforma which will contain the following information: <em>(see Appendix 11B)</em></td>
<td>Information to be provided at least 3 weeks prior to the commencement of the PM review visit to LA</td>
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<td>5</td>
<td>LA ECO to complete the following checks:</td>
<td>By the commencement of the review, i.e. on the first day of the PM visit. LA nominated contact should be from the HB administration section.</td>
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<td>• Verify that claim is live,</td>
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<td></td>
<td>• Identify any previous fraud interest or current live fraud file,</td>
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<td></td>
<td>• Check any overpayment history on the sample cases.</td>
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<td>6</td>
<td>LA ECO to provide:</td>
<td>At commencement of the review, i.e. on the first day of the PM visit. Provide access to private interview room if required</td>
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<td></td>
<td>• Access to files</td>
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<td>• Access to computer systems (including overview)</td>
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<td>• Obtain screen prints where agreed - the following applies to benefit system and Data Imaging Prints:</td>
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<td>• Obtain any clerical papers for the sample cases</td>
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<td>• Provide workspace for PM Staff</td>
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<td>• Provide Local Health &amp; Safety instructions</td>
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<td></td>
<td>• Provide Access to interviewing facilities on an ad hoc basis, and</td>
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<td></td>
<td>• Make LA staff aware of PM’s presence (in case of contact from claimant to confirm identity of the PM visiting officer during notified and unnotified visits and for receipt of any verification sent in)</td>
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<td>LA Action (Fraud Referrals and current LA Investigations)</td>
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| 7 | LA to carry out reassessment of all the cases where the benefit assessment should change, using the information provided by PM, completing the relevant section on the Decision Proforma (DP) for each case. The DP will include:  
- Agree/disagree changes  
- Reasons for disagreement (where appropriate)  
- Record the period of last HB payment made prior to reassessment | All change cases to be re-assessed and DP fully completed and returned to PM within 10 working days of receipt of information. A reminder will be issued after 5 working days which will also be copied to the Benefits and Revenues Manager. |
| 8 | PM to refer all cases with suspicion of fraud to the appropriate organisation using form Appendix 11f or FRF (FES) | All referrals should go through the PM Team Manager. They should be of a high standard and should be sent within 5 days of the identification of the suspected fraud, following earlier discussion of the case. |
| 9 | Where LA have indicated a fraud interest, PM to check with LA Fraud the stage of current fraud investigation, and for an agreement on whether it is safe to proceed. | At commencement of case preview |
| 10 | The PM Team Manager must carry out a thorough check of all non-residency outcomes on conclusion of the investigation. If there is evidence that the investigation was not sufficiently robust, then the LA Fraud Manager will be asked for comment and consideration of further inquiries/investigation until achievement of a satisfactory conclusion. | On conclusion of the LA fraud investigation of all non-residency outcomes. |
| 11 | LA Fraud to investigate any cases where Housing Benefit is involved. Non-residency cases may be referred to the LA decision maker in the first instance where PM has not been able to contact the claimant. Where a suspicion of non-residency is identified the case will be referred to LA fraud to investigate. FES will investigate cases that LA fraud chooses not to investigate under the provisions of the Welfare Reform Act 2007. | LA Fraud should investigate all cases as a matter of priority; cases should be cleared within 13 weeks from date of referral. |
| 12 | LA Fraud section to inform PM Business Support Team (BST) if unable to carry out investigation | Using Part B of Appendix 11f, LA Fraud to advise BST within 10 working days if unable to investigate, providing reasons why (e.g. no fraud section in operation). |
| 13 | LA Fraud investigator to complete section C of the Appendix 11f | Section C (acknowledgement slip) of the form to be completed and returned to the BST within 3 working days of receipt. |
| 14 | If LA fraud is unable to provide a result due to the suspected non-residency or non-co-operation of the claimant, the case should be passed to the HB decision-maker to decide if benefit should be suspended. | To be referred and decided within 5 working days of referral. |

**Performance Measurement Action**

| 15 | Performance Measurement to monitor success of the measurement process | PM will monitor a sample of High Suspicion referrals to both FES and LA Fraud through Data Quality Adjustment (DQA) of cases. In addition the questionnaires completed by PM will be returned to BST and provide details of any difficulties experienced. |
| 16 | Performance Measurement to provide funding to LAs according to sample size | On completion of the final visit – date to be notified by the PM Team Manager. |
HOUSING BENEFIT REVIEW

Process Agreement

LA NAME

I agree to comply with the requirements of the PM process as set out in the table, numbers 4 - 7

Signed by HB Administration Manager

Date:

I agree to comply with the requirements of the PM process as set out in the table, numbers 11 - 14

Signed by Fraud Manager

Date:

I agree to comply with the requirements of the PM process as set out in the table, numbers 1 – 3, 8 – 10 & 15 - 18

Signed by PM Team Manager

Date:

PM Team No.

To be completed by PM

Visit Number Month Year

To claim a payment in respect of the PM visit please return this form to:

Ann Mulkerrin – Performance Measurement, DWP Benton Park View 6, Mail Handling Site A, Wolverhampton, WV98 1ZX Tel 0191 2168026

Claims should be made within the financial year of the visit
This form supersedes any previous payment forms

PLEASE DO NOT FAX THIS FORM

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HOUSING BENEFIT REVIEW

PAYMENT FEE for Visit as overleaf

Local Authority Name

Bank Name
Bank Address

Account Name
Account Number
Sort Code

CHIEF FINANCIAL OFFICER’S CERTIFICATE

On behalf of the Local Authority named above, I claim the sum of*: £236.64 £519.61 £896.63 £1318.76 £1703.04 £2438.46 £4388.40

*2014-15 rates
(Delete as appropriate)
as payment for LA involvement in the Department for Work and Pensions’
Review of Housing Benefit for:

Visit in Month Year

Chief Financial Officer Name:
(Block Capitals)

Chief Financial Officer Signature:

Date:

Version 2 Oct 2014